



Massachusetts Workers Compensation  
Assigned Risk Pool

October 23, 2020

**MASSACHUSETTS WORKERS' COMPENSATION  
ASSIGNED RISK POOL**

**SPECIAL BULLETIN NO. 09-20**

**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:

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

- 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 August 31, 2020 is 15.6%.

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)]
Sep-16 - Aug-17	184,297	52,217	1,141,855	258,315	1.050	1.050	1,198,947	271,230	18.4%
Sep-17 - Aug-18	187,632	50,724	1,170,839	254,435	1.050	1.050	1,229,381	267,157	17.9%
Sep-18 - Aug-19	198,648	49,774	1,155,988	232,076	1.050	1.050	1,213,788	243,680	16.7%
Sep-19 - Aug-20	205,695	44,972	1,166,550	214,423	1.052	1.059	1,227,787	227,065	15.6%

The estimated ultimate market shares for the July and August 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)	
Jul-18	14,669	4,291	122,097	28,907	1.050	1.050	128,202	30,352	19.1%
Jul-19	15,604	4,122	124,405	28,033	1.058	1.044	131,657	29,262	18.2%
Jul-20	16,016	3,869	114,936	23,754	1.053	1.066	121,040	25,315	17.3%
Aug-18	10,333	4,285	65,399	19,175	1.050	1.050	68,669	20,134	22.7%
Aug-19	11,155	4,115	68,269	17,625	1.061	1.046	72,444	18,427	20.3%
Aug-20	10,997	3,694	63,159	17,138	1.056	1.074	66,710	18,402	21.6%

± 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	16.5%	2019	18.9%

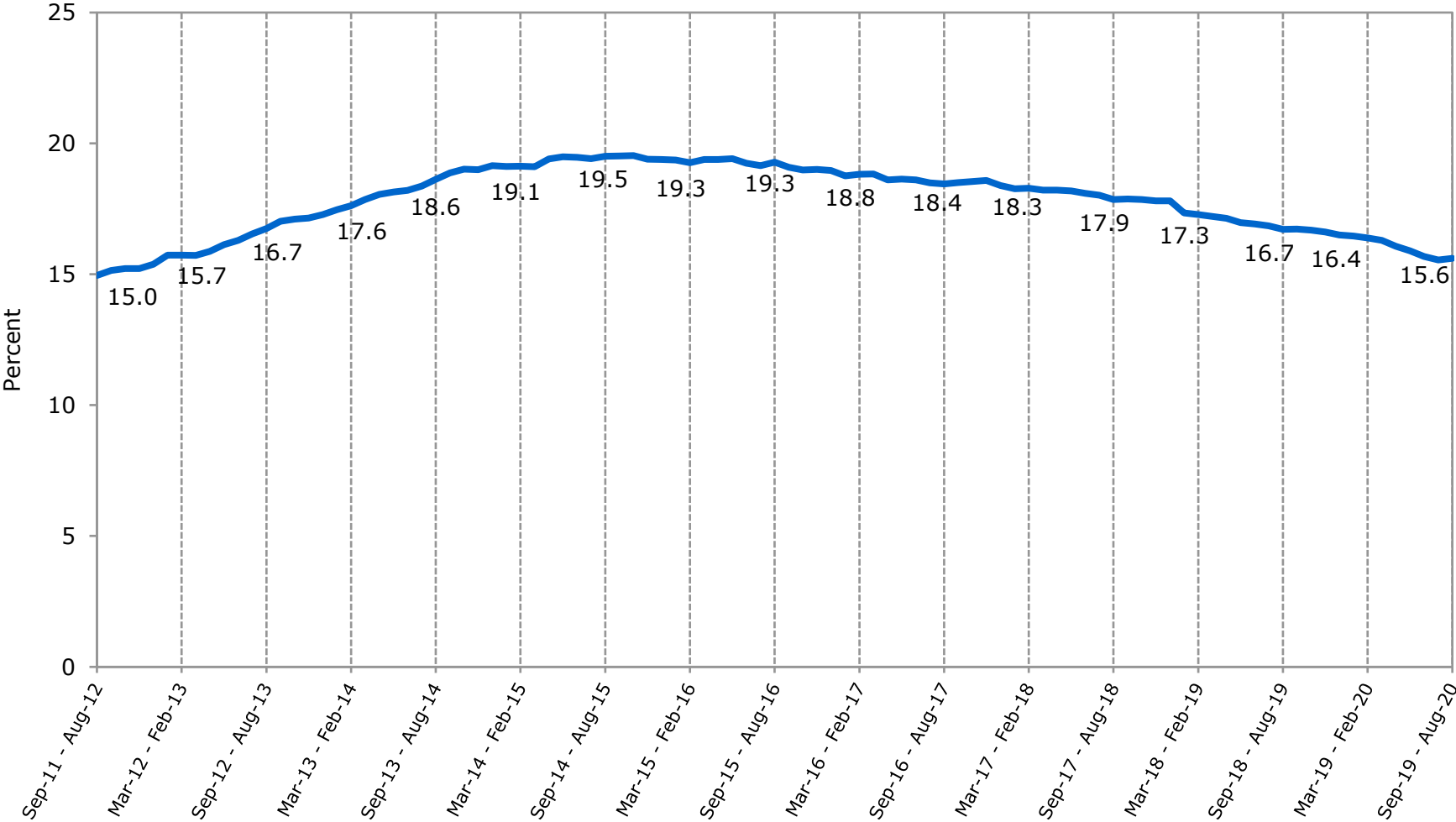
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### Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share - 12 Month Moving Average

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

Data as of 10/15/20



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

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)  
Data as of 10/15/20

