



Alabama Residual Market State Activity Report

First Quarter 2026



Executive Summary

NCCI, as Pool and Plan Administrator of the Alabama Workers Compensation Insurance Plan, is pleased to provide the First Quarter 2026 *Alabama Residual Market State Activity Report*.

Residual Market demographics contained in this report include:

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If you have any questions or comments about this report, please feel free to contact Sean Cordell, Plan Administration, sean_cordell@ncci.com or 561-893-3171.



Residual Market Demographics

Residual Market Total Policies and Premium In Force

As of March 31, 2026—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.

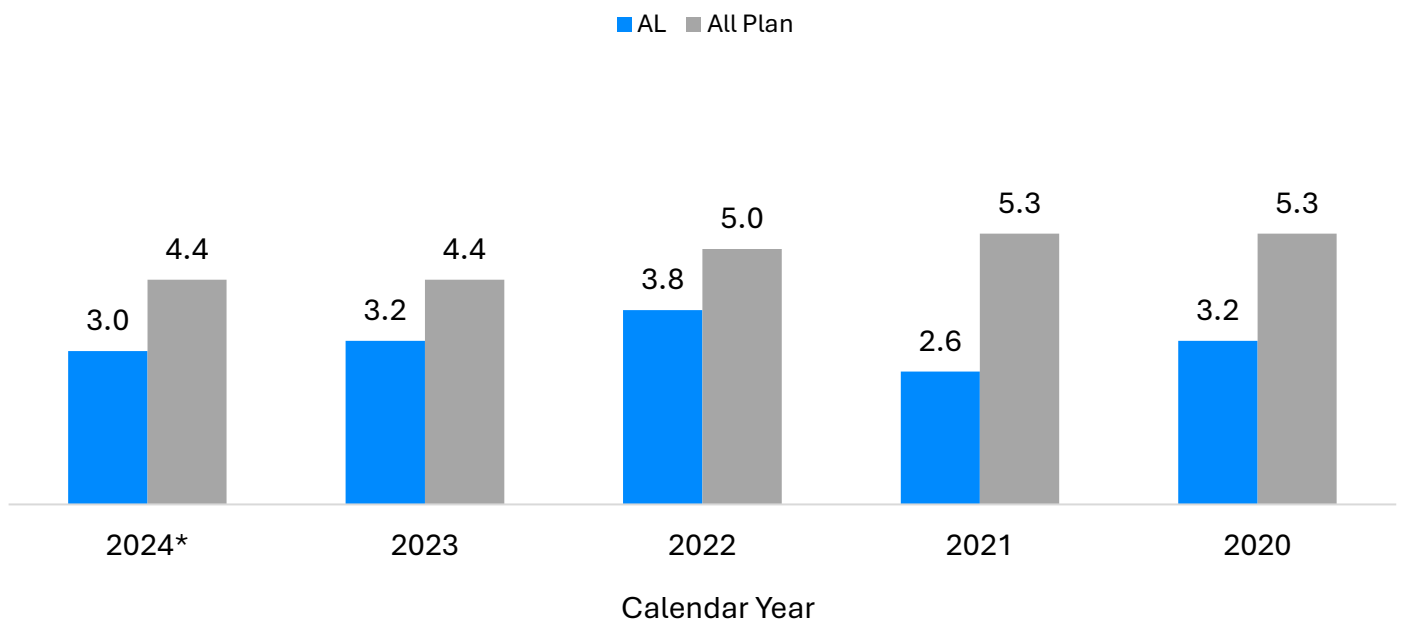
	2026	2025	2026 vs. 2025 #	2026 vs. 2025 %
Policy Count	1,328	1,213	115	9.5%
Premium Volume	\$6,366,527	\$6,213,255	\$153,272	2.5%



Residual Market Demographics

Alabama Residual Market Share Compared to All Plan Jurisdictions Market Share Calendar Years 2024 - 2020

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*.



