# Kansas Residual Market
# State Activity Report

Annual 2025

# Kansas Residual Market State Activity Report

*Annual 2025*

# Executive Summary

NCCI, as Pool and Plan Administrator of the Kansas Workers Compensation Insurance Plan, is pleased to provide the Annual 2025 *Kansas Residual Market State Activity Report*.

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 Mary Kate Meingossner, Plan Administration, mary_kate_meingossner@ncci.com or 561-893-1236.

# Residual Market Demographics

## Residual Market Total Policies and Premium In Force

### As of December 31, 2025—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.

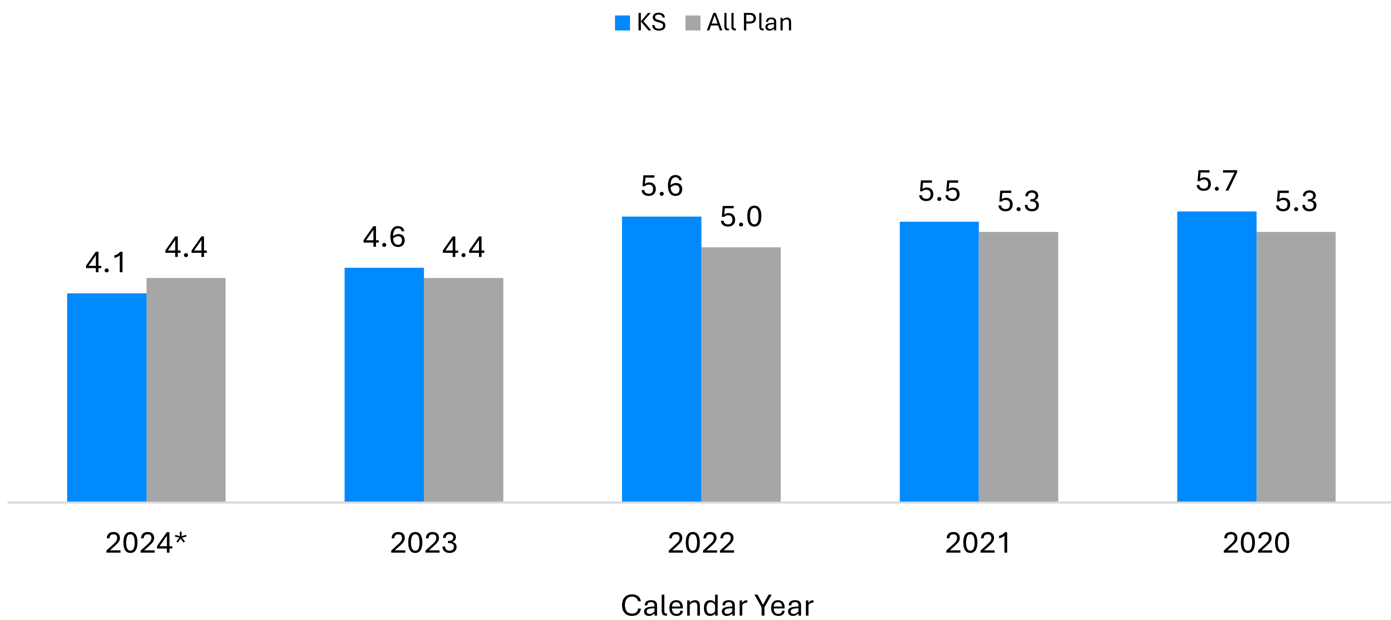
| | 2025 | 2024 | 2025 vs. 2024 # | 2025 vs. 2024 % |
|---|---|---|---|---|
| **Policy Count** | 3,703 | 3,700 | 3 | 0.1% |
| **Premium Volume** | $16,394,263 | $15,057,799 | $1,336,464 | 8.9% |

# Residual Market Demographics

## Kansas Residual Market Share Compared to All Plan Jurisdictions Market Share

### Calendar Years 2024 - 2020

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.

