



# Georgia Residual Market State Activity Report

Second Quarter 2024



## Executive Summary

NCCI, as Pool and Plan Administrator of the Georgia Workers Compensation Insurance Plan, is pleased to provide the Second Quarter 2024 *Georgia 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 June 30, 2024—compared to prior year

Total number of Assigned Risk Plan policies and 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.

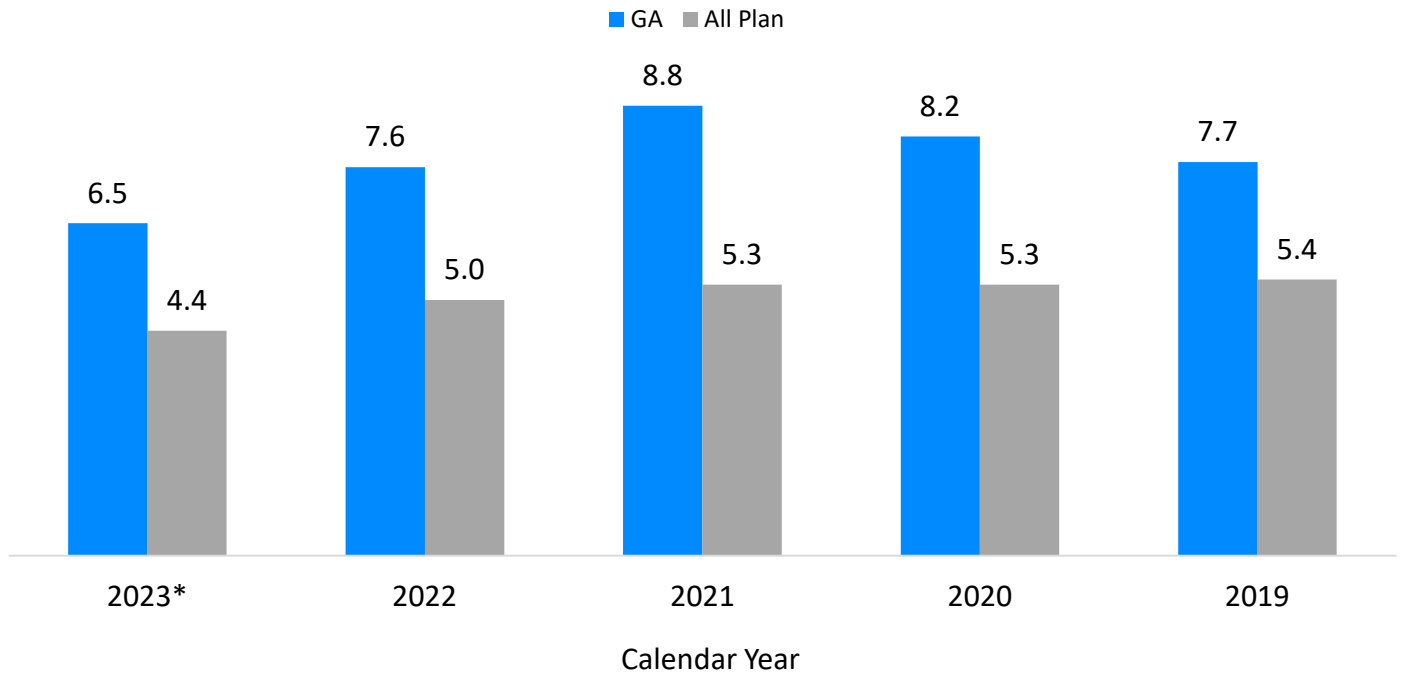
	2024	2023	2024 vs. 2023 #	2024 vs. 2023 %
<b>Policy Count</b>	16,372	17,661	-1,289	-7.3%
<b>Premium Volume</b>	\$50,592,152	\$61,793,726	-\$11,201,574	-18.1%



