



Massachusetts Workers Compensation  
Assigned Risk Pool

April 22, 2020

**MASSACHUSETTS WORKERS' COMPENSATION  
ASSIGNED RISK POOL**

**SPECIAL BULLETIN NO. 05-20**

**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<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 February 29, 2020 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)]
Mar-16 - Feb-17	185,127	53,254	1,109,159	257,149	1.050	1.050	1,164,616	270,006	18.8%
Mar-17 - Feb-18	185,768	51,355	1,163,651	260,557	1.050	1.050	1,221,834	273,585	18.3%
Mar-18 - Feb-19	191,773	50,438	1,166,524	244,819	1.050	1.050	1,224,850	257,060	17.3%
Mar-19 - Feb-20	206,170	48,525	1,173,717	230,216	1.061	1.063	1,245,617	244,796	16.4%

The estimated ultimate market shares for the January and February policy months of 2018 through 2020 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)	
Jan-18	18,190	4,181	207,188	31,583	1.050	1.050	217,547	33,162	13.2%
Jan-19	19,225	4,208	225,262	27,734	1.059	1.044	238,660	28,962	10.8%
Jan-20	20,190	4,035	227,191	27,132	1.065	1.082	242,026	29,365	10.8%
Feb-18	50,451	3,686	63,185	15,792	1.050	1.050	66,344	16,582	20.0%
Feb-19	52,561	3,624	63,036	14,794	1.064	1.046	67,061	15,475	18.7%
Feb-20	57,109	3,502	68,481	13,775	1.072	1.093	73,444	15,062	17.0%

± 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	17.9%	2018	20.8%
2019	16.5%	2019	18.9%*

\*Preliminary data

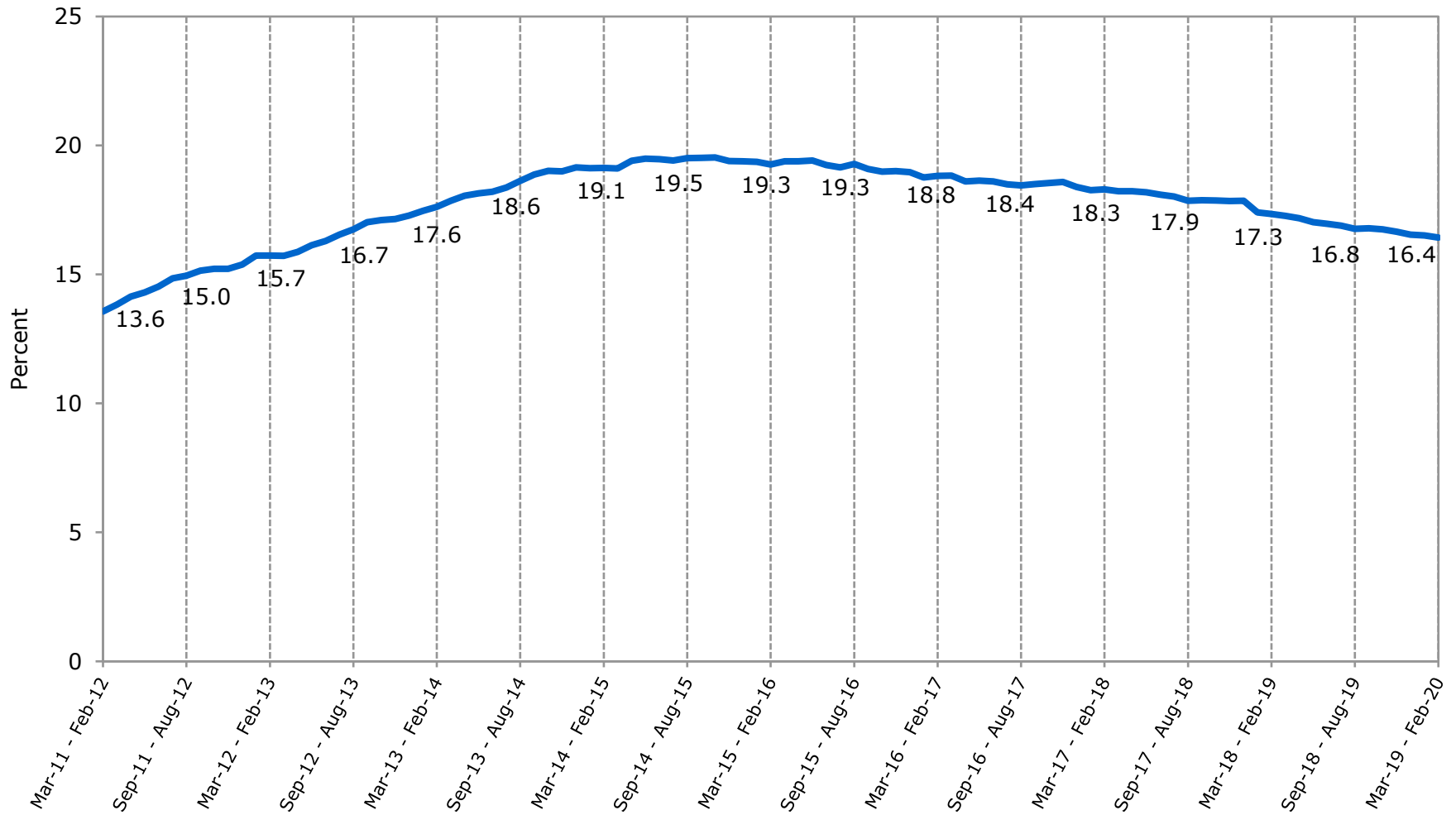
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### Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share - 12 Month Moving Average

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

Data as of 4/15/20



**Massachusetts Workers' Compensation**  
**Estimated Ultimate Residual Market Share by Month**  
(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)  
Data as of 4/15/20

