



South Carolina Residual Market State Activity Report

Second Quarter 2024



Executive Summary

NCCI, as Pool and Plan Administrator of the South Carolina Workers Compensation Insurance Plan, is pleased to provide the Second Quarter 2024 *South Carolina Residual Market State Activity Report*.

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:

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Residual Market Demographics

Residual Market Total Policies and Premium In Force

As of June 30, 2024—compared to prior year

Total number of Assigned Risk Plan policies and estimated premium volume in force reported as of the date listed above. This excludes policies that have been cancelled or expired prior to the date listed above.

The other exhibits in this report describe quarterly and year-to-date data, including policies that cancelled or expired during the timeframe.

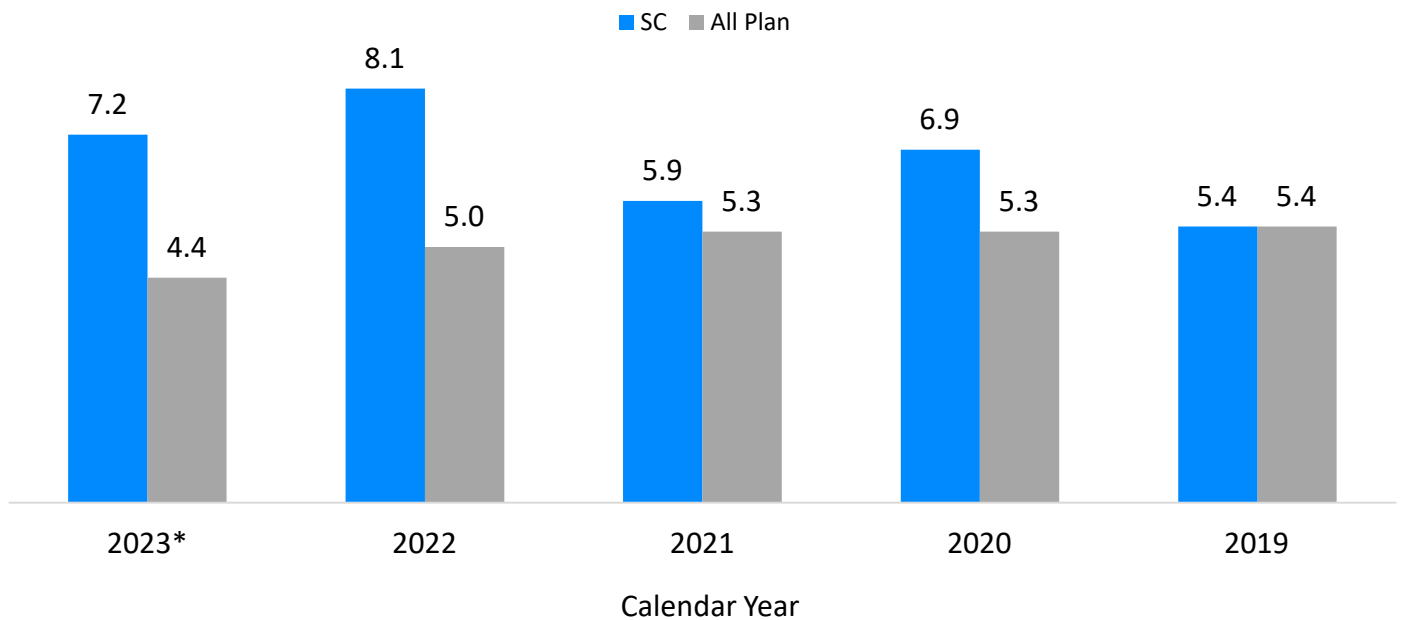
	2024	2023	2024 vs. 2023 #	2024 vs. 2023 %
Policy Count	9,951	10,491	-540	-5.1%
Premium Volume	\$25,904,307	\$32,716,877	-\$6,812,570	-20.8%



Residual Market Demographics

South Carolina Residual Market Share Compared to All Plan Jurisdictions Market Share Calendar Years 2023 - 2019

Plan Premium as a Percentage of Direct Written Premium



*Preliminary

Note: The Residual Market Share is based on residual market written premium as a percentage of total direct written premium on a calendar year basis, from financial data reported to NCCI.

