



*Massachusetts Workers Compensation  
Assigned Risk Pool*

August 19, 2019

**MASSACHUSETTS WORKERS' COMPENSATION  
ASSIGNED RISK POOL**

**SPECIAL BULLETIN NO. 08-19**

**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 June 30, 2019 is 16.8%.

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)]
Jul-15 - Jun-16	178,060	53,251	1,037,894	247,354	1.050	1.050	1,089,788	259,722	19.2%
Jul-16 - Jun-17	184,810	52,562	1,132,524	258,729	1.050	1.050	1,189,150	271,665	18.6%
Jul-17 - Jun-18	186,374	50,775	1,167,827	259,155	1.050	1.050	1,226,218	272,113	18.2%
Jul-18 - Jun-19	194,276	50,108	1,139,242	232,322	1.074	1.060	1,223,208	246,149	16.8%

The estimated ultimate market shares for the May and June policy months of 2017 through 2019 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-17	11,788	5,000	74,084	21,994	1.050	1.050	77,788	23,094	22.9%
May-18	12,103	4,928	72,659	21,364	1.071	1.046	77,846	22,350	22.3%
May-19	12,941	4,823	69,967	18,263	1.085	1.063	75,916	19,422	20.4%
Jun-17	12,698	4,836	107,619	22,272	1.050	1.050	113,000	23,386	17.1%
Jun-18	13,245	4,663	108,082	21,058	1.075	1.045	116,179	21,997	15.9%
Jun-19	14,273	4,490	102,228	18,351	1.093	1.091	111,736	20,016	15.2%

± 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.

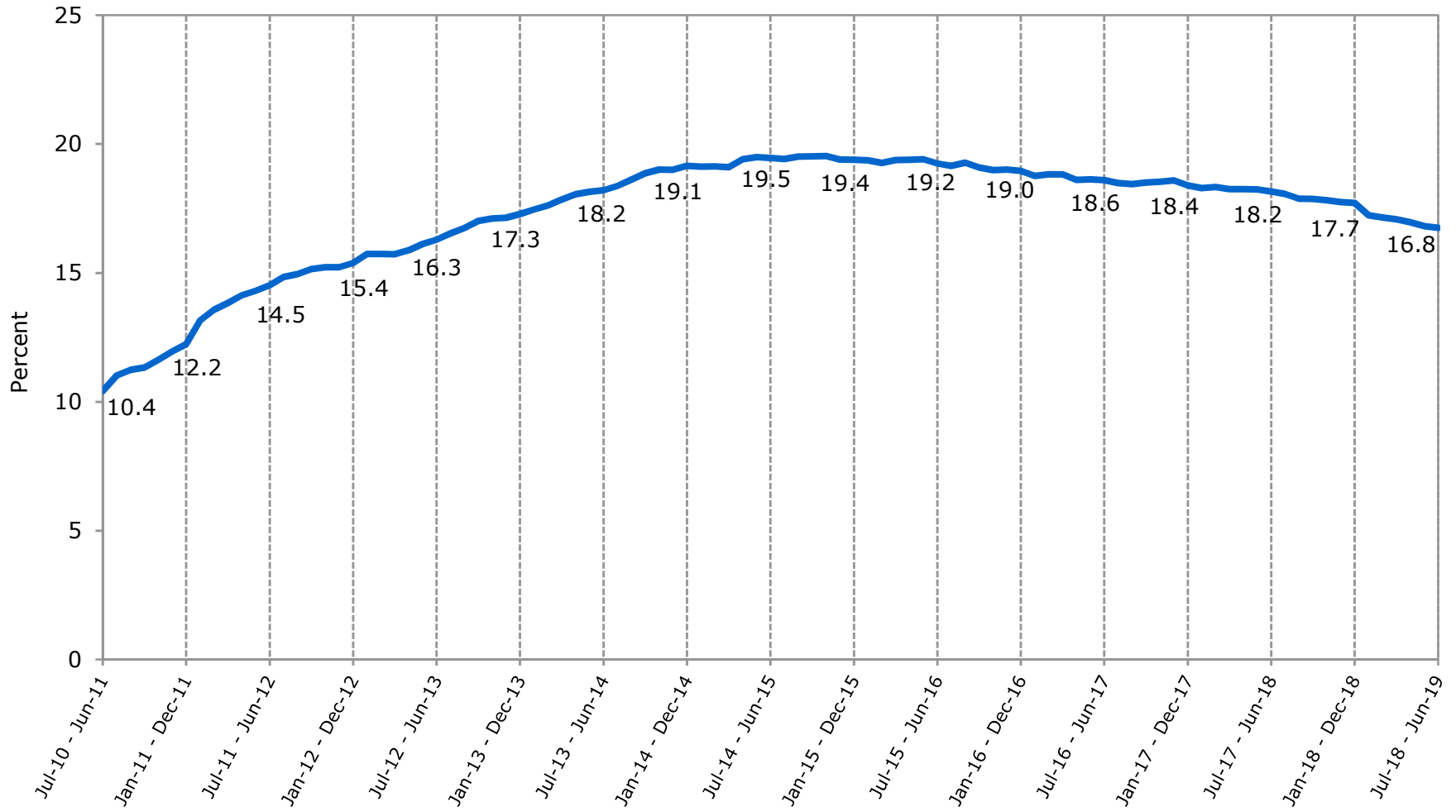
Policy Year	Estimated Ultimate Residual Market Share	Calendar Year	Residual Market Share Based on Annual Statement Data
2015	19.4%	2015	22.9%
2016	19.0%	2016	22.4%
2017	18.4%	2017	22.1%
2018	17.7%	2018	20.8%

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 8/15/19



### Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)  
Data as of 8/15/19

