



Vermont Residual Market State Activity Report

Annual 2024



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Executive Summary

NCCI, as Pool and Plan Administrator of the Vermont Workers Compensation Insurance Plan, is pleased to provide the Annual 2024 *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 December 31, 2024—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.

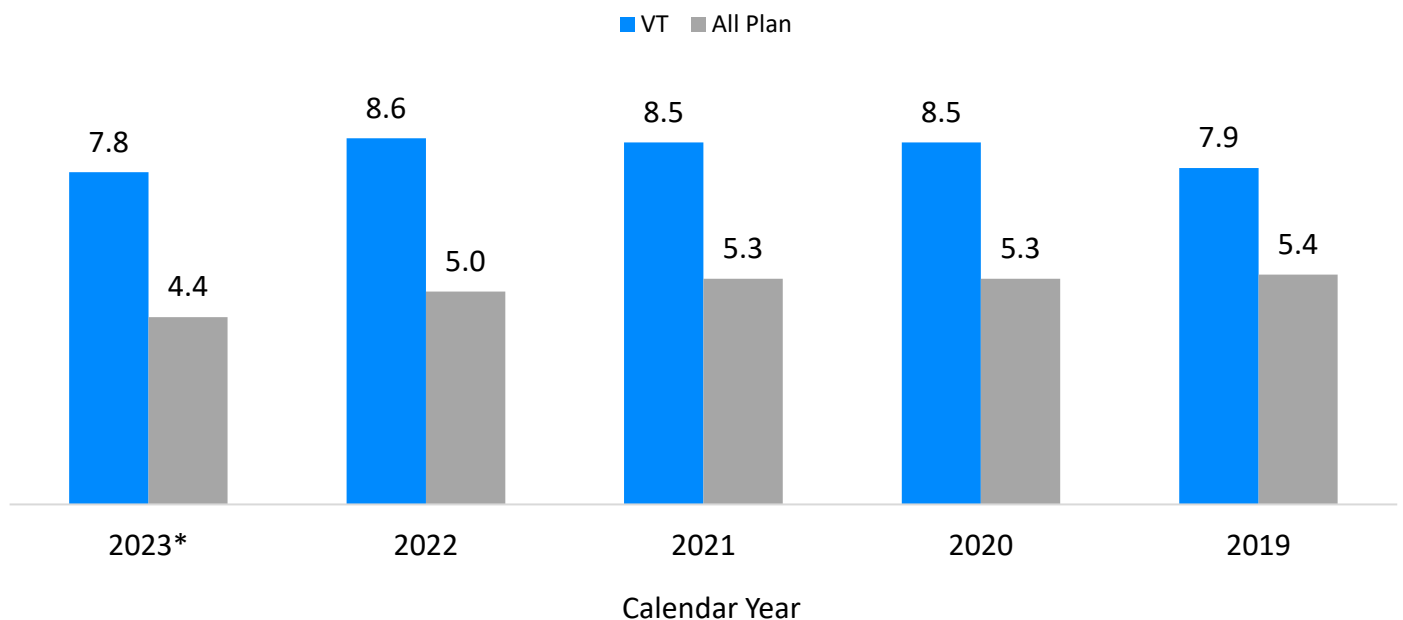
	2024	2023	2024 vs. 2023 #	2024 vs. 2023 %
Policy Count	2,492	2,534	-42	-1.7%
Premium Volume	\$15,163,383	\$14,643,295	\$520,088	3.6%



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*.



