



# Georgia Residual Market State Activity Report

Annual 2023



## Executive Summary

NCCI, as Pool and Plan Administrator of the Georgia Workers Compensation Insurance Plan, is pleased to provide the Annual 2023 *Georgia Residual Market State Activity Report*.

Readers will notice that the order of our charts and tables has been reorganized, based on customer feedback. This will provide a more streamlined picture of the key measurement factors and issues relating to the operation of the Georgia Plan. 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 the individual listed below.

Sean Cordell, Plan Administration

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## Residual Market Demographics

### Residual Market Total Policies and Premium in Force

#### As of December 31, 2023—compared to prior year

Total number of Assigned Risk Plan policies and estimated premium volume in force reported as of the date listed above. The other exhibits in this report describe quarterly and year-to-date data.

	2023	2022	2023 vs. 2022 #	2023 vs. 2022 %
<b>Policy Count</b>	17,006	17,994	-988	-5.5%
<b>Premium Volume</b>	\$51,319,019	\$65,591,343	-\$14,272,324	-21.8%

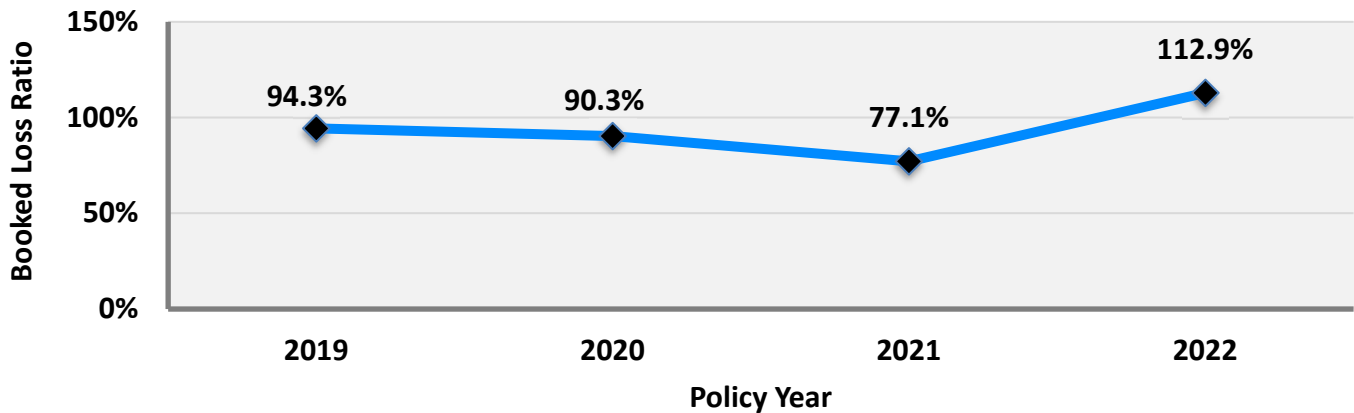


## Residual Market Demographics

### Georgia Residual Market Reinsurance Pool Booked Loss Ratio (Projected to Ultimate)

#### Policy Year Financial Results through 3rd Quarter 2023 for 2022 and prior years\*

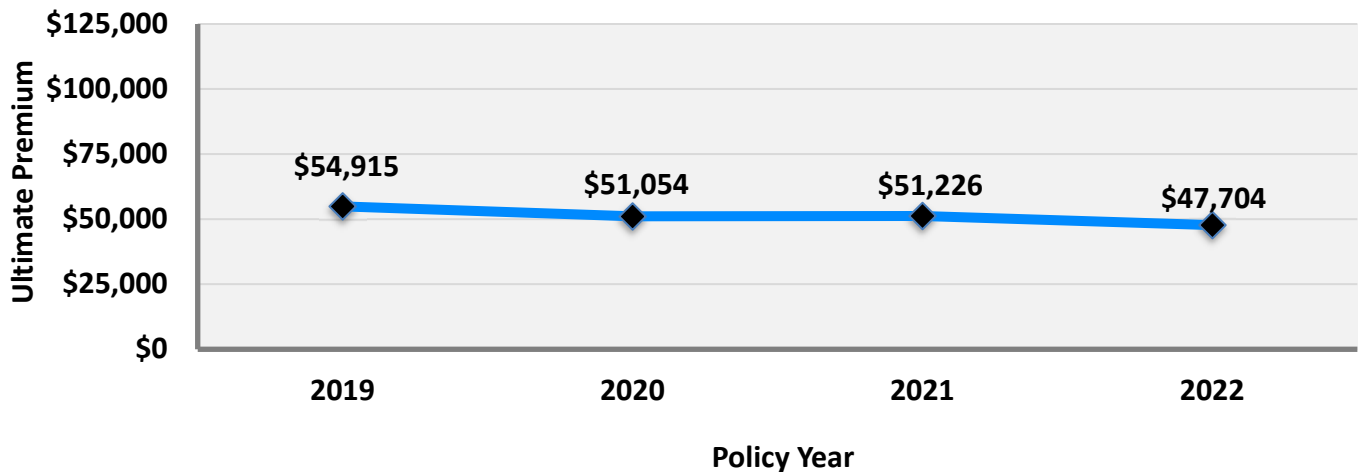
The ratio of total incurred losses to total net premiums (net of uncollectible premium) in a given period, in this state, expressed as a percentage.



### Georgia Residual Market Reinsurance Pool Ultimate Net Written Premium (Projected to Ultimate) (000's)

#### Policy Year Financial Results through 3rd Quarter 2023 for 2022 and prior years\*

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



\*4th Quarter 2023 data will be available the end of April 2024 due to the timing of data reporting

