



# Iowa Residual Market State Activity Report

Annual 2024



# Iowa Residual Market State Activity Report

## Annual 2024

## Executive Summary

NCCI, as Pool and Plan Administrator of the Iowa Workers Compensation Insurance Plan, is pleased to provide the Annual 2024 *Iowa Residual Market State Activity Report*.

Residual Market demographics contained in this report include:

### Table of Contents

Residual Market Demographics .....	1
Residual Market Total Policies and Premium In Force .....	1
Iowa Residual Market Share Compared to All Plan Jurisdictions Market Share .....	2
Iowa Residual Market Reinsurance Pool .....	3
Booked Loss Ratio (Projected to Ultimate) .....	3
Ultimate Net Written Premium (Projected to Ultimate) (000's) .....	3
Iowa Residual Market Reinsurance Pool Net Operating Results .....	4
Incurred Losses (Projected to Ultimate).....	4
Estimated Net Operating Gain/(Loss) (000's) (Projected to Ultimate) .....	4
Collections/Indemnification .....	5
Total Applications Bound — 2021 vs. 2022 vs. 2023 vs. 2024 .....	6
Total Application Premium Bound — 2021 vs. 2022 vs. 2023 vs. 2024 .....	6
Residual Market Total Policy Counts .....	7
Residual Market Total Premium Volume.....	7
Premium Size Profiles.....	8
Hazard Group Distribution .....	9
Residual Market Top 10 Classification Codes by Policy Count.....	10
Residual Market Top 10 Classification Codes by Premium Volume.....	10
Glossary of Terms .....	11

If you have any questions or comments about this report, please feel free to contact:

Sean Cordell, Plan Administration, [sean\\_cordell@ncci.com](mailto:sean_cordell@ncci.com) or 561-893-3171.



## Residual Market Demographics

### Residual Market Total Policies and Premium **In Force**

#### As of December 31, 2024—compared to prior year

Total number of Assigned Risk Plan policies and prorated 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.

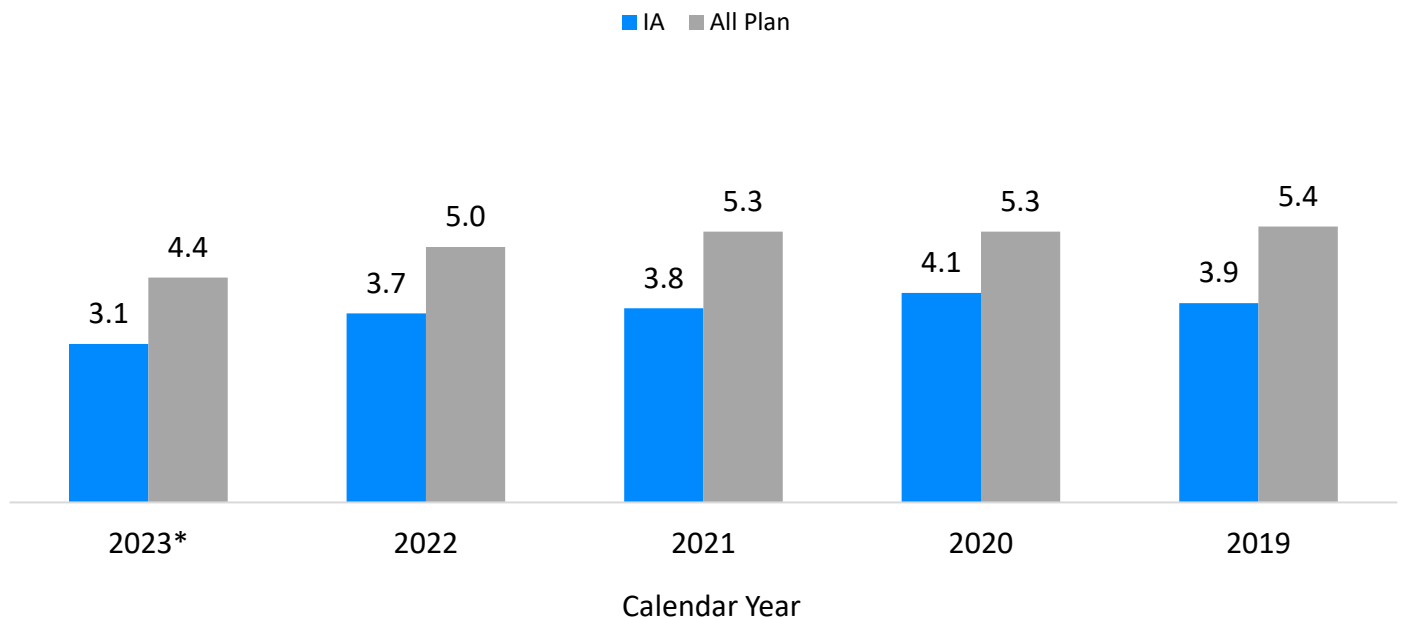
	2024	2023	2024 vs. 2023 #	2024 vs. 2023 %
<b>Policy Count</b>	2,835	3,126	-291	-9.3%
<b>Premium Volume</b>	\$18,732,542	\$19,444,106	-\$711,564	-3.7%



