



Mississippi Residual Market State Activity Report

Annual 2019



Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the Annual 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 December 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 %
Policy Count	2,335	2,477	-142	-5.7%
Premium Volume	\$12,613,041	\$13,050,635	-\$437,594	-3.4%



Residual Market Demographics

Voluntary Coverage Assistance Program Annual Data through December 31, 2019

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 2019.

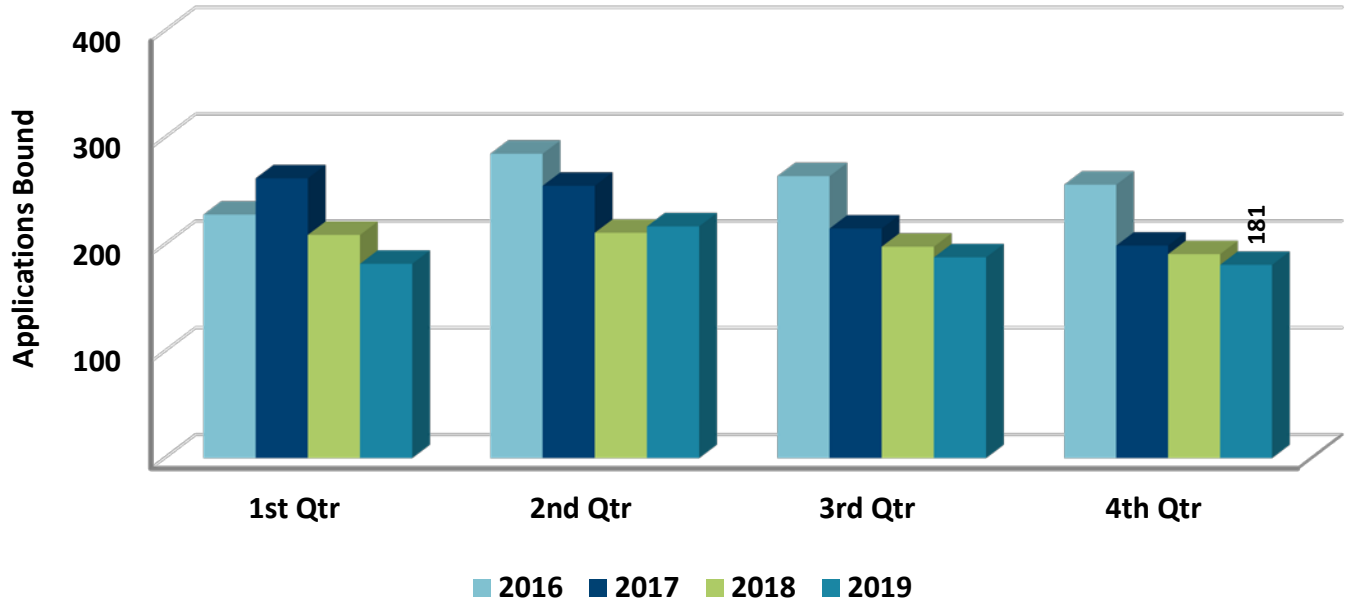
Number of Applications Reviewed by VCAP[®] Service	793
Number of VCAP[®] Service Matches	483
VCAP[®] Service Offers as a % of Matches	4.97%
Number of Confirmed VCAP[®] Service Policies	24
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	3.03%
Savings as a % of Redirected Assigned Risk Premium	22.75%



Residual Market Demographics

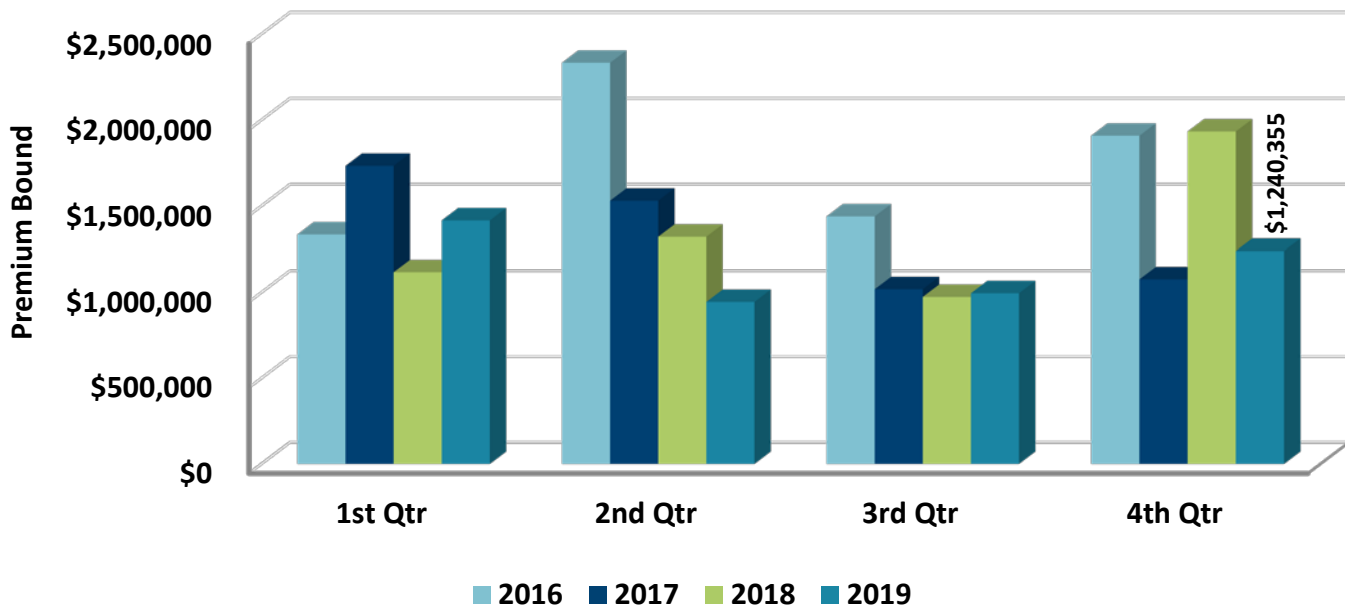
Total Applications Bound — 2016 vs. 2017 vs. 2018 vs. 2019

