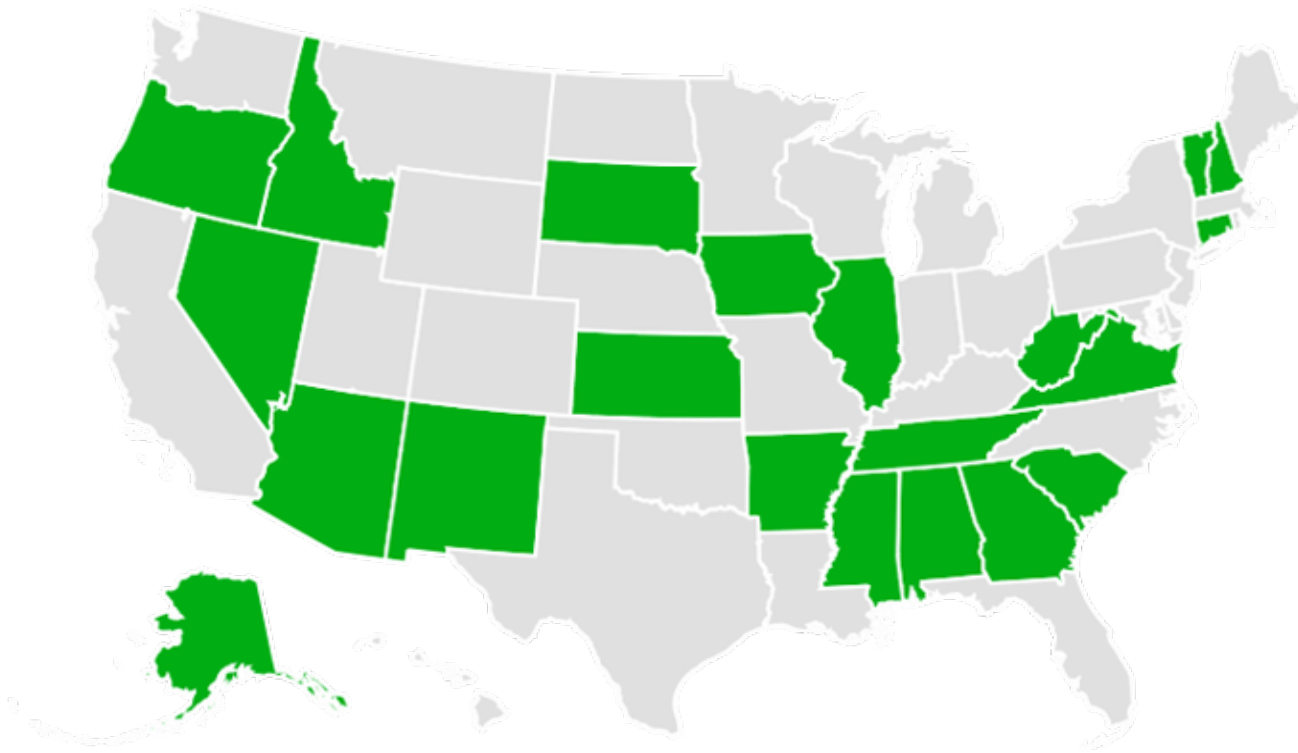


RESIDUAL MARKET STATE ADVISORY RESOURCES

Vermont
January 2022

Plan Data

Includes 22 NCCI Plan Administration States

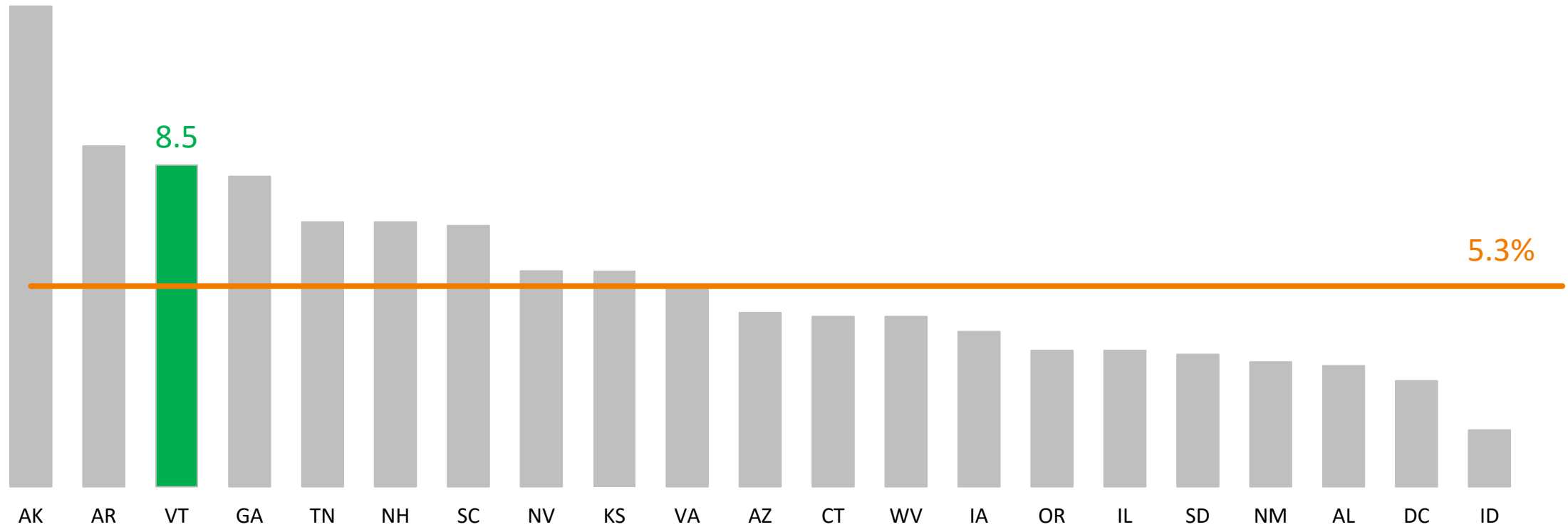


Alabama
Alaska
Arizona
Arkansas
Connecticut
DC
Georgia
Idaho
Illinois
Iowa
Kansas

