



# Mississippi Residual Market State Activity Report

Annual 2022



## Executive Summary

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

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, 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>	1,736	1,804	-68	-3.8%
<b>Premium Volume</b>	\$9,298,916	\$11,542,141	-\$2,243,225	-19.4%



## Residual Market Demographics

### Voluntary Coverage Assistance Program Annual Data through December 31, 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 Annual 2022.

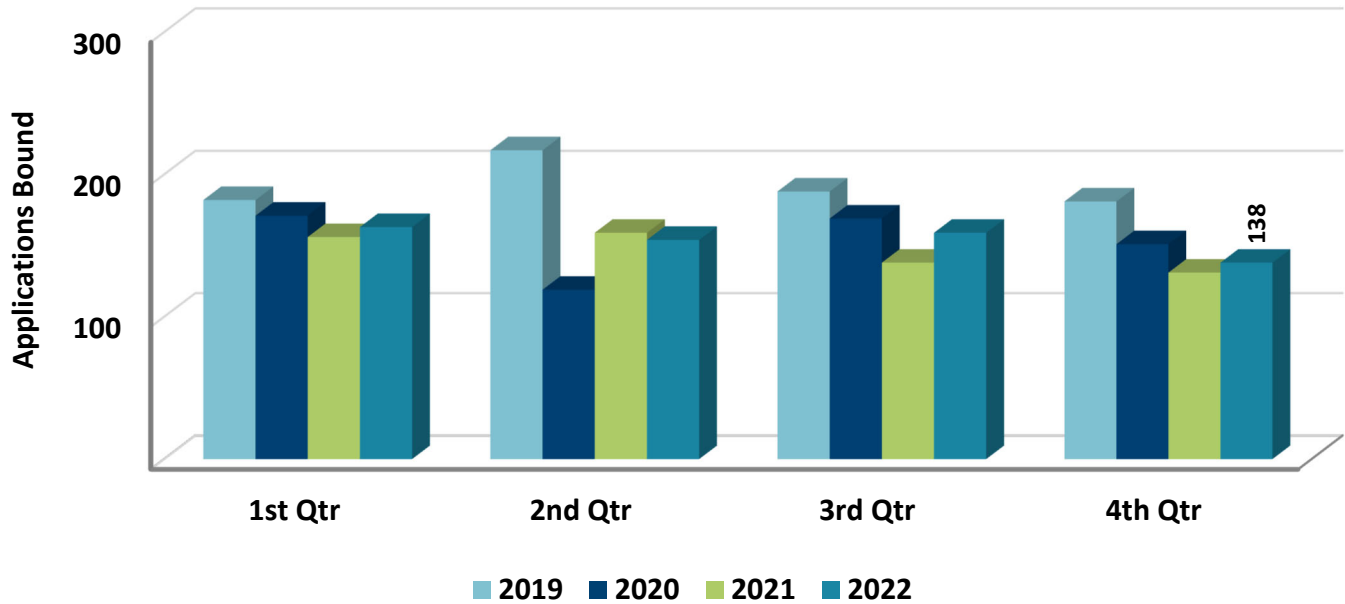
Number of Applications Reviewed by <b>VCAP<sup>®</sup> Service</b>	683
Number of <b>VCAP<sup>®</sup> Service</b> Matches	501
<b>VCAP<sup>®</sup> Service</b> Offers as a % of Matches	14.17%
Number of Confirmed <b>VCAP<sup>®</sup> Service</b> Policies	66
Confirmed <b>VCAP<sup>®</sup> Service</b> Policies as a % of Applications Reviewed	9.66%
Savings as a % of Redirected Assigned Risk Premium	7.72%



