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THE WORKERS' COMPENSATION RATING
AND INSPECTION BUREAU OF MASSACHUSETTS
MASSACHUSETTS WORKERS' COMPENSATION ASSIGNED RISK POOL

October 27, 2026

MASSACHUSETTS WORKERS' COMPENSATION ASSIGNED RISK POOL

SPECIAL BULLETIN NO. 09-26

2025 VOLUNTARY ASSESSABLE PREMIUM

The Calendar Year 2025 Voluntary Assessable Premium Bases have been finalized. They are as follows:

Total Voluntary Assessable Premium Basis - Used to Determine Shares of the PY 2025 Residual Market:	***$1,317,200,519***
Total Voluntary Assessable Premium Basis - Used to Determine Shares of the PY 2025 Reinsurance Pool Result:	***$593,884,837***

The above figures were arrived at from reported Calendar Year 2025 values as follows:

VOLUNTARY ASSESSABLE PREMIUM (VAP) BASIS – USED TO DETERMINE SHARES OF THE RESIDUAL MARKET

Calculation of Voluntary Assessable Premium Basis – Used to Determine Shares of the PY 2025 Residual Market

Direct Written Premium [1]		*$1,246,958,833*
Premium for National Defense Projects [2]	-	*$241*
Residual Market Premium [3]	-	*$175,128,792*
Take Out Credits	-	*$32,744,859*
Premium for Large Deductible Policies Reported on the Annual Statement [4]	-	*$101,988,373*
Standard Premium + ARAP for Large Deductible Policies [5]	+	*$374,214,072*
Adjustment for Carriers with Negative Premium [6]	+	*$5,889,879*
VAP Basis - Used to Determine Shares of the Residual Market		***$1,317,200,519***

1 From Calendar Year 2025 Annual Statement, Exhibit of Premiums and Losses, Column 1, Line 16.
2 From Massachusetts Call #5B, Column 3
3 Consists of $81,113,005 in Servicing Carrier Premium and $94,015,787 in VDAC Premium.
4 From Massachusetts Call #5B, Column 5.
5 From Massachusetts Call #5A, Column 1 + Column 2.
6 Carriers showing a calculated voluntary assessable premium less than zero have had their voluntary assessable premium adjusted to equal zero.

Each carrier's Residual Market Ratio (prior to adjusting for the VDAC Program) is its voluntary assessable premium divided by the above total. This ratio is the share of the total Residual Market for Policy Year 2025 for which that carrier is responsible and is used to calculate the assignment quotas for Voluntary Direct Assignment and Servicing Carriers.

VOLUNTARY ASSESSABLE PREMIUM (VAP) BASIS – USED TO DETERMINE SHARES OF THE REINSURANCE POOL RESULTS

During 2025, eight carriers accepted direct assignments in order to satisfy their assessment obligations to the Pool. Each of these eight VDAC carrier groups had their voluntary assessable premium set equal to zero. Pool Participation Ratios, used for allocating the results of the Reinsurance Pool, are based on voluntary assessable premium adjusted for VDAC carriers. This is calculated as follows:

Calculation of Voluntary Assessable Premium Basis – Used to Determine Shares of the PY 2025 Reinsurance Pool Result

VAP Basis - Used to Determine Shares of the Residual Market		*$1,317,200,519*
VAP for VDAC Carrier Groups	-	*$723,315,682*
VAP Basis – Used to Determine Shares of the Reinsurance Pool Results		***$593,884,837***

Each non-VDAC carrier's Pool Participation Ratio (after adjusting for the VDAC carriers) is its voluntary assessable premium divided by the above total. This ratio is the share of the Reinsurance Pool Results for Policy Year 2025 for which that carrier is responsible.

VDAC REAPPORTIONMENT

Since assignments must be made during the current policy year and since the VDACs' percentages for policy year 2025 were not yet available, the most recent available percentages (based on 2023 and 2024 data) were used to make assignments. Therefore, VDACs were not assigned their exact share of the residual market. For example, in 2025 VDACs were not assigned exactly 55% (= $723,315,682/$1,317,200,519) of Policy Year 2025 residual market premium.

