



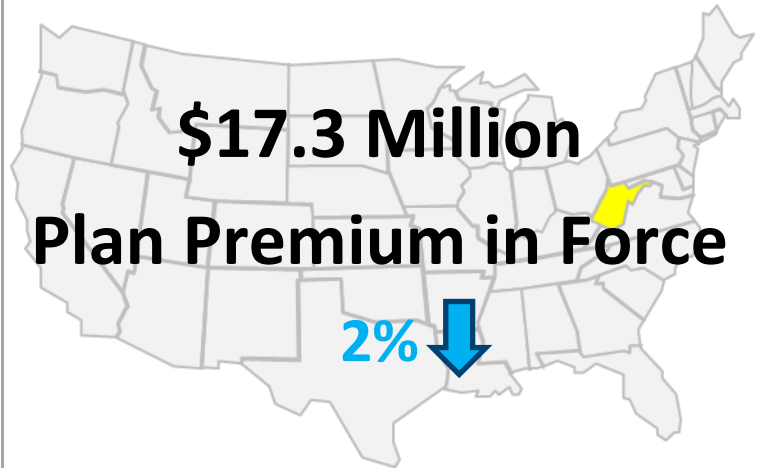
West Virginia Residual Market Performance Report

January 1, 2015 – March 31, 2015

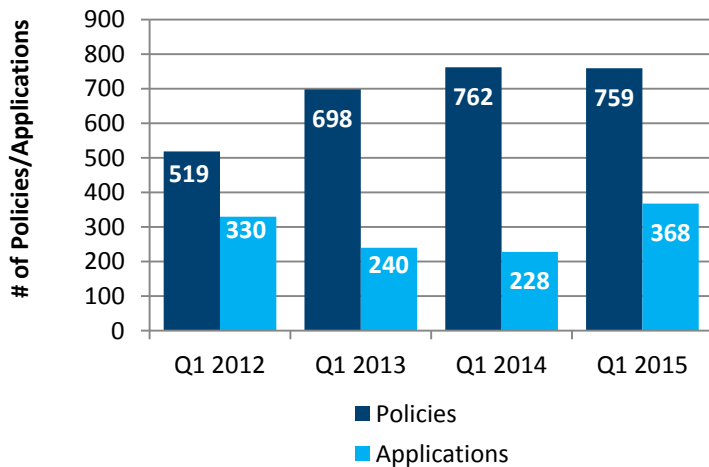
Top 5 Class Codes*

- 7711—Firefighters - Volunteer (25.6%)
- 7228—Trucking-Local Hauling (4.2%)
- 2702—Logging - Non Mechanized (3.3%)
- 5645—Carpentry Construction (3.3%)
- 8602—Surveyors (2.9%)

*By policy count



Total Policy Count 0% ↑↓



VCAP® Service Redirected

\$0

Premium

Savings from Redirected Premium

0%

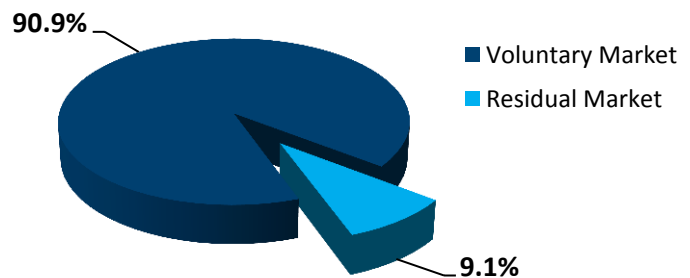
Avg Policy Size

\$7,780 1% ↑

Policies with Premium 100K+

\$674K 64% ↑

1Q Market Share



First Quarter 2015 policy and estimated annual premium data, compared to First Quarter 2014.



West Virginia Residual Market Performance Report

January 1, 2015 – March 31, 2015

Table of Contents

Executive Summary.....	1
Residual Market Demographics	
Total Applications Bound	2
Total Application Premium Bound.....	3
Residual Market Total Policy Counts	4
Residual Market Total Premium Volume.....	4
Residual Market Total Policies and Premium in Force	5
Total Premium Distribution by Size of Risk.....	6
Residual Market Top 10 Classification Codes by Policy Count	7
Residual Market Top 10 Classification Codes by Premium Volume	7
Residual Market Share	8
Voluntary Coverage Assistance Program.....	9
Collections/Indemnification.....	10
West Virginia Residual Market Reinsurance Pool Booked Loss Ratio	11
West Virginia Residual Market Reinsurance Pool Ultimate Net Written Premium.....	11
West Virginia Residual Market Reinsurance Pool Net Operating Results	12
Glossary of Terms.....	13

© Copyright 2015 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.”