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).



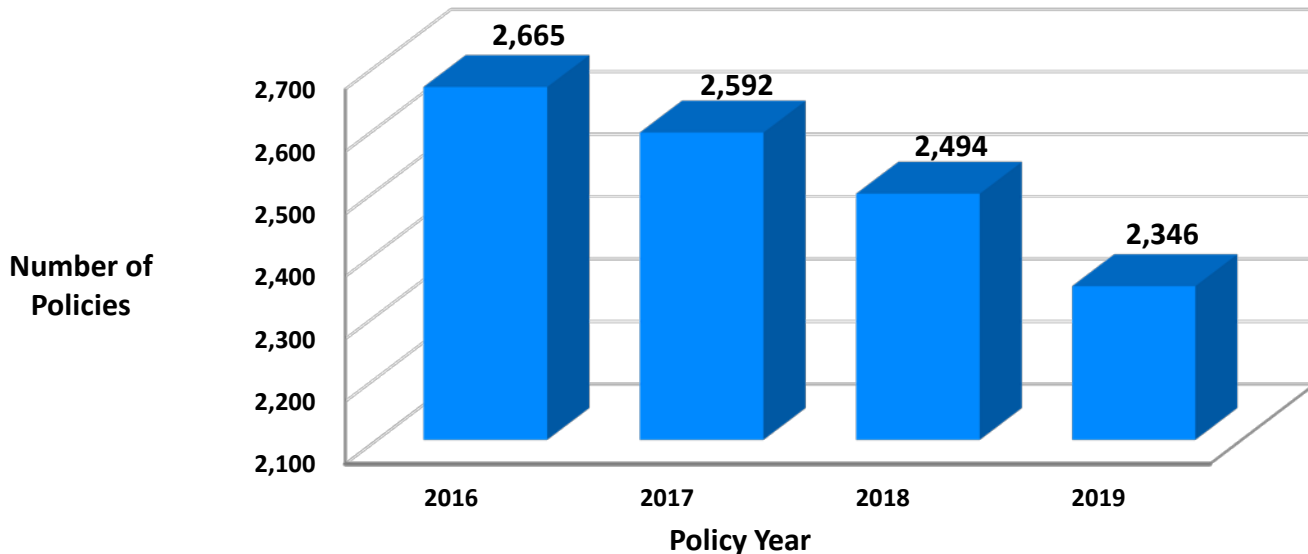


Residual Market Demographics

Residual Market Total Policy Counts

Annual Data for Policies Reported through December 31, 2019

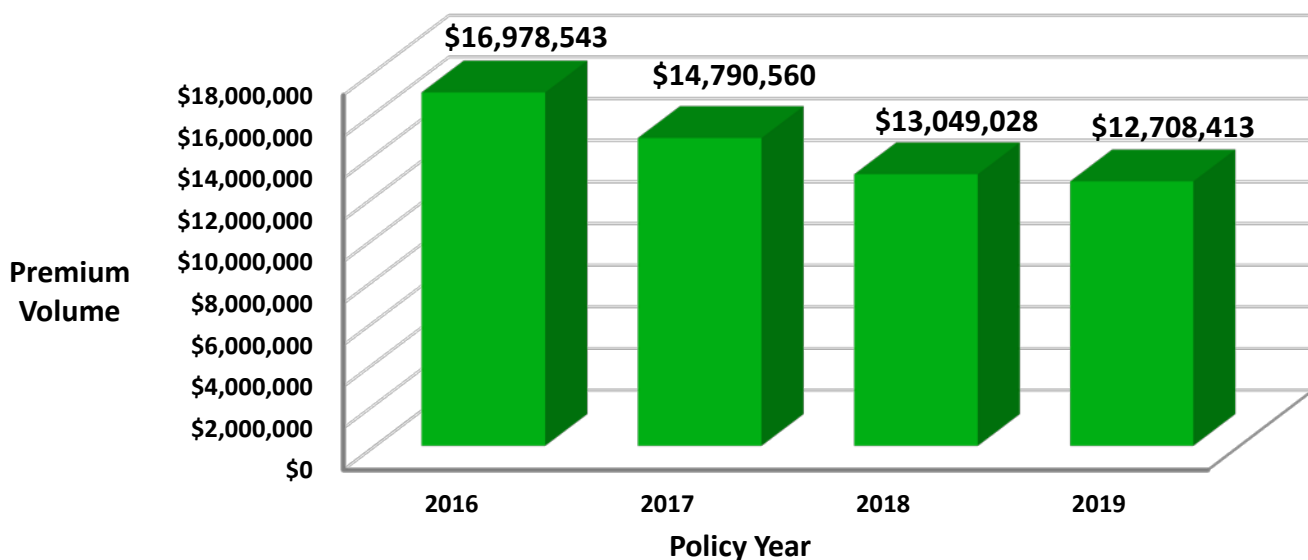
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

Annual Data Reported through December 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 Annual Data Reported through December 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	1,435	61.2%	\$1,702,826	13.4%	\$1,186
\$2500–4999	395	16.8%	\$1,398,931	11.0%	\$3,541
\$5000–9999	262	11.2%	\$1,842,389	14.5%	\$7,032
\$10000–19999	140	6.0%	\$1,929,259	15.2%	\$13,780
\$20000–49999	80	3.4%	\$2,456,754	19.3%	\$30,709
\$50000–99999	22	0.9%	\$1,493,655	11.8%	\$67,893
\$100000–199999	11	0.5%	\$1,539,697	12.1%	\$139,972
\$200000 +	1	0.0%	\$344,902	2.7%	\$344,902
Total	2,346	100.0%	\$12,708,413	100.0%	\$5,417

Annual 2018 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium	% of Total Premium	Average Premium
\$0–2499	1,514	60.7%	\$1,814,936	13.9%	\$1,198
\$2500–4999	413	16.6%	\$1,491,797	11.4%	\$3,612
\$5000–9999	276	11.1%	\$1,938,901	14.9%	\$7,025
\$10000–19999	170	6.8%	\$2,361,129	18.1%	\$13,888
\$20000–49999	90	3.6%	\$2,704,695	20.7%	\$30,052
\$50000–99999	22	0.9%	\$1,474,868	11.3%	\$67,039
\$100000–199999	9	0.4%	\$1,262,702	9.7%	\$140,300
\$200000 +	0	0.0%	\$0	0.0%	\$0
Total	2,494	100.0%	\$13,049,028	100.0%	\$5,232



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count Annual Data Reported through December 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	146	6.2%
