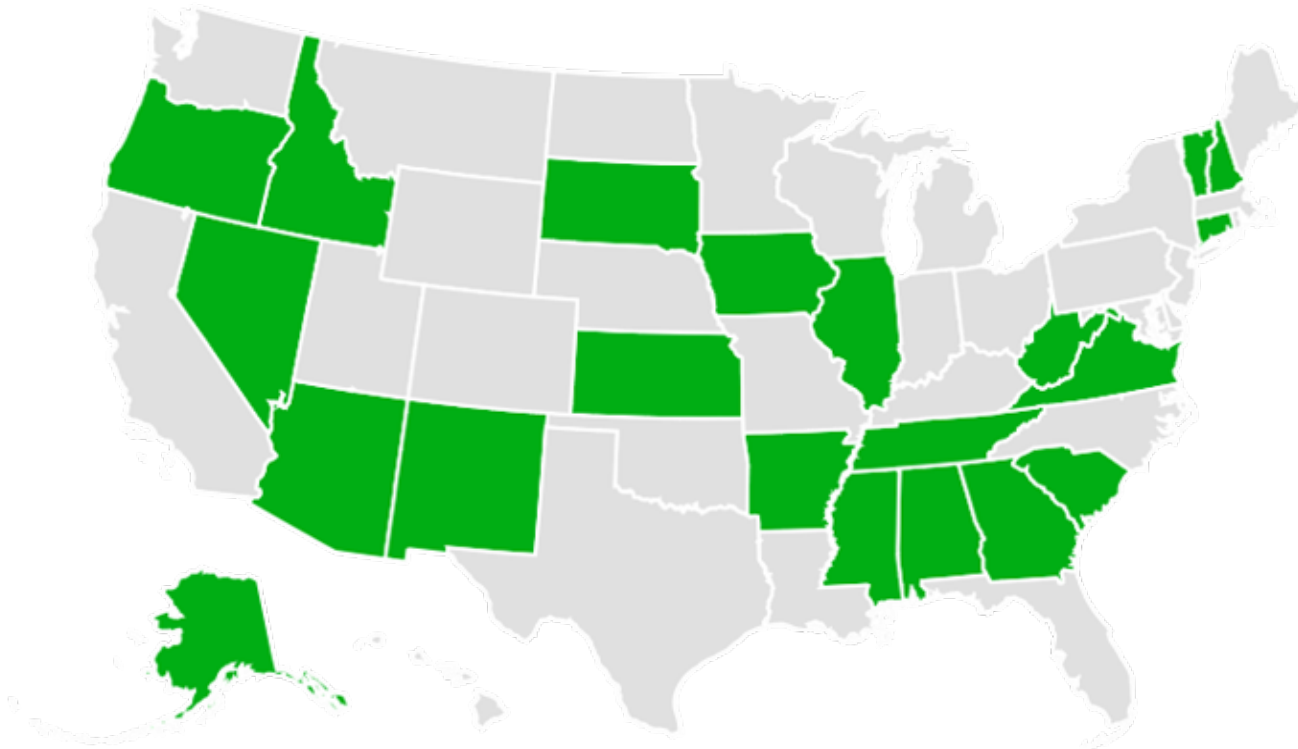


RESIDUAL MARKET STATE ADVISORY RESOURCES

Arkansas
March 2022

Plan Data

Includes 22 NCCI Plan Administration States



Alabama

Alaska

Arizona

Arkansas

Connecticut

DC

Georgia

Idaho

Illinois

Iowa

Kansas

Mississippi

Nevada