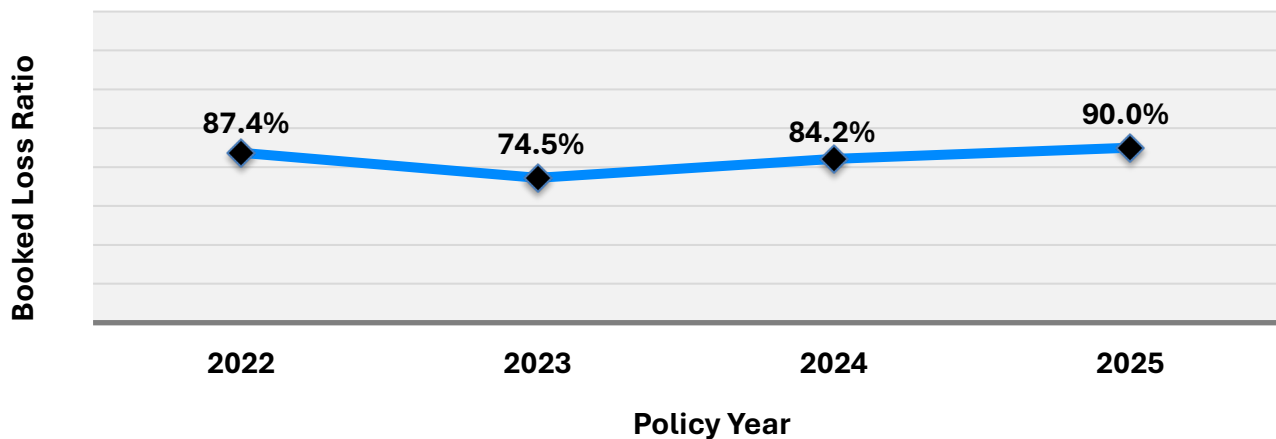
Residual Market Demographics

Alabama Residual Market Reinsurance Pool

Policy Year Financial Results through 4th Quarter 2025 for 2025 and prior years*

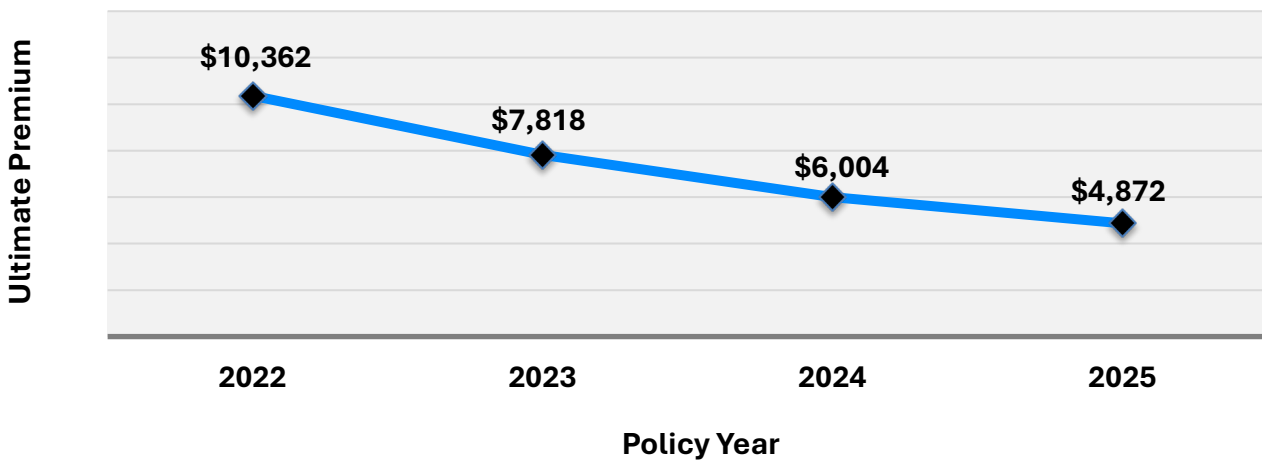
Booked Loss Ratio (Projected to Ultimate)