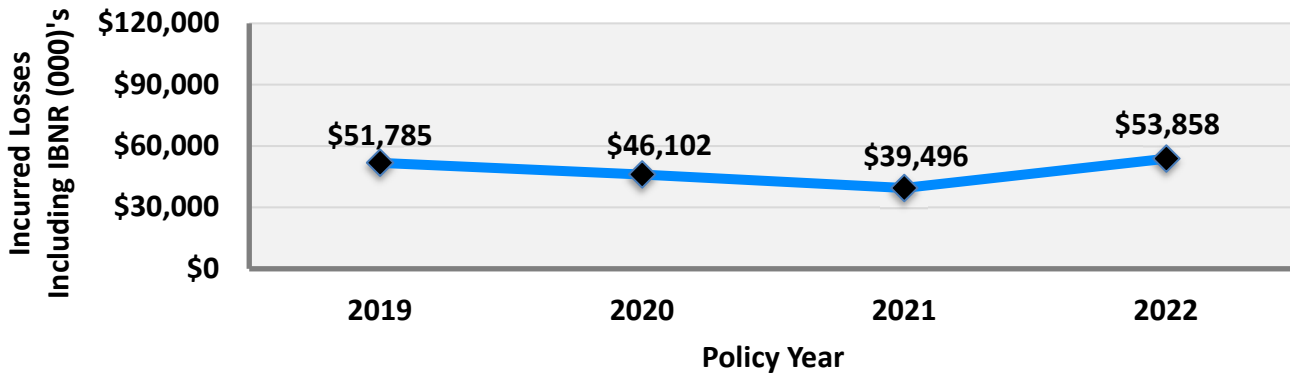


## Residual Market Demographics

### Georgia Residual Market Reinsurance Pool Net Operating Results (Projected to Ultimate) Incurred Losses

#### Policy Year Financial Results through 3rd Quarter 2023 for 2022 and prior years\*

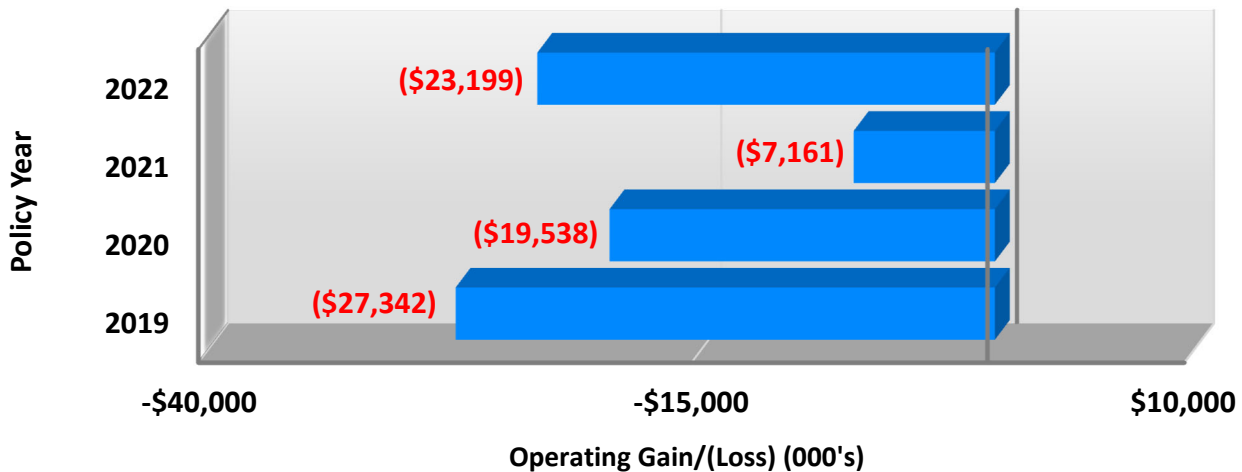
Policy year incurred losses reflect paid losses, case reserves and IBNR reserves for policies written in a particular policy year in that state.



### Georgia Residual Market Reinsurance Pool Net Operating Results (Projected to Ultimate) Estimated Net Operating Gain/(Loss) (000's)

#### Policy Year Financial Results through 3rd Quarter 2023 for 2022 and prior years\*

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.



\*4th Quarter 2023 data will be available the end of April 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 2019-2023, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 3rd Quarter 2023.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2019	117,598,476	62,683,835	53.3%
