



*Massachusetts Workers' Compensation
Assigned Risk Pool*

August 30, 2022

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 08-22

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 June 30, 2022 is 14.3%.

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)]
Jul-18 - Jun-19	197,155	50,103	1,151,942	233,705	1.050	1.050	1,209,539	245,390	16.9%
Jul-19 - Jun-20	208,081	45,629	1,187,366	218,719	1.050	1.050	1,246,735	229,655	15.6%
Jul-20 - Jun-21	217,780	43,521	1,155,764	205,828	1.050	1.050	1,213,552	216,119	15.1%
Jul-21 - Jun-22	224,085	41,842	1,234,769	206,971	1.062	1.061	1,311,669	219,668	14.3%

The estimated ultimate market shares for the May and June policy months of 2019 through 2022 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)	
May-19	13,224	4,822	71,029	17,924	1.050	1.050	74,580	18,820	20.1%
May-20	12,939	4,060	71,835	14,770	1.050	1.050	75,427	15,509	17.1%
May-21	13,289	3,988	74,909	14,990	1.060	1.046	79,412	15,674	16.5%
May-22	14,482	3,745	81,153	14,893	1.071	1.080	86,935	16,086	15.6%
Jun-19	14,690	4,494	106,144	19,023	1.050	1.050	111,451	19,974	15.2%
Jun-20	15,100	3,892	111,473	16,616	1.050	1.050	117,047	17,447	13.0%
Jun-21	16,153	3,793	114,488	15,916	1.064	1.041	121,823	16,571	12.0%
Jun-22	18,026	3,554	117,260	15,864	1.069	1.095	125,397	17,371	12.2%

± 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
2018	17.9%	2018	20.8%
2019	16.3%	2019	18.9%
2020	15.4%	2020	17.9%
2021	14.5%	2021	17.5%

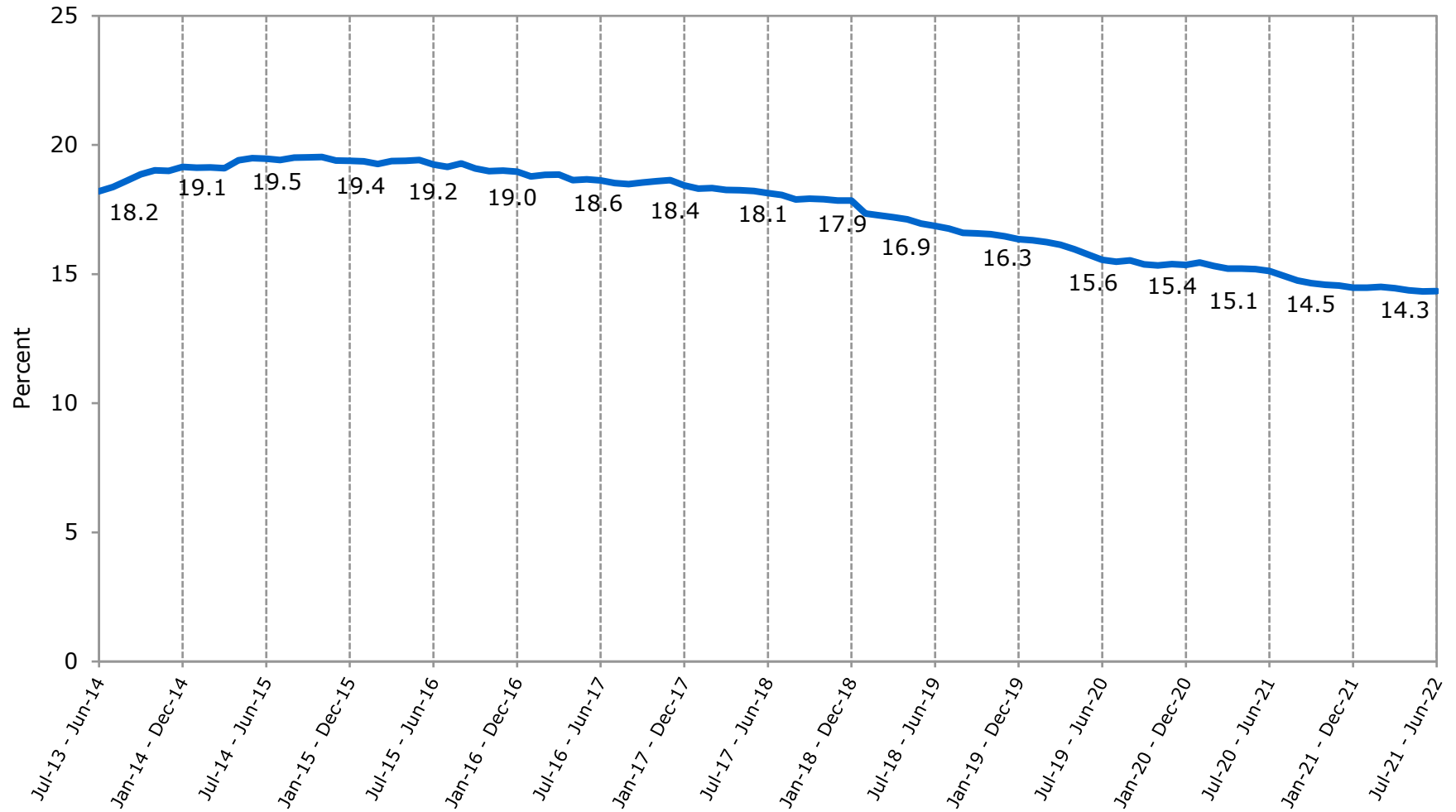
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Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share - 12 Month Moving Average

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

Data as of 8/15/22



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month

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

Data as of 8/15/2022