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 2026 data will be available the end of July 2026 due to the timing of data reporting

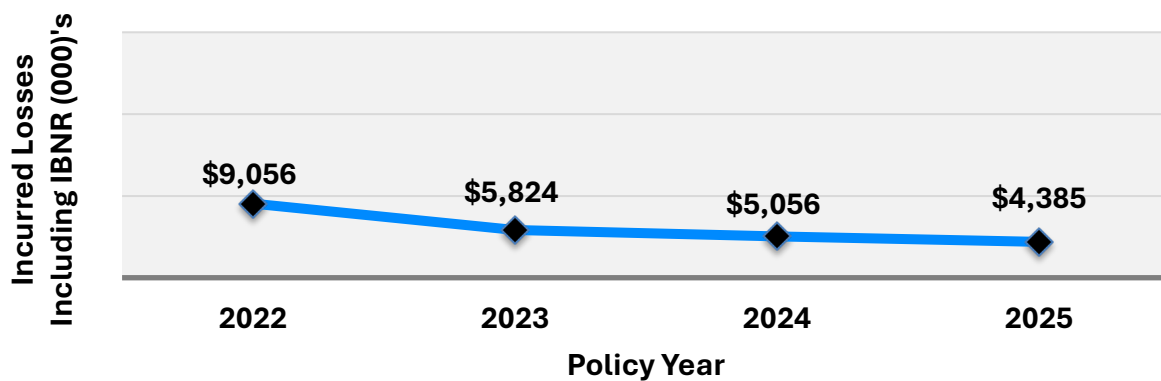


Residual Market Demographics

Alabama Residual Market Reinsurance Pool Net Operating Results Policy Year Financial Results through 4th Quarter 2025 for 2025 and prior years*

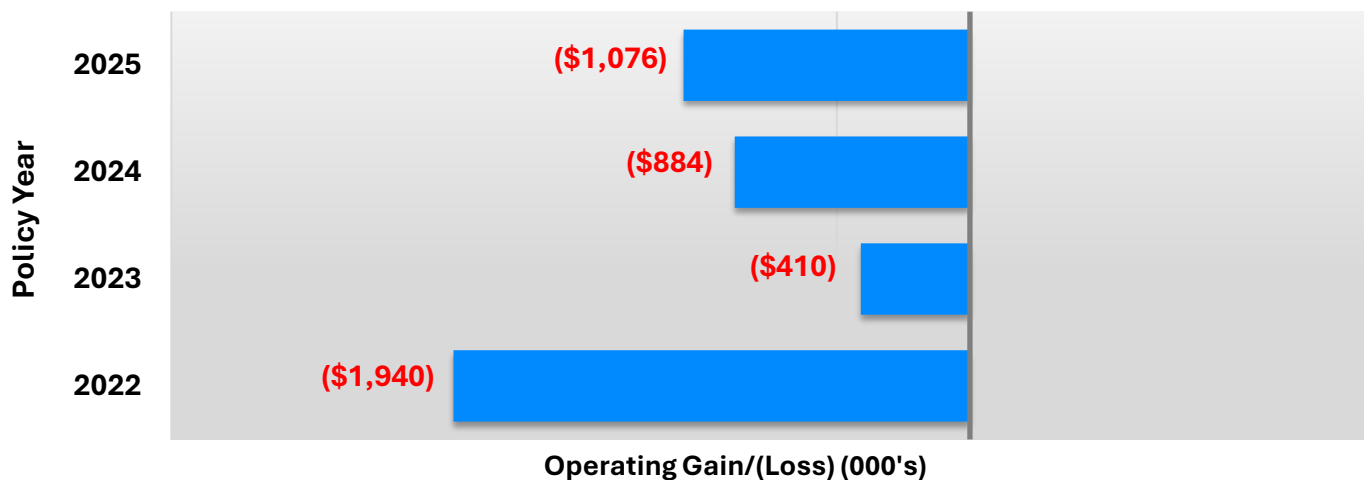
Incurred Losses (Projected to Ultimate)

