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# RESIDUAL MARKET FORUM

## 2022

February 10, 2022





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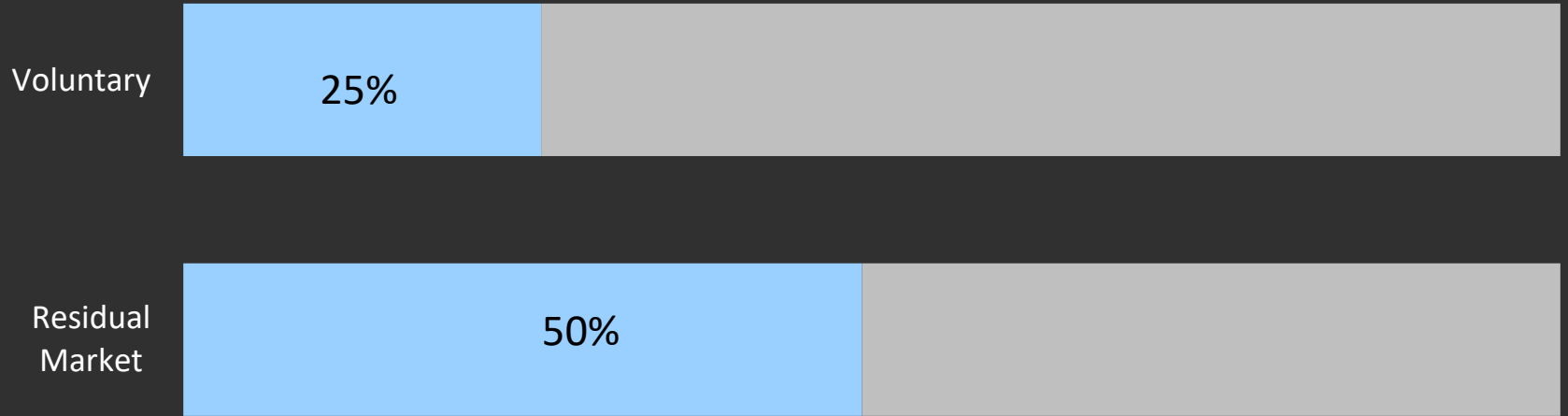
# THE RESIDUAL MARKET DURING THE PANDEMIC

