



Mississippi Residual Market State Activity Report

Third Quarter 2020



Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the Third 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 September 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	1,921	2,082	-161	-7.7%
Premium Volume	\$10,847,102	\$12,361,105	-\$1,514,003	-12.2%



Residual Market Demographics

Voluntary Coverage Assistance Program

Third Quarter Data through September 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 Third Quarter 2020.

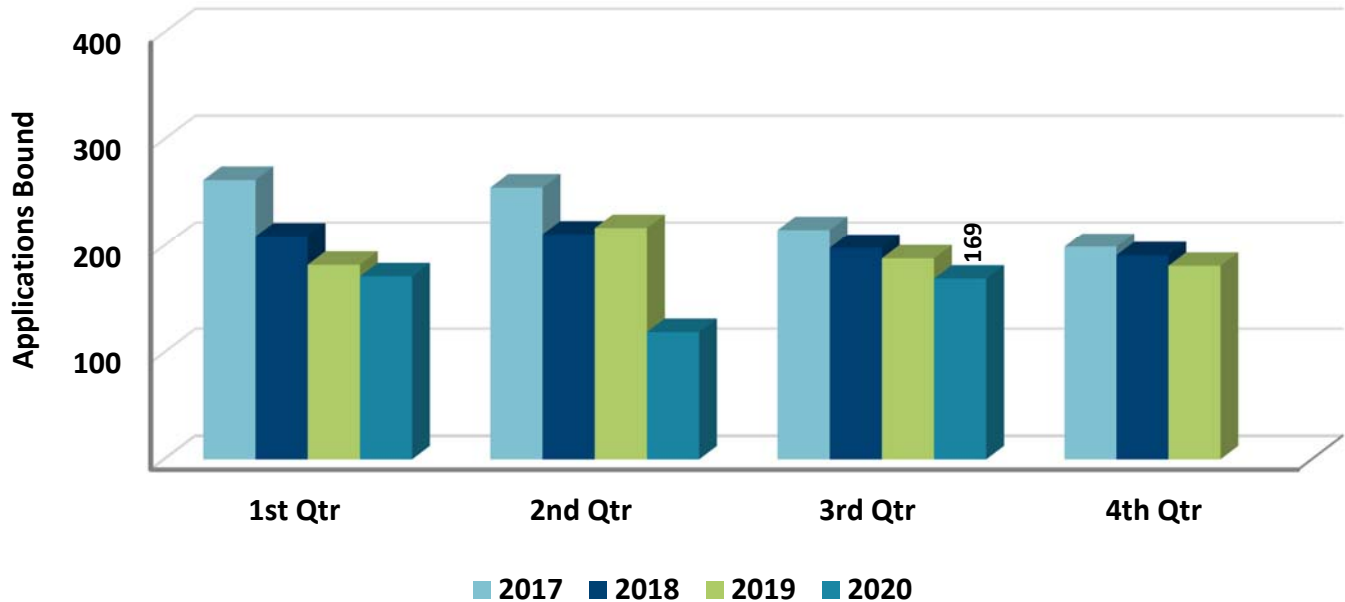
Number of Applications Reviewed by VCAP[®] Service	181
Number of VCAP[®] Service Matches	103
VCAP[®] Service Offers as a % of Matches	12.62%
Number of Confirmed VCAP[®] Service Policies	12
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	6.63%
Savings as a % of Redirected Assigned Risk Premium	24.58%



