



Iowa Residual Market State Activity Report

Third Quarter 2022



Executive Summary

NCCI, as Pool and Plan Administrator of the Iowa Workers Compensation Insurance Plan, is pleased to provide the Third 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 September 30, 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	3,201	3,444	-243	-7.1%
Premium Volume	\$21,140,693	\$23,786,555	-\$2,645,862	-11.1%

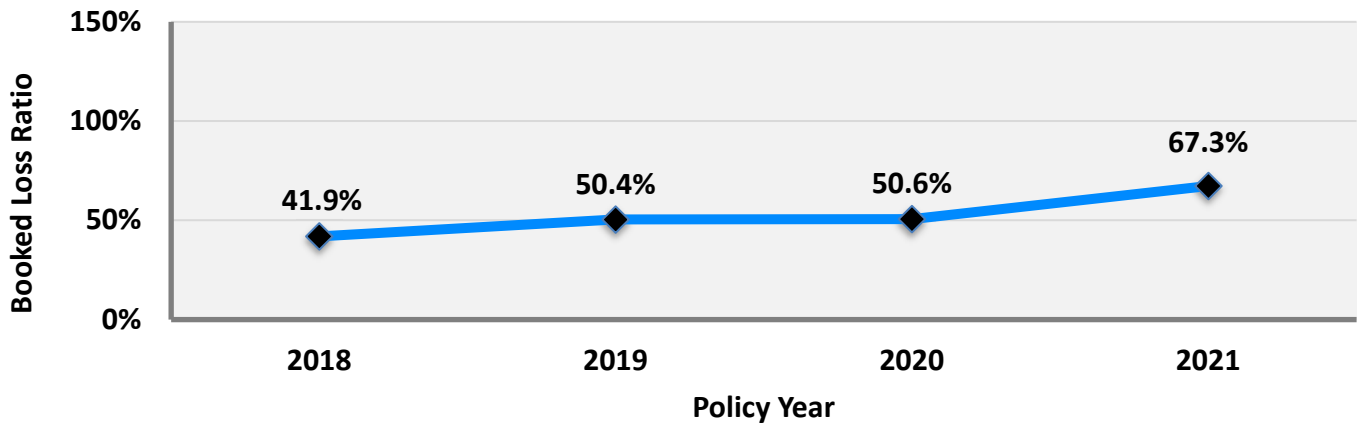


Residual Market Demographics

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

Policy Year Financial Results through 2nd Quarter 2022 for 2021 and prior years*

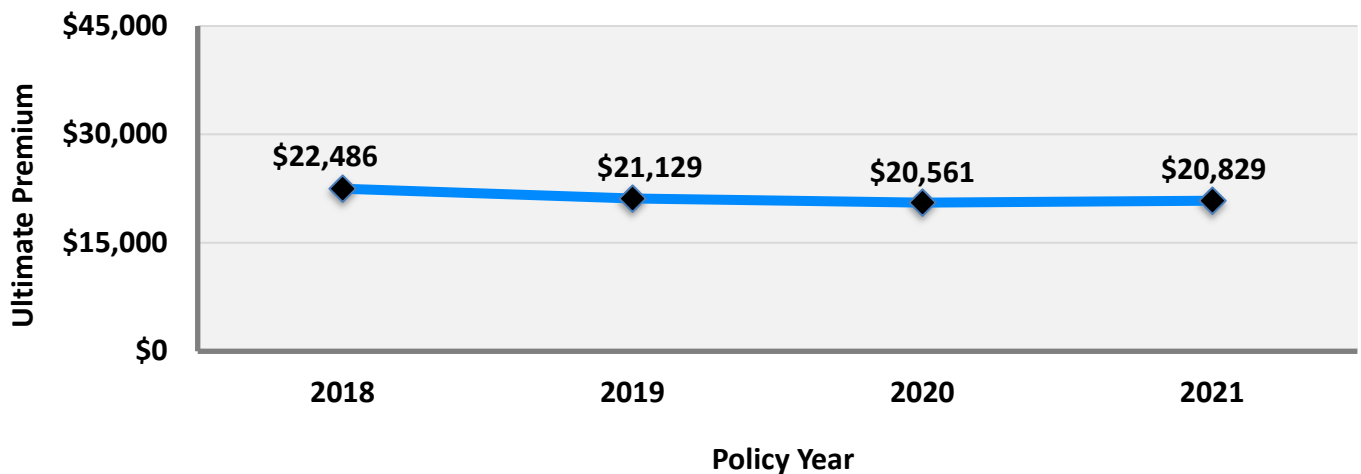
The ratio of total incurred losses to total net premiums (net of uncollectible premium) in a given period, in this state, expressed as a percentage.