Due to the nature of calendar year data, this chart provides a full year of data and is updated only once a year with the second quarter report.

This Residual Market Share is published in the **Residual Market Management Summary** within *Exhibit P* for NCCI Plan and Pool Administered states. “All Plan” jurisdictions in this chart represent the subtotal market shares for NCCI Plan-administered states within *Exhibit P*.

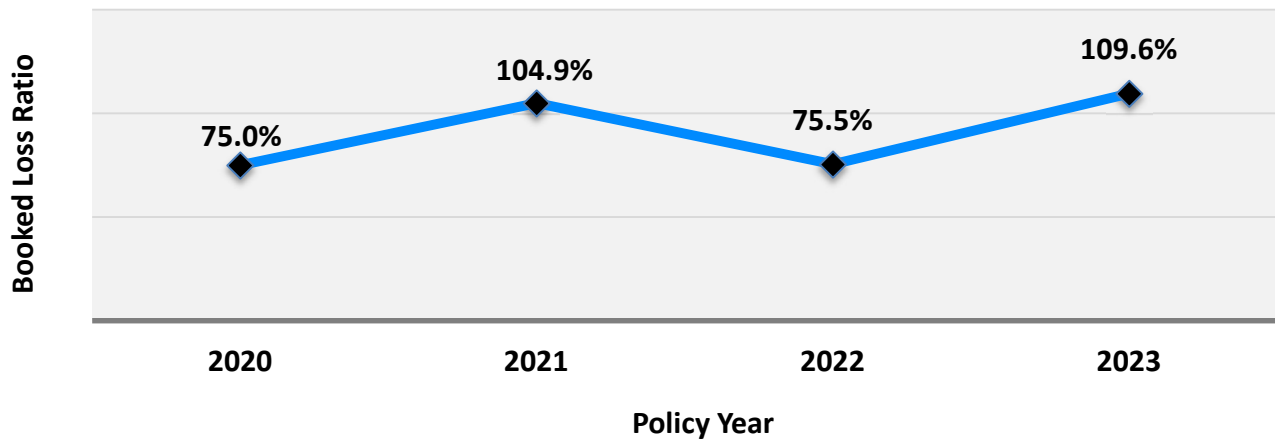


Residual Market Demographics

South Carolina Residual Market Reinsurance Pool Policy Year Financial Results through 1st Quarter 2024 for 2023 and prior years*

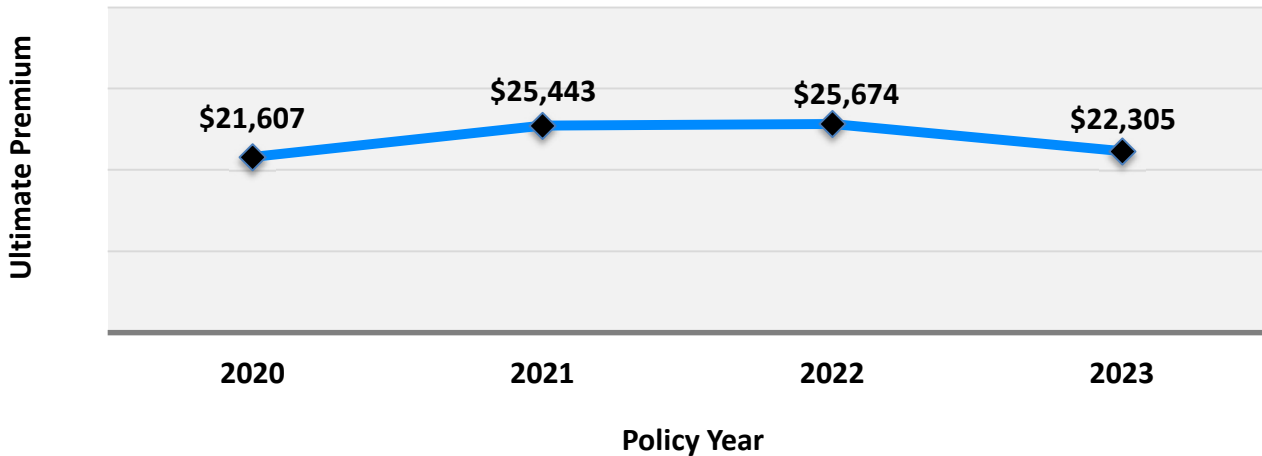
Booked Loss Ratio (Projected to Ultimate)

The ratio of total incurred losses to total net premiums (net of uncollectible premium) in a given period, in this state, expressed as a percentage.