New Hampshire

New Mexico

Oregon

South Carolina

South Dakota

Tennessee

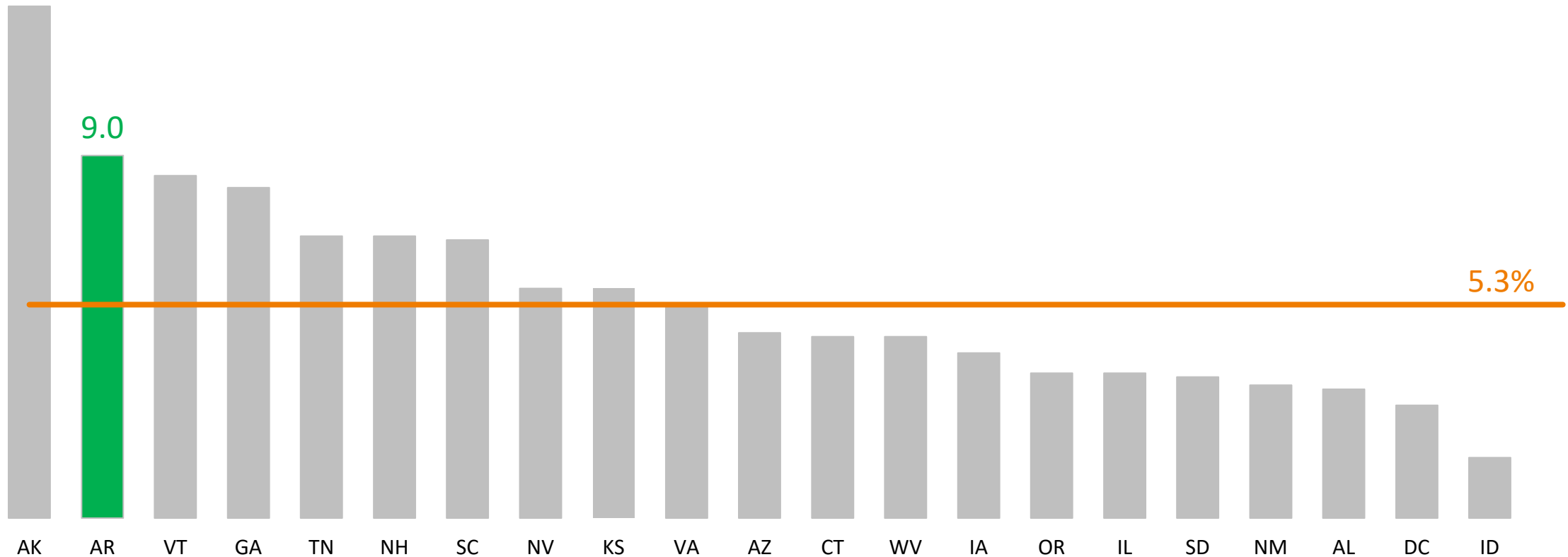
Vermont

Virginia

West Virginia

Assigned Risk Plan Market Share Percentage by State

As of 12/31/2020*

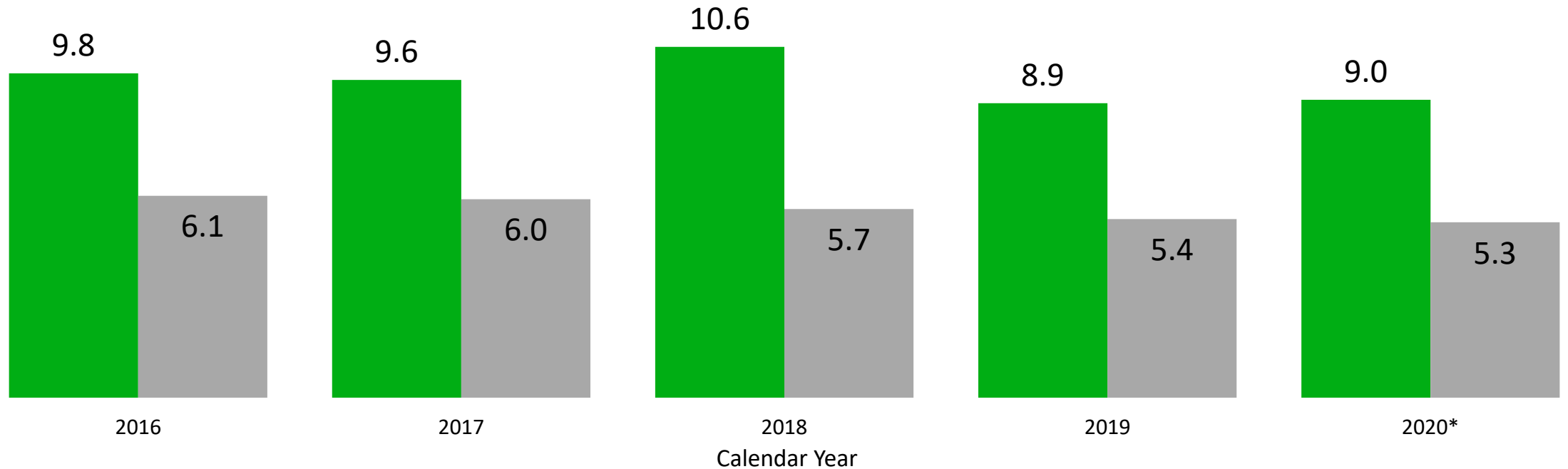


*Preliminary.

