



# Alaska Residual Market State Activity Report

First Quarter 2025



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## Executive Summary

NCCI, as Pool and Plan Administrator of the Alaska Workers Compensation Insurance Plan, is pleased to provide the First Quarter 2025 *Alaska Residual Market State Activity Report*.

Residual Market demographics contained in this report include:

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## Residual Market Demographics

### Residual Market Total Policies and Premium **In Force**

#### As of March 31, 2025—compared to prior year

Total number of Assigned Risk Plan policies and prorated estimated premium volume in force reported as of the date listed above. This excludes policies that have been cancelled or expired prior to the date listed above.

The other exhibits in this report describe quarterly and year-to-date data, including policies that cancelled or expired during the timeframe.

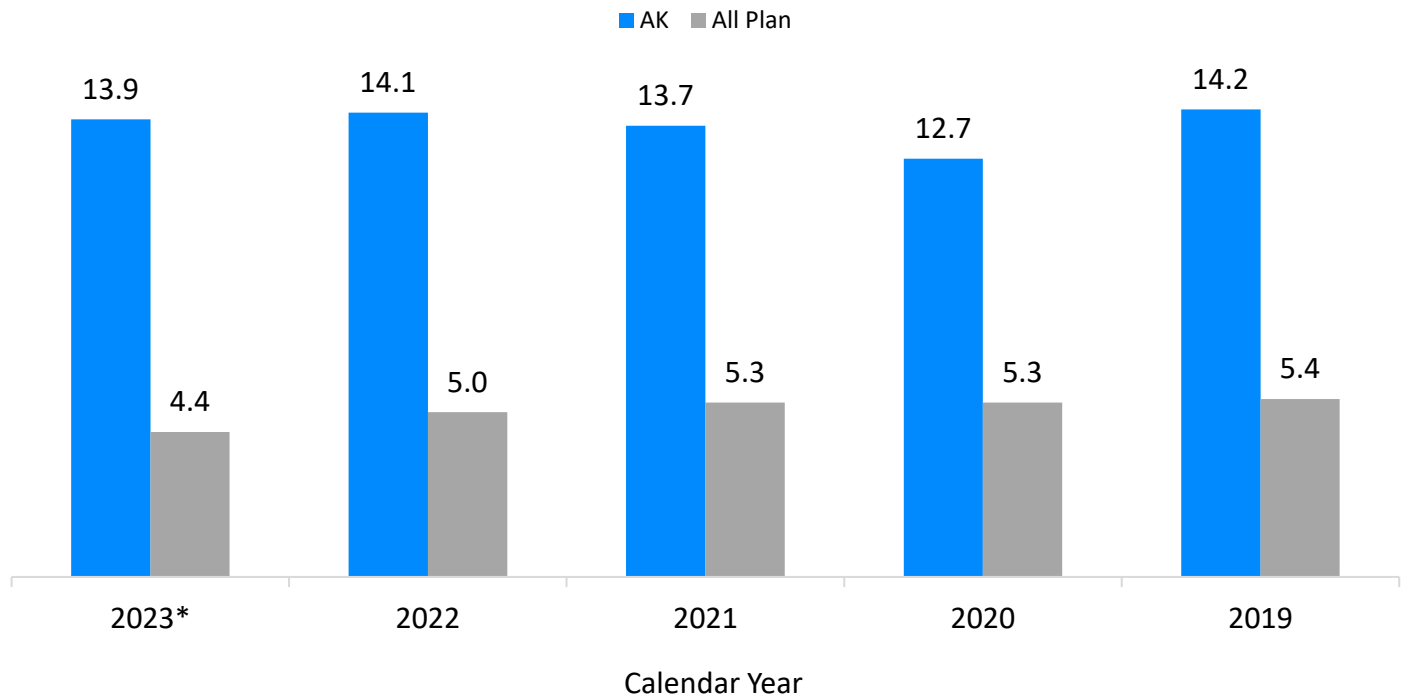
	2025	2024	2025 vs. 2024 #	2025 vs. 2024 %
<b>Policy Count</b>	4,946	5,204	-258	-5.0%
<b>Premium Volume</b>	\$21,275,511	\$23,837,715	-\$2,562,204	-10.7%



## Residual Market Demographics

### Alaska Residual Market Share Compared to All Plan Jurisdictions Market Share Calendar Years 2023 - 2019

Plan Premium as a Percentage of Direct Written Premium



\*Preliminary

**Note:** The Residual Market Share is based on residual market written premium as a percentage of total direct written premium on a calendar year basis, from financial data reported to NCCI.

Due to the nature of calendar year data, this chart provides a full year of data and is updated only once a year with the second quarter report.

