



Mississippi Residual Market State Activity Report

Second Quarter 2019



Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the Second 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:

Table of Contents

Residual Market Demographics	
Residual Market Total Policies and Premium in Force	1
Voluntary Coverage Assistance Program	2
Total Applications Bound	3
Total Application Premium Bound	3
Residual Market Total Policy Counts	4
Residual Market Total Premium Volume	4
Total Premium Distribution by Size of Risk	5
Residual Market Top 10 Classification Codes by Policy Count	6
Residual Market Top 10 Classification Codes by Premium Volume	6
Glossary of Terms.....	7

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 June 30, 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	2,374	2,514	-140	-5.6%
Premium Volume	\$12,602,599	\$14,043,577	-\$1,440,978	-10.3%



Residual Market Demographics

Voluntary Coverage Assistance Program Second Quarter Data through June 30, 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 Second Quarter 2019.

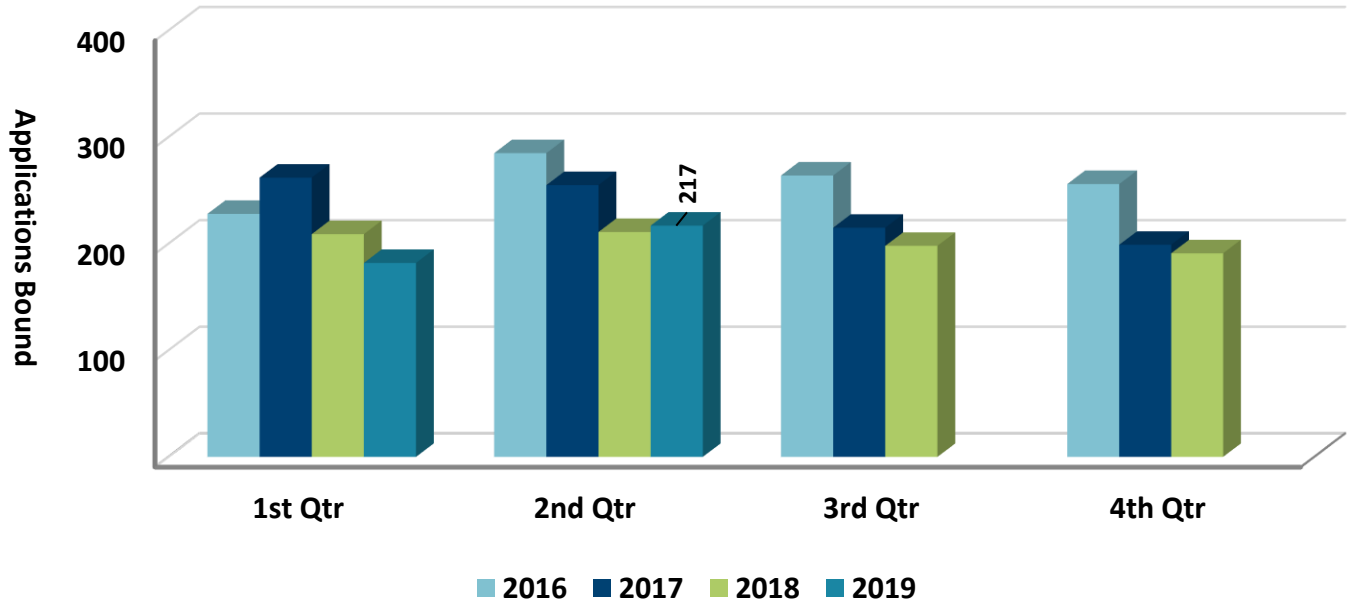
Number of Applications Reviewed by VCAP[®] Service	222
Number of VCAP[®] Service Matches	154
VCAP[®] Service Offers as a % of Matches	5.84%
Number of Confirmed VCAP[®] Service Policies	9
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	4.05%
Savings as a % of Redirected Assigned Risk Premium	26.15%