West Virginia Residual Market Performance Report

January 1, 2015 – March 31, 2015

Executive Summary

NCCI, as Pool and Plan Administrator of the West Virginia Workers Compensation Insurance Plan, is pleased to provide the First Quarter 2015 Residual Market State Activity Report.

Readers will notice an update of the key measurement factors and issues relating to the operation of the West Virginia Plan. NCCI has enhanced our data reporting tools to provide a more accurate picture of what is happening in your state.

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

David Benedict, State Relations Executive (804) 441-6178

Chantel Weishaar, Sr. Technical Specialist (561) 893-3015



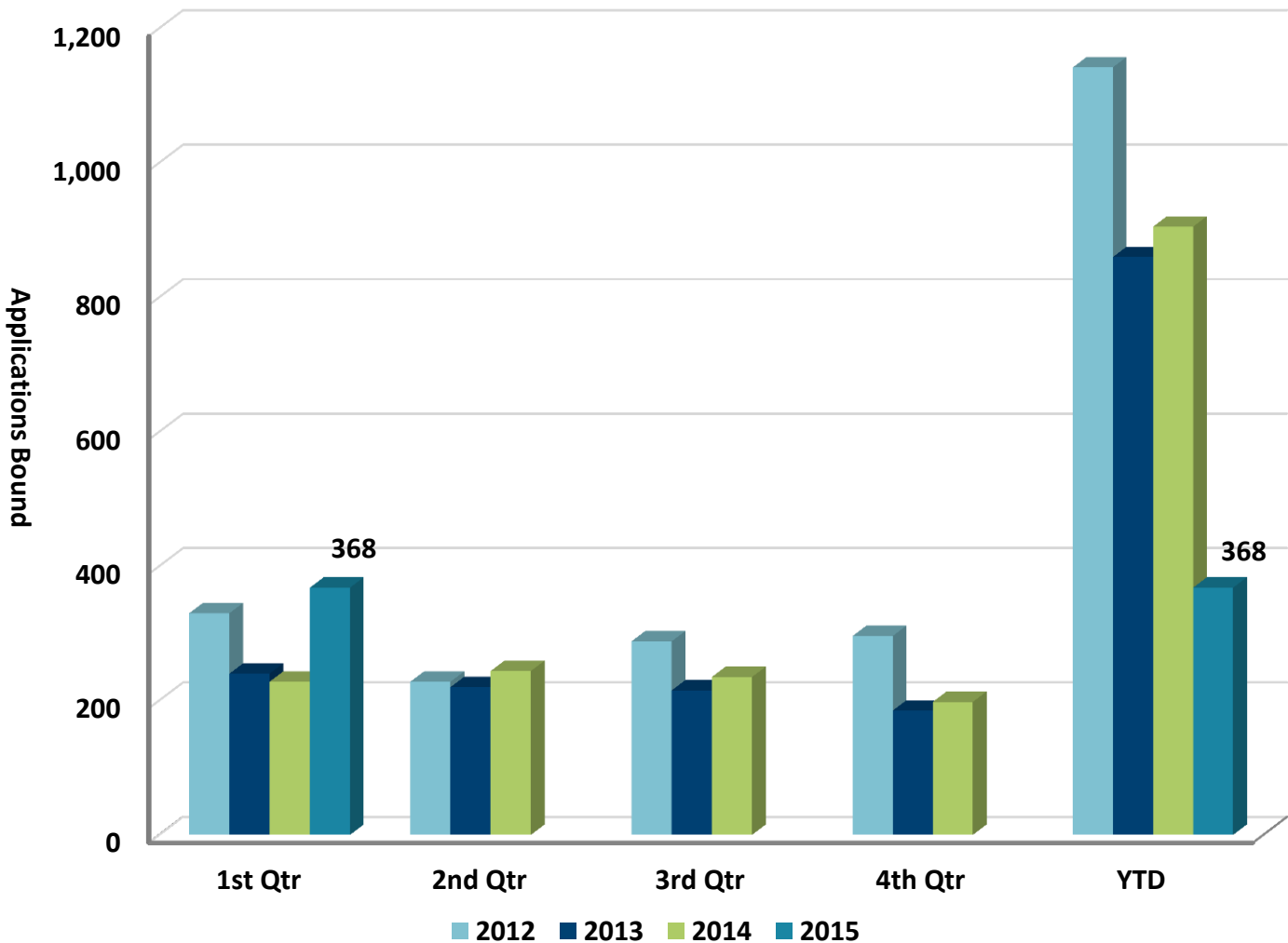
West Virginia Residual Market Performance Report

January 1, 2015 – March 31, 2015

Residual Market Demographics

Total Applications Bound 2012 vs. 2013 vs. 2014 vs. 2015

The number of applications—both new and churn—that are assigned to a Servicing Carrier or a Direct Assignment Carrier (if applicable).