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 2026 data will be available the end of July 2026 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 Alabama for Policy Years 2021-2025, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 4th Quarter 2025.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2021	9,394,886	2,868,188	30.5%
2022	12,053,384	1,691,606	14.0%
2023	8,471,937	653,874	7.7%
2024	6,962,290	--	--
2025	5,172,146	--	--

* 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, 2026

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 2026.

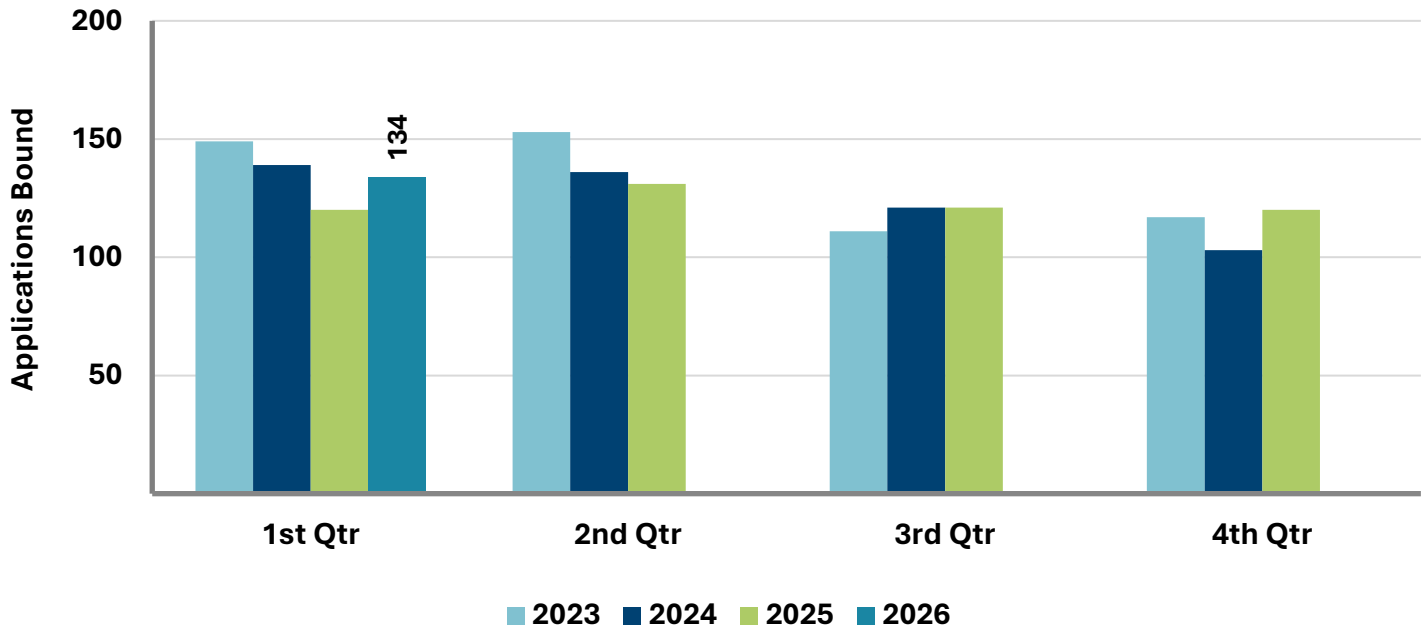
Number of Applications Reviewed by VCAP [®] Service	135
Associated Premium for Applications Reviewed	\$600,567.99
Number of VCAP [®] Service Matches	54
VCAP [®] Service Matches as a % of Applications Reviewed	40.00%
Number of VCAP [®] Service Offers	1
VCAP [®] Service Offers as a % of Matches	1.85%
Number of Confirmed VCAP [®] Service Policies	1
Confirmed VCAP [®] Service Policies as a % of Applications Reviewed	0.74%
Redirected Assigned Risk Premium	\$9,768.64
Associated Voluntary Market Premium	\$7,352.00
Savings	\$2,416.64
Average Savings per Application	\$2,416.64
Savings as a % of Redirected Assigned Risk Premium	24.74%
Redirected Premium as a % of Associated Premium for Applications Reviewed by VCAP [®] Service	1.63%