2020	98,221,225	47,167,315	48.0%
2021	89,379,254	37,462,378	41.9%
2022	73,963,963	--	--
2023	32,669,384	--	--

\* 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

#### Annual Data through December 31, 2023

The volume of assigned risk applications redirected to the voluntary market through NCCI's **VCAP<sup>®</sup> Service**. The following shows the results **VCAP<sup>®</sup> Service** has provided during Annual 2023.

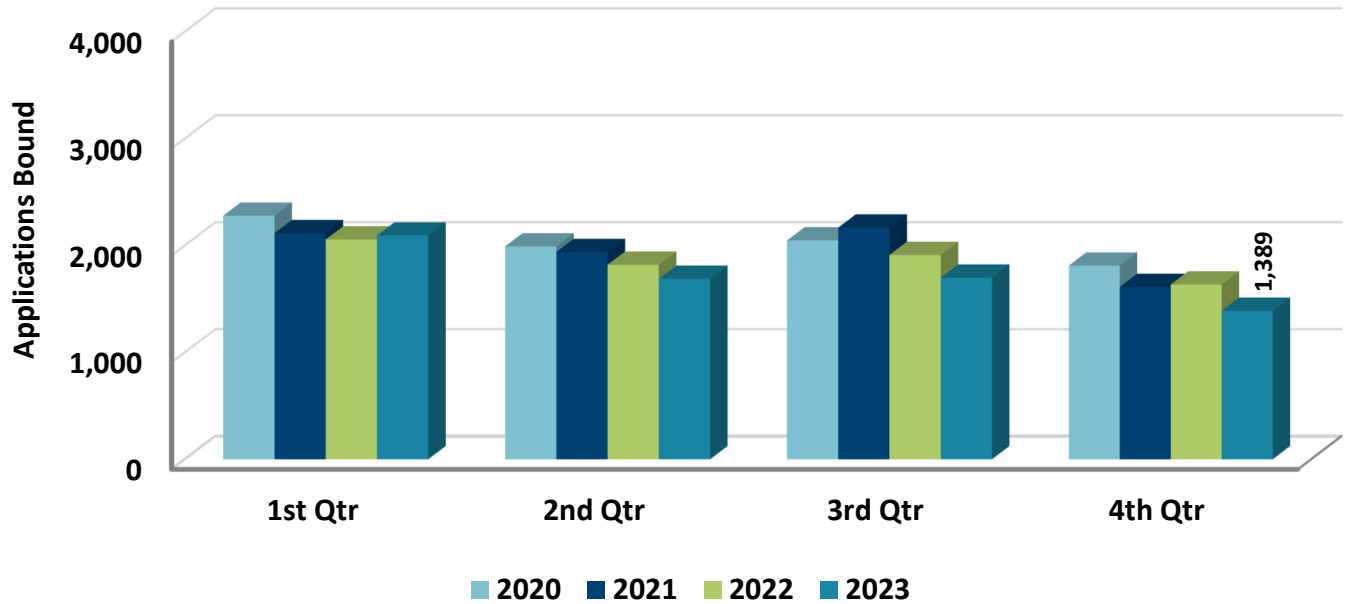
Number of Applications Reviewed by <b>VCAP<sup>®</sup> Service</b>	7,060
Number of <b>VCAP<sup>®</sup> Service</b> Matches	1,543
<b>VCAP<sup>®</sup> Service</b> Offers as a % of Matches	12.44%
Number of Confirmed <b>VCAP<sup>®</sup> Service</b> Policies	190
Confirmed <b>VCAP<sup>®</sup> Service</b> Policies as a % of Applications Reviewed	2.69%
Savings as a % of Redirected Assigned Risk Premium	39.22%



