



# Vermont Residual Market State Activity Report

First Quarter 2025



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## Executive Summary

NCCI, as Pool and Plan Administrator of the Vermont Workers Compensation Insurance Plan, is pleased to provide the First Quarter 2025 *Vermont Residual Market State Activity Report*.

Residual Market demographics contained in this report include:

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## Residual Market Demographics

### Residual Market Total Policies and Premium **In Force**

#### As of March 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.

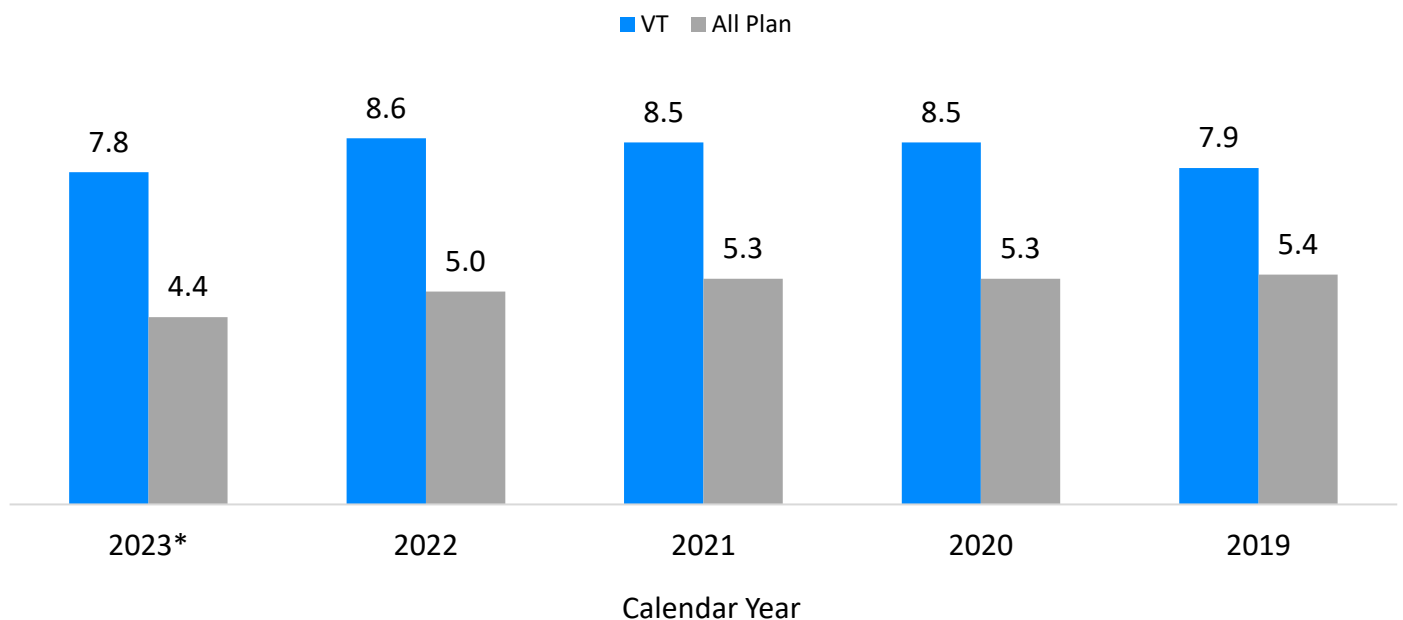
	2025	2024	2025 vs. 2024 #	2025 vs. 2024 %
<b>Policy Count</b>	2,454	2,534	-80	-3.2%
<b>Premium Volume</b>	\$15,663,943	\$14,988,192	\$675,751	4.5%



