South Carolina Residual Market State Activity Report

Annual 2025

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Executive Summary

NCCI, as Pool and Plan Administrator of the South Carolina Workers Compensation Insurance Plan, is pleased to provide the Annual 2025 *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 Sean Cordell, Plan Administration, sean_cordell@ncci.com or 561-893-3171.

Residual Market Demographics

Residual Market Total Policies and Premium In Force

As of December 31, 2025—compared to prior year

Total number of Assigned Risk Plan policies and prorated 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.

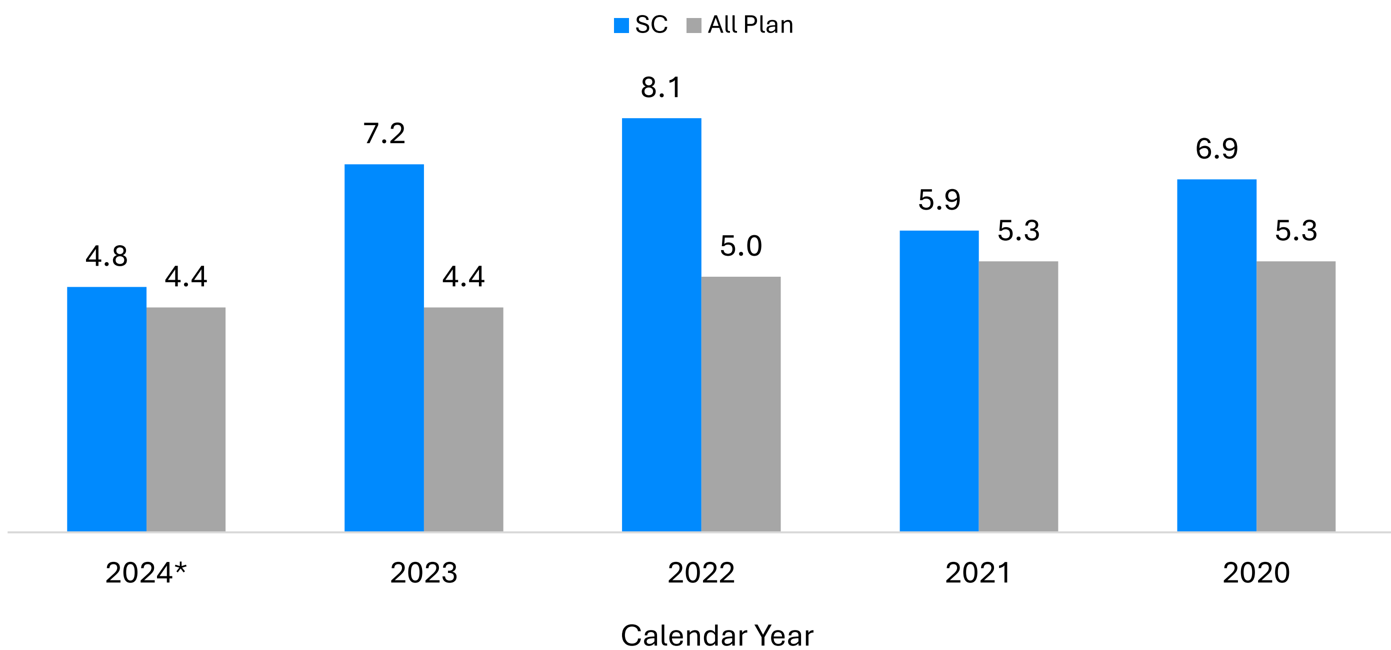
	2025	2024	2025 vs. 2024 #	2025 vs. 2024 %
Policy Count	10,096	10,185	-89	-0.9%
Premium Volume	$25,969,242	$30,243,693	-$4,274,451	-14.1%

Residual Market Demographics

South Carolina Residual Market Share Compared to All Plan Jurisdictions Market Share

Calendar Years 2024 - 2020

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*.

