



Mississippi Residual Market State Activity Report

Third Quarter 2018



Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the Third Quarter 2018 *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.

Sean Cordell, Plan Administration	561-893-3171
For Pool Information, please contact CIS	601-977-9456

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Residual Market Demographics

Residual Market Total Policies and Premium in Force

As of September 30, 2018—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.

	2018	2017	2018 vs. 2017 #	2018 vs. 2017 %
Policy Count	2,474	2,628	-154	-5.9%
Premium Volume	\$13,567,032	\$15,247,914	-\$1,680,882	-11.0%



Residual Market Demographics

Voluntary Coverage Assistance Program

Third Quarter Data through September 30, 2018

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 Third Quarter 2018.

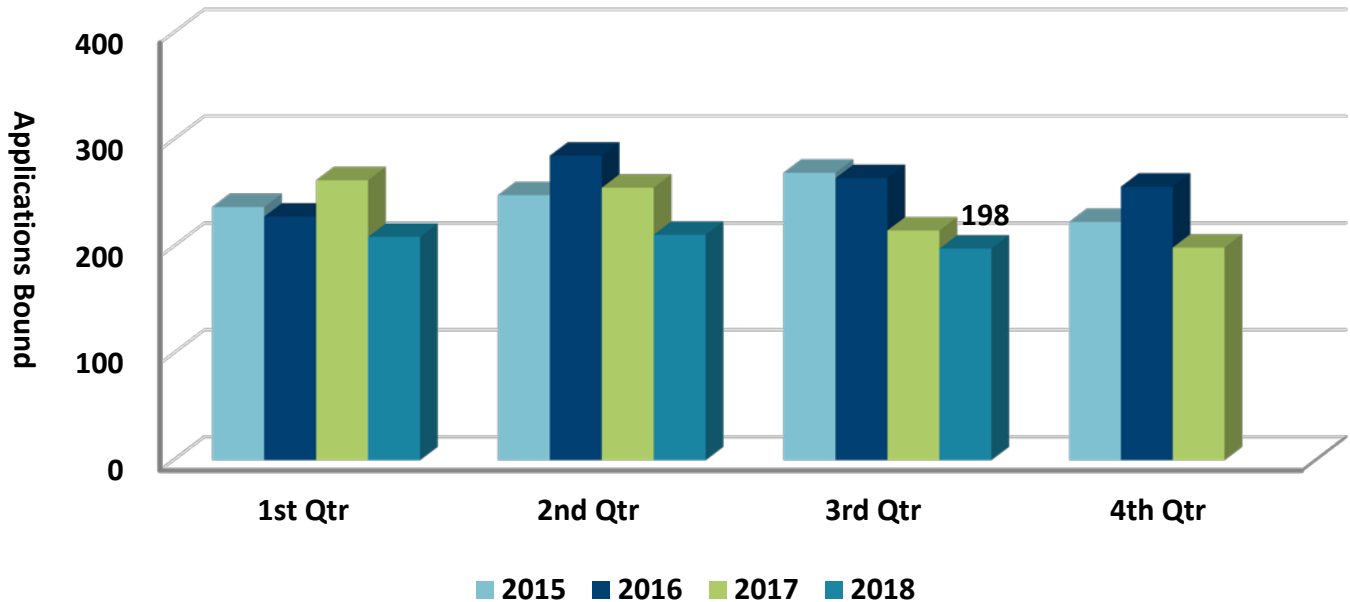
Number of Applications Reviewed by VCAP[®] Service	200
Number of VCAP[®] Service Matches	132
VCAP[®] Service Offers as a % of Matches	2.27%
Number of Confirmed VCAP[®] Service Policies	3
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	1.50%
Savings as a % of Redirected Assigned Risk Premium	14.18%



