



*Massachusetts Workers Compensation  
Assigned Risk Pool*

February 21, 2018

**MASSACHUSETTS WORKERS' COMPENSATION  
ASSIGNED RISK POOL**

**SPECIAL BULLETIN NO. 02-18**

**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<sub>wp</sub>** - Servicing Carrier Written Premiums
- VDAC<sub>wp</sub>** - Voluntary Direct Assignment Written Premiums
- VOL<sub>wp</sub>** - 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, 2017 is 18.8%.

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-14 - Dec-14	167,734	51,420	949,687	224,941	1.050	1.050	997,171	236,188	19.1%
Jan-15 - Dec-15	174,185	52,917	1,011,456	243,288	1.050	1.050	1,062,029	255,453	19.4%
Jan-16 - Dec-16	180,163	53,405	1,078,433	254,391	1.050	1.050	1,132,354	267,111	19.1%
Jan-17 - Dec-17	181,106	51,463	1,127,182	259,949	1.067	1.070	1,203,199	278,169	18.8%

The estimated ultimate market shares for the November and December policy months of 2015 through 2017 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-15	9,527	3,693	64,571	11,723	1.050	1.050	67,800	12,309	15.4%
Nov-16	9,735	3,707	66,440	12,694	1.065	1.056	70,736	13,408	15.9%
Nov-17	9,189	3,624	67,581	14,302	1.083	1.096	73,165	15,668	17.6%
Dec-15	10,213	3,607	79,458	18,374	1.050	1.050	83,431	19,293	18.8%
Dec-16	10,478	3,703	83,230	19,603	1.068	1.054	88,910	20,665	18.9%
Dec-17	9,935	3,413	85,863	16,973	1.095	1.105	93,982	18,755	16.6%

± 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.

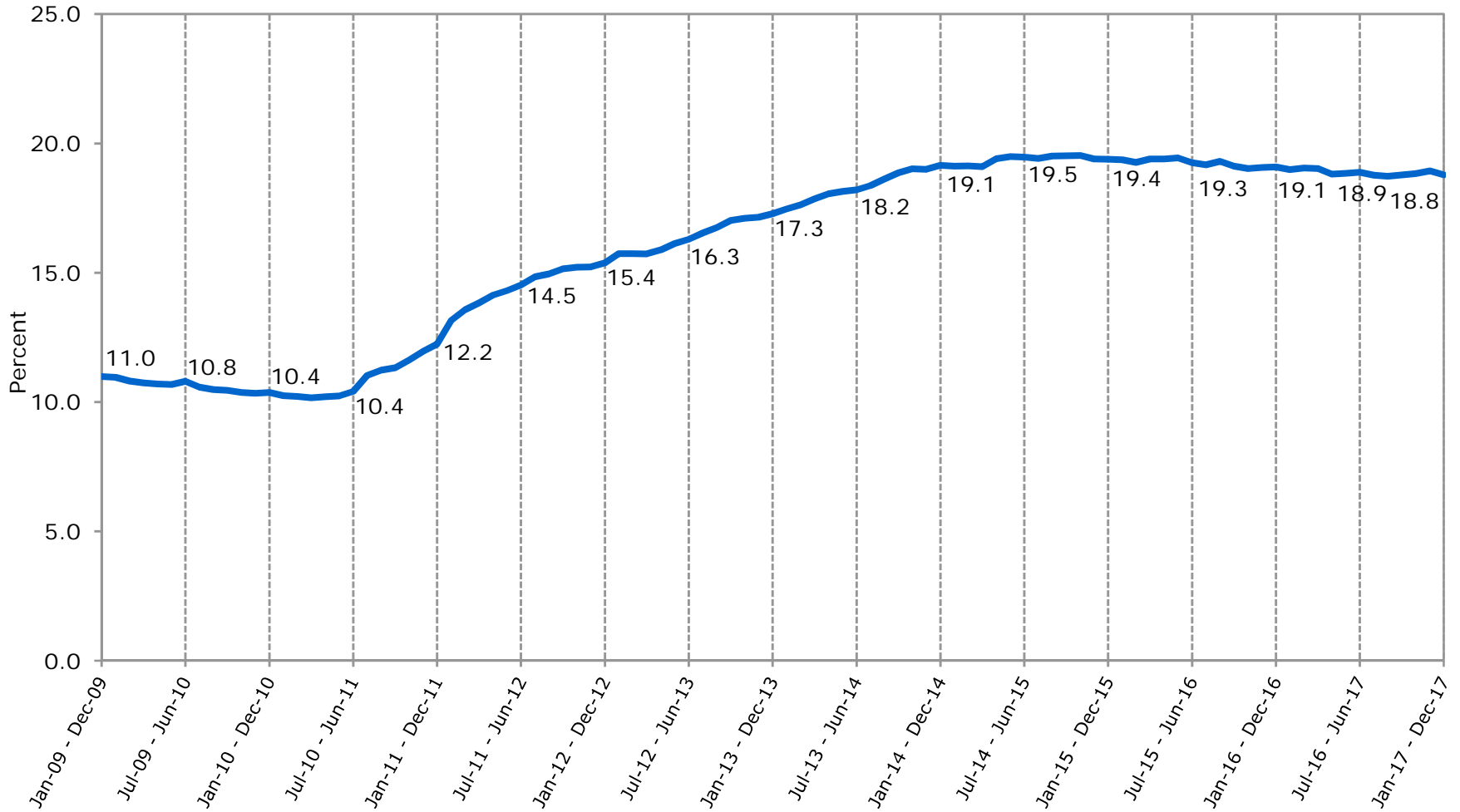
Policy Year	Estimated Ultimate Residual Market Share	Calendar Year	Residual Market Share Based on Annual Statement Data
2014	19.1%	2014	21.7%
2015	19.4%	2015	22.9%
2016	19.1%	2016	22.4%
2017	18.8%	2017	n/a

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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 2/15/18



# Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month

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

Data as of 2/15/18