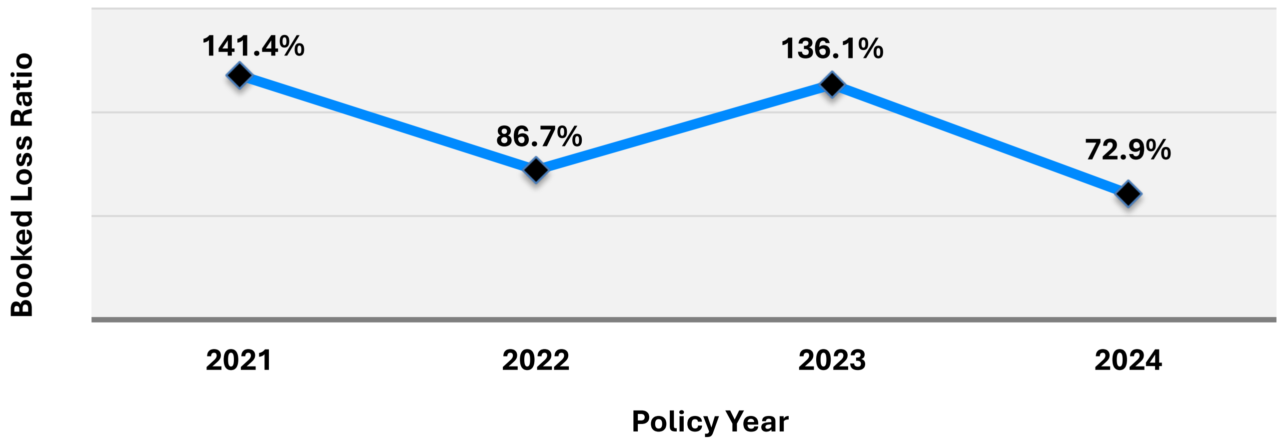
Residual Market Demographics

South Carolina Residual Market Reinsurance Pool

Policy Year Financial Results through 3rd Quarter 2025 for 2024 and prior years*

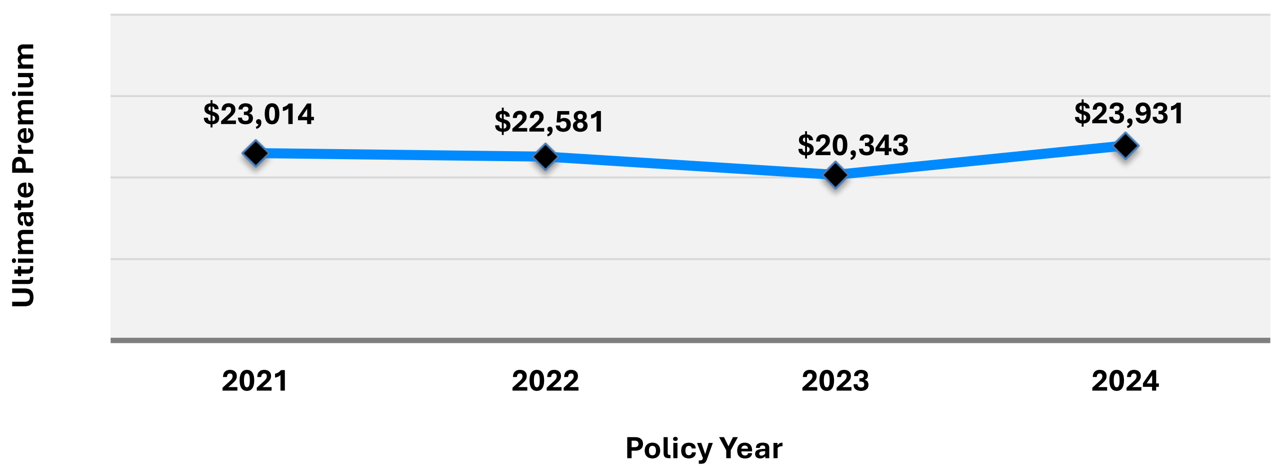
Booked Loss Ratio (Projected to Ultimate)

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.



