



New Hampshire Residual Market State Activity Report

First Quarter 2022



Executive Summary

NCCI, as Pool and Plan Administrator of the New Hampshire Workers Compensation Insurance Plan, is pleased to provide the First Quarter 2022 *New Hampshire 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 New Hampshire Plan. Residual Market demographics contained in this report include:

Table of Contents

Residual Market Demographics	
Residual Market Total Policies and Premium in Force	1
New Hampshire Residual Market Reinsurance Pool Booked Loss Ratio	2
New Hampshire Residual Market Reinsurance Pool Ultimate Net Written Premium	2
New Hampshire Residual Market Reinsurance Pool Net Operating Results	3
Collections/Indemnification.....	4
Voluntary Coverage Assistance Program.....	5
Total Applications Bound	6
Total Application Premium Bound.....	6
Residual Market Total Policy Counts	7
Residual Market Total Premium Volume.....	7
Total Premium Distribution by Size of Risk.....	8
Residual Market Top 10 Classification Codes by Policy Count.....	9
Residual Market Top 10 Classification Codes by Premium Volume	9
Glossary of Terms.....	10

If you have any questions or comments about this report, please feel free to contact the individual listed below.

Sally Laub, Plan Administration

561-893-1174

© Copyright 2022 National Council on Compensation Insurance, Inc. This material is owned by NCCI and is protected by copyright law. NCCI will seek all appropriate legal remedies for the unauthorized use, sale, reproduction, distribution, preparation of derivative works, transfer or assignment of this material, or any part thereof. NCCI makes no representation or warranty, express or implied, as to any matter whatsoever, including but not limited to the accuracy of any information, product, or service furnished hereunder. The recipient of this material is subject to any license agreement that governs the use of this information and subscribes to and utilizes the information “as is.”



Residual Market Demographics

Residual Market Total Policies and Premium in Force

As of March 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.

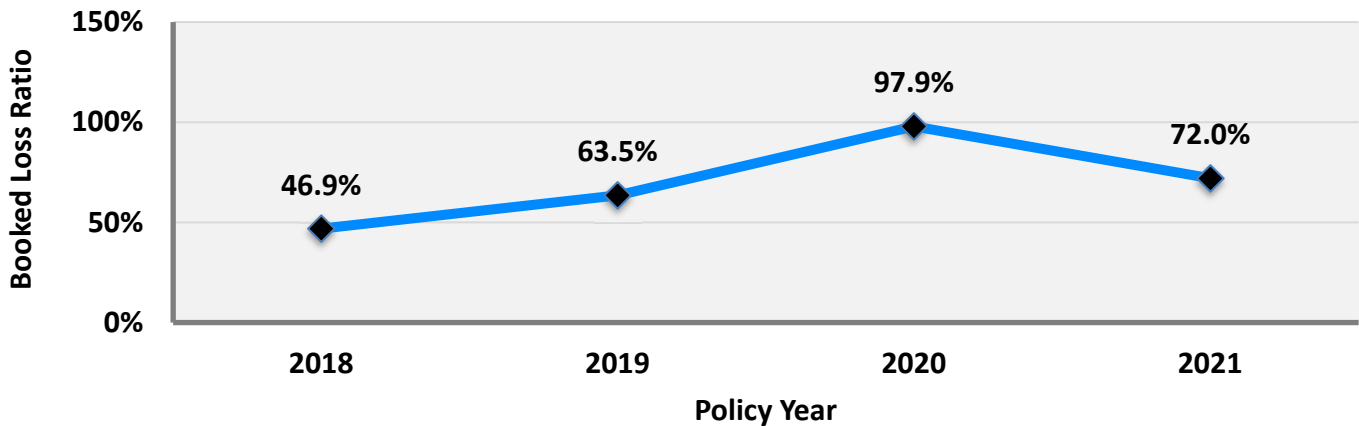
	2022	2021	2022 vs. 2021 #	2022 vs. 2021 %
Policy Count	3,501	3,461	40	1.2%
Premium Volume	\$14,030,261	\$14,011,681	\$18,580	0.1%



Residual Market Demographics

New Hampshire Residual Market Reinsurance Pool Booked Loss Ratio Policy Year Financial Results through 4th Quarter 2021 for 2021 and prior years*