Ultimate Net Written Premium (Projected to Ultimate) (000's)

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



*2nd Quarter 2024 data will be available the end of October 2024 due to the timing of data reporting

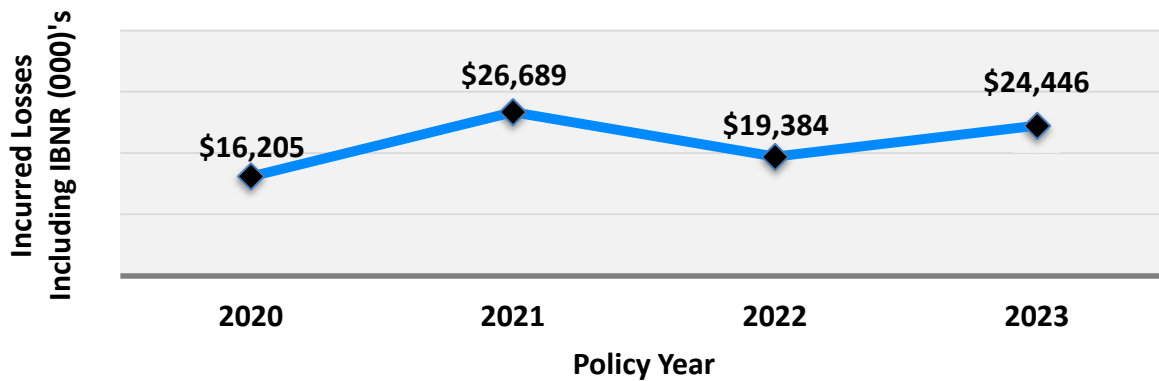


Residual Market Demographics

South Carolina Residual Market Reinsurance Pool Continued Policy Year Financial Results through 1st Quarter 2024 for 2023 and prior years*

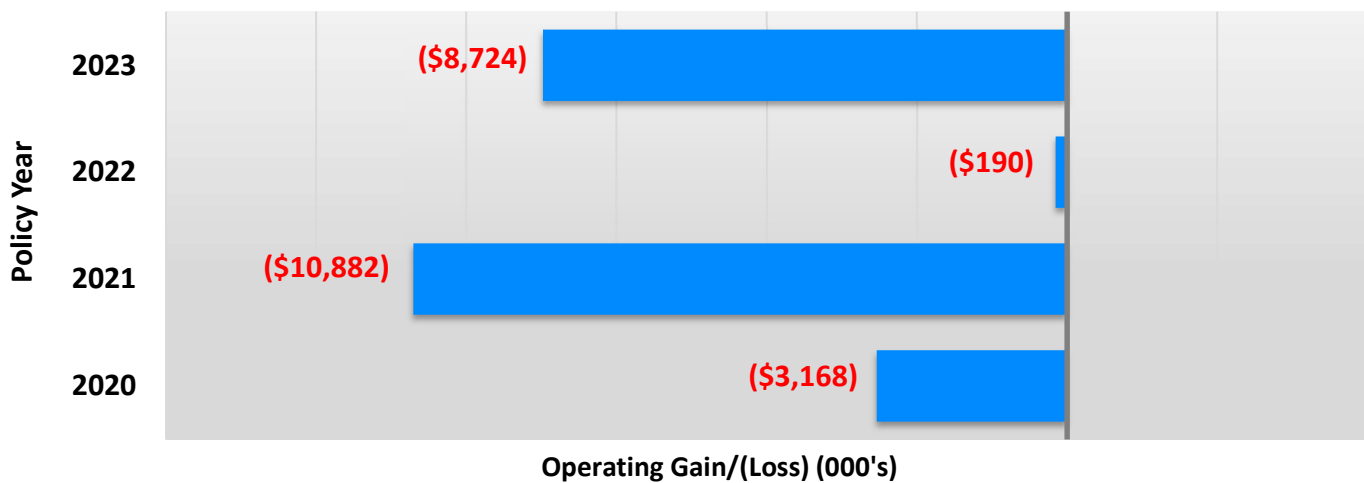
Net Operating Results (Projected to Ultimate)

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



Estimated Net Operating Gain/(Loss) (000's) (Projected to Ultimate)

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.