*4th Quarter 2025 data will be available the end of April 2026 due to the timing of data reporting

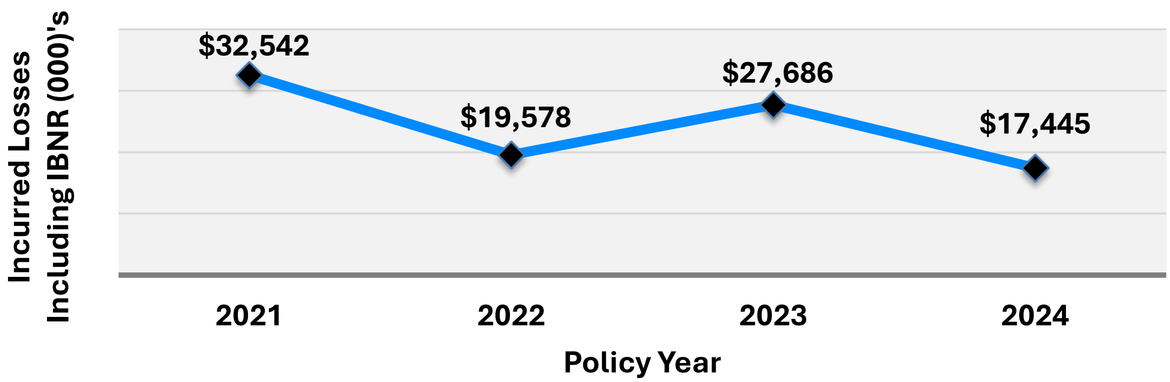
Residual Market Demographics

South Carolina Residual Market Reinsurance Pool Net Operating Results

Policy Year Financial Results through 3rd Quarter 2025 for 2024 and prior years*

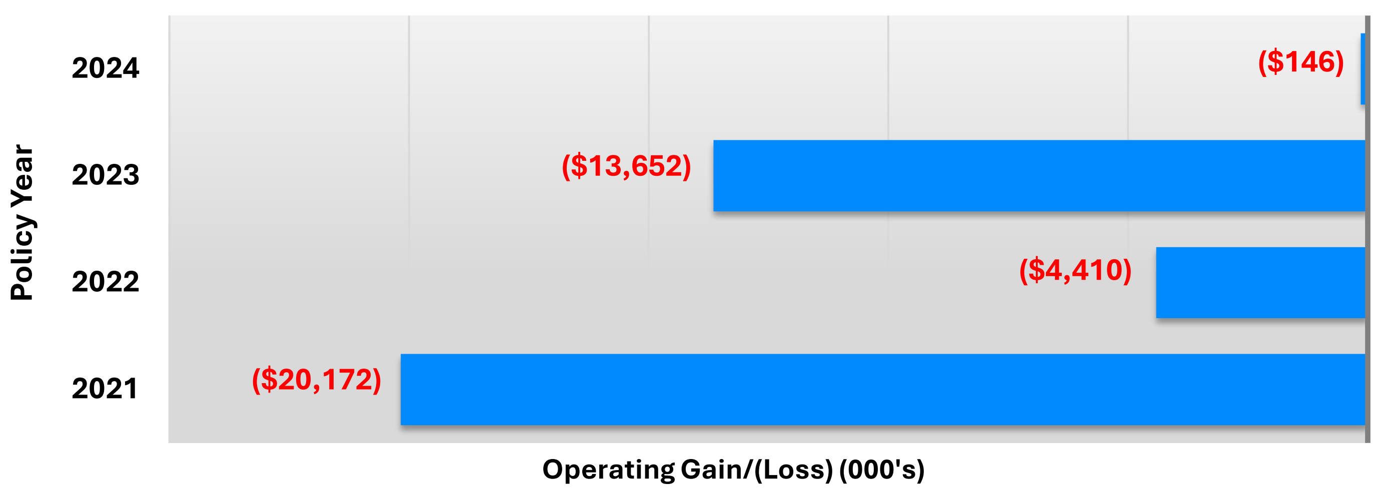
Incurred Losses (Projected to Ultimate)

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.



*4th Quarter 2025 data will be available the end of April 2026 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 2021-2025, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 3rd Quarter 2025.

