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Residual Market Forum



RMF
2026

State of the Residual Market

Brian Mourer, CPCU, WCP®

Executive Director—Residual Markets
NCCI



State of the Residual Market

Premium and market share declining but pace has slowed



Combined ratios reflect aggregate self-sufficiency—with some state exceptions



Hazard Group Concentration creates volatility concerns



Uncollectible premium remains a continuing concern, especially in the Southeast

Agenda



Reinsurance Pool
Financial Results
and Trends



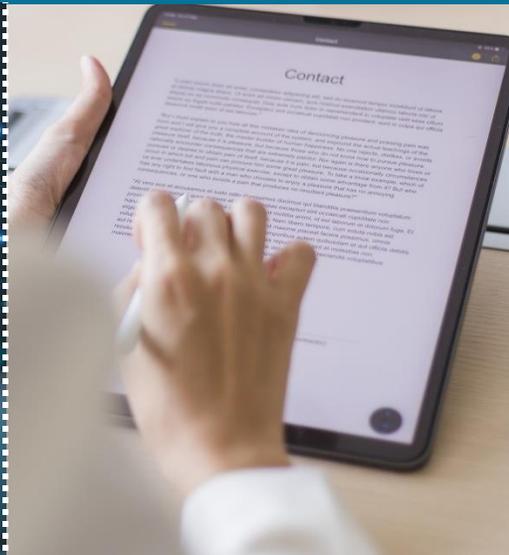
Assigned Risk Plan
Volumes,
Composition, and
Year-Over-Year
Trends



2025 Administration
Achievements



Initiatives and
Activities—2026
and Beyond



2026
Servicing Carrier Bid
States

Reinsurance Pool Financial Results and Trends



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Pool Data Sources

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POOL
STATES

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NWCRA*
NATIONAL POOL

03

SINGLE-STATE
POOLS

*National Workers Compensation Reinsurance Association

In what year did the NWCRA (National Pool) begin reinsuring residual market plans?

- A. 1970
- B. 1975
- C. 1980
- D. 1990
- E. 2024



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Answer:

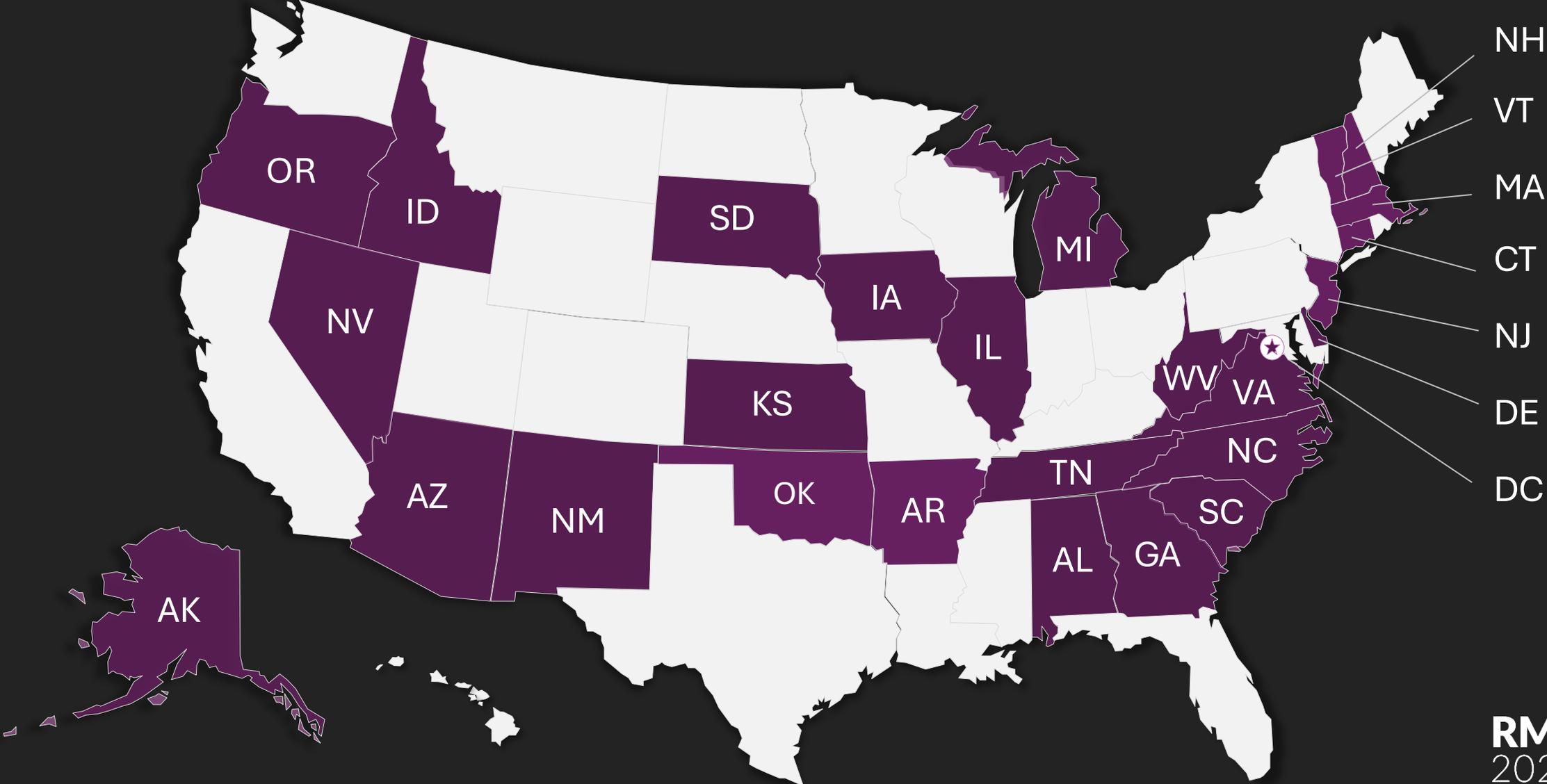
A. 1970



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Pool Data

NCCI Serviced Pool States

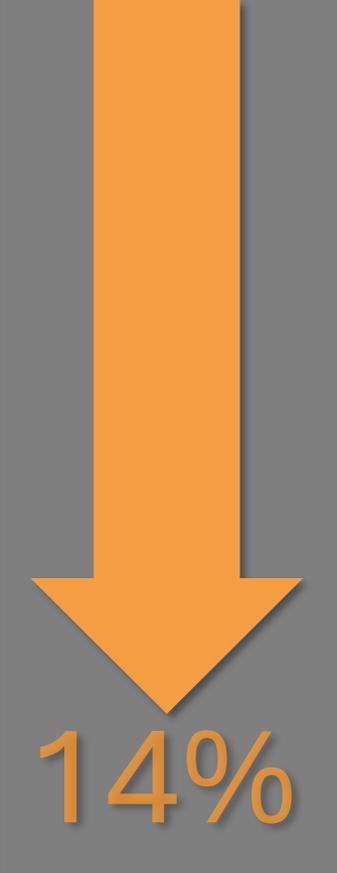
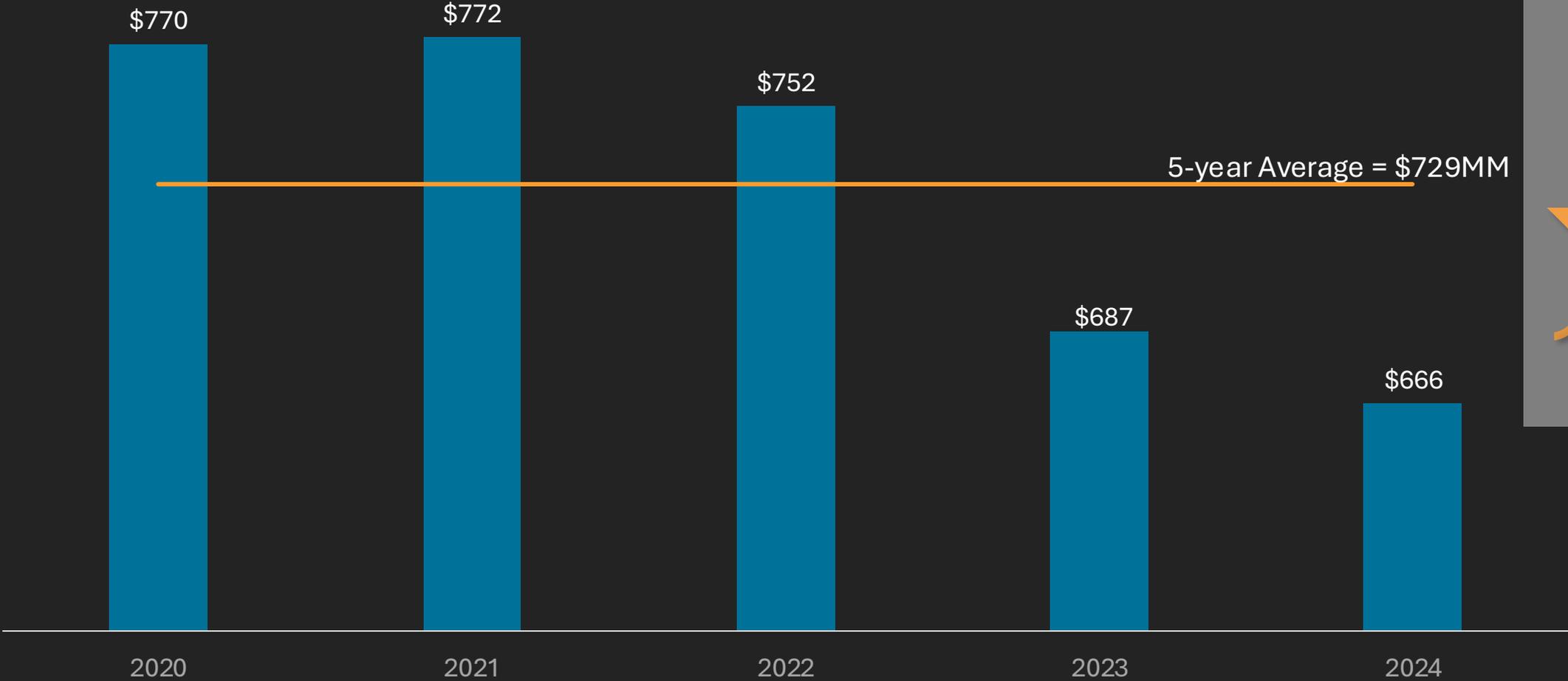


