



Mississippi Residual Market State Activity Report

Second Quarter 2022



Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the Second Quarter 2022 *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, 2022—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.

	2022	2021	2022 vs. 2021 #	2022 vs. 2021 %
Policy Count	1,805	1,882	-77	-4.1%
Premium Volume	\$10,135,968	\$12,137,758	-\$2,001,790	-16.5%



Residual Market Demographics

Voluntary Coverage Assistance Program Second Quarter Data through June 30, 2022

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 2022.

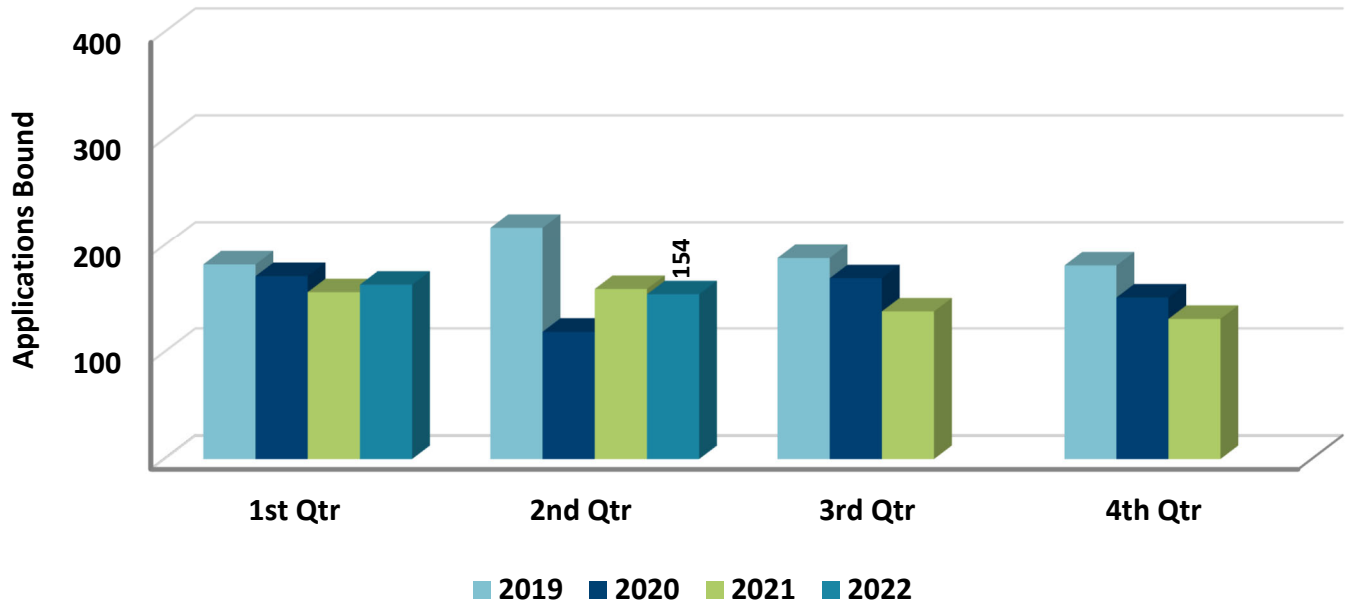
Number of Applications Reviewed by VCAP[®] Service	172
Number of VCAP[®] Service Matches	123
VCAP[®] Service Offers as a % of Matches	15.45%
Number of Confirmed VCAP[®] Service Policies	16
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	9.30%
Savings as a % of Redirected Assigned Risk Premium	3.46%



