



# Mississippi Residual Market State Activity Report

Third Quarter 2022



## Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the Third 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 September 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 %
<b>Policy Count</b>	1,778	1,844	-66	-3.6%
<b>Premium Volume</b>	\$9,850,240	\$11,807,813	-\$1,957,573	-16.6%



## Residual Market Demographics

### Voluntary Coverage Assistance Program

#### Third Quarter Data through September 30, 2022

The volume of assigned risk applications redirected to the voluntary market through NCCI's **VCAP<sup>®</sup> Service**. The following shows the results **VCAP<sup>®</sup> Service** has provided during Third Quarter 2022.

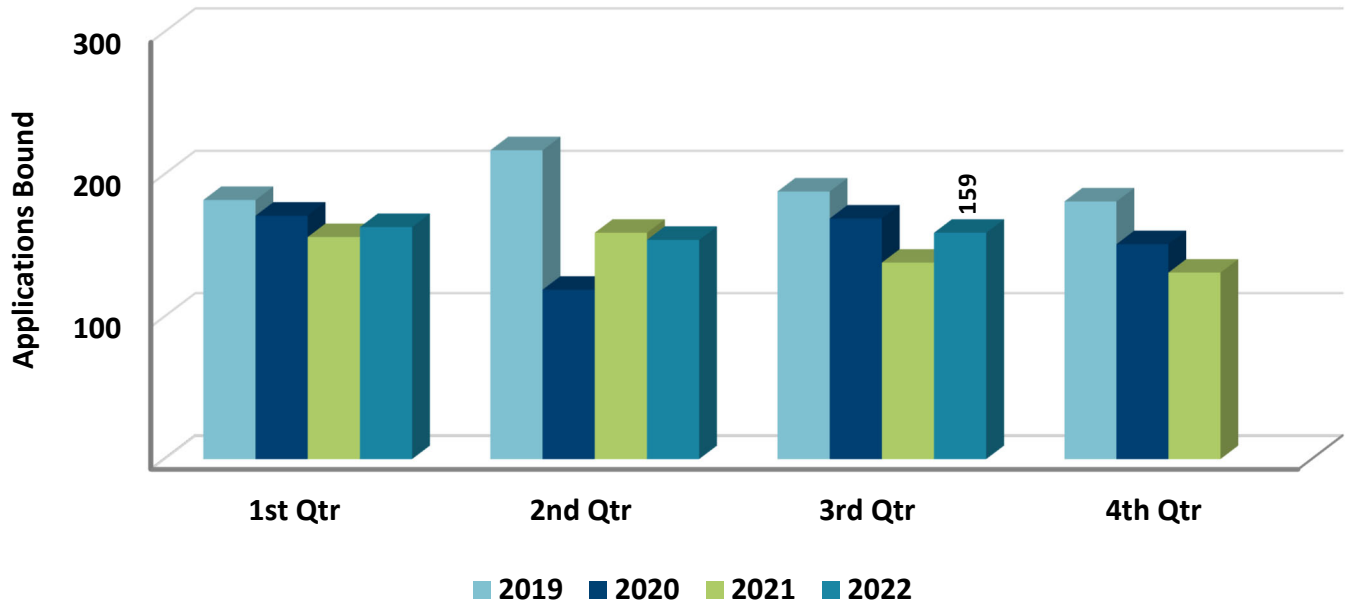
Number of Applications Reviewed by <b>VCAP<sup>®</sup> Service</b>	187
Number of <b>VCAP<sup>®</sup> Service</b> Matches	168
<b>VCAP<sup>®</sup> Service</b> Offers as a % of Matches	15.48%
Number of Confirmed <b>VCAP<sup>®</sup> Service</b> Policies	26
Confirmed <b>VCAP<sup>®</sup> Service</b> Policies as a % of Applications Reviewed	13.90%
Savings as a % of Redirected Assigned Risk Premium	13.36%



