

# Comp combined ratios continue to improve

By **ROBERTO CENICEROS**

**BOCA RATON, Fla.**—Workers compensation insurers' calendar-year combined ratio for 2004 dropped to 105%, a 4-percentage-point decline from a year earlier, according to a "State of the Line" market estimate released last week by NCCI Holdings Inc.

The findings mark the best performance for workers comp insurers since 1997, Boca Raton, Fla.-based NCCI said. Insurers' accident-year combined ratio, meanwhile, continued a downward progression, marking a 45-percentage-point improvement in five years. It now stands at 94%.

Accident-year data is based on accidents occurring in a 12-month period, whereas calendar-year data shows accounting information from many policy years with claim activity affecting one calendar year.

The line is showing other signs of improvement. For example, claim frequency continues to decline, a trend that began in the early 1990s, NCCI reported.

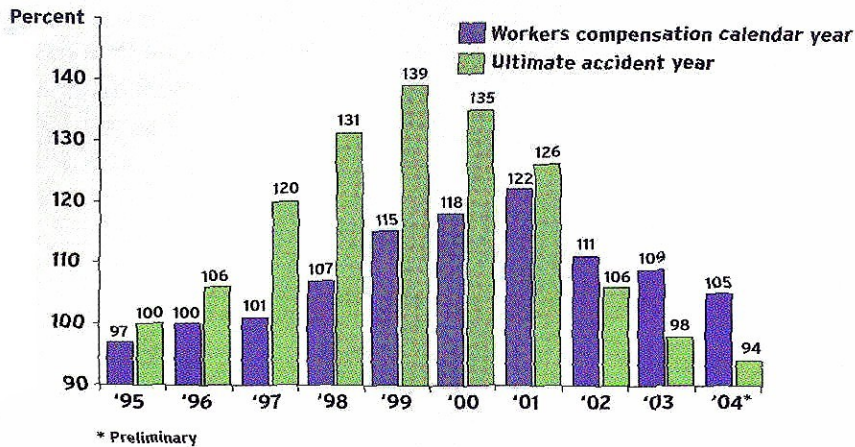
Despite the positive developments, trou-

bling issues remain. Record-low interest rates and mediocre stock market performance, for instance, continue to put downward pressure on the combined ratio need-

ed to make an adequate rate of return, the NCCI noted.

More information is available at [www.ncci.com](http://www.ncci.com).

## Accident year combined ratios on the mend



Source: NCCI Holdings Inc.