*2nd Quarter 2024 data will be available the end of October 2024 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 South Carolina for Policy Years 2020-2024, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 1st Quarter 2024.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2020	38,970,521	17,363,912	44.6%
2021	45,435,767	19,993,181	44.0%
2022	42,920,523	13,642,162	31.8%
2023	22,699,725	--	--
2024	5,166,808	--	--

* 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 Second Quarter Data through June 30, 2024

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 Second Quarter 2024.

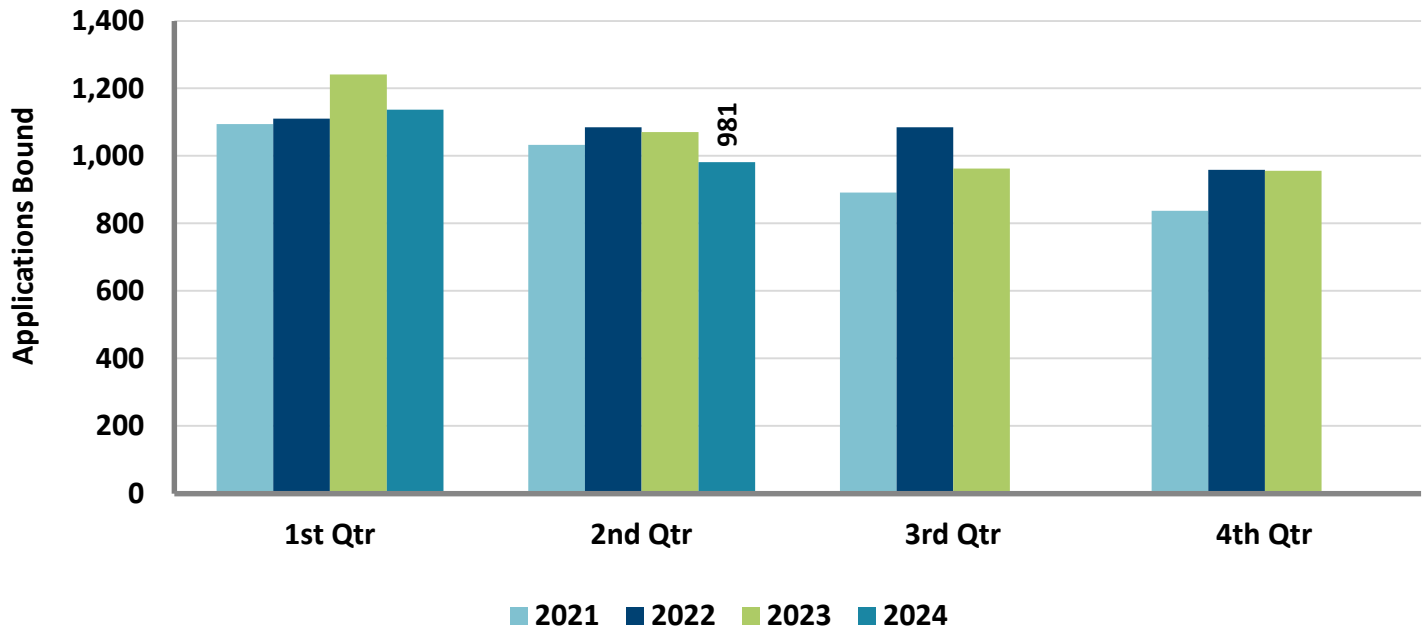
Number of Applications Reviewed by VCAP® Service	1036
Associated Premium for Applications Reviewed	\$2,270,655.12
Number of VCAP® Service Matches	892
VCAP® Service Matches as a % of Applications Reviewed	86.10%
Number of VCAP® Service Offers	47
VCAP® Service Offers as a % of Matches	5.27%
Number of Confirmed VCAP® Service Policies	47
Confirmed VCAP® Service Policies as a % of Applications Reviewed	4.54%
Redirected Assigned Risk Premium	\$260,581.21
Associated Voluntary Market Premium	\$172,471.00
Savings	\$88,110.21
Average Savings per Application	\$1,874.69
Savings as a % of Redirected Assigned Risk Premium	33.81%
Redirected Premium as a % of Associated Premium for Applications Reviewed by VCAP® Service	11.48%