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

Policy Year Financial Results through 2nd Quarter 2022 for 2021 and prior years*

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



*3rd Quarter 2022 data will be available the end of January 2023 due to the timing of data reporting

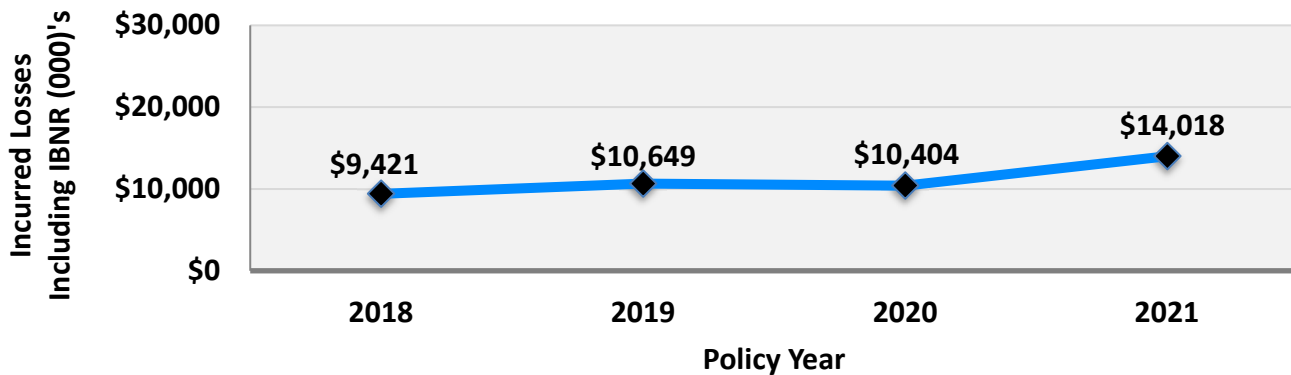


Residual Market Demographics

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

Policy Year Financial Results through 2nd Quarter 2022 for 2021 and prior years*

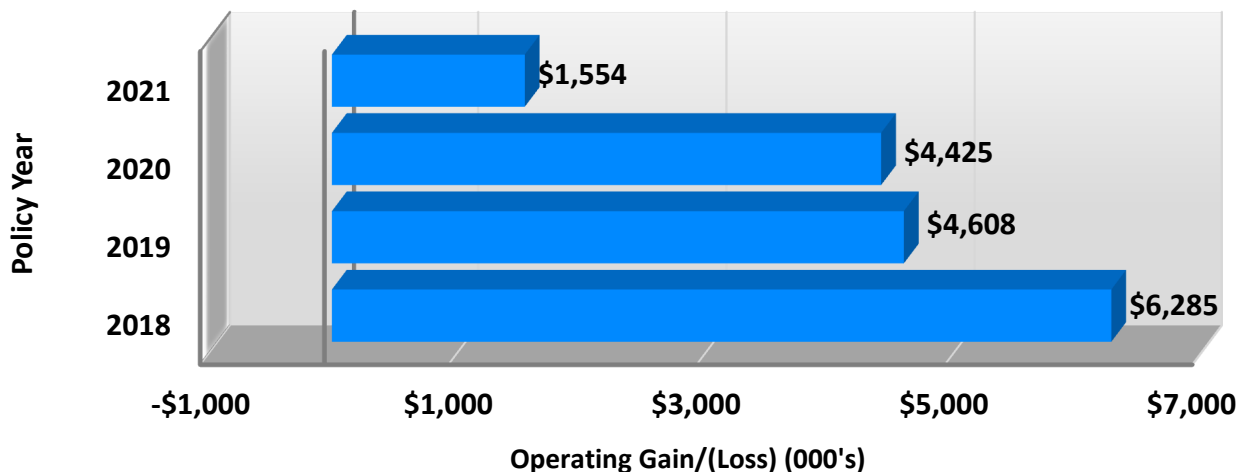
Policy year incurred losses reflect paid losses, case reserves and IBNR reserves for policies written in a particular policy year in that state.



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

Policy Year Financial Results through 2nd Quarter 2022 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.