This Residual Market Share is published in the **Residual Market Management Summary** within *Exhibit P* for NCCI Plan and Pool Administered states. "All Plan" jurisdictions in this chart represent the subtotal market shares for NCCI Plan-administered states within *Exhibit P*.



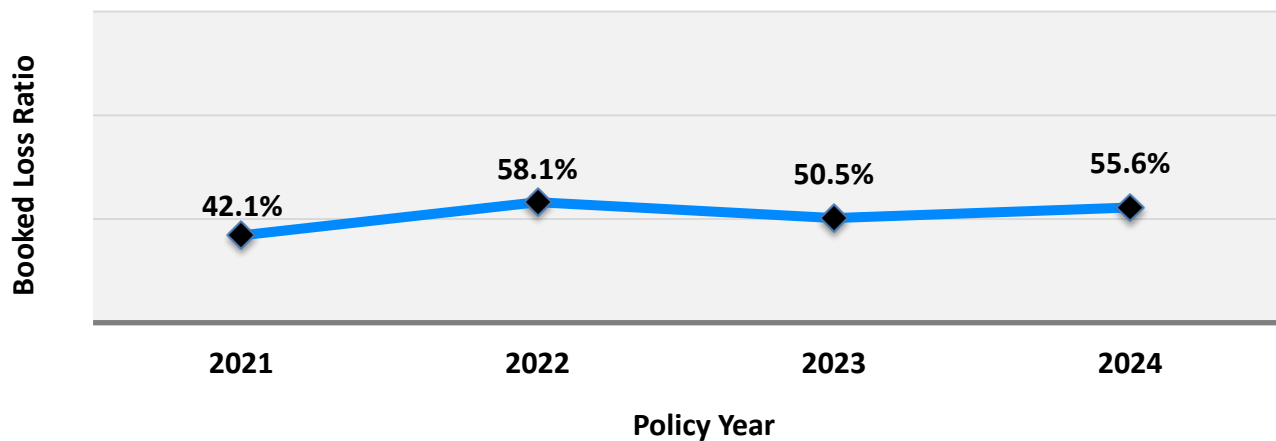
## Residual Market Demographics

### Alaska Residual Market Reinsurance Pool

Policy Year Financial Results through 4th Quarter 2024 for 2024 and prior years\*

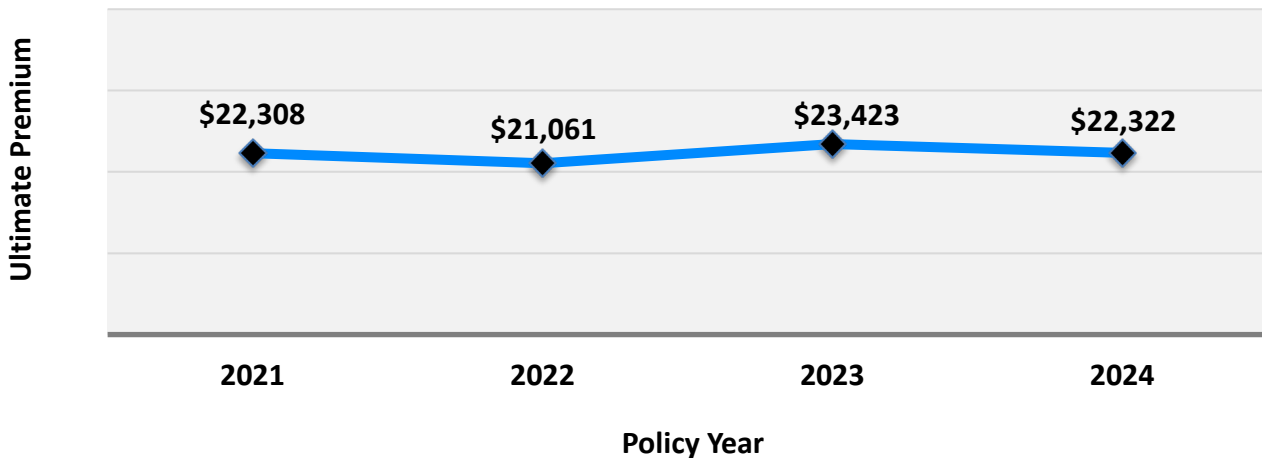
#### Booked Loss Ratio (Projected to Ultimate)

The ratio of total incurred losses to total net premiums (net of uncollectible premium) in a given period, in this state, expressed as a percentage.



#### Ultimate Net Written Premium (Projected to Ultimate) (000's)

The premium charged by an insurance company for coverage provided by an insurance contract for the policy period in this state.



