



Iowa Residual Market State Activity Report

First Quarter 2022



Executive Summary

NCCI, as Pool and Plan Administrator of the Iowa Workers Compensation Insurance Plan, is pleased to provide the First Quarter 2022 *Iowa 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 Iowa 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.

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Residual Market Demographics

Residual Market Total Policies and Premium in Force

As of March 31, 2022—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.

	2022	2021	2022 vs. 2021 #	2022 vs. 2021 %
Policy Count	3,265	3,447	-182	-5.3%
Premium Volume	\$21,597,911	\$24,805,505	-\$3,207,594	-12.9%

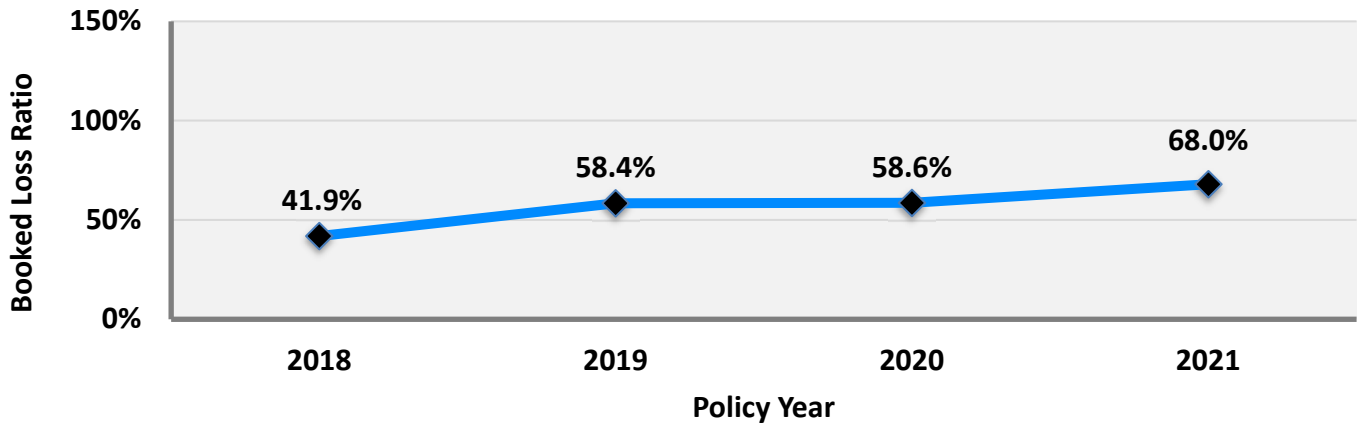


Residual Market Demographics

Iowa Residual Market Reinsurance Pool Booked Loss Ratio

Policy Year Financial Results through 4th Quarter 2021 for 2021 and prior years*

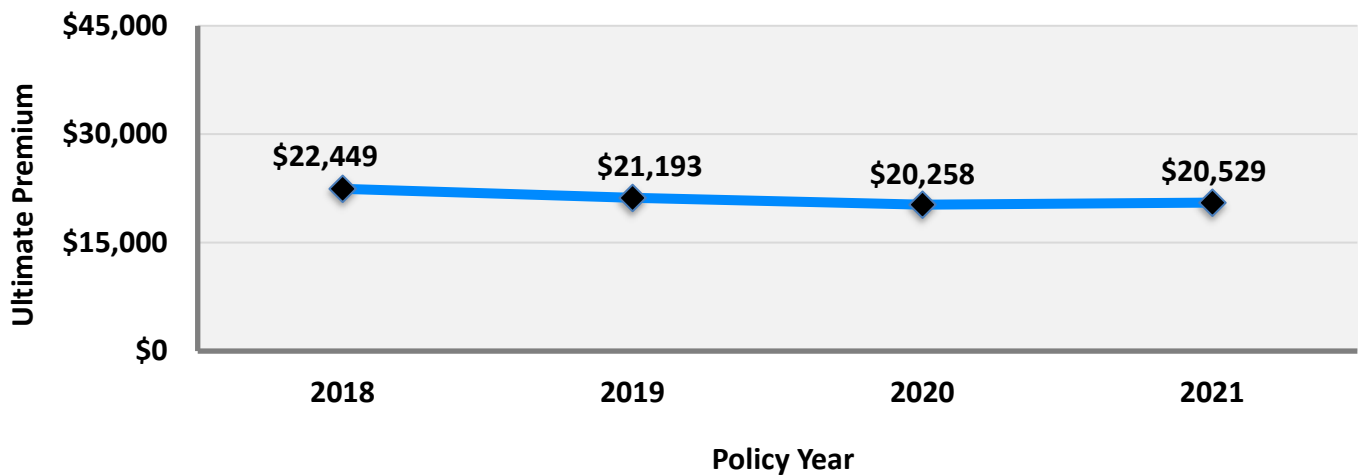
The ratio of total incurred losses to total earned premiums in a given period, in this state, expressed as a percentage.