## Residual Market Demographics

### Vermont 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*.



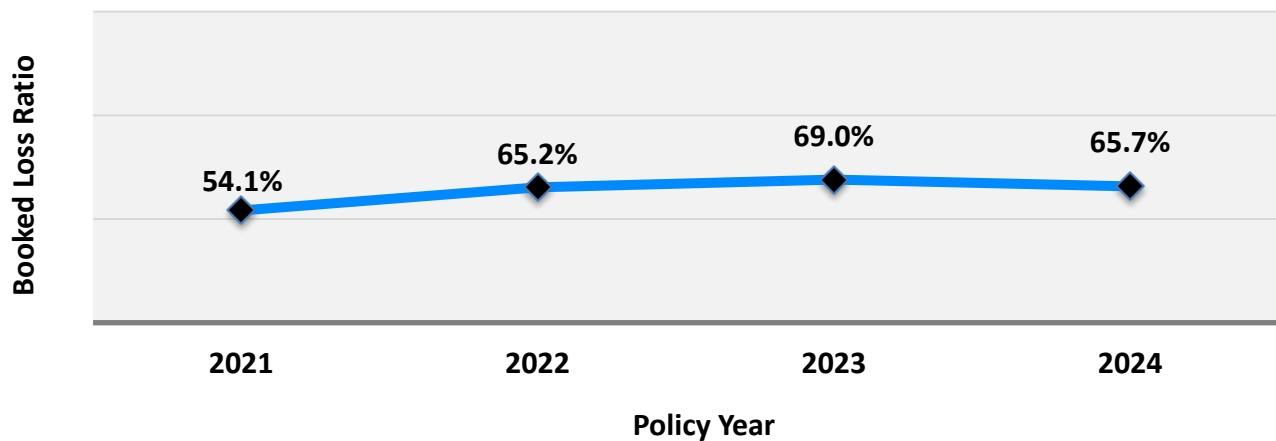
## Residual Market Demographics

### Vermont Residual Market Reinsurance Pool

Policy Year Financial Results through 4th Quarter 2024 for 2024 and prior years\*

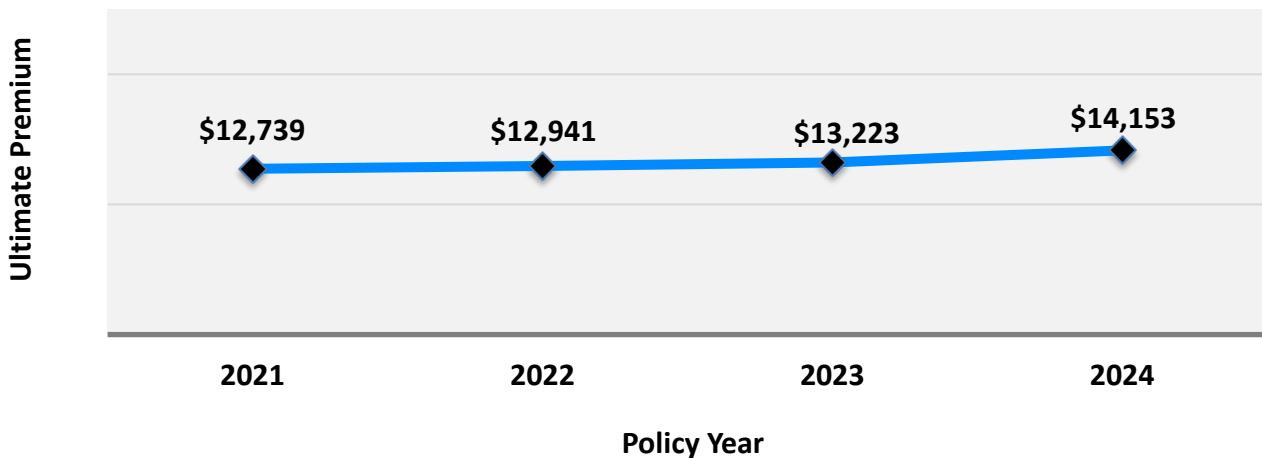
#### Booked Loss Ratio (Projected to Ultimate)

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.



