

# Mississippi Residual Market State Activity Report

First Quarter 2019



## Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the First Quarter 2019 *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, 2019—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.

	2019	2018	2019 vs. 2018 #	2019 vs. 2018 %
<b>Policy Count</b>	2,414	2,530	-116	-4.6%
<b>Premium Volume</b>	\$13,008,380	\$14,429,008	-\$1,420,628	-9.8%



## Residual Market Demographics

### Voluntary Coverage Assistance Program

#### First Quarter Data through March 31, 2019

The volume of assigned risk applications redirected to the voluntary market through NCCI's **VCAP<sup>®</sup> Service**. The following shows the results **VCAP<sup>®</sup> Service** has provided during First Quarter 2019.

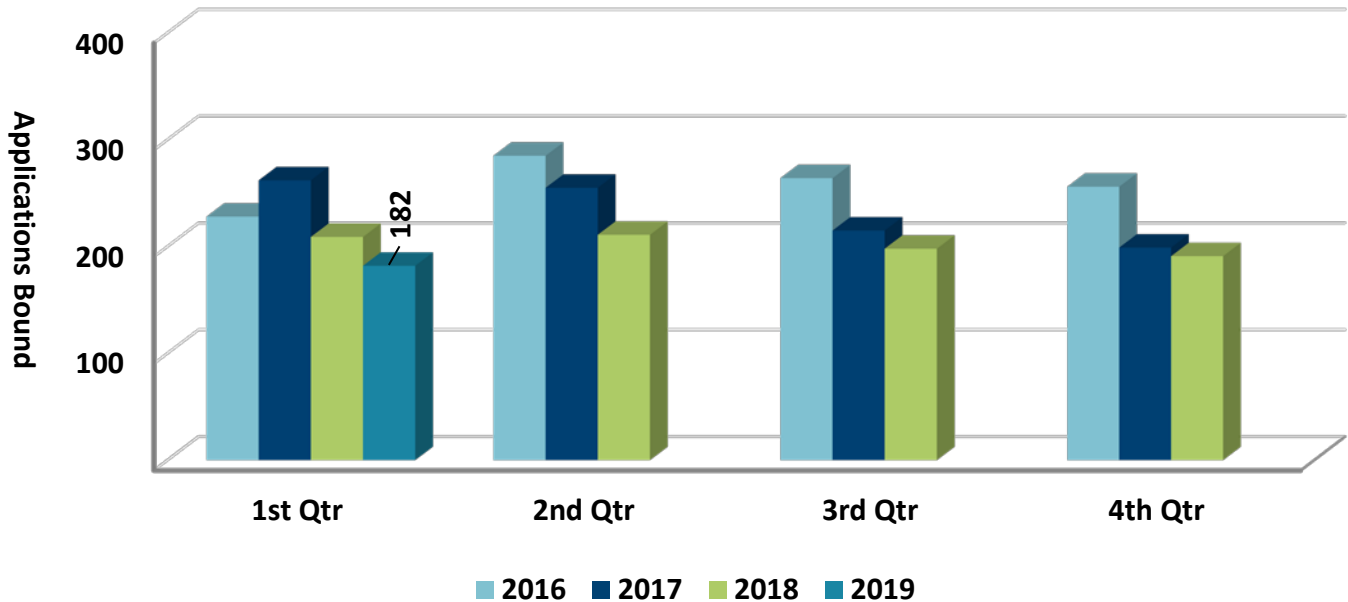
Number of Applications Reviewed by <b>VCAP<sup>®</sup> Service</b>	191
Number of <b>VCAP<sup>®</sup> Service</b> Matches	143
<b>VCAP<sup>®</sup> Service</b> Offers as a % of Matches	3.50%
Number of Confirmed <b>VCAP<sup>®</sup> Service</b> Policies	5
Confirmed <b>VCAP<sup>®</sup> Service</b> Policies as a % of Applications Reviewed	2.62%
Savings as a % of Redirected Assigned Risk Premium	13.38%