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*

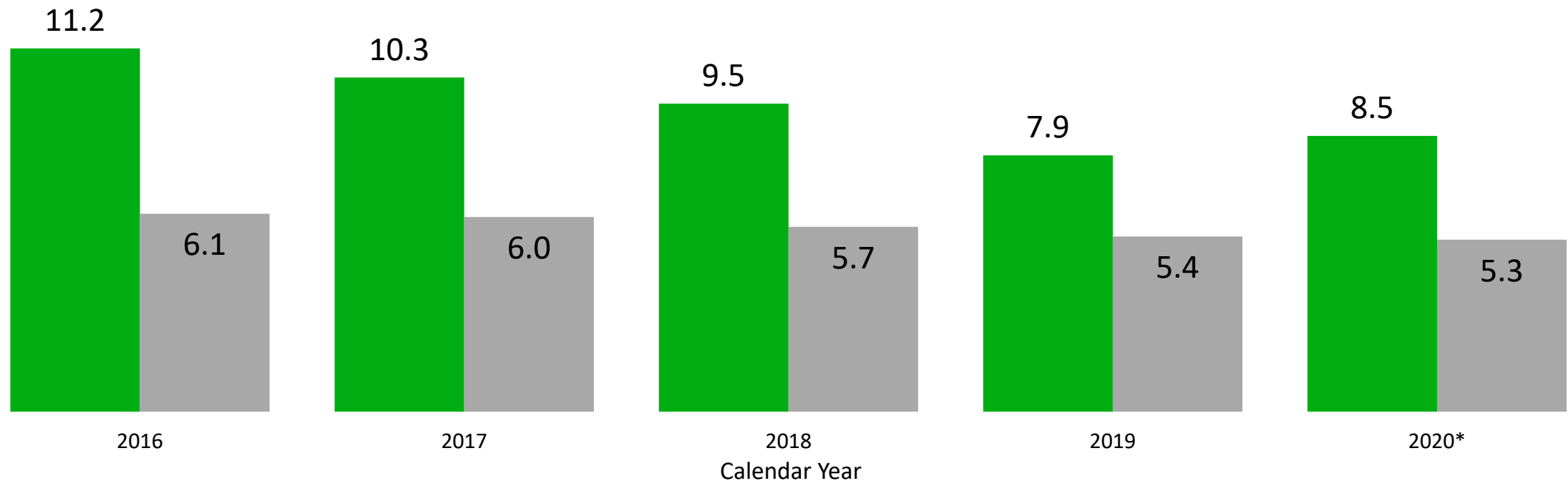


*Preliminary.

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

Vermont Residual Market Share Compared to All Plan States Market Share

Plan Premium as a Percentage of Direct Written Premium



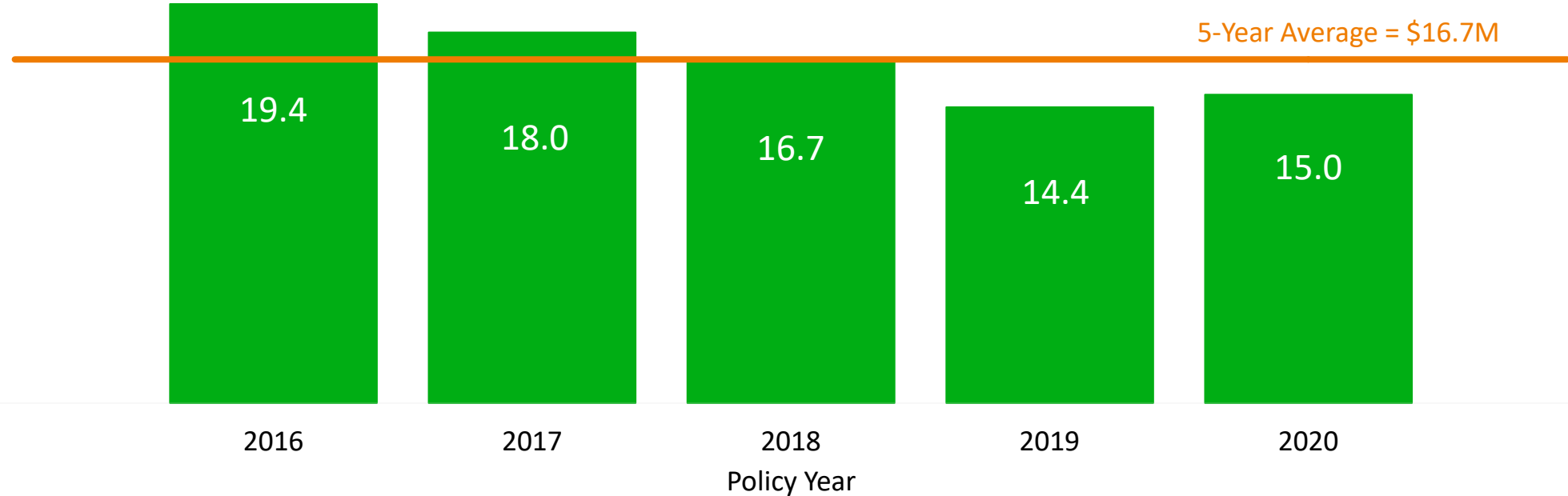
*Preliminary.

