



Massachusetts Workers Compensation
Assigned Risk Pool

December 20, 2019

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 12-19

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:

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

- 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 October 31, 2019 is 16.5%.

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-15 - Oct-16	179,896	53,293	1,075,105	251,989	1.050	1.050	1,128,860	264,588	19.0%
Nov-16 - Oct-17	184,203	51,843	1,147,161	260,923	1.050	1.050	1,204,519	273,969	18.5%
Nov-17 - Oct-18	187,458	50,612	1,157,390	252,249	1.050	1.050	1,215,260	264,861	17.9%
Nov-18 - Oct-19	198,623	49,326	1,157,389	230,697	1.072	1.062	1,240,551	244,950	16.5%

The estimated ultimate market shares for the September and October 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)	
Sep-17	10,630	4,097	82,605	21,282	1.050	1.050	86,735	22,346	20.5%
Sep-18	10,605	4,029	75,391	20,061	1.068	1.048	80,484	21,018	20.7%
Sep-19	11,372	3,809	76,316	20,386	1.082	1.073	82,600	21,878	20.9%
Oct-17	12,356	4,194	99,236	20,126	1.050	1.050	104,198	21,132	16.9%
Oct-18	12,463	4,149	92,120	18,443	1.073	1.048	98,844	19,324	16.4%
Oct-19	13,707	3,918	96,926	17,889	1.090	1.090	105,628	19,493	15.6%

± 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
2015	19.4%	2015	22.9%
2016	19.0%	2016	22.4%
2017	18.4%	2017	22.1%
2018	17.8%	2018	20.8%

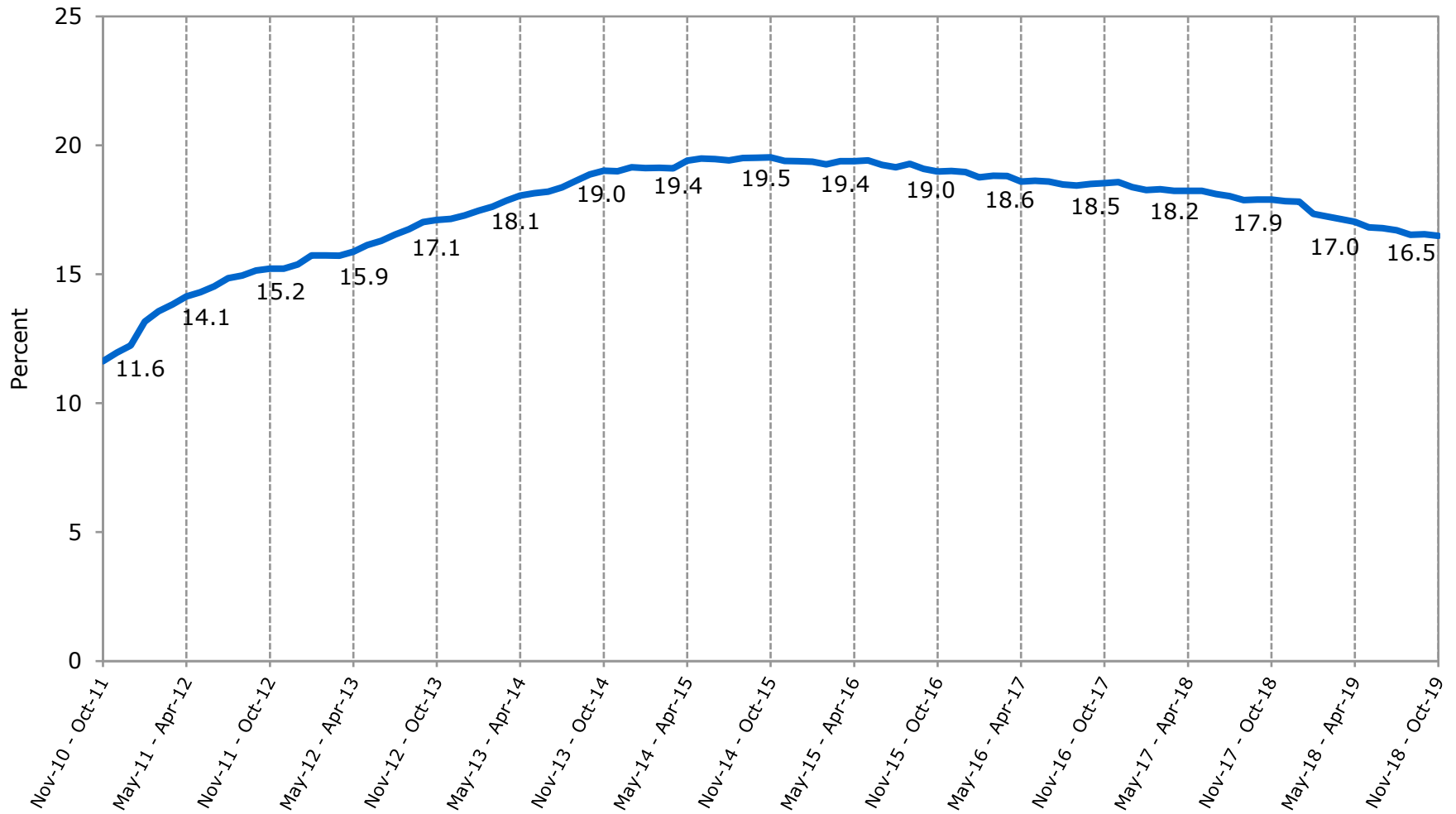
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Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share - 12 Month Moving Average

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)

Data as of 12/15/19



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)
Data as of 12/15/19