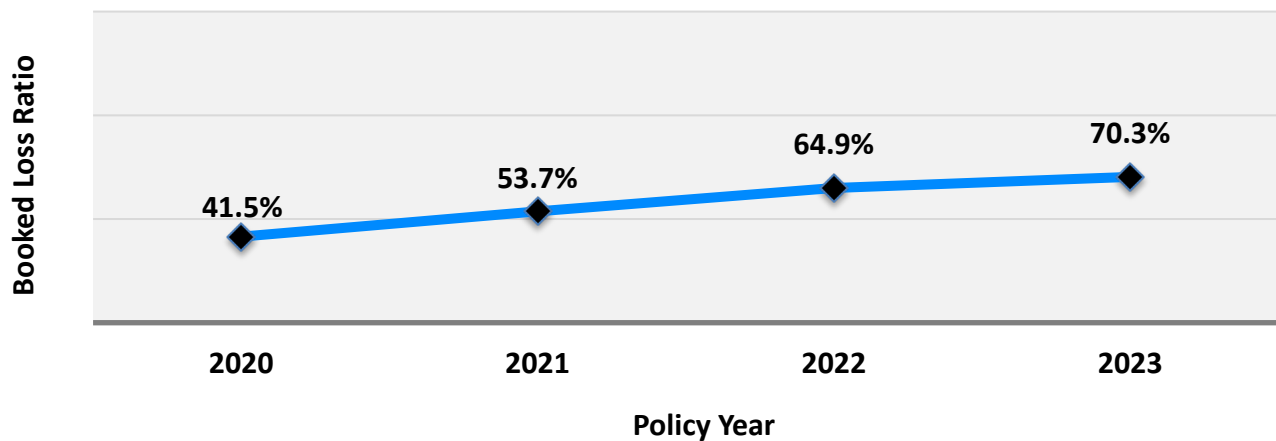
Residual Market Demographics

Vermont Residual Market Reinsurance Pool

Policy Year Financial Results through 3rd Quarter 2024 for 2023 and prior years*

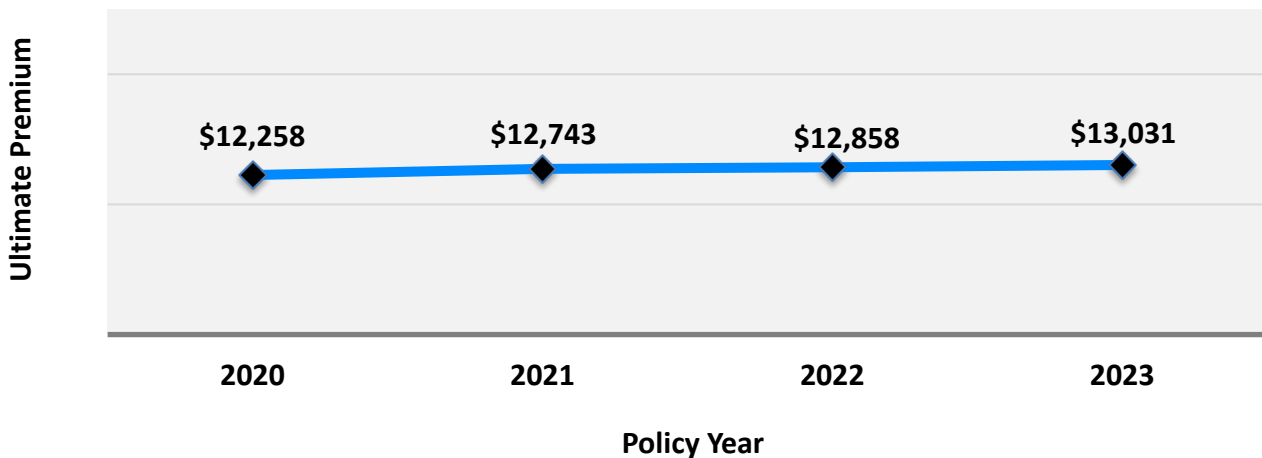
Booked Loss Ratio (Projected to Ultimate)

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.



*4th Quarter 2024 data will be available the end of April 2025 due to the timing of data reporting

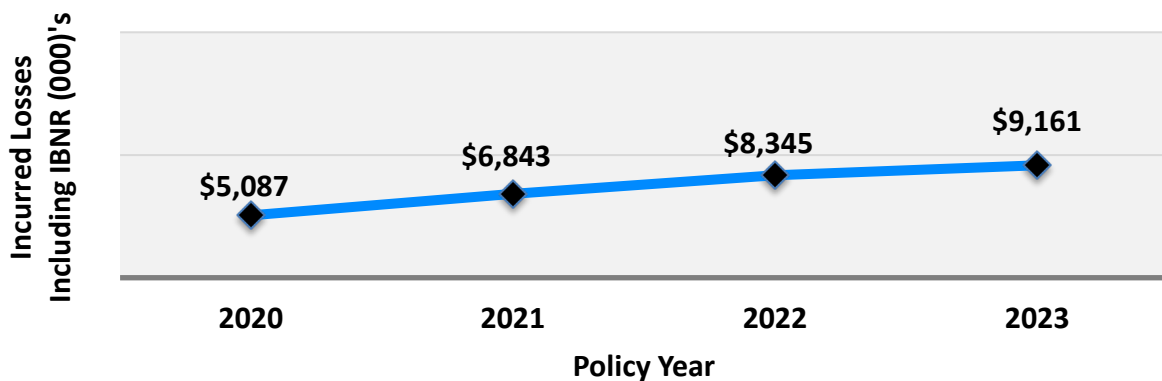


Residual Market Demographics

Vermont Residual Market Reinsurance Pool Net Operating Results Policy Year Financial Results through 3rd Quarter 2024 for 2023 and prior years*