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

Vermont Residual Market Plan Premium

As of 12/31/2020

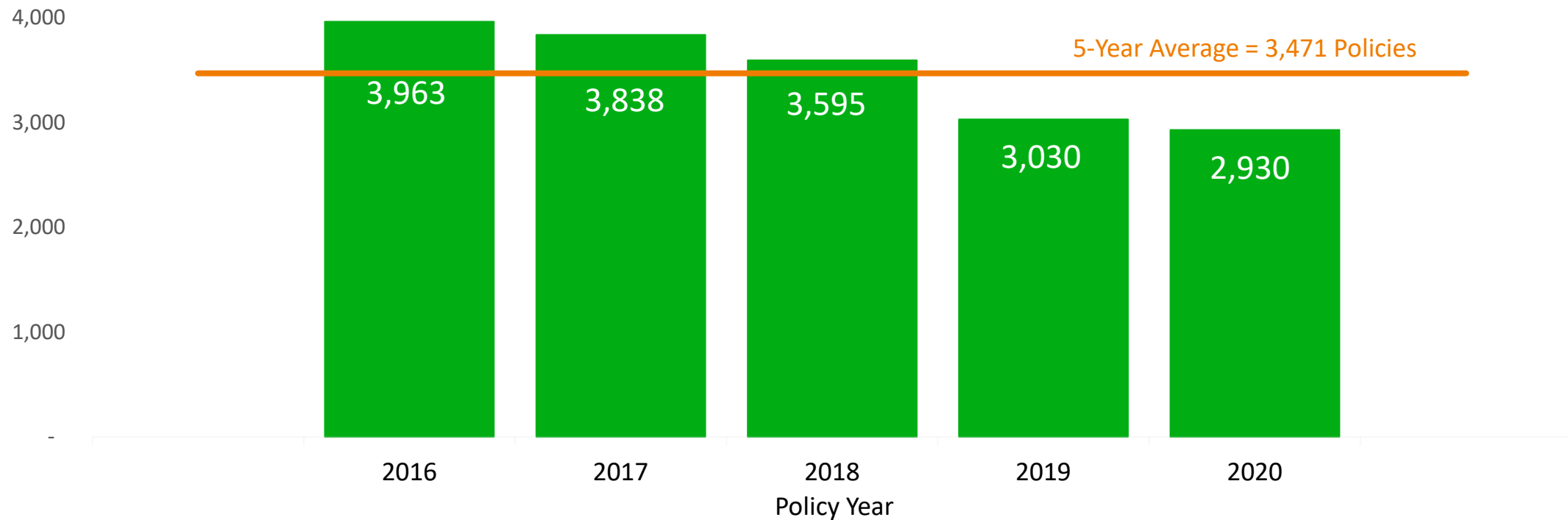
\$ Millions



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.

Vermont Residual Market Policy Counts

As of 12/31/2020



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.

