



*Massachusetts Workers Compensation
Assigned Risk Pool*

August 21, 2018

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 08-18

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 June 30, 2018 is 18.4%.

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)]
Jul-14 - Jun-15	173,041	52,253	973,958	235,410	1.050	1.050	1,022,656	247,181	19.5%
Jul-15 - Jun-16	178,052	53,251	1,038,156	247,352	1.050	1.050	1,090,064	259,719	19.2%
Jul-16 - Jun-17	184,354	52,555	1,119,974	258,699	1.050	1.050	1,175,973	271,634	18.8%
Jul-17 - Jun-18	184,144	50,772	1,144,293	257,946	1.061	1.060	1,214,076	273,364	18.4%

The estimated ultimate market shares for the May and June 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)	
May-16	11,829	5,101	71,142	20,917	1.050	1.050	74,699	21,963	22.7%
May-17	11,711	5,000	73,301	22,010	1.058	1.047	77,526	23,034	22.9%
May-18	11,932	4,929	72,808	21,183	1.070	1.072	77,909	22,710	22.6%
Jun-16	13,002	4,941	99,562	20,975	1.050	1.050	104,540	22,024	17.4%
Jun-17	12,579	4,835	101,900	22,311	1.061	1.040	108,114	23,193	17.7%
Jun-18	13,009	4,661	105,910	21,141	1.081	1.085	114,509	22,942	16.7%

± 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.

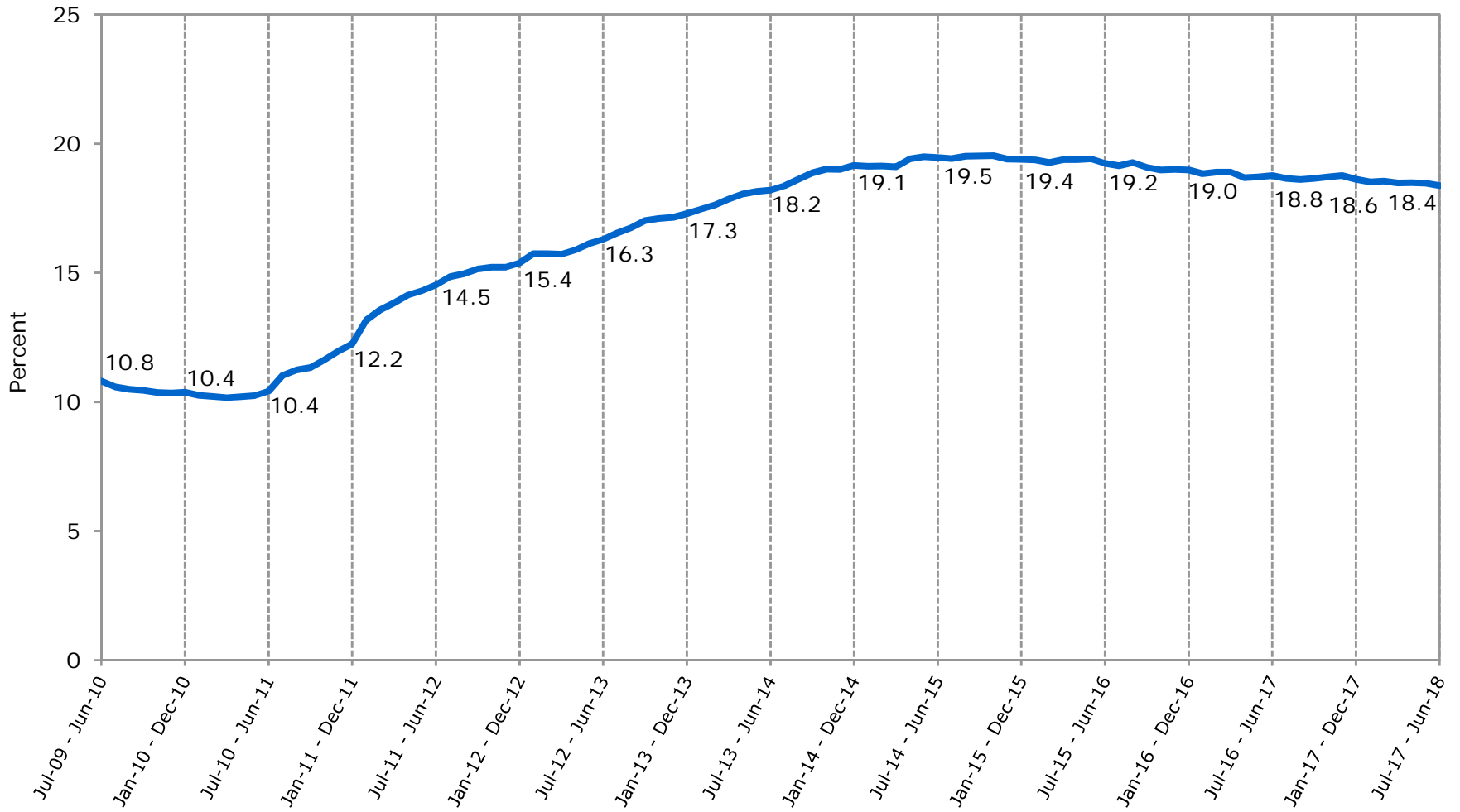
Similar ratios calculated using written premium at the Annual Statement Basis as reported on the Aggregate Financial Calls would tend to be higher because of the impact of deviations and schedule rating.

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%

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 8/15/18



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)
Data as of 8/15/18