Policy Year	Gross Written Premium $	Uncollectible Premium $	Percentage
2021	46,990,218	24,215,323	51.5%
2022	44,375,253	21,547,234	48.6%
2023	34,279,566	12,970,940	37.8%
2024	31,783,914	--	--
2025	16,737,245	--	--

* 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

Annual Data through December 31, 2025

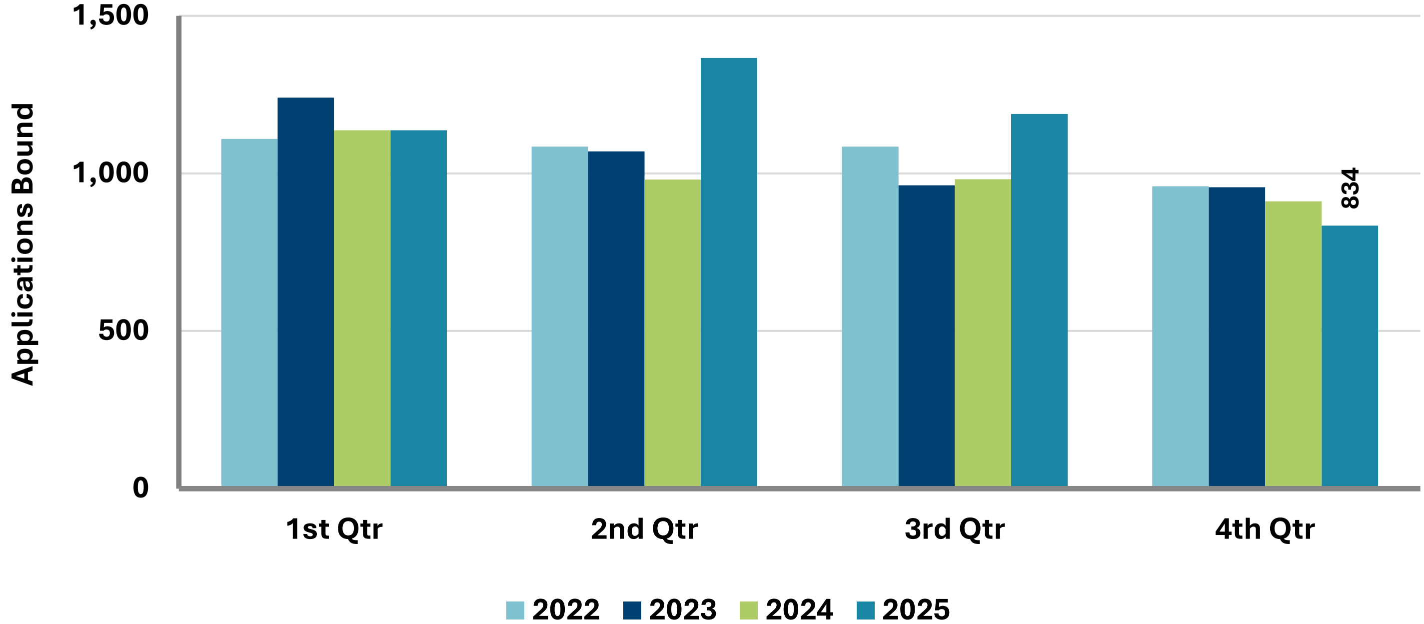
The volume of assigned risk applications redirected to the voluntary market through NCCI's *VCAP®* *Service*. The following shows the results *VCAP® Service* has provided during Annual 2025.

Number of Applications Reviewed by ***VCAP® Service***	4,688
Associated Premium for Applications Reviewed	$9,599,219.61
Number of ***VCAP® Service*** Matches	776
VCAP® Service Matches as a % of Applications Reviewed	16.55%
Number of ***VCAP® Service*** Offers	165
VCAP® Service Offers as a % of Matches	21.26%
Number of Confirmed ***VCAP® Service*** Policies	164
Confirmed ***VCAP® Service*** Policies as a % of Applications Reviewed	3.50%
Redirected Assigned Risk Premium	$1,225,658.54
Associated Voluntary Market Premium	$796,431.00
Savings	$429,227.54
Average Savings per Application	$2,617.24
Savings as a % of Redirected Assigned Risk Premium	35.02%
Redirected Premium as a % of Associated Premium for Applications Reviewed by ***VCAP® Service***	12.77%