## Residual Market Demographics

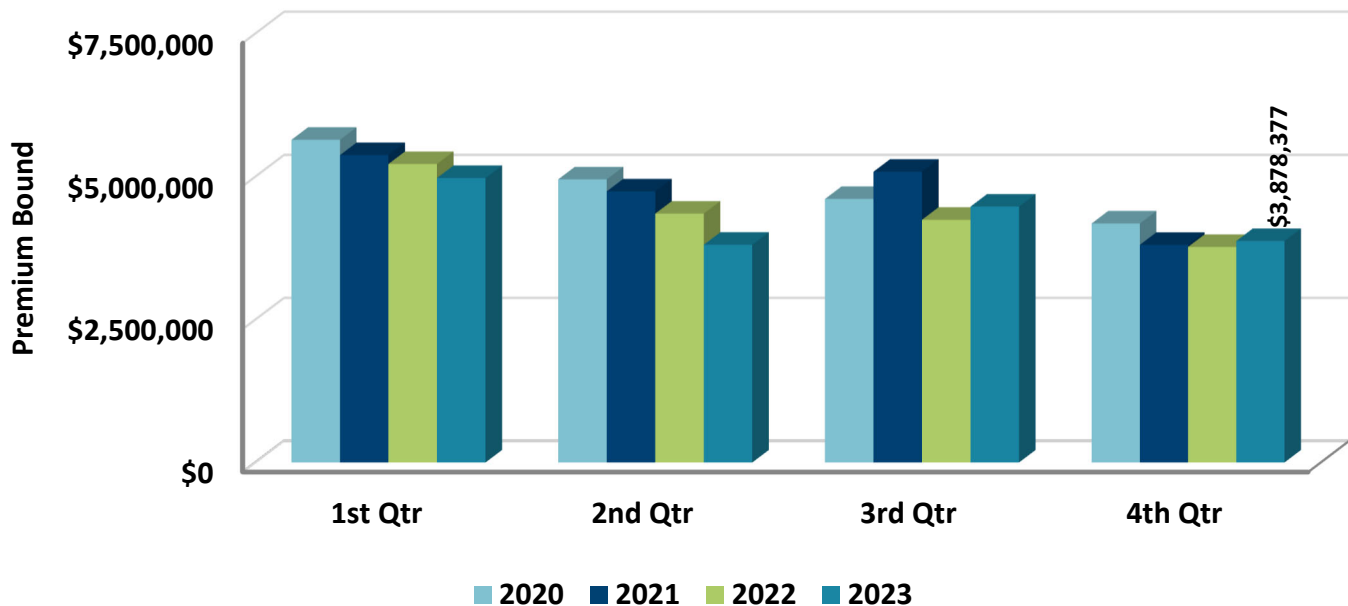
### Total Applications Bound — 2020 vs. 2021 vs. 2022 vs. 2023

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 — 2020 vs. 2021 vs. 2022 vs. 2023

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).





