



Mississippi Residual Market State Activity Report

Second Quarter 2020



Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the Second 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 June 30, 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 %
Policy Count	1,958	2,110	-152	-7.2%
Premium Volume	\$11,508,648	\$12,567,429	-\$1,058,781	-8.4%



Residual Market Demographics

Voluntary Coverage Assistance Program Second Quarter Data through June 30, 2020

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 2020.

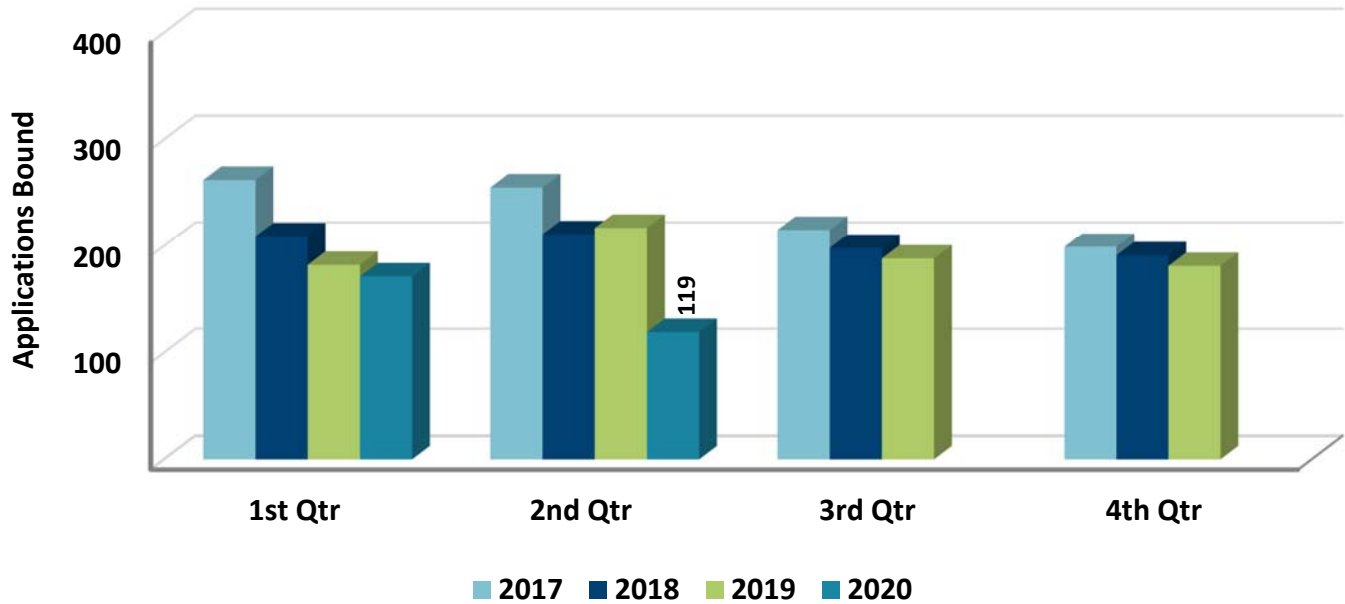
Number of Applications Reviewed by VCAP[®] Service	129
Number of VCAP[®] Service Matches	52
VCAP[®] Service Offers as a % of Matches	15.38%
Number of Confirmed VCAP[®] Service Policies	7
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	5.43%
Savings as a % of Redirected Assigned Risk Premium	21.42%