Market share percentages are from NCCI's 2020 *Residual Market Management Summary*.

Arkansas Residual Market Share Compared to All Plan States Market Share

Plan Premium as a Percentage of Direct Written Premium

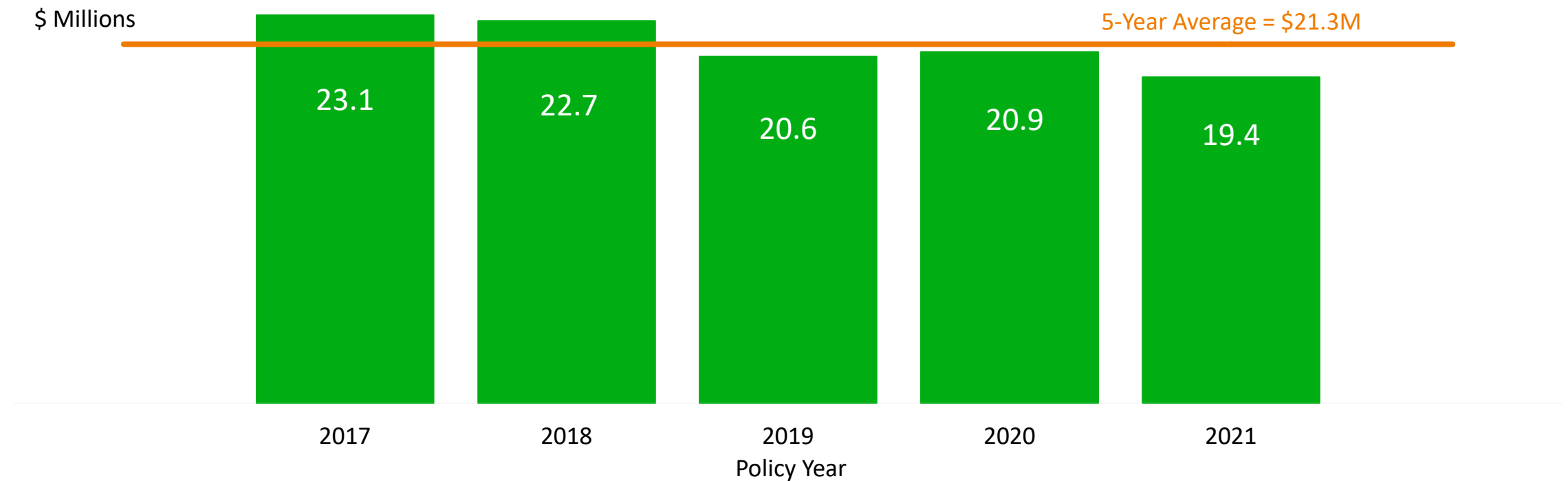


*Preliminary.

Market share percentages are from NCCI's 2020 *Residual Market Management Summary*.

