



# Mississippi Residual Market State Activity Report

First Quarter 2020



## Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the First Quarter 2020 *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, 2020—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.

	2020	2019	2020 vs. 2019 #	2020 vs. 2019 %
<b>Policy Count</b>	2,273	2,419	-146	-6.0%
<b>Premium Volume</b>	\$12,069,385	\$12,921,609	-\$852,224	-6.6%



## Residual Market Demographics

### Voluntary Coverage Assistance Program

#### First Quarter Data through March 31, 2020

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 2020.

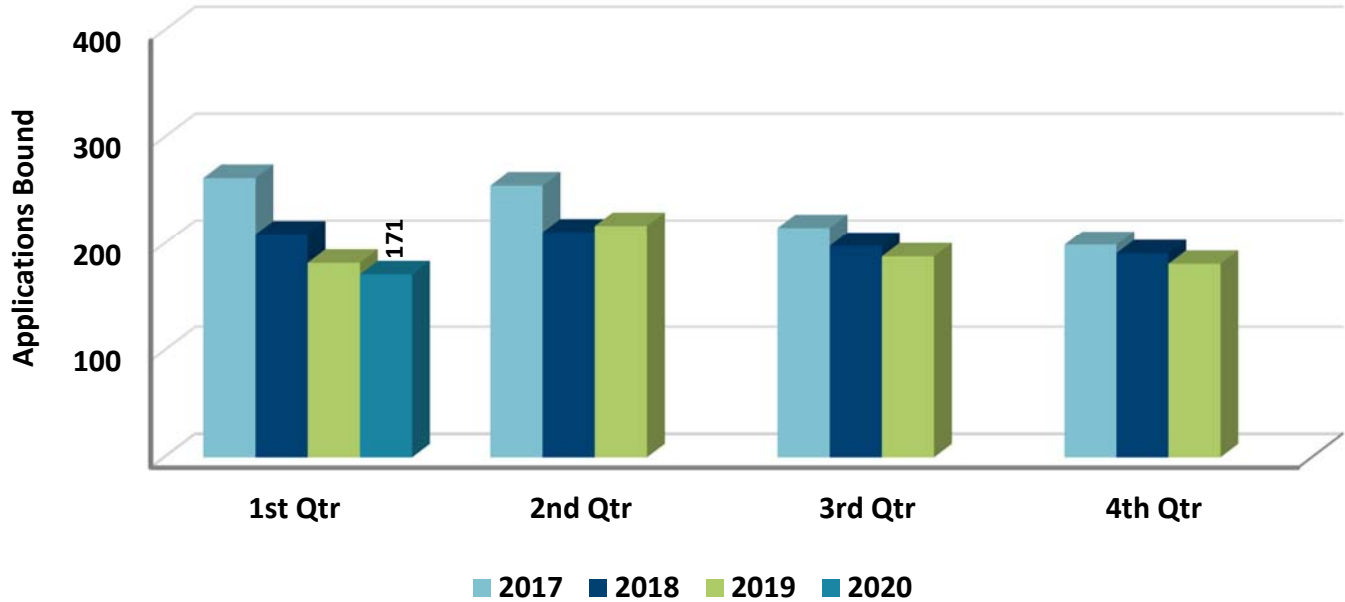
Number of Applications Reviewed by <b>VCAP<sup>®</sup> Service</b>	178
Number of <b>VCAP<sup>®</sup> Service</b> Matches	92
<b>VCAP<sup>®</sup> Service</b> Offers as a % of Matches	8.70%
Number of Confirmed <b>VCAP<sup>®</sup> Service</b> Policies	8
Confirmed <b>VCAP<sup>®</sup> Service</b> Policies as a % of Applications Reviewed	4.49%
Savings as a % of Redirected Assigned Risk Premium	26.29%



