



Mississippi Residual Market State Activity Report

Annual 2021



Executive Summary

NCCI, as Plan Administrator of the Mississippi Workers Compensation Insurance Plan, is pleased to provide the Annual 2021 *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 December 31, 2021—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.

	2021	2020	2021 vs. 2020 #	2021 vs. 2020 %
Policy Count	1,789	1,901	-112	-5.9%
Premium Volume	\$10,896,999	\$11,673,877	-\$776,878	-6.7%



Residual Market Demographics

Voluntary Coverage Assistance Program Annual Data through December 31, 2021

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 2021.

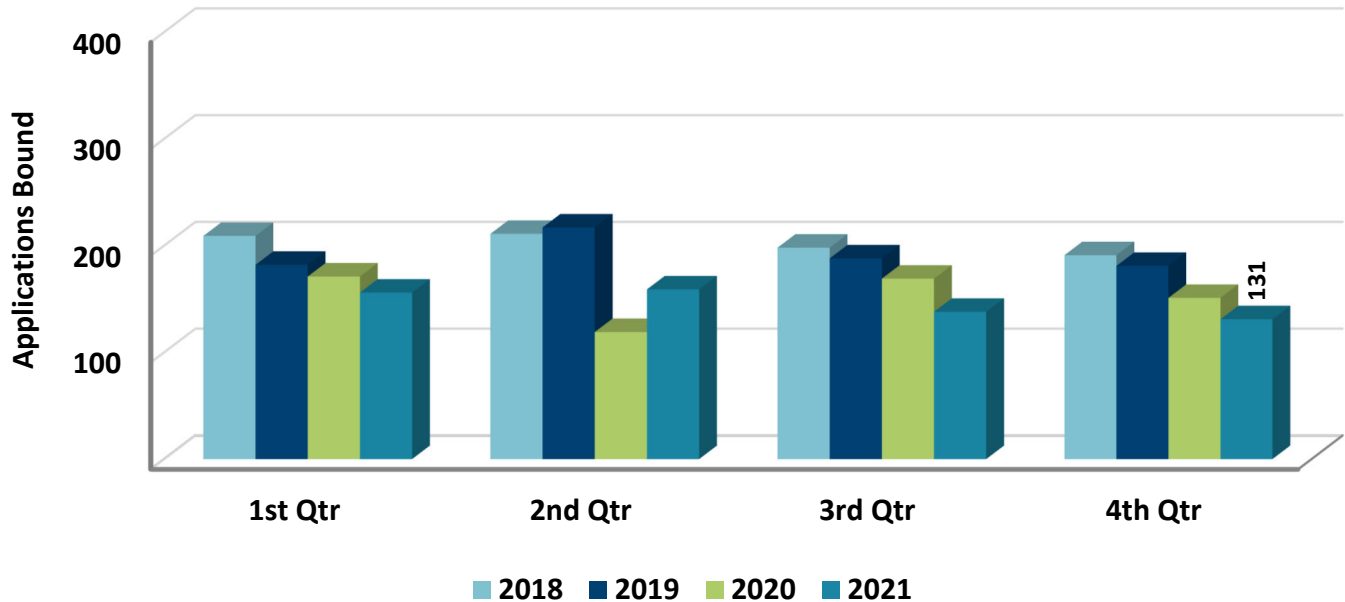
Number of Applications Reviewed by VCAP[®] Service	690
Number of VCAP[®] Service Matches	526
VCAP[®] Service Offers as a % of Matches	20.91%
Number of Confirmed VCAP[®] Service Policies	105
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	15.22%
Savings as a % of Redirected Assigned Risk Premium	11.77%



