



# Iowa Residual Market State Activity Report

Annual 2022



## Executive Summary

NCCI, as Pool and Plan Administrator of the Iowa Workers Compensation Insurance Plan, is pleased to provide the Annual 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.

Sean Cordell, Plan Administration

561-893-3171

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## Residual Market Demographics

### Residual Market Total Policies and Premium in Force

#### As of December 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 %
<b>Policy Count</b>	3,137	3,353	-216	-6.4%
<b>Premium Volume</b>	\$20,753,545	\$23,099,753	-\$2,346,208	-10.2%

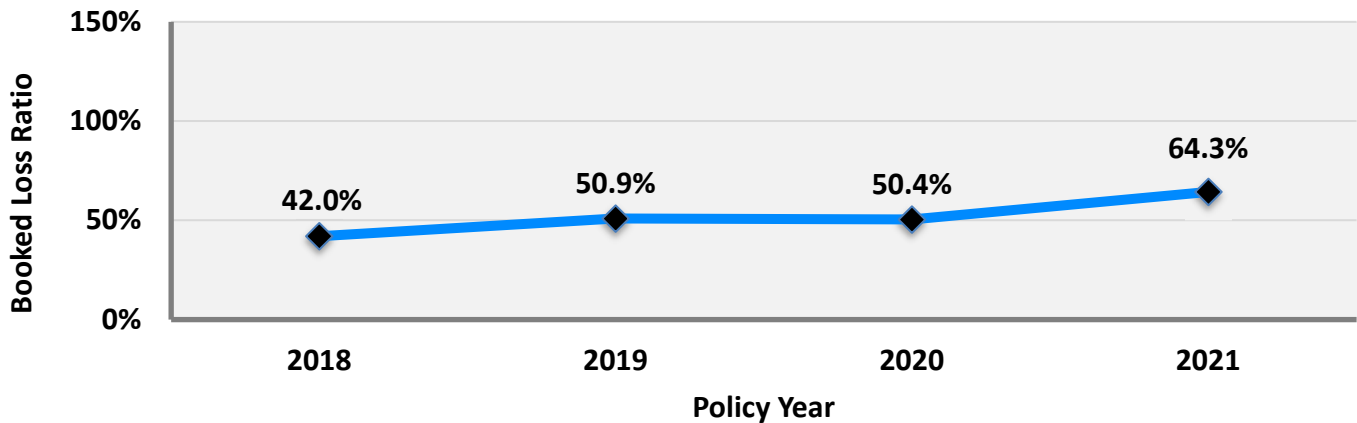


## Residual Market Demographics

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

#### Policy Year Financial Results through 3rd Quarter 2022 for 2021 and prior years\*

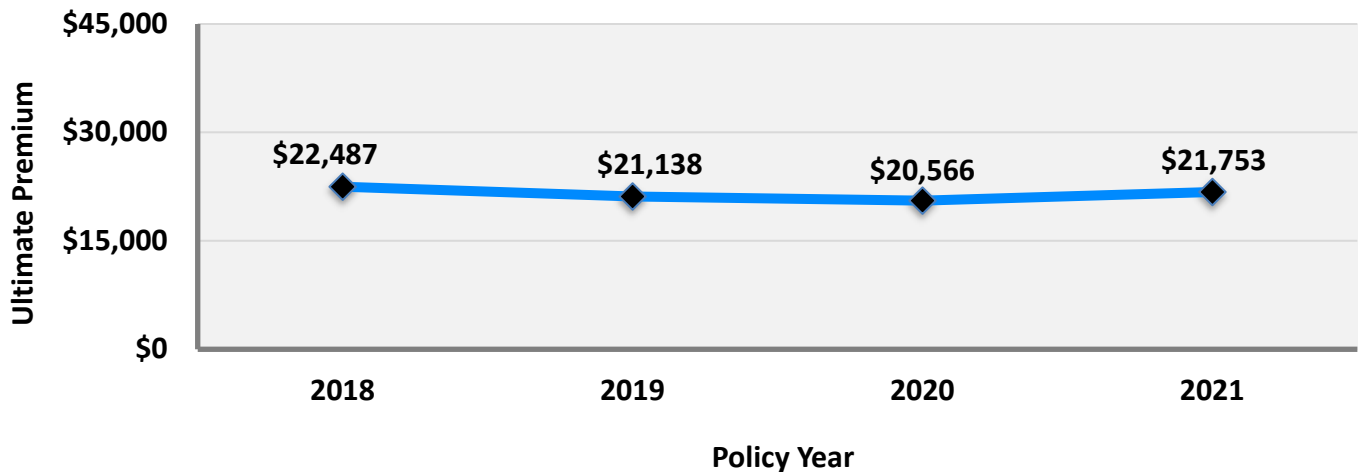
The ratio of total incurred losses to total net premiums (net of uncollectible premium) in a given period, in this state, expressed as a percentage.