\*1st Quarter 2025 data will be available the end of July 2025 due to the timing of data reporting

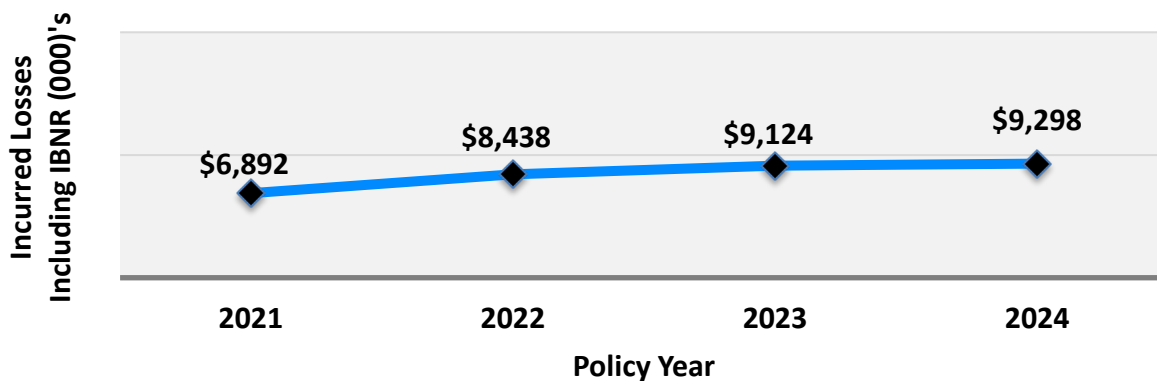


## Residual Market Demographics

### Vermont Residual Market Reinsurance Pool Net Operating Results Policy Year Financial Results through 4th Quarter 2024 for 2024 and prior years\*

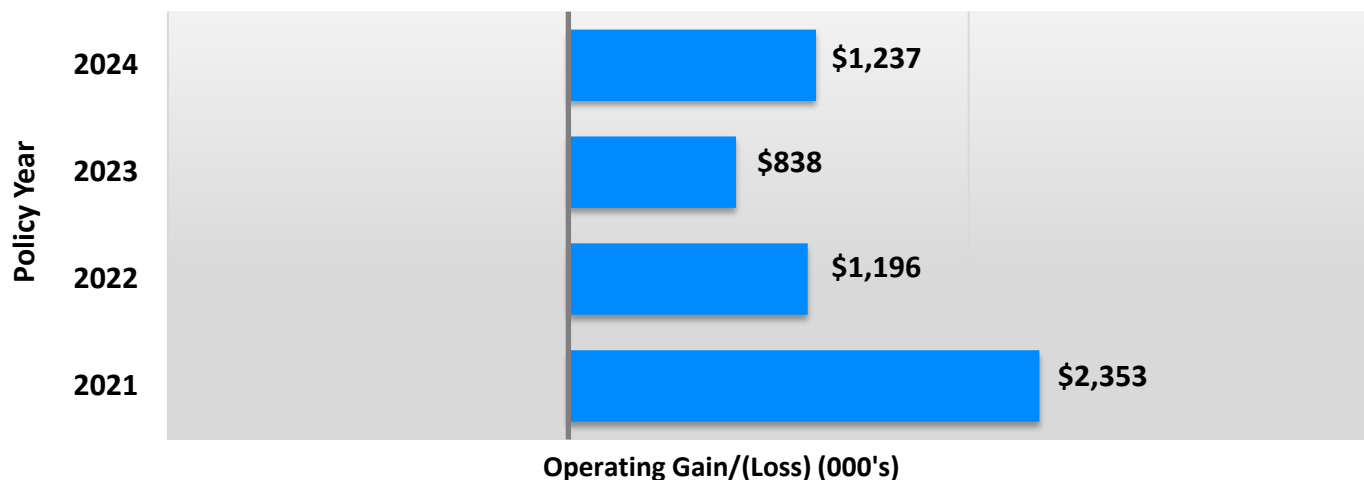
#### Incurred Losses (Projected to Ultimate)

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.