Nadege Bernard-Ahrendts, FCAS  
Practice Leader and Senior Actuary, NCCI

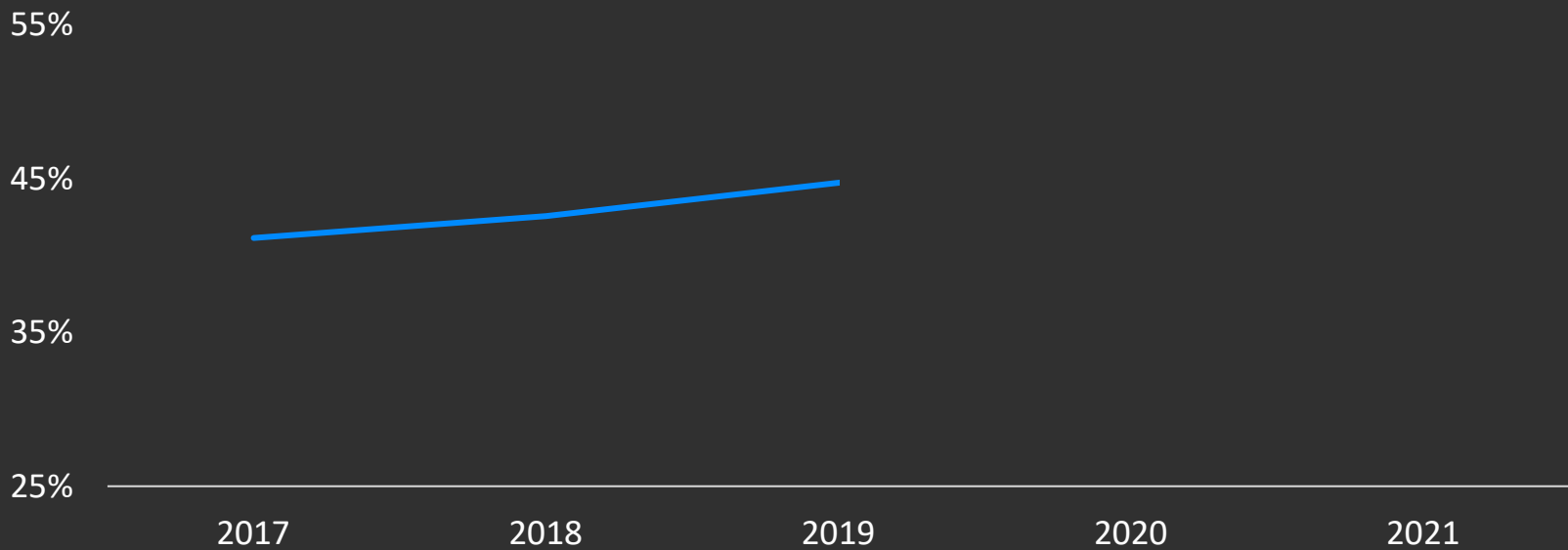
# Introduction

- Examine Risk Concentration
- Evaluate Injured Worker Demographics
- Review COVID-19 Claims Data

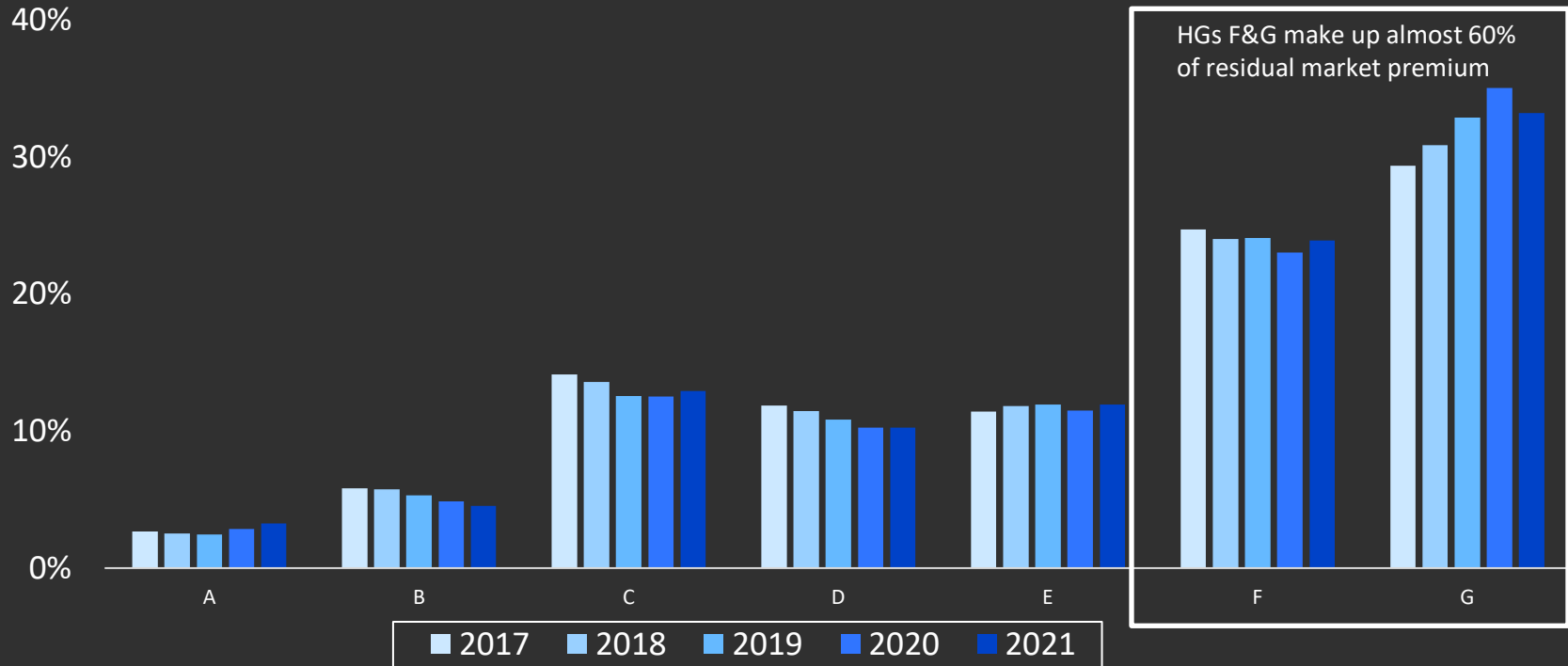
# Construction Is a Significant Share of the Residual Market Premium