## Residual Market Demographics

### Iowa 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*.



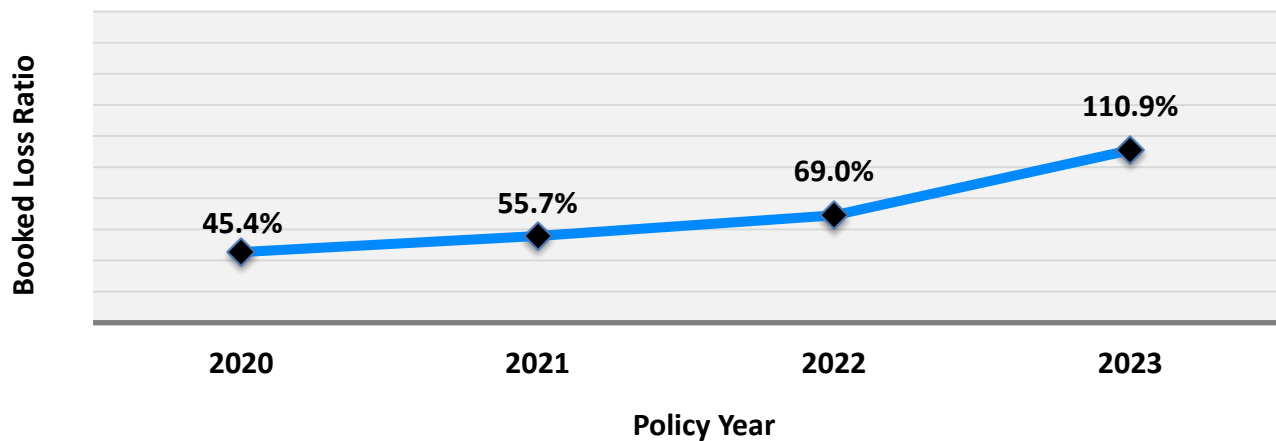
## Residual Market Demographics

### Iowa Residual Market Reinsurance Pool

Policy Year Financial Results through 3rd Quarter 2024 for 2023 and prior years\*

