



COMMONWEALTH AUTOMOBILE REINSURERS

225 Franklin Street Boston, Massachusetts 02110

www.commauto.com

617-338-4000

RALPH A. IANNACO  
PRESIDENT

May 21, 2010

## ACCOUNTING AND STATISTICAL NOTICE NO. 521

### First Quarter 2010 Quarterly Massachusetts Automobile Reconciliation

In accordance with the reporting requirements designated in the 2010 Call Schedule (published in Accounting and Statistical Notice No. 509, dated January 14, 2010) companies are required to submit Massachusetts Automobile Quarterly Statement totals for the period ending March 31, 2010 to CAR by June 15, 2010.

As announced in Accounting and Statistical Notice No. 508, dated January 8, 2010, the Massachusetts Private Passenger and Commercial Statistical Plans were updated to include modifications for monitoring the 2010 and subsequent Annual Statement Reconciliation. This includes both the receipt of Statutory Page 14's on a quarterly basis and the corresponding explanation for out-of-balance situations. Penalties will be assessed for any late submissions in all four quarters of the reporting year beginning with first quarter 2010 (formally, penalties were only assessed for 4<sup>th</sup> quarter). Additionally, the penalty amount has increased to \$100 per day.

Companies should use the Page 14 Data (Commercial and/or Private Passenger), Non-Reportable Data (Commercial and/or Private Passenger), and Group Adjustment Data (Commercial and/or Private Passenger) functions on CAR's website. **Companies should not utilize the File Submission or Diskette/CD Rom options for reporting data, as the NAIC does not require the reporting of the individual state pages for the First, Second, and Third quarters.** Note that the information reported for the Statutory Page 14 data should include the Non-Reportable information. Non-Reportable data refers to premiums and losses that are included in the Statutory Page 14 numbers, but are not statistically reportable to CAR. Common examples include umbrella or excess premium and losses, risk management business, auto warranty programs, and mechanical breakdown programs. There are four reports that will allow users to browse this information as well as the summary results of the reported statistical data, once this data has been entered into the system.

CAR will compare totals derived from the data reported in the company's January through March 2010 monthly accounting and statistical submissions to totals obtained from the Annual Statement submissions reported online (note that the Non-Reportable totals are subtracted from the Statutory Page 14 data prior to the comparison). The results are available via the Reconciliation Reports function. If the difference between the statement totals and the statistically reported totals is greater than +/- 5%, a written explanation must be submitted to CAR by the indicated due date. The Explanation Notes function should be utilized by companies to comply with this requirement. The Annual Statement Reconciliation Manual has been distributed to the industry, which provides users with instructions for compliance with the reconciliation requirements.

Questions regarding CAR's online Annual Statement System should be directed to your company Data Analyst or to the undersigned at 617-880-2381.

LISA TRAYNHAM  
Senior Data Analyst