West Virginia Residual Market Performance Report

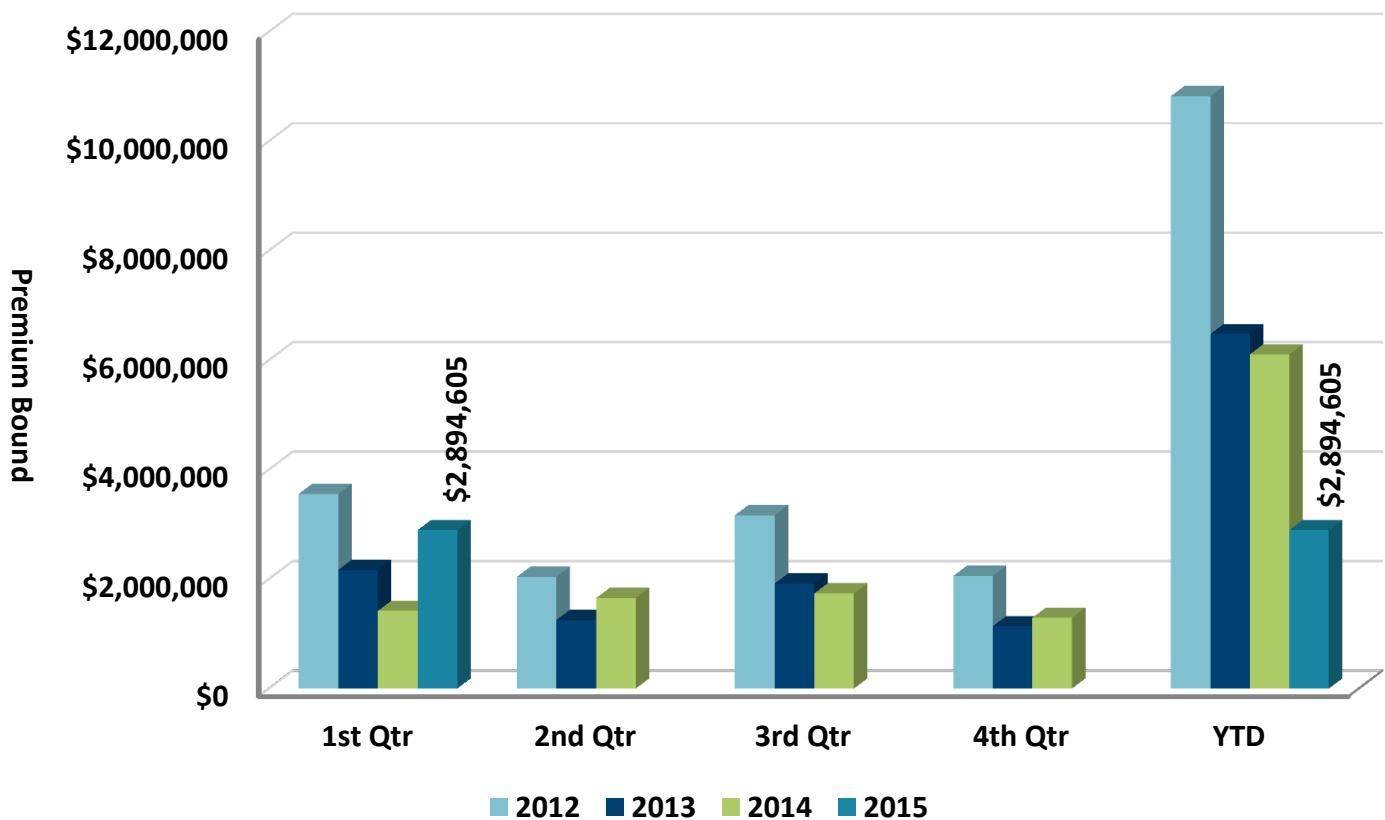
January 1, 2015 – March 31, 2015

Residual Market Demographics

Total Application Premium Bound

2012 vs. 2013 vs. 2014 vs. 2015

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).