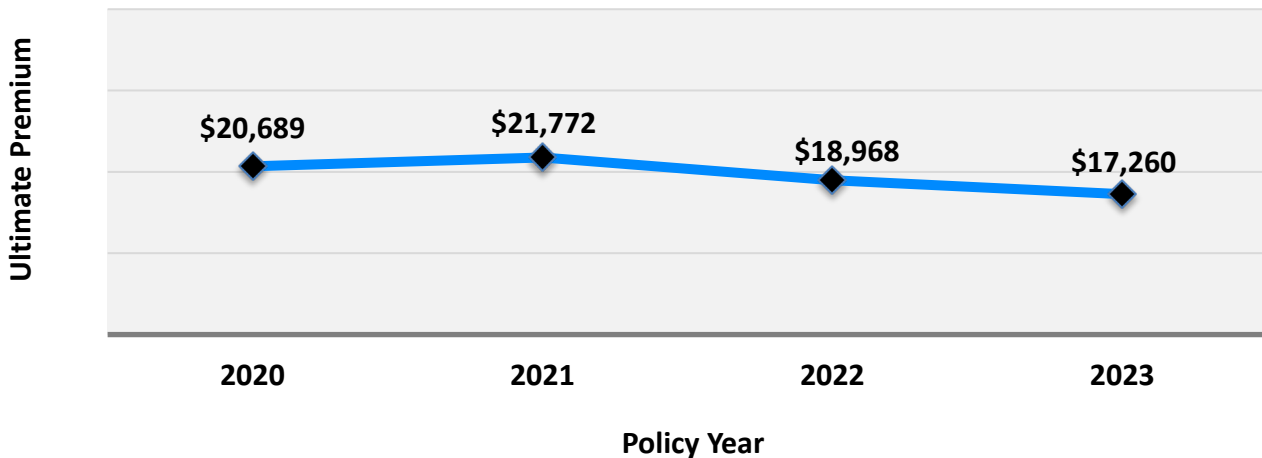
#### Booked Loss Ratio (Projected to Ultimate)

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.



\*4th Quarter 2024 data will be available the end of April 2025 due to the timing of data reporting



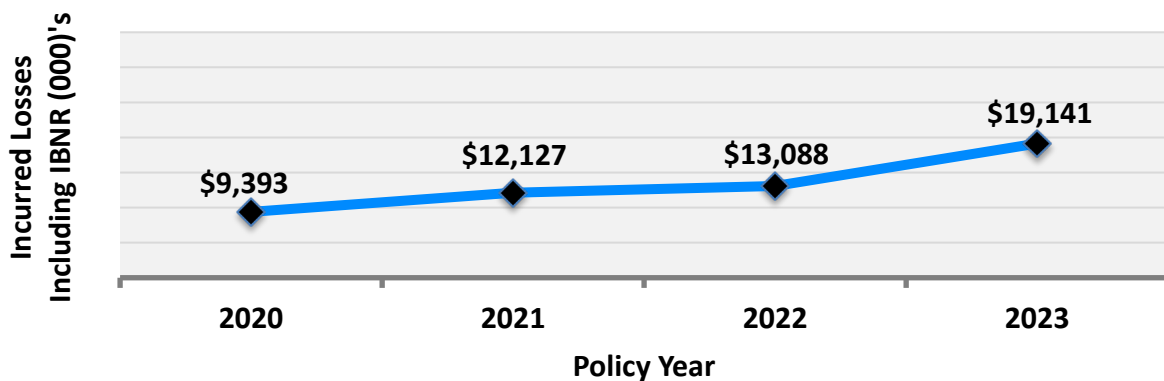
## Residual Market Demographics

### Iowa Residual Market Reinsurance Pool Net Operating Results

Policy Year Financial Results through 3rd Quarter 2024 for 2023 and prior years\*