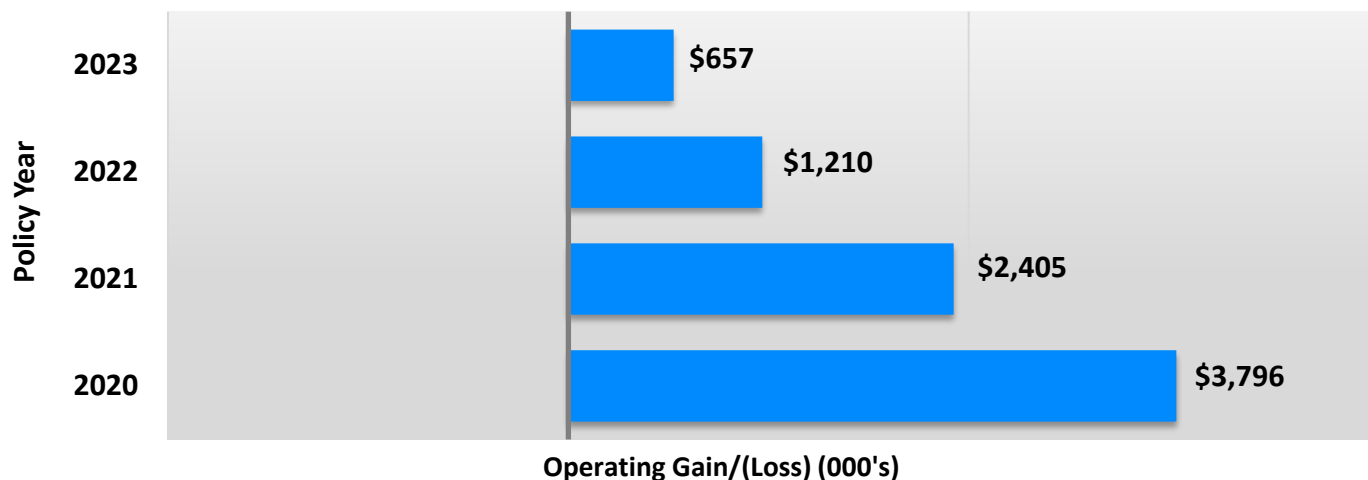
Incurred Losses (Projected to Ultimate)

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 2024 data will be available the end of April 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 3rd Quarter 2024.

Policy Year	Gross Written Premium \$	Uncollectible Premium \$	Percentage
2020	12,354,389	96,234	0.8%
2021	12,880,874	137,376	1.1%
2022	13,039,556	174,693	1.3%
2023	13,441,739	--	--
2024	8,414,257	--	--

* 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, 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 Annual 2024.