West Virginia Residual Market Performance Report

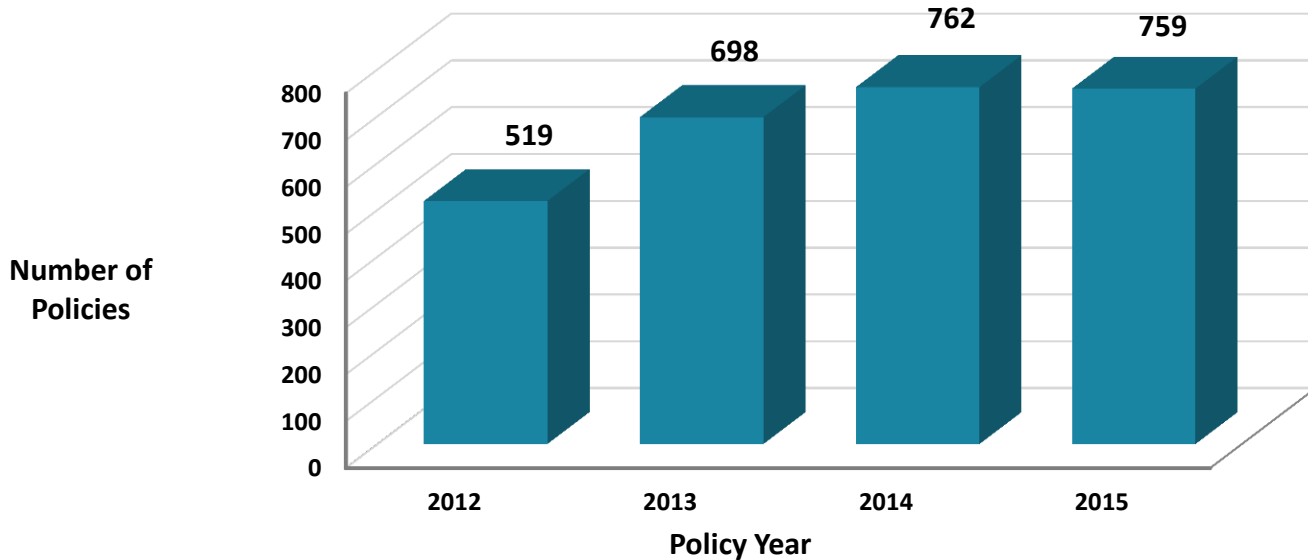
January 1, 2015 – March 31, 2015

Residual Market Demographics

Residual Market Total Policy Counts

First Quarter Data for Policies Reported through March 31, 2015

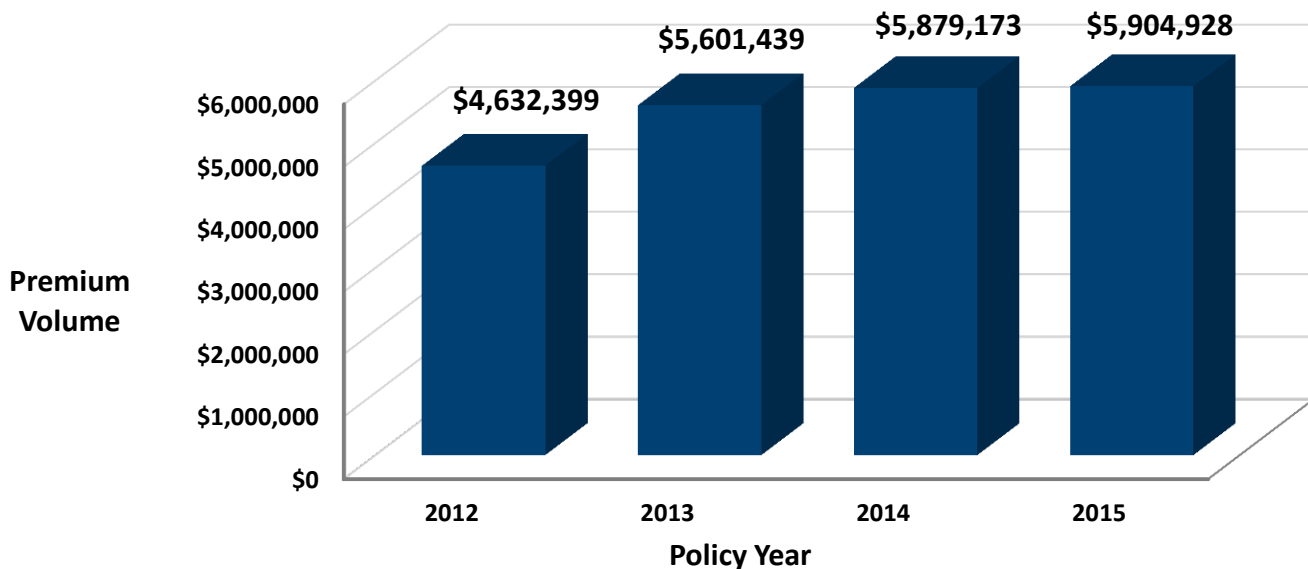
Total number of all Assigned Risk Plan policies with effective dates during the calendar period listed above.