Arkansas Residual Market Plan Premium

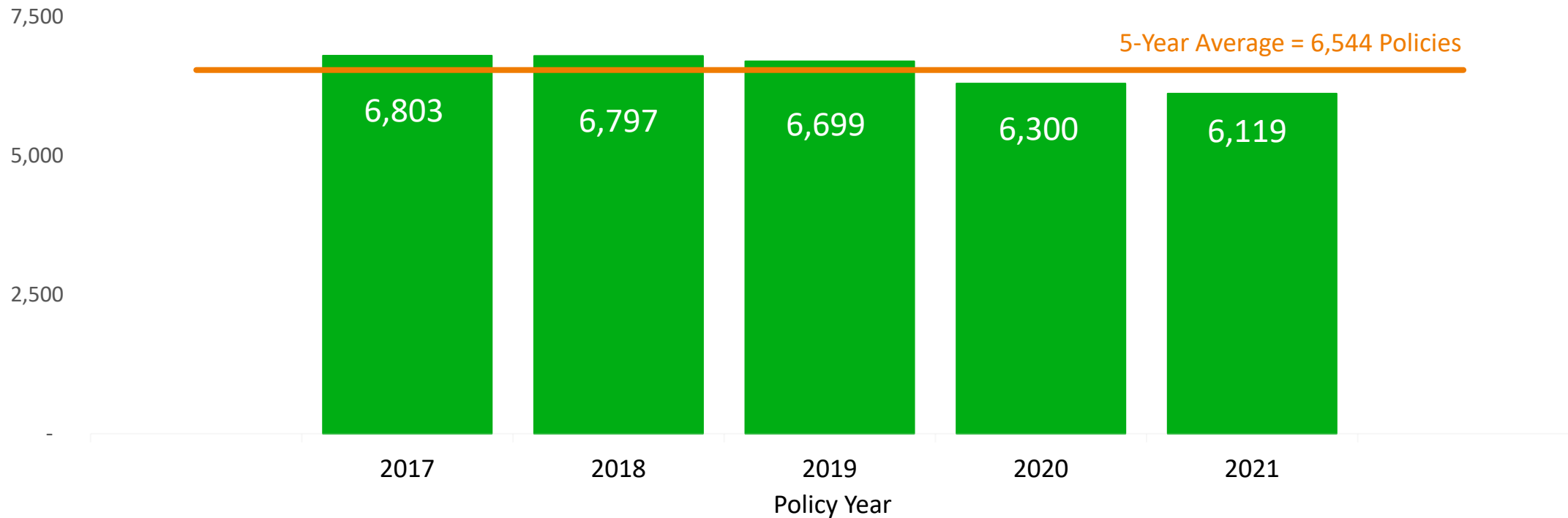
As of 12/31/2021



Premium data is on a policy year basis as reported to NCCI, for policies effective from January 1 through December 31, including prorated cancellations, with all policies' premium associated with the dominant state.

Arkansas Residual Market Policy Counts

As of 12/31/2021



Policy data is on a policy year basis as reported to NCCI, for policies effective from January 1 through December 31, including prorated cancellations, with all policies' premium associated with the dominant state.

Arkansas Residual Market Policy Information



\$3,169

Average RM Policy Size



71.9%

% of RM Policies Under \$2,500



24.9%

% of RM Premium Generated
by Policies Under \$2,500

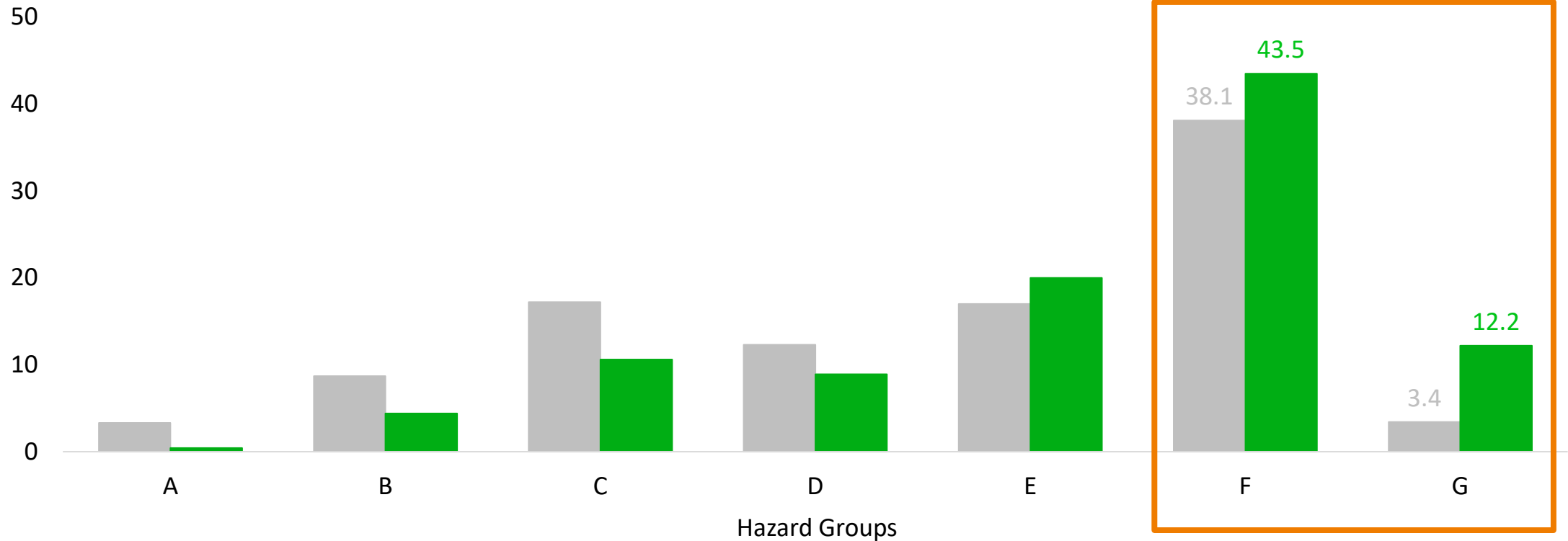
Premium and policy data is on a policy year basis as reported to NCCI, for policies effective from January 1, 2021, to December 31, 2021, including prorated cancellations, with all policies' premium associated with the dominant state.