## Residual Market Demographics

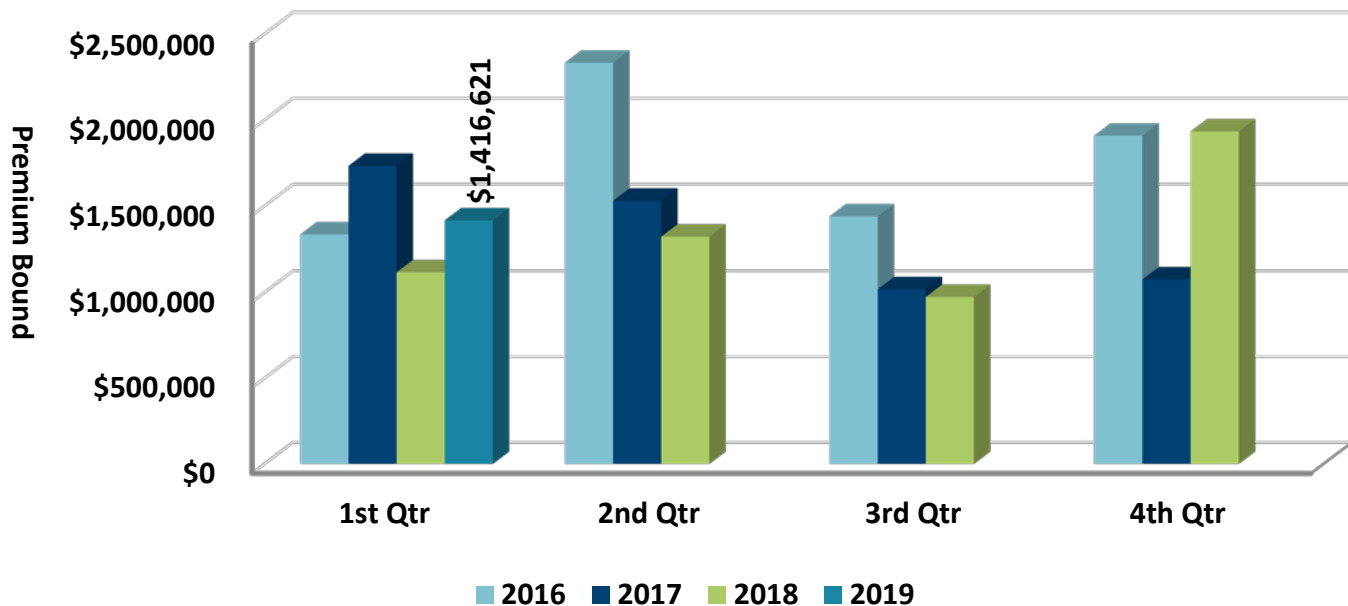
### Total Applications Bound — 2016 vs. 2017 vs. 2018 vs. 2019

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 — 2016 vs. 2017 vs. 2018 vs. 2019

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).