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

Policy Year Financial Results through 4th Quarter 2021 for 2021 and prior years*

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



*1st Quarter 2022 data will be available the end of July 2022 due to the timing of data reporting



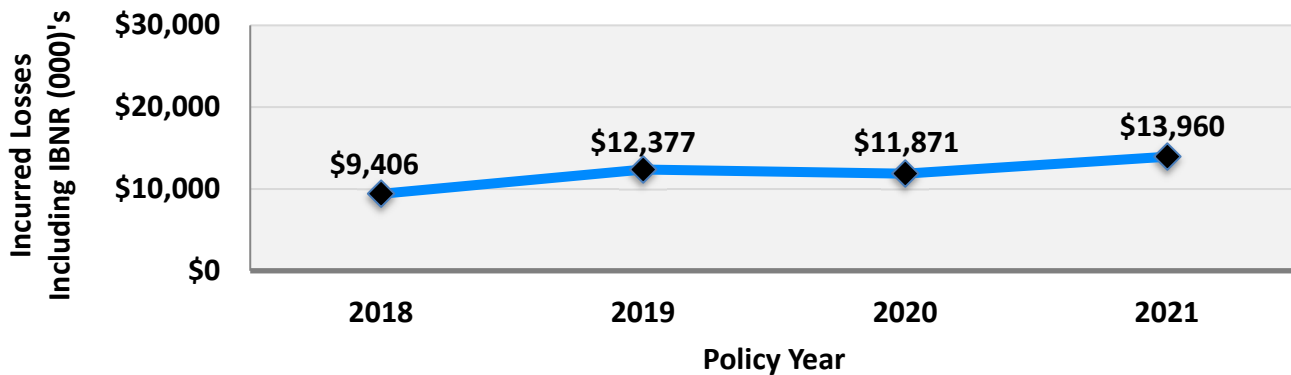
Residual Market Demographics

Iowa Residual Market Reinsurance Pool Net Operating Results

(Projected to Ultimate) Incurred Losses

Policy Year Financial Results through 4th Quarter 2021 for 2021 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.