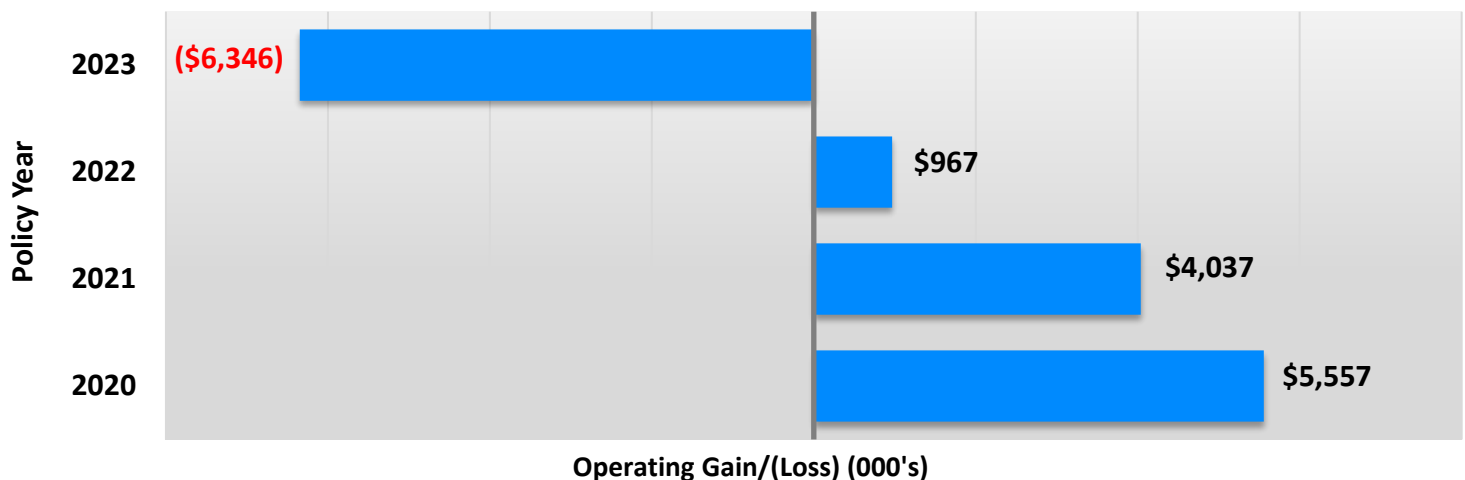
#### Incurred Losses (Projected to Ultimate)

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.



\*4th Quarter 2024 data will be available the end of April 2025 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 2020-2024, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 3rd Quarter 2024.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2020	20,878,391	189,862	0.9%
2021	22,482,799	710,905	3.2%
2022	19,711,520	760,347	3.9%
2023	17,739,633	--	--
2024	10,510,602	--	--

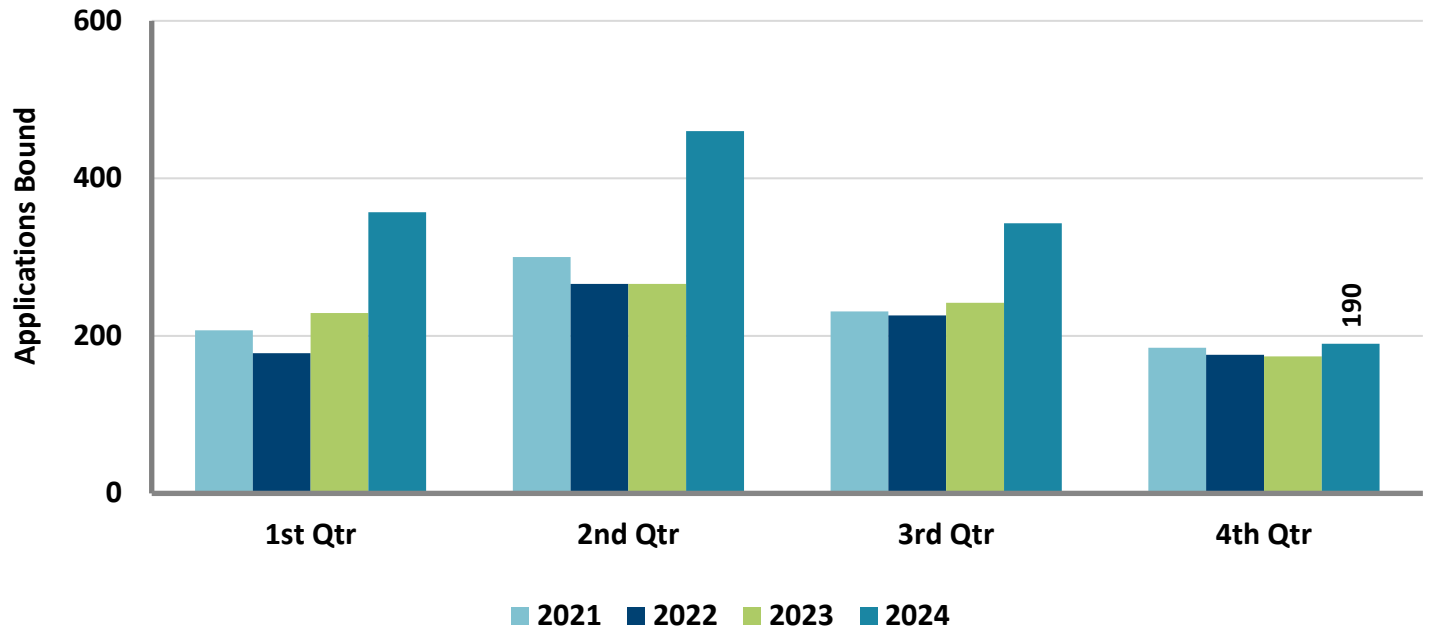
\* The uncollectible premiums provided are reported by the servicing carriers on a quarterly basis. Uncollectible premium is generally reported up to 24 months after the policy expiration date due to audit, billing, and collection requirements. Therefore, the uncollectible premium data has not yet developed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



