



*Massachusetts Workers' Compensation
Assigned Risk Pool*

August 25, 2023

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 08-23

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:

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

- 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, 2023 is 13.3%.

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-19 - Jun-20	208,090	45,629	1,185,097	218,915	1.050	1.050	1,244,352	229,860	15.6%
Jul-20 - Jun-21	218,524	43,520	1,162,809	206,291	1.050	1.050	1,220,949	216,605	15.1%
Jul-21 - Jun-22	233,266	41,845	1,261,518	209,516	1.050	1.050	1,324,594	219,992	14.2%
Jul-22 - Jun-23	241,195	39,066	1,328,045	205,790	1.072	1.060	1,424,212	218,144	13.3%

The estimated ultimate market shares for the May and June 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)	
May-20	12,938	4,060	72,388	14,768	1.050	1.050	76,007	15,506	16.9%
May-21	13,407	3,987	75,313	15,135	1.050	1.050	79,079	15,892	16.7%
May-22	14,899	3,742	83,091	15,277	1.068	1.048	88,750	16,011	15.3%
May-23	15,018	3,465	86,191	15,355	1.086	1.067	93,614	16,383	14.9%
Jun-20	15,102	3,892	111,328	16,615	1.050	1.050	116,894	17,446	13.0%
Jun-21	16,375	3,793	116,621	15,903	1.050	1.050	122,452	16,698	12.0%
Jun-22	18,423	3,555	118,425	16,580	1.072	1.045	127,001	17,325	12.0%
Jun-23	18,110	3,335	124,063	16,392	1.092	1.088	135,436	17,842	11.6%

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

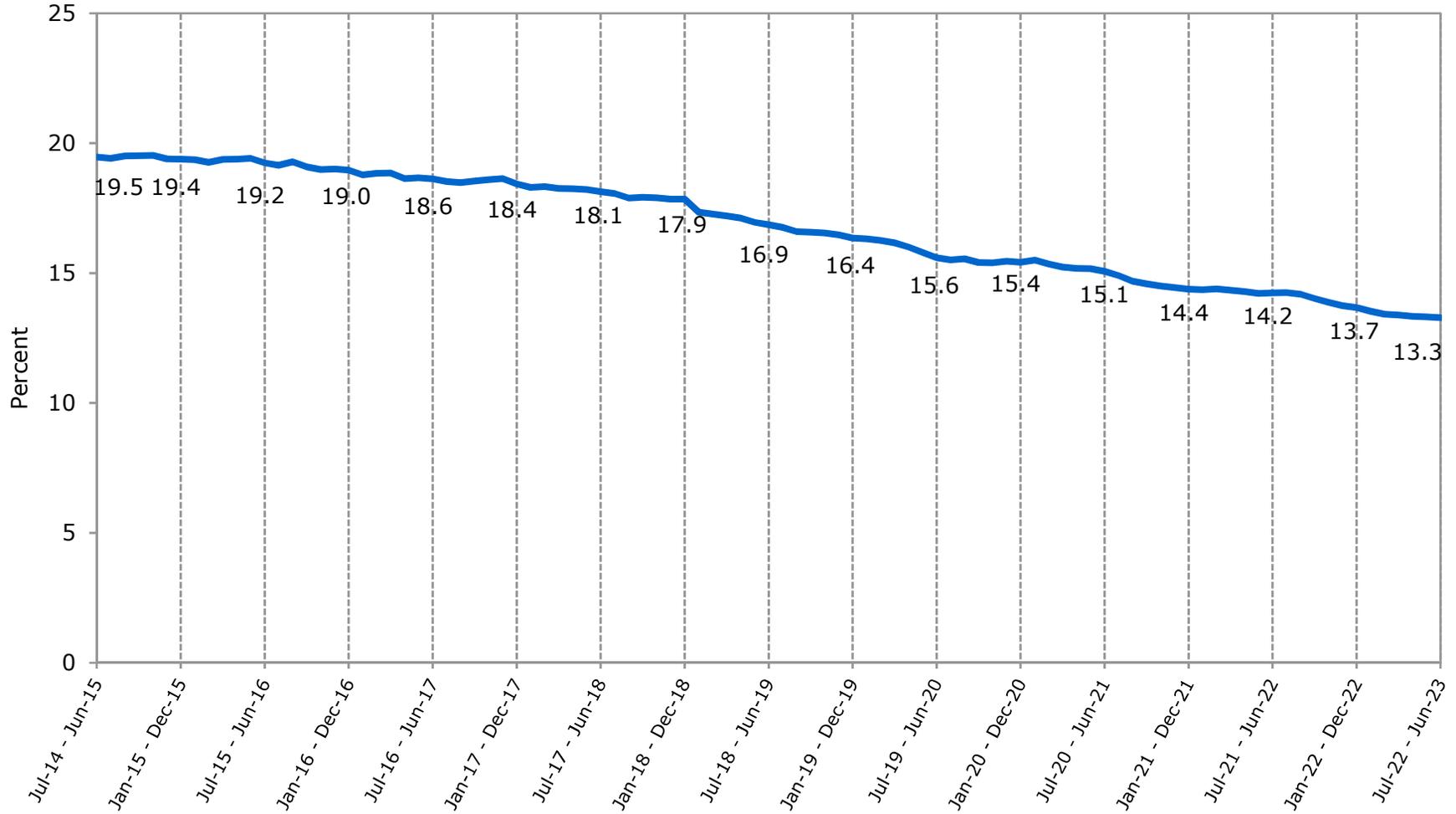
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Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share - 12 Month Moving Average

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

Data as of 8/15/23



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)
Data as of 8/15/23