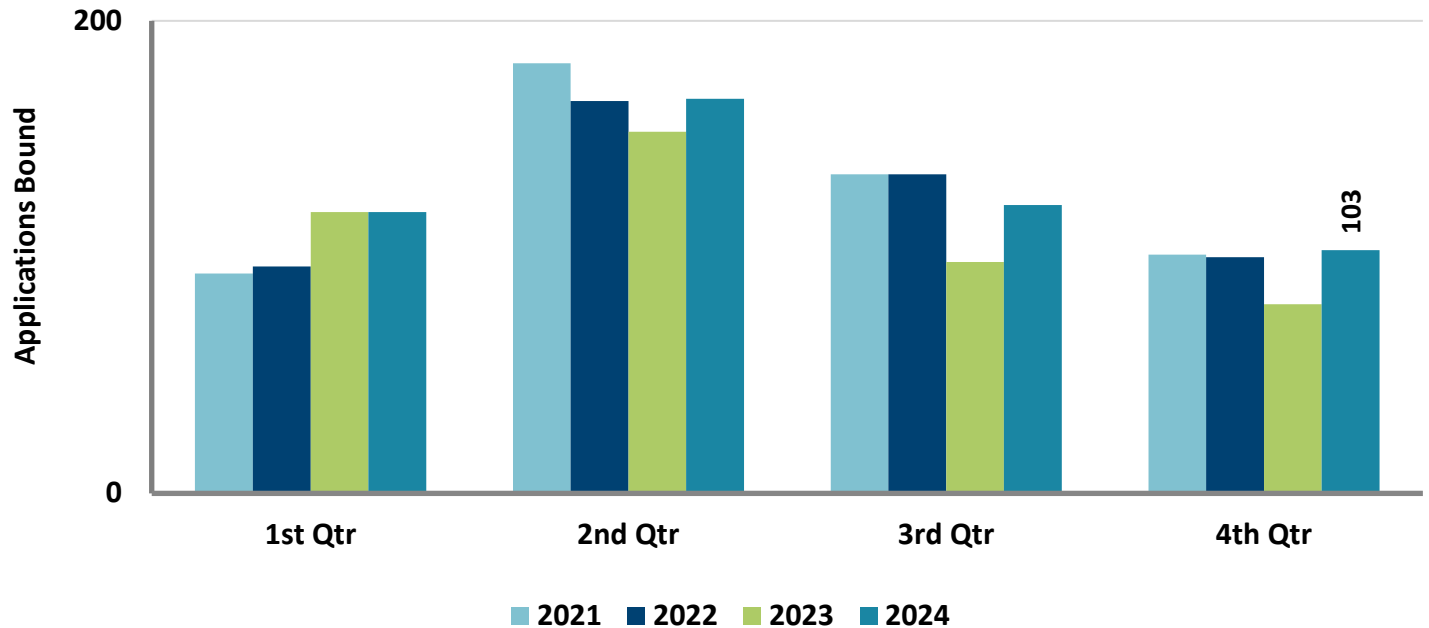
Number of Applications Reviewed by VCAP® Service	608
Associated Premium for Applications Reviewed	\$3,472,592.98
Number of VCAP® Service Matches	538
VCAP® Service Matches as a % of Applications Reviewed	88.49%
Number of VCAP® Service Offers	100
VCAP® Service Offers as a % of Matches	18.59%
Number of Confirmed VCAP® Service Policies	95
Confirmed VCAP® Service Policies as a % of Applications Reviewed	15.63%