\*1st Quarter 2025 data will be available the end of July 2025 due to the timing of data reporting

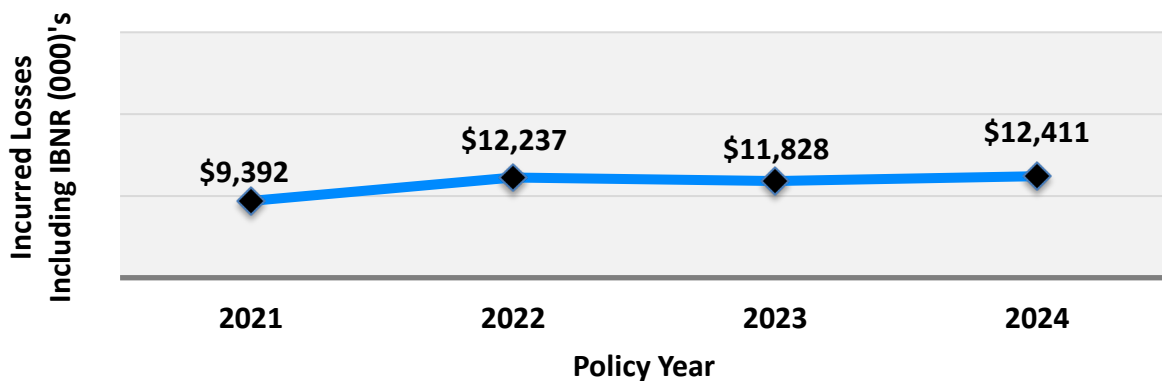


## Residual Market Demographics

### Alaska Residual Market Reinsurance Pool Net Operating Results Policy Year Financial Results through 4th Quarter 2024 for 2024 and prior years\*

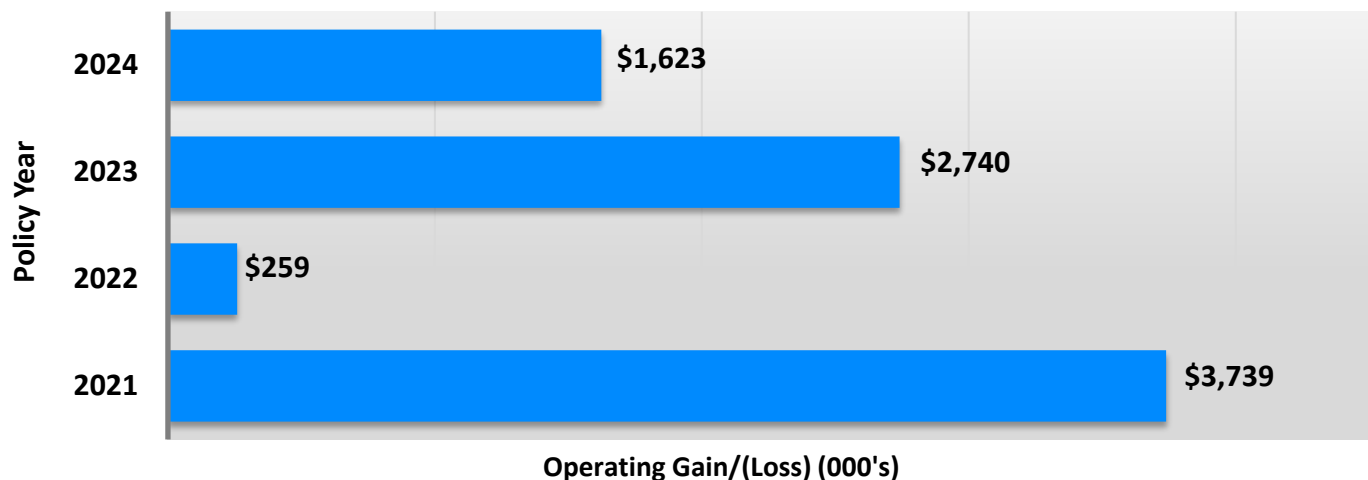
#### Incurred Losses (Projected to Ultimate)

Policy year incurred losses reflect paid losses, case reserves and IBNR reserves for policies written in a particular policy year in that state.



#### Estimated Net Operating Gain/(Loss) (000's) (Projected to Ultimate)

The financial statement presentation that reflects the excess of earned premium over incurred losses, less all operating expenses, plus all investment income in that state.



\*1st Quarter 2025 data will be available the end of July 2025 due to the timing of data reporting



## Residual Market Demographics

### Collections/Indemnification

The following shows a comparison of gross written premium and uncollectible premium reported in Alaska for Policy Years 2020-2024, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 4th Quarter 2024.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2020	20,637,544	263,783	1.3%
2021	20,140,115	109,725	0.5%
2022	18,955,602	124,802	0.7%
2023	21,277,145	--	--
2024	20,663,821	--	--

\* The uncollectible premiums provided are reported by the servicing carriers on a quarterly basis. Uncollectible premium is generally reported up to 24 months after the policy expiration date due to audit, billing, and collection requirements. Therefore, the uncollectible premium data has not yet developed for the more recent policy years.