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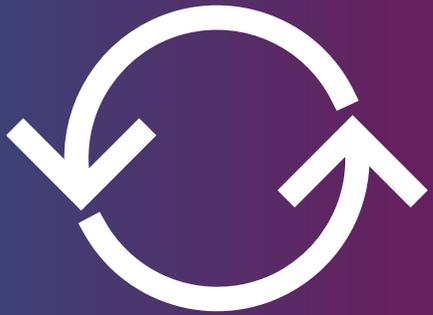
Pool Premium Volume and Trending

Projection to Ultimate

\$ Millions



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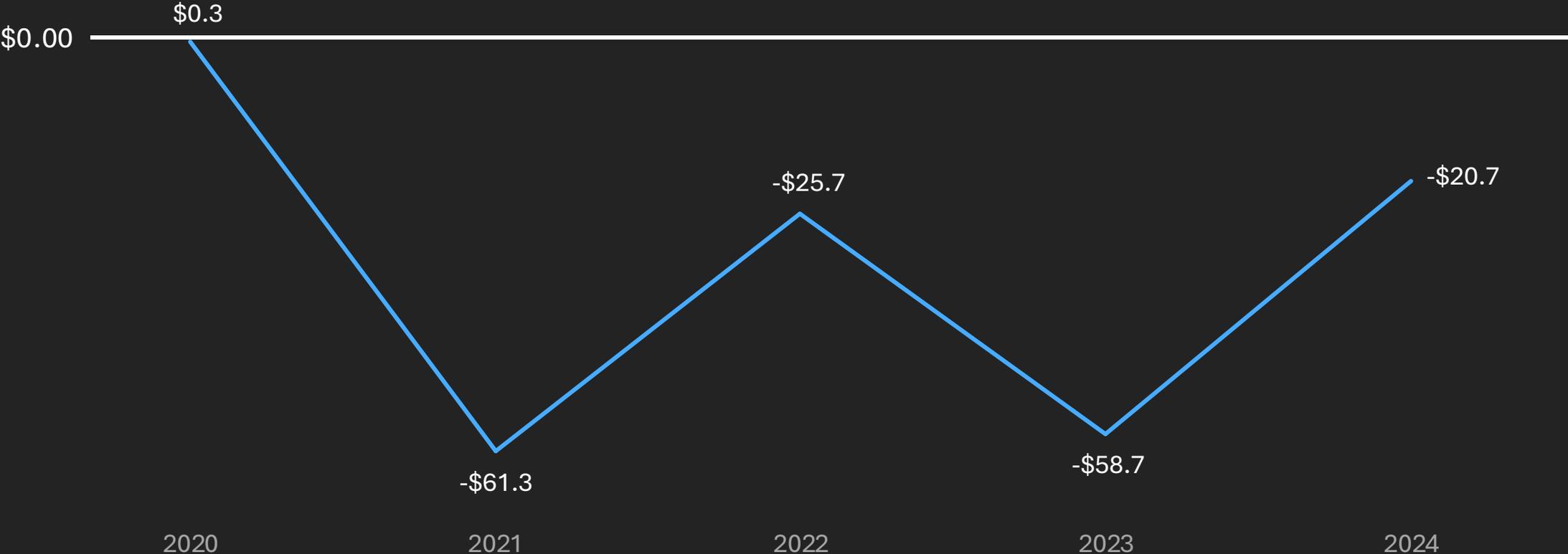