\*1st Quarter 2025 data will be available the end of July 2025 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 Vermont for Policy Years 2020-2024, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through 4th Quarter 2024.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2020	12,353,408	96,234	0.8%
2021	12,875,521	136,898	1.1%
2022	13,029,188	87,731	0.7%
2023	13,701,395	--	--
2024	12,041,809	--	--

\* 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, 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 First Quarter 2025.

Number of Applications Reviewed by <b>VCAP® Service</b>	123
Associated Premium for Applications Reviewed	\$675,244.96
Number of <b>VCAP® Service</b> Matches	84
<b>VCAP® Service</b> Matches as a % of Applications Reviewed	68.29%
Number of <b>VCAP® Service</b> Offers	14
<b>VCAP® Service</b> Offers as a % of Matches	16.67%
Number of Confirmed <b>VCAP® Service</b> Policies	14
Confirmed <b>VCAP® Service</b> Policies as a % of Applications Reviewed	11.38%
Redirected Assigned Risk Premium	\$76,107.57
Associated Voluntary Market Premium	\$70,448.00
Savings	\$5,659.57
Average Savings per Application	\$404.26
Savings as a % of Redirected Assigned Risk Premium	7.44%
Redirected Premium as a % of Associated Premium for Applications Reviewed by <b>VCAP® Service</b>	11.27%

