



# COMMONWEALTH AUTOMOBILE REINSURERS

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## ACCOUNTING AND STATISTICAL NOTICE NO. 399

### Third 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 September 30, 2003 to CAR by December 15, 2003.

Because CAR has eliminated the paper collection and distribution system for this process, companies are required to submit this data using CAR's online 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 online 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 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> 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 statutory Page 14 data should include the Non-Reportable information. Non-Reportable data refers to coverages that are included in the statutory Page 14 numbers, but that are not statistically reportable to CAR. Common examples include umbrella premium, excess coverage, 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 September 2003 monthly accounting and statistical submissions to the totals obtained from the Annual Statement submissions that have been reported online (note that the Non-Reportable totals are subtracted from the statutory Page 14 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 online Annual Statement Reconciliation System is a secure application, Annual Statement Liaisons will need an authorized, valid user-ID and password to perform these functions. Information regarding 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 online system.

Questions regarding CAR's online Annual Statement Reconciliation System should be directed to either Ms. Tori Buck at 617-880-2363 or Mr. Richard Dalton at 617-880-2319. Additionally, questions regarding the reporting of your Annual Statement data (Page 14) may be directed to the undersigned at 617-880-2381.

LISA TRAYNHAM  
Data Analyst