SELF-SUFFICIENCY

Policy Year Operating Results

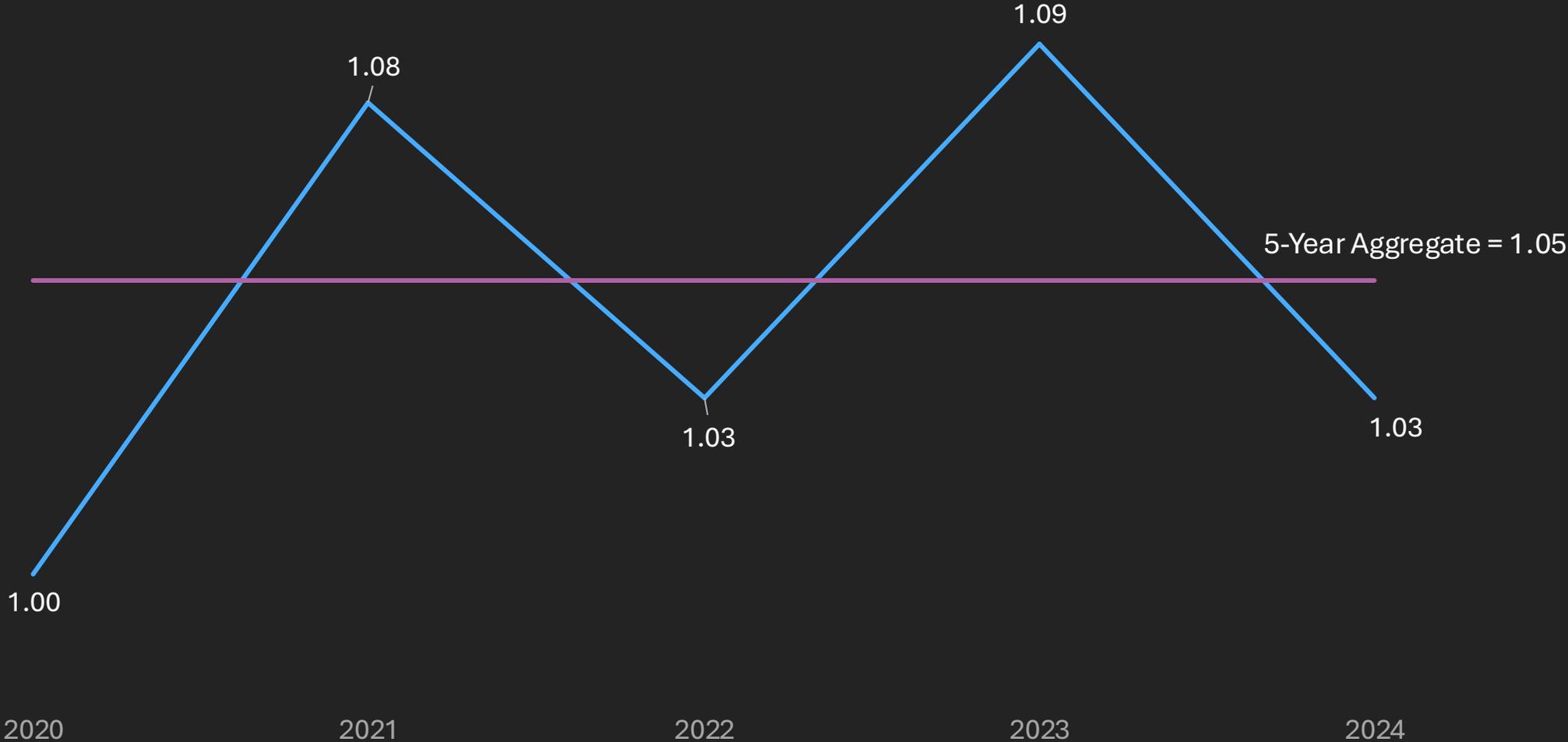
Projection to Ultimate

\$ Millions



Combined Ratios | Trending

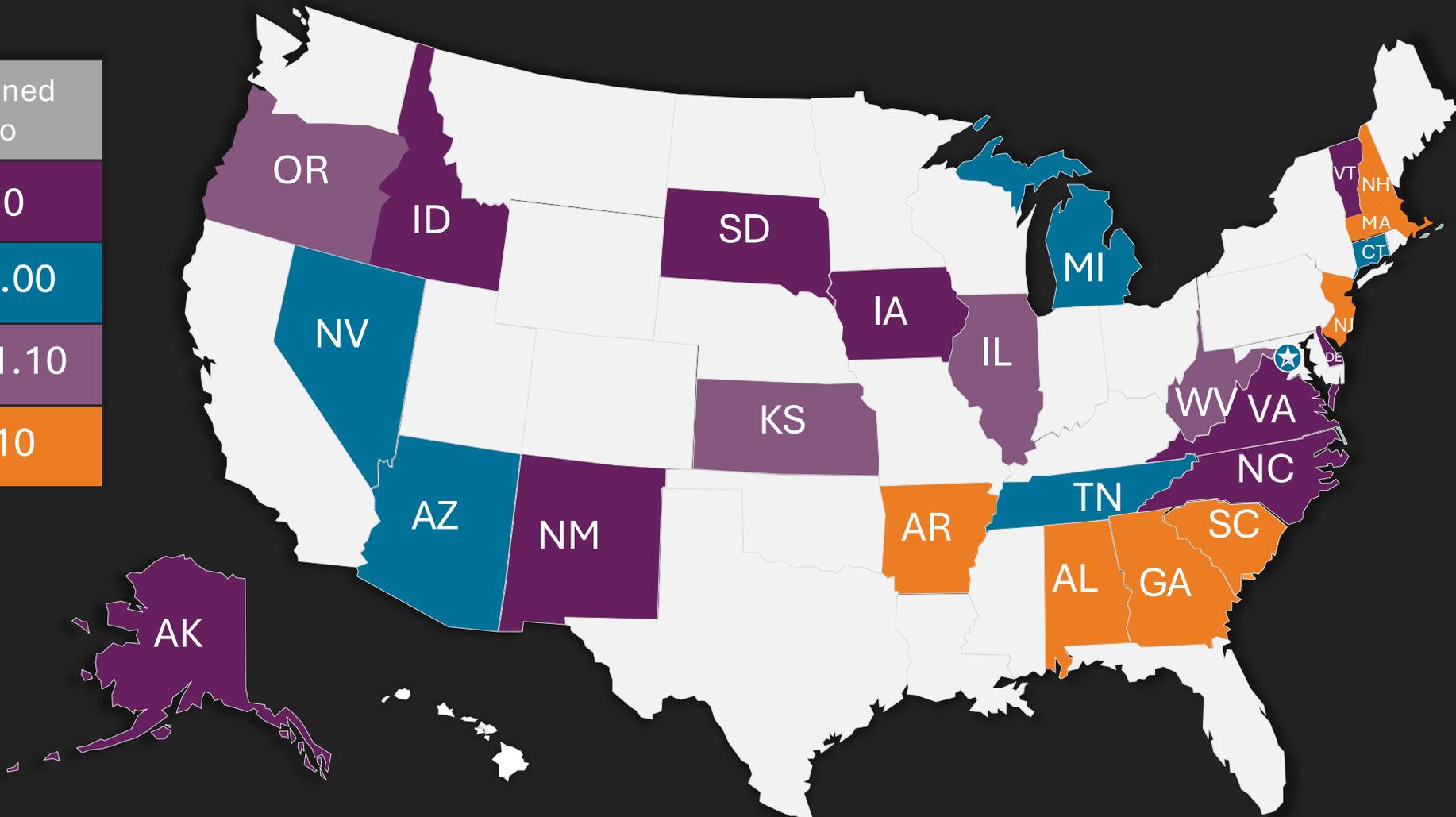
By Policy Year



Combined Ratios | By Jurisdiction

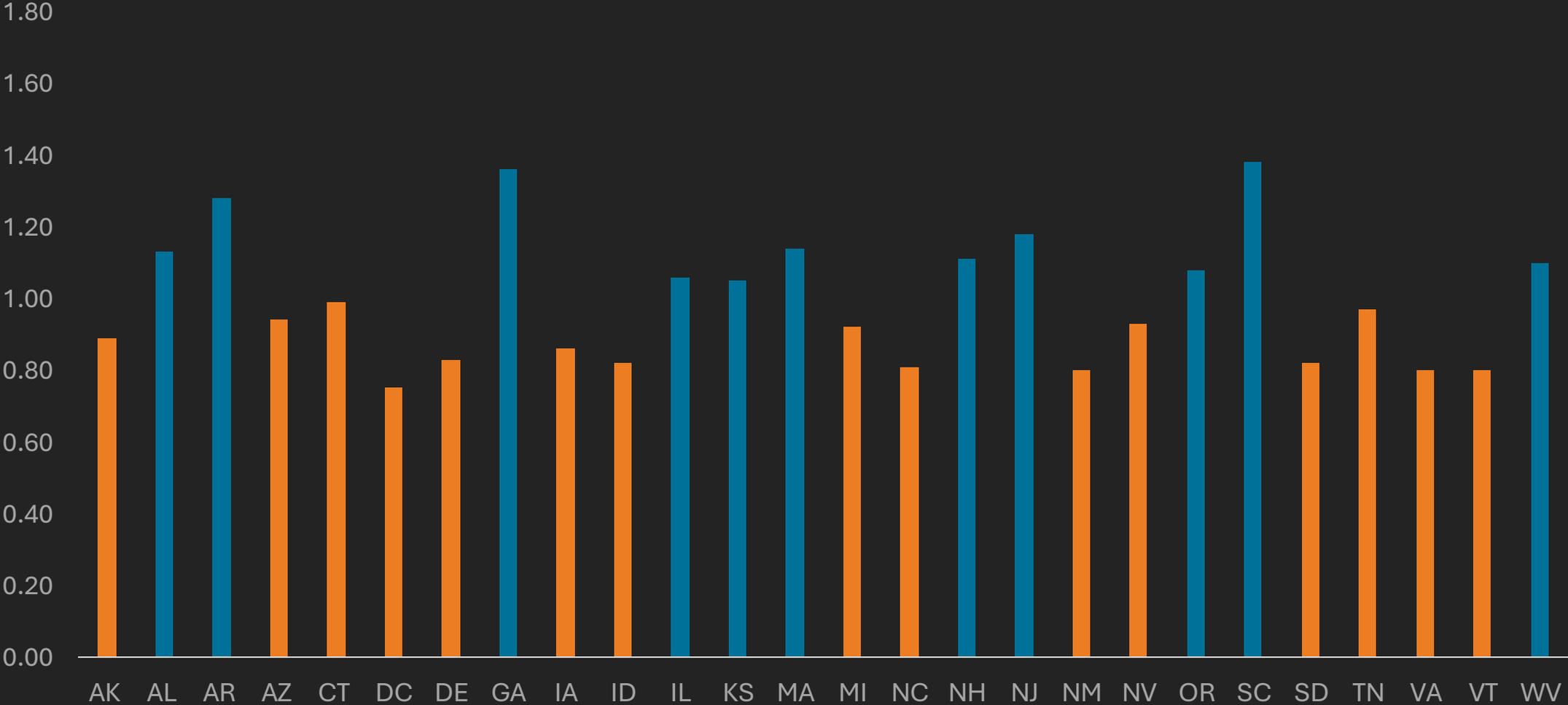