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

#### Policy Year Financial Results through 3rd 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.



\*4th Quarter 2022 data will be available the end of April 2023 due to the timing of data reporting

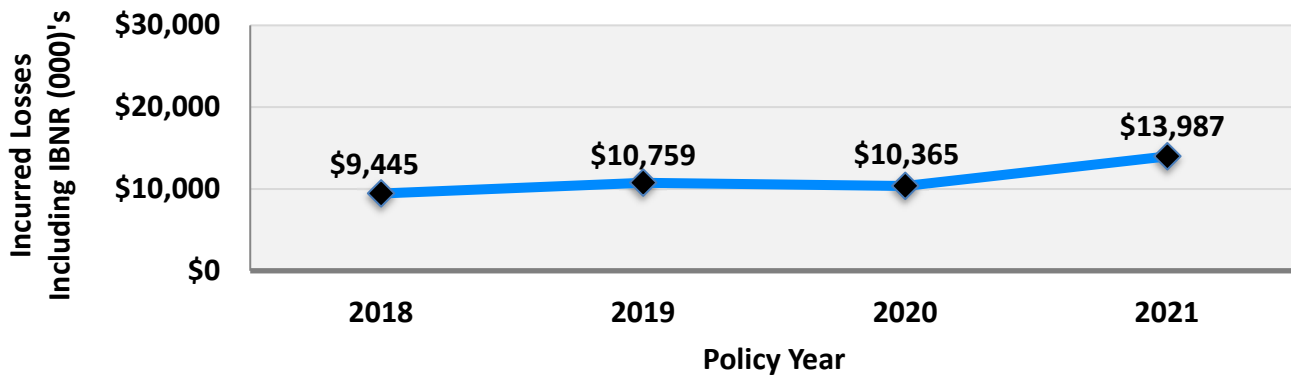


## Residual Market Demographics

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

#### Policy Year Financial Results through 3rd Quarter 2022 for 2021 and prior years\*

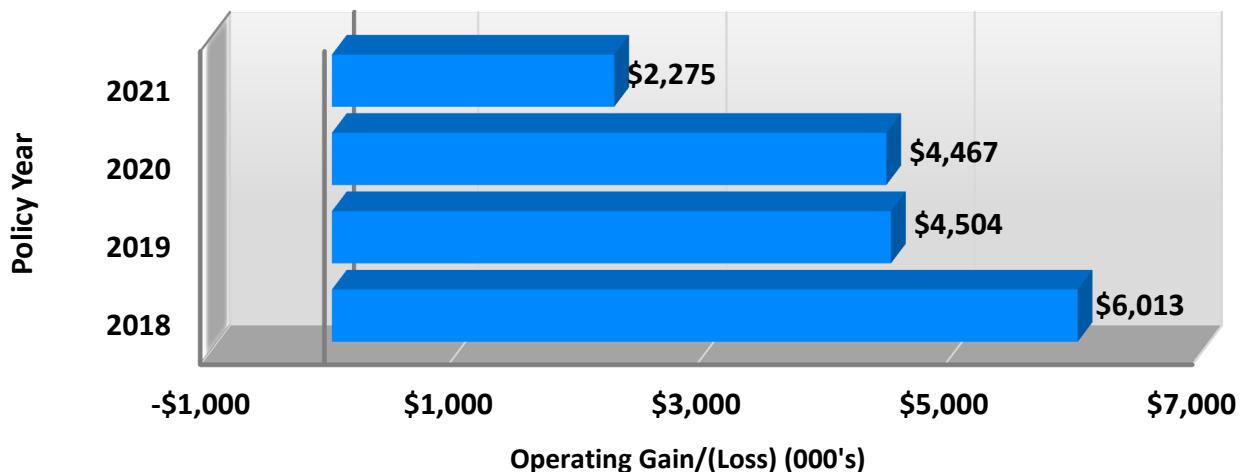
Policy year incurred losses reflect paid losses, case reserves and IBNR reserves for policies written in a particular policy year in that state.