## Residual Market Demographics

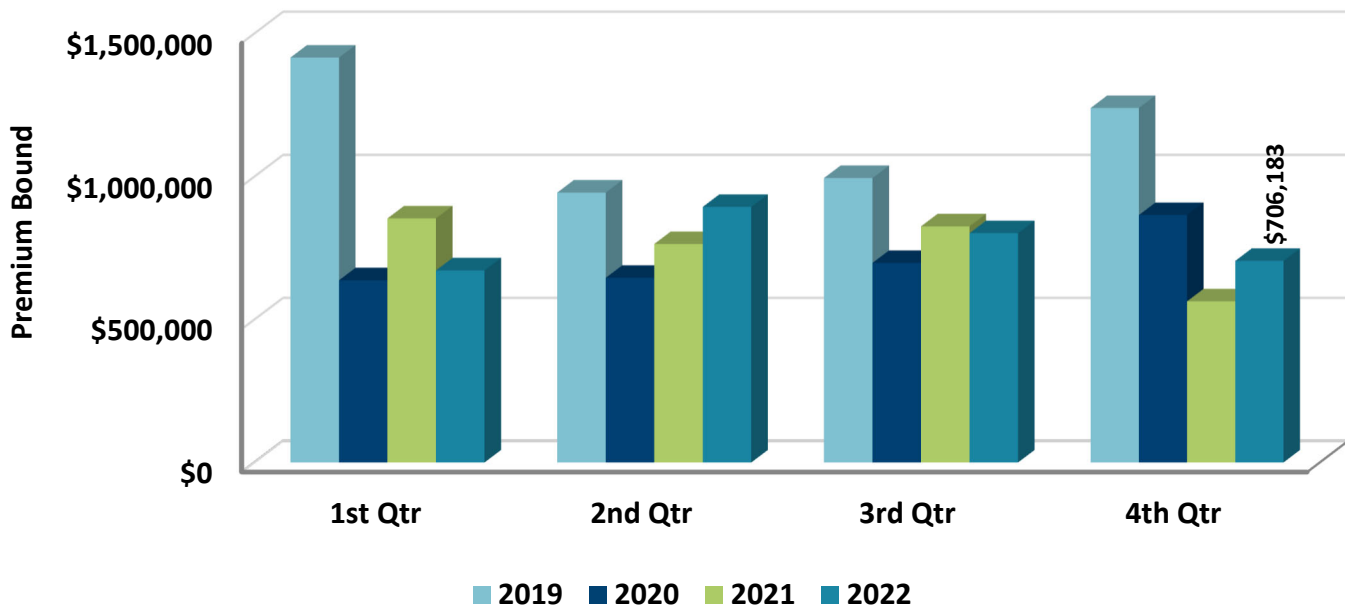
### Total Applications Bound — 2019 vs. 2020 vs. 2021 vs. 2022

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).