Residual Market Demographics

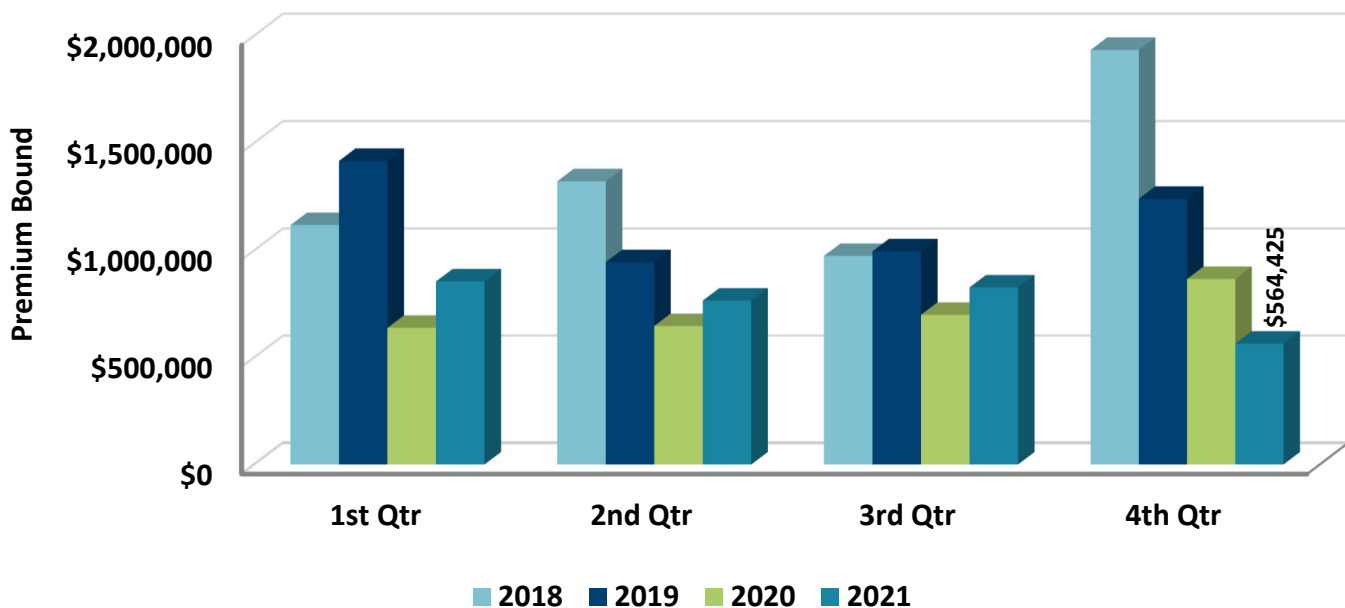
Total Applications Bound — 2018 vs. 2019 vs. 2020 vs. 2021

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 — 2018 vs. 2019 vs. 2020 vs. 2021

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).