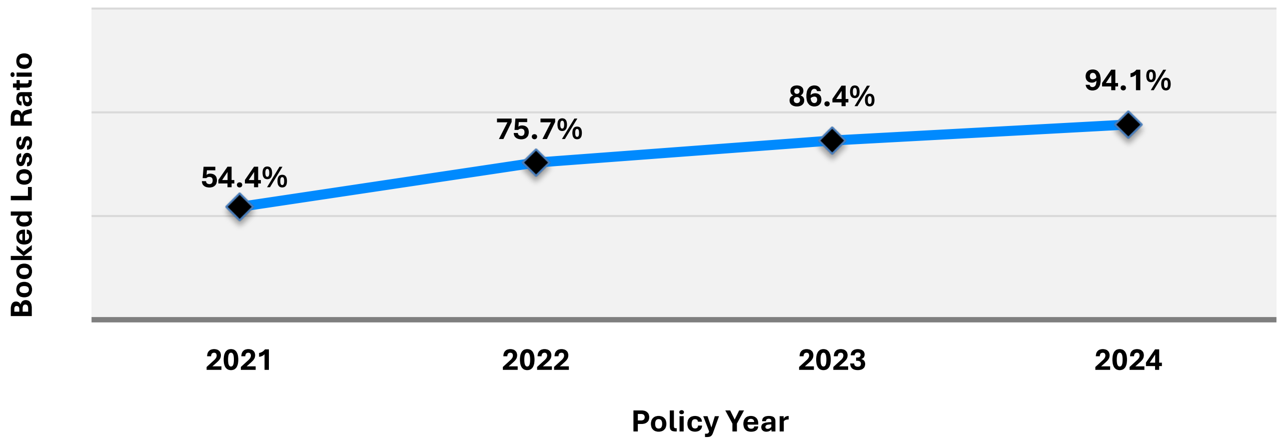
This Residual Market Share is published in the ***Residual Market Management Summary*** within *Exhibit P* for NCCI Plan and Pool Administered states. "All Plan" jurisdictions in this chart represent the subtotal market shares for NCCI Plan-administered states within *Exhibit P*.

# Kansas Residual Market State Activity Report
*Annual 2025*

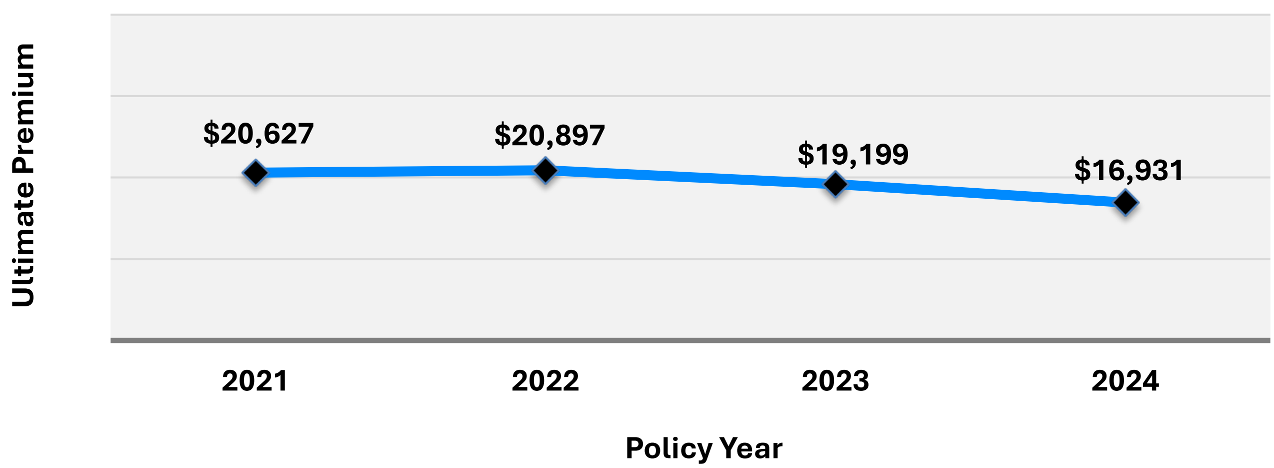
# Residual Market Demographics

## Kansas Residual Market Reinsurance Pool
**Policy Year Financial Results through 3rd Quarter 2025 for 2024 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 2025 data will be available the end of April 2026 due to the timing of data reporting