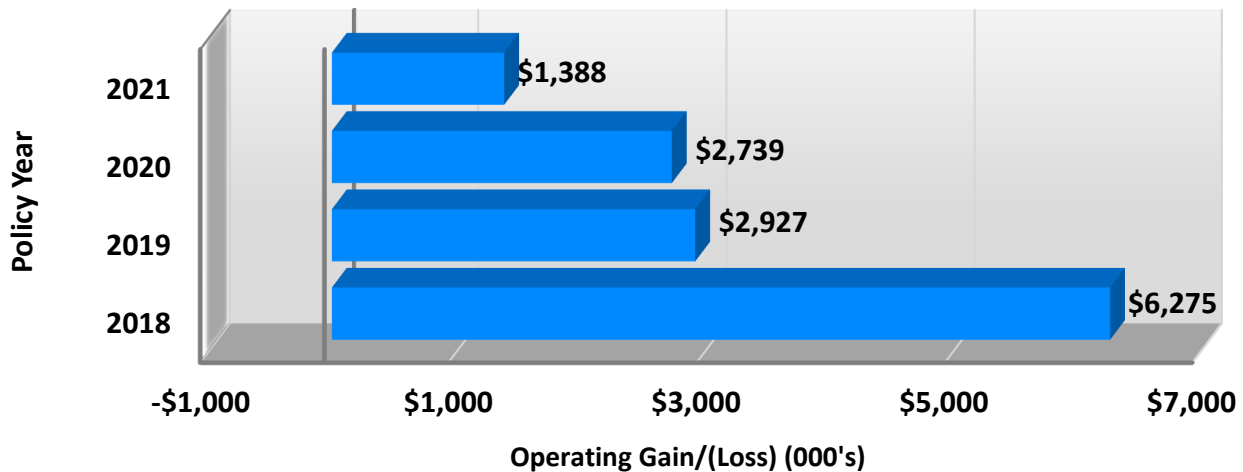


Iowa Residual Market Reinsurance Pool Net Operating Results

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

Policy Year Financial Results through 4th Quarter 2021 for 2021 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.



*1st Quarter 2022 data will be available the end of July 2022 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 Iowa for Policy Years 2017-2021, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 4th Quarter 2021.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2017	26,234,685	621,139	2.4%
2018	22,858,064	409,016	1.8%
2019	21,516,240	322,775	1.5%
2020	20,994,375	--	--
2021	18,997,139	--	--

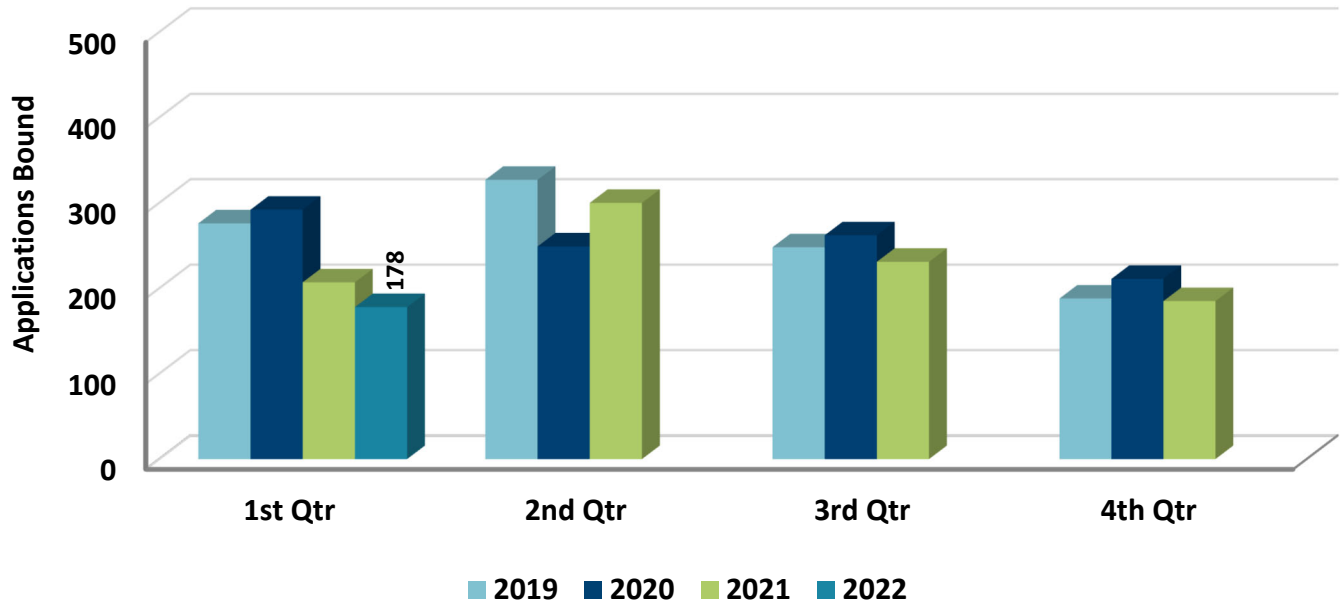
* The uncollectible premiums provided are reported by the servicing carriers on a quarterly basis. Uncollectible premium is generally reported up to 24 months after the policy expiration date due to audit, billing, and collection requirements. Therefore, the uncollectible premium data has not yet developed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