## Residual Market Demographics

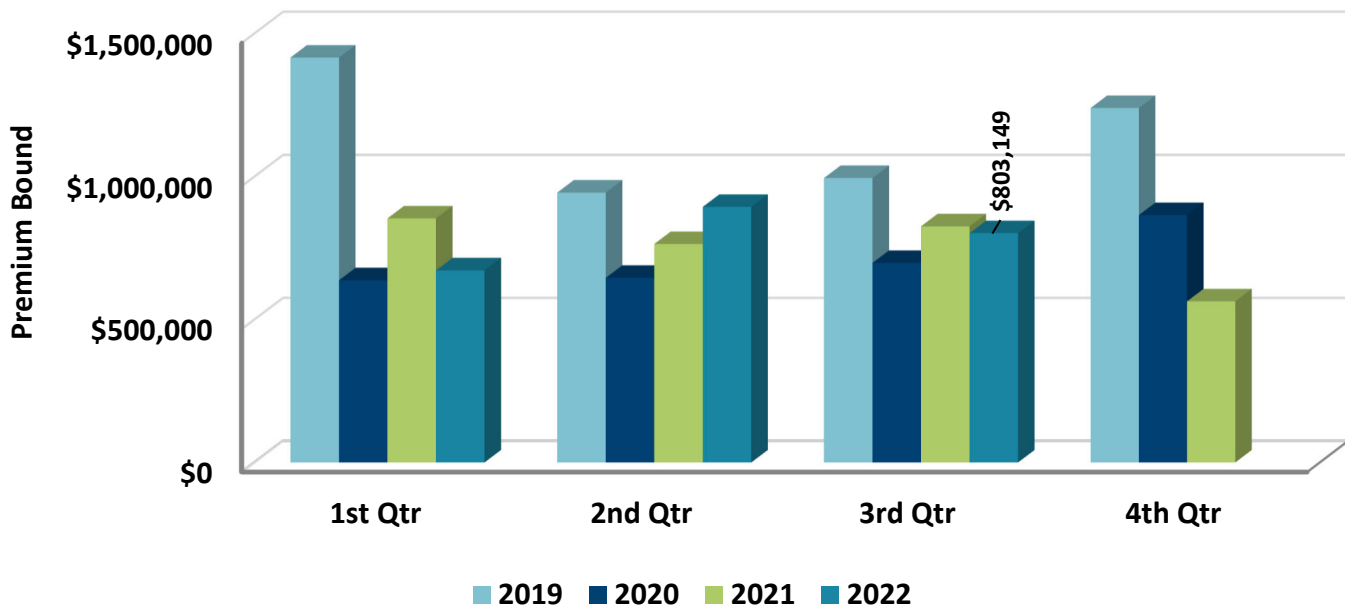
### Total Applications Bound — 2019 vs. 2020 vs. 2021 vs. 2022

The number of applications—both new and reassignment—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 reassignment—that are assigned to a Servicing Carrier or a Direct Assignment Carrier (if applicable).