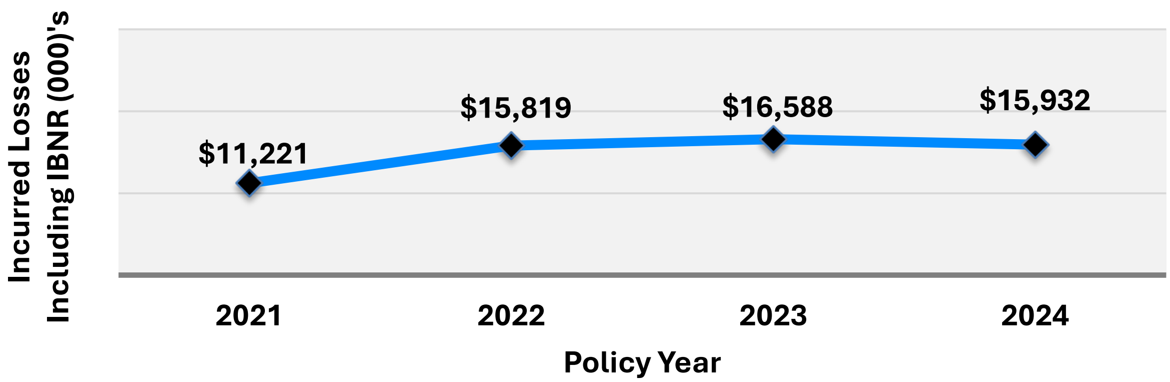
# Residual Market Demographics

## Kansas Residual Market Reinsurance Pool Net Operating Results

**Policy Year Financial Results through 3rd Quarter 2025 for 2024 and prior years***

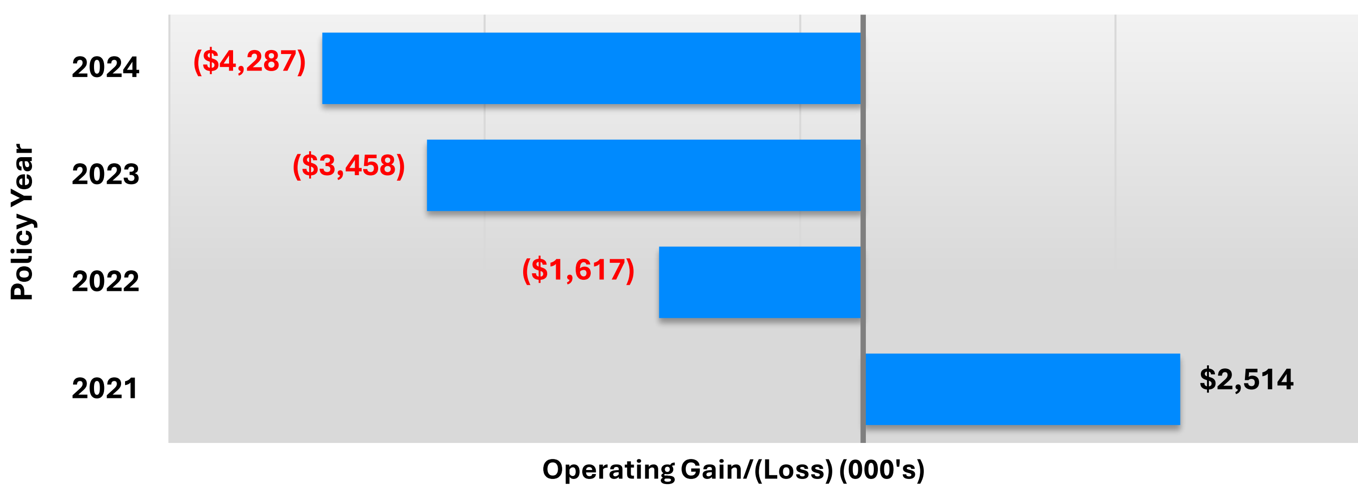
### Incurred Losses (Projected to Ultimate)

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 2025 data will be available the end of April 2026 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 Kansas for Policy Years 2021-2025, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 3rd Quarter 2025.