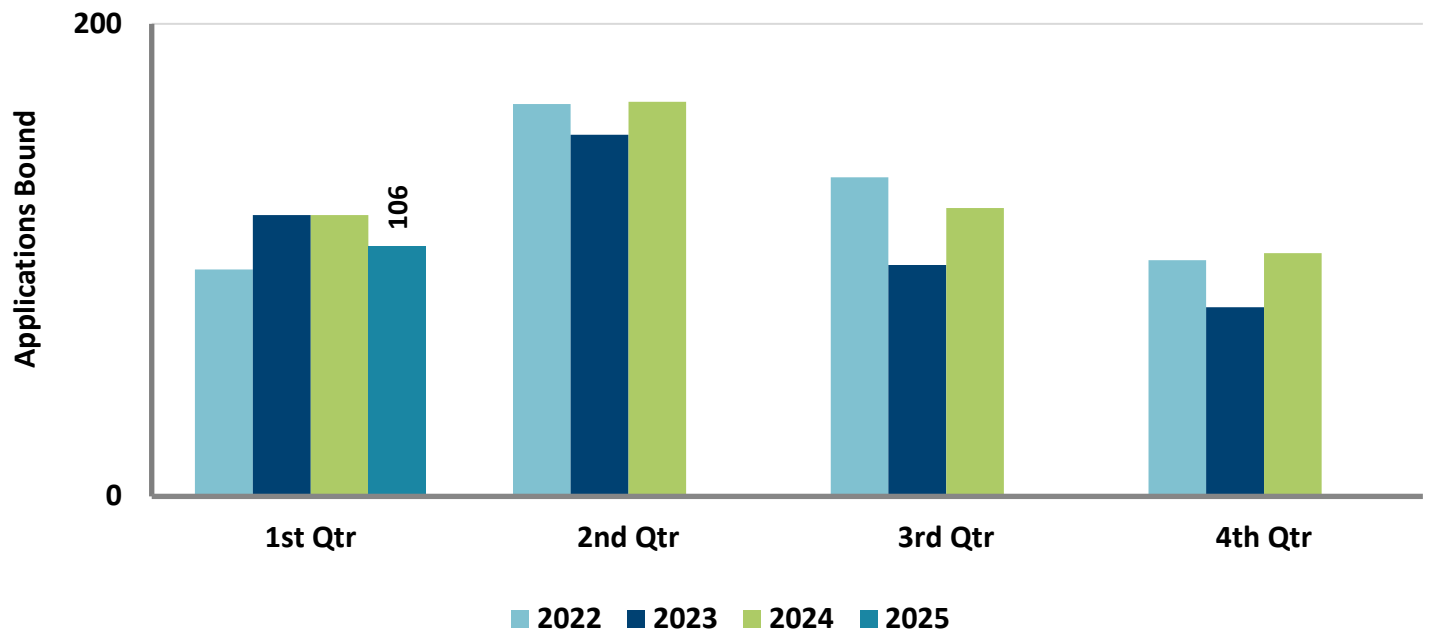




## Residual Market Demographics

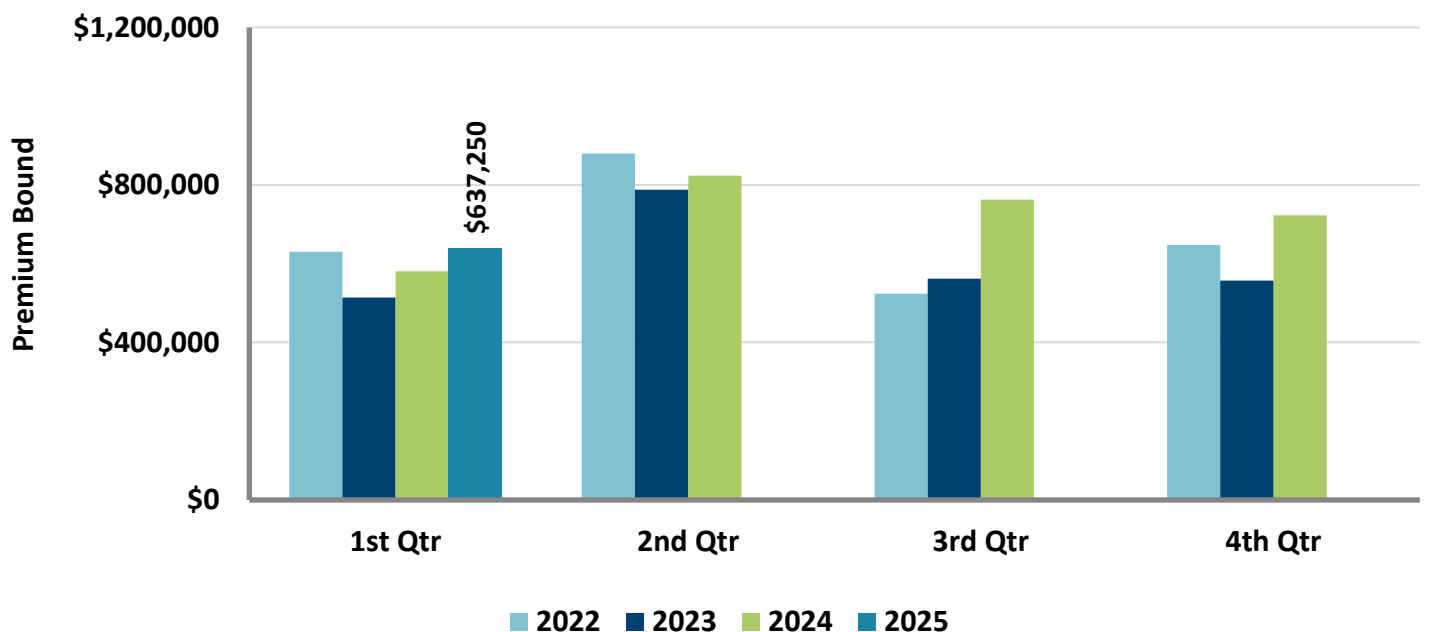
### Total Applications Bound — 2022 vs. 2023 vs. 2024 vs. 2025

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).



