



Mississippi Residual Market State Activity Report

Annual 2020



Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the Annual 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.

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 December 31, 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	1,890	2,036	-146	-7.2%
Premium Volume	\$11,039,262	\$12,096,296	-\$1,057,034	-8.7%



Residual Market Demographics

Voluntary Coverage Assistance Program Annual Data through December 31, 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 Annual 2020.

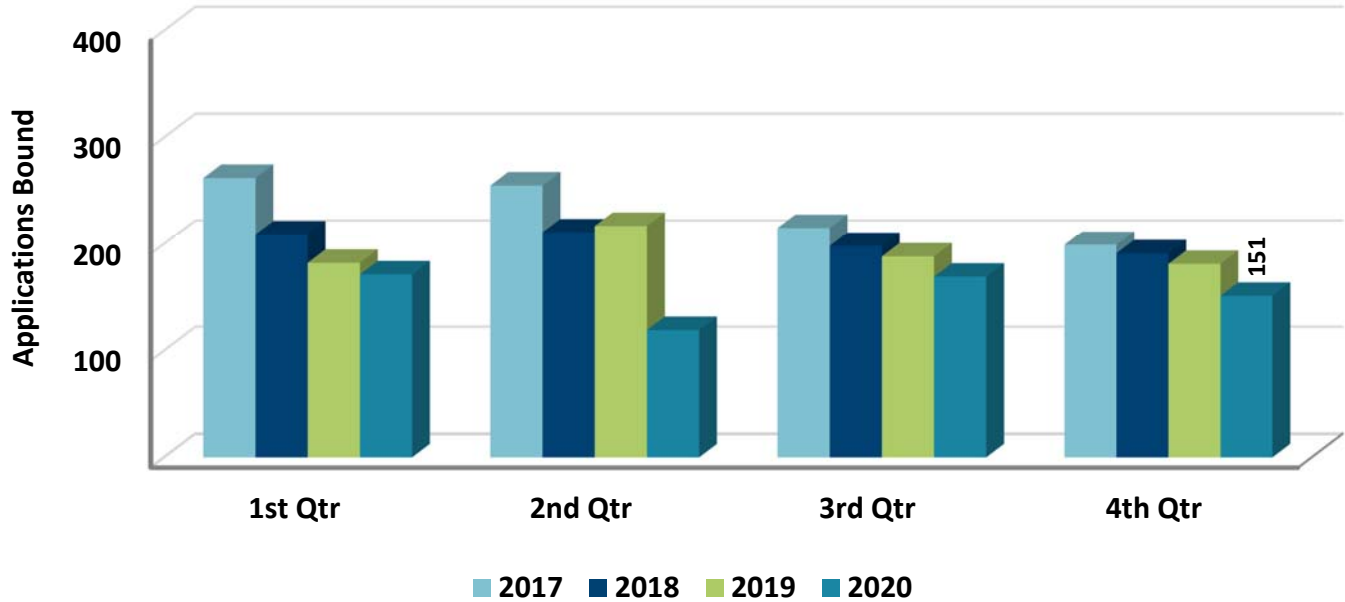
Number of Applications Reviewed by VCAP[®] Service	647
Number of VCAP[®] Service Matches	341
VCAP[®] Service Offers as a % of Matches	10.26%
Number of Confirmed VCAP[®] Service Policies	34
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	5.26%
Savings as a % of Redirected Assigned Risk Premium	24.02%