Redirected Assigned Risk Premium	\$453,313.04
Associated Voluntary Market Premium	\$431,395.00
Savings	\$21,918.04
Average Savings per Application	\$230.72
Savings as a % of Redirected Assigned Risk Premium	4.84%
Redirected Premium as a % of Associated Premium for Applications Reviewed by VCAP® Service	13.05%



Residual Market Demographics

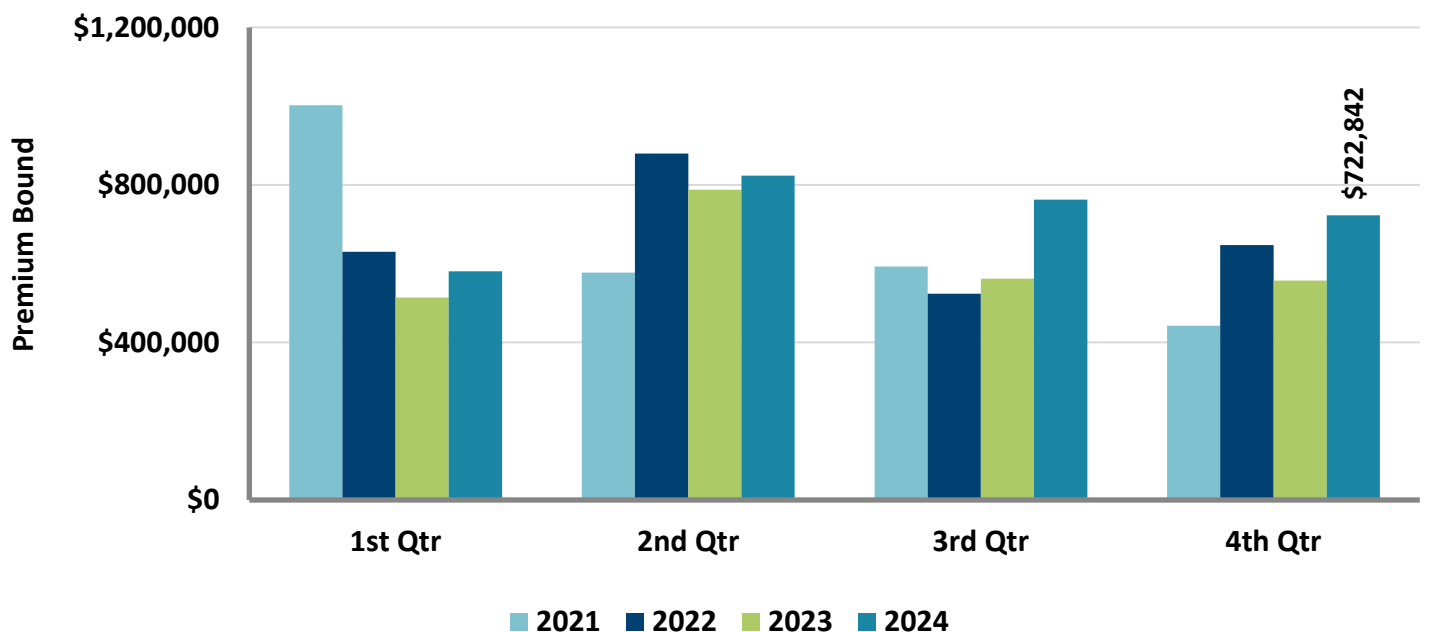
Total Applications Bound — 2021 vs. 2022 vs. 2023 vs. 2024