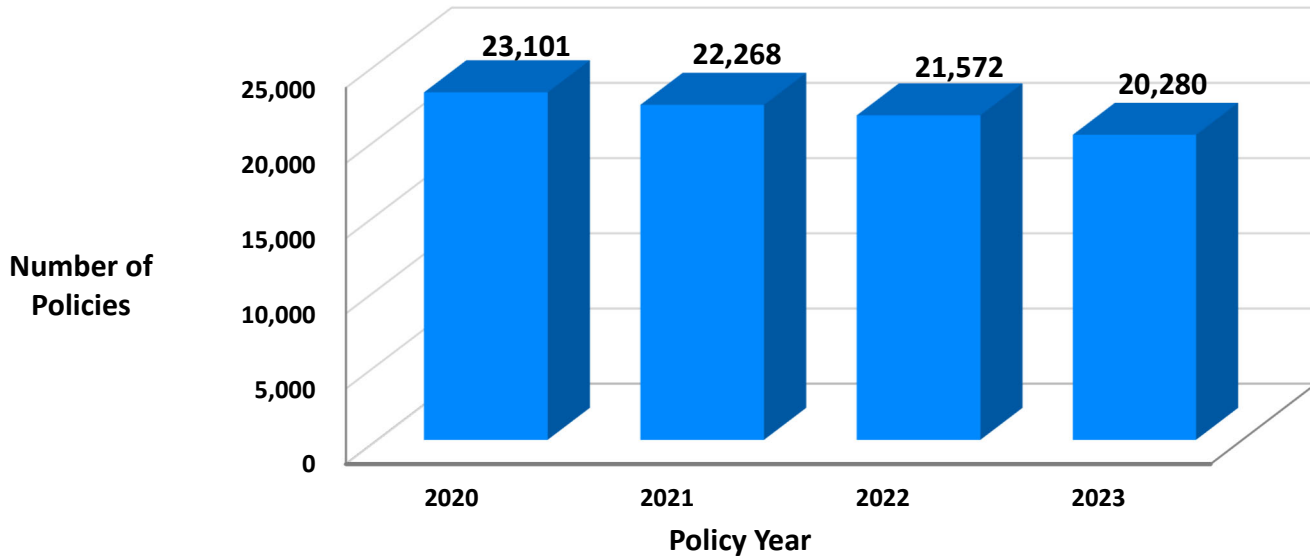


## Residual Market Demographics

### Residual Market Total Policy Counts

#### Annual Data for Policies Reported through December 31, 2023

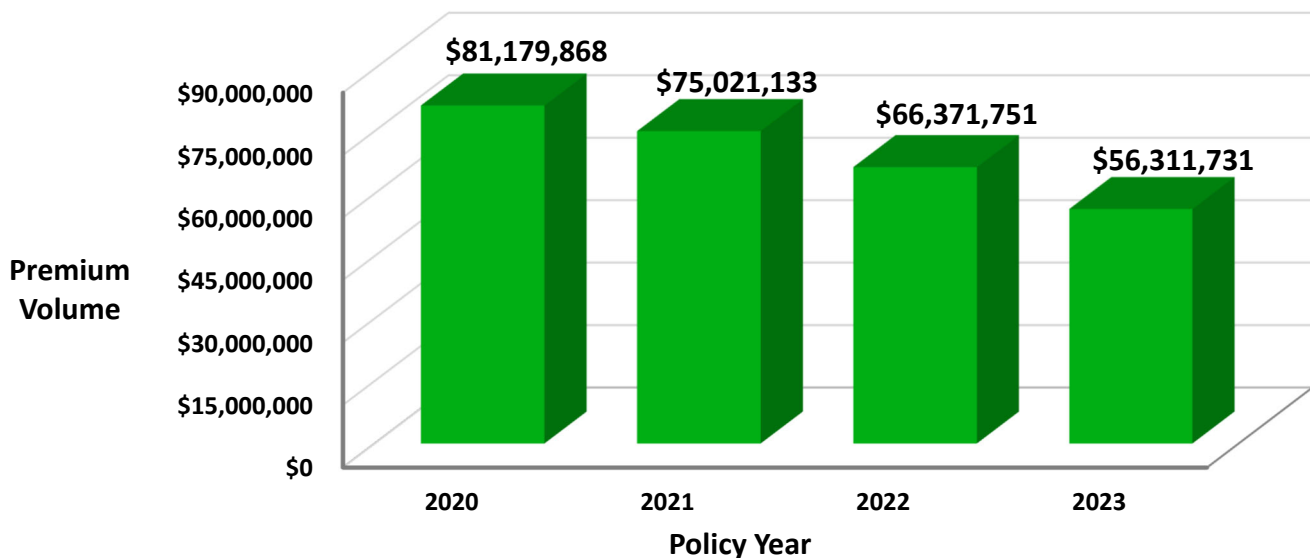
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