## Residual Market Demographics

### Voluntary Coverage Assistance Program

#### First Quarter Data through March 31, 2025

The volume of assigned risk applications redirected to the voluntary market through NCCI's *VCAP® Service*. The following shows the results *VCAP® Service* has provided during First Quarter 2025.

Number of Applications Reviewed by <b>VCAP® Service</b>	276
Associated Premium for Applications Reviewed	\$881,310.11
Number of <b>VCAP® Service</b> Matches	170
<b>VCAP® Service</b> Matches as a % of Applications Reviewed	61.59%
Number of <b>VCAP® Service</b> Offers	13
<b>VCAP® Service</b> Offers as a % of Matches	7.65%
Number of Confirmed <b>VCAP® Service</b> Policies	11
Confirmed <b>VCAP® Service</b> Policies as a % of Applications Reviewed	3.99%
Redirected Assigned Risk Premium	\$30,019.57
Associated Voluntary Market Premium	\$29,579.00
Savings	\$440.57
Average Savings per Application	\$40.05
Savings as a % of Redirected Assigned Risk Premium	1.47%
Redirected Premium as a % of Associated Premium for Applications Reviewed by <b>VCAP® Service</b>	3.41%

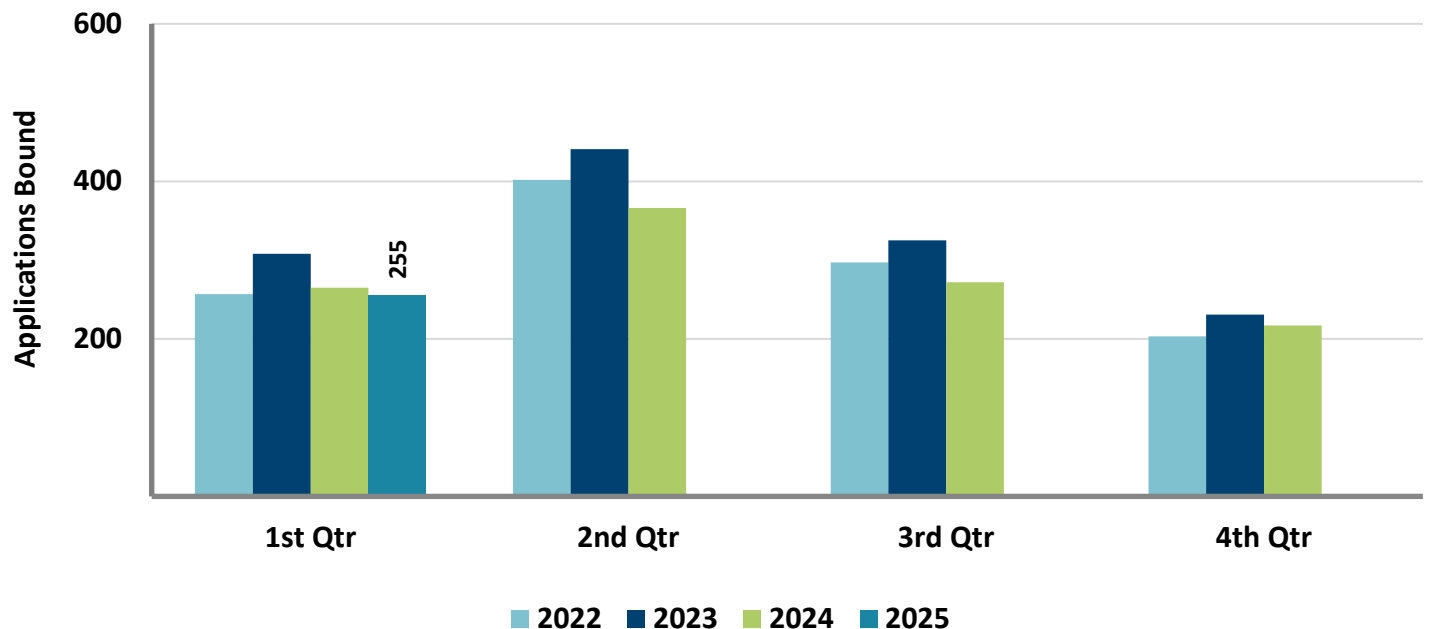




## Residual Market Demographics

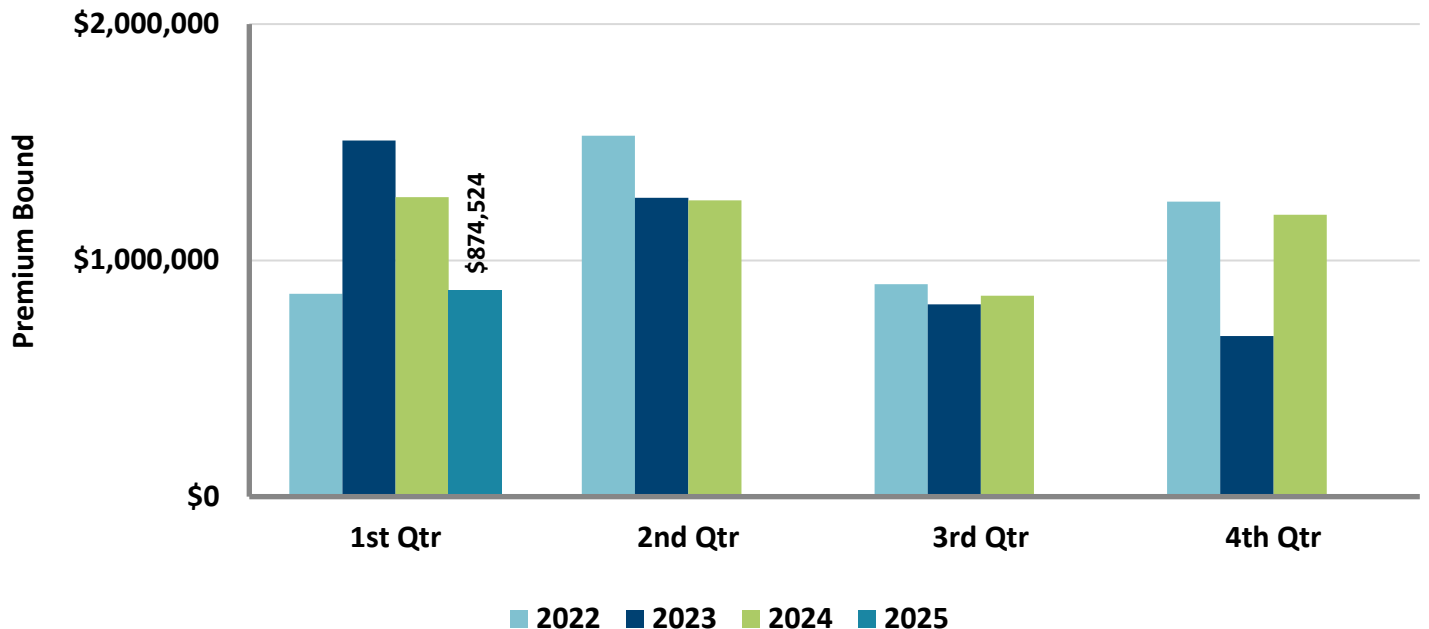
### Total Applications Bound — 2022 vs. 2023 vs. 2024 vs. 2025

The number of applications—both new and reassignment—that are assigned to a Servicing Carrier or a Direct Assignment Carrier (if applicable).



### Total Application Premium Bound — 2022 vs. 2023 vs. 2024 vs. 2025

The total estimated premium on bound applications—both new and reassignment—that are assigned to a Servicing Carrier or a Direct Assignment Carrier (if applicable).