## Residual Market Demographics

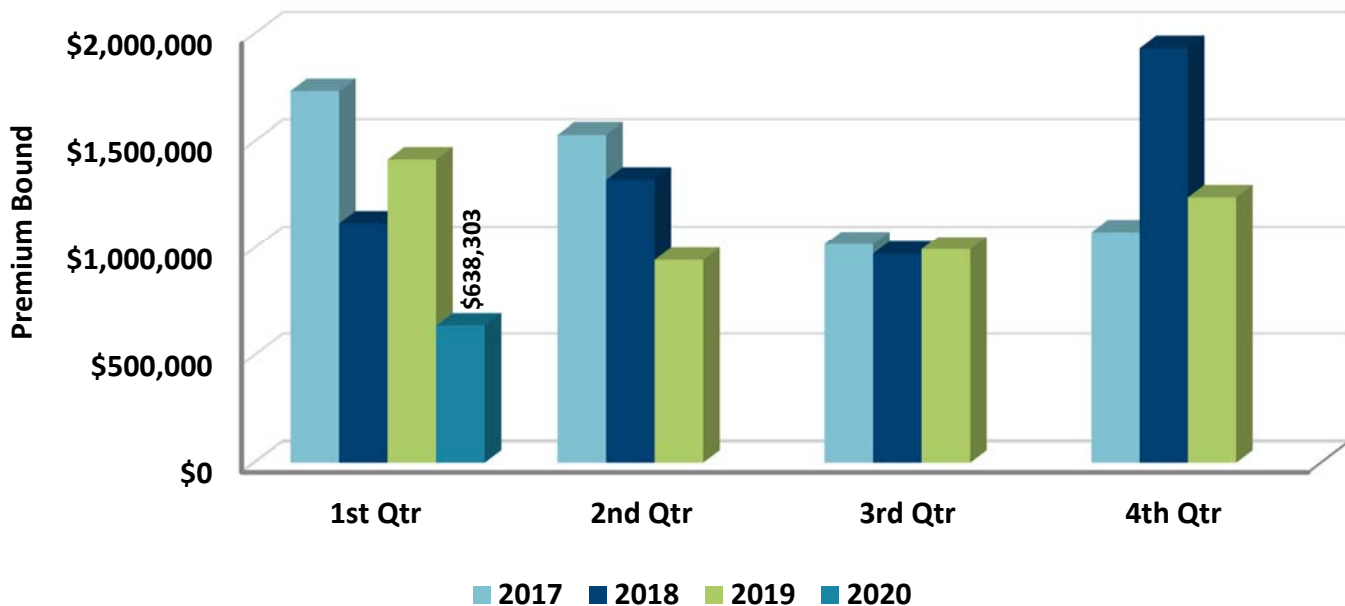
### Total Applications Bound — 2017 vs. 2018 vs. 2019 vs. 2020

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 — 2017 vs. 2018 vs. 2019 vs. 2020

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).