Residual Market Demographics

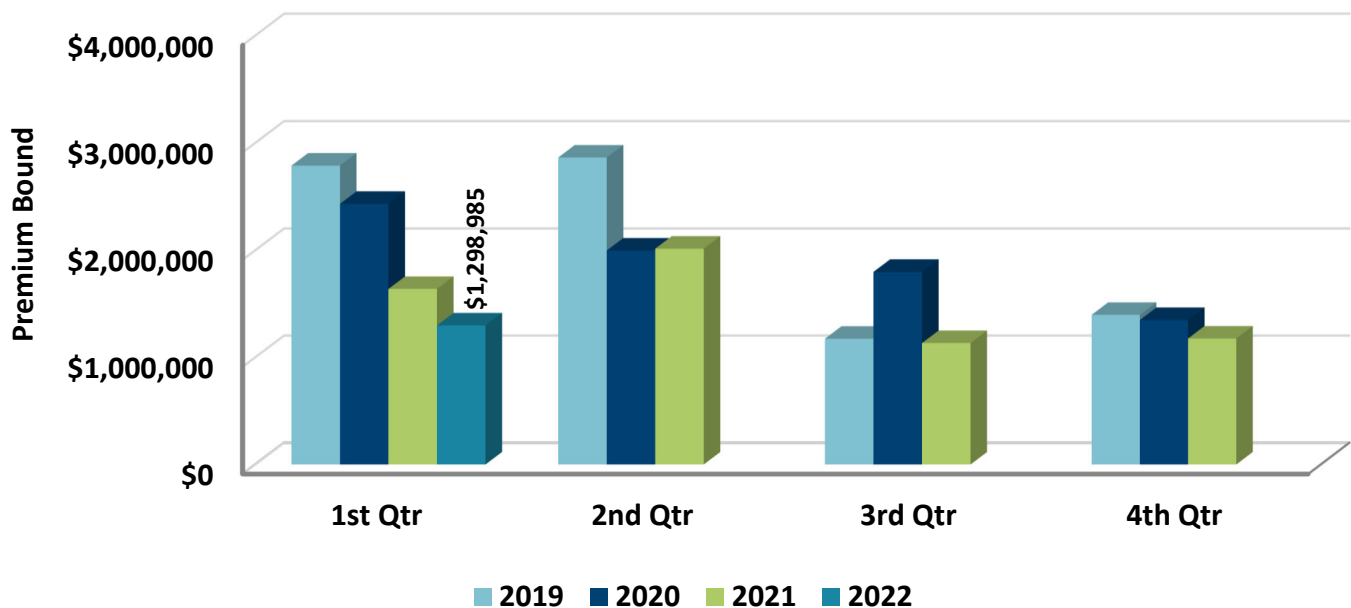
Total Applications Bound — 2019 vs. 2020 vs. 2021 vs. 2022