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).



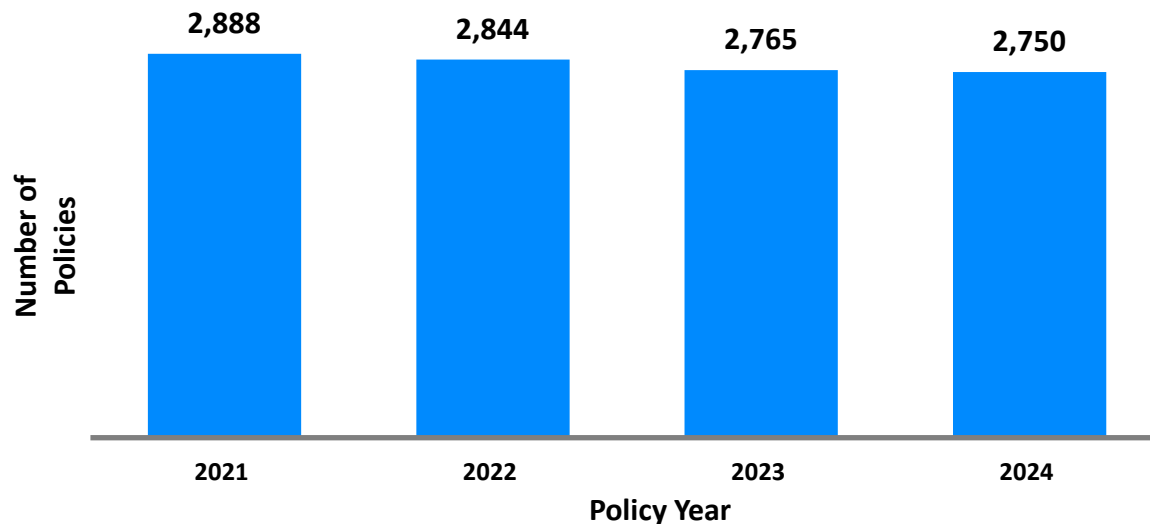


Residual Market Demographics

Residual Market Total Policy Counts

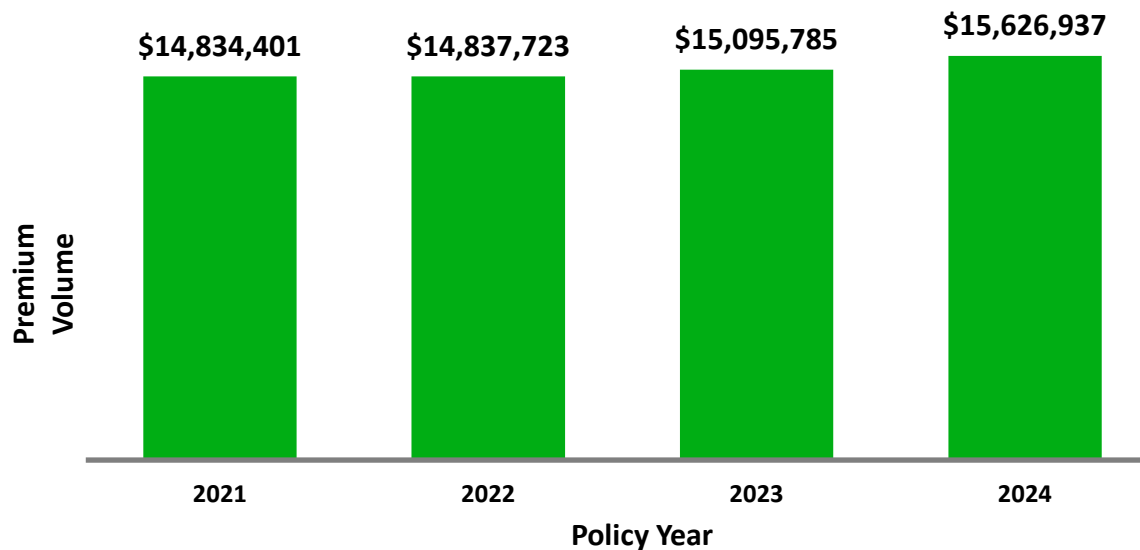
Annual Data for Policies Reported through December 31, 2024

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



Annual Data for Premium Reported through December 31, 2024

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 (Annual), and reported to NCCI by December 31, 2024, by both Direct Assignment and Servicing Carriers.

Annual Data Reported through December 31, 2024

Premium Size \$	Policy Count	% of Total Policies	Premium \$	% of Total Premium	Average Premium \$
0- 2,499	1,685	61.3	1,940,026	12.4	1,151
2,500- 4,999	413	15.0	1,463,955	9.4	3,545
5,000- 9,999	293	10.7	2,055,522	13.2	7,015
10,000- 19,999	207	7.5	2,884,285	18.5	13,934
20,000- 49,999	109	4.0	3,279,340	21.0	30,086
50,000- 99,999	33	1.2	2,204,787	14.1	66,812
100,000- 199,999	8	0.3	1,188,350	7.6	148,544
200,000+	2	0.1	610,672	3.9	305,336
Total	2,750	100.0	15,626,937	100.0	5,683

Annual 2023 Data for Comparison

Premium Size \$	Policy Count	% of Total Policies	Premium \$	% of Total Premium	Average Premium \$
0- 2,499	1,746	63.1	1,897,113	12.6	1,087
2,500- 4,999	372	13.5	1,303,146	8.6	3,503
5,000- 9,999	291	10.5	2,048,971	13.6	7,041
10,000- 19,999	209	7.6	2,857,245	18.9	13,671
20,000- 49,999	108	3.9	3,305,409	21.9	30,606
50,000- 99,999	25	0.9	1,659,958	11.0	66,398
100,000- 199,999	12	0.4	1,609,568	10.7	134,131
200,000+	2	0.1	414,375	2.7	207,188
Total	2,765	100.0	15,095,785	100.0	5,460