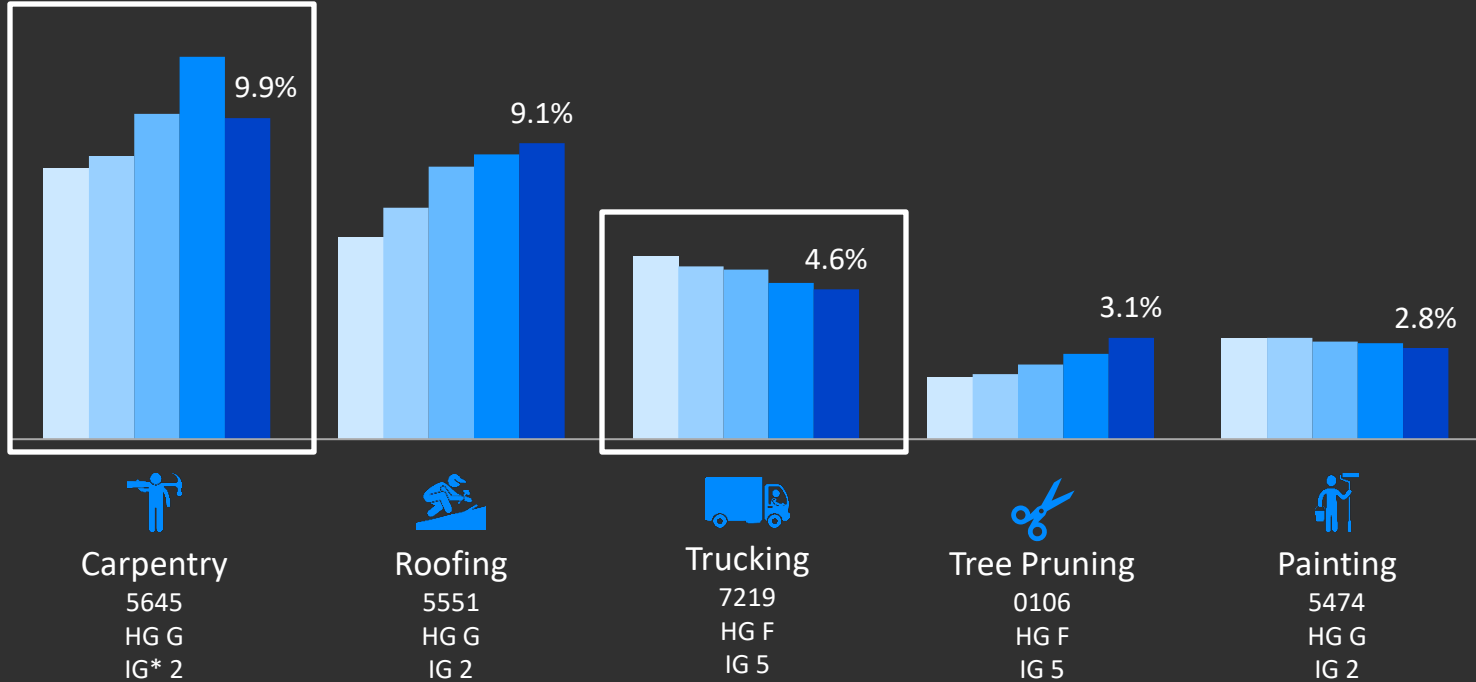
# Construction Premium Remained Stable During the Pandemic



# Residual Market Premium by Hazard Group (HG)



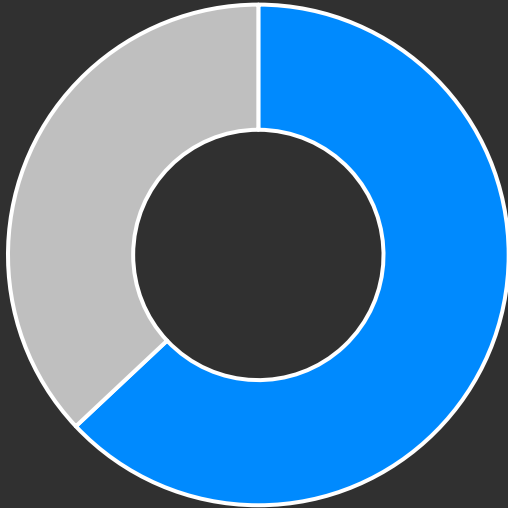
# Top Five Residual Market Class Codes



\*Industry Group.

