



COMMONWEALTH AUTOMOBILE REINSURERS

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ACCOUNTING AND STATISTICAL NOTICE NO. 392

First Quarter 2003 Quarterly Massachusetts Automobile Reconciliation

In accordance with the reporting requirements designated in the 2003 Call Schedule (published in Accounting and Statistical Notice No. 378, dated January 13, 2003), companies are required to submit their Massachusetts automobile Quarterly Statement totals for the period ending March 31, 2003 to CAR by June 16, 2003.

Because CAR has eliminated the paper collection and distribution system for this process, companies are required to submit this data using CAR's on-line Annual Statement Reconciliation System. Accordingly, this notice does not contain the forms for the submission of annual/quarterly statement data, nor will CAR distribute the AS675 – Reconciliation Report. Rather, companies must access the collection and reports functions within the on-line Annual Statement Reconciliation System.

To submit data, companies should use the Page 15 Data (Commercial and/or Private Passenger), Non-Reportable Data (Commercial and/or Private Passenger) and Group Adjustment Data (Commercial and/or Private Passenger) functions. As the NAIC does not require the reporting of the individual state pages for the 1st, 2nd, and 3rd quarters, companies should not utilize the File Submission or Diskette/CD-Rom options for reporting data (unless your company produces and includes the Massachusetts' Statutory Page 14 data (also known as Page 15 or Page 24 data) in this submission). Note that the information that is reported for Page 15 data should include the Non-Reportable information. Non-Reportable data refers to coverages that are included in the Page 15 numbers, but that are not statistically reportable to CAR. Common examples include umbrella premium, excess coverages, risk management business, auto warranty programs, and mechanical breakdown programs. Once this data has been entered into the system, there are four reports that will allow users to browse this information as well as the summary results of the reported statistical data.

CAR will compare the totals derived from the data reported in the company's January through March 2003 monthly accounting and statistical submissions to the totals obtained from the Annual Statement submissions that have been reported on-line (note that the Non-Reportable totals are subtracted from the Page 15 data prior to the comparison). The results of this comparison are available via the Reconciliation Reports function. If the difference between the statement totals and the statistically reported totals is greater than +/- 5%, then a written explanation must be submitted to CAR by the provided due date. The Explanation Notes function should be utilized by companies to comply with this requirement.

As the on-line Annual Statement Reconciliation System is a secure application, Annual Statement Liaisons will need a valid user-ID and password to perform these functions. Information about obtaining a user-ID and password can be found on CAR's website (select Reports and then select Request Access). Please note that those companies that fail to comply with the reporting requirements associated with the reconciliation process will be subject to penalties. Accordingly, as the paper collection and distribution system for this process has been eliminated, it is imperative that companies utilize the on-line system.

Questions about the on-line Annual Statement Reconciliation System should be directed to either Tori Buck at (617) 880-2363 or Richard Dalton at (617) 880-2319. Additionally, questions about reporting Annual Statement data to CAR can be directed to the undersigned at (617) 880-2381.

LISA TRAYNHAM
Data Analyst