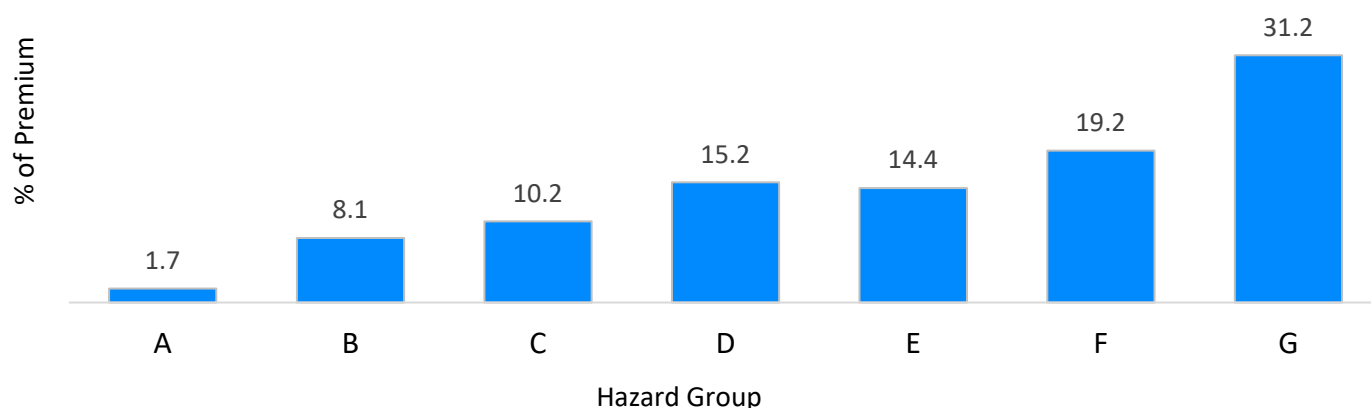


Residual Market Demographics

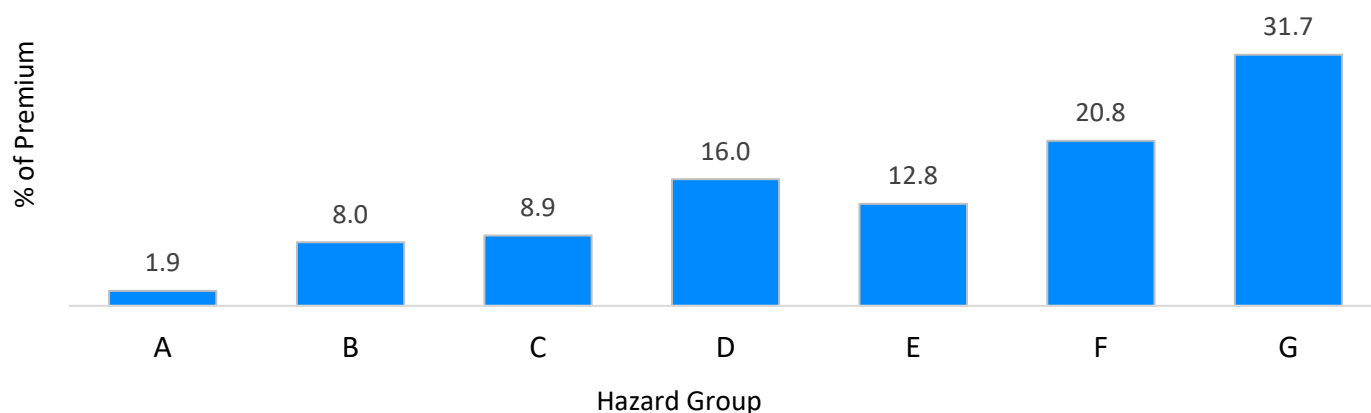
Hazard Group Distribution

Annual Data Reported through **December 31, 2024**

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



Annual **2023** Data for Comparison





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Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count

Annual Data Reported through December 31, 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	379	13.8
2	7711 - Firefighters & Drivers – Volunteer	188	6.8
3	5551 - Roofing-All Kinds & Drivers	110	4.0
4	6217 - Excavation & Drivers	83	3.0
5	9102 - Park NOC-All Employees & Drivers	67	2.4
6	5474 - Painting NOC & Shop Operations, Drivers	64	2.3
7	7219 - Trucking - NOC-All Employees & Drivers	56	2.0
8	8810 - Clerical Office Employees NOC	55	2.0
9	9063 - YMCA, YWCA, YMHA or YWHA, Institution-All Employees & Clerical	52	1.9
10	0036 - Farm: Dairy & Drivers	51	1.9

Residual Market Top 10 Classification Codes by Premium Volume

Annual Data Reported through December 31, 2024

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	2,011,269	12.9
2	5551 - Roofing-All Kinds & Drivers	1,076,767	6.9
3	7720 - Police Officers & Drivers	667,321	4.3
4	7705 - Ambulance Service Companies and EMS (Emergency Medical Service) Providers & Drivers	545,609	3.5
5	8868 - College - Professional Employees & Clerical	489,088	3.1
6	7711 - Firefighters & Drivers - Volunteer	481,975	3.1
7	0106 - Tree Pruning, Spraying, Repairing - All Operations & Drivers	427,167	2.7
8	7600 - Telecommunications Co. - Cable TV, or Satellite - All Other Employees & Drivers	414,190	2.7
9	8032 - Store - Clothing, Wearing Apparel or Dry Goods - Wholesale	406,094	2.6
10	9180 - Amusement Device Operation NOC Not Traveling & Drivers	321,119	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.

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.