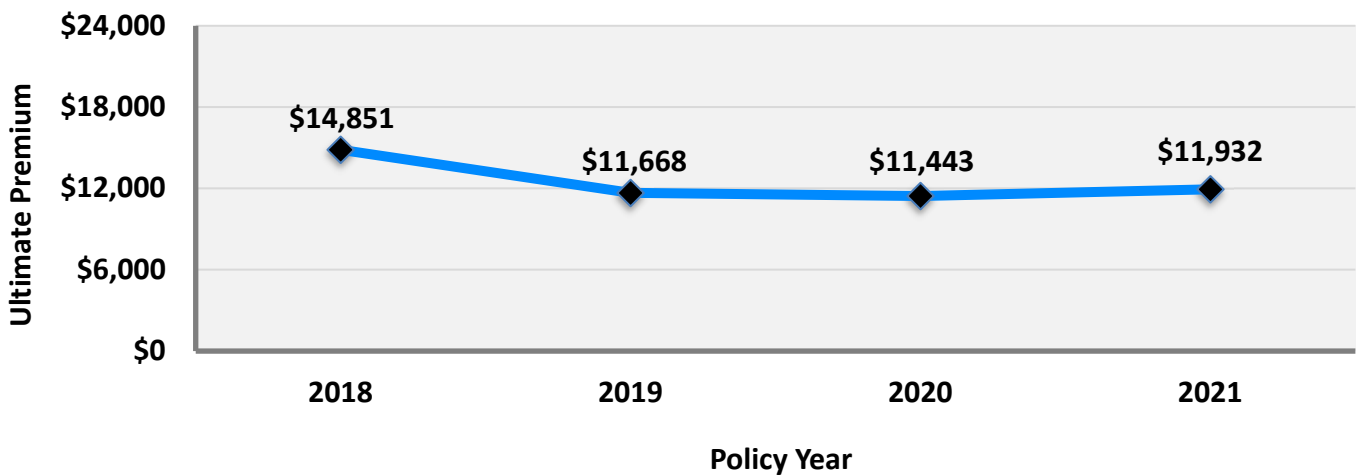
The ratio of total incurred losses to total earned premiums in a given period, in this state, expressed as a percentage.



New Hampshire Residual Market Reinsurance Pool Ultimate Net Written Premium (Projected to Ultimate) (000's)

Policy Year Financial Results through 4th Quarter 2021 for 2021 and prior years*

The premium charged by an insurance company for the period of time and coverage provided by an insurance contract in this state.



*1st Quarter 2022 data will be available the end of July 2022 due to the timing of data reporting

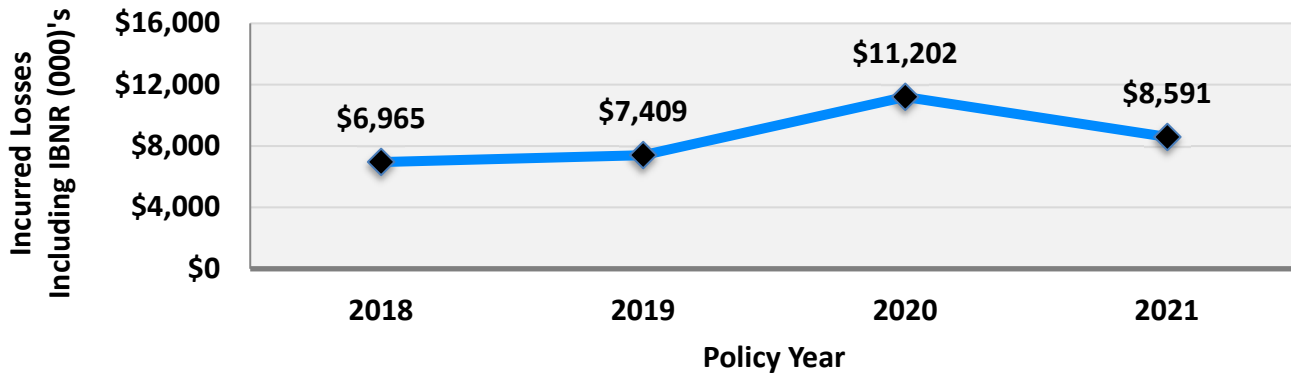


Residual Market Demographics

New Hampshire Residual Market Reinsurance Pool Net Operating Results (Projected to Ultimate) Incurred Losses