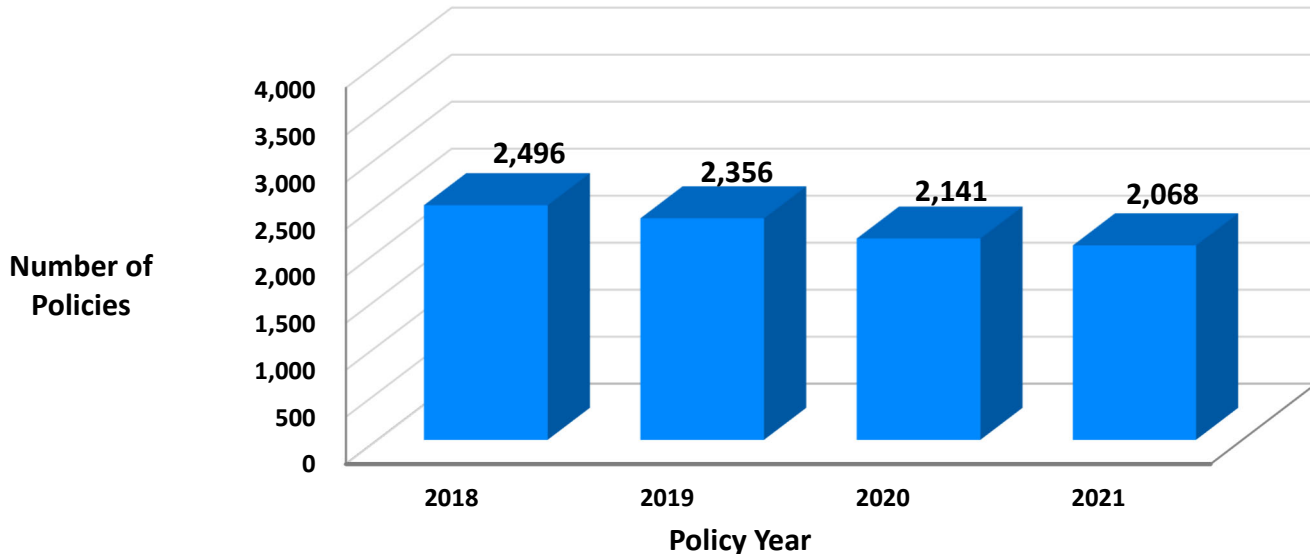


Residual Market Demographics

Residual Market Total Policy Counts

Annual Data for Policies Reported through December 31, 2021

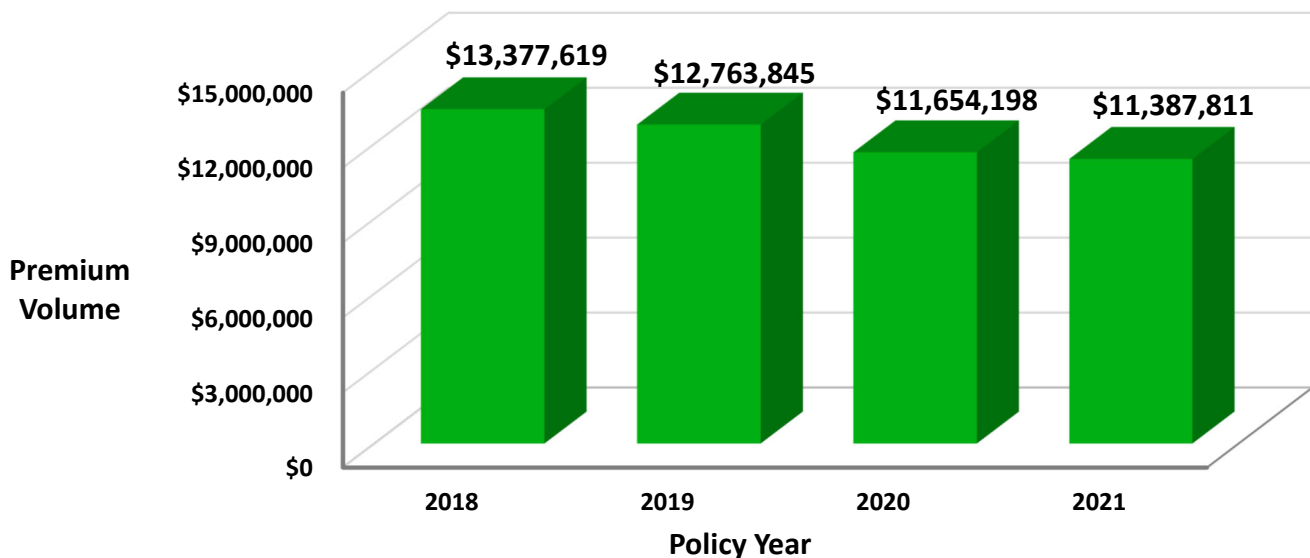
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

Annual Data Reported through December 31, 2021

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, 2021

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	1,225	59.2	1,573,832	13.8	1,285
\$2500- \$4999	364	17.6	1,308,139	11.5	3,594
\$5000- \$9999	251	12.1	1,737,547	15.3	6,922
\$10000- \$19999	145	7.0	1,976,222	17.4	13,629
\$20000- \$49999	56	2.7	1,628,306	14.3	29,077
\$50000- \$99999	17	0.8	1,137,410	10.0	66,906
\$100000- \$199999	6	0.3	755,291	6.6	125,882
\$2000000+	4	0.2	1,271,064	11.2	317,766
Total	2,068	100.0	11,387,811	100.0	5,507

Annual 2020 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0- \$2499	1,326	61.9	1,637,341	14.0	1,235
\$2500- \$4999	355	16.6	1,261,133	10.8	3,552
\$5000- \$9999	240	11.2	1,657,684	14.2	6,907
\$10000- \$19999	129	6.0	1,734,071	14.9	13,442
\$20000- \$49999	62	2.9	1,886,401	16.2	30,426
\$50000- \$99999	18	0.8	1,299,397	11.1	72,189
\$100000- \$199999	7	0.3	877,908	7.5	125,415
\$2000000+	4	0.2	1,300,263	11.2	325,066
Total	2,141	100.0	11,654,198	100.0	5,443



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count Annual Data Reported through December 31, 2021

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	133	6.4
2	0037 - Farm: Field Crops & Drivers	123	5.9
3	5551 - Roofing-All Kinds & Drivers	80	3.9
4	7219 - Trucking - NOC-All Employees & Drivers	79	3.8
5	6217 - Excavation & Drivers	66	3.2
6	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	63	3.0
7	2701 - Logging or Tree Removal - Log Hauling & Drivers	62	3.0
8	5474 - Painting NOC & Shop Operations, Drivers	53	2.6
9	8810 - Clerical Office Employees NOC	42	2.0
10	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	40	1.9

Residual Market Top 10 Classification Codes by Premium Volume Annual Data Reported through December 31, 2021

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	812,537	7.1
2	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	611,380	5.4
3	0037 - Farm: Field Crops & Drivers	611,228	5.4
4	5551 - Roofing-All Kinds & Drivers	581,578	5.1
5	7219 - Trucking - NOC-All Employees & Drivers	431,057	3.8
6	6045 - Levee Construction-All Operations to Completion & Drivers	397,156	3.5
7	8835 - Home, Public, And Traveling Healthcare - All Employees	388,533	3.4
8	8832 - Physician & Clerical	265,664	2.3
9	2701 - Logging or Tree Removal - Log Hauling & Drivers	200,943	1.8
10	2709 - Logging or Tree Removal - Mechanized Equipment Operators	198,971	1.7



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.