



*Massachusetts Workers Compensation
Assigned Risk Pool*

February 24, 2021

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 02-21

UPDATED INFORMATION ON RESIDUAL MARKET SHARE

The information in this bi-monthly Special Bulletin is provided as an indicator of the directional movement of the "Residual Market Share" which, as used in this report, is defined as:

$$\text{Residual Market Share} = (\text{SC}_{wp} + \text{VDAC}_{wp}) / (\text{SC}_{wp} + \text{VDAC}_{wp} + \text{VOL}_{wp})$$

- SC_{wp}** - Servicing Carrier Written Premiums
- VDAC_{wp}** - Voluntary Direct Assignment Written Premiums
- VOL_{wp}** - Voluntary Written Premiums

The basis for the written premiums used in this report is the sum of Standard Premium plus ARAP plus Expense Constant as contained in the WCRIBMA's Policy File Information System which reflects reported estimated values as of policy issuance.

The estimated policy year ultimate residual market share for the 12 months ending December 31, 2020 is 15.4%.

12 Month Interval	Policy Counts		Written Premium (\$ thousands)		Development Factor		Estimated Ultimate Written Premium ± (\$ thousands)		Estimated Ultimate Residual Market Share
	Voluntary	Residual Market	Voluntary	Residual Market	Voluntary	Residual Market	Voluntary	Residual Market	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(4)x(6)	(9)=(5)x(7)	(10)=(9)/[(8)+(9)]
Jan-17 - Dec-17	183,499	51,490	1,158,543	261,050	1.050	1.050	1,216,470	274,103	18.4%
Jan-18 - Dec-18	188,864	50,472	1,150,720	249,169	1.050	1.050	1,208,256	261,627	17.8%
Jan-19 - Dec-19	202,706	48,803	1,171,883	230,901	1.050	1.050	1,230,478	242,446	16.5%
Jan-20 - Dec-20	206,306	44,232	1,152,745	208,502	1.052	1.057	1,212,232	220,300	15.4%

The estimated ultimate market shares for the November and December policy months of 2018 through 2020 are as follows.

Month (1)	Policy Counts		Written Premium (\$ thousands)		Development Factor		Estimated Ultimate Written Premium ± (\$ thousands)		Estimated Ultimate Residual Market Share (10)=(9)/[(8)+(9)]
	Voluntary (2)	Residual Market (3)	Voluntary (4)	Residual Market (5)	Voluntary (6)	Residual Market (7)	Voluntary (8)=(4)x(6)	Residual Market (9)=(5)x(7)	
Nov-18	9,622	3,579	69,436	13,166	1.050	1.050	72,908	13,824	15.9%
Nov-19	10,665	3,350	73,194	12,944	1.060	1.040	77,587	13,460	14.8%
Nov-20	10,186	3,073	66,656	12,449	1.052	1.064	70,130	13,250	15.9%
Dec-18	10,961	3,340	87,615	16,145	1.050	1.050	91,996	16,952	15.6%
Dec-19	11,313	3,068	88,793	14,603	1.061	1.041	94,227	15,202	13.9%
Dec-20	11,416	2,966	84,971	12,976	1.053	1.066	89,503	13,838	13.4%

± Estimated Ultimate Written Premium incorporates an estimate of subsequent audit premium as reflected in the development factor. Scheduled review and adjustments are being made to the development factors as a policy year develops.

Similar ratios calculated using written premium at the Annual Statement Basis as reported on the Aggregate Financial Calls would tend to be higher because of the impact of deviations and schedule rating.