Residual Market Demographics

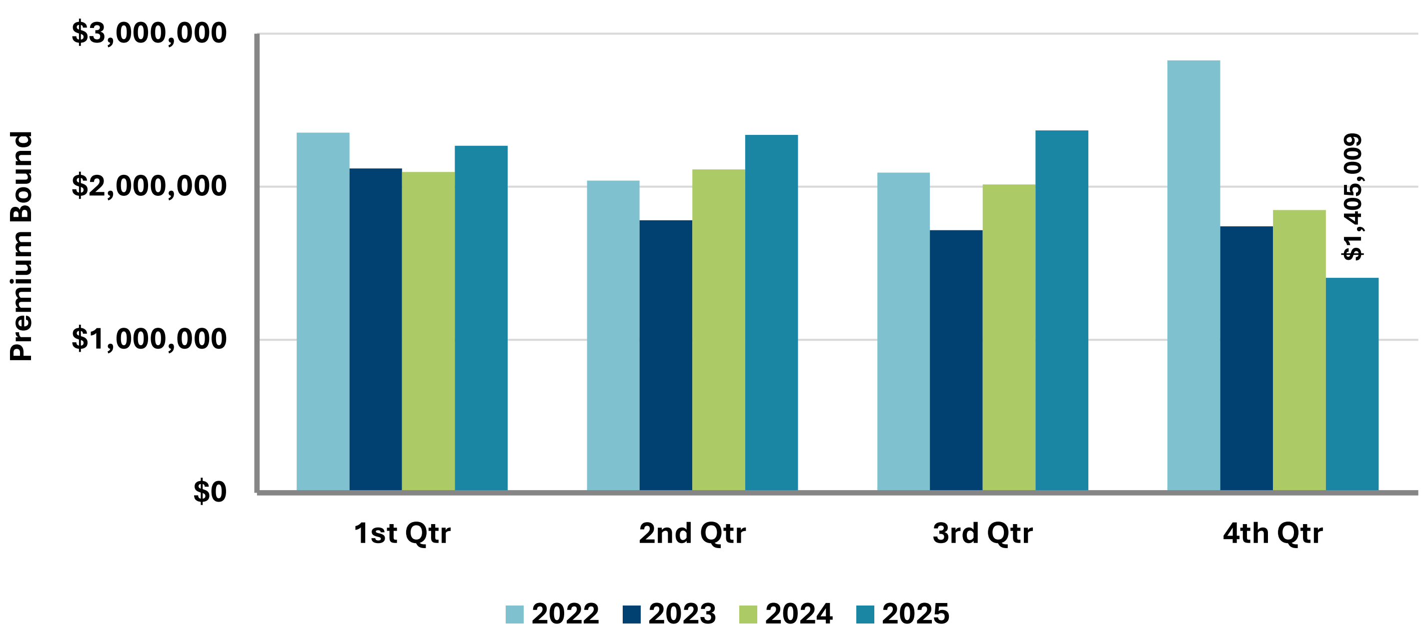
Total Applications Bound — 2022 vs. 2023 vs. 2024 vs. 2025

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 — 2022 vs. 2023 vs. 2024 vs. 2025

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).