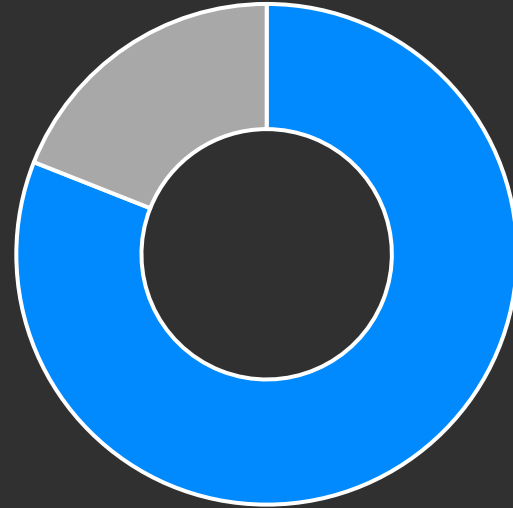
# Men Make Up a Larger Proportion of Injured Workers

Voluntary



■ Men ■ Women

Residual Market

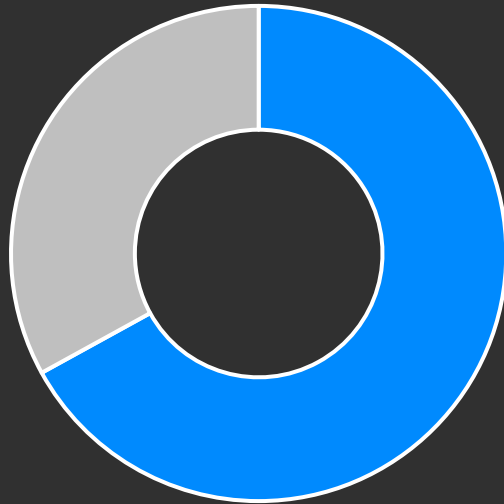


■ Men ■ Women



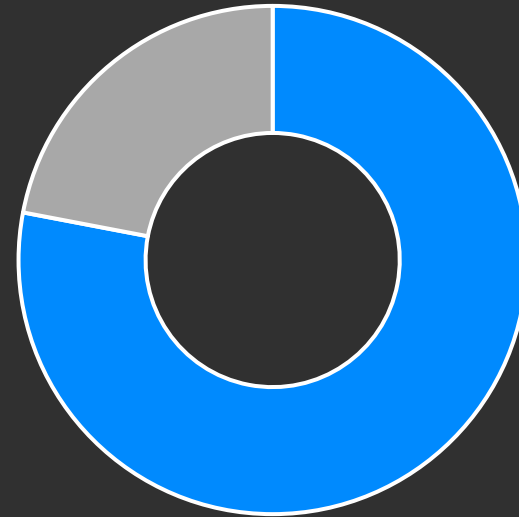
# Younger Workers Make Up a Larger Portion of Injured Workers

Voluntary



■ <55 ■ 55+

Residual Market



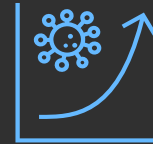
■ <55 ■ 55+

# Residual Market COVID-19 Claim Summary

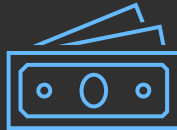
400 claims / \$4.5M in  
incurred losses