## Residual Market Demographics

### Georgia 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*.



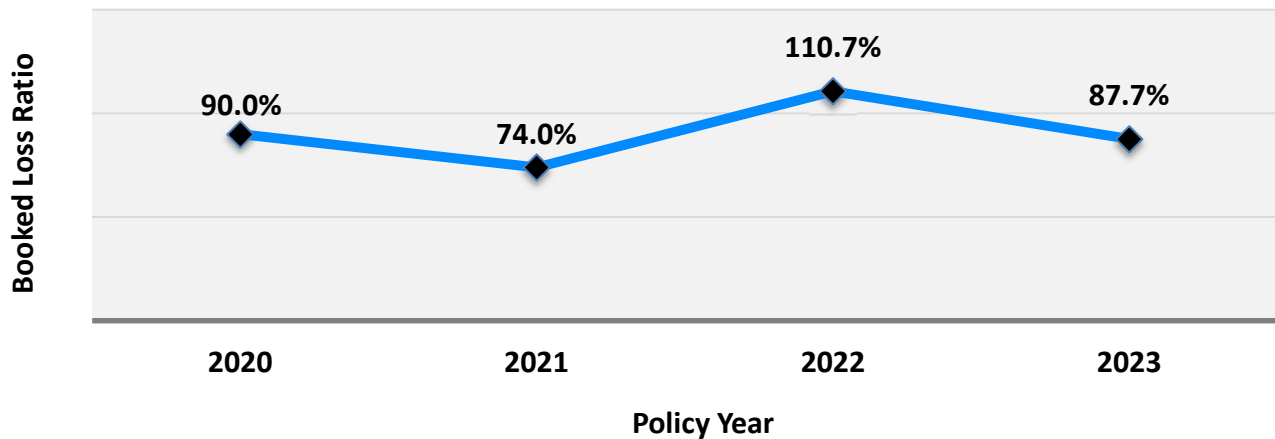
## Residual Market Demographics

### Georgia Residual Market Reinsurance Pool

Policy Year Financial Results through 1st Quarter 2024 for 2023 and prior years\*

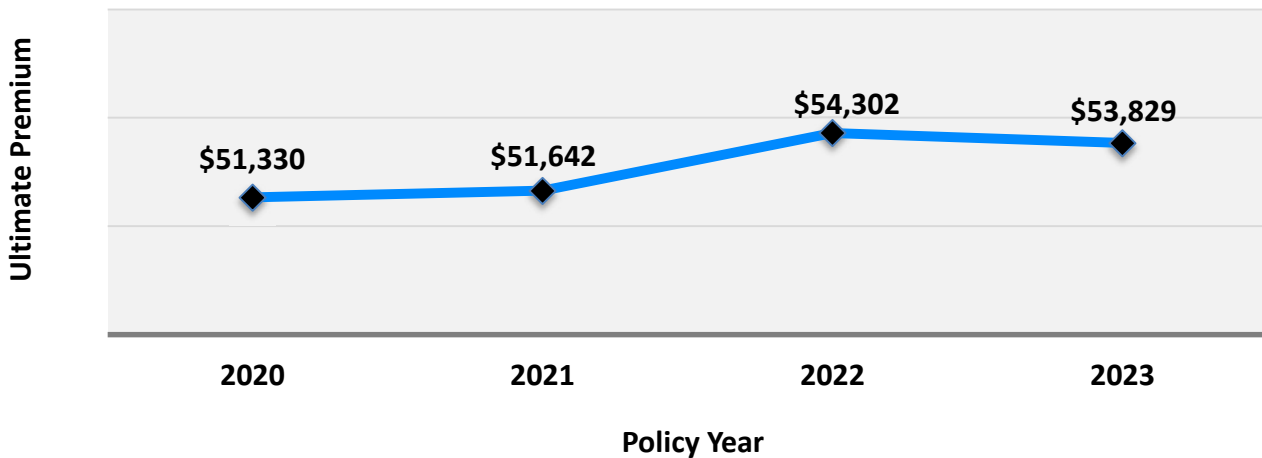
#### Booked Loss Ratio (Projected to Ultimate)

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.