Residual Market Demographics

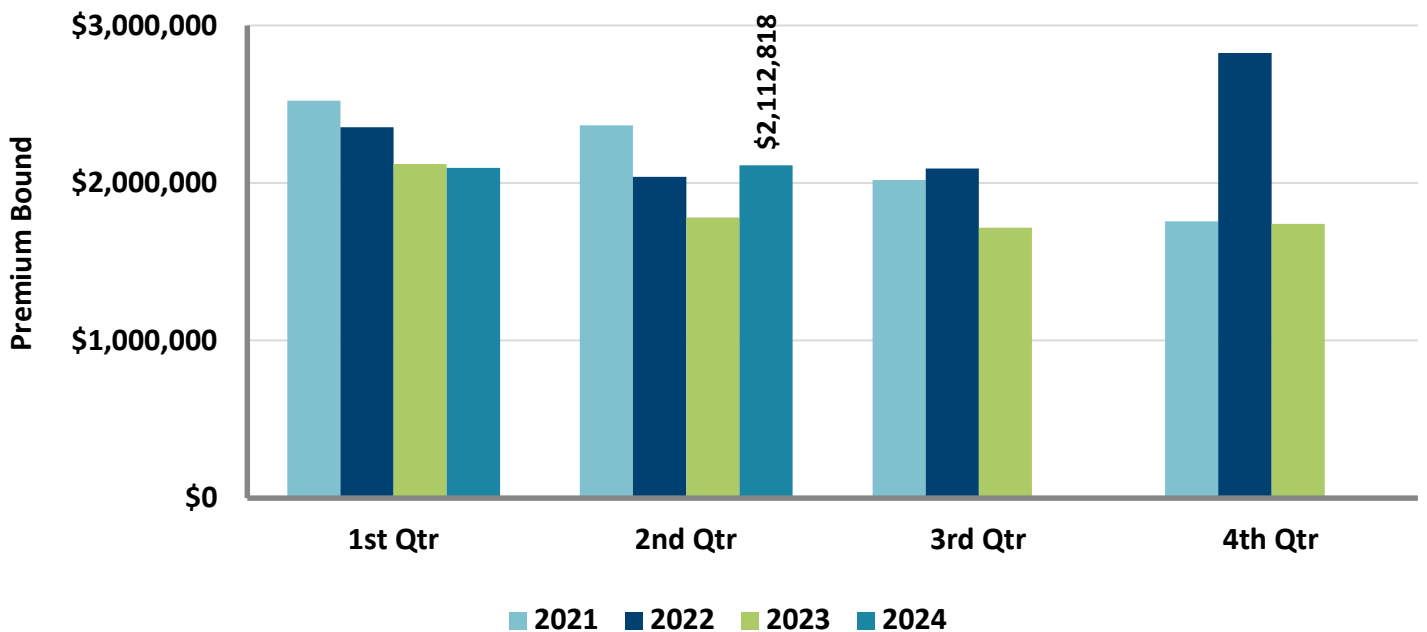
Total Applications Bound — 2021 vs. 2022 vs. 2023 vs. 2024

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 — 2021 vs. 2022 vs. 2023 vs. 2024

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).