Policy Year Financial Results through 4th Quarter 2021 for 2021 and prior years*

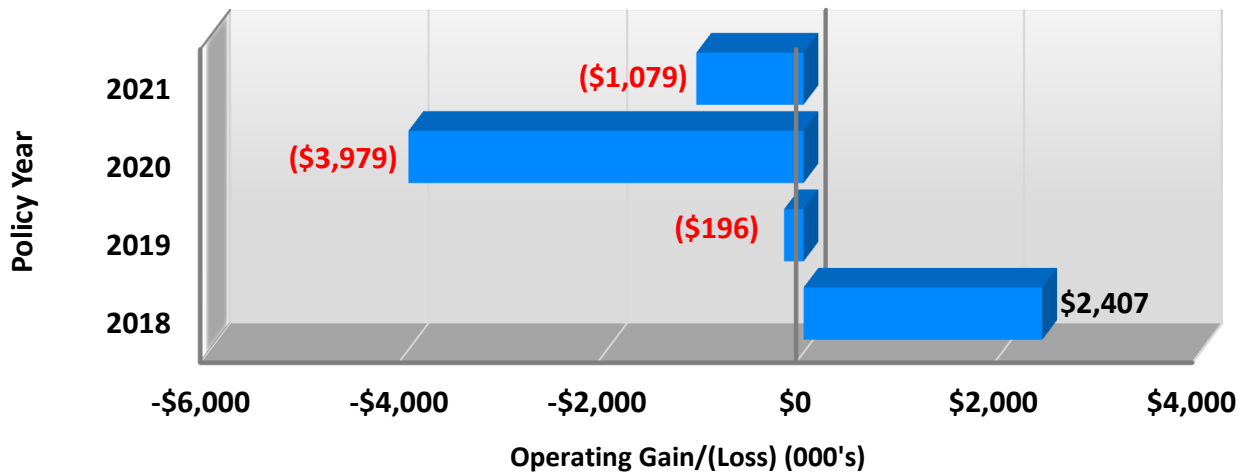
Policy year incurred losses reflect paid losses, case reserves and IBNR reserves for policies written in a particular policy year in that state.



New Hampshire Residual Market Reinsurance Pool Net Operating Results (Projected to Ultimate) Estimated Net Operating Gain/(Loss) (000's)

Policy Year Financial Results through 4th Quarter 2021 for 2021 and prior years*

The financial statement presentation that reflects the excess of earned premium over incurred losses, less all operating expenses, plus all investment income in that state.



*1st Quarter 2022 data will be available the end of July 2022 due to the timing of data reporting



Residual Market Demographics

Collections/Indemnification

The following shows a comparison of gross written premium and uncollectible premium reported in New Hampshire for Policy Years 2017-2021, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 4th Quarter 2021.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2017	16,602,235	314,194	1.9%
2018	15,140,290	289,012	1.9%
2019	12,074,863	406,676	3.4%
2020	12,103,645	--	--
2021	10,622,062	--	--

* The uncollectible premiums provided are reported by the servicing carriers on a quarterly basis. Uncollectible premium is generally reported up to 24 months after the policy expiration date due to audit, billing, and collection requirements. Therefore, the uncollectible premium data has not yet developed for the more recent policy years.



Residual Market Demographics

Voluntary Coverage Assistance Program

First Quarter Data through March 31, 2022

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 First Quarter 2022.