Residual Market Total Premium Volume

First Quarter Data Reported through March 31, 2015

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





West Virginia Residual Market Performance Report

January 1, 2015 – March 31, 2015

Residual Market Demographics

Residual Market Total Policies and Premium in Force

As of March 31, 2015—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.

	2014	2015	2014 vs. 2015 #	2014 vs. 2015 %
Policy Count	2,418	2,424	6	0.2%
Premium Volume	\$17,558,207	\$17,255,066	-\$303,141	-1.7%



West Virginia Residual Market Performance Report

January 1, 2015 – March 31, 2015

Residual Market Demographics

Total Premium Distribution by Size of Risk

First Quarter Data Reported through March 31, 2015

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	317	41.8%	\$351,223	6.0%	\$1,107
\$2500–4999	169	22.3%	\$589,662	10.0%	\$3,489
\$5000–9999	137	18.1%	\$980,660	16.6%	\$7,158
\$10000–19999	77	10.1%	\$1,079,043	18.3%	\$14,013
\$20000–49999	42	5.5%	\$1,273,304	21.6%	\$30,316
\$50000–99999	13	1.7%	\$956,876	16.2%	\$73,605
\$100000–199999	3	0.4%	\$401,758	6.8%	\$133,919
\$200000 +	1	0.1%	\$272,402	4.6%	\$272,402
Total	759	100.0%	\$5,904,928	100.0%	\$7,780

First Quarter 2014 Data for Comparison

Premium Interval	Policy Count	% of Total Policies	Total State Premium	% of Total Premium	Average Premium
\$0–2499	307	39.8%	\$313,054	5.1%	\$1,019
\$2500–4999	156	20.2%	\$560,152	9.1%	\$3,590
\$5000–9999	158	20.5%	\$1,138,094	18.5%	\$7,203
\$10000–19999	76	9.9%	\$1,044,696	17.0%	\$13,746
\$20000–49999	57	7.4%	\$1,678,281	27.3%	\$29,443
\$50000–99999	14	1.8%	\$1,012,061	16.4%	\$72,290
\$100000–199999	3	0.4%	\$411,935	6.7%	\$137,311
\$200000 +	0	0.0%	\$0	0.0%	\$0
Total	771	100.0%	\$6,158,273	100.0%	\$7,987



West Virginia Residual Market Performance Report

January 1, 2015 – March 31, 2015

Residual Market Demographics

Residual Market Top 10 Classification Codes by Policy Count First Quarter Data Reported through March 31, 2015

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	Description	Policy Count	% of Policies
1	7711	FIREFIGHTERS & DRIVERS - VOLUNTEER	194	25.6%
2	7228	TRUCKING-LOCAL HAULING ONLY-& DRIVERS	32	4.2%
3	2702	LOGGING OR TREE REMOVAL - NON MECHANIZED OPERATIONS	25	3.3%
4	5645	CARPENTRY CONSTRUCTION OF RESIDENTIAL DWELLINGS NOT EXCEEDING THREE STORIES IN HEIGHT	25	3.3%
5	8602	SURVEYORS TIMBER CRUISERS OIL OR GAS GEOLOGISTS OR SCOUTS & DRIVERS	22	2.9%
6	8380	AUTOMOBILE SERVICE OR REPAIR CENTER & DRIVERS	19	2.5%
7	8279	STABLE OR BREEDING FARM & DRIVERS	17	2.2%
8	7705	AMBULANCE SERVICE COMPANIES AND EMS (EMERGENCY MEDICAL SERVICE) PROVIDERS & DRIVERS	16	2.1%
9	9015	BUILDINGS-OPERATION BY OWNER OR LESSEE	15	2.0%
10	9082	RESTAURANT NOC/CATERER	15	2.0%

Residual Market Top 10 Classification Codes by Premium Volume First Quarter Data Reported through March 31, 2015