| Policy Year | Gross Written Premium $ | Uncollectible Premium $ | Percentage |
|---|---|---|---|
| 2021 | 21,622,805 | 996,113 | 4.6% |
| 2022 | 21,893,116 | 995,979 | 4.5% |
| 2023 | 20,391,193 | 1,191,780 | 5.8% |
| 2024 | 18,018,177 | -- | -- |
| 2025 | 11,062,198 | -- | -- |

* 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, 2025

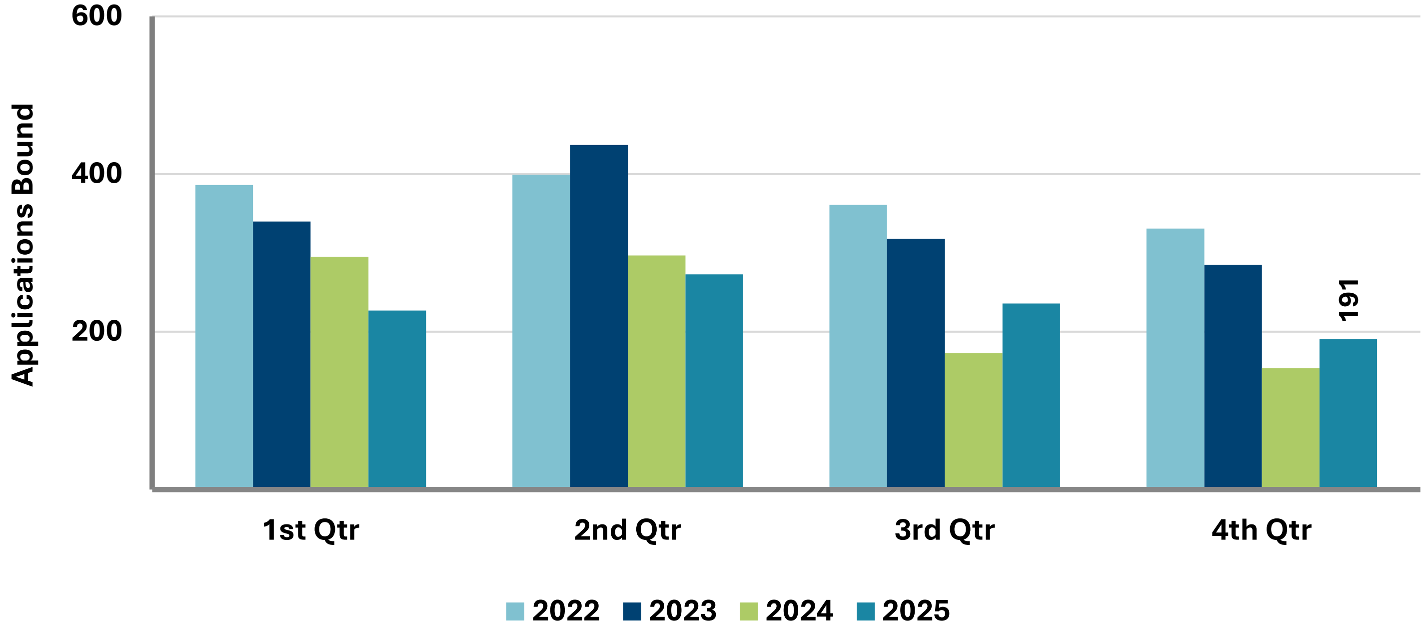
The volume of assigned risk applications redirected to the voluntary market through NCCI's *VCAP® Service*. The following shows the results *VCAP® Service* has provided during Annual 2025.

| | |
|---|---|
| Number of Applications Reviewed by ***VCAP® Service*** | 1205 |
| Associated Premium for Applications Reviewed | $5,094,060.67 |
| Number of ***VCAP® Service*** Matches | 1096 |
| ***VCAP® Service*** Matches as a % of Applications Reviewed | 90.95% |
| Number of ***VCAP® Service*** Offers | 275 |
| ***VCAP® Service*** Offers as a % of Matches | 25.09% |
| Number of Confirmed ***VCAP® Service*** Policies | 269 |
| Confirmed ***VCAP® Service*** Policies as a % of Applications Reviewed | 22.32% |
| Redirected Assigned Risk Premium | $992,067.94 |
| Associated Voluntary Market Premium | $951,266.00 |
| Savings | $40,801.94 |
| Average Savings per Application | $151.68 |
| Savings as a % of Redirected Assigned Risk Premium | 4.11% |
| Redirected Premium as a % of Associated Premium for Applications Reviewed by ***VCAP® Service*** | 19.47% |