*3rd Quarter 2022 data will be available the end of January 2023 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 2018-2022, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 2nd Quarter 2022.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2018	22,865,214	379,637	1.7%
2019	21,456,343	327,320	1.5%
2020	20,957,692	417,241	2.0%
2021	21,609,166	--	--
2022	8,081,640	--	--

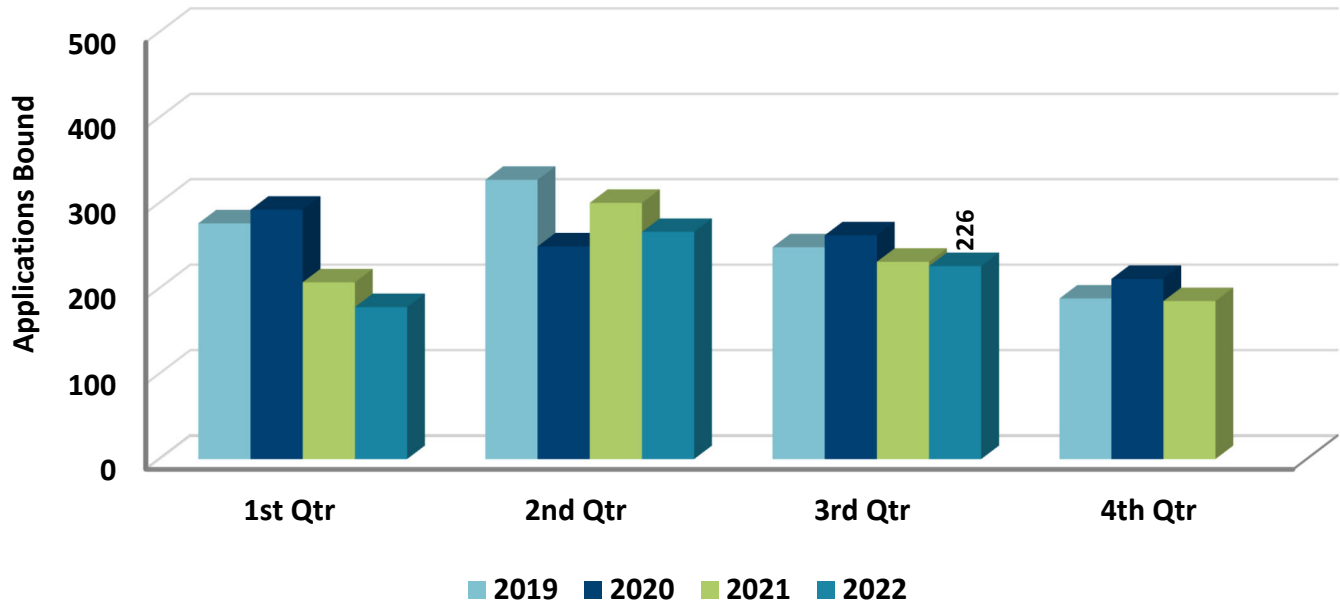
* The uncollectible premiums provided are reported by the servicing carriers on a quarterly basis. Uncollectible premium is generally reported up to 24 months after the policy expiration date due to audit, billing, and collection requirements. Therefore, the uncollectible premium data has not yet developed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



Residual Market Demographics

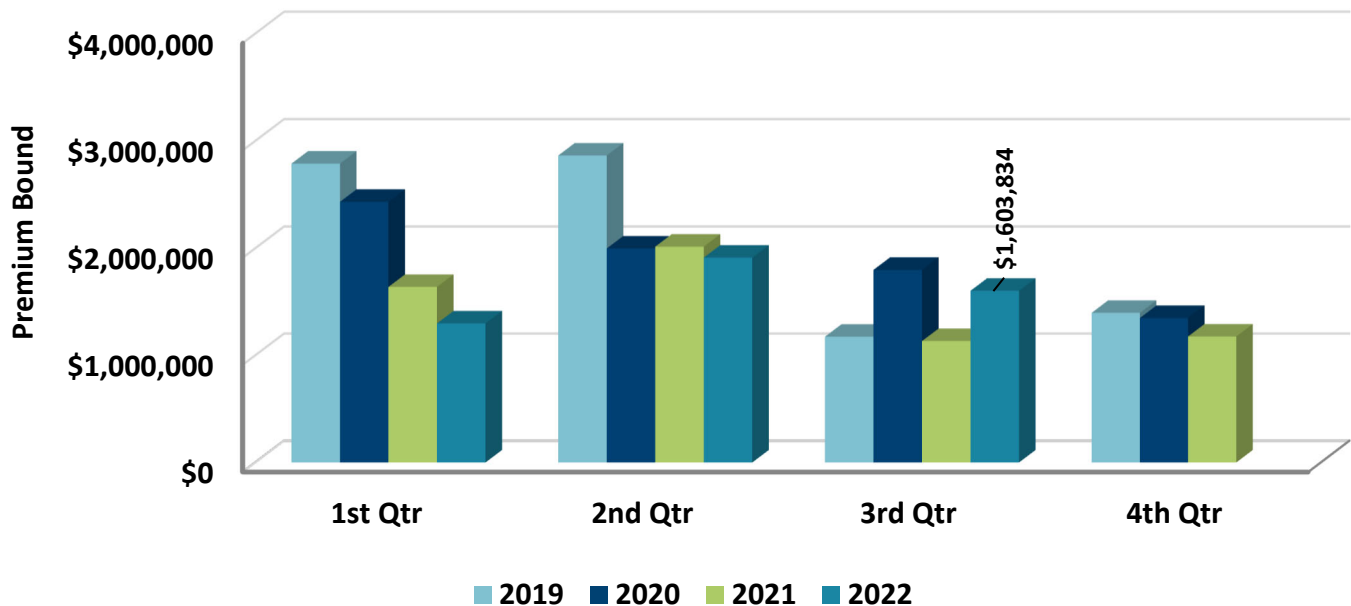
Total Applications Bound — 2019 vs. 2020 vs. 2021 vs. 2022

