



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

January 30, 2004

ACCOUNTING AND STATISTICAL NOTICE NO. 403

Annual Statement 2003 Quarterly Massachusetts Automobile Reconciliation

In accordance with the 2003 Call Schedule published in Accounting and Statistical Notice No. 402, dated January 7, 2004, a copy of each company's Massachusetts Automobile Period Ending December 31, 2003 Annual Statement totals must be received at CAR no later than March 15, 2004. However, companies are encouraged to submit their statements earlier, if possible. **Note CAR will assess a \$50 per day penalty fee on any late submissions received after March 15.**

Companies are required to submit the following data components:

- A copy of your electronic NAIC filing (via Diskette, CD Rom, or Internet Submission)
- Non-Reportable Data (if applicable)
- Group Adjustments Data (if applicable)

Note the information reported for Page 24 data will include the Non-Reportable data. Non-Reportable data refers to coverages included in the Page 24 numbers that are not statistically reportable to CAR. Common examples include umbrella premium, excess coverage, risk management business, auto warranty programs, and mechanical breakdown programs. Please note companies should not use the data entry function for 4th quarter information except for Non Reportable or Group Adjustment data. If you do not have access to the on-line Annual Statement Reconciliation System, we ask that you make sure you contact CAR staff to request a user id and password for access.

CAR will compare the totals derived from the data reported in your company's January through December 2003 monthly accounting and statistical submission to the totals from the Annual Statement submissions (note the Non-Reportable totals are subtracted from the Page 24 data prior to the comparison). The results of the comparison are available via the on-line Reconciliation Reports function. If the difference between the statement totals and the statistically reported totals is greater than plus or minus five percent, then a written explanation must be submitted to CAR by the designated due date. The on-line Explanation Notes function is the tool necessary to comply with your company's response and it is imperative that companies utilize it through the on-line system. Please note that those companies that fail to comply with the reporting requirements associated with the reconciliation process will be subject to penalties.

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. Questions regarding the reporting of Annual Statement data to CAR can be directed to me at (617) 880-2381.

Additionally, the on-line Annual Statement Reconciliation Manual provides detail information regarding the on-line system, and it can be found on our website.

LISA TRAYNHAM
Data Analyst II