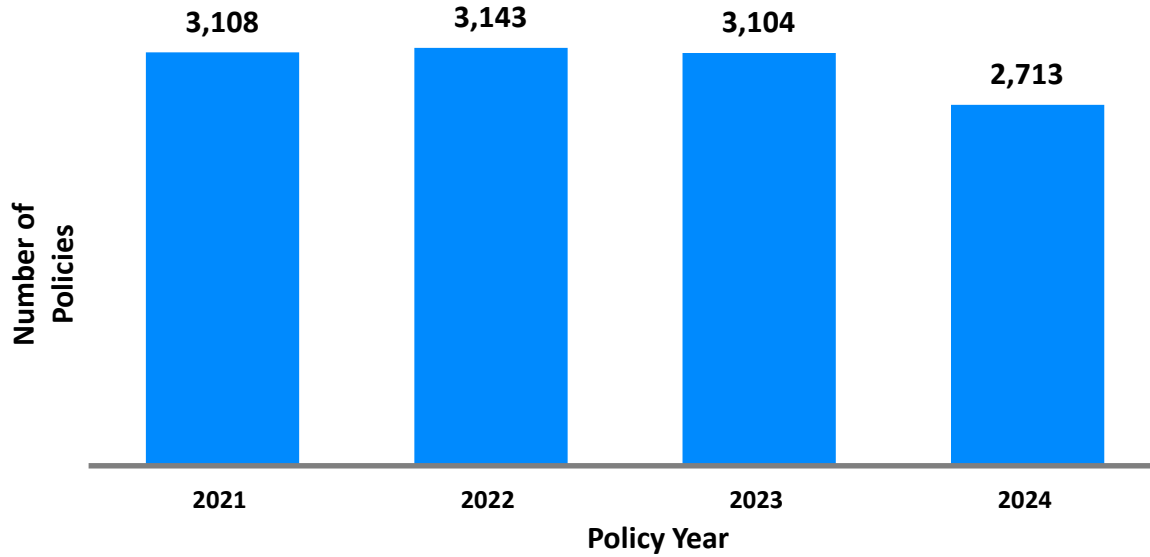


Residual Market Demographics

Residual Market Total Policy Counts

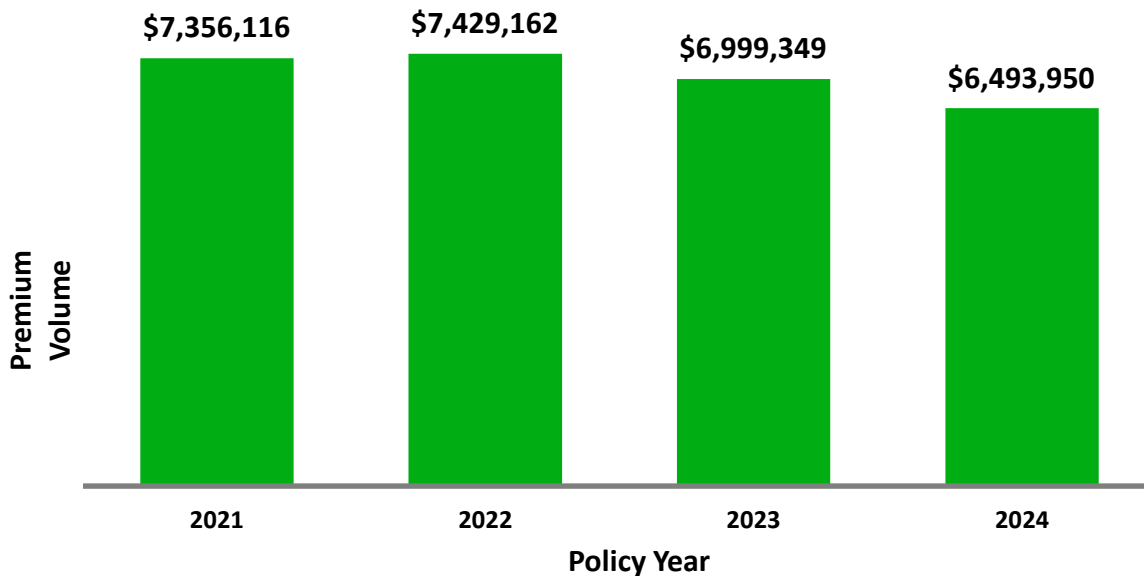
Second Quarter Data for Policies Reported through June 30, 2024

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



Second Quarter Data for Premium Reported through June 30, 2024

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





Residual Market Demographics

Premium Size Profiles

The total number of Assigned Risk Plan policies and estimated annual premium totals, with effective dates during the respective timeframe (Second Quarter), and reported to NCCI by June 30, 2024, by both Direct Assignment and Servicing Carriers.

