



*Massachusetts Workers Compensation  
Assigned Risk Pool*

February 22, 2019

**MASSACHUSETTS WORKERS' COMPENSATION  
ASSIGNED RISK POOL**

**SPECIAL BULLETIN NO. 02-19**

**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<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, 2018 is 17.8%.

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-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	180,531	53,403	1,083,680	253,570	1.050	1.050	1,137,864	266,248	19.0%
Jan-17 - Dec-17	183,092	51,490	1,144,394	261,127	1.050	1.050	1,201,614	274,183	18.6%
Jan-18 - Dec-18	185,894	50,473	1,128,587	246,834	1.065	1.054	1,202,447	260,044	17.8%

The estimated ultimate market shares for the November and December 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)	
Nov-16	9,800	3,707	67,571	12,715	1.050	1.050	70,950	13,351	15.8%
Nov-17	9,348	3,629	69,515	14,361	1.062	1.047	73,834	15,029	16.9%
Nov-18	9,338	3,578	67,919	12,926	1.075	1.056	73,038	13,644	15.7%
Dec-16	10,575	3,703	85,034	18,963	1.050	1.050	89,286	19,911	18.2%
Dec-17	10,116	3,428	87,704	17,803	1.065	1.040	93,399	18,519	16.5%
Dec-18	10,590	3,340	82,115	15,524	1.084	1.079	88,986	16,751	15.8%

± 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
2015	19.4%	2015	22.9%
2016	19.0%	2016	22.4%
2017	18.6%	2017	22.1%
2018	17.8%	2018	n/a*

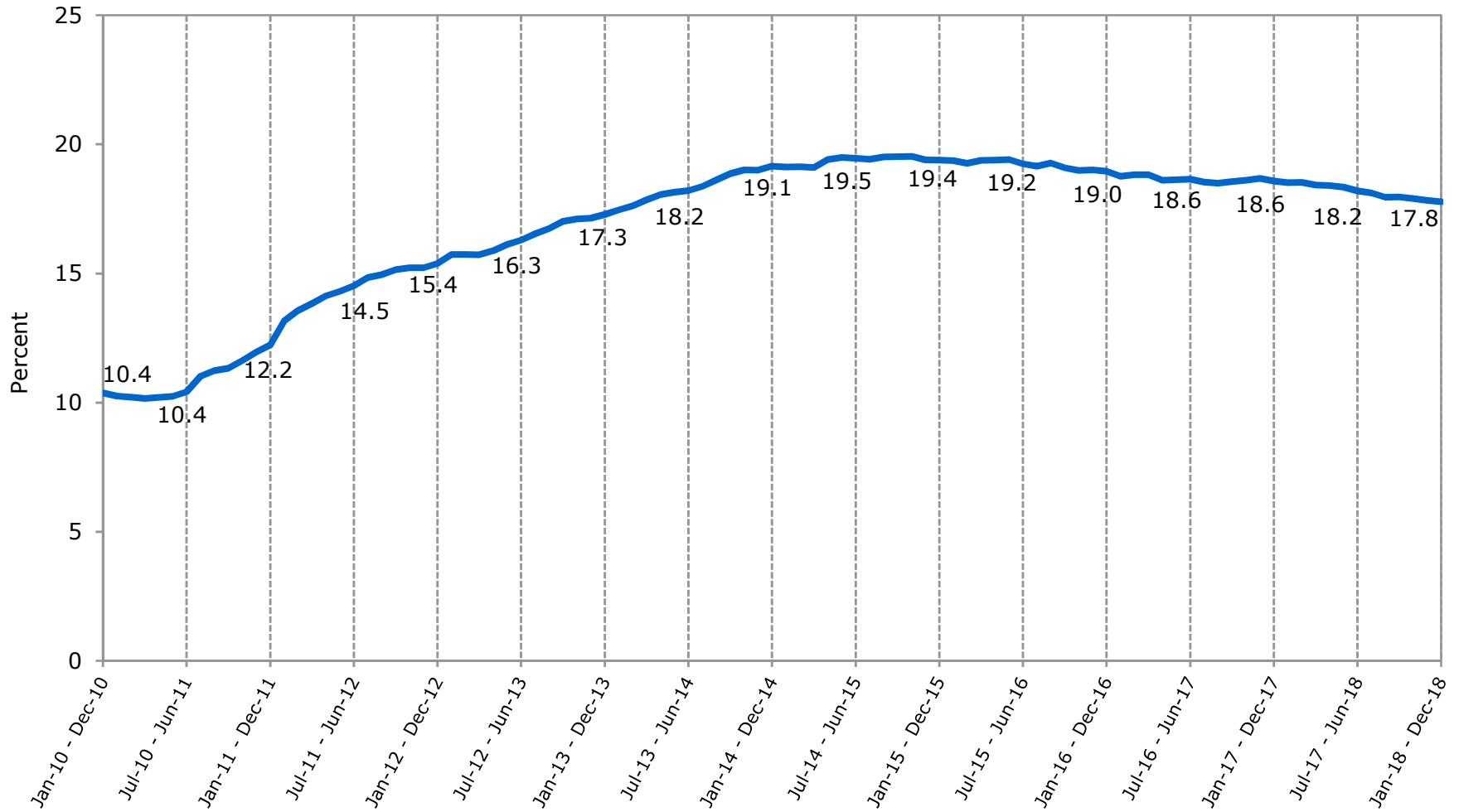
\* The 2018 financial aggregate data is not yet available.

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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 2/15/19



### Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month (Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary) Data as of 2/15/19