Residual Market Demographics

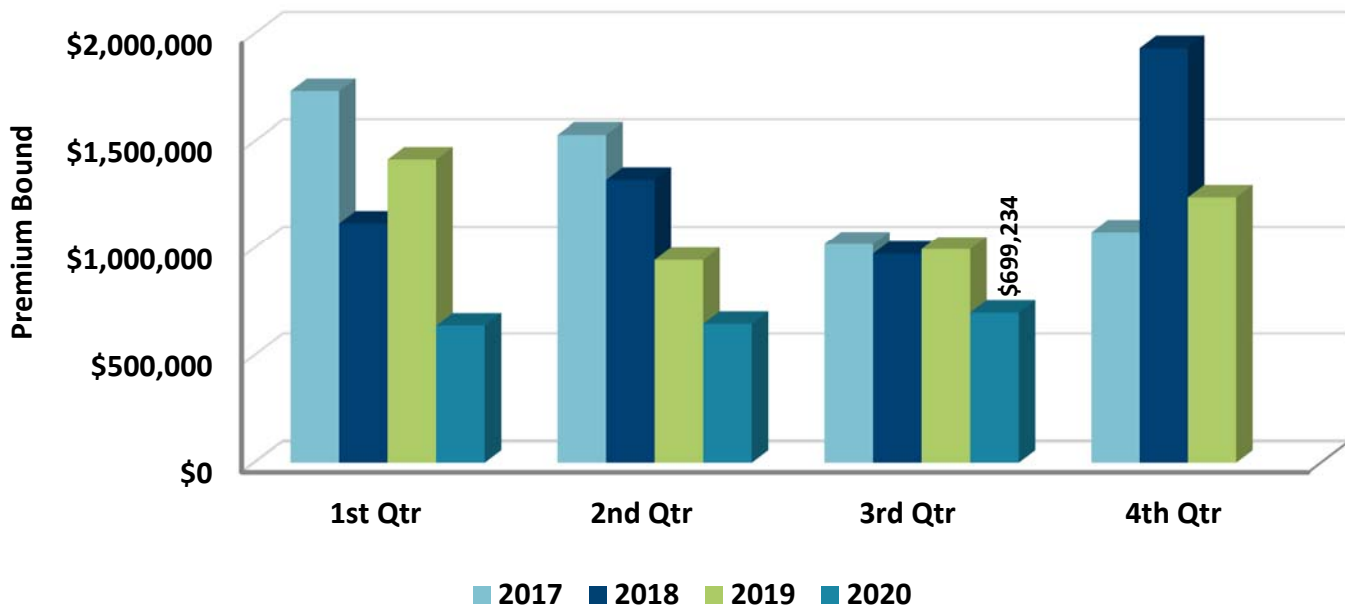
Total Applications Bound — 2017 vs. 2018 vs. 2019 vs. 2020

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).