Second Quarter Data Reported through June 30, 2024

Premium Size \$	Policy Count	% of Total Policies	Estimated Annual Premium \$	% of Total Premium	Average Premium \$
0- 2,499	2,366	87.2	2,402,840	37.0	1,016
2,500- 4,999	136	5.0	490,698	7.6	3,608
5,000- 9,999	110	4.1	773,885	11.9	7,035
10,000- 19,999	57	2.1	813,340	12.5	14,269
20,000- 49,999	33	1.2	934,482	14.4	28,318
50,000- 99,999	8	0.3	606,386	9.3	75,798
100,000- 199,999	2	0.1	232,799	3.6	116,400
200,000+	1	0.0	239,520	3.7	239,520
Total	2,713	100.0	6,493,950	100.0	2,394

Second Quarter 2023 Data for Comparison

Premium Size \$	Policy Count	% of Total Policies	Estimated Annual Premium \$	% of Total Premium	Average Premium \$
0- 2,499	2,678	86.3	2,576,499	36.8	962
2,500- 4,999	198	6.4	705,786	10.1	3,565
5,000- 9,999	128	4.1	916,976	13.1	7,164
10,000- 19,999	48	1.5	670,899	9.6	13,977
20,000- 49,999	45	1.4	1,243,217	17.8	27,627
50,000- 99,999	4	0.1	255,463	3.6	63,866
100,000- 199,999	2	0.1	350,788	5.0	175,394
200,000+	1	0.0	279,721	4.0	279,721
Total	3,104	100.0	6,999,349	100.0	2,255

