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:

\[
\text{Residual Market Share} = \frac{(SC_{wp} + VDAC_{wp})}{(SC_{wp} + VDAC_{wp} + VOL_{wp})}
\]

- \(SC_{wp}\) - 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 December 31, 2020 is 15.4%.
The estimated ultimate market shares for the November and December policy months of 2018 through 2020 are as follows.

<table>
<thead>
<tr>
<th>Month</th>
<th>Policy Counts</th>
<th>Written Premium ($ thousands)</th>
<th>Development Factor</th>
<th>Estimated Ultimate Written Premium ± ($ thousands)</th>
<th>Estimated Ultimate Residual Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov-18</td>
<td>9,622</td>
<td>3,579</td>
<td>69,436</td>
<td>13,166</td>
<td>72,908 / 15.9%</td>
</tr>
<tr>
<td>Nov-19</td>
<td>10,665</td>
<td>3,350</td>
<td>73,194</td>
<td>12,944</td>
<td>77,587 / 14.8%</td>
</tr>
<tr>
<td>Nov-20</td>
<td>10,186</td>
<td>3,073</td>
<td>66,656</td>
<td>12,449</td>
<td>70,130 / 15.9%</td>
</tr>
<tr>
<td>Dec-18</td>
<td>10,961</td>
<td>3,340</td>
<td>87,615</td>
<td>16,145</td>
<td>91,996 / 15.6%</td>
</tr>
<tr>
<td>Dec-19</td>
<td>11,313</td>
<td>3,068</td>
<td>88,793</td>
<td>14,603</td>
<td>94,227 / 13.9%</td>
</tr>
<tr>
<td>Dec-20</td>
<td>11,416</td>
<td>2,966</td>
<td>84,971</td>
<td>12,976</td>
<td>89,503 / 13.4%</td>
</tr>
</tbody>
</table>

± 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.

Please contact Christine Cronin at 617-646-7544 or ccrnon@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 2/15/21
Massachusetts Workers' Compensation
Estimated Ultimate Residual Market Share by Month
(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)
Data as of 2/15/21

Exhibit 2