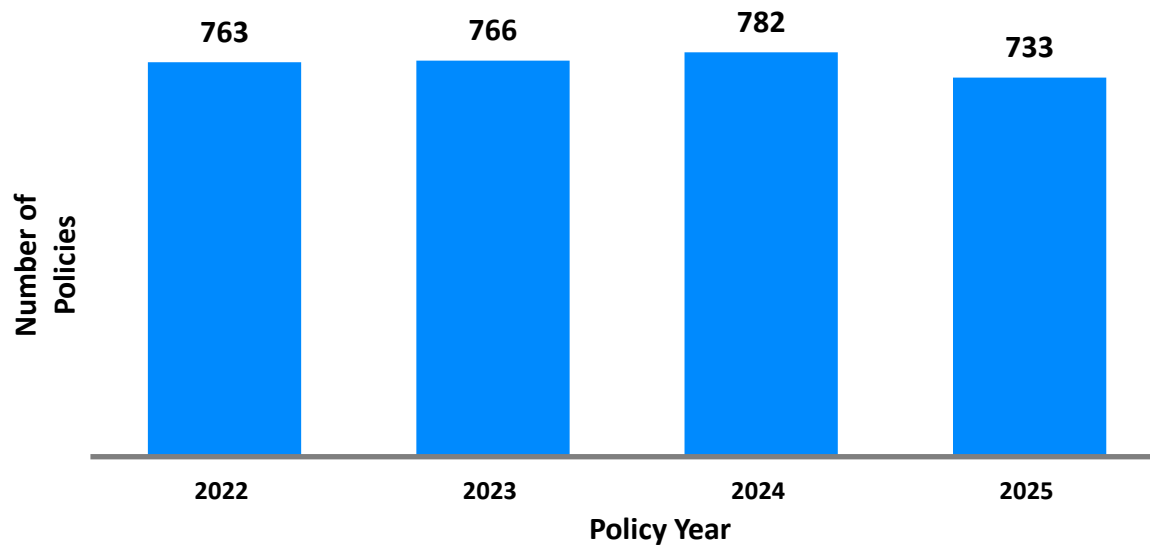


## Residual Market Demographics

### Residual Market Total Policy Counts

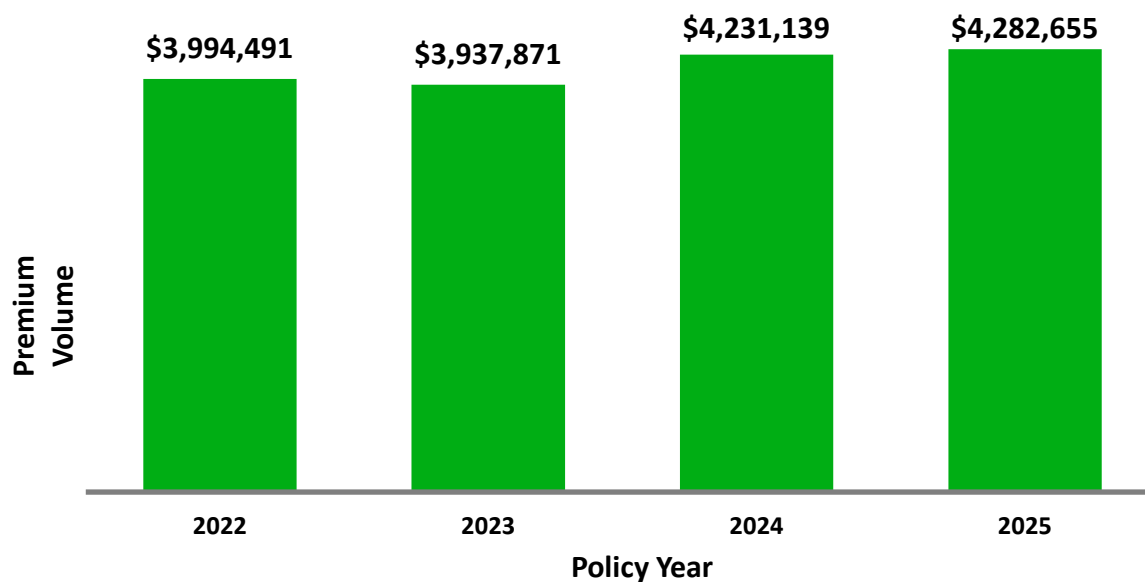
First Quarter Data for **Policies** Reported through March 31, 2025

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



### First Quarter Data for **Premium** Reported through March 31, 2025

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





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## 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 (First Quarter), and reported to NCCI by March 31, 2025, by both Direct Assignment and Servicing Carriers.

