



*Massachusetts Workers Compensation
Assigned Risk Pool*

February 25, 2020

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 02-20

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 December 31, 2019 is 16.4%.

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-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	183,499	51,490	1,158,543	261,050	1.050	1.050	1,216,470	274,103	18.4%
Jan-18 - Dec-18	188,403	50,475	1,152,271	249,955	1.050	1.050	1,209,885	262,453	17.8%
Jan-19 - Dec-19	200,186	48,819	1,162,667	229,764	1.073	1.065	1,247,323	244,773	16.4%

The estimated ultimate market shares for the November and December 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)	
Nov-17	9,421	3,629	70,932	14,263	1.050	1.050	74,479	14,976	16.7%
Nov-18	9,538	3,580	68,650	13,360	1.072	1.047	73,604	13,984	16.0%
Nov-19	10,471	3,353	75,533	12,098	1.083	1.079	81,809	13,056	13.8%
Dec-17	10,253	3,428	93,705	17,500	1.050	1.050	98,390	18,375	15.7%
Dec-18	10,826	3,340	87,424	16,330	1.078	1.048	94,248	17,114	15.4%
Dec-19	11,015	3,068	86,635	14,706	1.091	1.095	94,491	16,101	14.6%

± 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
2016	19.0%	2016	22.4%
2017	18.4%	2017	22.1%
2018	17.8%	2018	20.8%
2019	16.4%	2019	N/A

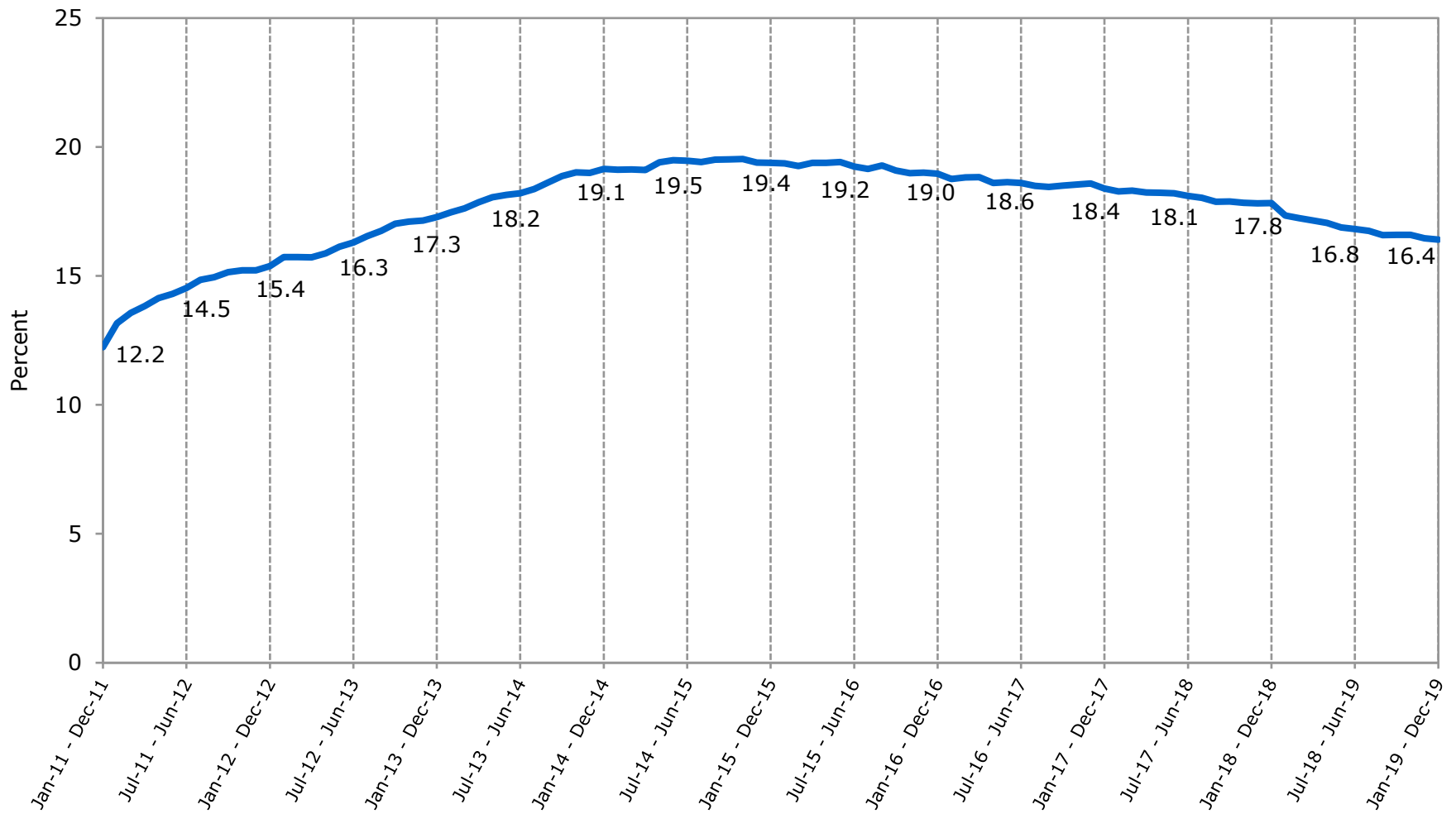
Please contact Christine Cronin at 617-646-7544 or ccronin@wcribma.org or Laura Kirchberg at 617-646-7526 or lkirchberg@wcribma.org with any questions.

Laura Kirchberg
Customer Service Specialist

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

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

Data as of 2/16/20



Massachusetts Workers' Compensation
Estimated Ultimate Residual Market Share by Month
(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)
Data as of 2/16/20