Residual Market Demographics

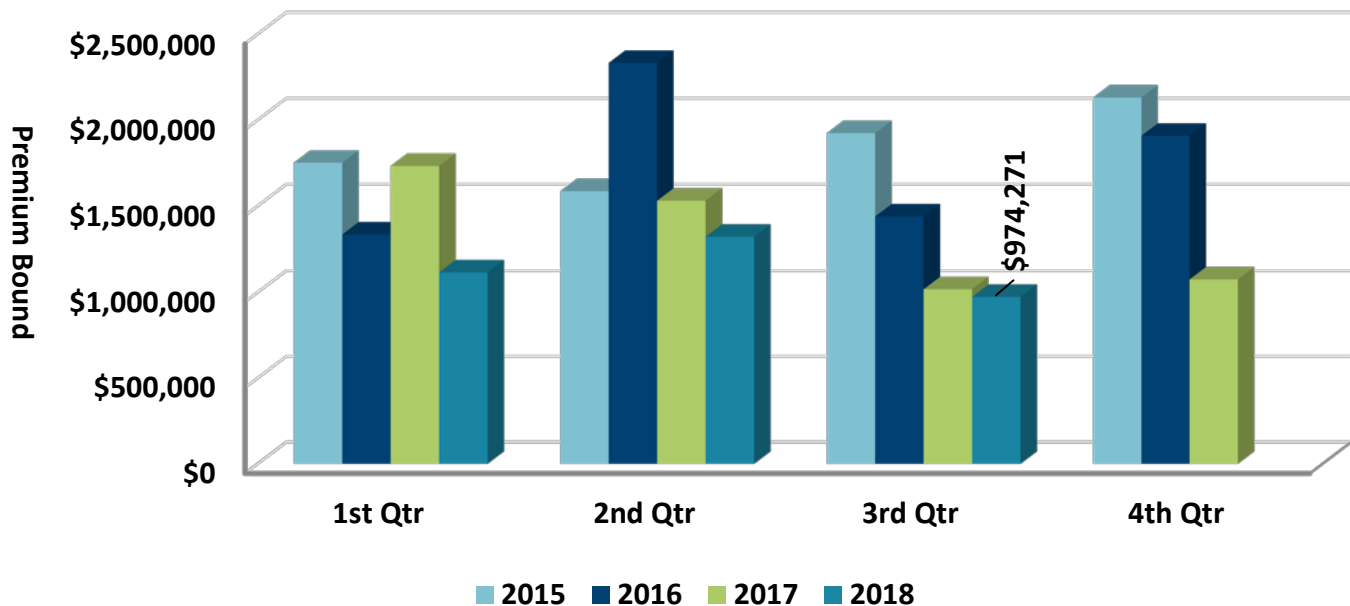
Total Applications Bound — 2015 vs. 2016 vs. 2017 vs. 2018

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 — 2015 vs. 2016 vs. 2017 vs. 2018

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).