## Residual Market Demographics

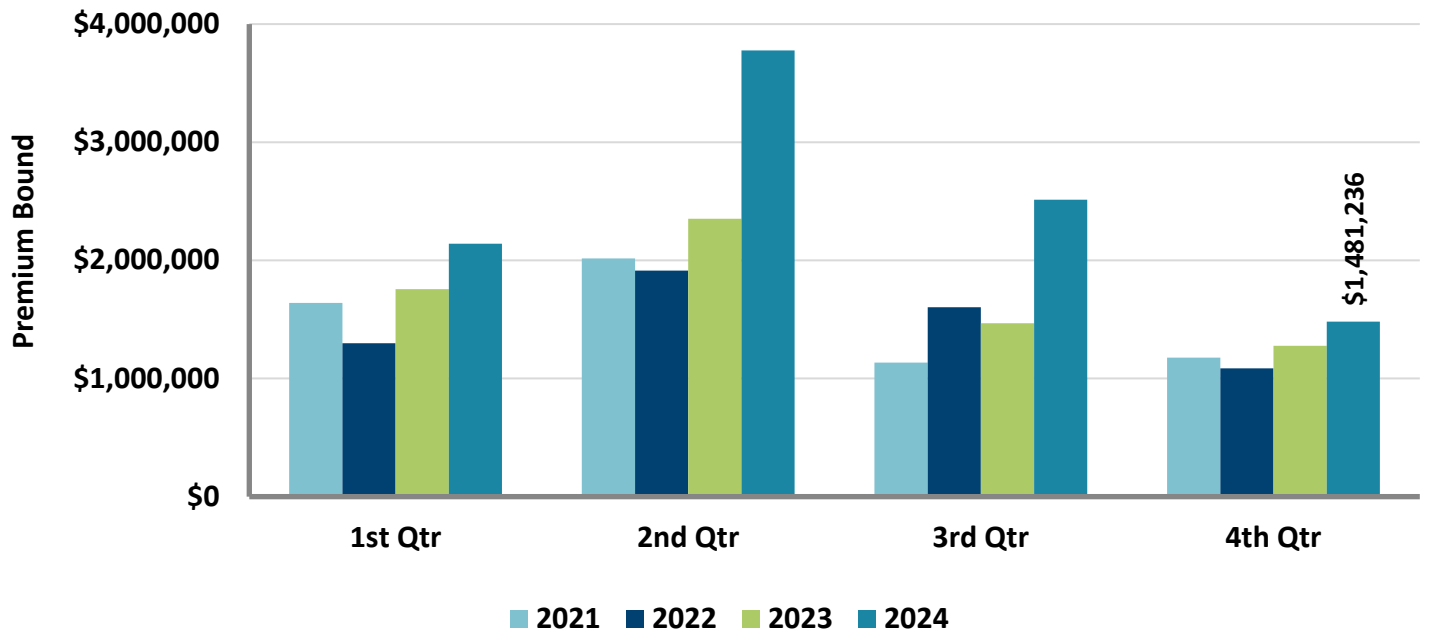
### Total Applications Bound — 2021 vs. 2022 vs. 2023 vs. 2024

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).





