



COMMONWEALTH AUTOMOBILE REINSURERS

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ACCOUNTING AND STATISTICAL NOTICE NO. 379

Final Close-Out of Ceded Loss Reporting for Policy Effective Years 1990, 1991, & 1992

At its November 20, 2002 meeting, the Governing Committee approved the Operations Committee recommendation to perform the final close-out for policy effective years 1990, 1991, and 1992 for financial purposes as of 3rd Quarter 2002 and for data reporting purposes as of the January 2003 submission. Under these procedures, companies may no longer statistically report paid and outstanding loss records for effective years 1990, 1991, and 1992 as of the January 2003 monthly accounting/statistical submission. Accordingly, any 1990, 1991, or 1992 effective date loss record reported in a 2003 submission will be considered a “fatal error” and deleted from the submission. Note that policy effective years 1974 - 1989 were closed-out in prior calendar years, and loss records for these effective years will also be considered “fatal errors” and will be deleted from the submission as well.

If a company does make a payment on a claim for a 1974 – 1992 effective date policy after the year has been statistically closed-out, the company should contact CAR’s Data Operations Department to request reimbursement via a bulk adjustment. CAR will verify that the policy was validly ceded prior to granting the reimbursement. Any questions regarding these procedures should be directed to the undersigned or your company’s Data Analyst.

TRACY SONNEMANN
Data Analyst