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



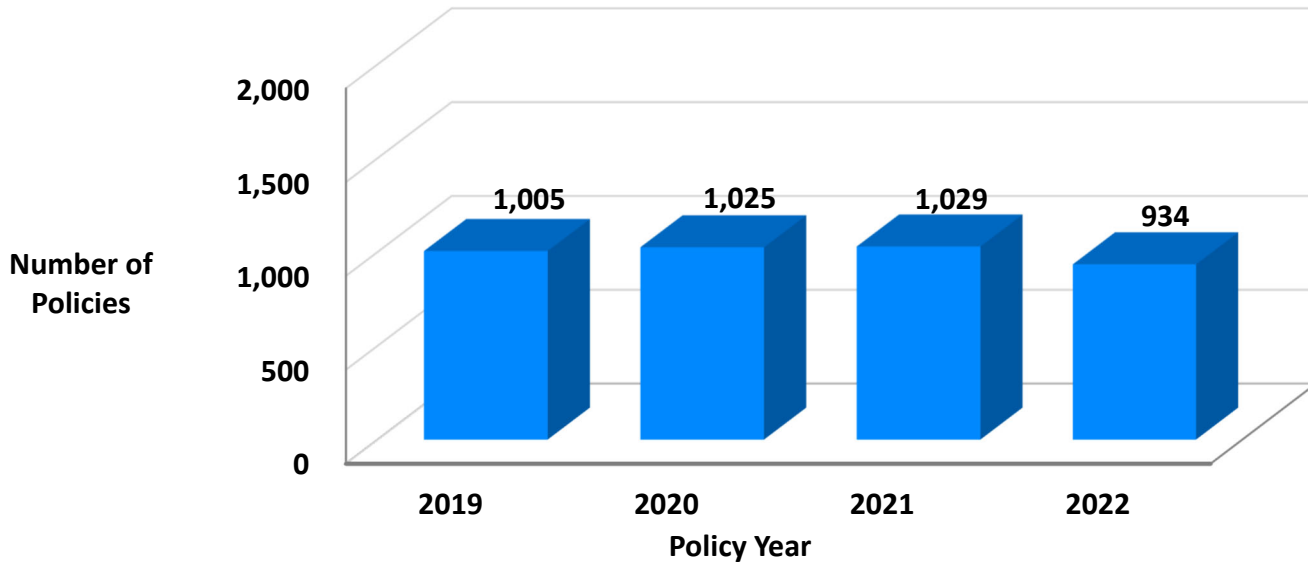


Residual Market Demographics

Residual Market Total Policy Counts

Third Quarter Data for Policies Reported through September 30, 2022

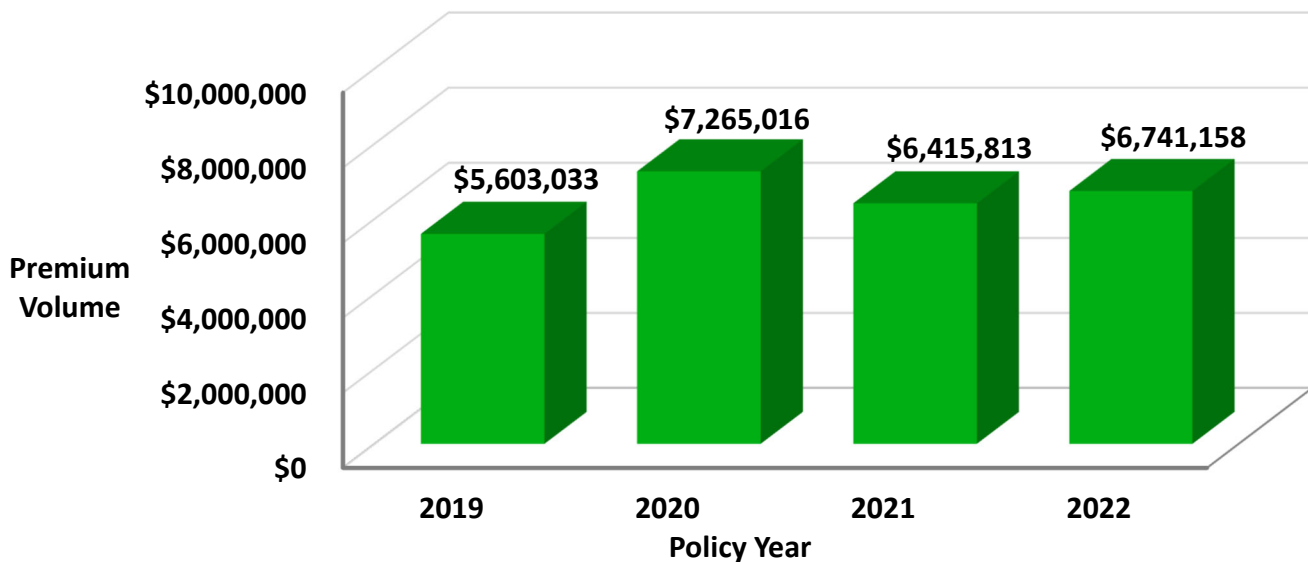
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

Third Quarter Data Reported through September 30, 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

Third Quarter Data Reported through September 30, 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	460	49.3	483,350	7.2	1,051
\$2500- \$4999	200	21.4	722,372	10.7	3,612
\$5000- \$9999	139	14.9	939,480	13.9	6,759
\$10000- \$19999	52	5.6	715,473	10.6	13,759
\$20000- \$49999	61	6.5	1,984,018	29.4	32,525
\$50000- \$99999	15	1.6	1,025,118	15.2	68,341
\$100000- \$199999	7	0.7	871,347	12.9	124,478
\$2000000+	0	0.0	0	0.0	0
Total	934	100.0	6,741,158	100.0	7,218

Third Quarter 2021 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0- \$2499	561	54.5	532,018	8.3	948
\$2500- \$4999	189	18.4	685,004	10.7	3,624
\$5000- \$9999	143	13.9	997,889	15.6	6,978
\$10000- \$19999	61	5.9	871,975	13.6	14,295
\$20000- \$49999	57	5.5	1,857,196	28.9	32,582
\$50000- \$99999	14	1.4	874,277	13.6	62,448
\$100000- \$199999	3	0.3	382,828	6.0	127,609
\$2000000+	1	0.1	214,626	3.3	214,626
Total	1,029	100.0	6,415,813	100.0	6,235