Policy Years 2020–2024

Number of Jurisdictions	Combined Ratio
10	< .90
5	.90–1.00
4	1.01–1.10
7	> 1.10



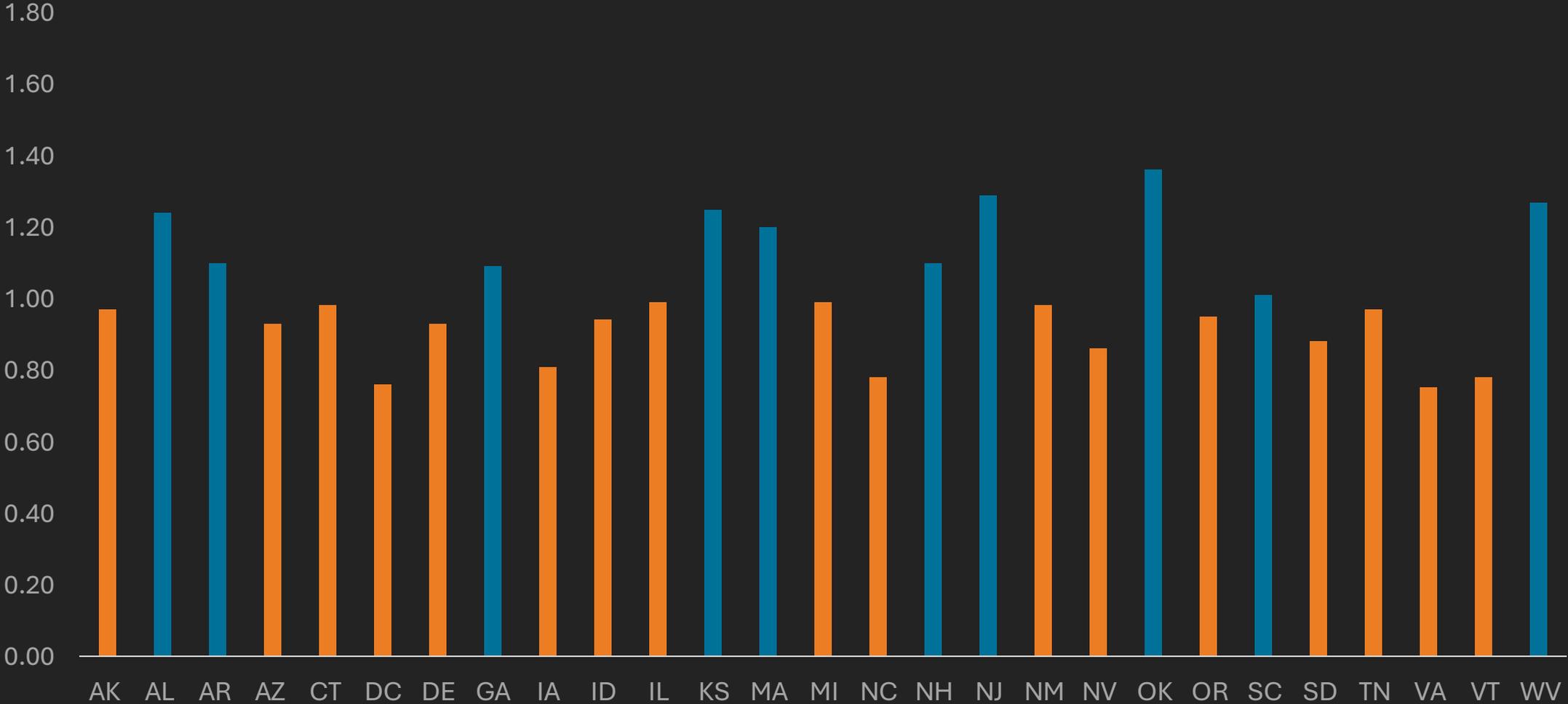
Combined Ratios | By State

Policy Years 2020–2024



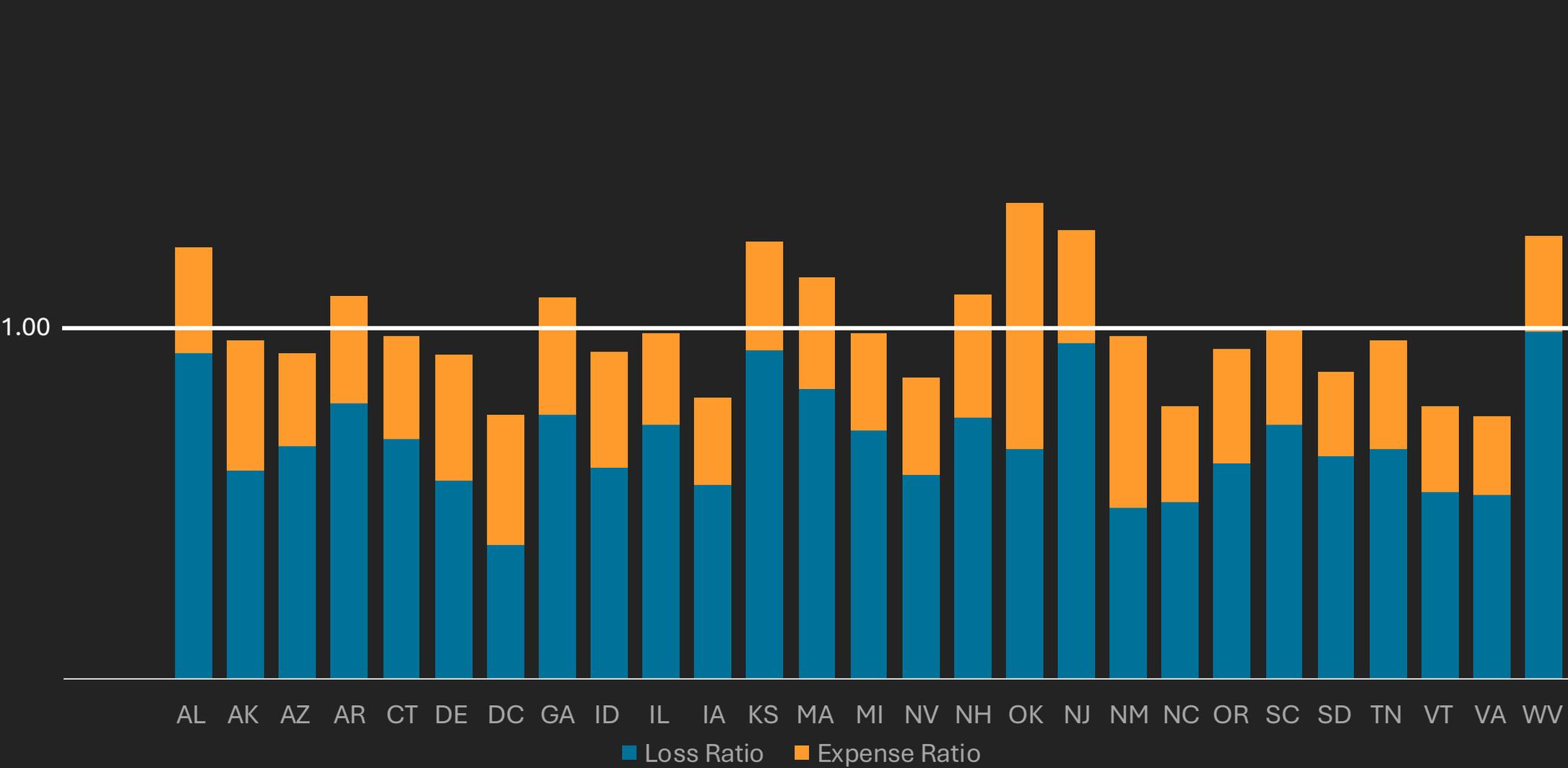
State Combined Ratios

Policy Year 2024



State Combined Ratios