Residual Market Demographics

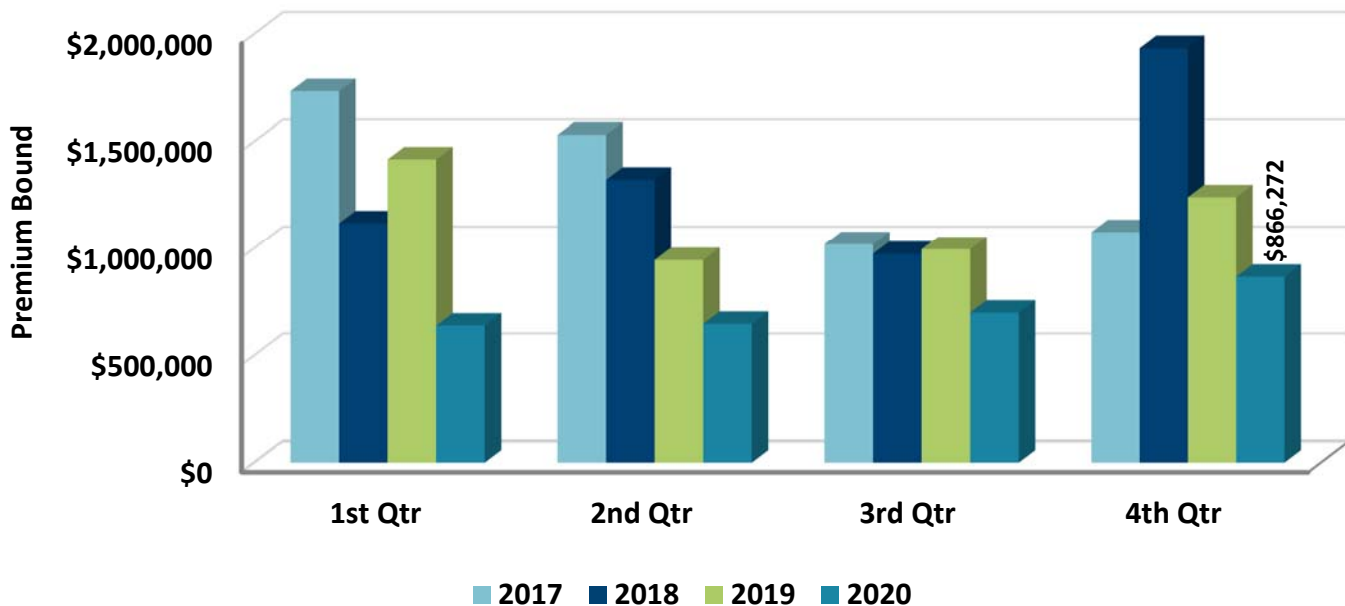
Total Applications Bound — 2017 vs. 2018 vs. 2019 vs. 2020

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).