Residual Market Demographics

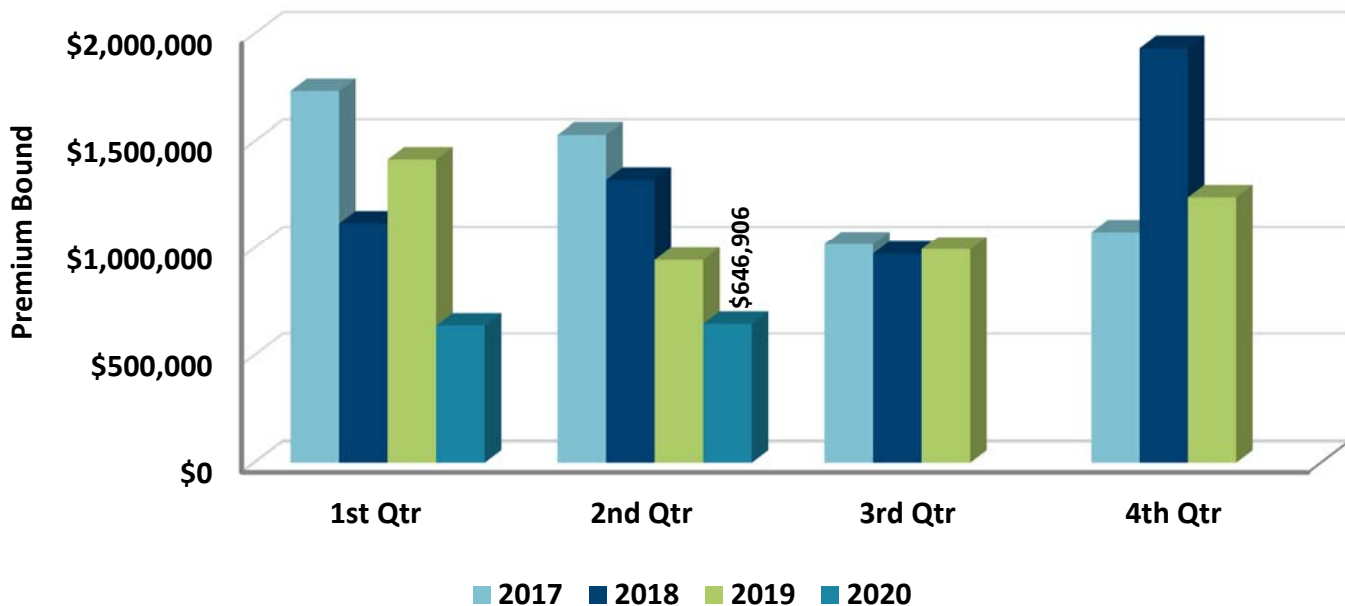
Total Applications Bound — 2017 vs. 2018 vs. 2019 vs. 2020

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).