\*2nd Quarter 2024 data will be available the end of October 2024 due to the timing of data reporting

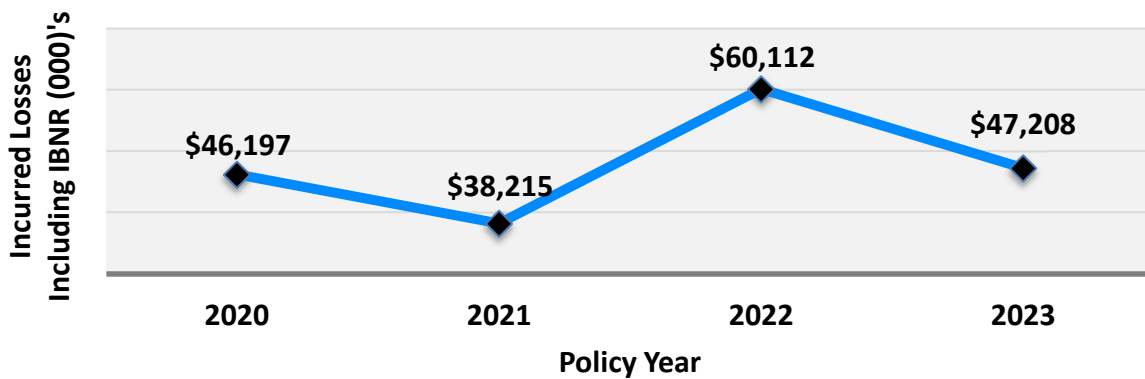


## Residual Market Demographics

### Georgia Residual Market Reinsurance Pool Continued Policy Year Financial Results through 1st Quarter 2024 for 2023 and prior years\*

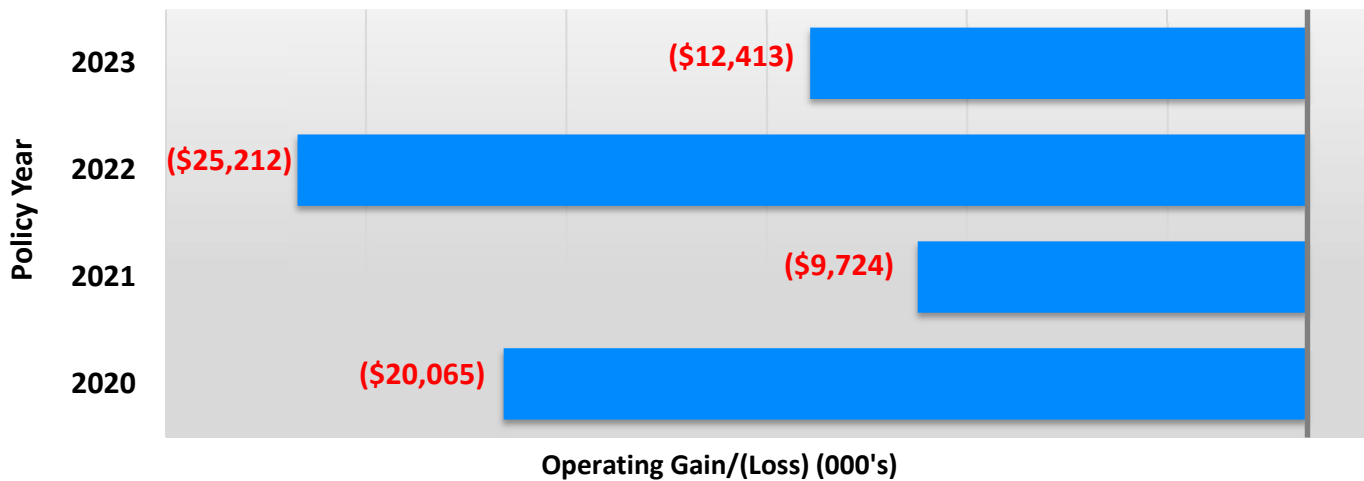
#### Net Operating Results (Projected to Ultimate)

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.



\*2nd Quarter 2024 data will be available the end of October 2024 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 Georgia for Policy Years 2020-2024, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 1st Quarter 2024.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2020	102,626,503	51,296,485	50.0%
2021	92,245,745	40,603,400	44.0%
2022	91,356,900	28,222,566	30.9%
2023	60,090,832	--	--
2024	10,265,399	--	--

\* 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 Second Quarter Data through June 30, 2024

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 Second Quarter 2024.