Vermont Residual Market (RM) Policy Information



\$5,108

Average RM Policy Size



64.4%

% of RM Policies Under \$2,500



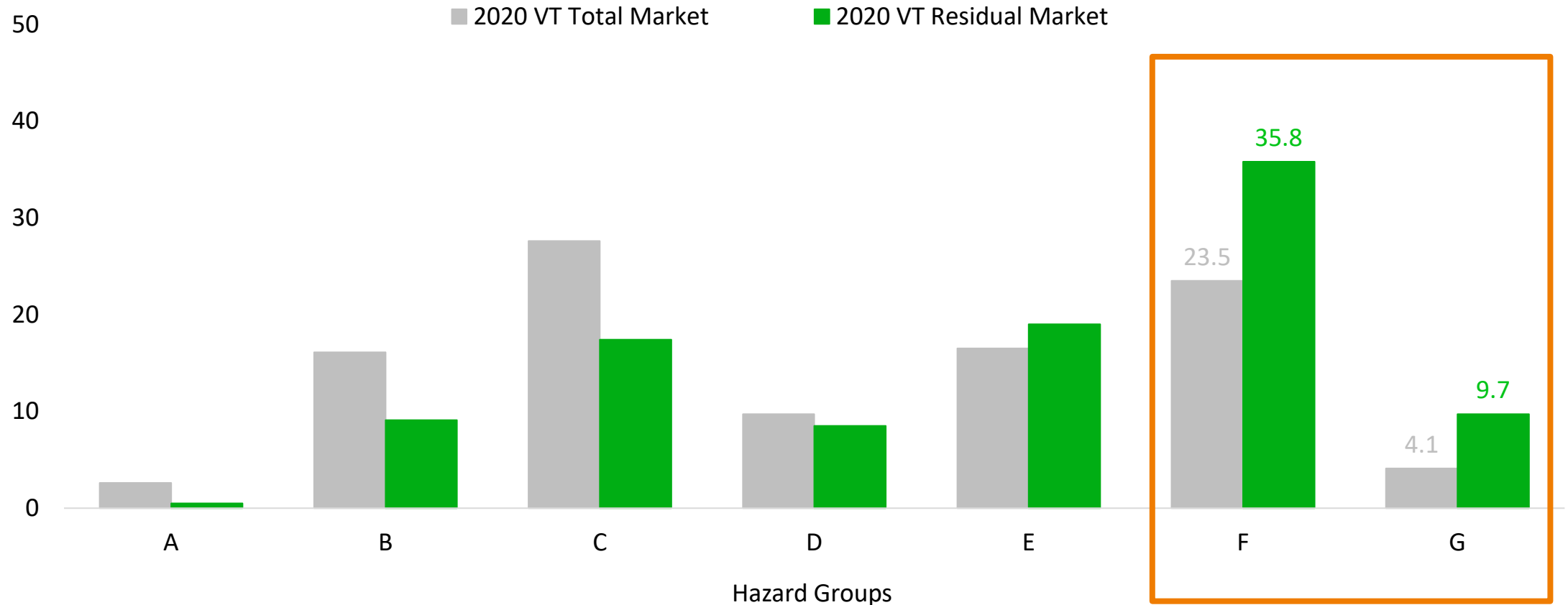
14.4%

% 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, 2020, to December 31, 2020, including prorated cancellations, with all policies' premium associated with the dominant state.