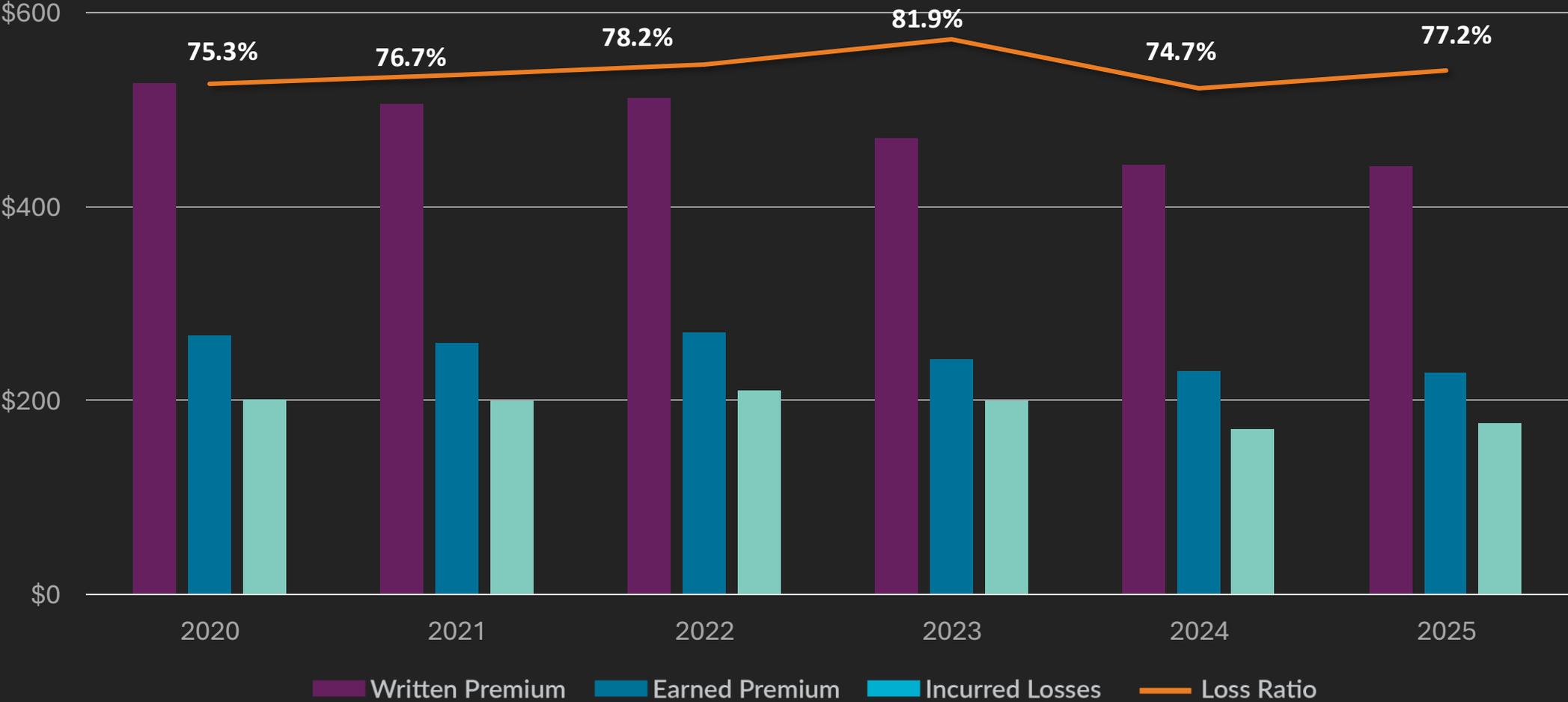
Policy Year 2024—Projected to Ultimate



Policy Years 2020–2025

Valued at Nine Months

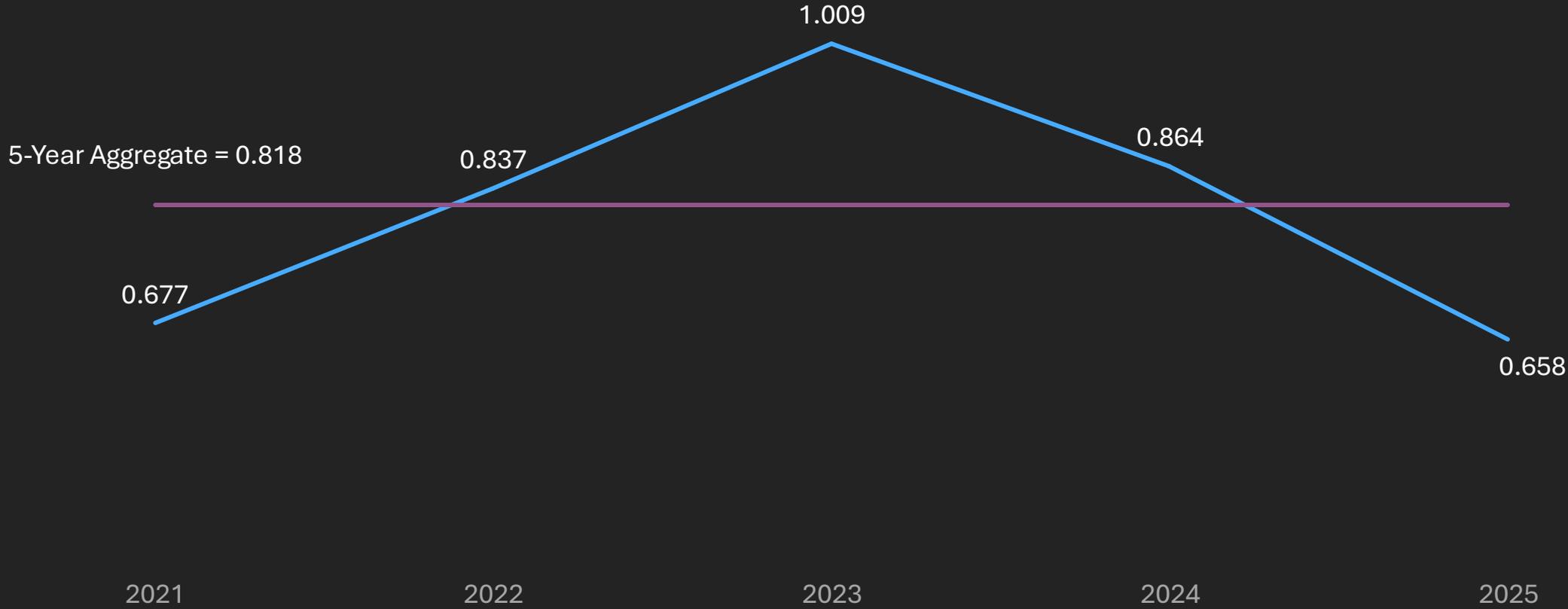
\$ Millions



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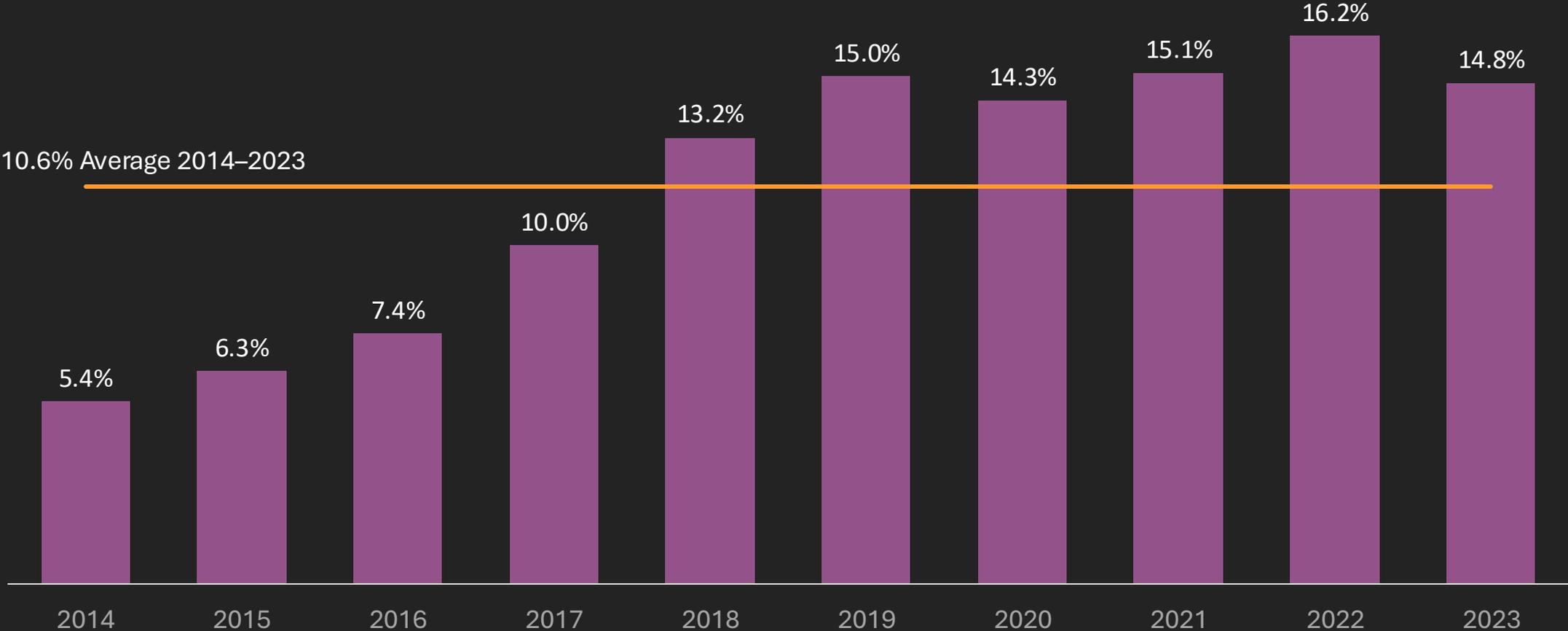
Combined Ratios