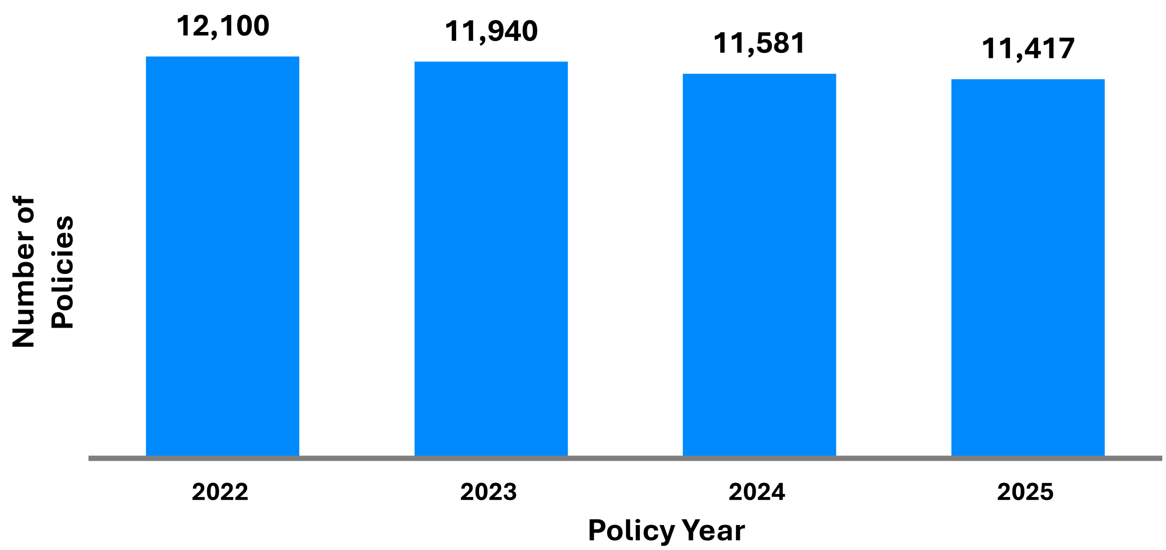


Residual Market Demographics

Residual Market Total Policy Counts

Annual Data for Policies Reported through December 31, 2025

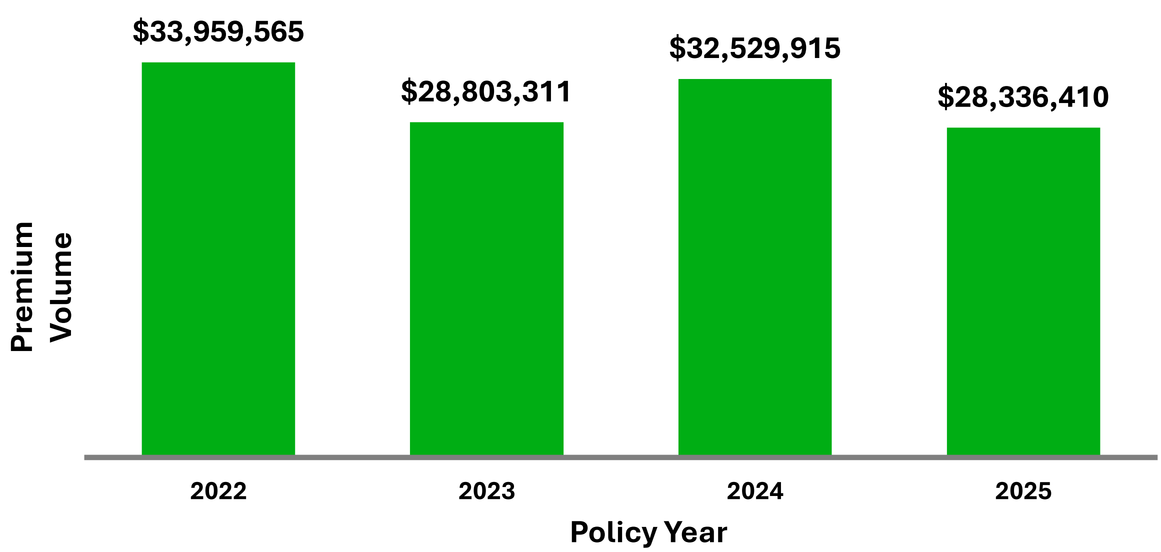
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

Annual Data for Premium Reported through December 31, 2025

Total amount of all Assigned Risk Plan prorated estimated annual 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 prorated estimated annual premium totals, with effective dates during the respective timeframe (Annual), and reported to NCCI by December 31, 2025, by both Direct Assignment and Servicing Carriers.