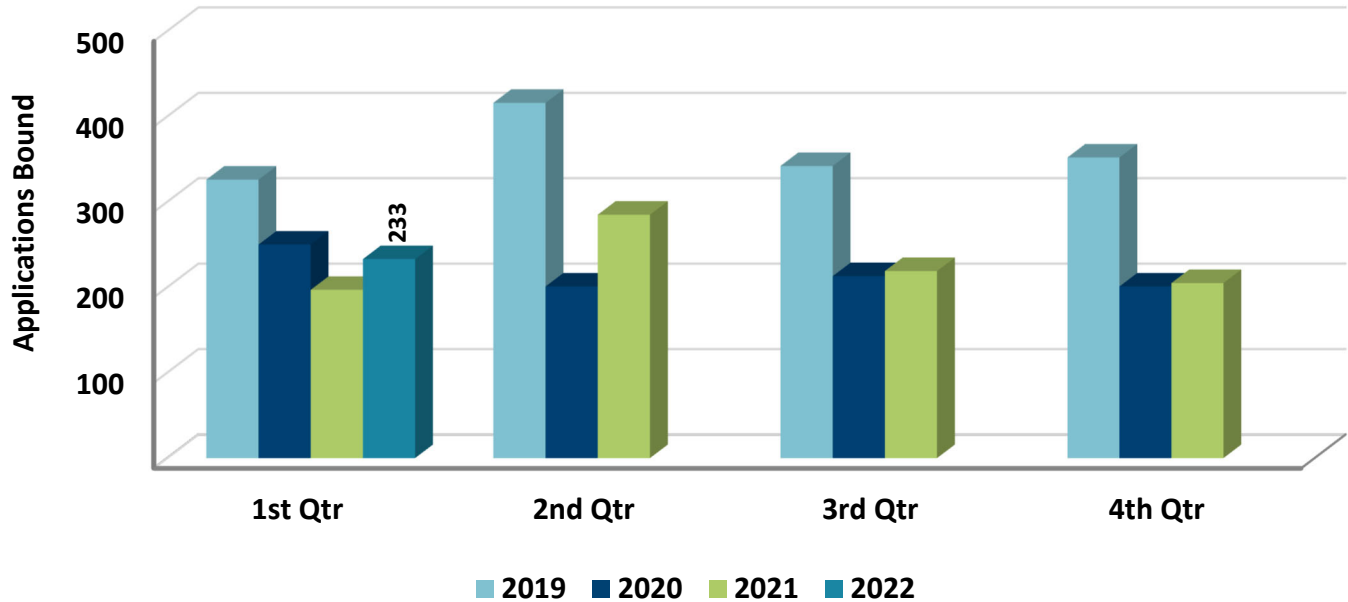
Number of Applications Reviewed by VCAP[®] Service	262
Number of VCAP[®] Service Matches	237
VCAP[®] Service Offers as a % of Matches	11.39%
Number of Confirmed VCAP[®] Service Policies	27
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	10.31%
Savings as a % of Redirected Assigned Risk Premium	2.06%



Residual Market Demographics

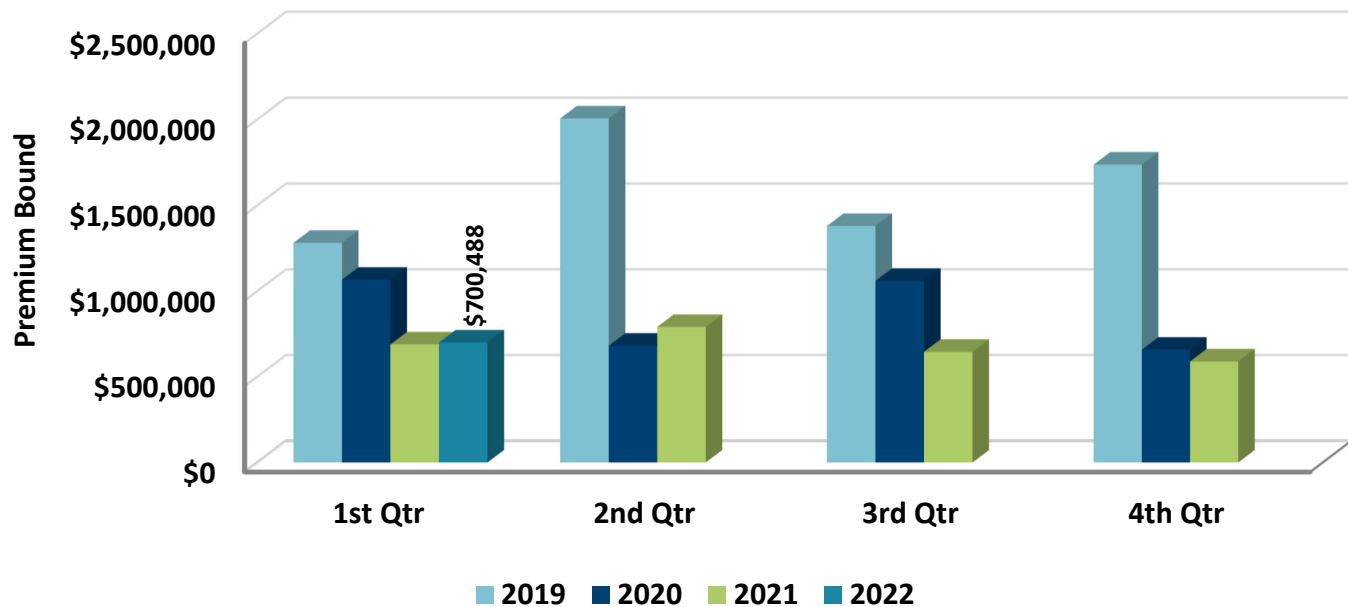
Total Applications Bound — 2019 vs. 2020 vs. 2021 vs. 2022