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

#### Policy Year Financial Results through 3rd 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.



\*4th Quarter 2022 data will be available the end of April 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 3rd Quarter 2022.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2018	22,862,010	374,801	1.6%
2019	21,422,116	284,303	1.3%
2020	20,930,971	379,586	1.8%
2021	22,162,600	--	--
2022	12,735,105	--	--

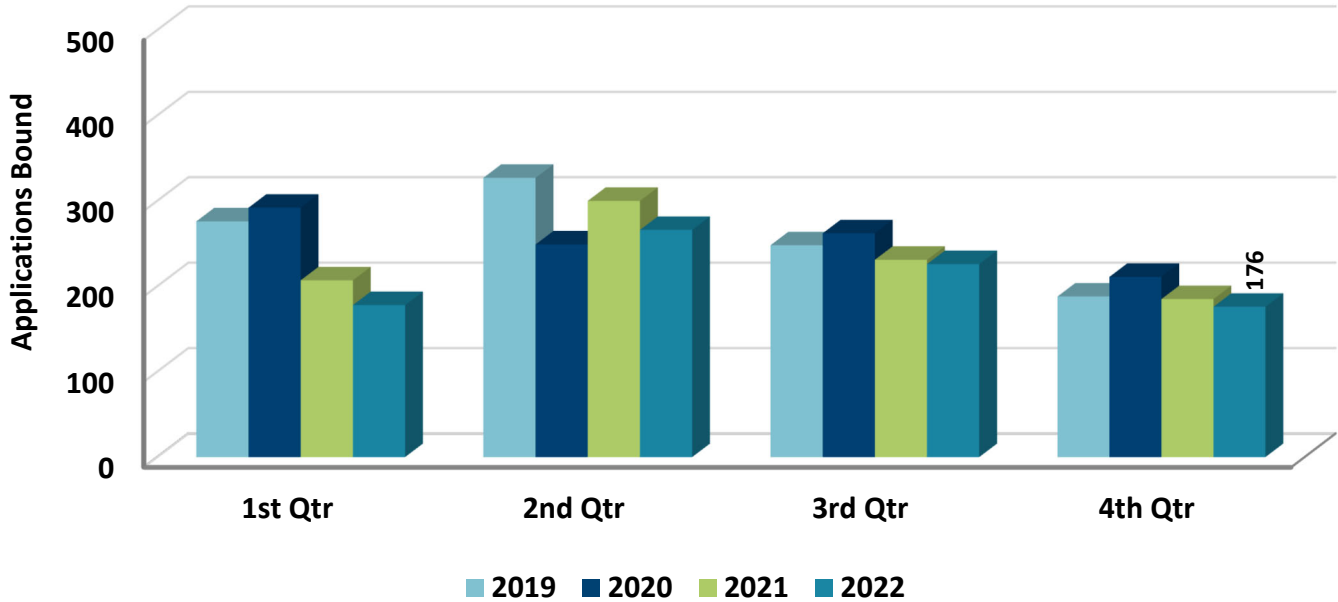
\* The uncollectible premiums provided are reported by the servicing carriers on a quarterly basis. Uncollectible premium is generally reported up to 24 months after the policy expiration date due to audit, billing, and collection requirements. Therefore, the uncollectible premium data has not yet developed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



## Residual Market Demographics

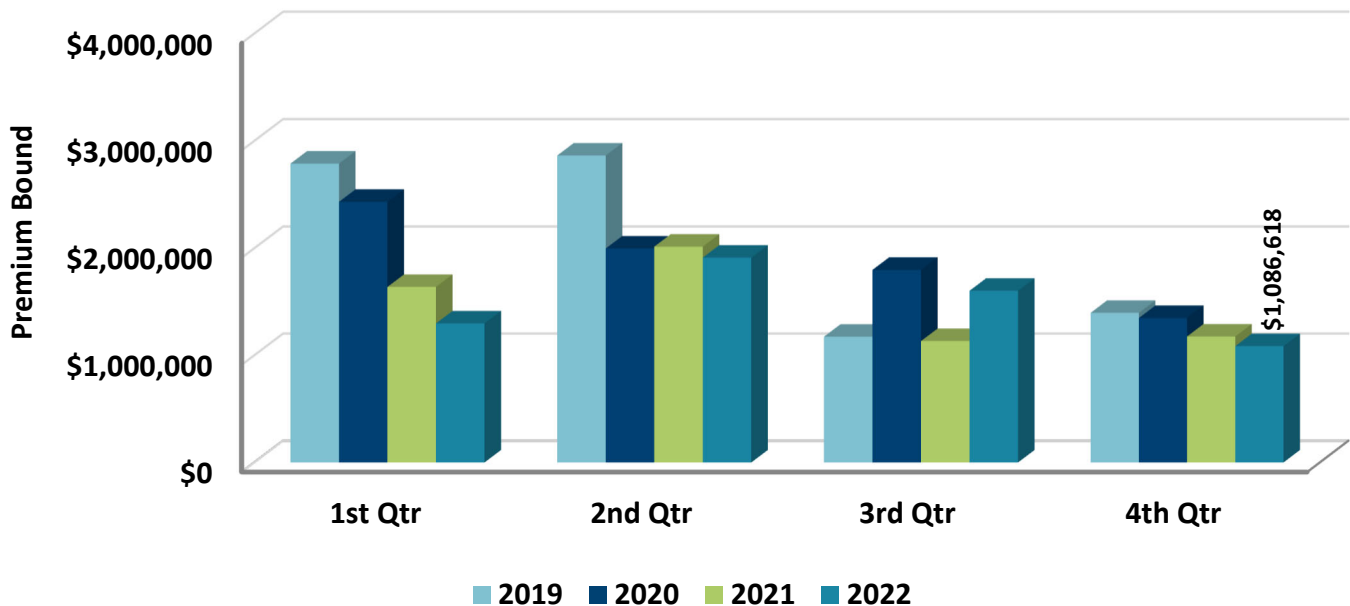
### Total Applications Bound — 2019 vs. 2020 vs. 2021 vs. 2022