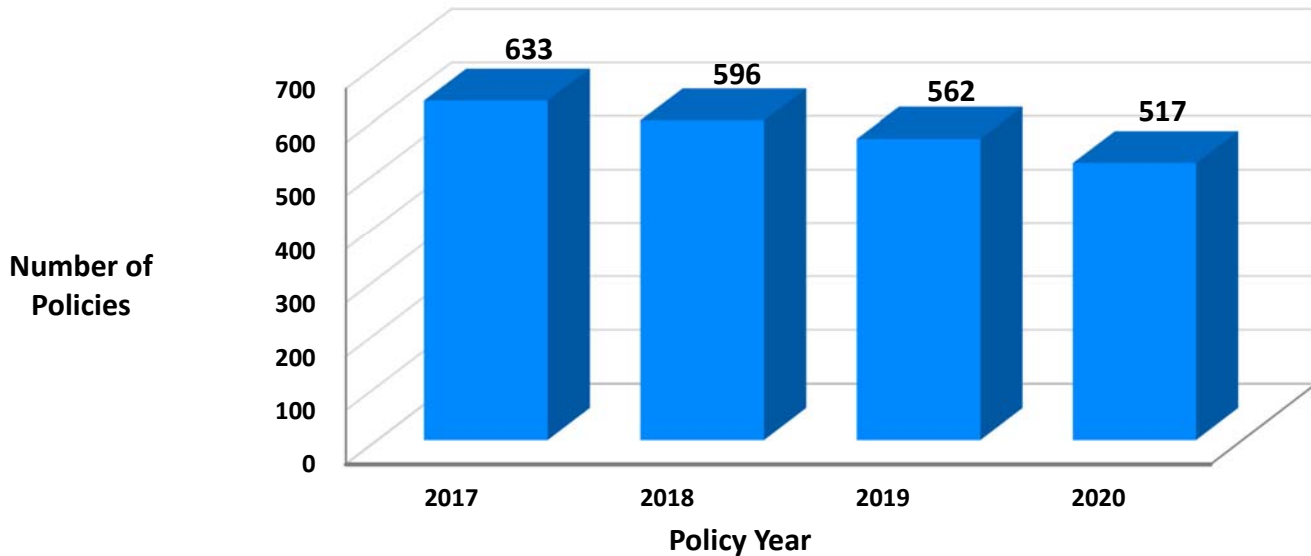


Residual Market Demographics

Residual Market Total Policy Counts

Third Quarter Data for Policies Reported through September 30, 2020

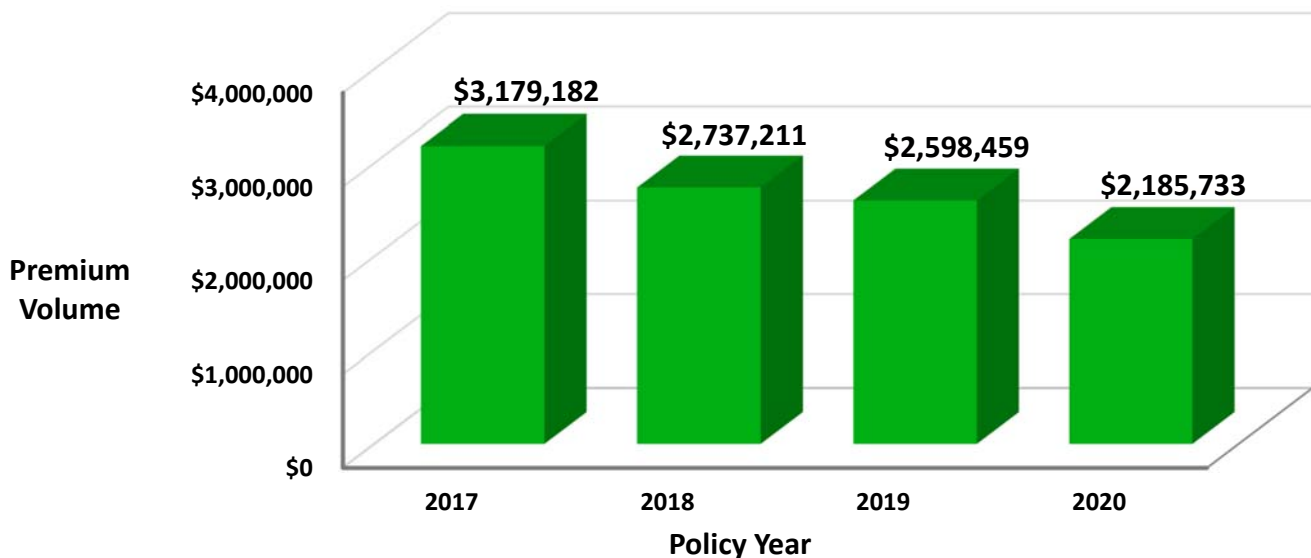
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

Third Quarter Data Reported through September 30, 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

Third Quarter Data Reported through September 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	326	63.1	456,961	20.9	1,402
\$2500–4999	89	17.2	323,826	14.8	3,638
\$5000–9999	64	12.4	442,909	20.3	6,920
\$10000–19999	24	4.6	321,815	14.7	13,409
\$20000–49999	12	2.3	362,445	16.6	30,204
\$50000–99999	1	0.2	92,715	4.2	92,715
\$100000–199999	1	0.2	185,062	8.5	185,062
\$200000 +	0	0.0	0	0.0	0
Total	517	100.0	2,185,733	100.0	4,228

Third Quarter 2019 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0–2499	373	66.4	448,745	17.3	1,203
\$2500–4999	74	13.2	261,367	10.1	3,532
\$5000–9999	68	12.1	477,994	18.4	7,029
\$10000–19999	26	4.6	352,668	13.6	13,564
\$20000–49999	17	3.0	497,282	19.1	29,252
\$50000–99999	1	0.2	57,082	2.2	57,082
\$100000–199999	2	0.4	258,536	9.9	129,268
\$200000 +	1	0.2	244,785	9.4	244,785
Total	562	100.0	2,598,459	100.0	4,624



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count Third Quarter Data Reported through September 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	37	7.2
2	6217 - Excavation & Drivers	25	4.8
3	7219 - Trucking - NOC-All Employees & Drivers	22	4.3
4	5474 - Painting NOC & Shop Operations, Drivers	20	3.9
5	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	16	3.1
6	5551 - Roofing-All Kinds & Drivers	12	2.3
7	0083 - Farm: Cattle or Livestock Raising NOC & Drivers	12	2.3
8	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	11	2.1
9	2701 - Logging or Tree Removal - Log Hauling & Drivers	11	2.1
10	0037 - Farm: Field Crops & Drivers	11	2.1

Residual Market Top 10 Classification Codes by Premium Volume Third Quarter Data Reported through September 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	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	191,289	8.8
2	7219 - Trucking - NOC-All Employees & Drivers	118,340	5.4
3	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	102,840	4.7
4	2014 - Grain or Feed Milling	92,715	4.2
5	5474 - Painting NOC & Shop Operations, Drivers	61,365	2.8
6	6217 - Excavation & Drivers	57,245	2.6
7	0083 - Farm: Cattle or Livestock Raising NOC & Drivers	52,331	2.4
8	5551 - Roofing-All Kinds & Drivers	46,992	2.1
9	8868 - College - Professional Employees & Clerical	45,310	2.1
10	0037 - Farm: Field Crops & Drivers	42,982	2.0



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.