



*Massachusetts Workers Compensation
Assigned Risk Pool*

December 21, 2018

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 12-18

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 October 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)]
Nov-14 - Oct-15	173,384	52,602	996,033	241,807	1.050	1.050	1,045,834	253,898	19.5%
Nov-15 - Oct-16	179,898	53,293	1,075,165	252,005	1.050	1.050	1,128,924	264,605	19.0%
Nov-16 - Oct-17	183,793	51,844	1,139,766	260,946	1.050	1.050	1,196,755	273,993	18.6%
Nov-17 - Oct-18	185,019	50,608	1,131,549	249,515	1.065	1.059	1,205,643	264,171	18.0%

The estimated ultimate market shares for the September and October 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)	
Sep-16	11,189	4,255	80,712	19,850	1.050	1.050	84,748	20,843	19.7%
Sep-17	10,549	4,097	82,673	21,291	1.063	1.047	87,873	22,287	20.2%
Sep-18	10,398	4,024	74,330	19,471	1.078	1.063	80,107	20,706	20.5%
Oct-16	11,888	4,410	96,378	18,919	1.050	1.050	101,197	19,865	16.4%
Oct-17	12,224	4,194	95,796	20,230	1.066	1.040	102,081	21,049	17.1%
Oct-18	12,125	4,150	89,915	17,359	1.086	1.083	97,643	18,807	16.2%

± 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.

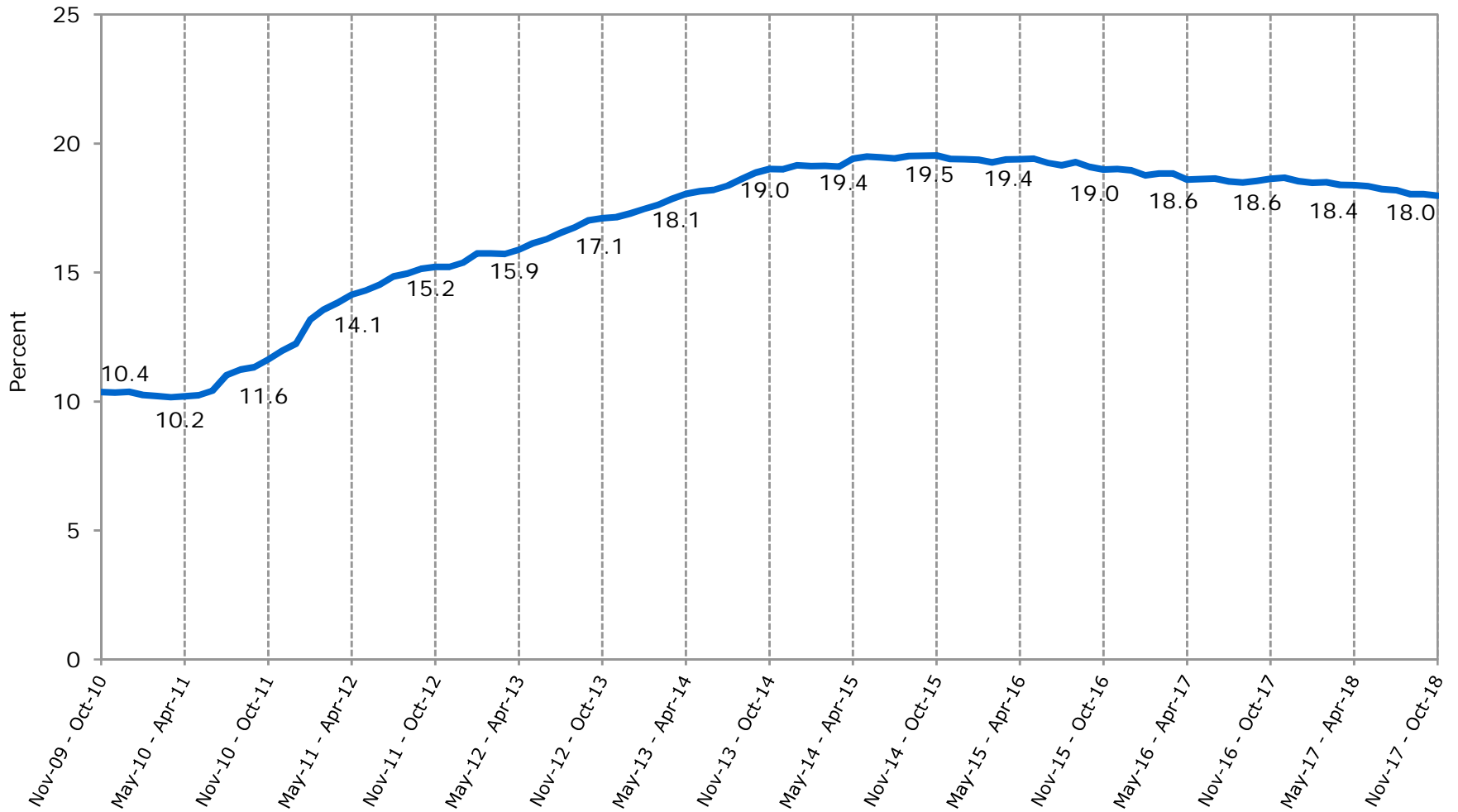
Similar ratios calculated using written premium at the Annual Statement Basis as reported on the Aggregate Financial Calls would tend to be higher because of the impact of deviations and schedule rating.

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	18.5%	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 12/17/18



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month (Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary) Data as of 12/17/18