Calendar Year



Uncollectible Premium-NCCI Serviced Pool States

As Percentage of Policy Year Written Premium

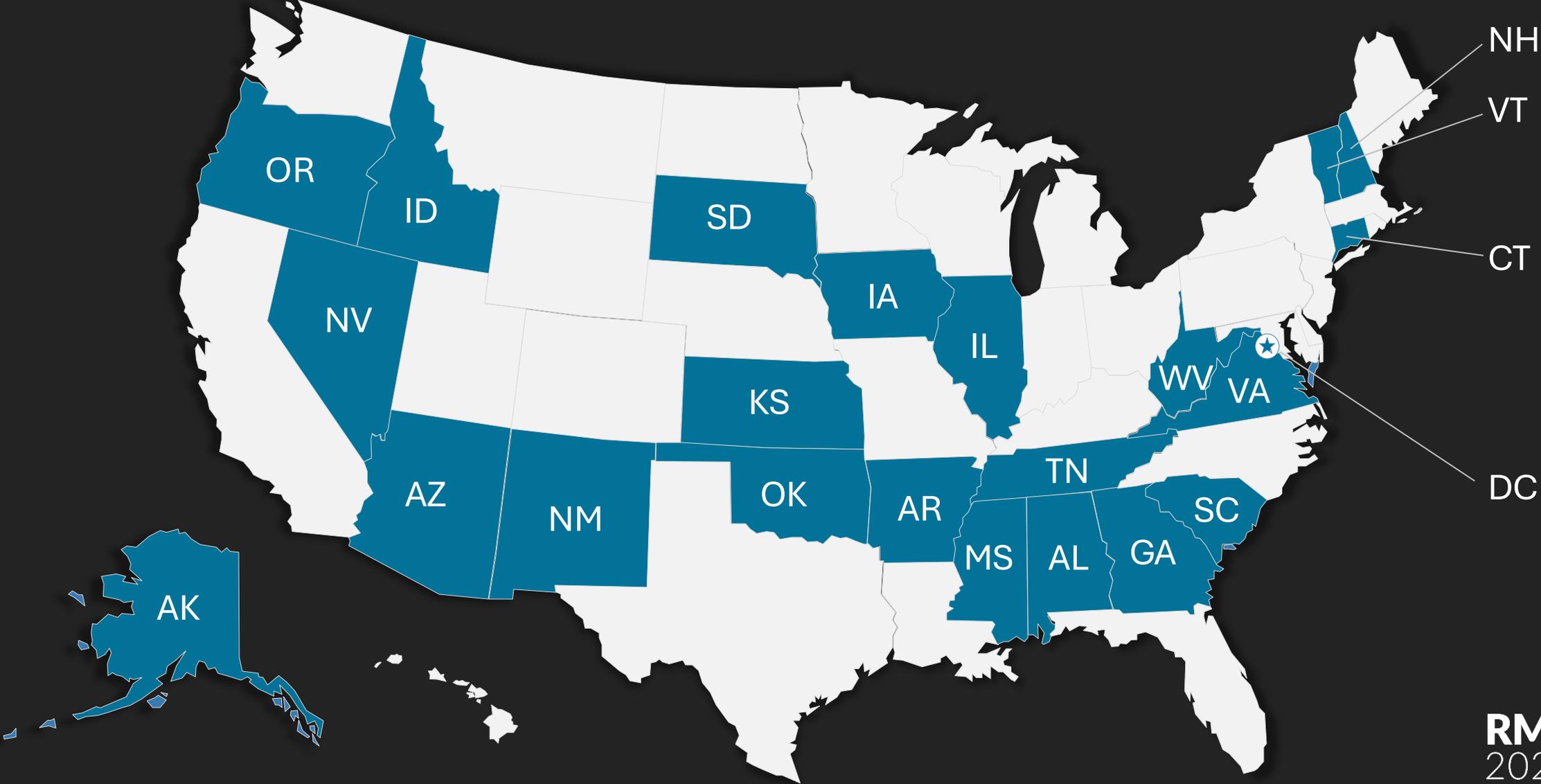


Assigned Risk Plan Volumes, Composition, and Year-Over- Year Trends



Plan Data

NCCI Plan Administered States



In-Force Plan Premium

As of December 31, 2023–2025

	Premium	Policies	Average Policy Size	Policies < \$5K	Policies < \$10K
2023	\$456.1MM	122,289	\$3,454	87%	94%
2024	\$458.9MM	115,188	\$3,692	86%	93%
2025	\$428.2MM	110,127	\$3,691	86%	93%

Plan Premium—2025 Premium Size Comparison

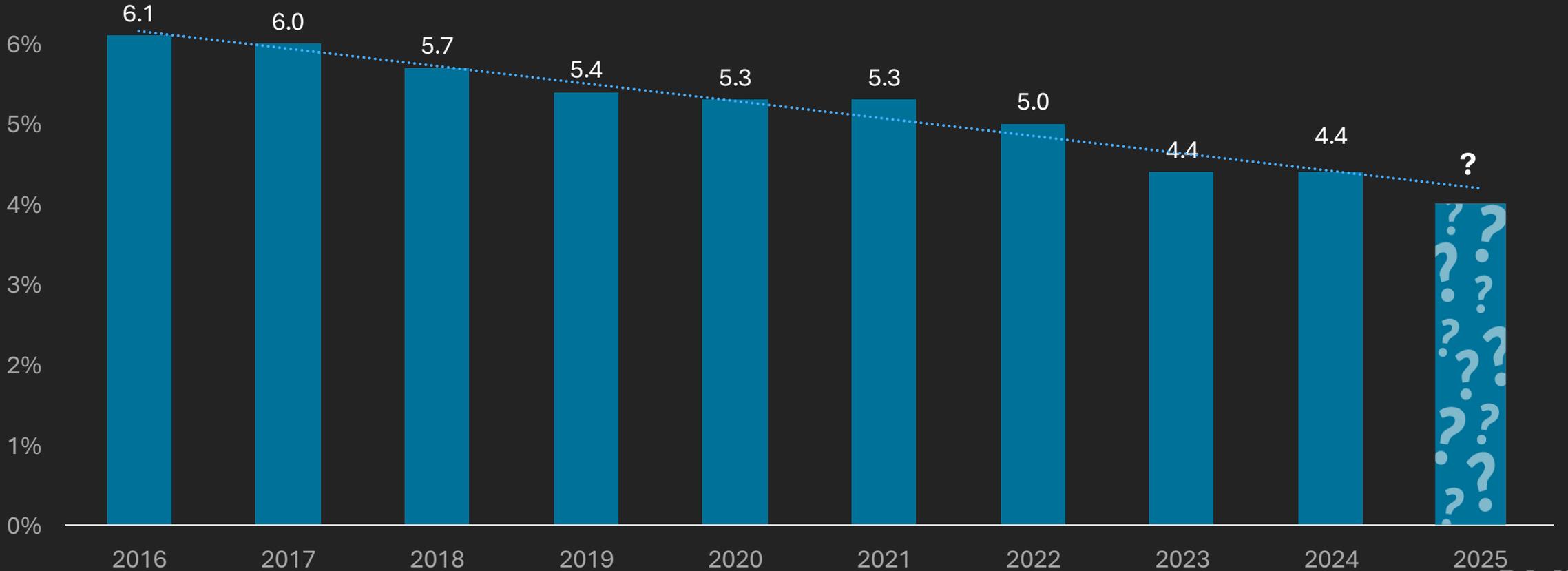
Premium Range \$	# of Policies	% of Policies	Estimated Annual Premium \$	% of Estimated Annual Premium	Average Estimated Annual Premium \$
0–2,499	93,561	75.1	108,117,263	23.5	1,156
2,500–4,999	13,450	10.8	47,658,108	10.4	3,543
5,000–9,999	9,238	7.4	64,608,931	14.0	6,994
10,000–19,999	4,900	3.9	67,774,875	14.7	13,832
20,000–49,999	2,528	2.0	75,644,048	16.4	29,922
50,000–99,999	653	0.5	43,453,101	9.4	66,544
100,000–199,000	230	0.2	31,323,809	6.8	136,190
200,000+	62	0.0	21,341,170	4.6	344,212
Total	124,622	100.0	459,921,305	100.0	3,691

