



# COMMONWEALTH AUTOMOBILE REINSURERS

100 SUMMER STREET – BOSTON, MASSACHUSETTS 02110

TEL: 617-338-4000 FAX: 617-338-5422 www.commauto.com

**RALPH A. IANNACO**  
President

**MICHAEL J. TROVATO**  
Executive VP & Treasurer

February 14, 2003

## ACCOUNTING AND STATISTICAL NOTICE NO. 387

### Proposed Revisions to the Massachusetts Private Passenger and Commercial Statistical Plans

At its February 12, 2003 meeting, CAR's Governing Committee recommended modifications to the Massachusetts Private Passenger and Commercial Automobile Statistical Plans. The recommended pages were forwarded to the Division of Insurance on February 12, 2003 for promulgation by the Commissioner of Insurance, pursuant to the provisions of General Laws, Chapter 175A, Section 15. Highlights of the recommended modifications are as follows:

- In response to the recently approved modifications to Rules 19 (Discounts) and 44 (Motorcycles, Motorscooters, etc.) of the AIB's Private Passenger Rating Manual, several modifications have been proposed to the Private Passenger and Commercial Statistical Plans.
  - All references to "Estimated Annual Mileage" in the Private Passenger Statistical Plan have been renamed "Annual Mileage." The proposed effective date of this modification is January 1, 2003.
  - Those motorcycles equipped with a Category IV vehicle recovery system will now be eligible for an anti-theft device discount. Anti-Theft Device Discount Code must now be reported statistically. This modification impacts both the Private Passenger and Commercial Statistical Plans and has a proposed optional implementation date of January 1, 2003 and a mandatory implementation date of January 1, 2004.
- The Private Passenger and Commercial Statistical Plans have been updated to identify that CAR is able to accept statistical records via FTP transmission. The proposed effective date of this modification is January 1, 2003.
- The Coverage Code Decision Table contained in the Commercial Statistical Plan has been modified in response to the prior approval of several new coverage codes representing the \$100 towing and labor limit of coverage. The proposed effective date of this modification is January 1, 2003.

- In order to provide companies with the ability to identify that a policy was neither experience nor all other rated, a new value has been added to the Rating ID Code field. This modification impacts the Commercial Statistical Plan and has a proposed optional implementation date of January 1, 2003 and a mandatory implementation date of January 1, 2004.

Attached are two summary tables that describe the recommended modifications. The Private Passenger Statistical Plan pages pertaining to the noted modifications are available on CAR's website at [www.commauto.com/manuals/ppstatplan/ppstatplan03.asp](http://www.commauto.com/manuals/ppstatplan/ppstatplan03.asp) under Proposed Pages. The Commercial Statistical Plan pages pertaining to the noted modifications are available on CAR's website at [www.commauto.com/manuals/cmstatplan/cmstatplan03.asp](http://www.commauto.com/manuals/cmstatplan/cmstatplan03.asp) under Proposed Pages (All Other Pages).

If you have any questions concerning these revisions, please contact the undersigned at (617) 880-7231 or [madgate@commauto.com](mailto:madgate@commauto.com).

MARIAN S. ADGATE  
Staff Analyst

Attachments

## Private Passenger Statistical Plan

### Summary of Proposed Modifications

| Effective Date   | Description  | Records Impacted                 | Pages Impacted  |
|--|--|----------------------------------|---|
| 1/1/2003   | In conjunction with the recently approved modifications to the Annual Mileage Discount Form and Rule 19 (Discounts) of the AIB's Private Passenger Automobile Insurance Manual, the Private Passenger Statistical Plan has been updated. The approved rule provides companies with a means to verify actual miles driven by an insured during the year. Accordingly, all Statistical Plan references to "Estimated" Annual Mileage have been eliminated and the data element will be referred to as Annual Mileage.  | All Premium and Loss             | IV:3,9,15<br>V:3,9,15<br>VI:14,19<br>VIII:1-7<br>C:1<br>A:2,3 |
| Optional<br>1/1/2003-<br>12/31/2003<br><br>Mandatory<br>1/1/2004 | The Division of Insurance has approved a revision to Rule 44 (Motorcycles, Motorscooters, Mopeds, etc.) of the AIB's Private Passenger Rating Manual to allow a discount in the comprehensive premium charge for motorcycles equipped with a Category IV vehicle recovery system. Accordingly, the Classification Decision Table has been modified to require companies to report an Anti-Theft Device Discount Code on records reported with a motorcycle classification code. Note that the reporting of Anti-Theft Code on motorcycles is optional for policies effective 1/1/2003-12/31/2003 and mandatory for policies effective 1/1/2004 and subsequent. | Physical Damage Premium and Loss | A:2   |
| 1/1/2003   | The Reporting Method section of Part II – General Rules has been updated to identify that commencing with the 2003 accounting/statistical shipments CAR will accept records reported via File Transfer Protocol (FTP) transmission.  | All Records                      | II:2  |

## Commercial Statistical Plan

### Summary of Proposed Modifications

| Effective Date   | Description  | Records Impacted                    | Pages Impacted |
|--|--|-------------------------------------|----------------|
| 1/1/2003   | On 10/18/02, the Division of Insurance approved several new Commercial OTC codes representing a \$100 towing and labor limit of coverage. These coverages have been added to the Coverage Code Decision Table. Note that the coverage groupings have been simplified by adding an All Other category and each of the new \$100 coverage codes (except 465 and 565) will fall into the All Other category.  | Physical Damage<br>Premium and Loss | A:3            |
| Optional<br>1/1/2003-<br>12/31/2003<br><br>Mandatory<br>1/1/2004 | The Division of Insurance has approved a revision to Rule 44 (Motorcycles, Motorscooters, Mopeds, etc.) of the AIB's Private Passenger Rating Manual to allow a discount in the comprehensive premium charge for motorcycles equipped with a Category IV vehicle recovery system. Accordingly, the Classification Decision Table has been modified to require companies to report an Anti-Theft Device Discount Code on records reported with a motorcycle classification code. Note that the reporting of Anti-Theft Code on motorcycles is optional for policies effective 1/1/2003-12/31/2003 and mandatory for policies effective 1/1/2004 and subsequent. | Physical Damage<br>Premium and Loss | A:2            |
| 1/1/2003   | The Reporting Method section of Part II – General Rules has been updated to identify that commencing with the 2003 accounting/statistical shipments CAR will accept records reported via File Transfer Protocol (FTP) transmission.  | All Records                         | II:2           |
| Optional<br>1/1/2003-<br>12/31/2003<br><br>Mandatory<br>1/1/2004 | Currently, there is no Rating ID Code value to represent the situation where a policy was neither experience rated, nor all other rated. When this situation occurs, companies have to determine which existing Rating ID Code value is the most appropriate to code. Accordingly, a new code of 0 (Not Experience Rated, Not All Other Rated Basis) is being added to the valid Rating ID values.   | All Records                         | VI:28          |