Hazard Groups F and G Account for 56% of the Residual Market Premium

% of Premium

■ 2021 AR Total Market

■ 2021 AR Residual Market

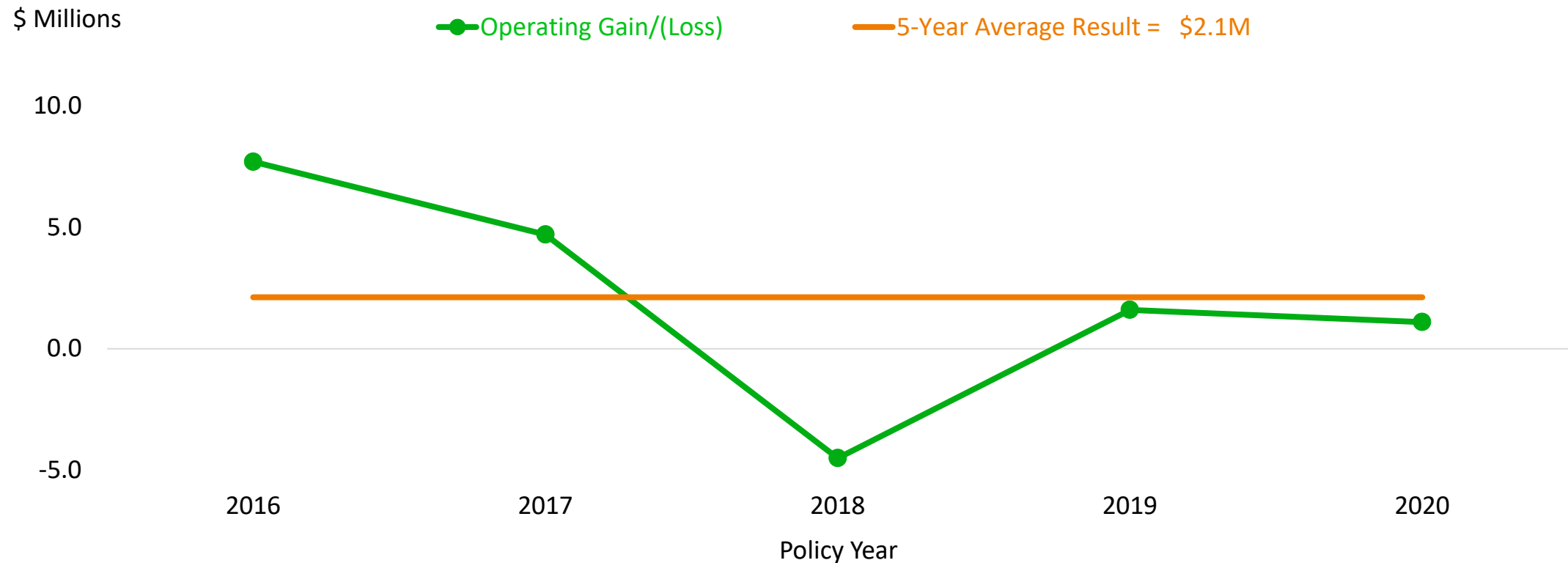


Premium data is on a policy year basis as reported to NCCI, for policies effective from January 1, 2021, to December 31, 2021, including prorated cancellations, with all policies' premium associated with the dominant state.