# Residual Market Demographics

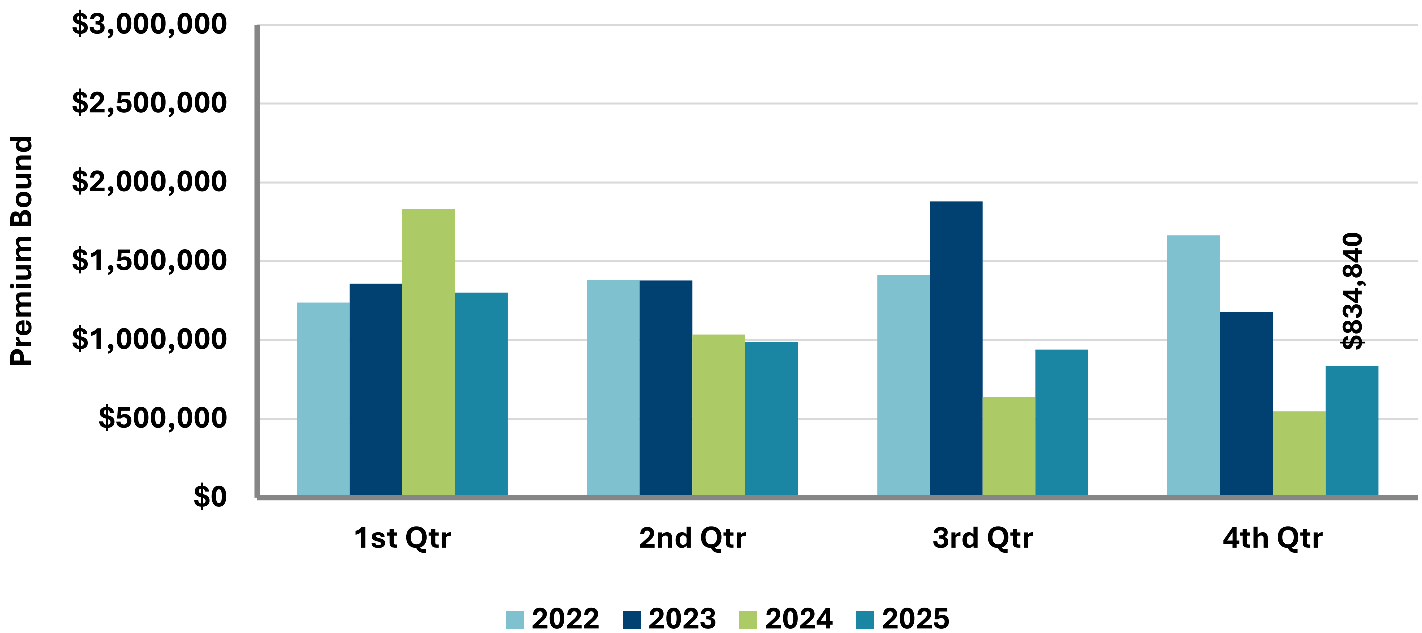
## Total Applications Bound — 2022 vs. 2023 vs. 2024 vs. 2025

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 — 2022 vs. 2023 vs. 2024 vs. 2025

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).