Residual Market Demographics

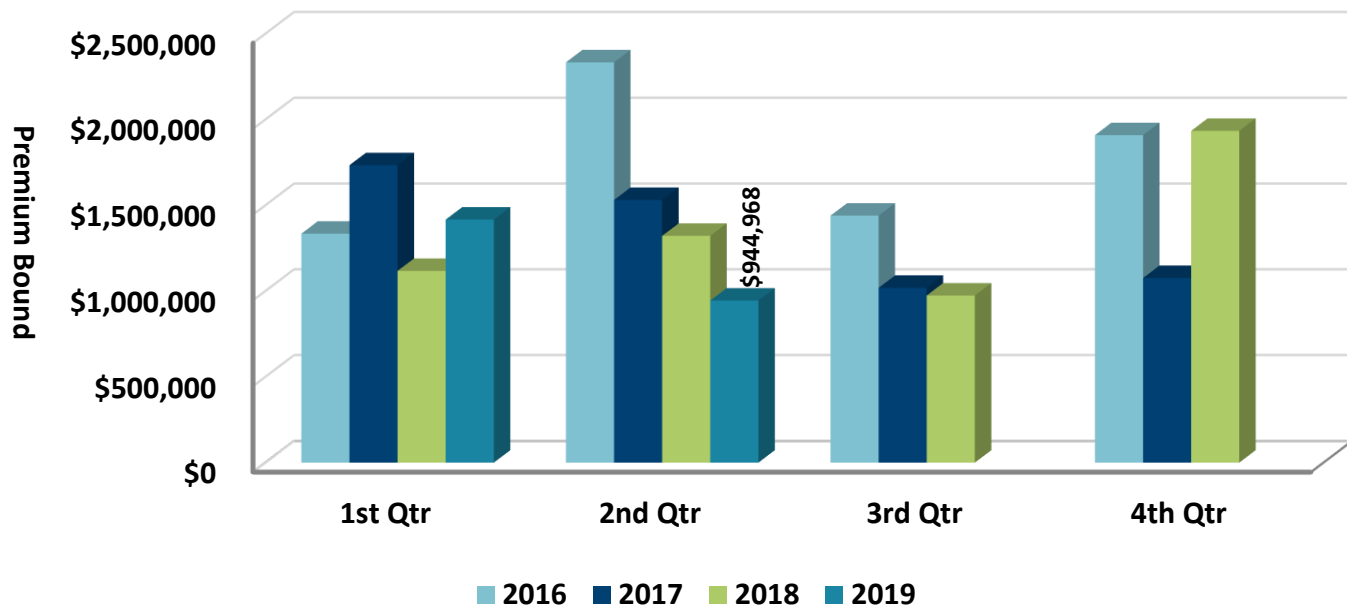
Total Applications Bound — 2016 vs. 2017 vs. 2018 vs. 2019

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).