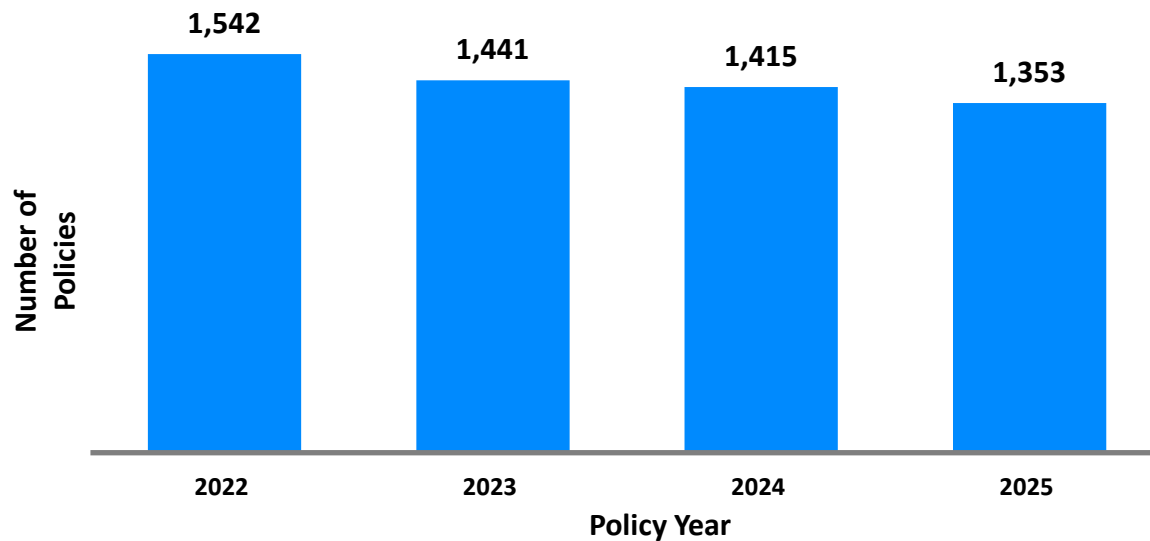


## Residual Market Demographics

### Residual Market Total Policy Counts

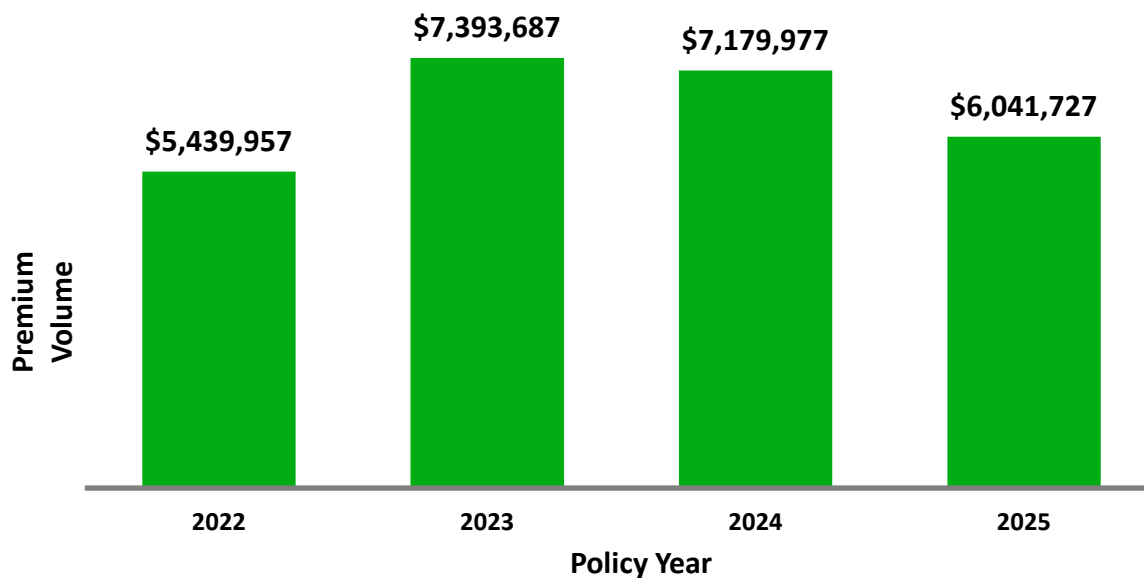
#### First Quarter Data for Policies Reported through March 31, 2025

Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



#### First Quarter Data for Premium Reported through March 31, 2025

Total amount of all Assigned Risk Plan prorated estimated annual premium with effective dates during the calendar period listed above.





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## Residual Market Demographics

### Premium Size Profiles

The total number of Assigned Risk Plan policies and prorated estimated annual premium totals, with effective dates during the respective timeframe (First Quarter), and reported to NCCI by March 31, 2025, by both Direct Assignment and Servicing Carriers.

### First Quarter Data Reported through March 31, 2025

Premium Size \$	Policy Count	% of Total Policies	Premium \$	% of Total Premium	Average Premium \$
0- 2,499	959	70.9	704,605	11.7	735
2,500- 4,999	147	10.9	502,287	8.3	3,417
5,000- 9,999	133	9.8	913,856	15.1	6,871
10,000- 19,999	59	4.4	826,389	13.7	14,007
20,000- 49,999	37	2.7	1,110,806	18.4	30,022
50,000- 99,999	11	0.8	740,699	12.3	67,336
100,000- 199,999	5	0.4	652,021	10.8	130,404
200,000+	2	0.1	591,064	9.8	295,532
Total	1,353	100.0	6,041,727	100.0	4,465

### First Quarter 2024 Data for Comparison

Premium Size \$	Policy Count	% of Total Policies	Premium \$	% of Total Premium	Average Premium \$
0- 2,499	984	69.5	729,683	10.2	742
2,500- 4,999	158	11.2	562,084	7.8	3,557
5,000- 9,999	129	9.1	899,653	12.5	6,974
10,000- 19,999	77	5.4	1,091,656	15.2	14,177
20,000- 49,999	43	3.0	1,207,811	16.8	28,089
50,000- 99,999	15	1.1	1,055,064	14.7	70,338
100,000- 199,999	7	0.5	947,268	13.2	135,324
200,000+	2	0.1	686,758	9.6	343,379
Total	1,415	100.0	7,179,977	100.0	5,074