The top ten 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	Description	Premium	% of Premium
1	7711	FIREFIGHTERS & DRIVERS - VOLUNTEER	\$1,144,039	19.4%
2	7228	TRUCKING-LOCAL HAULING ONLY-& DRIVERS	\$432,300	7.3%
3	2710	SAWMILL	\$300,388	5.1%
4	2702	LOGGING OR TREE REMOVAL - NON MECHANIZED OPERATIONS	\$284,781	4.8%
5	7705	AMBULANCE SERVICE COMPANIES AND EMS (EMERGENCY MEDICAL SERVICE) PROVIDERS & DRIVERS	\$250,491	4.2%
6	7229	TRUCKING-LONG DISTANCE HAULING-& DRIVERS	\$221,487	3.8%
7	9403	GARBAGE ASHES OR REFUSE COLLECTION & DRIVERS	\$219,121	3.7%
8	8868	COLLEGE: PROFESSIONAL EMPLOYEES & CLERICAL	\$162,125	2.8%
9	8232	LUMBERYARD NEW MATERIALS ONLY: ALL OTHER EMPLOYEES & YARD WAREHOUSE DRIVERS	\$157,263	2.7%
10	8829	CONVALESCENT OR NURSING HOME-ALL EMPLOYEES	\$140,500	2.4%

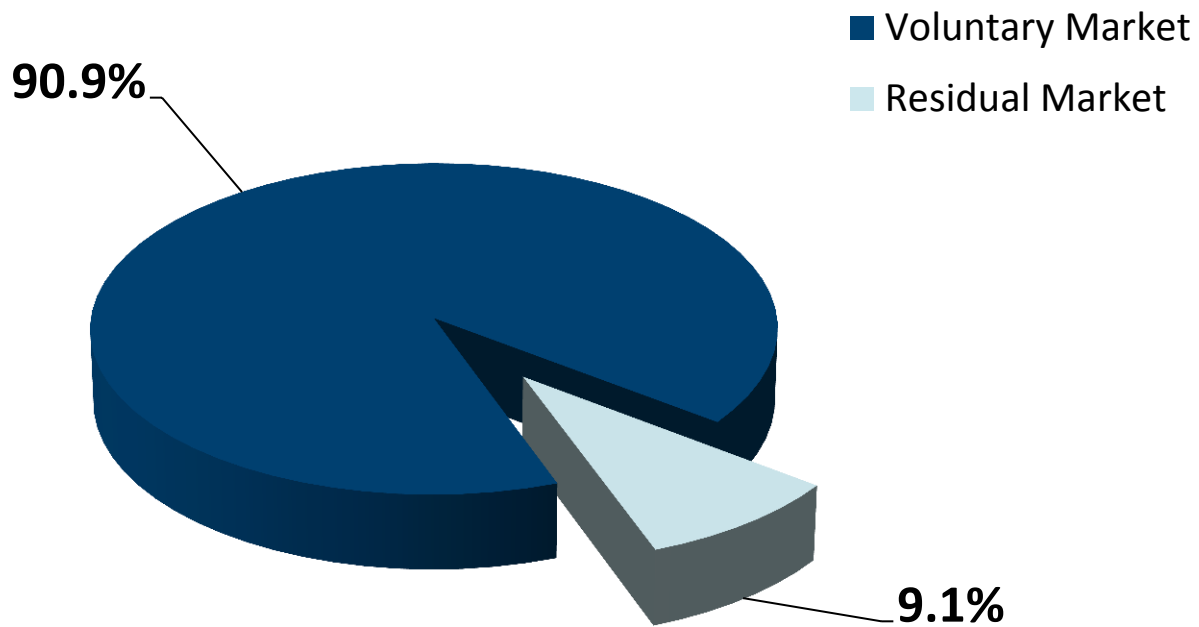


Residual Market Demographics

Residual Market Share

First Quarter Data through March 31, 2015

States estimated residual market share compared to the voluntary market share by written premium.





West Virginia Residual Market Performance Report

January 1, 2015 – March 31, 2015

Residual Market Demographics

Voluntary Coverage Assistance Program

First Quarter Data through March 31, 2015

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 2015.

Number of Applications Reviewed by VCAP[®] Service	368
Associated Premium for Applications Reviewed	\$2,894,595.14
Number of VCAP[®] Service Matches	75
VCAP[®] Service Matches as a % of Applications Reviewed	20.38%
Number of VCAP[®] Service Offers	0
VCAP[®] Service Offers as a % of Matches	0.00%
Number of Confirmed VCAP[®] Service Policies	0
Confirmed VCAP[®] Service Policies as a % of Applications Reviewed	0.00%
Redirected Assigned Risk Premium	\$0.00
Associated Voluntary Market Premium	\$0.00
Savings	\$0.00
Average Savings per Application	\$0.00
Savings as a % of Redirected Assigned Risk Premium	0.00%
Redirected Premium as a % of Associated Premium for Applications Reviewed by VCAP[®] Service	0.00%



West Virginia Residual Market Performance Report

January 1, 2015 – March 31, 2015

Residual Market Demographics

Collections/Indemnification

The following shows a comparison of gross written premium and uncollectible premium reported in West Virginia for Policy Years 2010-2014, obtained through NP-4 and NP-5 reports including traumatic and black lung claims, evaluated through Fourth Quarter 2014.