Number of Applications Reviewed by <b>VCAP® Service</b>	1619
Associated Premium for Applications Reviewed	\$4,247,674.71
Number of <b>VCAP® Service</b> Matches	322
<b>VCAP® Service</b> Matches as a % of Applications Reviewed	19.89%
Number of <b>VCAP® Service</b> Offers	52
<b>VCAP® Service</b> Offers as a % of Matches	16.15%
Number of Confirmed <b>VCAP® Service</b> Policies	52
Confirmed <b>VCAP® Service</b> Policies as a % of Applications Reviewed	3.21%
Redirected Assigned Risk Premium	\$295,090.70
Associated Voluntary Market Premium	\$216,528.00
Savings	\$78,562.70
Average Savings per Application	\$1,510.82
Savings as a % of Redirected Assigned Risk Premium	26.62%
Redirected Premium as a % of Associated Premium for Applications Reviewed by <b>VCAP® Service</b>	6.95%

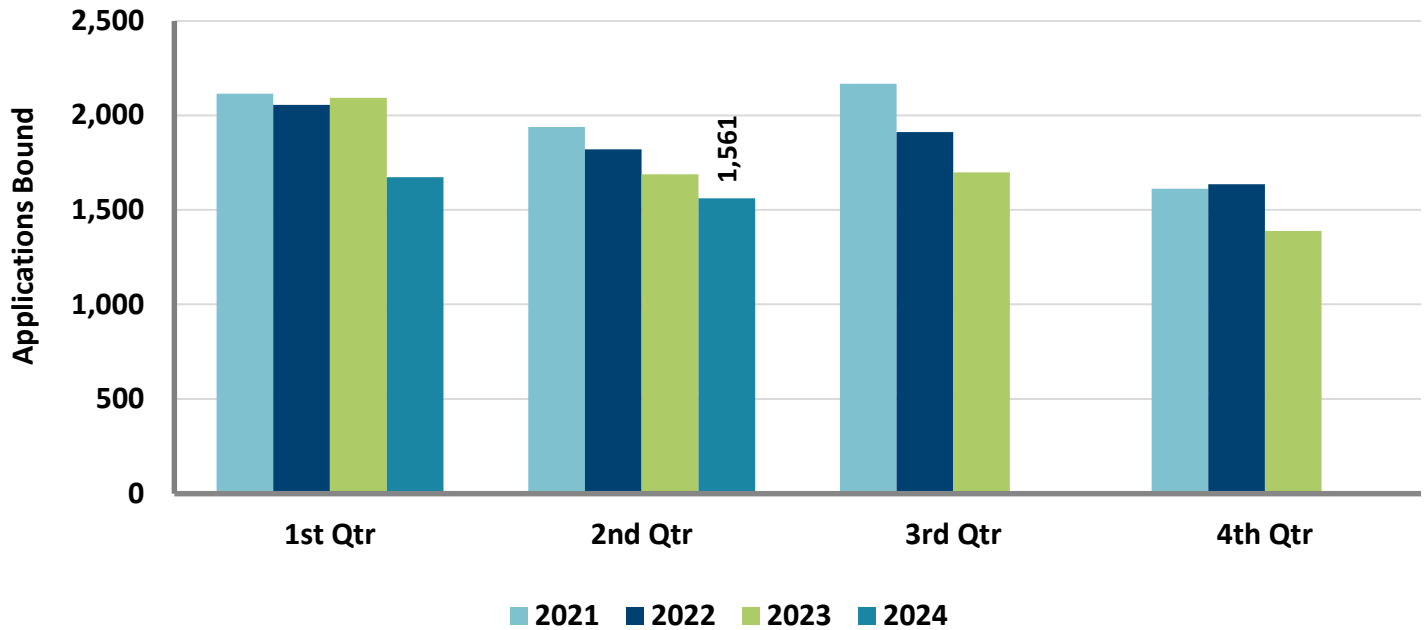




## Residual Market Demographics

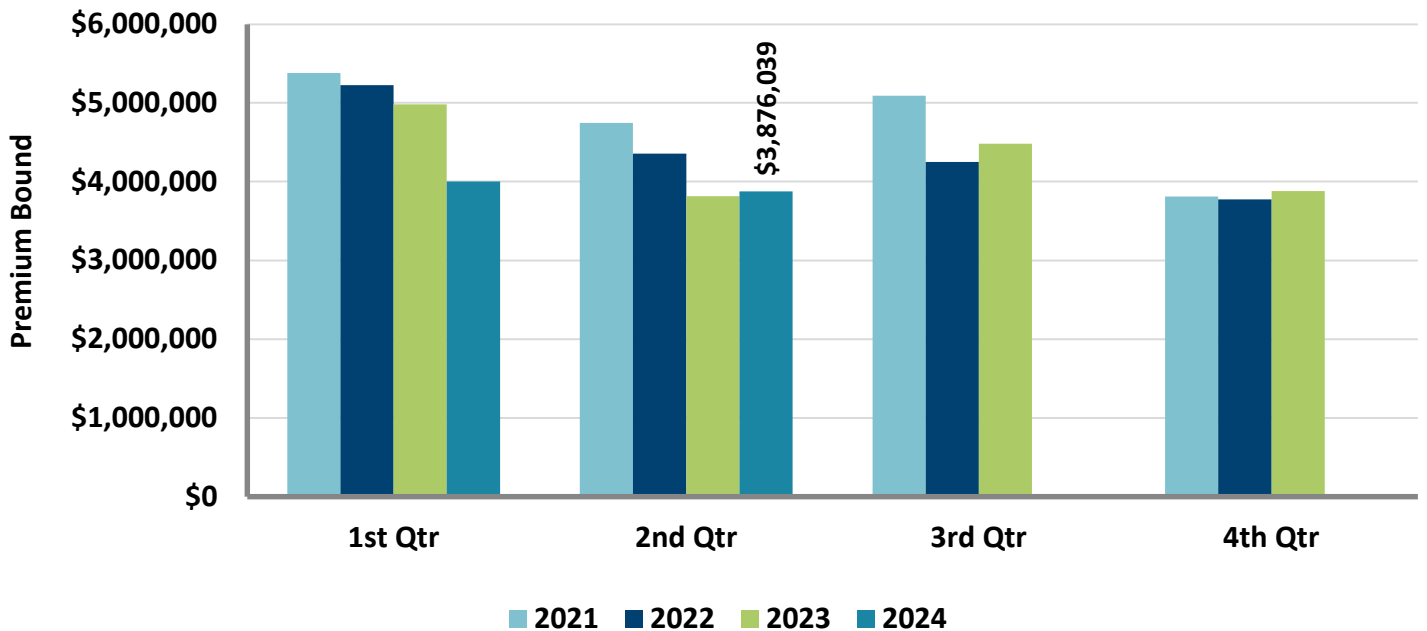
### Total Applications Bound — 2021 vs. 2022 vs. 2023 vs. 2024

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 — 2021 vs. 2022 vs. 2023 vs. 2024

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).