Residual Market Demographics

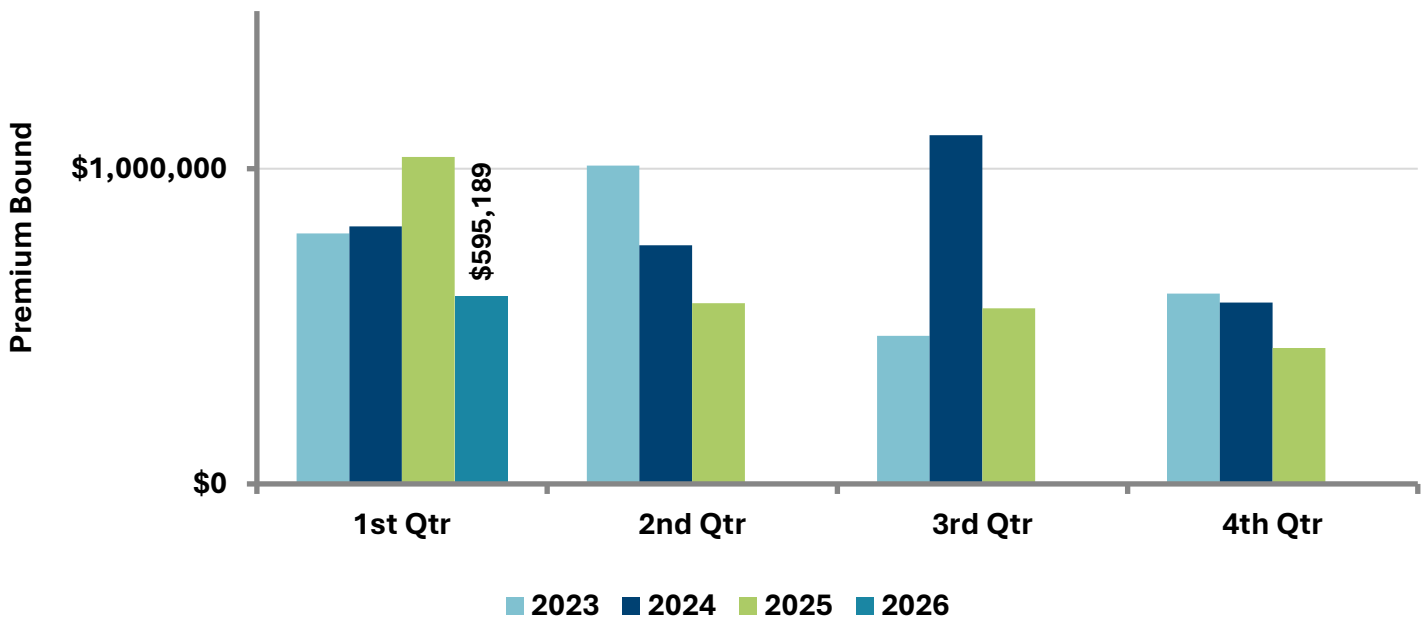
Total Applications Bound — 2023 vs. 2024 vs. 2025 vs. 2026

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 — 2023 vs. 2024 vs. 2025 vs. 2026

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).