### Residual Market Total Premium Volume

#### Annual Data Reported through December 31, 2023

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





## Residual Market Demographics

### Total Premium Distribution by Size of Risk Annual Data Reported through December 31, 2023

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

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0- \$2499	17,380	85.7	23,801,463	42.3	1,369
\$2500- \$4999	1,383	6.8	4,806,421	8.5	3,475
\$5000- \$9999	831	4.1	5,881,058	10.4	7,077
\$10000- \$19999	401	2.0	5,411,748	9.6	13,496
\$20000- \$49999	196	1.0	5,701,519	10.1	29,089
\$50000- \$99999	54	0.3	3,655,736	6.5	67,699
\$100000- \$199999	22	0.1	3,159,222	5.6	143,601
\$2000000+	13	0.1	3,894,564	6.9	299,582
Total	20,280	100.0	56,311,731	100.0	2,777

### Annual 2022 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0- \$2499	18,235	84.5	24,315,816	36.6	1,333
\$2500- \$4999	1,483	6.9	5,193,047	7.8	3,502
\$5000- \$9999	969	4.5	6,803,695	10.3	7,021
\$10000- \$19999	512	2.4	6,984,389	10.5	13,641
\$20000- \$49999	248	1.1	7,299,440	11.0	29,433
\$50000- \$99999	68	0.3	4,877,407	7.3	71,727
\$100000- \$199999	41	0.2	5,628,832	8.5	137,289
\$2000000+	16	0.1	5,269,125	7.9	329,320
Total	21,572	100.0	66,371,751	100.0	3,077



## Residual Market Demographics

### Residual Market Top 10 Classification Codes by Policy Count Annual Data Reported through December 31, 2023

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	3,099	15.3
2	5474 - Painting NOC & Shop Operations, Drivers	2,090	10.3
3	5551 - Roofing-All Kinds & Drivers	1,853	9.1
4	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	1,625	8.0
5	5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers	1,305	6.4
6	7219 - Trucking - NOC-All Employees & Drivers	697	3.4
7	5022 - Masonry NOC	514	2.5
8	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	508	2.5
9	6217 - Excavation & Drivers	468	2.3
10	5221 - Concrete or Cement Work- Floors, Driveways, Yards or Sidewalks-& Drivers	427	2.1

### Residual Market Top 10 Classification Codes by Premium Volume Annual Data Reported through December 31, 2023

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	8,591,601	15.3
2	5551 - Roofing-All Kinds & Drivers	6,610,612	11.7
3	5474 - Painting NOC & Shop Operations, Drivers	4,406,991	7.8
4	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	2,770,013	4.9
5	5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers	2,761,678	4.9
6	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	1,649,112	2.9
7	5022 - Masonry NOC	1,635,015	2.9
8	7219 - Trucking - NOC-All Employees & Drivers	1,366,780	2.4
9	5606 - Contractor - Project Manager, Construction Executive, Construction Manager, or Construction Superintendent	1,273,989	2.3
10	8720 - Inspection of Risks For Insurance or Valuation Purposes NOC	1,171,673	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.

**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.