2	7219	Trucking - NOC-All Employees & Drivers	123	5.2%
3	0037	Farm: Field Crops & Drivers	98	4.2%
4	5474	Painting NOC & Shop Operations, Drivers	80	3.4%
5	5437	Carpentry-Installation of Cabinet Work or Interior Trim	68	2.9%
6	2701	Logging or Tree Removal - Log Hauling & Drivers	68	2.9%
7	5551	Roofing-All Kinds & Drivers	66	2.8%
8	2709	Logging or Tree Removal - Mechanized Equipment Operators	61	2.6%
9	9014	Janitorial Services By Contractors-No Window Cleaning Above Ground Level & Drivers	60	2.6%
10	6217	Excavation & Drivers	58	2.5%

Residual Market Top 10 Classification Codes by Premium Volume Annual Data Reported through December 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	5645	Carpentry Construction of Residential Dwellings Not Exceeding Three Stories In Height	\$618,755	4.9%
2	7219	Trucking - NOC-All Employees & Drivers	\$610,157	4.8%
3	0037	Farm: Field Crops & Drivers	\$605,726	4.8%
4	5551	Roofing-All Kinds & Drivers	\$447,518	3.5%
5	2709	Logging or Tree Removal - Mechanized Equipment Operators	\$413,917	3.3%
6	9014	Janitorial Services By Contractors-No Window Cleaning Above Ground Level & Drivers	\$374,099	2.9%
7	2702	Logging or Tree Removal – Non-Mechanized Operations	\$370,283	2.9%
8	0106	Tree Pruning, Spraying, Repairing - All Operations & Drivers	\$320,293	2.5%
9	5403	Carpentry NOC	\$281,542	2.2%
10	6045	Levee Construction-All Operations To Completion & Drivers	\$281,206	2.2%



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.