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).



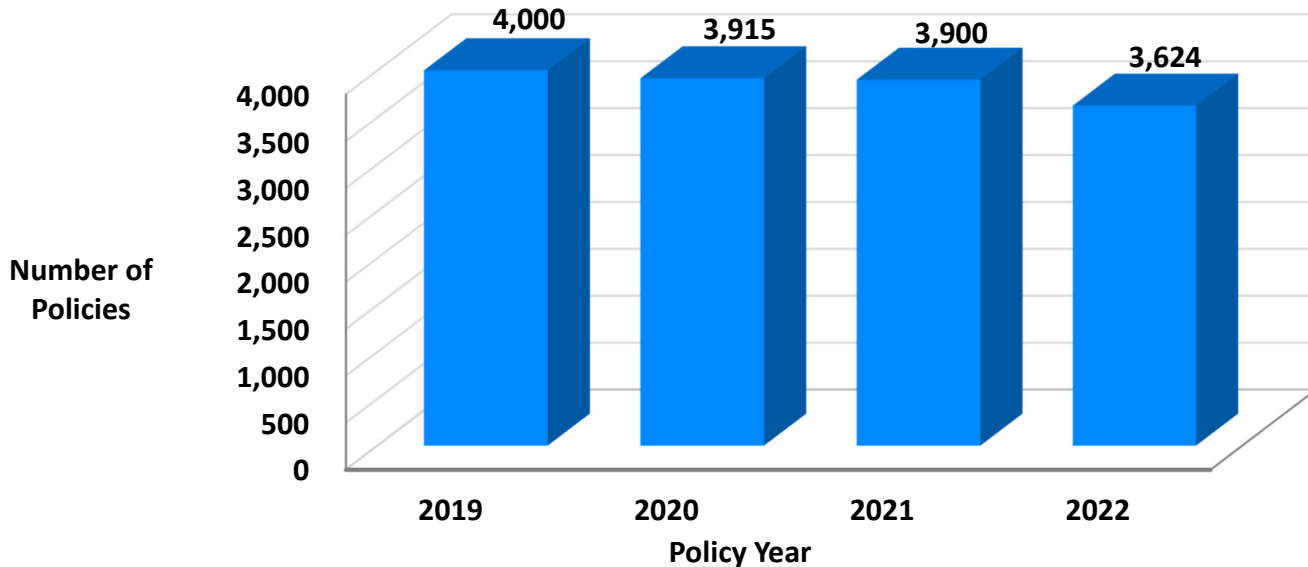


## Residual Market Demographics

### Residual Market Total Policy Counts

#### Annual Data for Policies Reported through December 31, 2022

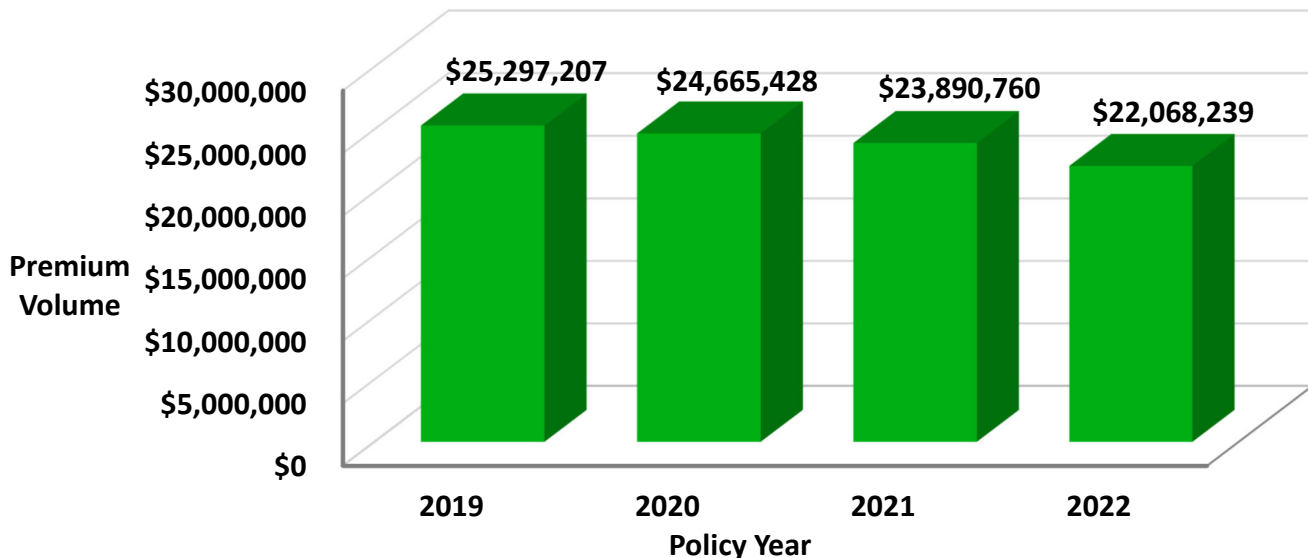
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



### Residual Market Total Premium Volume

#### Annual Data Reported through December 31, 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 Annual Data Reported through December 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	1,967	54.3	2,023,664	9.2	1,029
\$2500- \$4999	683	18.8	2,470,167	11.2	3,617
\$5000- \$9999	499	13.8	3,489,866	15.8	6,994
\$10000- \$19999	242	6.7	3,385,913	15.3	13,991
\$20000- \$49999	173	4.8	5,304,339	24.0	30,661
\$50000- \$99999	44	1.2	2,916,483	13.2	66,284
\$100000- \$199999	14	0.4	1,787,974	8.1	127,712
\$2000000+	2	0.1	689,833	3.1	344,917
Total	3,624	100.0	22,068,239	100.0	6,089

### Annual 2021 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0- \$2499	2,169	55.6	2,165,150	9.1	998
\$2500- \$4999	702	18.0	2,525,936	10.6	3,598
\$5000- \$9999	517	13.3	3,632,289	15.2	7,026
\$10000- \$19999	276	7.1	3,912,094	16.4	14,174
\$20000- \$49999	166	4.3	5,139,833	21.5	30,963
\$50000- \$99999	52	1.3	3,478,462	14.6	66,894
\$100000- \$199999	13	0.3	1,656,334	6.9	127,410
\$2000000+	5	0.1	1,380,662	5.8	276,132
Total	3,900	100.0	23,890,760	100.0	6,126