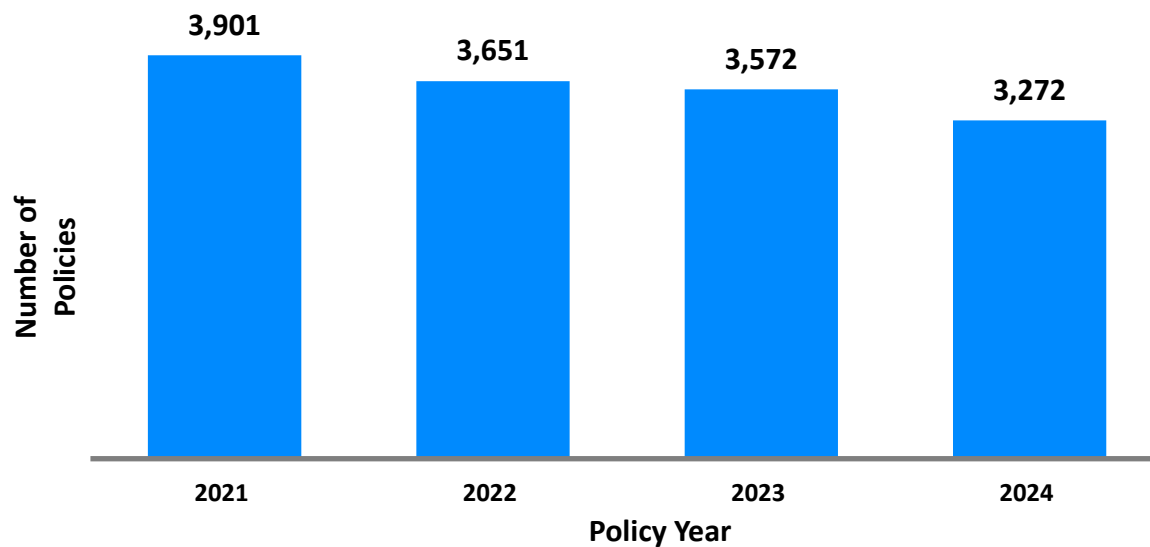


## Residual Market Demographics

### Residual Market Total Policy Counts

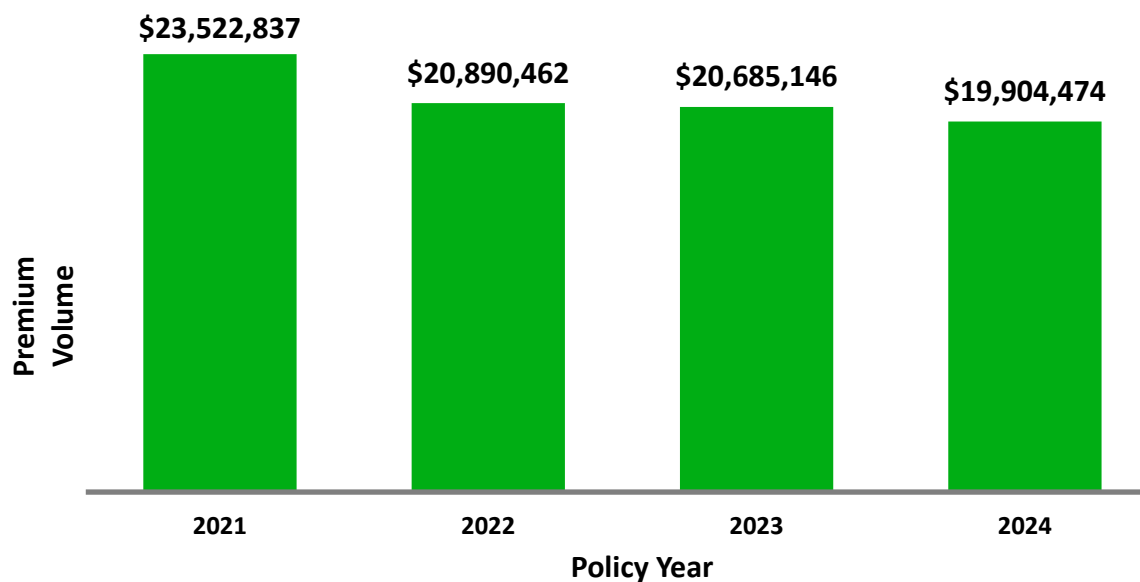
#### Annual Data for Policies Reported through December 31, 2024