\$11K average severity



<1% of residual market losses

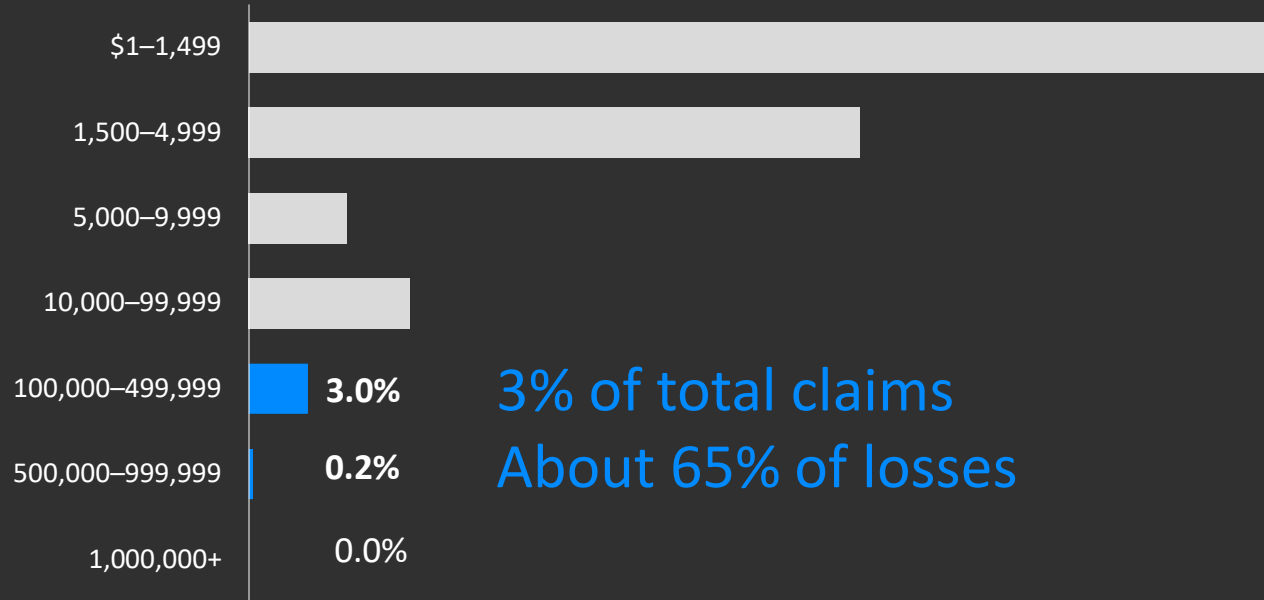


75% of claims from AY 2020



Source: Residual Market Pool data valued as of 9/30/2021.