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 — 2019 vs. 2020 vs. 2021 vs. 2022

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).



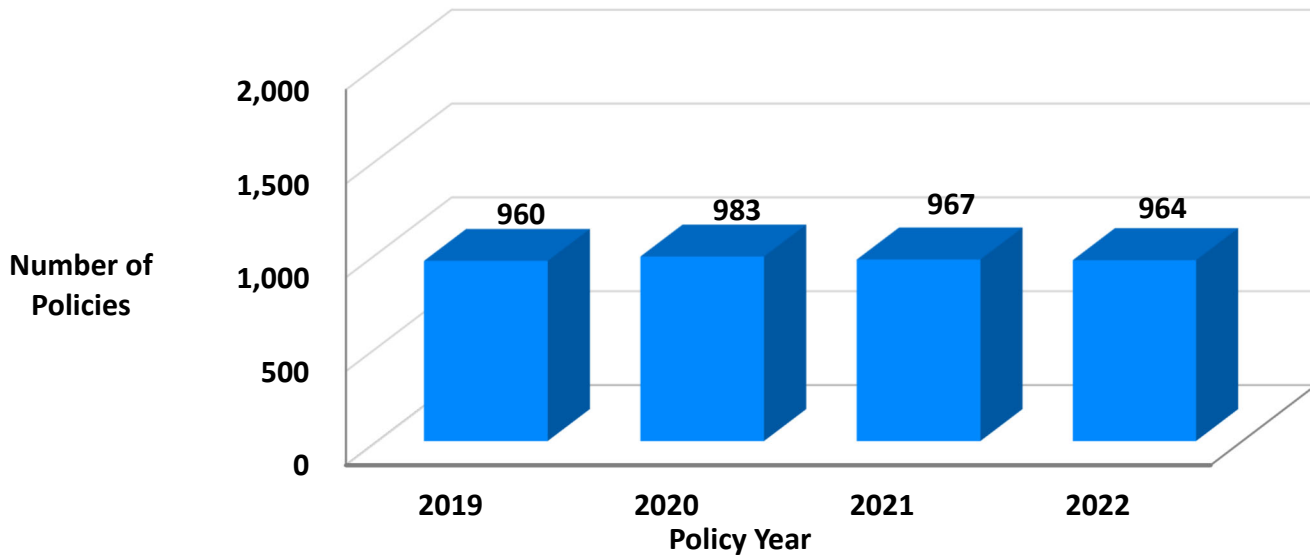


Residual Market Demographics

Residual Market Total Policy Counts

First Quarter Data for Policies Reported through March 31, 2022

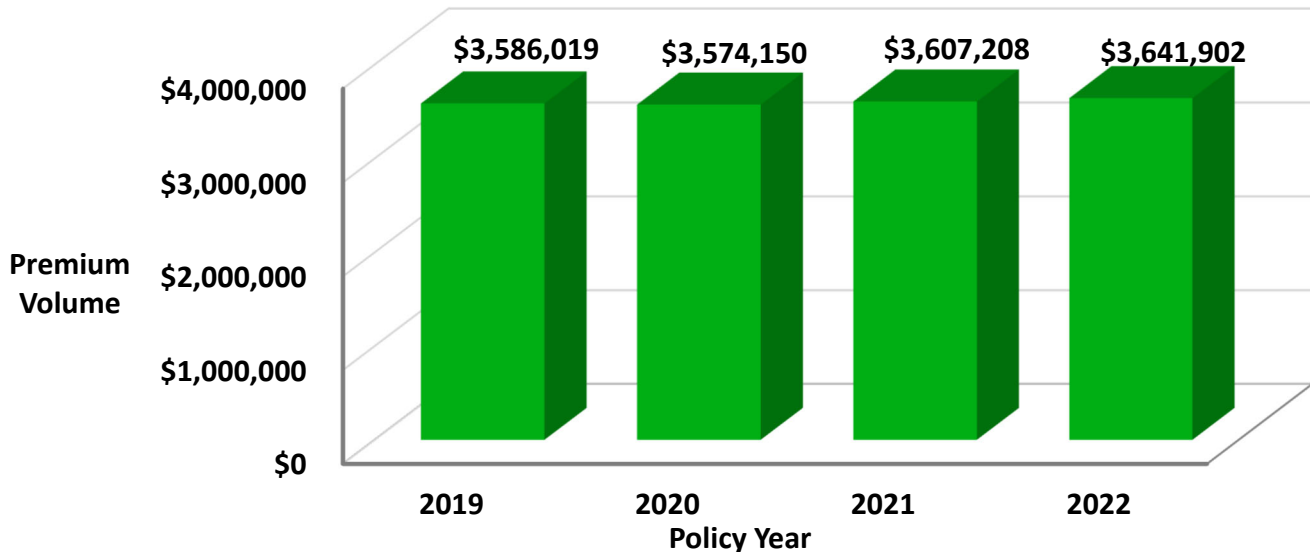
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

First Quarter Data Reported through March 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

First Quarter Data Reported through March 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	661	68.6	719,768	19.8	1,089
\$2500- \$4999	126	13.1	444,539	12.2	3,528
\$5000- \$9999	94	9.8	639,474	17.6	6,803
\$10000- \$19999	60	6.2	837,018	23.0	13,950
\$20000- \$49999	16	1.7	503,544	13.8	31,472
\$50000- \$99999	6	0.6	353,131	9.7	58,855
\$100000- \$199999	1	0.1	144,428	4.0	144,428
\$2000000+	0	0.0	0	0.0	0
Total	964	100.0	3,641,902	100.0	3,778

First Quarter 2021 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium \$	% of Total Premium	Average Premium \$
\$0- \$2499	686	70.9	671,081	18.6	978
\$2500- \$4999	111	11.5	407,042	11.3	3,667
\$5000- \$9999	87	9.0	604,378	16.8	6,947
\$10000- \$19999	55	5.7	747,906	20.7	13,598
\$20000- \$49999	21	2.2	646,357	17.9	30,779
\$50000- \$99999	6	0.6	359,552	10.0	59,925
\$100000- \$199999	1	0.1	170,892	4.7	170,892
\$2000000+	0	0.0	0	0.0	0
Total	967	100.0	3,607,208	100.0	3,730