Annual Data Reported through December 31, 2025

Premium Size $	Policy Count	% of Total Policies	Premium $	% of Total Premium	Average Premium $
0- 2,499	9,809	85.9	9,938,944	35.1	1,013
2,500- 4,999	734	6.4	2,602,813	9.2	3,546
5,000- 9,999	485	4.2	3,382,819	11.9	6,975
10,000- 19,999	209	1.8	2,904,598	10.3	13,898
20,000- 49,999	135	1.2	3,881,469	13.7	28,752
50,000- 99,999	26	0.2	1,698,368	6.0	65,322
100,000- 199,999	13	0.1	1,879,641	6.6	144,588
200,000+	6	0.1	2,047,758	7.2	341,293
Total	11,417	100.0	28,336,410	100.0	2,482

Annual 2024 Data for Comparison

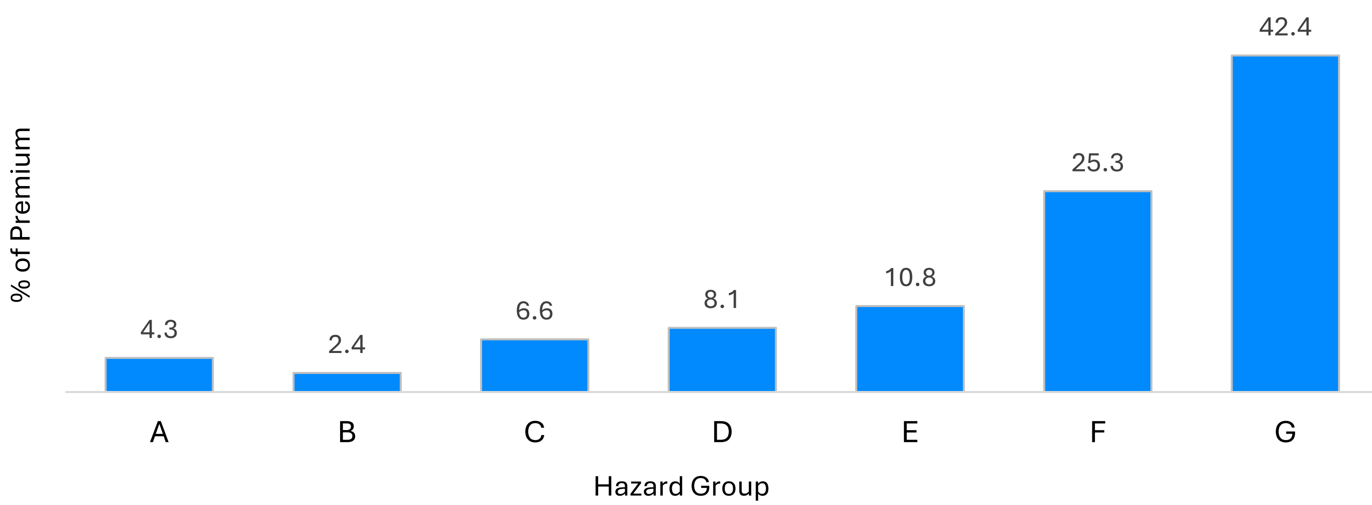
Premium Size $	Policy Count	% of Total Policies	Premium $	% of Total Premium	Average Premium $
0- 2,499	9,814	84.7	9,286,628	28.5	946
2,500- 4,999	709	6.1	2,514,402	7.7	3,546
5,000- 9,999	522	4.5	3,665,693	11.3	7,022
10,000- 19,999	289	2.5	3,961,518	12.2	13,708
20,000- 49,999	178	1.5	5,468,398	16.8	30,721
50,000- 99,999	40	0.3	2,759,741	8.5	68,994
100,000- 199,999	23	0.2	2,871,738	8.8	124,858
200,000+	6	0.1	2,001,797	6.2	333,633
Total	11,581	100.0	32,529,915	100.0	2,809