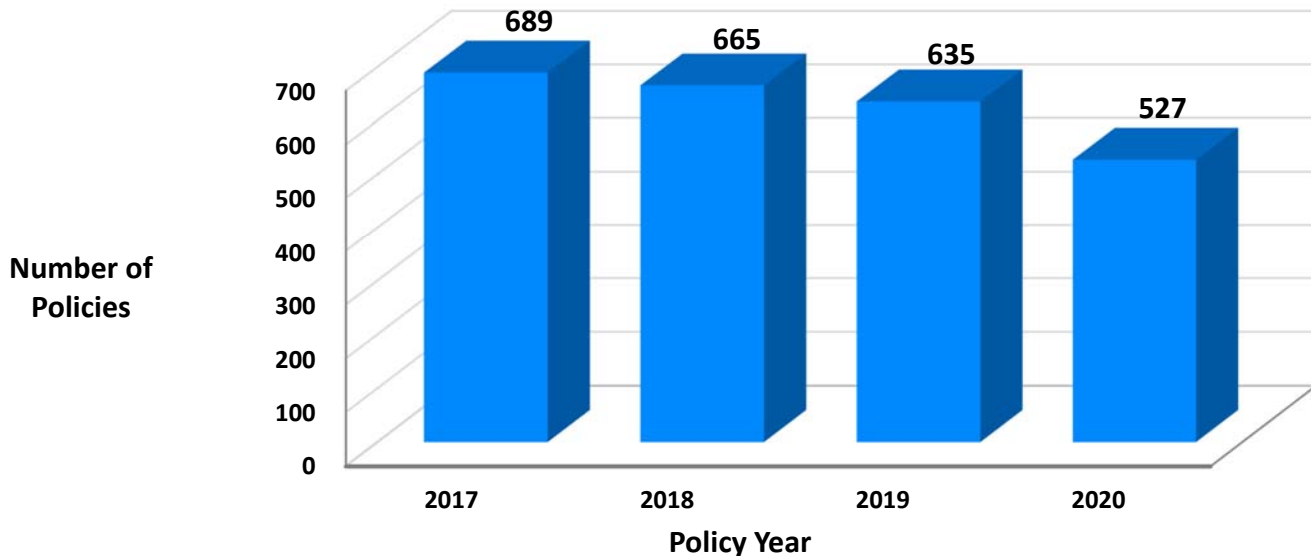


Residual Market Demographics

Residual Market Total Policy Counts

Second Quarter Data for Policies Reported through June 30, 2020

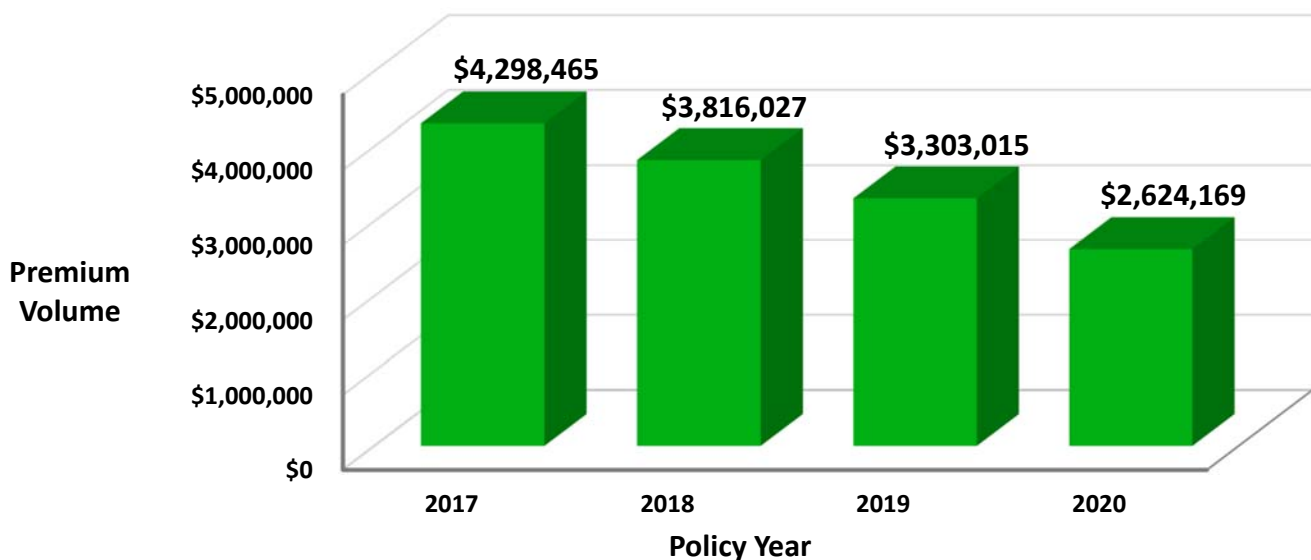
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

Second Quarter Data Reported through June 30, 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

Second Quarter Data Reported through June 30, 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	309	58.6	455,844	17.4	1,475
\$2500–4999	97	18.4	356,508	13.6	3,675
\$5000–9999	60	11.4	429,305	16.4	7,155
\$10000–19999	36	6.8	514,383	19.6	14,288
\$20000–49999	22	4.2	606,821	23.1	27,583
\$50000–99999	2	0.4	152,552	5.8	76,276
\$100000–199999	1	0.2	108,756	4.1	108,756
\$200000 +	0	0.0	0	0.0	0
Total	527	100.0	2,624,169	100.0	4,979

Second Quarter 2019 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0–2499	395	62.2	513,223	15.5	1,299
\$2500–4999	109	17.2	391,632	11.9	3,593
\$5000–9999	65	10.2	467,207	14.1	7,188
\$10000–19999	39	6.1	533,204	16.1	13,672
\$20000–49999	20	3.1	574,726	17.4	28,736
\$50000–99999	3	0.5	202,806	6.1	67,602
\$100000–199999	4	0.6	620,217	18.8	155,054
\$200000 +	0	0.0	0	0.0	0
Total	635	100.0	3,303,015	100.0	5,202



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count Second Quarter Data Reported through June 30, 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 and Description	Policy Count	% of Policies
1	5645 - Carpentry Construction Of Residential Dwellings Not Exceeding Three Stories In Height	36	6.8
2	0037 - Farm: Field Crops & Drivers	25	4.7
3	7219 - Trucking - NOC-All Employees & Drivers	25	4.7
4	5474 - Painting NOC & Shop Operations, Drivers	21	4.0
5	9014 - Janitorial Services By Contractors-No Window Cleaning Above Ground Level & Drivers	16	3.0
6	5551 - Roofing-All Kinds & Drivers	15	2.8
7	5437 - Carpentry-Installation Of Cabinet Work Or Interior Trim	14	2.7
8	9102 - Park NOC-All Employees & Drivers	13	2.5
9	8810 - Clerical Office Employees NOC	12	2.3
10	9015 - Building Or Property Management - All Other Employees	12	2.3

Residual Market Top 10 Classification Codes by Premium Volume Second Quarter Data Reported through June 30, 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 and Description	Premium	% of Premium
1	5645 - Carpentry Construction Of Residential Dwellings Not Exceeding Three Stories In Height	167,496	6.4
2	0037 - Farm: Field Crops & Drivers	153,106	5.8
3	7600 - Telecommunications Co. - Cable Tv, Or Satellite - All Other Employees & Drivers	126,947	4.8
4	7219 - Trucking - NOC-All Employees & Drivers	118,459	4.5
5	5551 - Roofing-All Kinds & Drivers	115,096	4.4
6	8742 - Salespersons Or Collectors - Outside	114,758	4.4
7	8292 - Storage Warehouse NOC	104,716	4.0
8	5474 - Painting NOC & Shop Operations, Drivers	81,079	3.1
9	9154 - Theater NOC - All Other Employees	79,655	3.0
10	2709 - Logging Or Tree Removal - Mechanized Equipment Operators	69,061	2.6



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.