



*Massachusetts Workers' Compensation
Assigned Risk Pool*

June 28, 2023

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 06-23

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_{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 April 30, 2023 is 13.5%.

| 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)] |
| May-19 - Apr-20 | 207,966 | 46,993 | 1,178,719 | 224,478 | 1.050 | 1.050 | 1,237,655 | 235,702 | 16.0% |
| May-20 - Apr-21 | 216,774 | 43,693 | 1,154,602 | 206,642 | 1.050 | 1.050 | 1,212,332 | 216,974 | 15.2% |
| May-21 - Apr-22 | 229,431 | 42,327 | 1,248,305 | 208,903 | 1.050 | 1.050 | 1,310,720 | 219,348 | 14.3% |
| May-22 - Apr-23 | 240,614 | 39,567 | 1,313,924 | 206,455 | 1.071 | 1.060 | 1,407,702 | 218,879 | 13.5% |

The estimated ultimate market shares for the March and April policy months of 2020 through 2023 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) | |
| Mar-20 | 13,294 | 3,885 | 76,100 | 15,347 | 1.050 | 1.050 | 79,905 | 16,114 | 16.8% |
| Mar-21 | 14,372 | 3,832 | 79,417 | 14,096 | 1.050 | 1.050 | 83,388 | 14,801 | 15.1% |
| Mar-22 | 14,738 | 3,804 | 91,350 | 15,425 | 1.067 | 1.048 | 97,507 | 16,164 | 14.2% |
| Mar-23 | 15,606 | 3,593 | 97,295 | 16,322 | 1.087 | 1.076 | 105,743 | 17,555 | 14.2% |
| Apr-20 | 14,054 | 3,888 | 101,353 | 19,876 | 1.050 | 1.050 | 106,421 | 20,870 | 16.4% |
| Apr-21 | 14,760 | 3,906 | 101,442 | 19,050 | 1.050 | 1.050 | 106,514 | 20,003 | 15.8% |
| Apr-22 | 16,462 | 3,837 | 115,208 | 20,695 | 1.072 | 1.044 | 123,485 | 21,597 | 14.9% |
| Apr-23 | 16,583 | 3,540 | 121,557 | 20,431 | 1.089 | 1.093 | 132,409 | 22,330 | 14.4% |

± 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 |
|-------------|--|---------------|--|
| 2019 | 16.4% | 2019 | 18.9% |
| 2020 | 15.4% | 2020 | 17.9% |
| 2021 | 14.4% | 2021 | 17.5% |
| 2022 | 13.7% | 2022 | 17.2% |

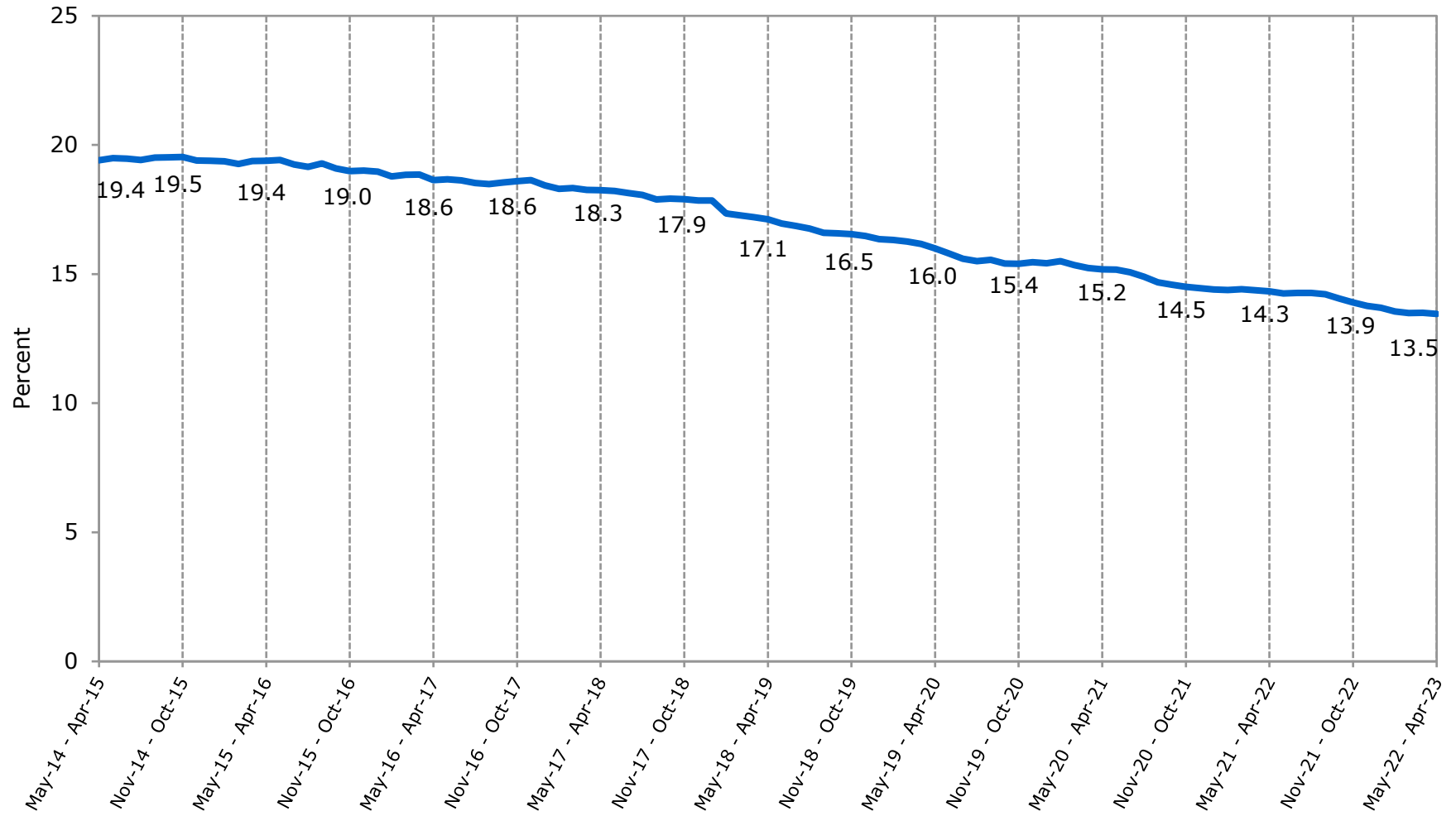
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Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share - 12 Month Moving Average

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

Data as of 6/15/23



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month (Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary) Data as of 6/15/23

