



Mississippi Residual Market State Activity Report

First Quarter 2018



Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the First Quarter 2018 *Mississippi 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 Mississippi 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 any of the individuals listed below.

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Residual Market Demographics

Residual Market Total Policies and Premium in Force

As of March 31, 2018—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.

	2018	2017	2018 vs. 2017 #	2018 vs. 2017 %
Policy Count	2,526	2,683	-157	-5.9%
Premium Volume	\$14,701,959	\$16,398,752	-\$1,696,793	-10.3%



Residual Market Demographics

Voluntary Coverage Assistance Program

First Quarter Data through March 31, 2018

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 First Quarter 2018.

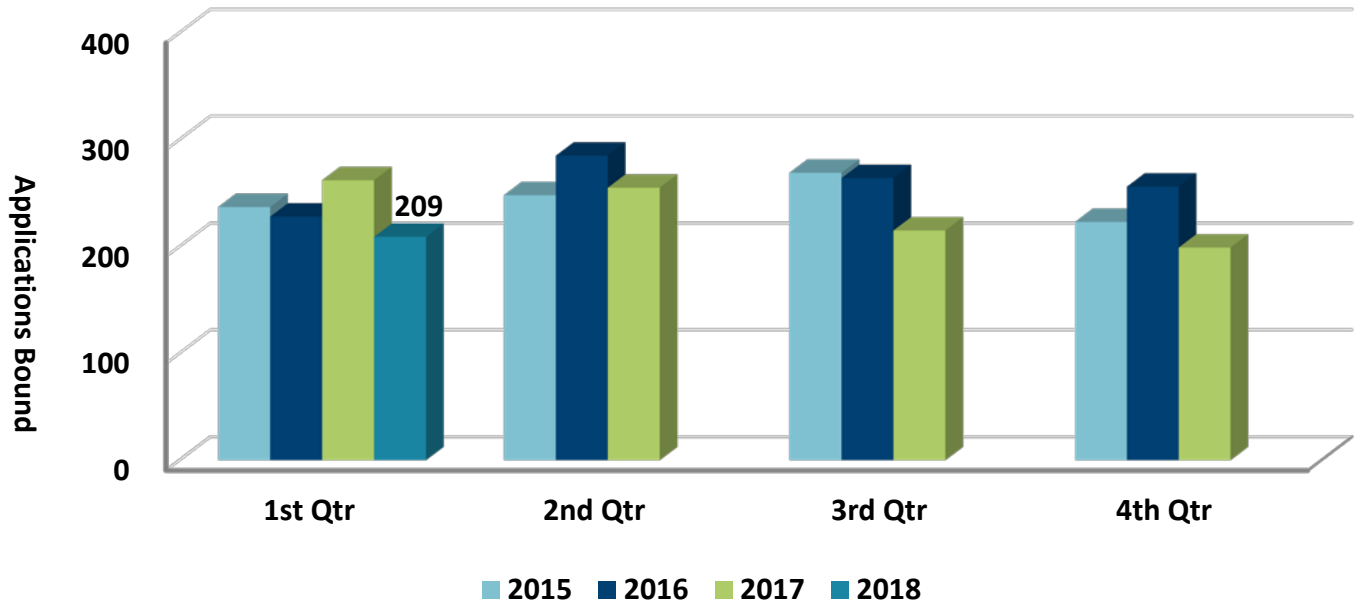
Number of Applications Reviewed by VCAP[®] Service	216
Number of VCAP[®] Service Matches	146
VCAP[®] Service Offers as a % of Matches	3.42%
Number of Confirmed VCAP[®] Service Policies	5
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	2.31%
Savings as a % of Redirected Assigned Risk Premium	30.63%



