



COMMONWEALTH AUTOMOBILE REINSURERS

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ACCOUNTING AND STATISTICAL NOTICE NO. 397

The Termination of ATT's Global Services

At its June 18, 2003 meeting, the Governing Committee approved the Operations Committee's recommendation to discontinue CAR's use of ATT's Global Services. CAR's primary reason for the elimination of this transmission method is due to the implementation of more cost effective alternatives. In 2000, CAR added a telecommunications link to its website that allows the industry direct access to its mainframe; previously, the industry's only access to the various mainframe applications was through ATT's Global Services. Also, as announced in Bulletin 754, CAR implemented FTP reporting for cession data in November 2002.

With the addition of a link to telecommunications on CAR's website and the establishment of the FTP process, ATT's Global Services are redundant and therefore no longer necessary. Accordingly, CAR will discontinue its use of ATT's Global Services as of December 31, 2004. Any Servicing Carrier that currently uses ATT to access CAR's mainframe to make statistical corrections or to access any other telecommunications application, such as experience rating, average cost per claim, or producer matrix, will be impacted by this change and should begin the transition to utilizing CAR's other services. In addition, companies will no longer have the ability to send wire cession transfers through ATT. With the lengthy transition period and CAR support services, all Servicing Carriers are expected to complete the necessary change by April 1, 2004. After that date, CAR will begin charging back the usage costs to those companies that continue to use ATT from April 1, 2004 to December 31, 2004.

In anticipation of industry concerns with the encryption of data upon mainframe access, CAR is looking at various software packages to encrypt the data. CAR expects to begin encrypting data by the end of 2003.

CAR is available to assist those Servicing Carriers in making the transition from ATT. Please note that any company that has not made the transition to using FTP reporting for cession data or using the website to connect to CAR's mainframe by January 1, 2005, will be liable for any impacts resulting from their inability to report cessions or process corrections. Any questions or concerns should be directed to your CAR Data Analyst or the undersigned at (617) 338-4000.

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