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count First Quarter Data Reported through March 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	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	165	17.1
2	5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers	54	5.6
3	5551 - Roofing-All Kinds & Drivers	39	4.0
4	5474 - Painting NOC & Shop Operations, Drivers	37	3.8
5	8810 - Clerical Office Employees NOC	28	2.9
6	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	24	2.5
7	9015 - Building or Property Management - All Other Employees	21	2.2
8	9063 - YMCA, YWCA, YMHA or YWHA, Institution-All Employees & Clerical	21	2.2
9	8868 - College - Professional Employees & Clerical	19	2.0
10	8017 - Store: Retail NOC	18	1.9

Residual Market Top 10 Classification Codes by Premium Volume First Quarter Data Reported through March 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	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	618,451	17.0
2	5551 - Roofing-All Kinds & Drivers	229,843	6.3
3	8232 - Lumberyard New Materials Only - All Other Employees & Yard, Warehouse, Drivers	161,961	4.4
4	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	126,670	3.5
5	5403 - Carpentry NOC	119,819	3.3
6	5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers	111,675	3.1
7	7219 - Trucking - NOC-All Employees & Drivers	91,891	2.5
8	5479 - Insulation Work NOC & Drivers	78,737	2.2
9	9180 - Amusement Device Operation NOC Not Traveling & Drivers	76,344	2.1
10	8824 - Retirement Living Centers - Health Care Employees	74,734	2.1



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[®] 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.