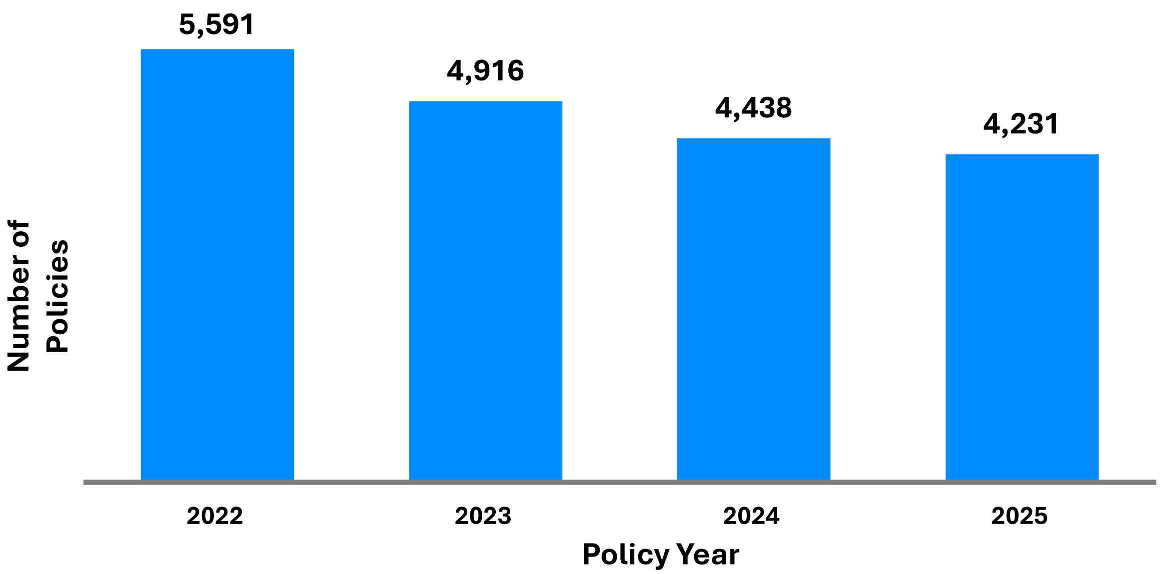


# Residual Market Demographics

## Residual Market Total Policy Counts

### Annual Data for Policies Reported through December 31, 2025

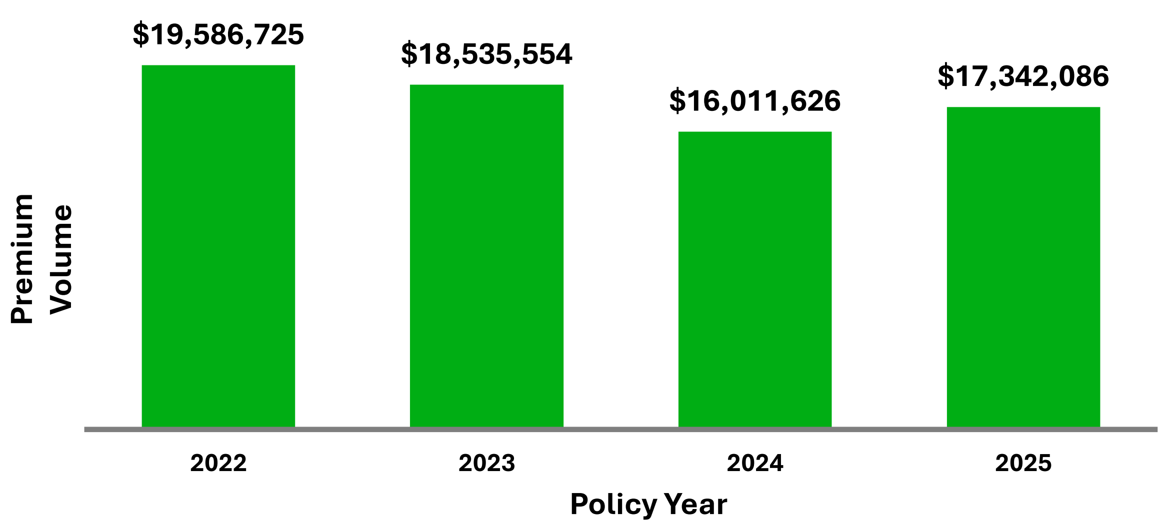
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.