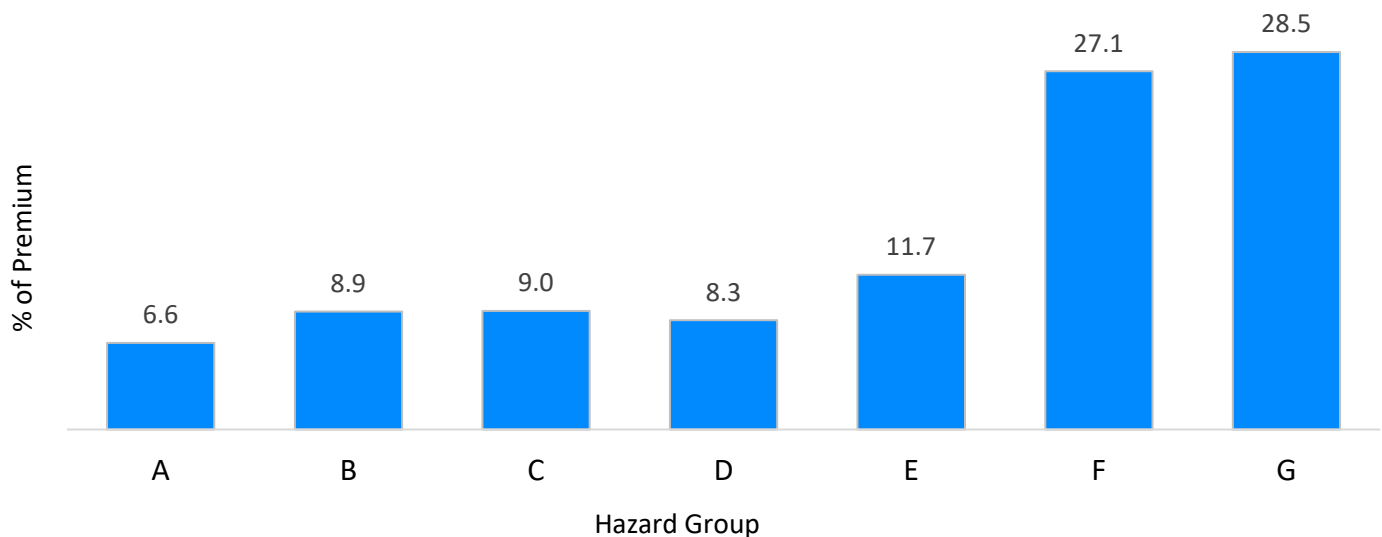


## Residual Market Demographics

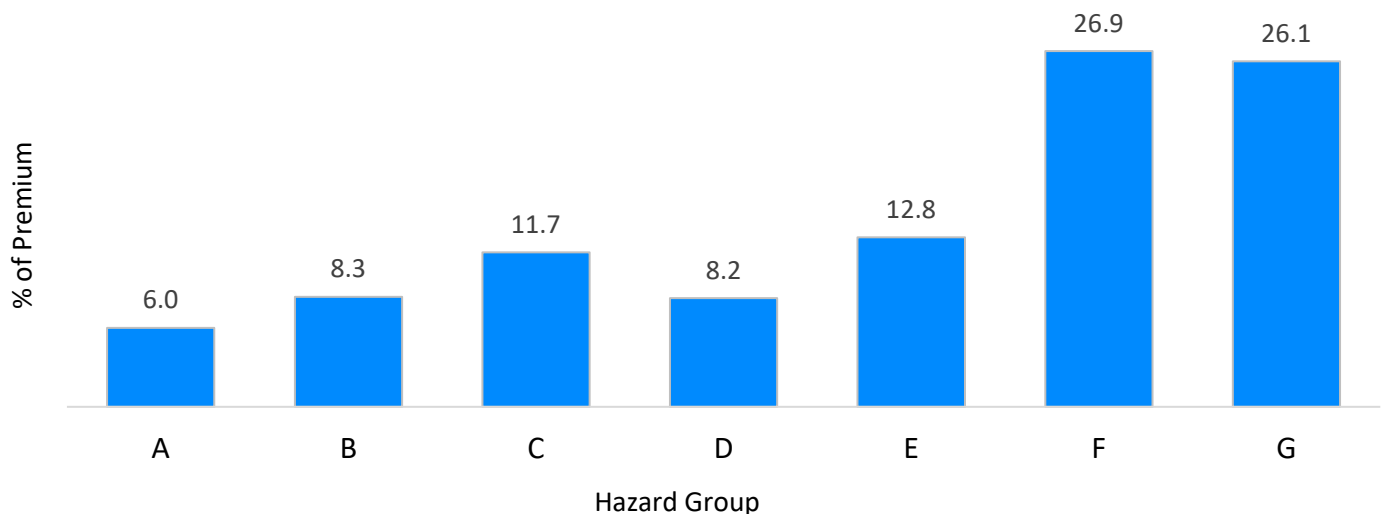
### Hazard Group Distribution

First Quarter Data Reported through **March 31, 2025**

The Hazard Groups for Assigned Risk Plan policies reported to NCCI by Direct Assignment and Servicing Carriers as of the date listed above.



