



*Massachusetts Workers' Compensation
Assigned Risk Pool*

February 24, 2023

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 02-23

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:

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

- 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, 2022 is 13.8%.

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-19 - Dec-19	202,687	48,797	1,172,811	229,316	1.050	1.050	1,231,452	240,782	16.4%
Jan-20 - Dec-20	210,701	44,237	1,161,035	211,628	1.050	1.050	1,219,086	222,209	15.4%
Jan-21 - Dec-21	226,141	42,810	1,206,037	203,632	1.050	1.050	1,266,339	213,813	14.4%
Jan-22 - Dec-22	233,747	40,503	1,284,744	207,133	1.070	1.060	1,375,139	219,644	13.8%

The estimated ultimate market shares for the November and December policy months of 2019 through 2022 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-19	10,768	3,350	74,323	12,742	1.050	1.050	78,039	13,379	14.6%
Nov-20	10,602	3,077	67,178	12,372	1.050	1.050	70,537	12,991	15.6%
Nov-21	11,825	3,027	73,410	12,872	1.065	1.048	78,184	13,491	14.7%
Nov-22	12,141	2,855	80,298	11,844	1.086	1.074	87,238	12,726	12.7%
Dec-19	10,872	3,068	89,774	14,622	1.050	1.050	94,263	15,353	14.0%
Dec-20	11,994	2,963	88,763	13,827	1.050	1.050	93,201	14,518	13.5%
Dec-21	12,658	2,890	95,122	14,225	1.069	1.043	101,704	14,836	12.7%
Dec-22	12,885	2,764	100,808	13,773	1.089	1.087	109,769	14,968	12.0%

± 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
2019	16.4%	2019	18.9%
2020	15.4%	2020	17.9%
2021	14.4%	2021	17.5%
2022	13.8%	2022	N/A

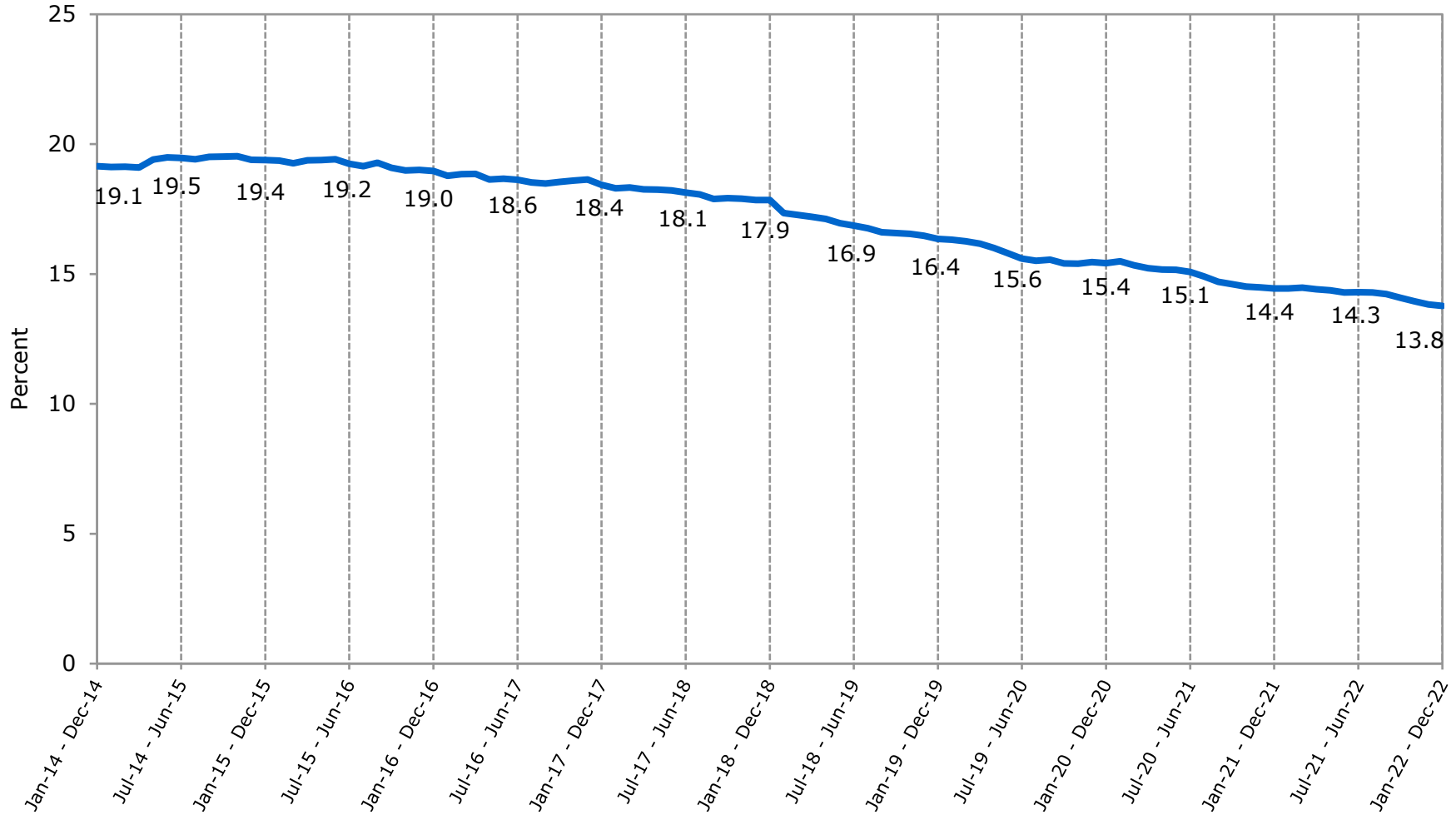
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Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share - 12 Month Moving Average

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

Data as of 2/15/23



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month (Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary) Data as of 2/15/23