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



Total Application Premium Bound — 2019 vs. 2020 vs. 2021 vs. 2022

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



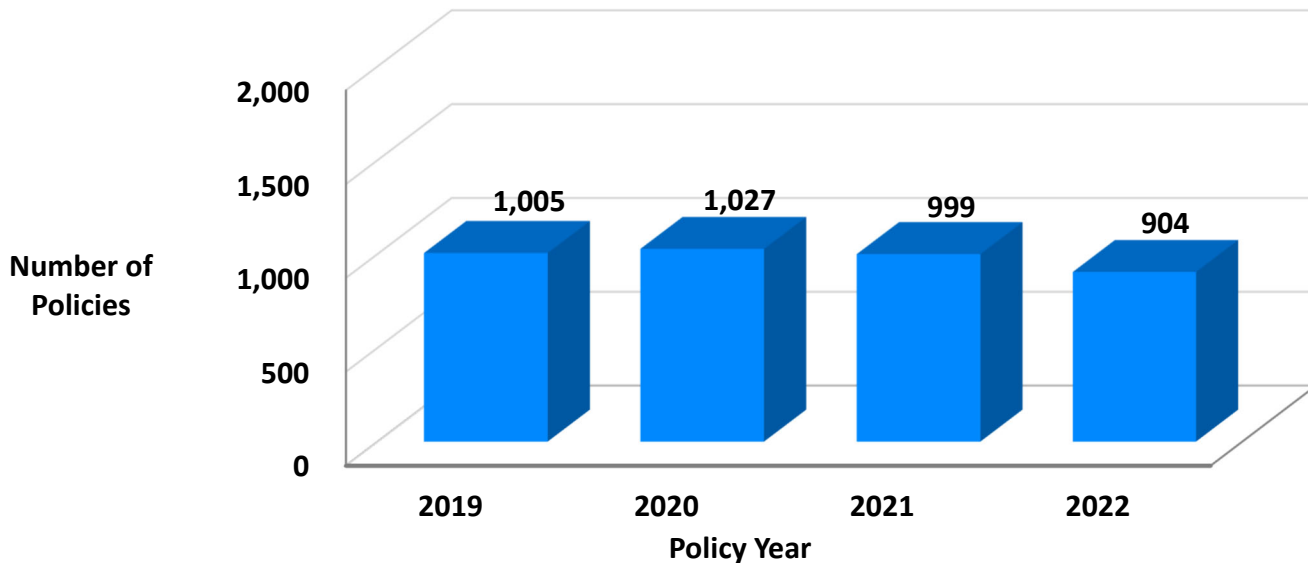


Residual Market Demographics

Residual Market Total Policy Counts

First Quarter Data for Policies Reported through March 31, 2022

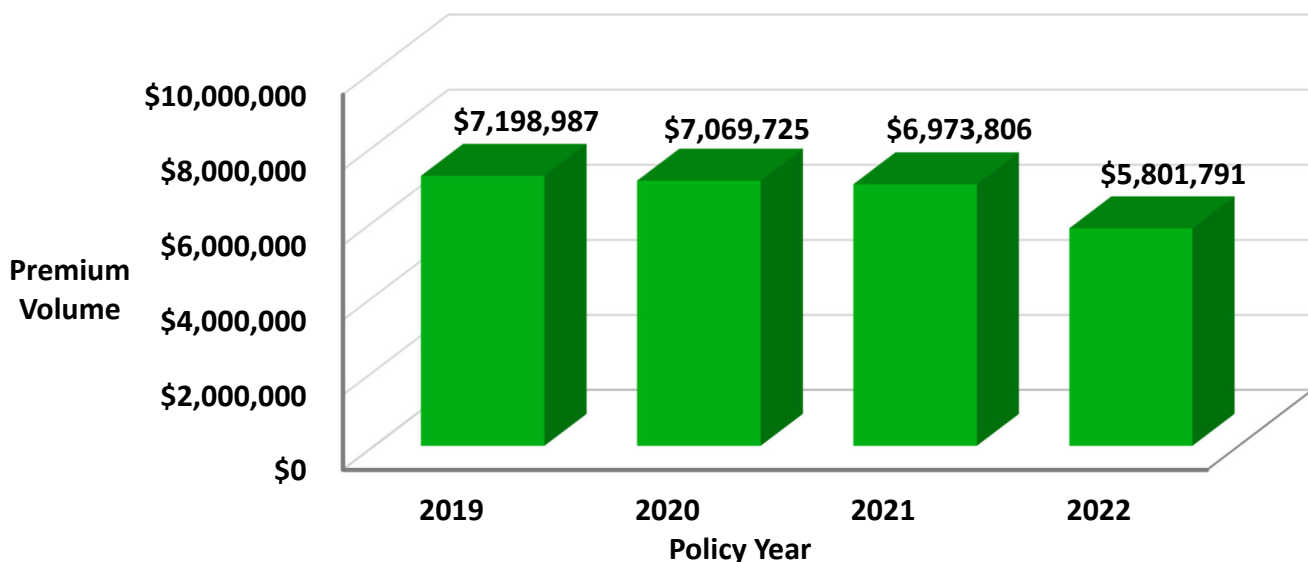
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