Residual Market Demographics

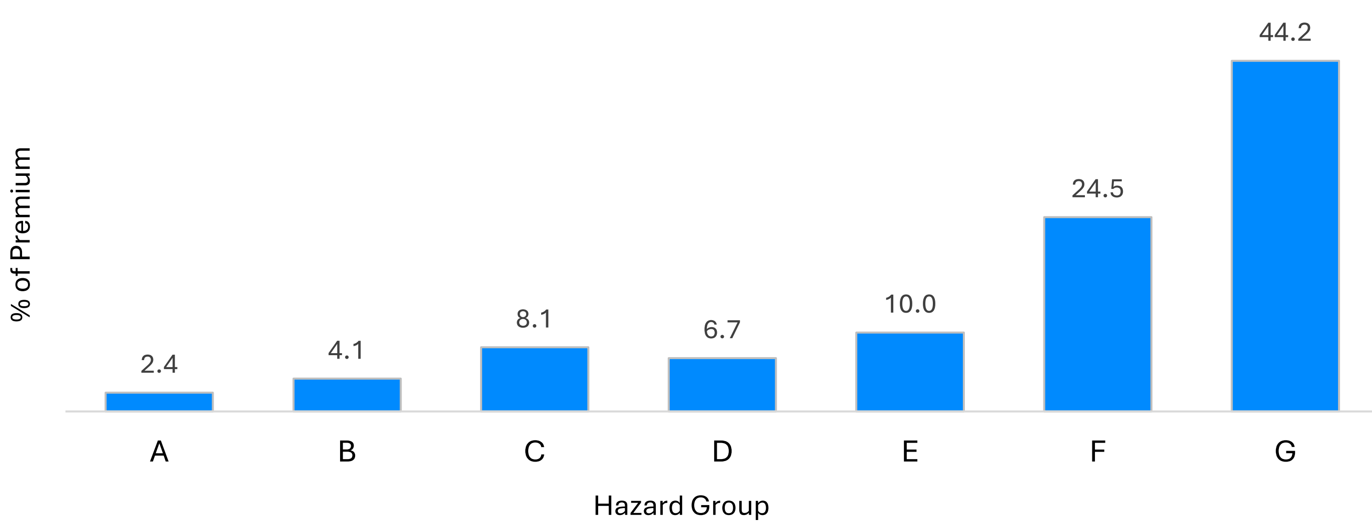
Hazard Group Distribution

Annual Data Reported through December 31, 2025

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



Annual 2024 Data for Comparison



Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count

Annual Data Reported through December 31, 2025

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	1,788	15.7
2	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	1,179	10.3
3	5474 - Painting NOC & Shop Operations, Drivers	1,106	9.7
4	5551 - Roofing-All Kinds & Drivers	1,001	8.8
5	5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers	520	4.6
6	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	363	3.2
7	7219 - Trucking - NOC-All Employees & Drivers	351	3.1
8	5348 - Ceramic Tile, Indoor Stone, Marble, or Mosaic Work	277	2.4
9	5190 - Electrical Wiring-Within Buildings & Drivers	273	2.4
10	6217 - Excavation & Drivers	270	2.4

Residual Market Top 10 Classification Codes by Premium Volume

Annual Data Reported through December 31, 2025

The top 10 governing class codes by prorated estimated annual premium 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	3,917,992	13.8
2	5551 - Roofing-All Kinds & Drivers	3,178,405	11.2
3	5474 - Painting NOC & Shop Operations, Drivers	1,697,866	6.0
4	5437 - Carpentry-Installation of Cabinet Work or Interior Trim	1,587,584	5.6
5	5445 - Wallboard, Sheetrock, Drywall, Plasterboard, or Cement Board Installation - Within Buildings & Drivers	789,218	2.8
6	9178 - Athletic Sports or Park: Noncontact Sports	725,240	2.6
7	9014 - Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	642,252	2.3
8	7219 - Trucking - NOC-All Employees & Drivers	628,597	2.2
9	4459 - Plastics Mfg.- Sheets, Rods, or Tubes	542,402	1.9
10	8720 - Inspection of Risks for Insurance or Valuation Purposes NOC	479,824	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. 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 (loss + loss adjustment expense)/earned premium.

Premium Bound—The total estimated annual premium on bound applications.

Prorated Estimated Annual Premium—premium determined by multiplying a policy's total estimated annual premium to a factor based on the number of days the policy was in effect. For example, if a policy was in effect for 100 days, the factor would be 100/365 or 0.274. For a policy with a total estimated annual premium of $1,000 the prorated estimated annual premium would be $274. This calculation is applied to cancelled policies.

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.