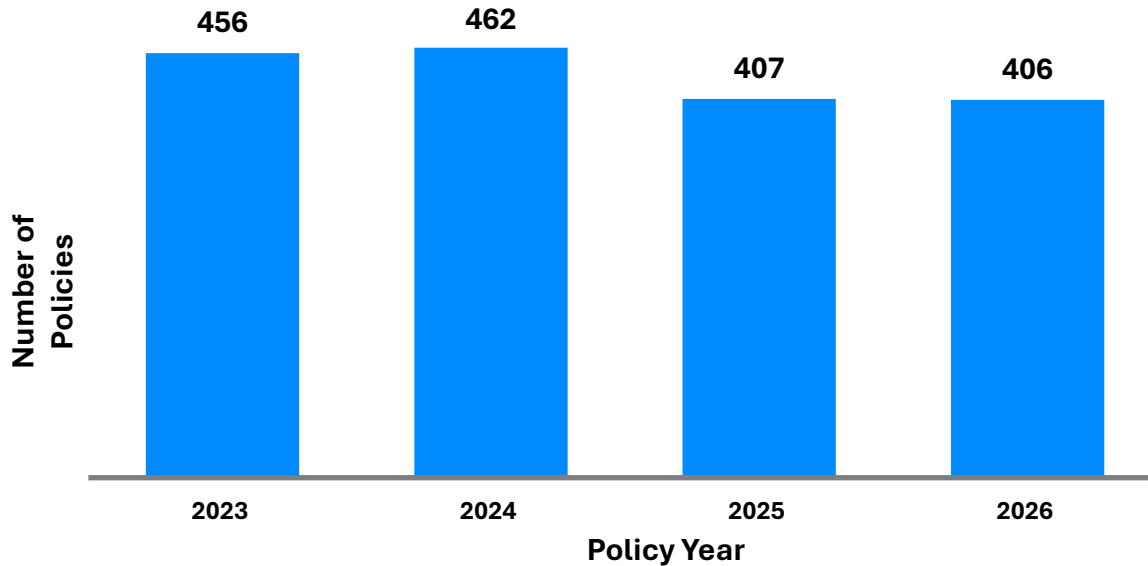


Residual Market Demographics

Residual Market Total Policy Counts

First Quarter Data for **Policies** Reported through March 31, 2026

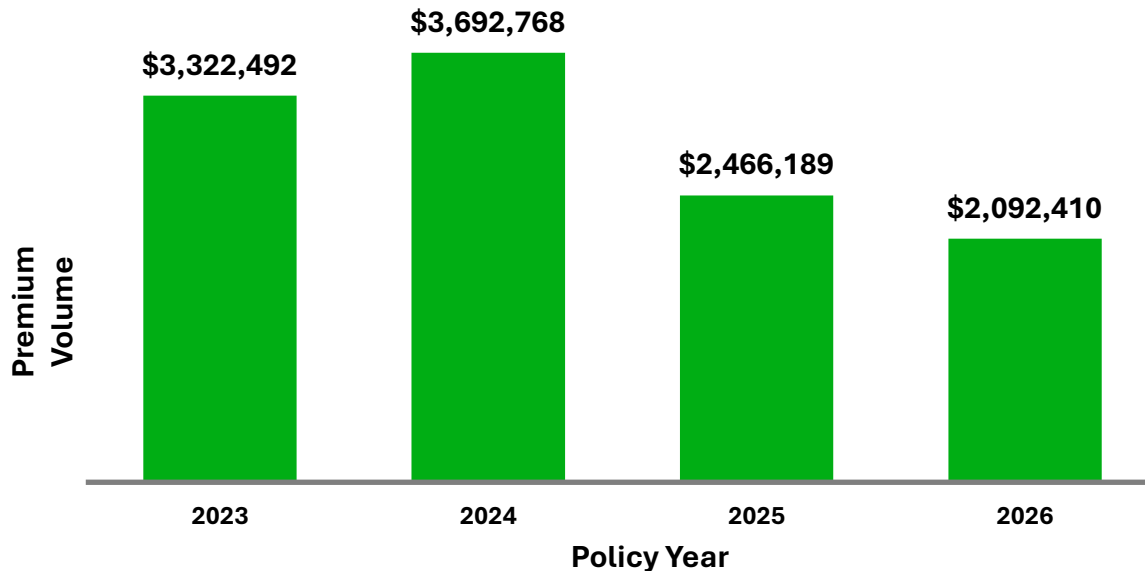
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

First Quarter Data for **Premium** Reported through March 31, 2026

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





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, 2026, by both Direct Assignment and Servicing Carriers.