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count Third Quarter Data Reported through September 30, 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	69	7.4
2	7711 - Firefighters & Drivers - Volunteer	64	6.9
3	7219 - Trucking - NOC-All Employees & Drivers	63	6.7
4	5551 - Roofing-All Kinds & Drivers	45	4.8
5	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	43	4.6
6	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	35	3.7
7	0083 - Farm: Cattle or Livestock Raising NOC & Drivers	26	2.8
8	9102 - Park NOC-All Employees & Drivers	16	1.7
9	8720 - Inspection of Risks for Insurance or Valuation Purposes NOC	15	1.6
10	8831 - Hospital-Veterinary & Drivers	15	1.6

Residual Market Top 10 Classification Codes by Premium Volume Third Quarter Data Reported through September 30, 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	561,447	8.3
2	5551 - Roofing-All Kinds & Drivers	483,289	7.2
3	8835 - Home, Public, And Traveling Healthcare - All Employees	388,006	5.8
4	7711 - Firefighters & Drivers - Volunteer	284,746	4.2
5	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	272,681	4.0
6	0037 - Farm: Field Crops & Drivers	272,200	4.0
7	8868 - College - Professional Employees & Clerical	267,269	4.0
8	3724 - Machinery or Equipment Erection or Repair NOC & Drivers	214,573	3.2
9	8831 - Hospital-Veterinary & Drivers	202,080	3.0
10	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	184,770	2.7



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.