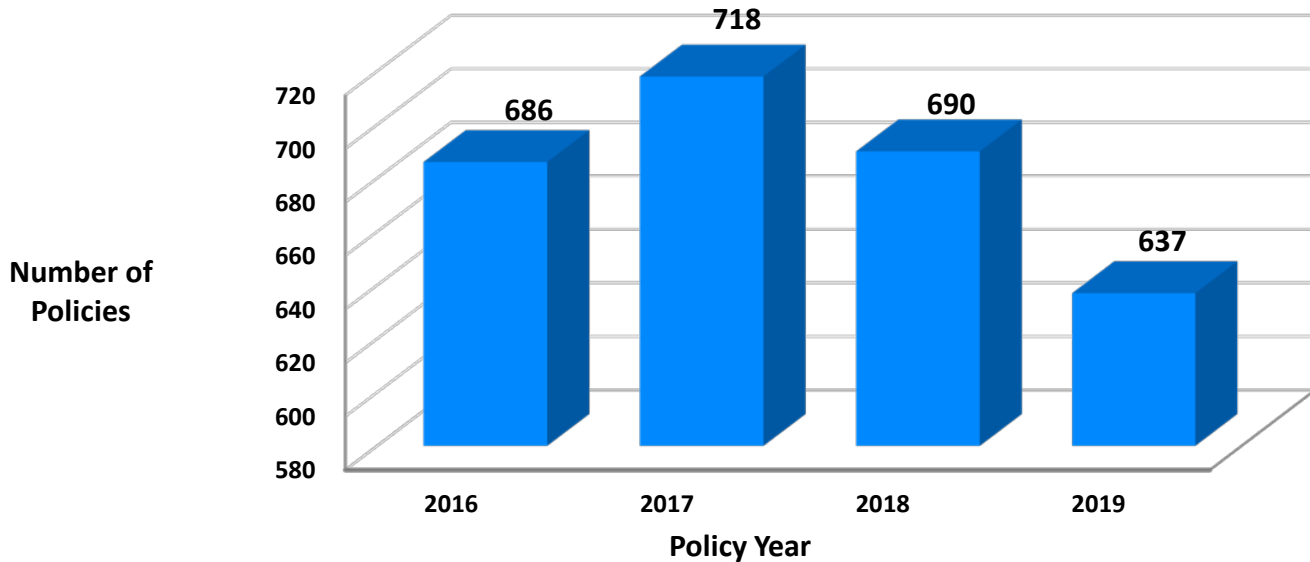


## Residual Market Demographics

### Residual Market Total Policy Counts

#### First Quarter Data for Policies Reported through March 31, 2019

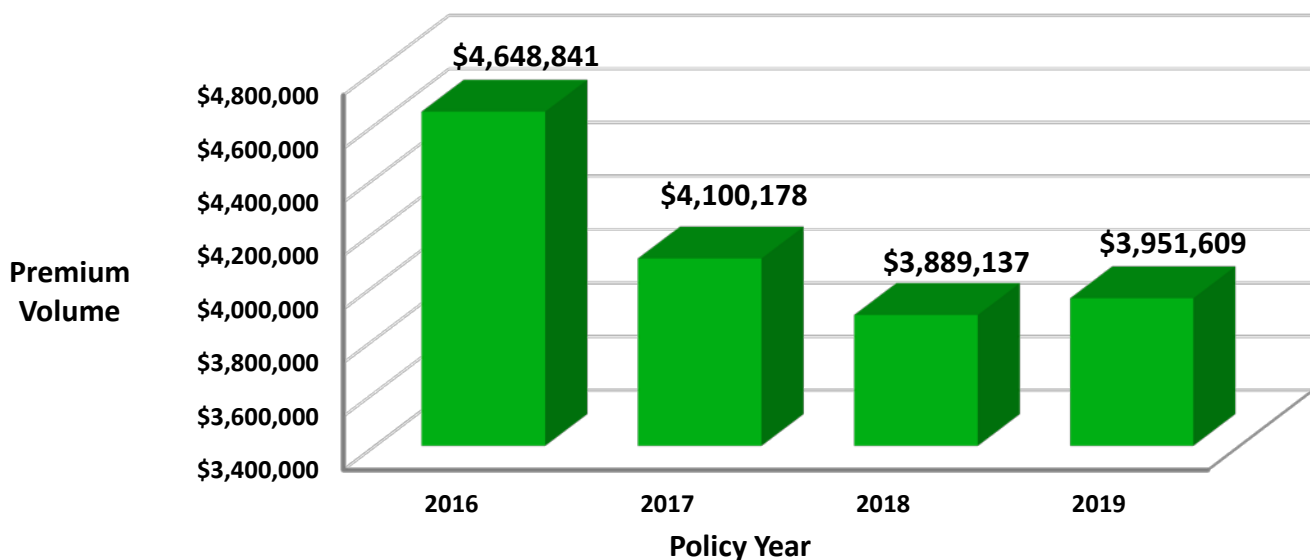
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