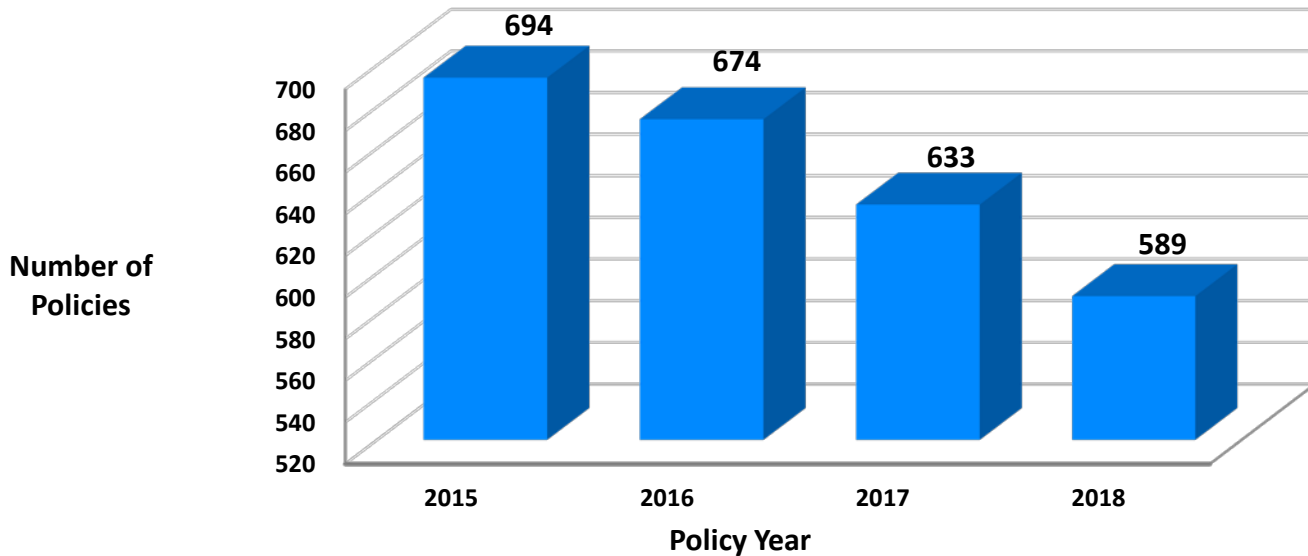


Residual Market Demographics

Residual Market Total Policy Counts

Third Quarter Data for Policies Reported through September 30, 2018

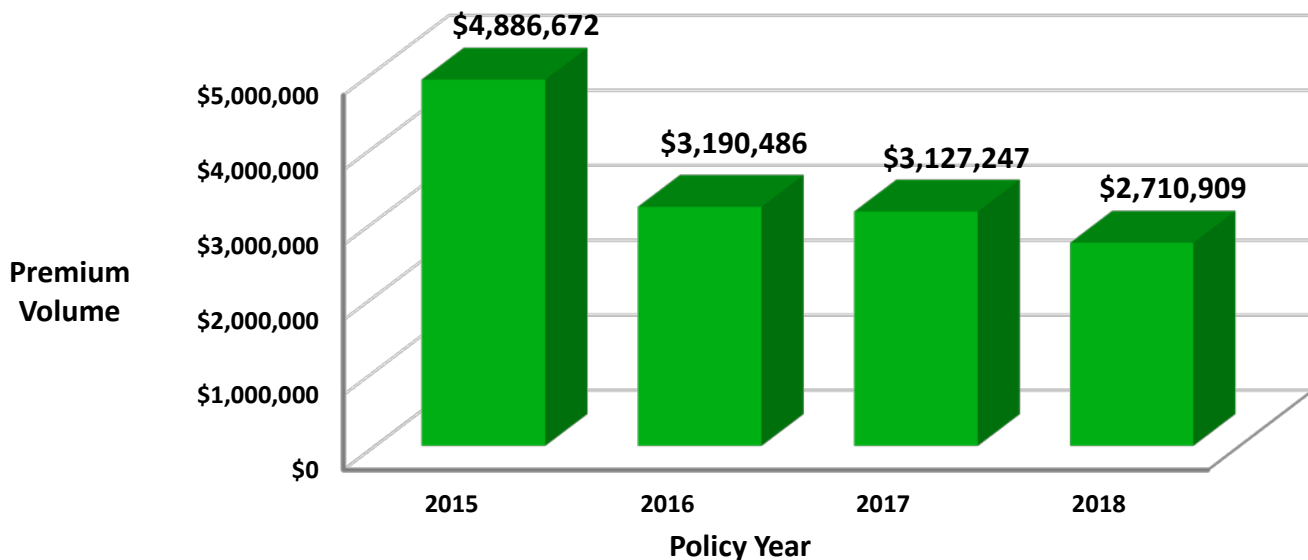
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

Third Quarter Data Reported through September 30, 2018

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

Third Quarter Data Reported through September 30, 2018

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	376	63.8%	\$470,234	17.4%	\$1,250
\$2500–4999	90	15.3%	\$332,333	12.3%	\$3,692
\$5000–9999	68	11.5%	\$476,115	17.6%	\$7,001
\$10000–19999	27	4.6%	\$347,477	12.8%	\$12,869
\$20000–49999	24	4.1%	\$651,594	24.0%	\$27,149
\$50000–99999	2	0.3%	\$154,447	5.7%	\$77,223
\$100000–199999	2	0.3%	\$278,709	10.3%	\$139,354
\$200000 +	0	0.0%	\$0	0.0%	\$0
Total	589	100.0%	\$2,710,909	100.0%	\$4,603

Third Quarter 2017 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium	% of Total Premium	Average Premium
\$0–2499	386	61.0%	\$462,496	14.8%	\$1,198
\$2500–4999	107	16.9%	\$385,024	12.3%	\$3,598
\$5000–9999	73	11.5%	\$506,311	16.2%	\$6,935
\$10000–19999	38	6.0%	\$529,452	16.9%	\$13,932
\$20000–49999	22	3.5%	\$642,812	20.6%	\$29,218
\$50000–99999	6	1.0%	\$409,985	13.1%	\$68,330
\$100000–199999	1	0.2%	\$191,167	6.1%	\$191,167
\$200000 +	0	0.0%	\$0	0.0%	\$0
Total	633	100.0%	\$3,127,247	100.0%	\$4,940



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count Third Quarter Data Reported through September 30, 2018

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	40	6.8%
2	7219	Trucking - NOC-All Employees & Drivers	37	6.3%
3	5474	Painting NOC & Shop Operations Drivers	22	3.7%
4	5437	Carpentry-Installation of Cabinet Work or Interior Trim	17	2.9%
5	6217	Excavation & Drivers	16	2.7%
6	5551	Roofing-All Kinds & Drivers	15	2.6%
7	9014	Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	15	2.6%
8	2701	Logging or Tree Removal - Log Hauling & Drivers	14	2.4%
9	9015	Building or Property Management - All Other Employees	12	2.0%
10	7720	Police Officers & Drivers	11	1.9%

Residual Market Top 10 Classification Codes by Premium Volume Third Quarter Data Reported through September 30, 2018

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	0106	Tree Pruning Spraying Repairing - All Operations & Drivers	\$174,347	6.4%
2	5645	Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	\$134,753	5.0%
3	7219	Trucking - NOC-All Employees & Drivers	\$130,407	4.8%
4	7230	Trucking - Parcel or Package Delivery-All Employees & Drivers	\$121,643	4.5%
5	5474	Painting NOC & Shop Operations Drivers	\$105,631	3.9%
6	8868	College - Professional Employees & Clerical	\$104,445	3.9%
7	5551	Roofing-All Kinds & Drivers	\$91,151	3.4%
8	5606	Contractor - Project Manager Construction Executive Construction Manager or Construction	\$77,438	2.9%
9	6217	Excavation & Drivers	\$76,114	2.8%
10	8835	Home Public and Traveling Healthcare - All Employees	\$74,576	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 $(\text{loss} + \text{loss adjustment expense}) / \text{earned premium}$.

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.