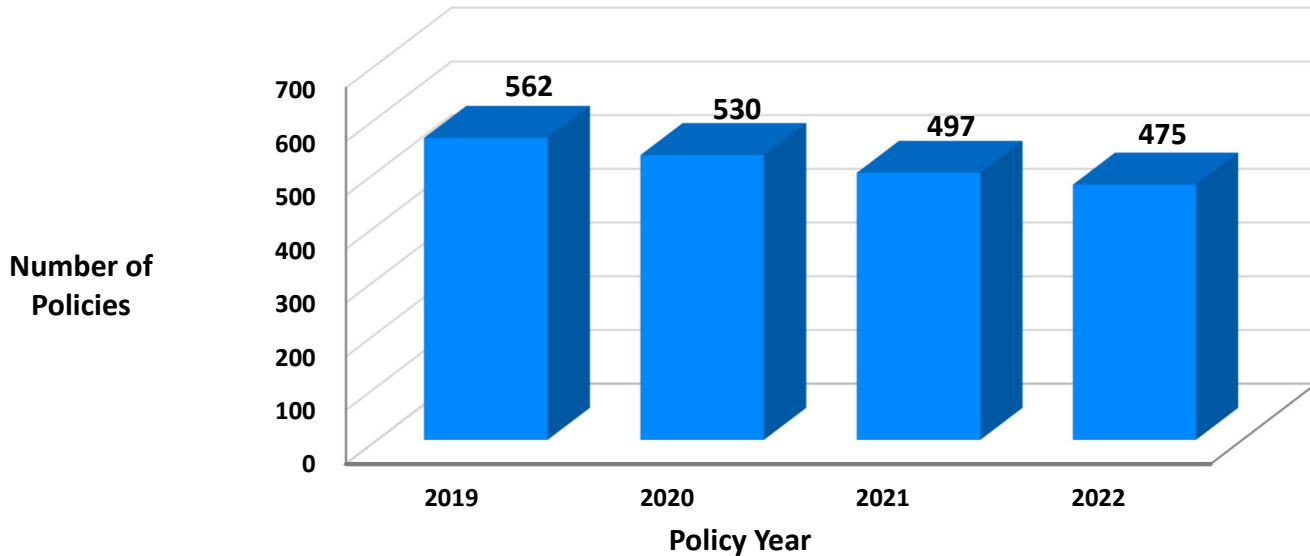


## Residual Market Demographics

### Residual Market Total Policy Counts

#### Third Quarter Data for Policies Reported through September 30, 2022

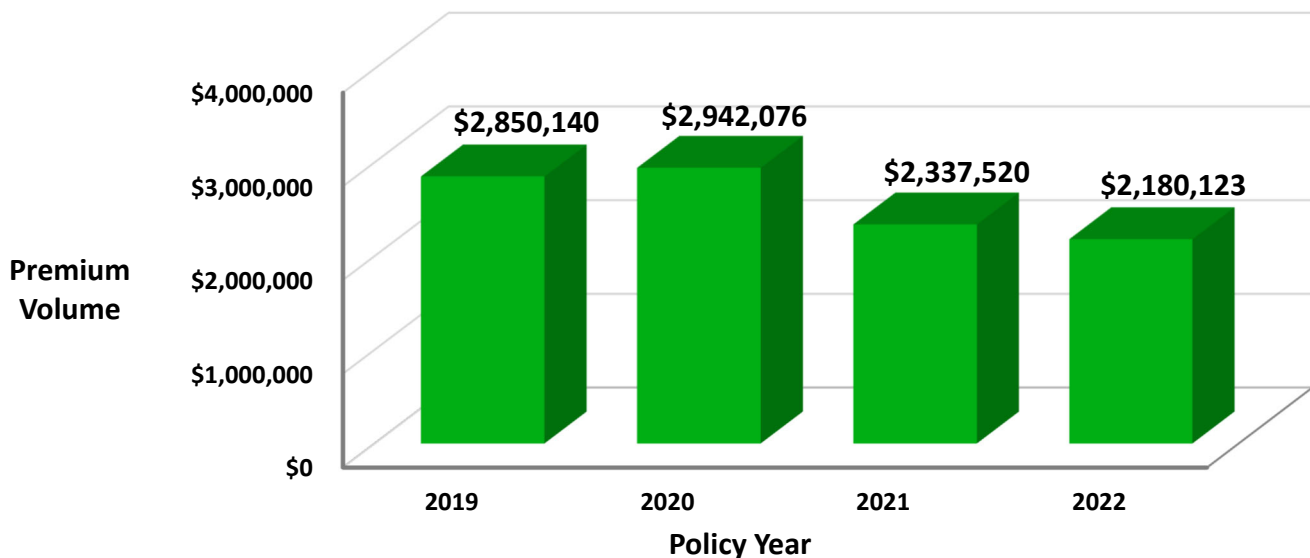
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



### Residual Market Total Premium Volume

#### Third Quarter Data Reported through September 30, 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

#### Third Quarter Data Reported through September 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	265	55.8	352,796	16.2	1,331
\$2500- \$4999	84	17.7	306,959	14.1	3,654
\$5000- \$9999	82	17.3	576,526	26.4	7,031
\$10000- \$19999	30	6.3	409,070	18.8	13,636
\$20000- \$49999	10	2.1	281,246	12.9	28,125
\$50000- \$99999	4	0.8	253,526	11.6	63,382
\$100000- \$199999	0	0.0	0	0.0	0
\$2000000+	0	0.0	0	0.0	0
Total	475	100.0	2,180,123	100.0	4,590

### Third Quarter 2021 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0- \$2499	312	62.8	372,602	15.9	1,194
\$2500- \$4999	82	16.5	296,720	12.7	3,619
\$5000- \$9999	59	11.9	424,731	18.2	7,199
\$10000- \$19999	27	5.4	349,538	15.0	12,946
\$20000- \$49999	11	2.2	352,592	15.1	32,054
\$50000- \$99999	4	0.8	269,713	11.5	67,428
\$100000- \$199999	2	0.4	271,624	11.6	135,812
\$2000000+	0	0.0	0	0.0	0
Total	497	100.0	2,337,520	100.0	4,703



## Residual Market Demographics

### Residual Market Top 10 Classification Codes by Policy Count Third Quarter Data Reported through September 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	6.3
2	5551 - Roofing-All Kinds & Drivers	24	5.1
3	7219 - Trucking - NOC-All Employees & Drivers	22	4.6
4	6217 - Excavation & Drivers	20	4.2
5	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	16	3.4
6	5474 - Painting NOC & Shop Operations, Drivers	12	2.5
7	0037 - Farm: Field Crops & Drivers	11	2.3
8	0083 - Farm: Cattle or Livestock Raising NOC & Drivers	11	2.3
9	7600 - Telecommunications Co. - Cable Tv, Or Satellite - All Other Employees & Drivers	11	2.3
10	2709 - Logging or Tree Removal - Mechanized Equipment Operators	10	2.1

### Residual Market Top 10 Classification Codes by Premium Volume Third Quarter Data Reported through September 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	264,863	12.1
2	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	114,857	5.3
3	7600 - Telecommunications Co. - Cable Tv, Or Satellite - All Other Employees & Drivers	91,745	4.2
4	2014 - Grain or Feed Milling	68,910	3.2
5	6217 - Excavation & Drivers	65,100	3.0
6	7219 - Trucking - NOC-All Employees & Drivers	61,952	2.8
7	5474 - Painting NOC & Shop Operations, Drivers	61,633	2.8
8	8018 - Store: Wholesale NOC	61,596	2.8
9	2709 - Logging or Tree Removal - Mechanized Equipment Operators	55,952	2.6
10	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	55,853	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  $(\text{loss} + \text{loss adjustment expense}) / \text{earned premium}$ .

**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<sup>®</sup> 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<sup>®</sup> Service** redirects coverage opportunities for employers to voluntary market insurers, which generally provide coverage at a lower cost. **VCAP<sup>®</sup> Service** provides an additional source for producers and employers to secure voluntary workers compensation coverage prior to entering the residual market for coverage.