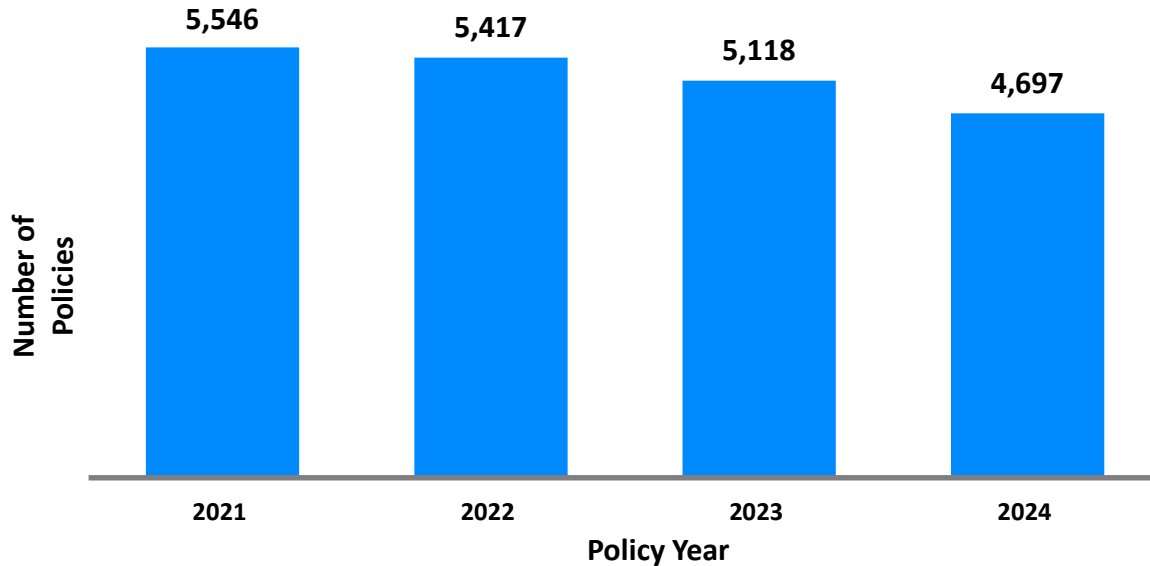


## Residual Market Demographics

### Residual Market Total Policy Counts

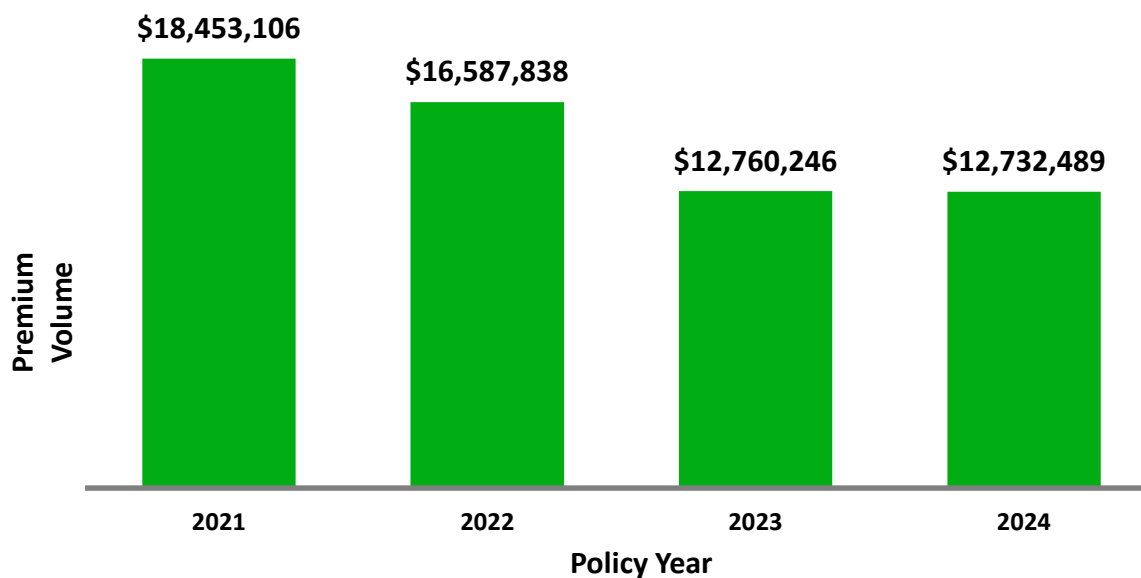
#### Second Quarter Data for Policies Reported through June 30, 2024

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



### Second Quarter Data for Premium Reported through June 30, 2024

Total amount of all Assigned Risk Plan 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 estimated annual premium totals, with effective dates during the respective timeframe (Second Quarter), and reported to NCCI by June 30, 2024, by both Direct Assignment and Servicing Carriers.

