



*Massachusetts Workers Compensation
Assigned Risk Pool*

October 24, 2018

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 10-18

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:

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

- 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 August 31, 2018 is 18.0%.

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)]
Sep-14 - Aug-15	173,028	52,349	987,354	239,374	1.050	1.050	1,036,722	251,343	19.5%
Sep-15 - Aug-16	179,831	53,301	1,054,252	251,816	1.050	1.050	1,106,965	264,406	19.3%
Sep-16 - Aug-17	183,914	52,219	1,133,184	258,444	1.050	1.050	1,189,843	271,366	18.6%
Sep-17 - Aug-18	184,910	50,713	1,141,642	252,594	1.064	1.057	1,214,574	267,007	18.0%

The estimated ultimate market shares for the July and August 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)	
Jul-16	13,550	4,606	120,299	31,437	1.050	1.050	126,314	33,009	20.7%
Jul-17	13,951	4,366	125,385	30,893	1.063	1.047	133,226	32,341	19.5%
Jul-18	14,355	4,296	118,332	28,452	1.075	1.065	127,216	30,300	19.2%
Aug-16	11,246	4,372	58,614	21,448	1.050	1.050	61,545	22,520	26.8%
Aug-17	10,154	4,269	61,627	21,642	1.066	1.040	65,722	22,511	25.5%
Aug-18	10,105	4,282	64,233	18,902	1.085	1.075	69,706	20,318	22.6%

± 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.

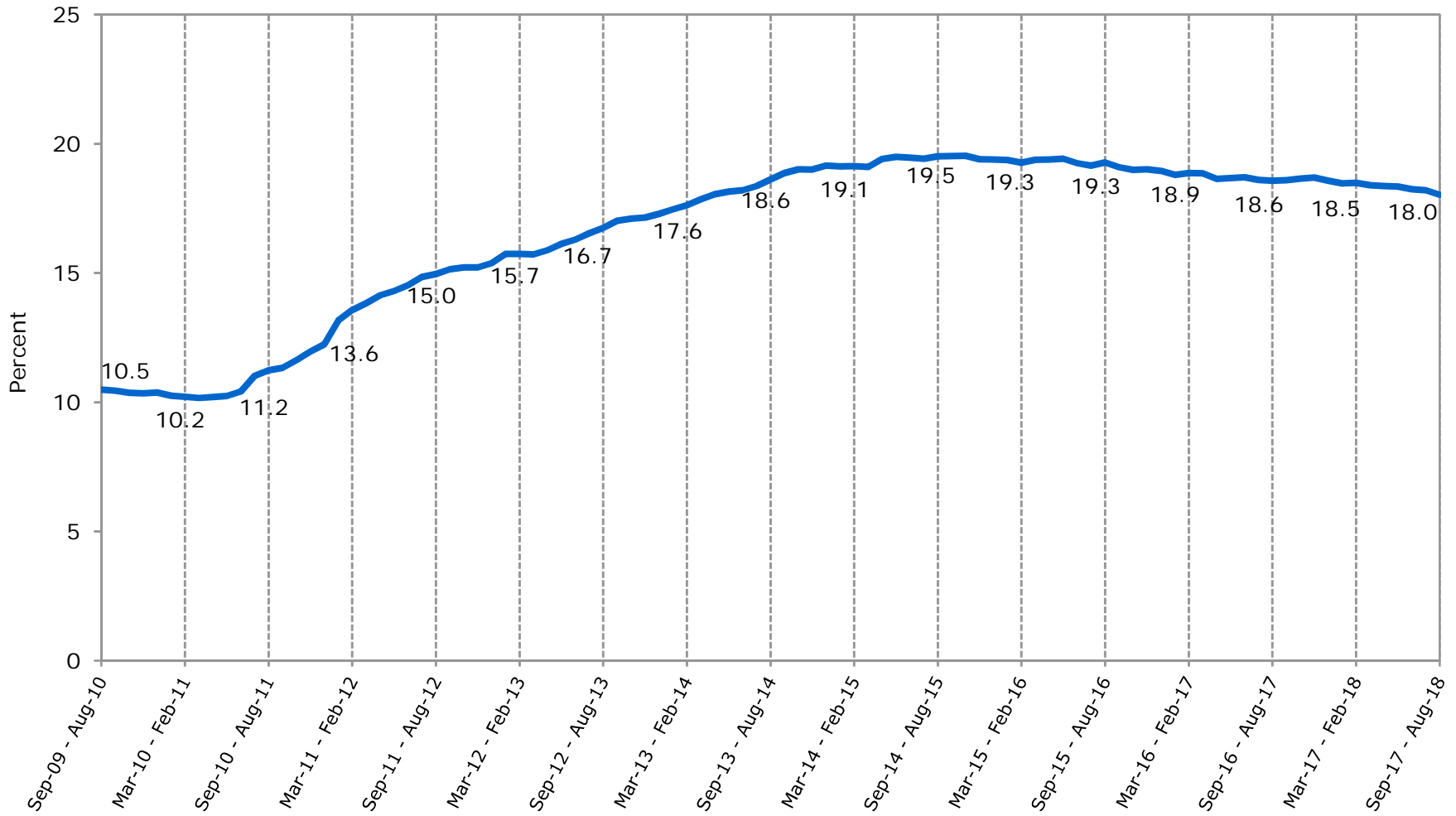
Policy Year	Estimated Ultimate Residual Market Share	Calendar Year	Residual Market Share Based on Annual Statement Data
2014	19.1%	2014	21.7%
2015	19.4%	2015	22.9%
2016	19.0%	2016	22.4%
2017	18.6%	2017	22.1%

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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 10/15/18



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)
Data as of 10/15/18