Residual Market Demographics

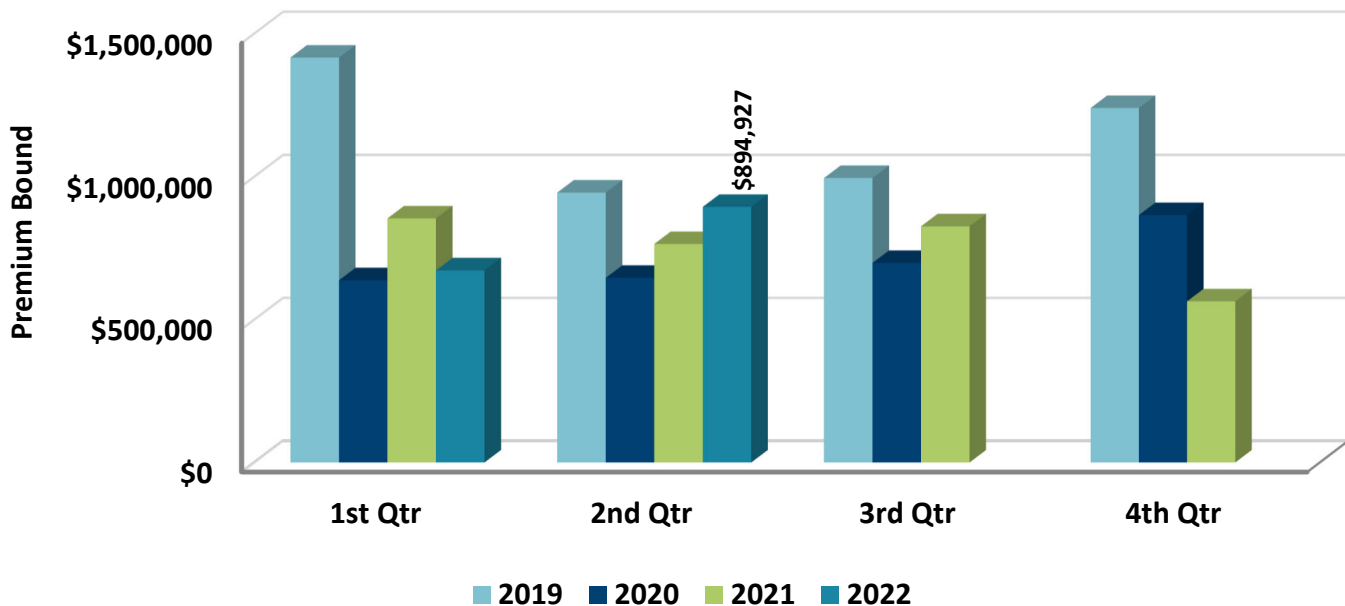
Total Applications Bound — 2019 vs. 2020 vs. 2021 vs. 2022

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 — 2019 vs. 2020 vs. 2021 vs. 2022

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).



