



COMMONWEALTH AUTOMOBILE REINSURERS

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February 7, 2005

ACCOUNTING AND STATISTICAL NOTICE NO. 420

Annual Statement 2004 Massachusetts Automobile Reconciliation

In accordance with the 2004 Call Schedule published in Accounting and Statistical Notice No. 418, dated January 11, 2005, a copy of each company's Massachusetts Automobile Period Ending December 31, 2004 Annual Statement totals must be received at CAR no later than March 15, 2005. 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 Statutory Page 14 data will include the Non-Reportable data. Non-Reportable data refers to coverages included in the Statutory Page 14 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 online 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 2004 monthly accounting and statistical submission to the totals from the Annual Statement submissions (note the Non-Reportable totals are subtracted from the Statutory Page 14 data prior to the comparison). The results of the comparison are available via the online 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 online Explanation Notes function is the tool necessary to comply with your company's response and it is imperative that companies utilize it through the online 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 online Annual Statement Reconciliation System should be directed to either Ms. Tori Buck at (617) 880-2363 or Mr. Richard Dalton (617) 880-2319. Questions regarding the reporting of Annual Statement data to CAR should be directed to the undersigned at 617-880-2381 or email ltraynham@commauto.com.

Additionally, the online Annual Statement Reconciliation Manual provides detailed information regarding the online system, and is available on CAR's website www.commauto.com.

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