### First Quarter 2024 Data for Comparison





# Alaska Residual Market State Activity Report

## First Quarter 2025

## Residual Market Demographics

### Residual Market Top 10 Classification Codes by Policy Count

#### First Quarter Data Reported through March 31, 2025

The top 10 governing class codes by total policy count—policies issued by Servicing Carriers and Direct Assignment Carriers in this state as of the date listed above.

Rank	Code and Description	Policy Count	% of Policies
1	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	134	9.9
2	8810 - Clerical Office Employees NOC	57	4.2
3	8824 - Retirement Living Centers - Health Care Employees	51	3.8
4	9094 - Outdoor Guide Services	48	3.5
5	8832 - Physician & Clerical	37	2.7
6	8868 - College - Professional Employees & Clerical	37	2.7
7	5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers	33	2.4
8	5551 - Roofing-All Kinds & Drivers	33	2.4
9	8017 - Store: Retail NOC	33	2.4
10	8601 - Architectural or Engineering Firm - Including Salespersons & Drivers	30	2.2

### Residual Market Top 10 Classification Codes by Premium Volume

#### First Quarter Data Reported through March 31, 2025

The top 10 governing class codes by prorated estimated annual premium written on total policies issued by Servicing Carriers and Direct Assignment Carriers in this state as of the date listed above.

Rank	Code and Description	Premium \$	% of Premium
1	9094 - Outdoor Guide Services	628,283	10.4
2	5551 - Roofing-All Kinds & Drivers	546,420	9.0
3	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	345,136	5.7
4	2725 - Logging or Lumbering - Mechanized Equipment Operations & Drivers	260,813	4.3
5	6217 - Excavation & Drivers	220,105	3.6
6	9083 - Restaurant: Fast Food	194,328	3.2
7	9052 - Hotel - All Other Employees & Salespersons, Drivers	154,638	2.6
8	5403 - Carpentry NOC	129,956	2.2
9	8017 - Store: Retail NOC	127,096	2.1
10	5516 - Street or Road Maintenance, Construction or Reconstruction by Other Than State, County or Municipality	125,493	2.1



## Glossary of Terms

**Applications Bound**—The applications that are actually assigned to a Servicing Carrier or Direct Assignment Carrier (if applicable).

**Earned Premium or Premiums Earned**—That portion of written premiums applicable to the expired portion of the time for which the insurance was in effect. When used as an accounting term, “premiums earned” describes the premiums written during a period, plus the unearned premiums at the beginning of the period, less the unearned premiums at the end of the period.

**In Force (Policies/Premium)**—All policies and associated estimated premium that are current as of a given date. This excludes policies that have been cancelled or expired prior to the given date.

**Incurred But Not Reported (IBNR)**—Pertaining to losses where the events that will result in a loss, and eventually a claim, have occurred, but have not yet been reported to the insurance company. The term may also include “bulk” reserves for estimated future development of case reserves.

**Loss Ratio**—The ratio of total incurred losses to total earned premiums in a given period, expressed as a percentage. The formula for loss ratio is  $(\text{loss} + \text{loss adjustment expense}) / \text{earned premium}$ .

**Premium Bound**—The total estimated annual premium on bound applications.

**Prorated Estimated Annual Premium**—premium determined by multiplying a policy’s total estimated annual premium to a factor based on the number of days the policy was in effect. For example, if a policy was in effect for 100 days, the factor would be  $100/365$  or  $0.274$ . For a policy with a total estimated annual premium of \$1,000 the prorated estimated annual premium would be \$274. This calculation is applied to cancelled policies.

**Underwriting Gain/ (Loss)**—The financial statement presentation that reflects the excess of earned premium over incurred losses.

**VCAP® Service**—Voluntary Coverage Assistance Program is a supplemental program to NCCI’s Workers Compensation Insurance Plan. As part of NCCI’s strategic vision of maintaining and depopulating the residual market, NCCI’s **VCAP® Service** redirects coverage opportunities for employers to voluntary market insurers, which generally provide coverage at a lower cost. **VCAP® Service** provides an additional source for producers and employers to secure voluntary workers compensation coverage prior to entering the residual market for coverage.