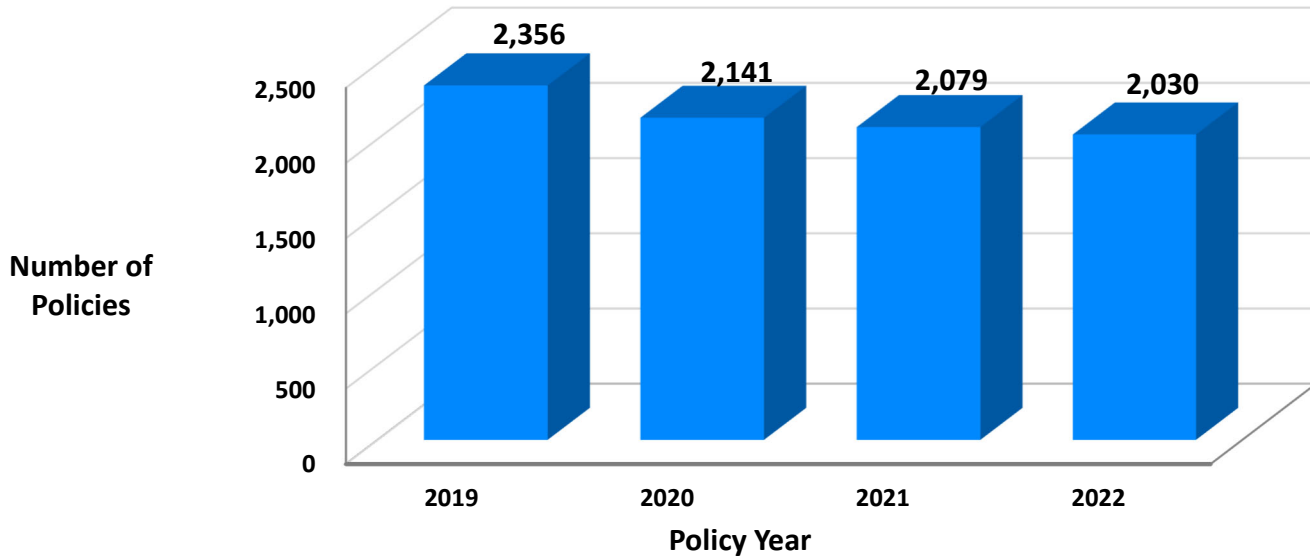


## Residual Market Demographics

### Residual Market Total Policy Counts

#### Annual Data for Policies Reported through December 31, 2022

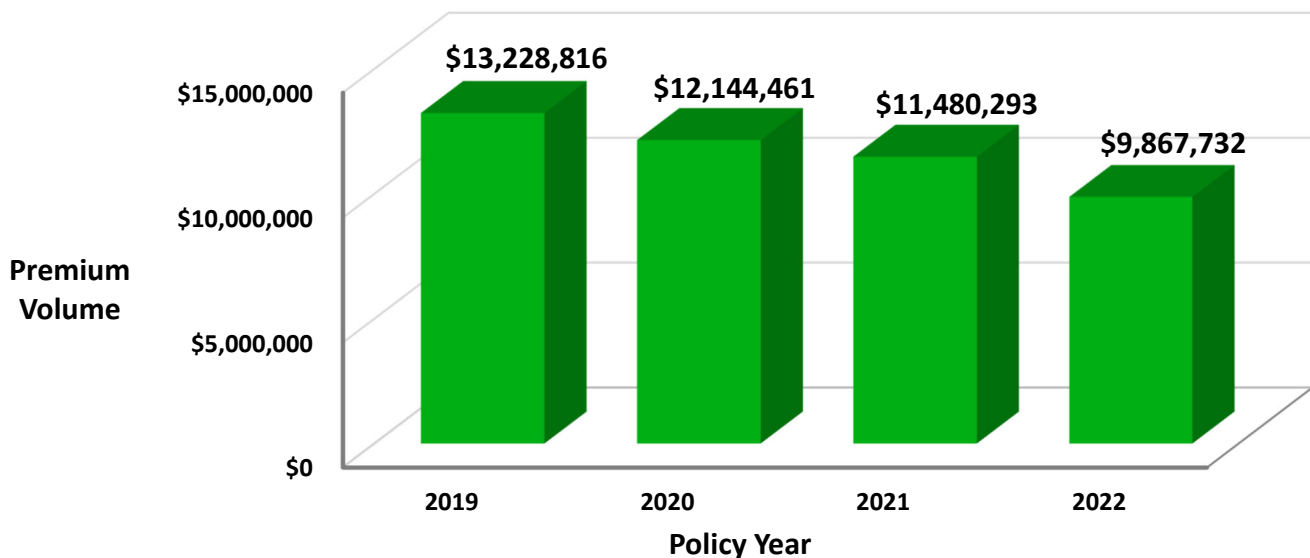
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



### Residual Market Total Premium Volume

#### Annual Data Reported through December 31, 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 Annual Data Reported through December 31, 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	1,172	57.7	1,483,272	15.0	1,266
\$2500- \$4999	365	18.0	1,303,525	13.2	3,571
\$5000- \$9999	279	13.7	1,955,244	19.8	7,008
\$10000- \$19999	141	6.9	1,962,386	19.9	13,918
\$20000- \$49999	51	2.5	1,435,547	14.5	28,148
\$50000- \$99999	19	0.9	1,265,417	12.8	66,601
\$100000- \$199999	3	0.1	462,341	4.7	154,114
\$2000000+	0	0.0	0	0.0	0
Total	2,030	100.0	9,867,732	100.0	4,861

### Annual 2021 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0- \$2499	1,268	61.0	1,564,255	13.6	1,234
\$2500- \$4999	327	15.7	1,161,051	10.1	3,551
\$5000- \$9999	252	12.1	1,768,918	15.4	7,020
\$10000- \$19999	139	6.7	1,919,945	16.7	13,813
\$20000- \$49999	63	3.0	1,851,448	16.1	29,388
\$50000- \$99999	18	0.9	1,177,349	10.3	65,408
\$100000- \$199999	9	0.4	1,155,969	10.1	128,441
\$2000000+	3	0.1	881,358	7.7	293,786
Total	2,079	100.0	11,480,293	100.0	5,522



## Residual Market Demographics

### Residual Market Top 10 Classification Codes by Policy Count Annual Data Reported through December 31, 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	0037 - Farm: Field Crops & Drivers	125	6.2
2	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	118	5.8
3	5551 - Roofing-All Kinds & Drivers	96	4.7
4	7219 - Trucking - NOC-All Employees & Drivers	74	3.6
5	6217 - Excavation & Drivers	60	3.0
6	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	58	2.9
7	5474 - Painting NOC & Shop Operations, Drivers	57	2.8
8	2701 - Logging or Tree Removal - Log Hauling & Drivers	56	2.8
9	7600 - Telecommunications Co. - Cable TV, or Satellite - All Other Employees & Drivers	54	2.7
10	8810 - Clerical Office Employees NOC	50	2.5

### Residual Market Top 10 Classification Codes by Premium Volume Annual Data Reported through December 31, 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	1,053,839	10.7
2	0037 - Farm: Field Crops & Drivers	665,089	6.7
3	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	446,281	4.5
4	7219 - Trucking - NOC-All Employees & Drivers	325,371	3.3
5	2709 - Logging or Tree Removal - Mechanized Equipment Operators	261,060	2.6
6	6217 - Excavation & Drivers	224,243	2.3
7	5474 - Painting NOC & Shop Operations, Drivers	215,728	2.2
8	7600 - Telecommunications Co. - Cable TV, or Satellite - All Other Employees & Drivers	209,623	2.1
9	7720 - Police Officers & Drivers	202,966	2.1
10	8017 - Store: Retail NOC	186,346	1.9





## 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.