### First Quarter Data Reported through March 31, 2025

Premium Size \$	Policy Count	% of Total Policies	Premium \$	% of Total Premium	Average Premium \$
0- 2,499	456	62.2	550,687	12.9	1,208
2,500- 4,999	92	12.6	331,381	7.7	3,602
5,000- 9,999	79	10.8	566,276	13.2	7,168
10,000- 19,999	61	8.3	855,946	20.0	14,032
20,000- 49,999	35	4.8	1,108,085	25.9	31,660
50,000- 99,999	7	1.0	506,543	11.8	72,363
100,000- 199,999	3	0.4	363,737	8.5	121,246
200,000+	0	0.0	0	0.0	0
Total	733	100.0	4,282,655	100.0	5,843

### First Quarter 2024 Data for Comparison

Premium Size \$	Policy Count	% of Total Policies	Premium \$	% of Total Premium	Average Premium \$
0- 2,499	511	65.3	581,574	13.7	1,138
2,500- 4,999	90	11.5	320,963	7.6	3,566
5,000- 9,999	80	10.2	560,078	13.2	7,001
10,000- 19,999	51	6.5	715,459	16.9	14,029
20,000- 49,999	41	5.2	1,250,348	29.6	30,496
50,000- 99,999	6	0.8	448,429	10.6	74,738
100,000- 199,999	3	0.4	354,288	8.4	118,096
200,000+	0	0.0	0	0.0	0
Total	782	100.0	4,231,139	100.0	5,411