### Second Quarter Data Reported through June 30, 2024

Premium Size \$	Policy Count	% of Total Policies	Estimated Annual Premium \$	% of Total Premium	Average Premium \$
0- 2,499	4,044	86.1	5,826,333	45.8	1,441
2,500- 4,999	305	6.5	1,089,249	8.6	3,571
5,000- 9,999	176	3.7	1,257,303	9.9	7,144
10,000- 19,999	118	2.5	1,588,627	12.5	13,463
20,000- 49,999	33	0.7	1,025,711	8.1	31,082
50,000- 99,999	13	0.3	858,919	6.7	66,071
100,000- 199,999	8	0.2	1,086,347	8.5	135,793
200,000+	0	0.0	0	0.0	0
Total	4,697	100.0	12,732,489	100.0	2,711

### Second Quarter 2023 Data for Comparison

Premium Size \$	Policy Count	% of Total Policies	Estimated Annual Premium \$	% of Total Premium	Average Premium \$
0- 2,499	4,382	85.6	6,006,665	47.1	1,371
2,500- 4,999	359	7.0	1,251,849	9.8	3,487
5,000- 9,999	223	4.4	1,571,231	12.3	7,046
10,000- 19,999	92	1.8	1,241,756	9.7	13,497
20,000- 49,999	45	0.9	1,319,368	10.3	29,319
50,000- 99,999	15	0.3	1,082,484	8.5	72,166
100,000- 199,999	2	0.0	286,893	2.2	143,447
200,000+	0	0.0	0	0.0	0
Total	5,118	100.0	12,760,246	100.0	2,493