Arkansas Residual Market Reinsurance Pool

Net Operating Results

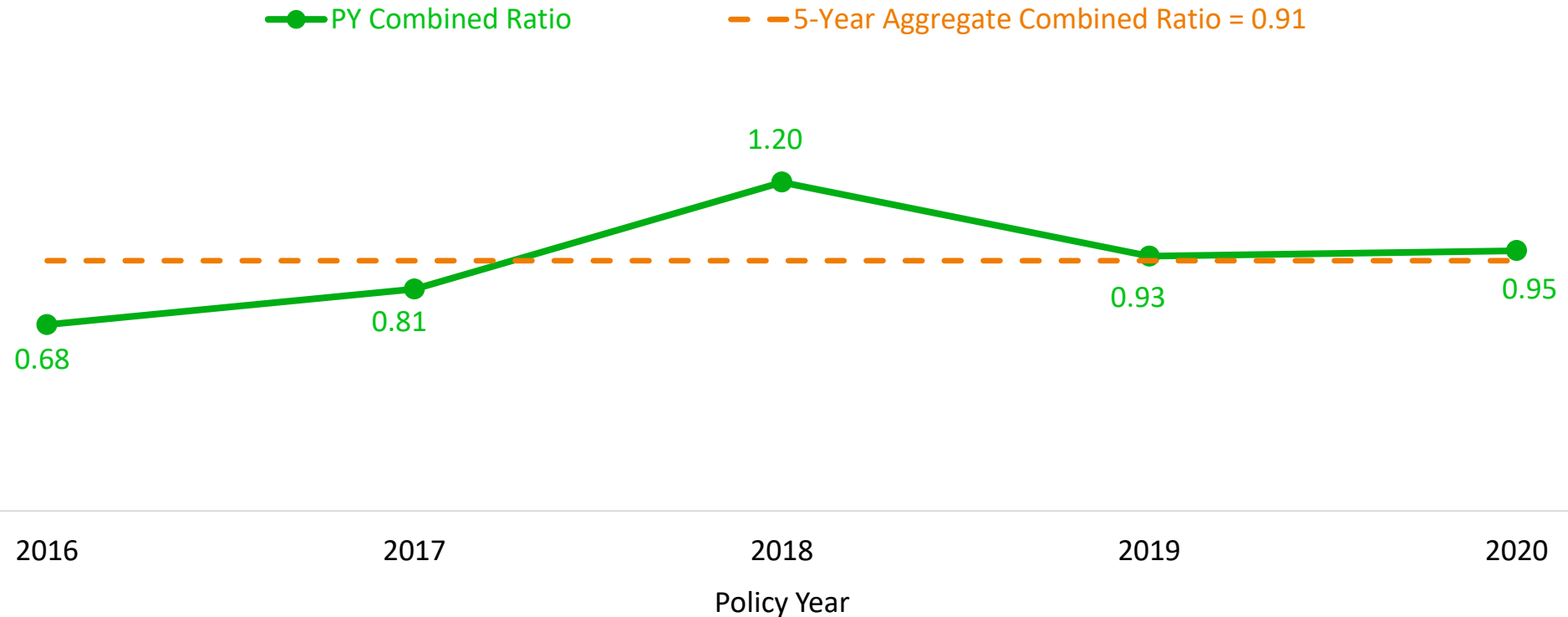
Estimated Net Operating Gains and Losses Projected to Ultimate as of 9/30/2021



From NCCI's *Residual Market Quarterly Results*—the financial statement presentation that reflects the excess of earned premium over incurred losses, less all operating expenses, plus all investment income in this state.

Arkansas Reinsurance Pool's Combined Ratios Over the Past Five Years

Estimated Policy Year Combined Ratios as of 9/30/2021



From NCCI's *Residual Market Quarterly Results*—equals $[1.0 - \text{Residual Market Operating Gain (Loss)}] / \text{Pool Written Premium}$.

Arkansas Residual Market

- Overall decrease in premium and policy count
- Relatively high residual market share
- Residual market has been self-funded over the past five years
- COVID-19 claims—Limited direct impact on residual market losses

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