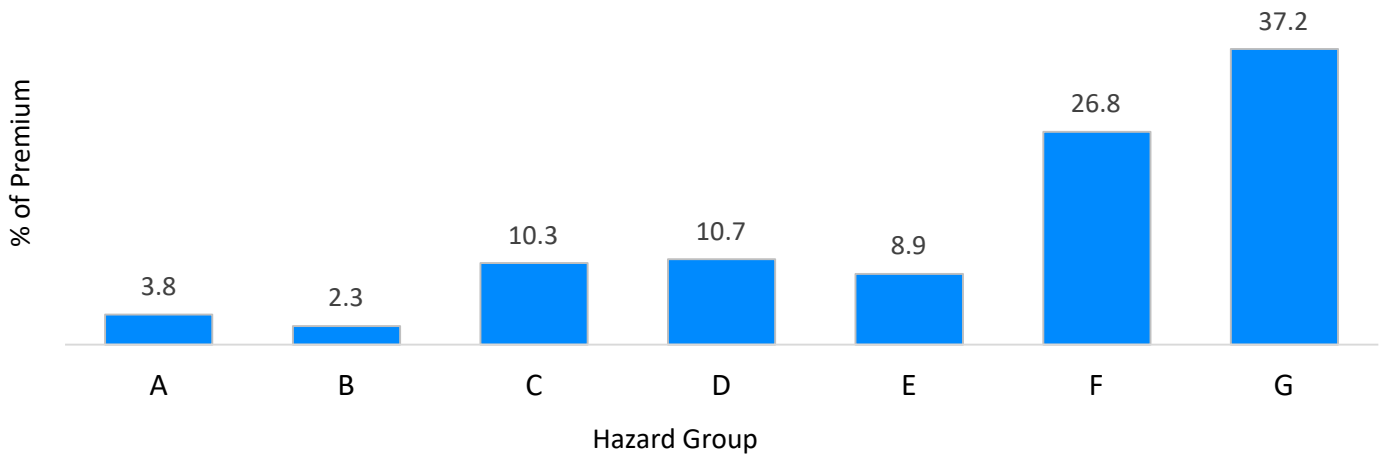


Residual Market Demographics

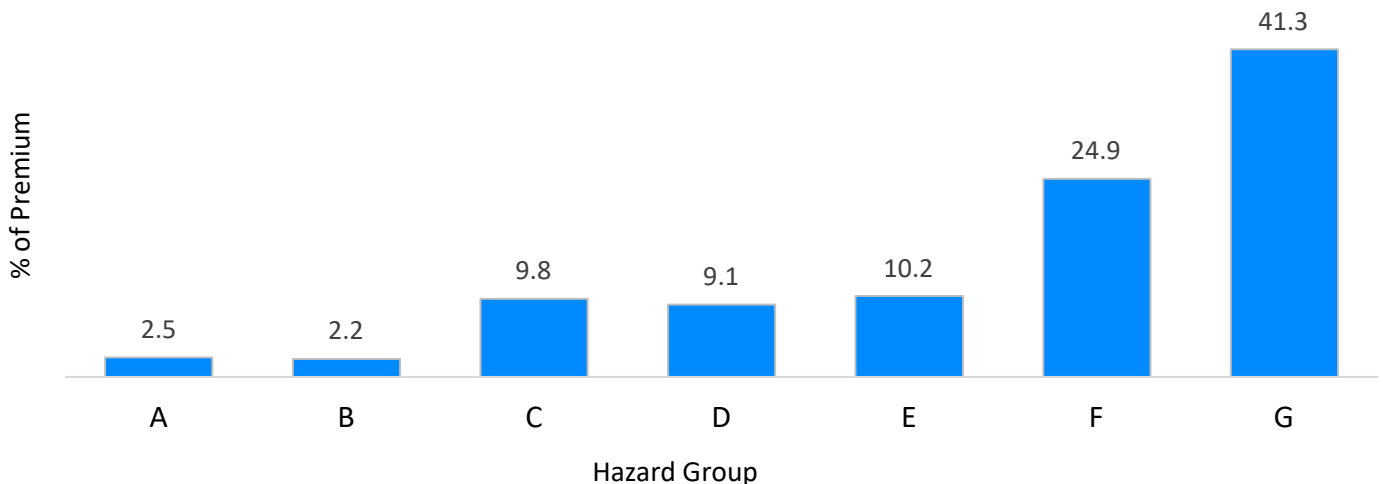
Hazard Group Distribution

Second Quarter Data Reported through **June 30, 2024**

The Hazard Groups for Assigned Risk Plan policies reported to NCCI by Direct Assignment and Servicing Carriers in a premium range as of the date listed above.



Second Quarter 2023 Data for Comparison





Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count Second Quarter Data Reported through June 30, 2024

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	410	15.1
2	5474 - Painting NOC & Shop Operations, Drivers	312	11.5
3	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	277	10.2
4	5551 - Roofing-All Kinds & Drivers	221	8.1
5	9014 - Janitorial Services By Contractors-No Window Cleaning Above Ground Level & Drivers	101	3.7
6	7219 - Trucking - NOC-All Employees & Drivers	98	3.6
7	5190 - Electrical Wiring-Within Buildings & Drivers	75	2.8
8	5348 - Ceramic Tile, Indoor Stone, Marble, or Mosaic Work	72	2.7
9	6217 - Excavation & Drivers	71	2.6
10	9102 - Park NOC-All Employees & Drivers	60	2.2

Residual Market Top 10 Classification Codes by Premium Volume Second Quarter Data Reported through June 30, 2024

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	755,330	11.6
2	5551 - Roofing-All Kinds & Drivers	478,042	7.4
3	5474 - Painting NOC & Shop Operations, Drivers	453,982	7.0
4	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	368,419	5.7
5	9186 - Carnival, Circus or Amusement Device Operator-Traveling-All Employees & Drivers	239,520	3.7
6	9180 - Amusement Device Operation NOC Not Traveling & Drivers	202,675	3.1
7	9014 - Janitorial Services By Contractors-No Window Cleaning Above Ground Level & Drivers	183,229	2.8
8	5190 - Electrical Wiring-Within Buildings & Drivers	136,840	2.1
9	7219 - Trucking - NOC-All Employees & Drivers	135,997	2.1
10	6217 - Excavation & Drivers	135,419	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. This excludes policies that have been cancelled or expired prior to the 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.