Hazard Groups **F and G** Account for 46% of the Residual Market Premium

% of Premium

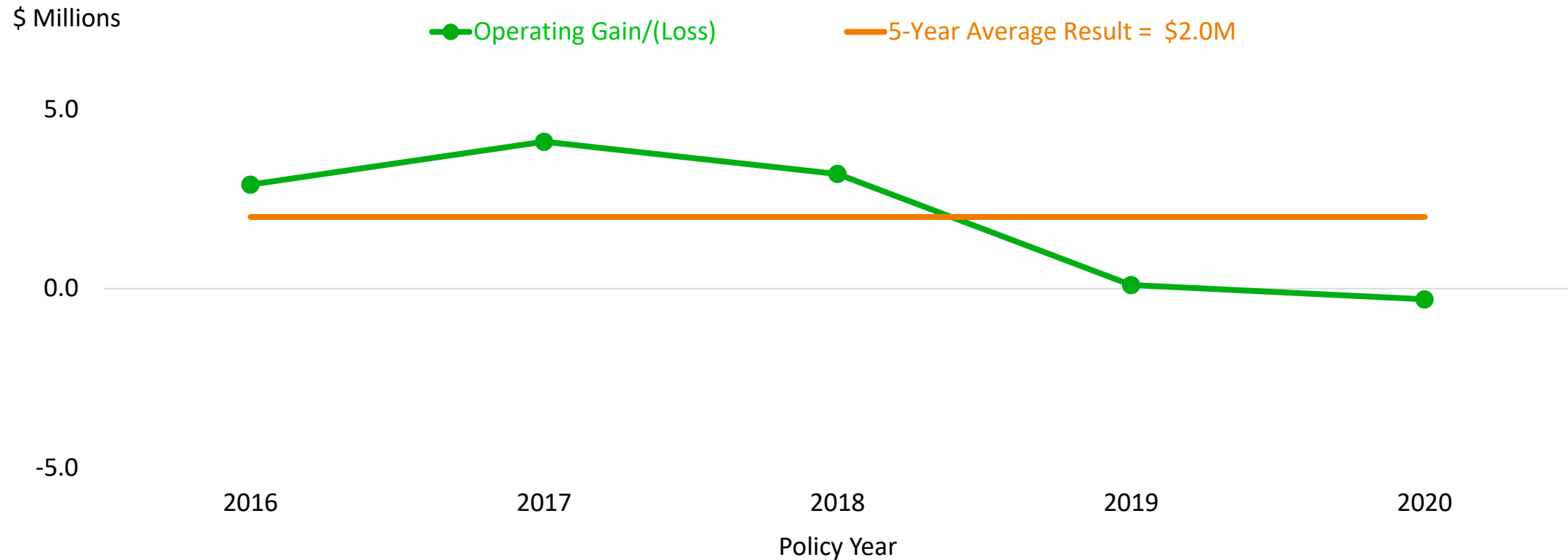


Premium data is on a policy year basis as reported to NCCI, for policies effective from January 1, 2020, to December 31, 2020, including prorated cancellations, with all policies' premium associated with the dominant state.