Residual Market Share

Share of Calendar Year Direct Written Premium
NCCI Plan Administration States

Percent

7%



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Poll Question:
Preliminary 2025
projection for market
share of residual market
premium for all
NCCI Plan states?

- A. Rising
- B. Declining
- C. Stable
- D. No idea



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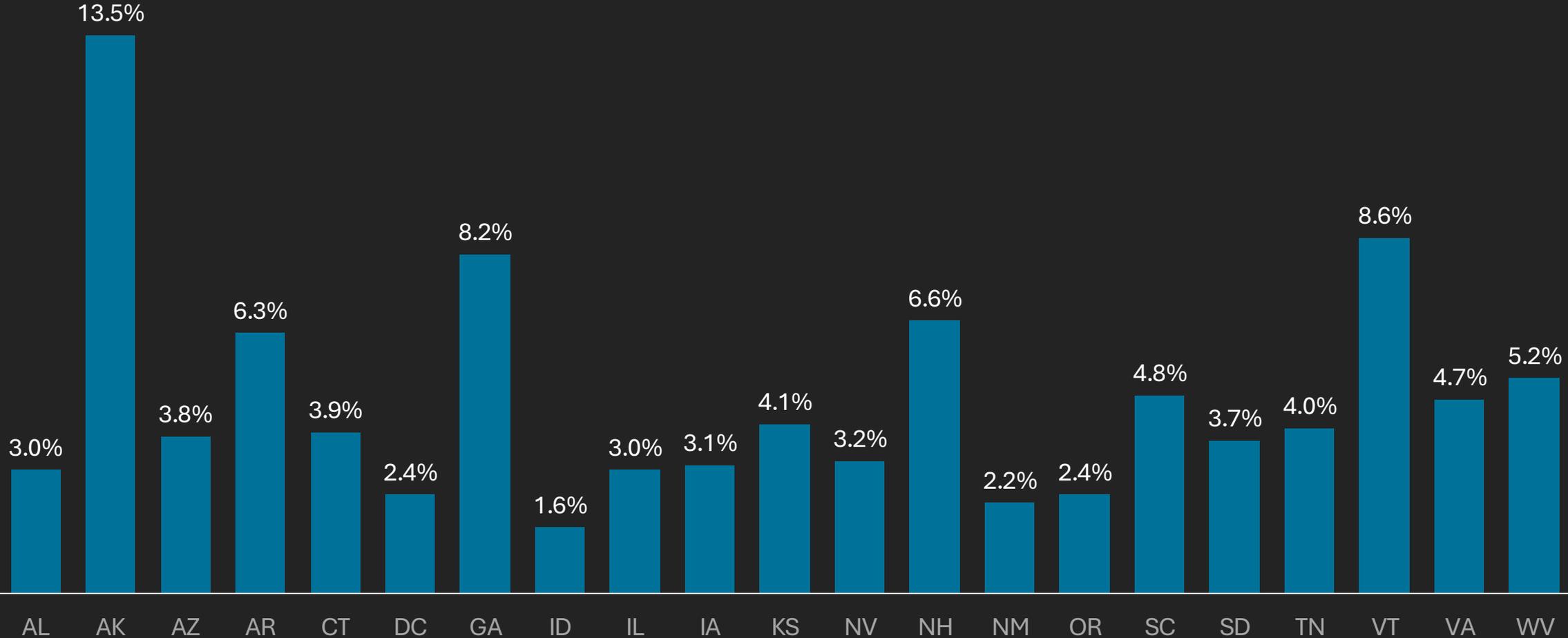
Answer: C. Stable



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Residual Market Premium Market Share

Calendar Year 2024, by State



Residual Market Top 10 Classification Codes

2025 Policy Effective Dates

Plan Policy Count

5645—Carpentry (14.0%)

5551—Roofing (8.7%)

5437—Carpentry (5.4%)

5474—Painting (5.2%)

7219—Trucking (4.7%)

5445—Wallboard, Sheetrock, Drywall, Plasterboard
(2.8%)

5022—Masonry (2.1%)

9014—Janitorial Services by Contractors (2.0%)

0106—Tree Pruning, Spraying, Repairing (1.9%)

8720—Construction—Job Site Salespersons and
Estimators (1.6%)

Plan Premium Volume

5645—Carpentry (12.1%)

5551—Roofing (11.1%)

7219—Trucking (3.4%)

5474—Painting (3.1%)

5437—Carpentry (2.6%)

0106—Tree Pruning, Spraying, Repairing (2.4%)

5445—Wallboard, Sheetrock, Drywall, Plasterboard (1.9%)

9014—Janitorial Services by Contractors (1.8%)

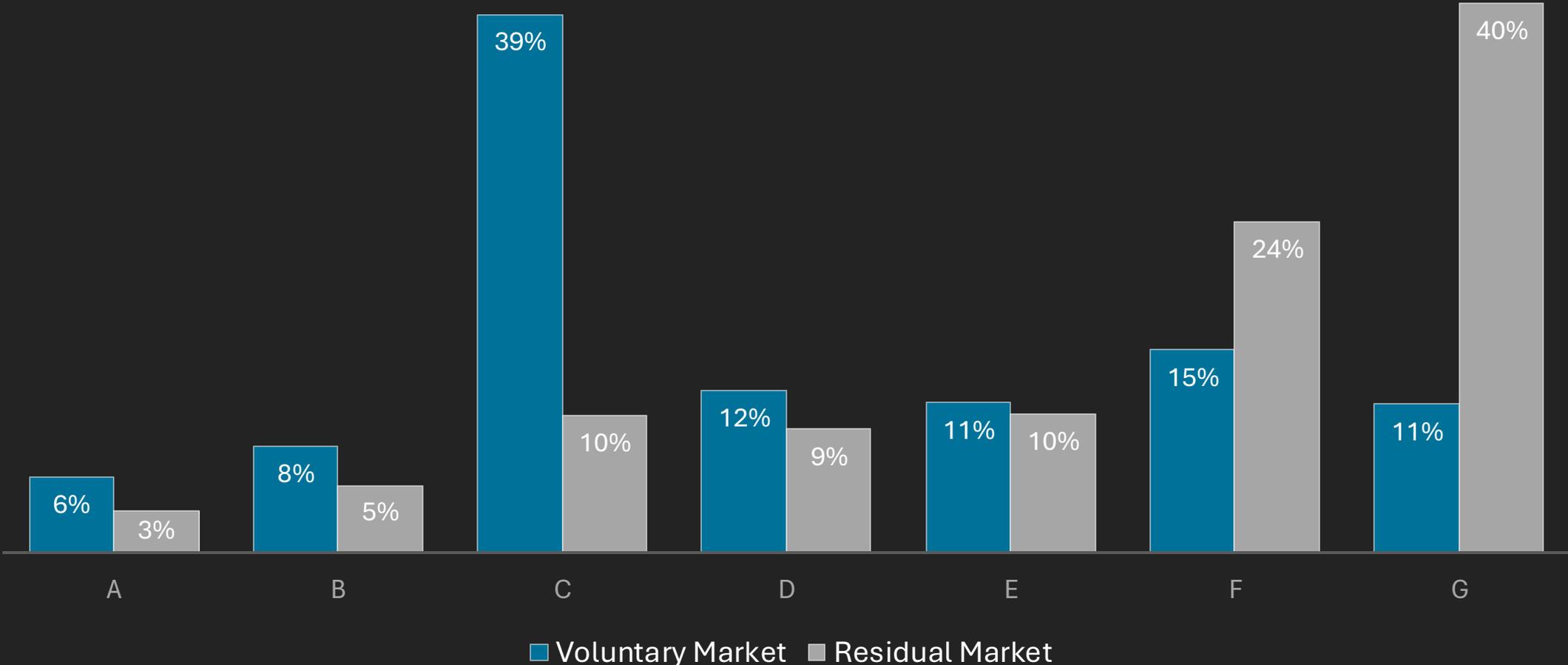
7720—Police Officers & Drivers (1.6%)