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



### Annual Data for Premium Reported through December 31, 2024

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





# Iowa Residual Market State Activity Report

## Annual 2024

## Residual Market Demographics

### Premium Size Profiles

The total number of Assigned Risk Plan policies and prorated estimated annual premium totals, with effective dates during the respective timeframe (Annual), and reported to NCCI by December 31, 2024, by both Direct Assignment and Servicing Carriers.

### Annual Data Reported through December 31, 2024

Premium Size \$	Policy Count	% of Total Policies	Premium \$	% of Total Premium	Average Premium \$
0- 2,499	1,845	56.4	1,846,211	9.3	1,001
2,500- 4,999	635	19.4	2,278,678	11.4	3,588
5,000- 9,999	395	12.1	2,795,098	14.0	7,076
10,000- 19,999	209	6.4	2,861,867	14.4	13,693
20,000- 49,999	129	3.9	3,835,659	19.3	29,734
50,000- 99,999	40	1.2	2,835,755	14.2	70,894
100,000- 199,999	14	0.4	2,181,602	11.0	155,829
200,000+	5	0.2	1,269,604	6.4	253,921
Total	3,272	100.0	19,904,474	100.0	6,083

### Annual 2023 Data for Comparison

Premium Size \$	Policy Count	% of Total Policies	Premium \$	% of Total Premium	Average Premium \$
0- 2,499	1,970	55.2	1,970,415	9.5	1,000
2,500- 4,999	679	19.0	2,451,537	11.9	3,611
5,000- 9,999	459	12.8	3,197,413	15.5	6,966
10,000- 19,999	269	7.5	3,766,252	18.2	14,001
20,000- 49,999	137	3.8	4,184,742	20.2	30,546
50,000- 99,999	42	1.2	2,749,348	13.3	65,461
100,000- 199,999	14	0.4	1,939,222	9.4	138,516
200,000+	2	0.1	426,217	2.1	213,109
Total	3,572	100.0	20,685,146	100.0	5,791