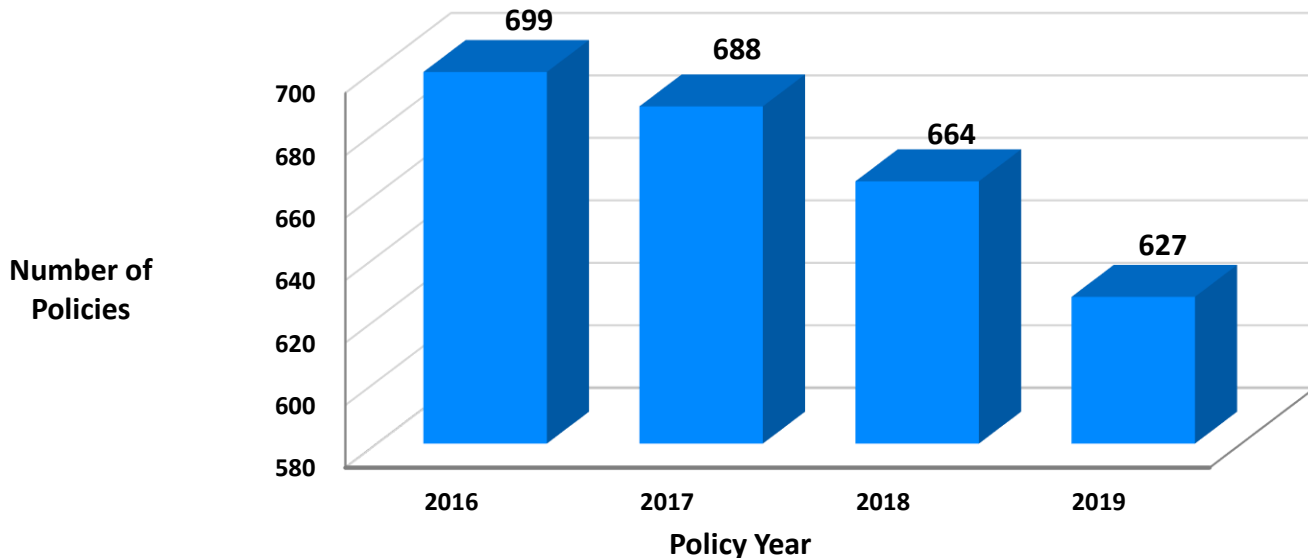


Residual Market Demographics

Residual Market Total Policy Counts

Second Quarter Data for Policies Reported through June 30, 2019

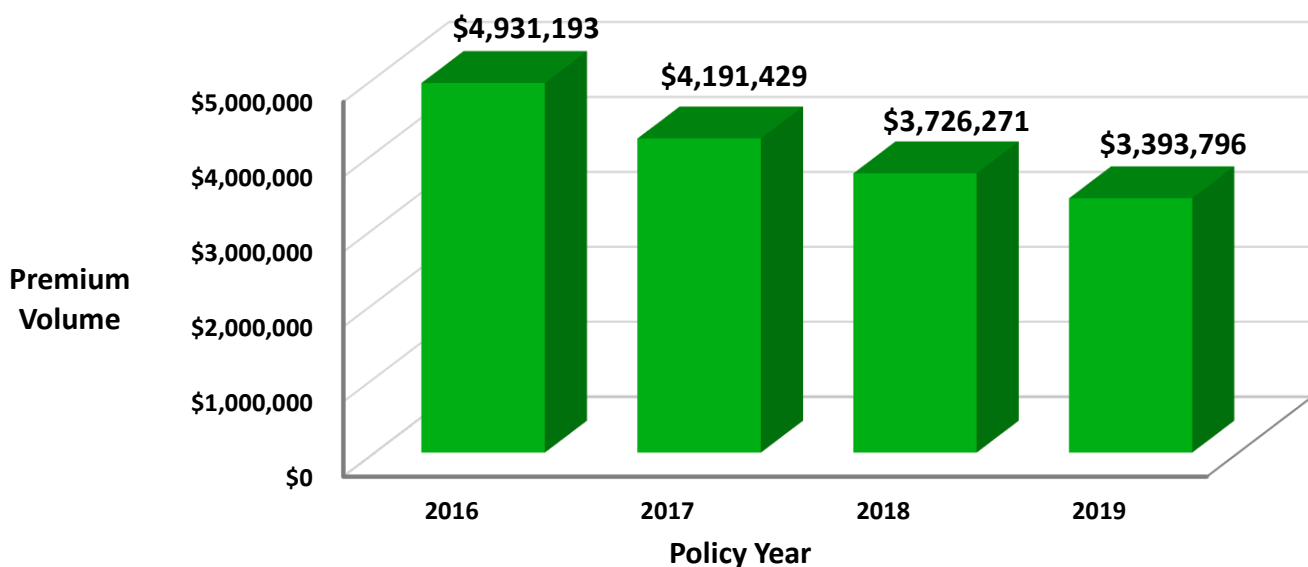
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

Second Quarter Data Reported through June 30, 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

Second Quarter Data Reported through June 30, 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	395	63%	\$482,832	14.2%	\$1,222
\$2500–4999	98	15.6%	\$351,977	10.4%	\$3,591
\$5000–9999	68	10.9%	\$491,432	14.5%	\$7,226
\$10000–19999	41	6.5%	\$570,002	16.8%	\$13,902
\$20000–49999	19	3.0%	\$565,864	16.7%	\$29,782
\$50000–99999	3	0.5%	\$199,566	5.9%	\$66,522
\$100000–199999	2	0.3%	\$274,733	8.1%	\$137,366
\$200000 +	1	0.2%	\$457,390	13.5%	\$457,390
Total	627	100.0%	\$3,393,796	100.0%	\$5,413

Second Quarter 2018 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium	% of Total Premium	Average Premium
\$0–2499	405	61.0%	\$490,507	13.2%	\$1,211
\$2500–4999	110	16.6%	\$401,117	10.8%	\$3,646
\$5000–9999	69	10.4%	\$492,901	13.2%	\$7,143
\$10000–19999	47	7.1%	\$655,816	17.6%	\$13,953
\$20000–49999	24	3.6%	\$739,239	19.8%	\$30,801
\$50000–99999	5	0.8%	\$332,160	8.9%	\$66,432
\$100000–199999	4	0.6%	\$614,531	16.5%	\$153,632
\$200000 +	0	0.0%	\$0	0.0%	\$0
Total	664	100.0%	\$3,726,271	100.0%	\$5,612



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count Second Quarter Data Reported through June 30, 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	7219	Trucking - NOC-All Employees & Drivers	34	5.4%
2	5645	Carpentry Construction of Residential Dwellings not Exceeding Three Stories in Height	33	5.3%
3	0037	Farm: Field Crops & Drivers	22	3.5%
4	5551	Roofing-All Kinds & Drivers	20	3.2%
5	5474	Painting NOC & Shop Operations, Drivers	19	3.0%
6	9014	Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	18	2.9%
7	5437	Carpentry-Installation of Cabinet Work or Interior Trim	18	2.9%
8	2709	Logging or Tree Removal - Mechanized Equipment Operators	16	2.6%
9	9015	Building or Property Management - All Other Employees	14	2.2%
10	6217	Excavation & Drivers	14	2.2%

Residual Market Top 10 Classification Codes by Premium Volume Second Quarter Data Reported through June 30, 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	\$557,312	16.4%
2	9014	Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	\$228,522	6.7%
3	0037	Farm: Field Crops & Drivers	\$158,755	4.7%
4	8292	Storage Warehouse NOC	\$141,076	4.2%
5	5551	Roofing-All Kinds & Drivers	\$121,955	3.6%
6	8742	Salespersons or Collectors - Outside	\$119,069	3.5%
7	2709	Logging or Tree Removal - Mechanized Equipment Operators	\$108,655	3.2%
8	7219	Trucking - NOC-All Employees & Drivers	\$90,455	2.7%
9	9102	Park NOC-All Employees & Drivers	\$75,523	2.2%
10	8832	Physician & Clerical	\$69,913	2.1%



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.