## Residual Market Total Premium Volume

### Annual Data for Premium Reported through December 31, 2025

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



# 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, 2025, by both Direct Assignment and Servicing Carriers.

### Annual Data Reported through December 31, 2025

| Premium Size $ | Policy Count | % of Total Policies | Premium $ | % of Total Premium | Average Premium $ |
|---|---|---|---|---|---|
| 0- 2,499 | 2,720 | 64.3 | 2,829,689 | 16.3 | 1,040 |
| 2,500- 4,999 | 731 | 17.3 | 2,592,925 | 15.0 | 3,547 |
| 5,000- 9,999 | 475 | 11.2 | 3,299,062 | 19.0 | 6,945 |
| 10,000- 19,999 | 176 | 4.2 | 2,350,713 | 13.6 | 13,356 |
| 20,000- 49,999 | 97 | 2.3 | 2,891,291 | 16.7 | 29,807 |
| 50,000- 99,999 | 22 | 0.5 | 1,574,216 | 9.1 | 71,555 |
| 100,000- 199,999 | 8 | 0.2 | 1,159,428 | 6.7 | 144,929 |
| 200,000+ | 2 | 0.0 | 644,762 | 3.7 | 322,381 |
| Total | 4,231 | 100.0 | 17,342,086 | 100.0 | 4,099 |

### Annual 2024 Data for Comparison

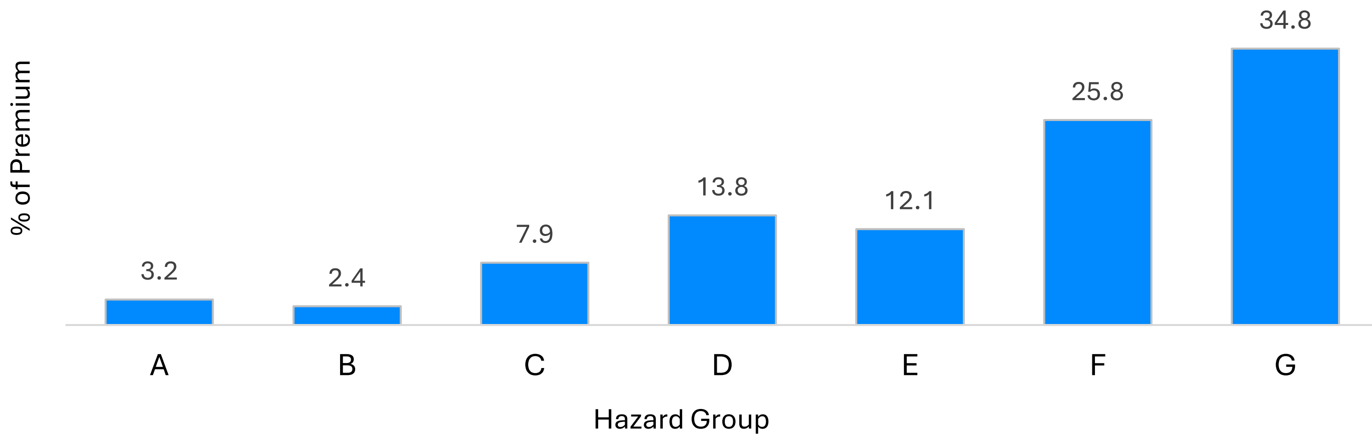
| Premium Size $ | Policy Count | % of Total Policies | Premium $ | % of Total Premium | Average Premium $ |
|---|---|---|---|---|---|
| 0- 2,499 | 3,037 | 68.4 | 2,744,665 | 17.1 | 904 |
| 2,500- 4,999 | 687 | 15.5 | 2,441,926 | 15.3 | 3,554 |
| 5,000- 9,999 | 423 | 9.5 | 2,895,839 | 18.1 | 6,846 |
| 10,000- 19,999 | 169 | 3.8 | 2,373,526 | 14.8 | 14,045 |
| 20,000- 49,999 | 95 | 2.1 | 2,789,123 | 17.4 | 29,359 |
| 50,000- 99,999 | 20 | 0.5 | 1,479,359 | 9.2 | 73,968 |
| 100,000- 199,999 | 5 | 0.1 | 637,902 | 4.0 | 127,580 |
| 200,000+ | 2 | 0.0 | 649,286 | 4.1 | 324,643 |
| Total | 4,438 | 100.0 | 16,011,626 | 100.0 | 3,608 |