Policy Year	Gross Written Premium	Uncollectible Premium	Percentage
2010	\$7,791,596	\$135,998	1.7%
2011	\$10,390,016	\$220,321	2.1%
2012	\$14,802,445	\$170,296	1.2%
2013	\$17,929,327	*	N/A
2014	\$17,521,682	*	N/A

* 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.



West Virginia Residual Market Performance Report

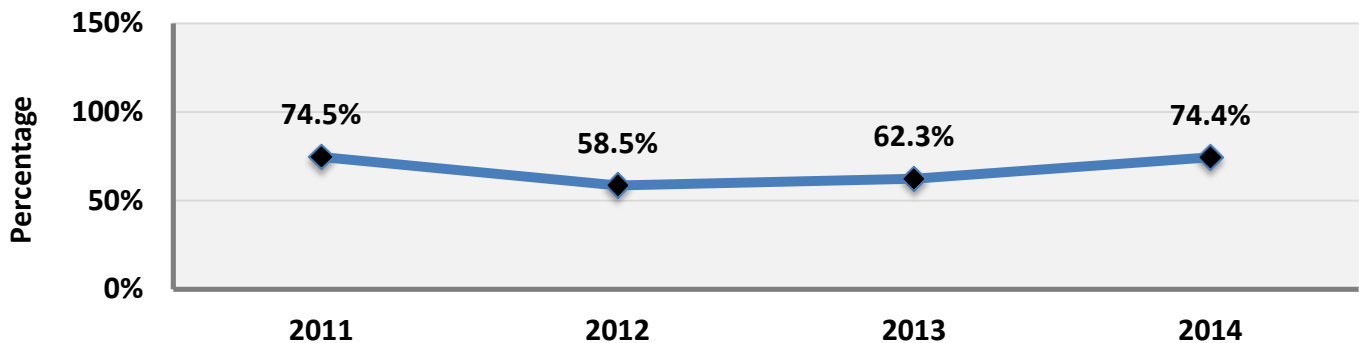
January 1, 2015 – March 31, 2015

Residual Market Demographics

West Virginia Residual Market Reinsurance Pool Booked Loss Ratio Policy Year Financial Results through 4th Quarter 2014 for 2014 and prior years*

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

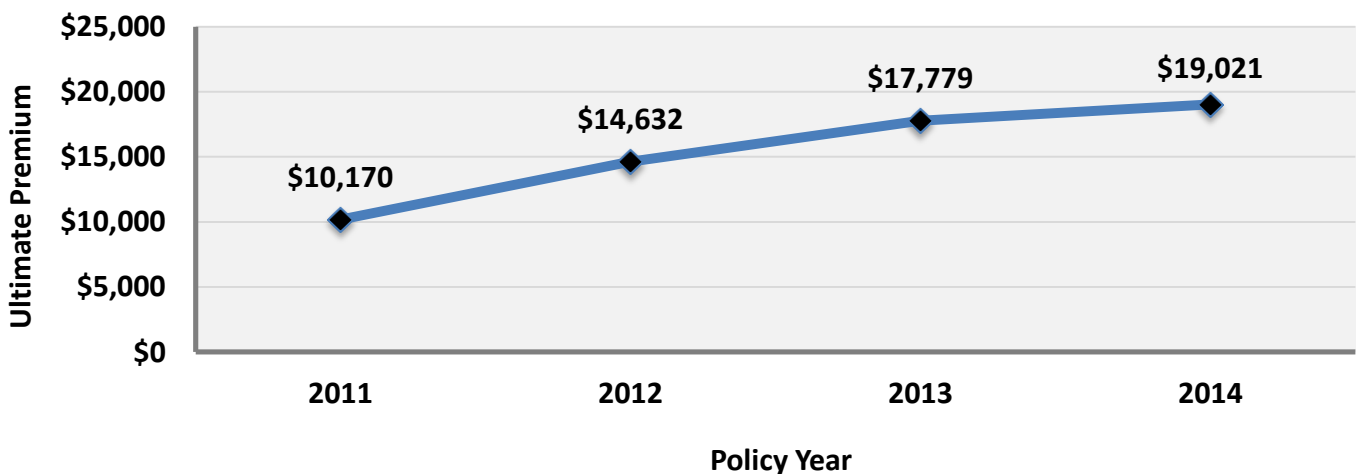
Booked Loss Ratio



West Virginia Residual Market Reinsurance Pool Ultimate Net Written Premium (Projected to Ultimate) (000's)

Policy Year Financial Results through 4th Quarter 2014 for 2014 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.