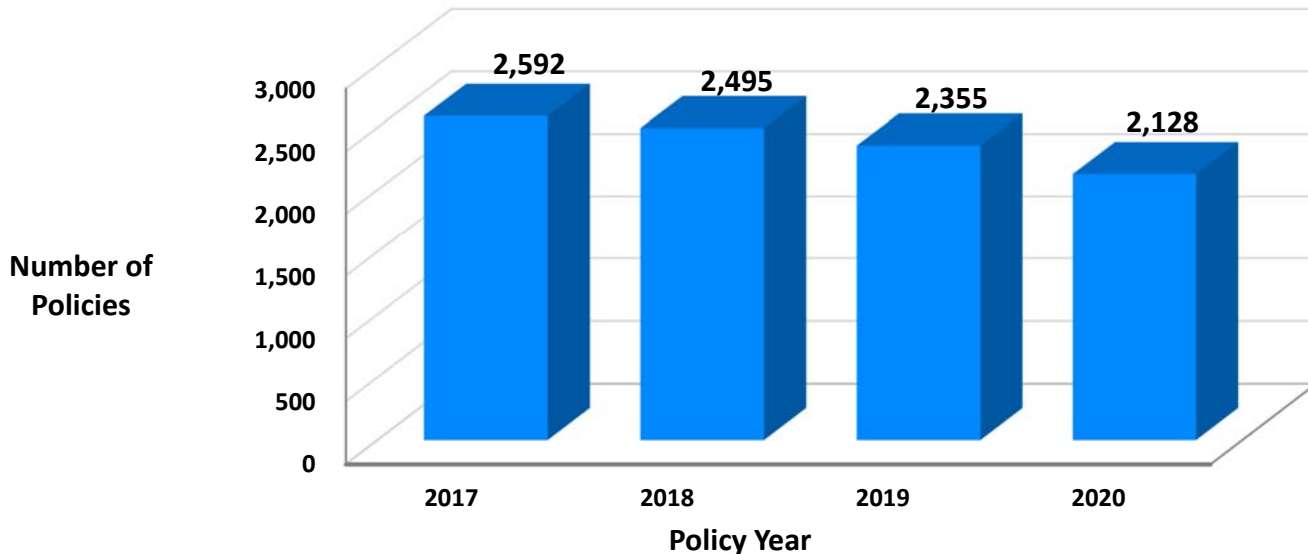


Residual Market Demographics

Residual Market Total Policy Counts

Annual Data for Policies Reported through December 31, 2020

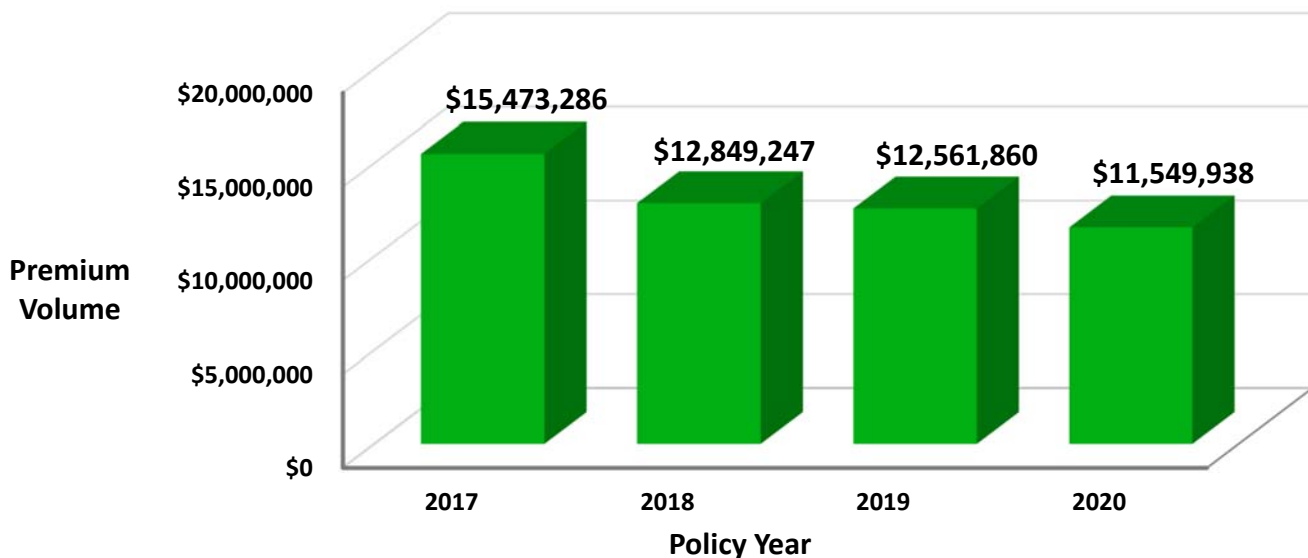
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

Annual Data Reported through December 31, 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 Annual Data Reported through December 31, 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	1,285	60.4	1,727,123	15.0	1,344
\$2500–4999	369	17.3	1,328,973	11.5	3,602
\$5000–9999	261	12.3	1,800,785	15.6	6,900
\$10000–19999	115	5.4	1,569,790	13.6	13,650
\$20000–49999	66	3.1	1,933,306	16.7	29,293
\$50000–99999	22	1.0	1,578,732	13.7	71,761
\$100000–199999	8	0.4	1,012,689	8.8	126,586
\$200000 +	2	0.1	598,540	5.2	299,270
Total	2,128	100.0	11,549,938	100.0	5,428

Annual 2019 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0–2499	1,445	61.4	1,720,580	13.7	1,191
\$2500–4999	377	16.0	1,352,389	10.8	3,587
\$5000–9999	265	11.3	1,857,635	14.8	7,010
\$10000–19999	156	6.6	2,184,455	17.4	14,003
\$20000–49999	78	3.3	2,322,820	18.5	29,780
\$50000–99999	24	1.0	1,685,211	13.4	70,217
\$100000–199999	9	0.4	1,193,985	9.5	132,665
\$200000 +	1	0.0	244,785	1.9	244,785
Total	2,355	100.0	12,561,860	100.0	5,334



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count Annual Data Reported through December 31, 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	153	7.2
2	0037 - Farm: Field Crops & Drivers	104	4.9
3	7219 - Trucking - NOC-All Employees & Drivers	85	4.0
4	5474 - Painting NOC & Shop Operations, Drivers	72	3.4
5	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	65	3.1
6	5551 - Roofing-All Kinds & Drivers	63	3.0
7	6217 - Excavation & Drivers	63	3.0
8	2701 - Logging or Tree Removal - Log Hauling & Drivers	58	2.7
9	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	51	2.4
10	8810 - Clerical Office Employees NOC	44	2.1

Residual Market Top 10 Classification Codes by Premium Volume Annual Data Reported through December 31, 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	564,004	4.9
2	0037 - Farm: Field Crops & Drivers	563,629	4.9
3	7219 - Trucking - NOC-All Employees & Drivers	435,743	3.8
4	5551 - Roofing-All Kinds & Drivers	421,087	3.6
5	6045 - Levee Construction-All Operations to Completion & Drivers	391,625	3.4
6	8835 - Home, Public, And Traveling Healthcare - All Employees	358,208	3.1
7	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	341,230	3.0
8	5474 - Painting NOC & Shop Operations, Drivers	263,974	2.3
9	8832 - Physician & Clerical	258,074	2.2
10	7600 - Telecommunications Co. - Cable Tv, Or Satellite - All Other Employees & Drivers	235,619	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.