



*Massachusetts Workers Compensation
Assigned Risk Pool*

April 20, 2018

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 05-18

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_{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 February 28, 2018 is 18.5%.

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)]
Mar-14 - Feb-15	172,271	51,410	957,742	226,597	1.050	1.050	1,005,629	237,927	19.1%
Mar-15 - Feb-16	177,259	53,146	1,023,399	244,244	1.050	1.050	1,074,569	256,456	19.3%
Mar-16 - Feb-17	184,697	53,257	1,099,757	257,307	1.050	1.050	1,154,745	270,172	19.0%
Mar-17 - Feb-18	183,210	51,308	1,132,253	258,634	1.066	1.062	1,207,404	274,763	18.5%

The estimated ultimate market shares for the January and February policy months of 2016 through 2018 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)	
Jan-16	17,089	4,467	180,266	30,805	1.050	1.050	189,279	32,345	14.6%
Jan-17	18,197	4,342	196,491	32,489	1.064	1.057	209,012	34,336	14.1%
Jan-18	17,634	4,163	198,434	31,423	1.081	1.081	214,531	33,966	13.7%
Feb-16	44,682	3,684	59,577	13,490	1.050	1.050	62,556	14,165	18.5%
Feb-17	47,940	3,661	62,359	15,426	1.067	1.050	66,563	16,204	19.6%
Feb-18	50,213	3,674	62,054	15,663	1.093	1.090	67,829	17,076	20.1%

± 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	19.0%	2016	22.4%
2017	18.6%	2017	22.1%*

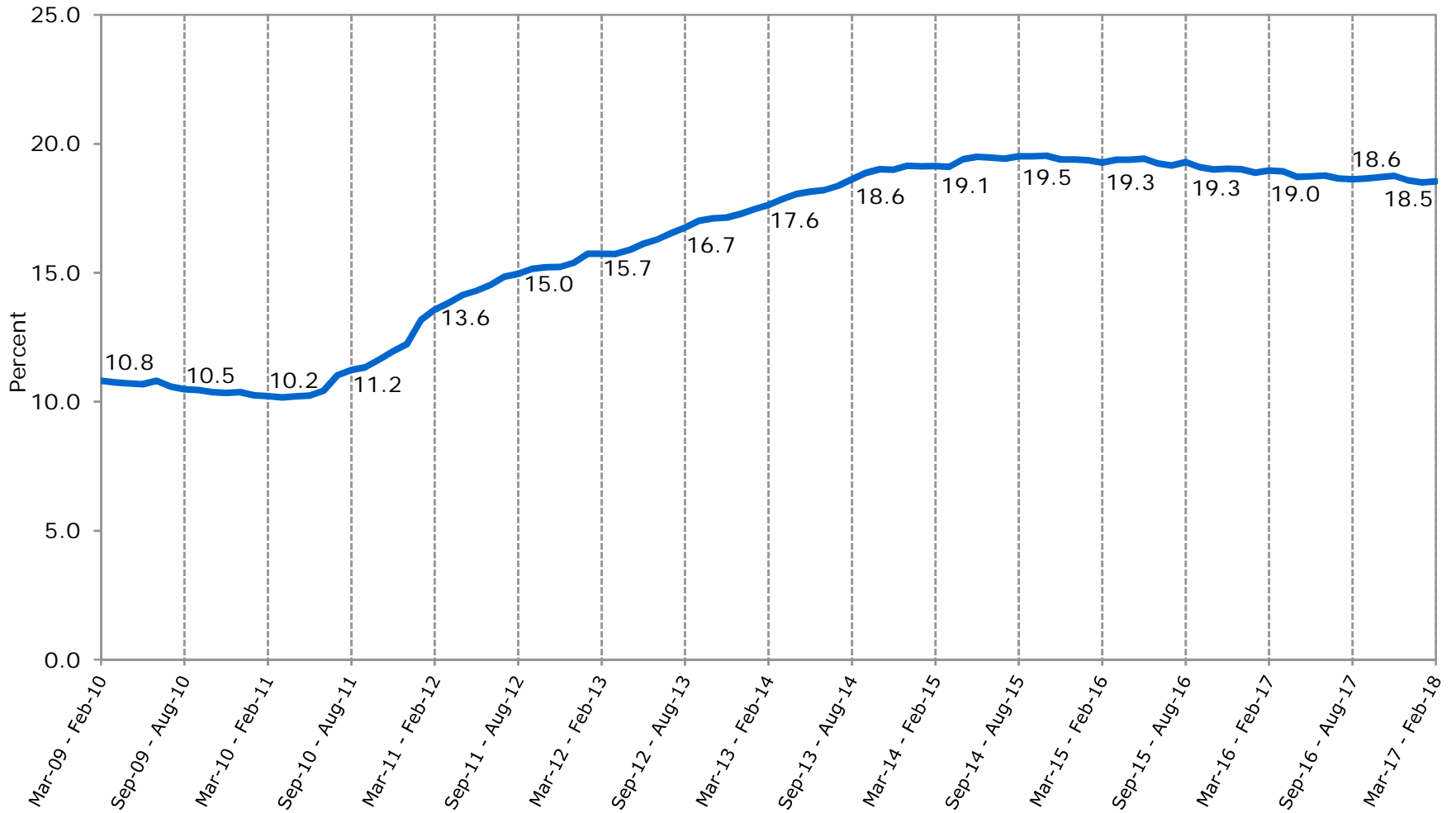
* preliminary

Christine Cronin
Residual Market Specialist

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

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

Data as of 4/16/18



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)
Data as of 4/16/18