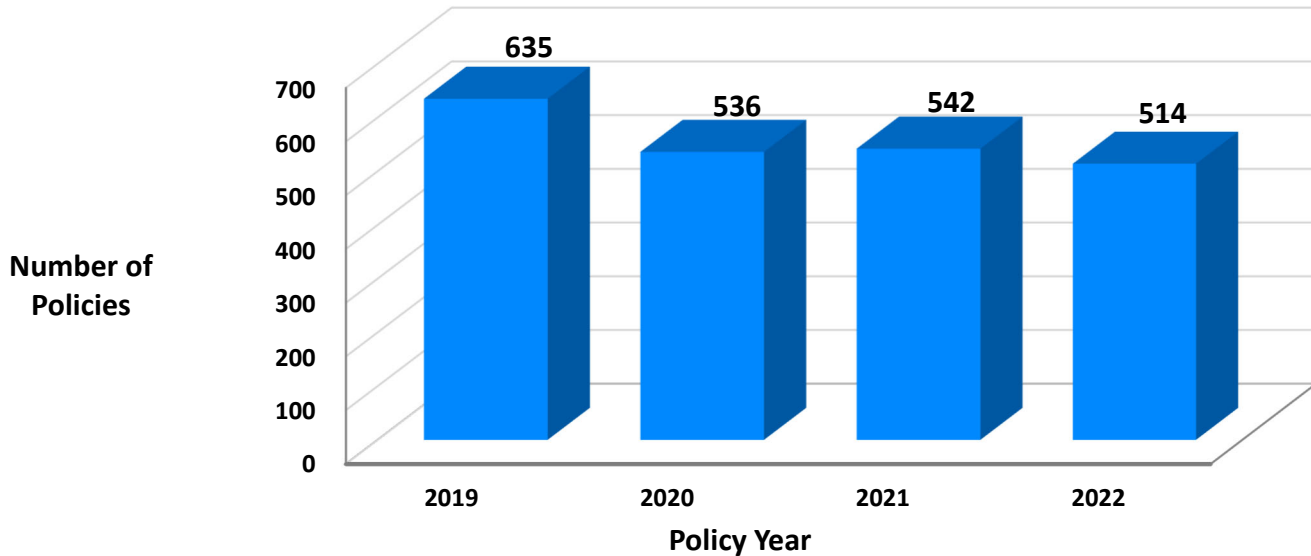


Residual Market Demographics

Residual Market Total Policy Counts

Second Quarter Data for Policies Reported through June 30, 2022

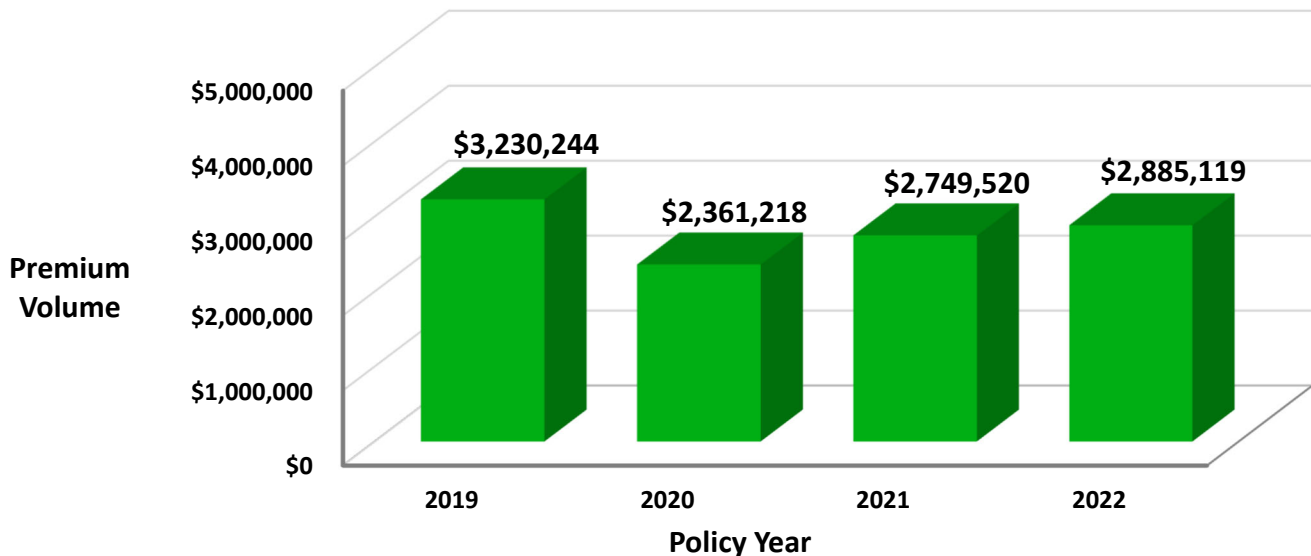
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

Second Quarter Data Reported through June 30, 2022

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, 2022

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	302	58.8	431,468	15.0	1,429
\$2500- \$4999	86	16.7	297,405	10.3	3,458
\$5000- \$9999	66	12.8	482,092	16.7	7,304
\$10000- \$19999	36	7.0	524,935	18.2	14,582
\$20000- \$49999	18	3.5	577,297	20.0	32,072
\$50000- \$99999	4	0.8	258,585	9.0	64,646
\$100000- \$199999	2	0.4	313,337	10.9	156,669
\$2000000+	0	0.0	0	0.0	0
Total	514	100.0	2,885,119	100.0	5,613

Second Quarter 2021 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0- \$2499	327	60.3	412,434	15.0	1,261
\$2500- \$4999	92	17.0	325,052	11.8	3,533
\$5000- \$9999	57	10.5	417,451	15.2	7,324
\$10000- \$19999	44	8.1	599,198	21.8	13,618
\$20000- \$49999	17	3.1	443,320	16.1	26,078
\$50000- \$99999	3	0.6	170,433	6.2	56,811
\$100000- \$199999	1	0.2	158,253	5.8	158,253
\$2000000+	1	0.2	223,379	8.1	223,379
Total	542	100.0	2,749,520	100.0	5,073



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count Second Quarter Data Reported through June 30, 2022

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	30	5.8
2	0037 - Farm: Field Crops & Drivers	24	4.7
3	5551 - Roofing-All Kinds & Drivers	24	4.7
4	7219 - Trucking - NOC-All Employees & Drivers	19	3.7
5	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	17	3.3
6	6217 - Excavation & Drivers	15	2.9
7	5474 - Painting NOC & Shop Operations, Drivers	14	2.7
8	8810 - Clerical Office Employees NOC	14	2.7
9	2701 - Logging or Tree Removal - Log Hauling & Drivers	13	2.5
10	7600 - Telecommunications Co. - Cable TV, or Satellite - All Other Employees & Drivers	12	2.3

Residual Market Top 10 Classification Codes by Premium Volume Second Quarter Data Reported through June 30, 2022

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	5551 - Roofing-All Kinds & Drivers	278,656	9.7
2	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	189,988	6.6
3	8824 - Retirement Living Centers - Health Care Employees	175,651	6.1
4	8017 - Store: Retail NOC	140,076	4.9
5	0037 - Farm: Field Crops & Drivers	125,289	4.3
6	7219 - Trucking - NOC-All Employees & Drivers	103,435	3.6
7	2709 - Logging or Tree Removal - Mechanized Equipment Operators	96,670	3.4
8	7600 - Telecommunications Co. - Cable TV, or Satellite - All Other Employees & Drivers	85,628	3.0
9	5535 - Sheet Metal Work-Installation & Drivers	66,780	2.3
10	8292 - Storage Warehouse NOC	65,963	2.3



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[®] 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.