First Quarter Data Reported through March 31, 2026

Premium Size \$	Policy Count	% of Total Policies	Premium \$	% of Total Premium	Average Premium \$
0- 2,499	260	64.0	371,753	17.8	1,430
2,500- 4,999	56	13.8	198,735	9.5	3,549
5,000- 9,999	46	11.3	333,003	15.9	7,239
10,000- 19,999	26	6.4	342,243	16.4	13,163
20,000- 49,999	13	3.2	416,004	19.9	32,000
50,000- 99,999	4	1.0	293,160	14.0	73,290
100,000- 199,999	1	0.2	137,512	6.6	137,512
200,000+	0	0.0	0	0.0	0
Total	406	100.0	2,092,410	100.0	5,154

First Quarter 2025 Data for Comparison

Premium Size \$	Policy Count	% of Total Policies	Premium \$	% of Total Premium	Average Premium \$
0- 2,499	281	69.0	360,802	14.6	1,284
2,500- 4,999	51	12.5	183,969	7.5	3,607
5,000- 9,999	28	6.9	204,677	8.3	7,310
10,000- 19,999	27	6.6	358,703	14.5	13,285
20,000- 49,999	12	2.9	349,732	14.2	29,144
50,000- 99,999	5	1.2	341,706	13.9	68,341
100,000- 199,999	2	0.5	310,838	12.6	155,419
200,000+	1	0.2	355,762	14.4	355,762
Total	407	100.0	2,466,189	100.0	6,059