8720—Construction—Job Site Salespersons and
Estimators (1.6%)

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Hazard Group Premium Concentration

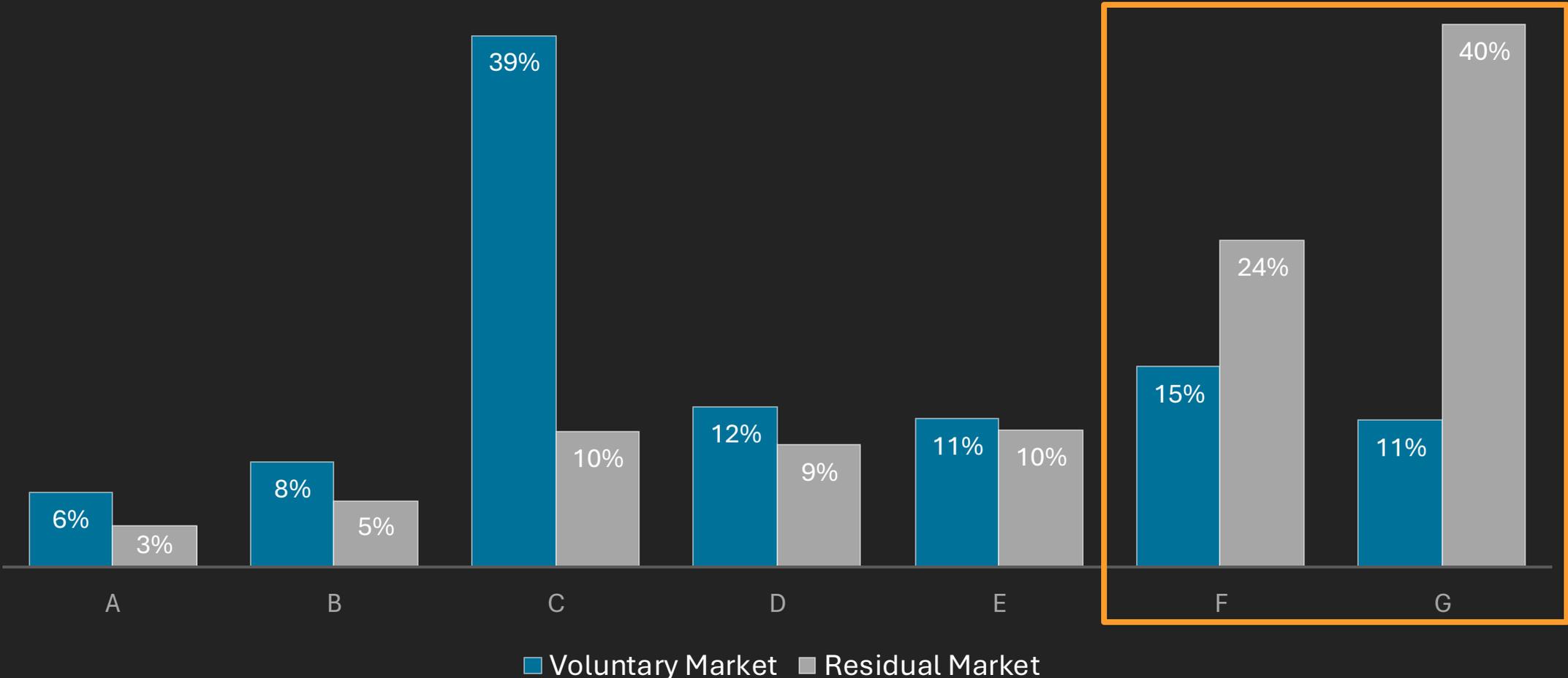
2025 Policy Year



■ Voluntary Market ■ Residual Market

Hazard Group Premium Concentration

2025 Policy Year



Interesting Accounts

Fish Spa



Psilocybin Integration Service



Romantic Dinner Flights



2025 Interesting Accounts



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Depopulation Programs

Residual Market

Voluntary Market

Depopulation Programs

- Eliminate disincentives
- Provide credits toward voluntary premium

Take-Out Credit Program 2024

- \$98MM credits generated
- 17,000+ policies removed or kept out of the residual market

Voluntary Coverage Assistance Program 2025

- \$26.8MM premium
- 9,266 policies
- 8% savings

Depopulation | VCAP® Service

2021

- \$21.4MM Premium
- 5,068 Policies
- 13% Savings

2022

- \$22.6MM Premium
- 4,184 Policies
- 14% Savings

2023

- \$22.8MM Premium
- 4,779 Policies
- 15% Savings

2024

- \$28.4MM Premium
- 7,272 Policies
- 12% Savings

2025

- \$26.8MM Premium
- 9,266 Policies
- 8% Savings

2025 Administration Achievements



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2025 Administration Achievements

- ***Servicing Carrier Reference Guide*** updates
- ***Pool Data Reporting Guidebook*** updates
- ***SCSOSSM Service*** enhancements
 - Servicing Carrier RFP document modernization
- ***Pool Uncollectible Premium System*** enhancements
- New Plan Administration contracts in Kansas, Mississippi, Tennessee

*Servicing Carrier Selection and Oversight System

Initiatives and Activities—2026 and Beyond



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2026 Servicing Carrier Bid States



2026 Bid States | In-Force Volumes

ARIZONA	DELAWARE*	IDAHO	INDIANA	IOWA*	MICHIGAN	NEVADA	WEST VIRGINIA
Premium	Premium	Premium	Premium	Premium	Premium	Premium	Premium
\$24.4MM	\$7.1MM	\$7.1MM	\$30.8MM	\$16.5MM	\$45.2MM	\$16.2MM	\$8.4MM
Policy Count	Policy Count	Policy Count	Policy Count	Policy Count	Policy Count	Policy Count	Policy Count
3,789	1,788	2,660	8,165	2,827	19,724	2,108	1,784
Average Policy Size	Average Policy Size	Average Policy Size	Average Policy Size	Average Policy Size	Average Policy Size	Average Policy Size	Average Policy Size
\$6,183	\$3,971	\$2,585	\$3,776	\$5,498	\$2,293	\$7,150	\$4,465
							

*Includes Direct Assignment policies

State of the Residual Market

Premium and market share continue to decline but pace has slowed



Combined ratios reflect aggregate self-sufficiency—with some state exceptions



Hazard Group Concentration creates volatility concerns



Uncollectible premium remains a continuing concern in the Southeast





Residual Market Forum

February 25-26, 2026



Request an Assigned Risk Estimate



Submit an Assigned Risk Application



Access WCIP State Instruction Pages



PLAN ADMINISTRATION

- 2026 Residual Market Direct Assignment Carriers (PDF)
- 2026 Residual Market Servicing Carriers (PDF)
- Assigned Carrier Performance Standards

POOL ADMINISTRATION

- National Workers Compensation Reinsurance Association NFP Bylaws
- Reinsurance Pool Board Sites

RESOURCES

- Register Now for NCCI's Residual Market Forum (RMF) 2026
- Residual Market Administrators
- Residual Market Forum 2025 High Report Now Available
- Servicing Carrier Precertification

PRODUCTS

- NCCI Atlas (Access Manuals)
- Pool Financial Data Collection

PUBLICATIONS / REPORTS

- Residual Market Quarterly Results **Updated**
- State Activity Reports **Updated**
- Residual Market Management Summary 2024
- National Pool Premium Volume Report **Updated**
- Virginia Workers Compensation Insurance Policy Cancellation Request Form (PDF)

[Complete Listing](#)

Questions?



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