Residual Market Demographics

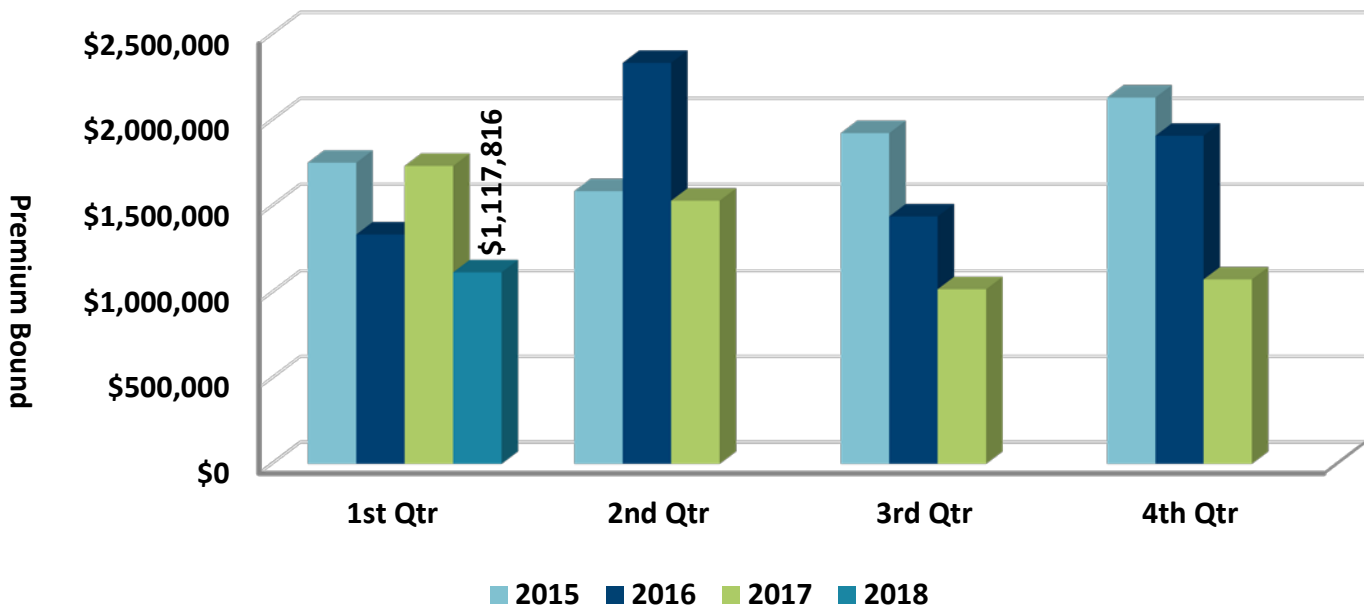
Total Applications Bound — 2015 vs. 2016 vs. 2017 vs. 2018

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 — 2015 vs. 2016 vs. 2017 vs. 2018

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).