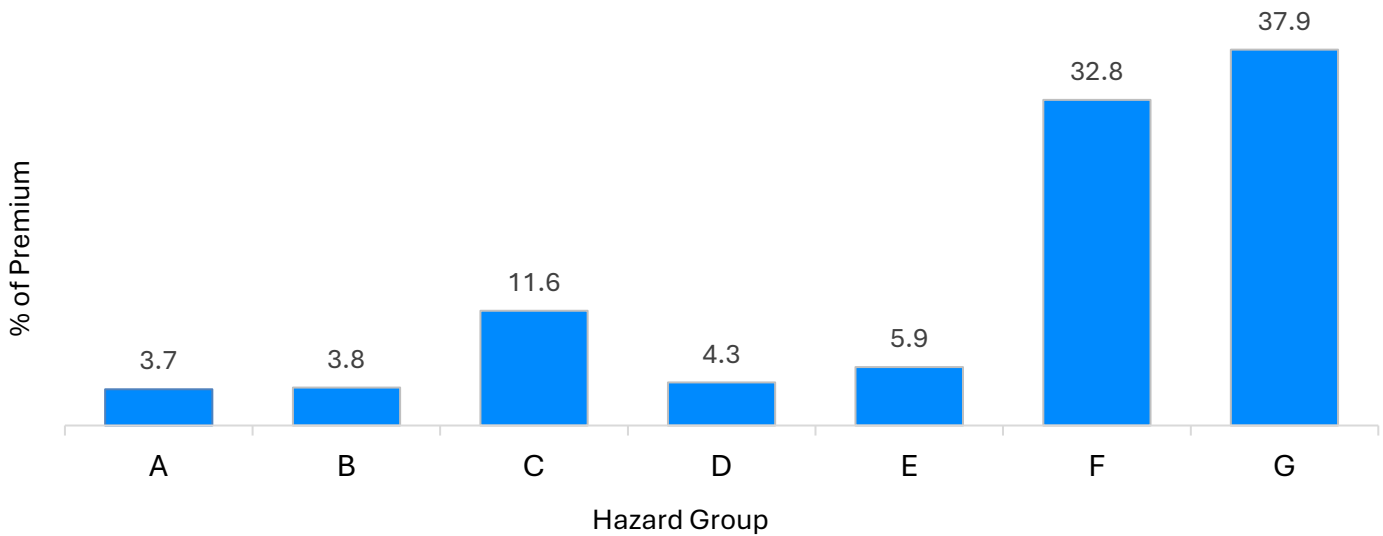


Residual Market Demographics

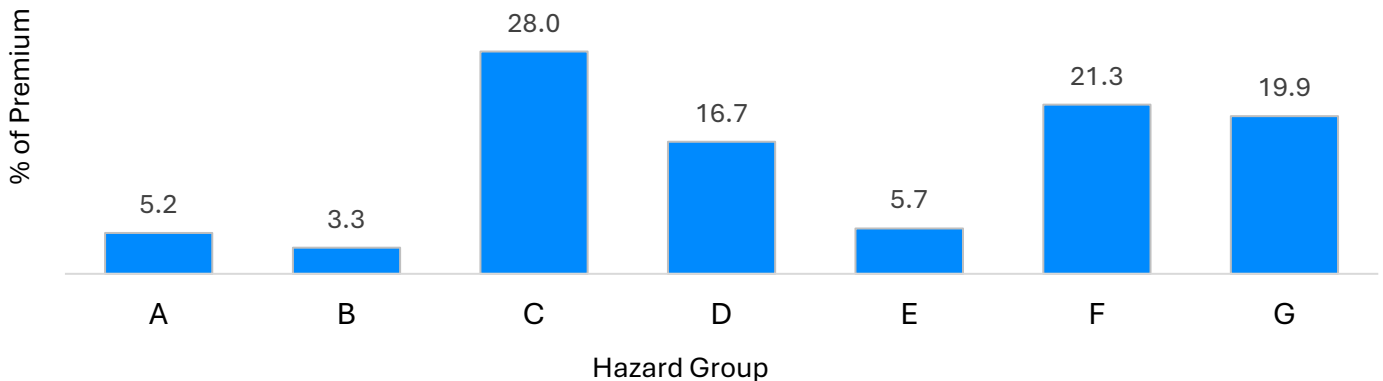
Hazard Group Distribution

First Quarter Data Reported through **March 31, 2026**

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 2025 Data for Comparison





Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count First Quarter Data Reported through March 31, 2026

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	5551 - Roofing-All Kinds & Drivers	62	15.3
2	7711 - Firefighters & Drivers - Volunteer	52	12.8
3	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	51	12.6
4	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	19	4.7
5	5474 - Painting NOC & Shop Operations, Drivers	13	3.2
6	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	13	3.2
7	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	11	2.7
8	5403 - Carpentry NOC	10	2.5
9	5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers	10	2.5
10	5606 - Contractor - Project Manager, Construction Executive, Construction Manager, or Construction Superintendent	9	2.2

Residual Market Top 10 Classification Codes by Premium Volume First Quarter Data Reported through March 31, 2026

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	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	208,654	10.0
2	5551 - Roofing-All Kinds & Drivers	196,143	9.4
3	9154 - Theater NOC - All Other Employees	137,512	6.6
4	7711 - Firefighters & Drivers - Volunteer	119,381	5.7
5	5606 - Contractor - Project Manager, Construction Executive, Construction Manager, or Construction Superintendent	117,519	5.6
6	5403 - Carpentry NOC	111,566	5.3
7	3365 - Welding or Cutting NOC & Drivers	109,650	5.2
8	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	107,507	5.1
9	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	98,749	4.7
10	9178 - Athletic Sports or Park: Noncontact Sports	75,156	3.6



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.