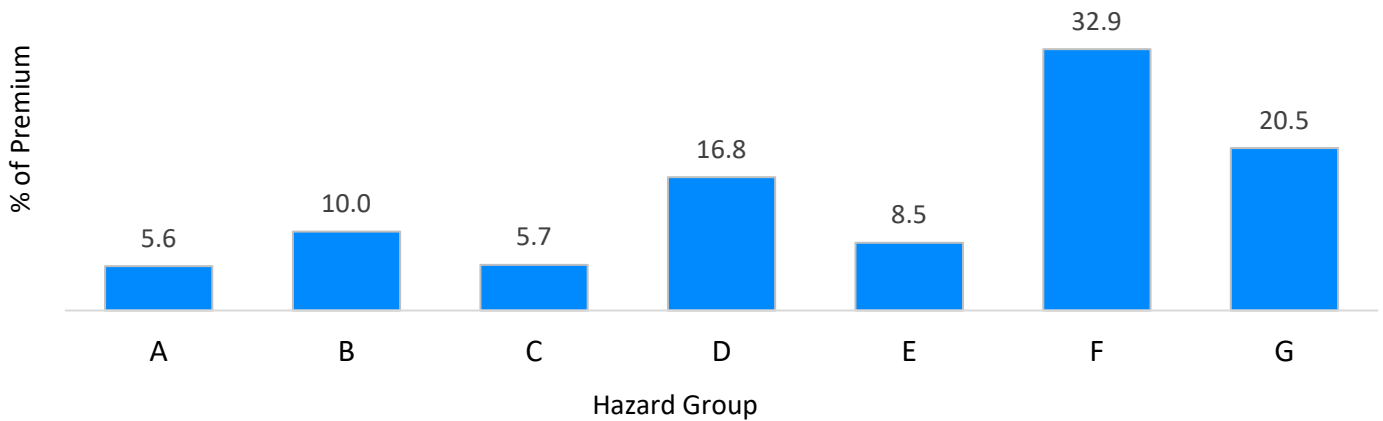


## Residual Market Demographics

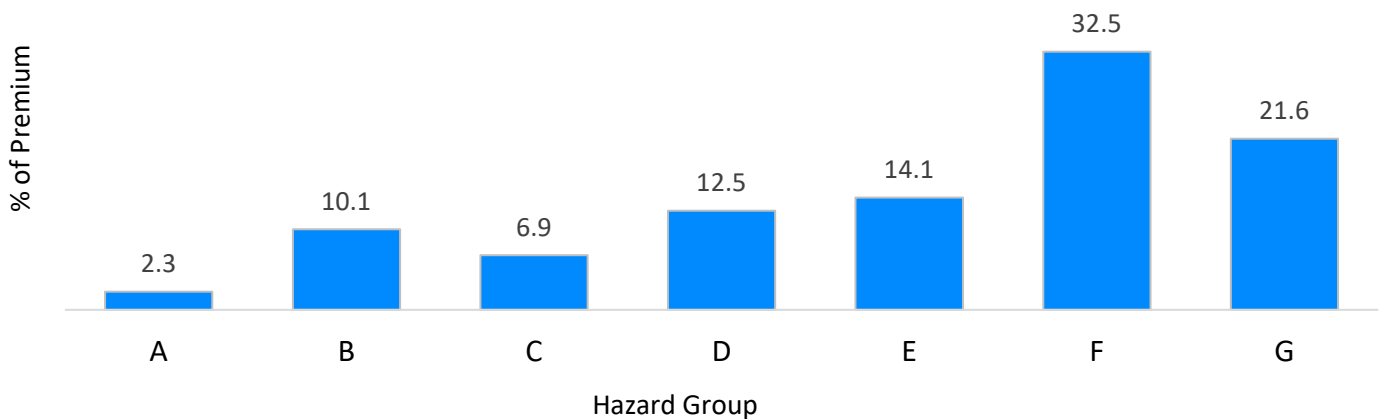
### Hazard Group Distribution

First Quarter Data Reported through **March 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.



### First Quarter 2024 Data for Comparison





# Vermont Residual Market State Activity Report

## First Quarter 2025

## Residual Market Demographics

### Residual Market Top 10 Classification Codes by Policy Count

#### First Quarter Data Reported through March 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	7711 - Firefighters & Drivers - Volunteer	147	20.1
2	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	77	10.5
3	0036 - Farm: Dairy & Drivers	17	2.3
4	7705 - Ambulance Service Companies and EMS (Emergency Medical Service) Providers & Drivers	17	2.3
5	8810 - Clerical Office Employees NOC	16	2.2
6	7710 - Firefighters & Drivers	15	2.0
7	8864 - Social Service Organization - All Employees & Salespersons, Drivers	15	2.0
8	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	13	1.8
9	5551 - Roofing-All Kinds & Drivers	13	1.8
10	7219 - Trucking - NOC-All Employees & Drivers	13	1.8

### Residual Market Top 10 Classification Codes by Premium Volume

#### First Quarter Data Reported through March 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	7711 - Firefighters & Drivers - Volunteer	452,538	10.6
2	7705 - Ambulance Service Companies and EMS (Emergency Medical Service) Providers & Drivers	415,592	9.7
3	7710 - Firefighters & Drivers	314,905	7.4
4	5645 - Carpentry Construction of Residential Dwellings Not Exceeding Three Stories in Height	285,990	6.7
5	8842 - Group Homes - All Employees & Salespersons, Drivers	208,584	4.9
6	8868 - College - Professional Employees & Clerical	200,662	4.7
7	5551 - Roofing-All Kinds & Drivers	173,477	4.1
8	3724 - Machinery or Equipment Erection or Repair NOC & Drivers	148,411	3.5
9	5183 - Plumbing NOC & Drivers	120,743	2.8
10	7720 - Police Officers & Drivers	116,092	2.7



## 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  $(\text{loss} + \text{loss adjustment expense}) / \text{earned premium}$ .

**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.