Vermont Residual Market Reinsurance Pool

Net Operating Results

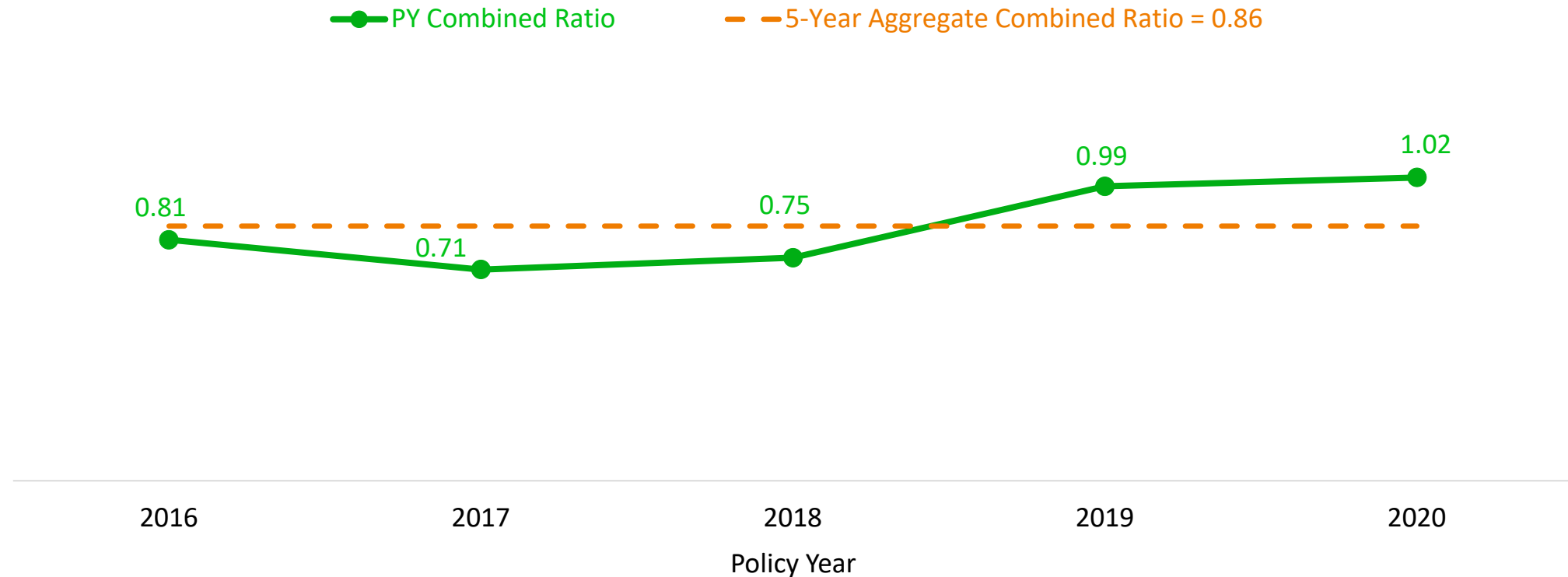
Estimated Net Operating Gains and Losses Projected to Ultimate as of 3/31/2021



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.

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

Estimated Policy Year Combined Ratios as of 3/31/2021



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

Vermont Residual Market

- Overall decreasing premium and policy count
- Relatively high residual market share
- Residual market has been self-funded over the past five years

State of the Residual Market

COVID-19 Claims

- Limited direct impact on residual market losses
- Uncertain indirect impact on premium/collectability

Residual market premium and market share are on a gradual decline

Concentration in high hazard groups reflects possible volatility in losses and operating results

The residual market is self-funded in the aggregate, but this varies by state

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