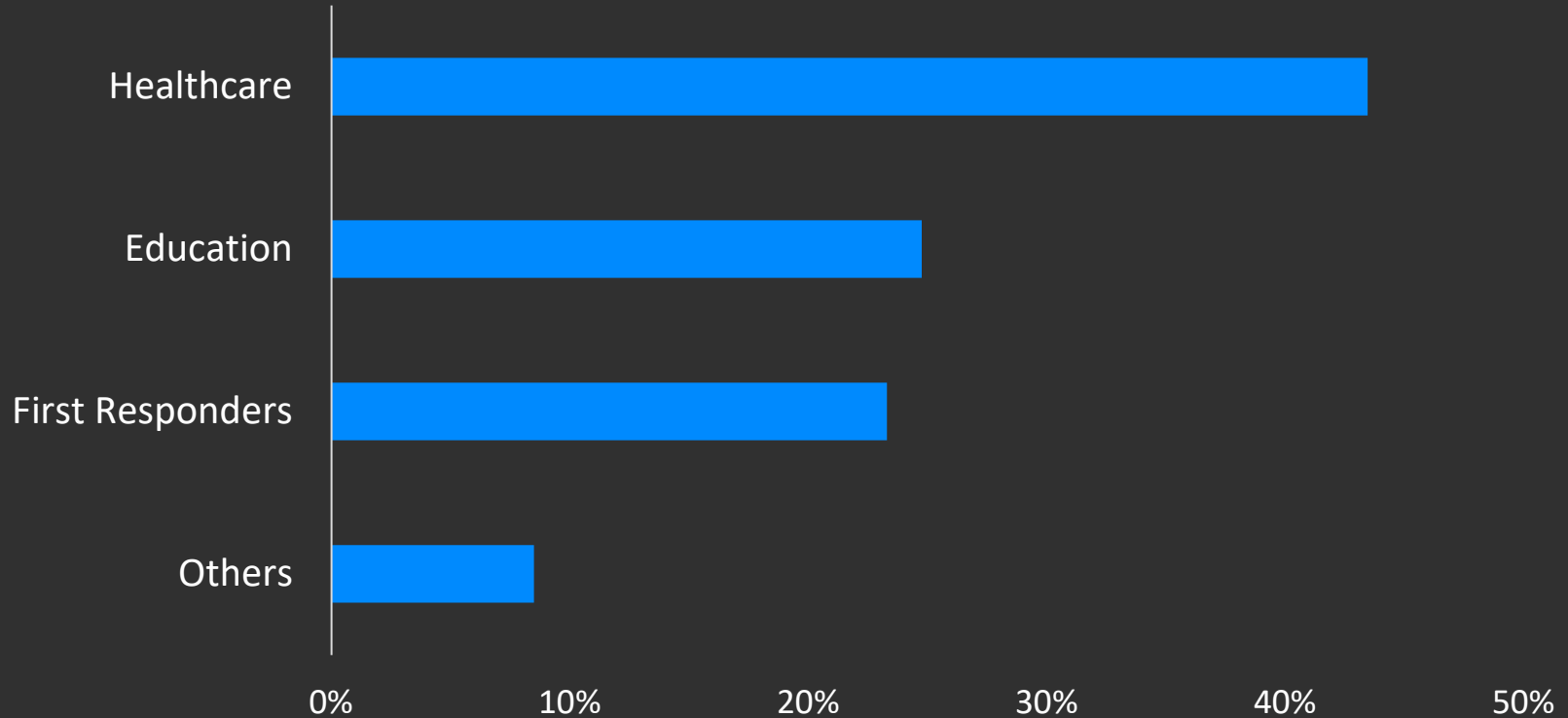
# COVID-19 Claims by Size of Loss



Source: Residual Market Pool data valued as of 9/30/2021.

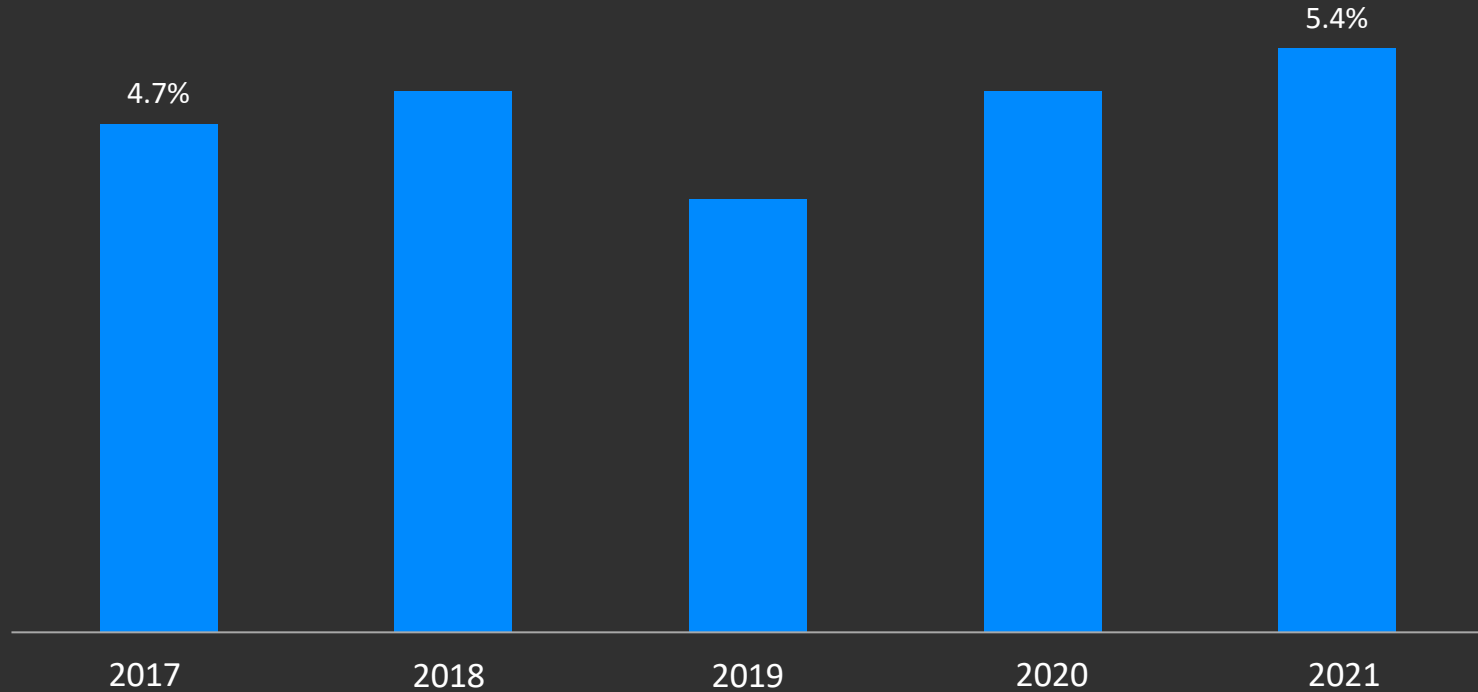
# Workers Most Impacted by COVID-19

claims in dollars



Source: Residual Market Pool data valued as of 9/30/2021.

# Slight Increase of Healthcare Premium in the Residual Market



# Conclusion

**Construction** policies make up a large portion of residual market premium



**60%** of residual market premium is in HGs F&G



**COVID-19** direct impact continues to be modest