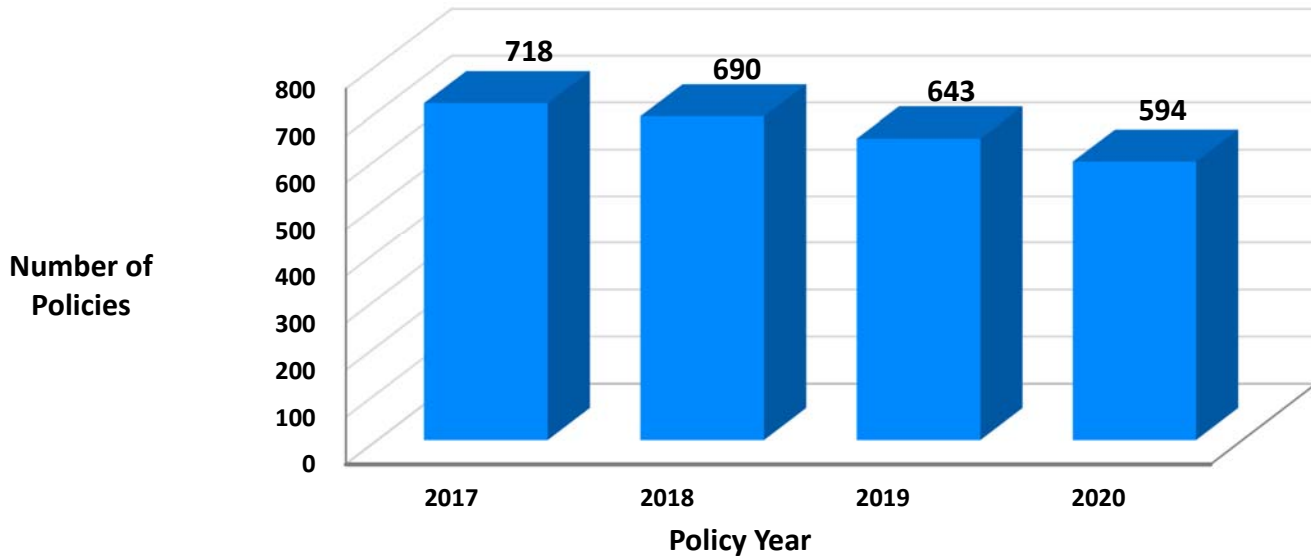


## Residual Market Demographics

### Residual Market Total Policy Counts

#### First Quarter Data for Policies Reported through March 31, 2020

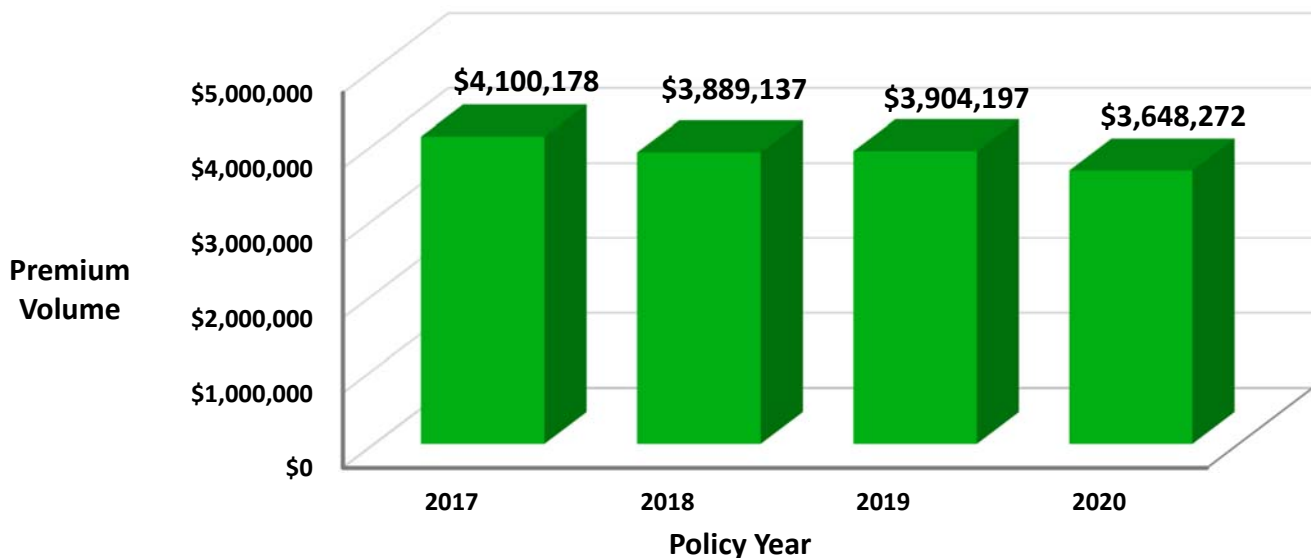
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



### Residual Market Total Premium Volume

#### First Quarter Data Reported through March 31, 2020

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, 2020

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	355	59.8%	\$476,857	13.1%	\$1,343
\$2500–4999	105	17.7%	\$377,975	10.4%	\$3,599
\$5000–9999	74	12.5%	\$496,703	13.6%	\$6,712
\$10000–19999	34	5.7%	\$460,178	12.6%	\$13,534
\$20000–49999	14	2.4%	\$387,979	10.6%	\$27,712
\$50000–99999	6	1.0%	\$429,763	11.8%	\$71,627
\$100000–199999	4	0.7%	\$466,357	12.8%	\$116,589
\$200000 +	2	0.3%	\$552,460	15.1%	\$276,230
Total	594	100.0%	\$3,648,272	100.0%	\$6,142

### First Quarter 2019 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium	% of Total Premium	Average Premium
\$0–2499	362	56.3%	\$428,238	11.0%	\$1,182
\$2500–4999	128	19.9%	\$456,076	11.7%	\$3,563
\$5000–9999	74	11.5%	\$522,872	13.4%	\$7,065
\$10000–19999	41	6.4%	\$555,161	14.2%	\$13,540
\$20000–49999	26	4.0%	\$866,551	22.2%	\$33,328
\$50000–99999	8	1.2%	\$589,654	15.1%	\$73,706
\$100000–199999	4	0.6%	\$485,645	12.4%	\$121,411
\$200000 +	0	0.0%	\$0	0.0%	\$0
Total	643	100.0%	\$3,904,197	100.0%	\$6,072



## Residual Market Demographics

### Residual Market Top 10 Classification Codes by Policy Count First Quarter Data Reported through March 31, 2020

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	45	7.6%
2	0037	Farm: Field Crops & Drivers	31	5.2%
3	7219	Trucking - NOC-All Employees & Drivers	24	4.0%
4	6217	Excavation & Drivers	20	3.4%
5	5474	Painting NOC & Shop Operations, Drivers	17	2.9%
6	2709	Logging or Tree Removal - Mechanized Equipment Operators	16	2.7%
7	2701	Logging or Tree Removal - Log Hauling & Drivers	16	2.7%
8	5551	Roofing-All Kinds & Drivers	16	2.7%
9	8810	Clerical Office Employees NOC	15	2.5%
10	0083	Farm: Cattle or Livestock Raising NOC & Drivers	15	2.5%

### Residual Market Top 10 Classification Codes by Premium Volume First Quarter Data Reported through March 31, 2020

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	5437	Carpentry-Installation of Cabinet Work or Interior Trim	\$297,149	8.1%
2	6045	Levee Construction-All Operations to Completion & Drivers	\$295,235	8.1%
3	0037	Farm: Field Crops & Drivers	\$165,561	4.5%
4	5645	Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	\$164,678	4.5%
5	8835	Home, Public, and Traveling Healthcare - All Employees	\$161,018	4.4%
6	7539	Electric Light or Power Co. NOC-All Employees & Drivers	\$127,723	3.5%
7	1438	Smelting, Sintering, or Refining- Metals-Not Iron or Lead-NOC & Drivers	\$117,546	3.2%
8	5551	Roofing-All Kinds & Drivers	\$113,607	3.1%
9	9101	College - All Other Employees	\$103,862	2.9%
10	2709	Logging or Tree Removal - Mechanized Equipment Operators	\$103,375	2.8%





## 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.