The purpose of the VDAC Reapportionments is to correct for over or under assignments to VDACs. Article IX-7 of the Pool Plan of Operation provides for an *optional* Intermediate Reapportionment of pool shares to be made within two years of the beginning of the policy year, and for a Final Reapportionment of pool shares, to be completed on all policy years including those policy years for which an Intermediate Reapportionment was completed, within three years of the beginning of the policy year. Upon completion of those reapportionments, individual VDACs will be given small positive or negative Pool Participation Ratios.

For policy year 2025, the VDACs' collective share of the residual market will be adjusted to their exact share based on policy year data as of December 31, 2026, which is currently estimated to be 55%. Similarly, non-VDACs will have their Pool Participation Ratios adjusted slightly to bring their share of the residual market to that which remains after adjusting the VDACs' market share. Each VDAC reapportionment will result in an adjustment to the Pool Participation Ratios and a cash adjustment. If conducted, the optional Intermediate VDAC Reapportionment for policy year 2025 will be reflected in NCCI's Fourth Quarter 2026 Massachusetts Pool Statements. The Final VDAC Reapportionment for policy year 2025 will be reflected in NCCI's Fourth Quarter 2027 Massachusetts Pool Statements.

Exhibit 1 summarizes the finalized 1994 through 2025 VDAC shares of the Residual Market and shows the target percentages for 2026 and 2027 VDACs based on 2025 data.

Exhibit 2 summarizes the Take-Out Credits that were used to determine the voluntary assessable premium for Calendar Year 2025. The total Calendar Year 2025 Take-Out Credit was approximately $32.7 million.

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SB 09-26
Attachments

VDAC Share Summary		
Policy Year	Number of VDACs	VDACs' Quota of A/R Premium
1994	3	8%
1995	7	20%
1996	10	48%
1997	12	62%
1998	12	62%
1999	14	62%
2000	13	61%
2001	14	67%
2002	12	71%
2003	10	65%
2004	9	60%
2005	8	63%
2006	7	62%
2007	7	60%
2008	9	70%
2009	9	67%
2010	9	65%
2011	10	72%
2012	8	55%
2013	8	53%
2014	8	53%
2015	8	53%
2016	8	55%
2017	8	54%
2018	8	55%
2019	8	57%
2020	8	53%
2021	8	55%
2022	8	56%
2023	8	56%
2024	8	56%
2025	8	55%
2026	7	49% (target)
2027	6	38% (target)

Massachusetts Workers Compensation
Calendar Year 2025
Take-Out Credit Summary

Policy Year	Year of Credit	Policy Count	Calendar Year Written Premium	Take-Out Credit
2025†	1	1,153	11,615,036	11,400,707
	2	938	9,837,838	9,533,983
	3	993	9,574,274	8,851,883
	Total	**3,084**	**31,027,148**	**29,786,573**
2024*	1	749	1,328,121	1,169,626
	2	878	564,033	568,903
	3	697	689,554	639,844
	Total	**2,324**	**2,581,708**	**2,378,373**
2023*	1	604	384,458	467,761
	2	481	(26,894)	34,257
	3	415	307,006	246,163
	Total	**1,500**	**664,570**	**748,181**
2022*	1	37	(216,090)	(199,039)
	2	28	79,218	65,255
	3	14	(44,080)	(34,484)
	Total	**79**	**(180,952)**	**(168,268)**
GRAND TOTALS		**6,987**	**34,092,474**	**32,744,859**

† For policies listed under PY 2025:
- Year of Credit 1 are policies that were initially removed in 2025;
- Year of Credit 2 are policies that were initially removed in 2024 and are receiving a 2nd year credit in 2025; and
- Year of Credit 3 are policies that were initially removed in 2023 and receiving a 3rd year credit in 2025.

* The data shown for PYs 2024, 2023 and 2022 includes policies for which carriers have received take-out credits in prior years and whose premiums and resulting take-out credits have been adjusted during 2025 as a result of a payroll audit, in accordance with the approved Take-Out Credit Program. The Calendar Year Written Premium displayed in this exhibit for PYs 2024, 2023 and 2022 is the difference between this year's and last year's premiums.

Since the Take-Out Credit Program allows for no more than thirty-six months of credit, the 2022 adjustments only include those policies where a 2022 audit was revised in 2025, and the tail end of the policy's 36-month credit period falls within 2025.