## Residual Market Demographics

### Residual Market Top 10 Classification Codes by Policy Count Annual Data Reported through December 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	285	7.9
2	7219 - Trucking - NOC-All Employees & Drivers	256	7.1
3	7711 - Firefighters & Drivers - Volunteer	187	5.2
4	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	181	5.0
5	5551 - Roofing-All Kinds & Drivers	177	4.9
6	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	126	3.5
7	0083 - Farm: Cattle or Livestock Raising NOC & Drivers	106	2.9
8	8810 - Clerical Office Employees NOC	69	1.9
9	9063 - YMCA, YMHA or YWHA, Institution-All Employees & Clerical	59	1.6
10	9102 - Park NOC-All Employees & Drivers	59	1.6

### Residual Market Top 10 Classification Codes by Premium Volume Annual Data Reported through December 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	2,102,193	9.5
2	5551 - Roofing-All Kinds & Drivers	1,400,430	6.3
3	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	1,326,231	6.0
4	0037 - Farm: Field Crops & Drivers	967,228	4.4
5	7711 - Firefighters & Drivers - Volunteer	817,061	3.7
6	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	698,108	3.2
7	8835 - Home, Public, And Traveling Healthcare - All Employees	625,284	2.8
8	0083 - Farm: Cattle or Livestock Raising NOC & Drivers	547,383	2.5
9	9403 - Garbage, Ashes or Refuse Collection & Drivers	447,288	2.0
10	8868 - College - Professional Employees & Clerical	446,840	2.0



## 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.