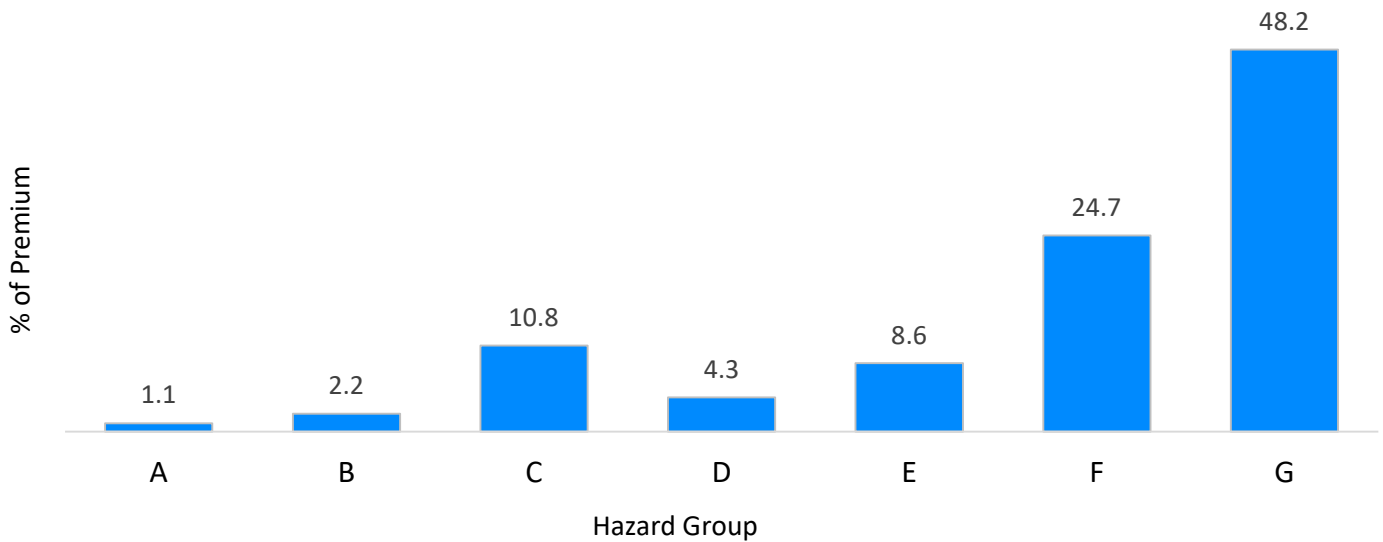


## Residual Market Demographics

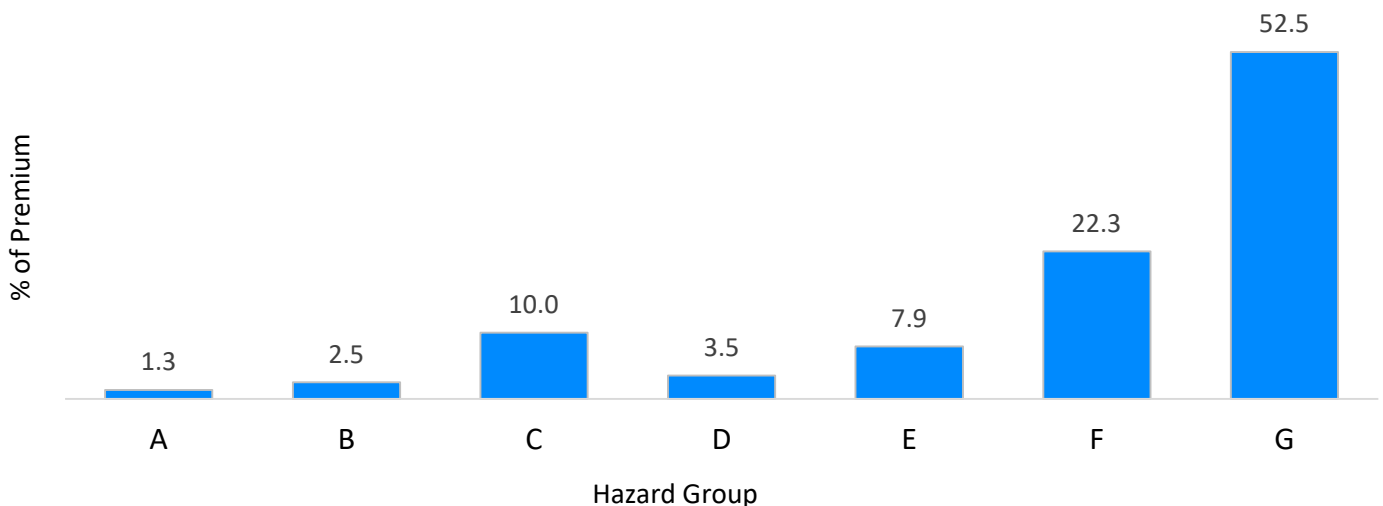
### Hazard Group Distribution

Second Quarter Data Reported through **June 30, 2024**

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



### Second Quarter 2023 Data for Comparison





## Residual Market Demographics

### Residual Market Top 10 Classification Codes by Policy Count Second Quarter Data Reported through June 30, 2024

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	753	16.0
2	5551 - Roofing-All Kinds & Drivers	501	10.7
3	5474 - Painting NOC & Shop Operations, Drivers	449	9.6
4	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	368	7.8
5	5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers	277	5.9
6	7219 - Trucking - NOC-All Employees & Drivers	218	4.6
7	5022 - Masonry NOC	121	2.6
8	8720 - Inspection of Risks For Insurance or Valuation Purposes NOC	120	2.6
9	9014 - Janitorial Services By Contractors-No Window Cleaning Above Ground Level & Drivers	111	2.4
10	5221 - Concrete or Cement Work- Floors, Driveways, Yards or Sidewalks-& Drivers	98	2.1

### Residual Market Top 10 Classification Codes by Premium Volume Second Quarter Data Reported through June 30, 2024

The top 10 governing class codes by premium volume 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	1,979,125	15.5
2	5551 - Roofing-All Kinds & Drivers	1,281,297	10.1
3	5474 - Painting NOC & Shop Operations, Drivers	801,939	6.3
4	5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers	725,883	5.7
5	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	714,065	5.6
6	9014 - Janitorial Services By Contractors-No Window Cleaning Above Ground Level & Drivers	536,409	4.2
7	8720 - Inspection of Risks For Insurance or Valuation Purposes NOC	520,778	4.1
8	7219 - Trucking - NOC-All Employees & Drivers	400,686	3.1
9	5606 - Contractor - Project Manager, Construction Executive, Construction Manager, or Construction Superintendent	365,811	2.9
10	5403 - Carpentry NOC	280,826	2.2



## 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.

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

**VCAP<sup>®</sup> 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<sup>®</sup> Service** redirects coverage opportunities for employers to voluntary market insurers, which generally provide coverage at a lower cost. **VCAP<sup>®</sup> Service** provides an additional source for producers and employers to secure voluntary workers compensation coverage prior to entering the residual market for coverage.