# Residual Market Demographics

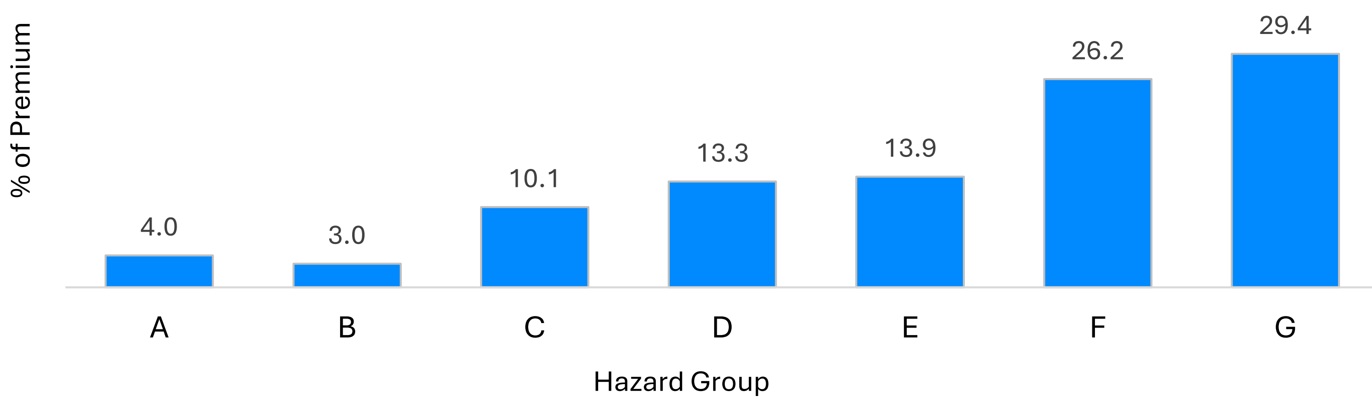
## Hazard Group Distribution

### Annual Data Reported through December 31, 2025

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




### Annual 2024 Data for Comparison



# Residual Market Demographics

## Residual Market Top 10 Classification Codes by Policy Count

### Annual Data Reported through December 31, 2025

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 | 5551 - Roofing-All Kinds & Drivers | 523 | 12.4 |
| 2 | 5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height | 402 | 9.5 |
| 3 | 7219 - Trucking - NOC-All Employees & Drivers | 228 | 5.4 |
| 4 | 6216 - Oil or Gas - Lease Work NOC - By Specialist Contractor & Drivers | 140 | 3.3 |
| 5 | 0037 - Farm: Field Crops & Drivers | 133 | 3.1 |
| 6 | 5474 - Painting NOC & Shop Operations, Drivers | 130 | 3.1 |
| 7 | 7711 - Firefighters & Drivers - Volunteer | 113 | 2.7 |
| 8 | 5437 - Carpentry-Installation of Cabinet Work or Interior Trim | 102 | 2.4 |
| 9 | 5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers | 96 | 2.3 |
| 10 | 0083 - Farm: Cattle or Livestock Raising NOC & Drivers | 87 | 2.1 |

## Residual Market Top 10 Classification Codes by Premium Volume

### Annual Data Reported through December 31, 2025

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 | 5551 - Roofing-All Kinds & Drivers | 1,872,674 | 10.8 |
| 2 | 5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height | 1,249,843 | 7.2 |
| 3 | 7219 - Trucking - NOC-All Employees & Drivers | 1,235,139 | 7.1 |
| 4 | 0037 - Farm: Field Crops & Drivers | 701,925 | 4.0 |
| 5 | 8288 - Livestock Dealer or Commission Merchant & Salespersons, Drivers | 625,653 | 3.6 |
| 6 | 0083 - Farm: Cattle or Livestock Raising NOC & Drivers | 505,660 | 2.9 |
| 7 | 1322 - Oil or Gas - Well - Cleaning or Swabbing of Wells - By Specialist Contractor - No Drilling & Drivers | 425,409 | 2.5 |
| 8 | 2883 - Furniture Manufacturing and Cabinet Shop - Wood NOC | 424,465 | 2.4 |
| 9 | 6216 - Oil Or Gas - Lease Work NOC - By Specialist Contractor & Drivers | 402,074 | 2.3 |
| 10 | 0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers | 327,252 | 1.9 |

# 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 (loss + loss adjustment expense)/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.