### Residual Market Total Premium Volume

#### First Quarter Data Reported through March 31, 2019

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, 2019

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	361	56.7%	\$463,511	11.7%	\$1,283
\$2500–4999	118	18.5%	\$426,972	10.8%	\$3,618
\$5000–9999	79	12.4%	\$545,961	13.8%	\$6,910
\$10000–19999	44	6.9%	\$604,841	15.3%	\$13,746
\$20000–49999	25	3.9%	\$842,875	21.3%	\$33,715
\$50000–99999	7	1.1%	\$502,086	12.7%	\$71,726
\$100000–199999	2	0.3%	\$256,844	6.5%	\$128,422
\$200000 +	1	0.2%	\$308,519	7.8%	\$308,519
Total	637	100.0%	\$3,951,609	100.0%	\$6,203

### First Quarter 2018 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium	% of Total Premium	Average Premium
\$0–2499	411	59.6%	\$498,014	12.8%	\$1,211
\$2500–4999	116	16.8%	\$406,679	10.5%	\$3,505
\$5000–9999	76	11.0%	\$533,613	13.7%	\$7,021
\$10000–19999	53	7.7%	\$750,235	19.3%	\$14,155
\$20000–49999	22	3.2%	\$713,587	18.4%	\$32,435
\$50000–99999	9	1.3%	\$617,547	15.9%	\$68,616
\$100000–199999	3	0.4%	\$369,462	9.5%	\$123,154
\$200000 +	0	0.0%	\$0	0.0%	\$0
Total	690	100.0%	\$3,889,137	100.0%	\$5,636



## Residual Market Demographics

### Residual Market Top 10 Classification Codes by Policy Count First Quarter Data Reported through March 31, 2019

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	40	6.3%
2	0037	Farm: Field Crops & Drivers	36	5.7%
3	7219	Trucking - NOC-All Employees & Drivers	31	4.9%
4	2709	Logging or Tree Removal - Mechanized Equipment Operators	22	3.5%
5	5551	Roofing-All Kinds & Drivers	20	3.1%
6	6217	Excavation & Drivers	19	3.0%
7	2701	Logging or Tree Removal - Log Hauling & Drivers	19	3.0%
8	5437	Carpentry-Installation of Cabinet Work or Interior Trim	18	2.8%
9	0083	Farm: Cattle or Livestock Raising NOC & Drivers	17	2.7%
10	5474	Painting NOC & Shop Operations, Drivers	17	2.7%

### Residual Market Top 10 Classification Codes by Premium Volume First Quarter Data Reported through March 31, 2019

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	6018	Dam or Lock Construction: Earth Moving or Placing-All Operations & Drivers	\$308,519	7.8%
2	0037	Farm: Field Crops & Drivers	\$220,029	5.6%
3	7219	Trucking - NOC-All Employees & Drivers	\$158,066	4.0%
4	2709	Logging or Tree Removal - Mechanized Equipment Operators	\$158,063	4.0%
5	5645	Carpentry Construction of Residential Dwellings Not Exceeding Three Stories In Height	\$154,833	3.9%
6	9101	College - All Other Employees	\$151,522	3.8%
7	5551	Roofing-All Kinds & Drivers	\$108,947	2.8%
8	6834	Boat Building or Repair & Drivers - Coverage Under State Act Only	\$107,813	2.7%
9	0083	Farm: Cattle or Livestock Raising NOC & Drivers	\$107,638	2.7%
10	5606	Contractor - Project Manager, Construction Executive, Construction Manager or Construction Superintendent	\$95,684	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  $(\text{loss} + \text{loss adjustment expense}) / \text{earned premium}$ .

**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.

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