Policy Year	Estimated Ultimate Residual Market Share	Calendar Year	Residual Market Share Based on Annual Statement Data
2017	18.4%	2017	22.1%
2018	17.8%	2018	20.8%
2019	16.5%	2019	18.9%
2020	15.4%	2020	N/A

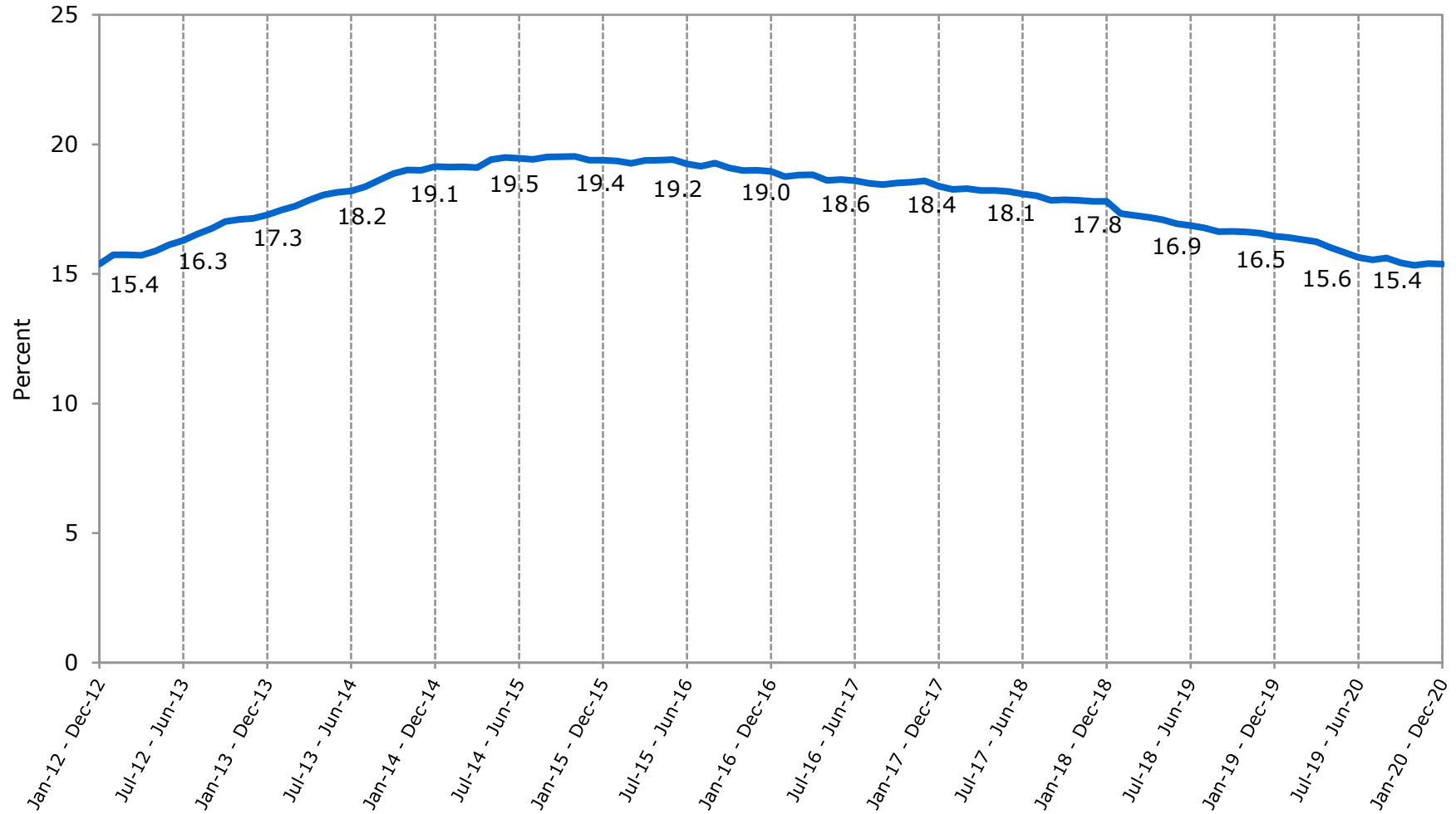
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Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share - 12 Month Moving Average

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)

Data as of 2/15/21



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)
Data as of 2/15/21