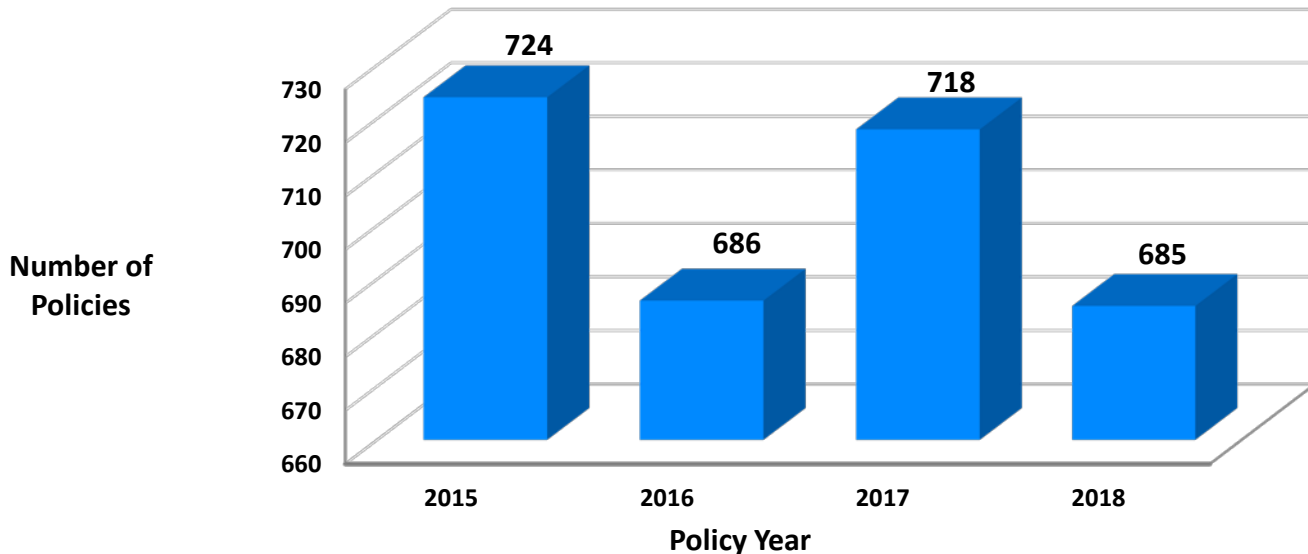


Residual Market Demographics

Residual Market Total Policy Counts

First Quarter Data for Policies Reported through March 31, 2018

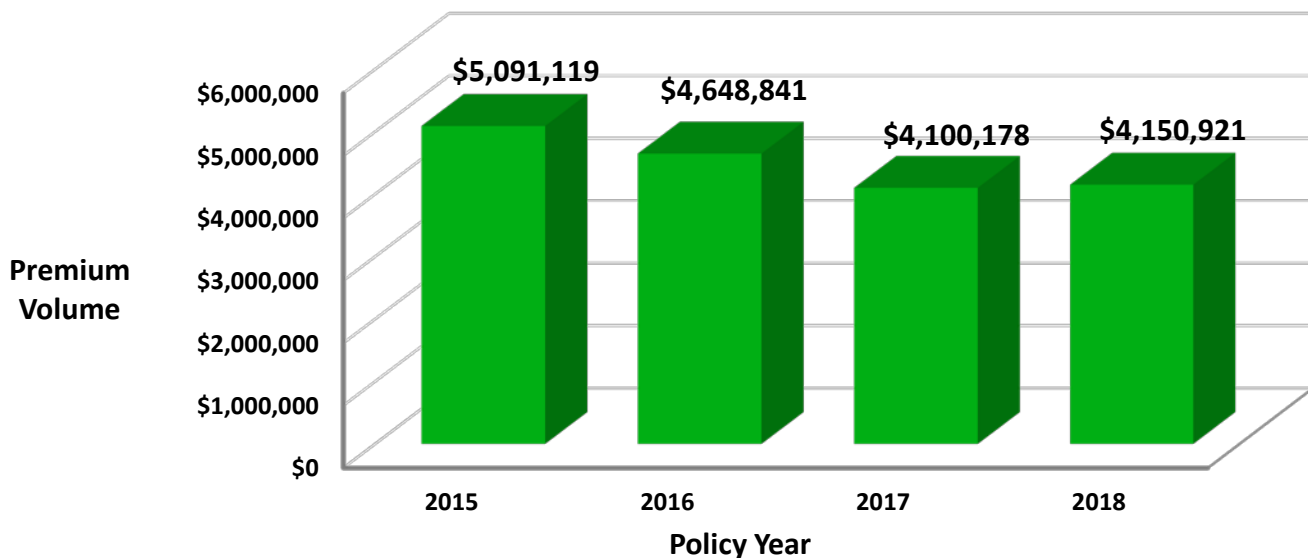
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

First Quarter Data Reported through March 31, 2018

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, 2018

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	420	61.3%	\$539,350	13.0%	\$1,284
\$2500–4999	107	15.6%	\$383,309	9.2%	\$3,582
\$5000–9999	67	9.8%	\$476,753	11.5%	\$7,115
\$10000–19999	54	7.9%	\$751,446	18.1%	\$13,915
\$20000–49999	23	3.4%	\$783,220	18.9%	\$34,053
\$50000–99999	10	1.5%	\$630,483	15.2%	\$63,048
\$100000–199999	3	0.4%	\$369,462	8.9%	\$123,154
\$200000 +	1	0.2%	\$216,898	5.2%	\$216,898
Total	685	100%	\$4,150,921	100%	\$6,060

First Quarter 2017 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium	% of Total Premium	Average Premium
\$0–2499	443	61.7%	\$533,859	13.0%	\$1,205
\$2500–4999	108	15.0%	\$385,078	9.4%	\$3,565
\$5000–9999	81	11.3%	\$583,456	14.2%	\$7,203
\$10000–19999	47	6.6%	\$662,856	16.2%	\$14,103
\$20000–49999	24	3.3%	\$727,771	17.8%	\$30,323
\$50000–99999	12	1.7%	\$840,393	20.5%	\$70,032
\$100000–199999	3	0.4%	\$366,765	9.0%	\$122,255
\$200000 +	0	0.0%	\$0	0.0%	\$0
Total	718	100.0%	\$4,100,178	100.0%	\$5,711



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count First Quarter Data Reported through March 31, 2018

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	Description	Policy Count	% of Policies
1	5645	Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	48	7.0%
2	0037	Farm: Field Crops & Drivers	31	4.5%
3	2701	Logging or Tree Removal - Log Hauling & Drivers	27	3.9%
4	5474	Painting NOC & Shop Operations Drivers	23	3.4%
5	8810	Clerical Office Employees NOC	20	2.9%
6	2709	Logging or Tree Removal - Mechanized Equipment Operators	19	2.8%
7	0083	Farm: Cattle or Livestock Raising NOC & Drivers	18	2.6%
8	5437	Carpentry-Installation of Cabinet Work or Interior Trim	18	2.6%
9	5551	Roofing-All Kinds & Drivers	17	2.5%
10	9014	Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	15	2.2%

Residual Market Top 10 Classification Codes by Premium Volume First Quarter Data Reported through March 31, 2018

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	Description	Premium	% of Premium
1	8017	Store: Retail NOC	\$231,704	5.6%
2	2709	Logging or Tree Removal - Mechanized Equipment Operators	\$218,480	5.3%
3	0037	Farm: Field Crops & Drivers	\$217,156	5.2%
4	5645	Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	\$185,057	4.5%
5	9101	College: All Other Employees	\$135,585	3.3%
6	7539	Electric Light or Power Co. NOC-All Employees & Drivers	\$124,636	3.0%
7	6834	Boat Building or Repair & Drivers	\$109,241	2.6%
8	0083	Farm: Cattle or Livestock Raising NOC & Drivers	\$109,041	2.6%
9	3018	Iron or Steel: Manufacturing: Rolling Mill & Drivers	\$99,889	2.4%
10	5606	Contractor - Project Manager Construction Executive Construction Manager or Construction Superintendent	\$97,794	2.4%



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 (loss + loss adjustment expense)/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.

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.