* First Quarter 2015 data will be available the end of July 2015 due to the timing of data reporting



West Virginia Residual Market Performance Report

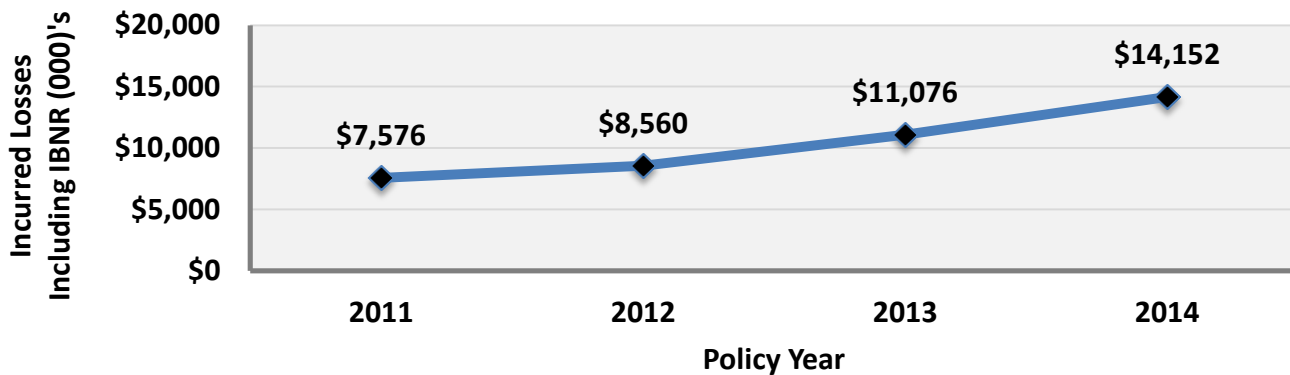
January 1, 2015 – March 31, 2015

Residual Market Demographics

West Virginia Residual Market Reinsurance Pool Net Operating Results (Projected to Ultimate) Incurred Losses

Policy Year Financial Results through 4th Quarter 2014 for 2014 and prior years*

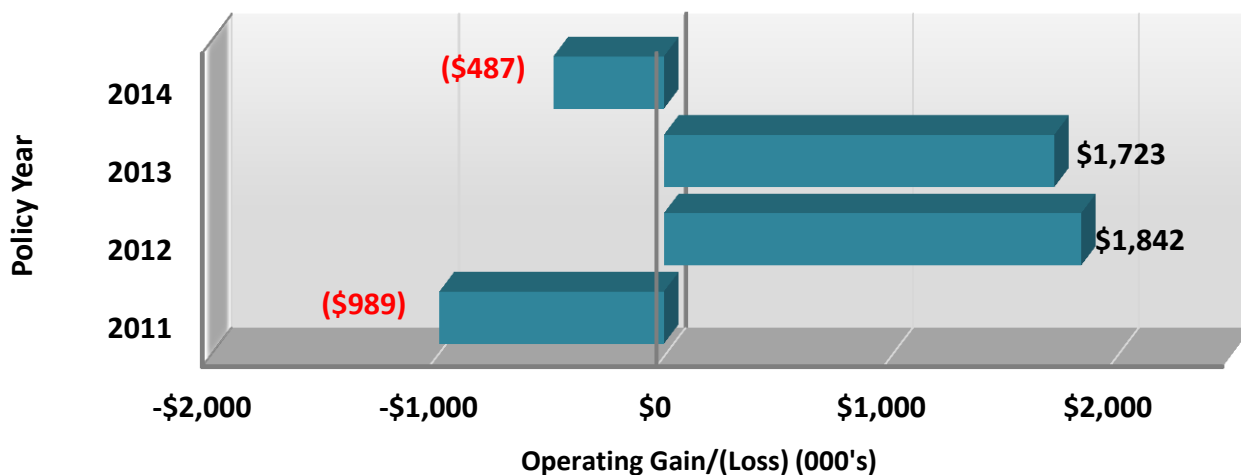
Policy year incurred losses reflect paid losses, case reserves and IBNR reserves for policies written in a particular policy year in that state.



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

Policy Year Financial Results through 4th Quarter 2014 for 2014 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.



* First Quarter 2015 data will be available the end of July 2015 due to the timing of data reporting



West Virginia Residual Market Performance Report

January 1, 2015 – March 31, 2015

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.

Residual Market Share—The ratio of assigned risk premium (pool plus direct assignment) to the total net direct written premium.

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.