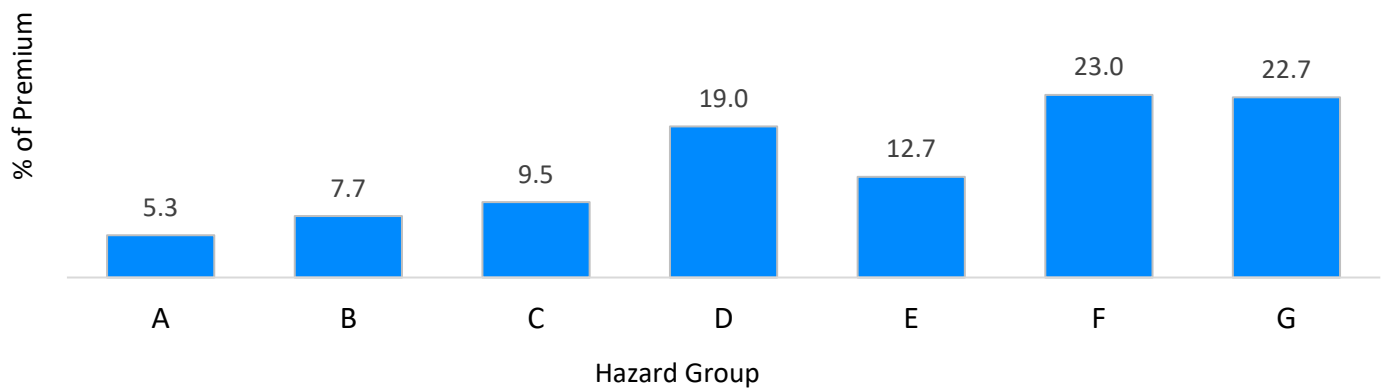


## Residual Market Demographics

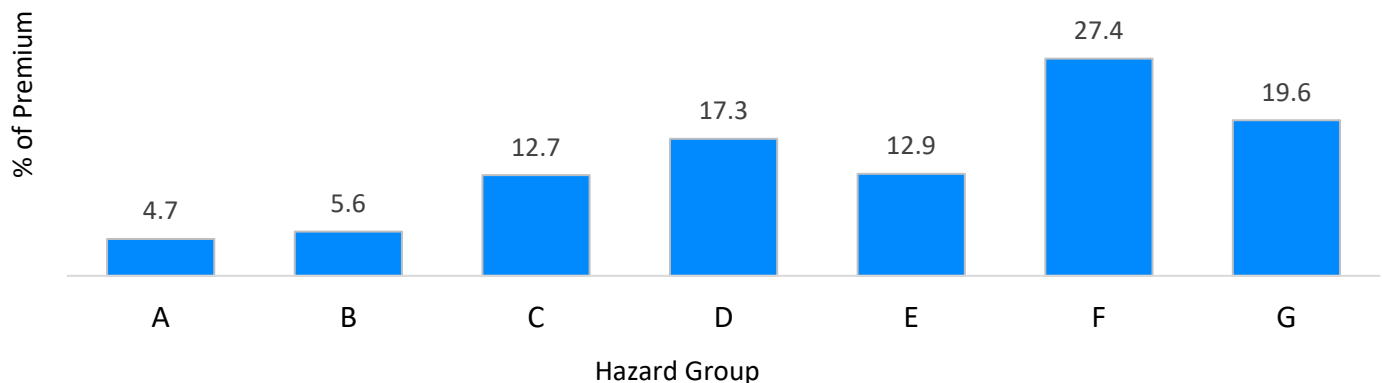
### Hazard Group Distribution

Annual Data Reported through **December 31, 2024**

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



### Annual **2023** Data for Comparison





# Iowa Residual Market State Activity Report

## Annual 2024

## Residual Market Demographics

### Residual Market Top 10 Classification Codes by Policy Count

Annual Data Reported through December 31, 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	0037 - Farm: Field Crops & Drivers	254	7.8
2	7219 - Trucking - NOC-All Employees & Drivers	228	7.0
3	5551 - Roofing-All Kinds & Drivers	212	6.5
4	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	196	6.0
5	7711 - Firefighters & Drivers - Volunteer	189	5.8
6	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	117	3.6
7	0083 - Farm: Cattle or Livestock Raising NOC & Drivers	102	3.1
8	9063 - YMCA, YWCA, YMHA Or YWHA, Institution-All Employees & Clerical	60	1.8
9	9102 - Park NOC-All Employees & Drivers	57	1.7
10	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	51	1.6

### Residual Market Top 10 Classification Codes by Premium Volume

Annual Data Reported through December 31, 2024

The top 10 governing class codes by prorated estimated annual premium 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	1,630,410	8.2
2	5551 - Roofing-All Kinds & Drivers	1,199,400	6.0
3	7219 - Trucking - NOC-All Employees & Drivers	1,147,387	5.8
4	0037 - Farm: Field Crops & Drivers	1,006,422	5.1
5	8868 - College - Professional Employees & Clerical	822,269	4.1
6	7711 - Firefighters & Drivers - Volunteer	770,365	3.9
7	0083 - Farm: Cattle or Livestock Raising NOC & Drivers	714,090	3.6
8	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	567,896	2.9
9	8380 - Automobile Service or Repair Center & Drivers	525,596	2.6
10	9180 - Amusement Device Operation NOC Not Traveling & Drivers	509,897	2.6



## 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.

**Prorated Estimated Annual Premium**—premium determined by multiplying a policy’s total estimated annual premium to a factor based on the number of days the policy was in effect. For example, if a policy was in effect for 100 days, the factor would be  $100/365$  or  $0.274$ . For a policy with a total estimated annual premium of \$1,000 the prorated estimated annual premium would be \$274. This calculation is applied to cancelled policies.

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

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