First Quarter Data Reported through March 31, 2022

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

First Quarter Data Reported through March 31, 2022

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	471	52.1	537,053	9.3	1,140
\$2500- \$4999	167	18.5	611,585	10.5	3,662
\$5000- \$9999	139	15.4	969,152	16.7	6,972
\$10000- \$19999	60	6.6	855,061	14.7	14,251
\$20000- \$49999	50	5.5	1,469,861	25.3	29,397
\$50000- \$99999	13	1.4	816,195	14.1	62,784
\$100000- \$199999	4	0.4	542,884	9.4	135,721
\$2000000+	0	0.0	0	0.0	0
Total	904	100.0	5,801,791	100.0	6,418

First Quarter 2021 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0- \$2499	545	54.6	567,254	8.1	1,041
\$2500- \$4999	153	15.3	544,086	7.8	3,556
\$5000- \$9999	150	15.0	1,038,646	14.9	6,924
\$10000- \$19999	76	7.6	1,071,894	15.4	14,104
\$20000- \$49999	52	5.2	1,576,156	22.6	30,311
\$50000- \$99999	17	1.7	1,102,415	15.8	64,848
\$100000- \$199999	4	0.4	461,513	6.6	115,378
\$2000000+	2	0.2	611,842	8.8	305,921
Total	999	100.0	6,973,806	100.0	6,981



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count First Quarter Data Reported through March 31, 2022

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	0037 - Farm: Field Crops & Drivers	88	9.7
2	7219 - Trucking - NOC-All Employees & Drivers	78	8.6
3	5551 - Roofing-All Kinds & Drivers	40	4.4
4	7711 - Firefighters & Drivers - Volunteer	34	3.8
5	0083 - Farm: Cattle or Livestock Raising NOC & Drivers	30	3.3
6	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	26	2.9
7	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	26	2.9
8	8831 - Hospital-Veterinary & Drivers	19	2.1
9	8810 - Clerical Office Employees NOC	18	2.0
10	9063 - YMCA, YWCA, YMHA or YWHA, Institution-All Employees & Clerical	18	2.0

Residual Market Top 10 Classification Codes by Premium Volume First Quarter Data Reported through March 31, 2022

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	7219 - Trucking - NOC-All Employees & Drivers	666,529	11.5
2	0037 - Farm: Field Crops & Drivers	410,182	7.1
3	5551 - Roofing-All Kinds & Drivers	369,123	6.4
4	0083 - Farm: Cattle or Livestock Raising NOC & Drivers	354,550	6.1
5	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	180,640	3.1
6	9403 - Garbage, Ashes or Refuse Collection & Drivers	168,110	2.9
7	7711 - Firefighters & Drivers - Volunteer	165,393	2.9
8	5221 - Concrete or Cement Work- Floors, Driveways, Yards or Sidewalks-& Drivers	149,348	2.6
9	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	133,021	2.3
10	3724 - Machinery or Equipment Erection or Repair NOC & Drivers	131,970	2.3



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.