



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

ACTUARIAL COMMITTEE – MAY 28, 2024

Members Present

Ms. Sarah Clemens – Chair	MAPFRE U.S.A. Corporation
Mr. Joshua Huang ⁽¹⁾	Allstate Insurance Group
Mr. Todd Lehmann	Quincy Mutual Group
Ms. Lynellen Ramirez	Arbella Insurance Group
Mr. Christopher Walendin ⁽²⁾	Safety Insurance Company
Mr. Jaris Wicklund	The Hanover Insurance Company
Mr. Mark Winiker	A-Affordable Insurance Agency, Inc.
Ms. Meredith Woodcock	Liberty Mutual Insurance Companies
Mr. Joshua Wykle	Vermont Mutual Insurance Group
Mr. Hao Zhang	Plymouth Rock Assurance Corporation

Substituted for:

Ms. Kara Boehm⁽¹⁾
Mr. Glenn Hiltbold⁽²⁾

Not in Attendance:

Mr. Tiago Prado, BRZ Insurance

24.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Actuarial Committee meeting of January 17, 2024. The Records have been distributed and are on file.

24.07 Quota Share Credits for Policies Effective April 1, 2025 and Later

The Actuarial Committee began discussions relative to the April 1, 2025 Quota Share credit offer. To initiate discussion, Mr. Timothy Galligan reviewed reports typically provided to the Committee for their annual review including the formulaic credit indications, as well as exhibits displaying historical data by class and territory including exposures, residual market shares, relativities to the state-wide average residual market share, and loss ratios.

The Committee also reviewed summarized agency assignment statistics to evaluate whether certain agency demographics were contributing more to MAIP assignment growth from policy year 2022 to 2023. Mr. Galligan explained that 13 agencies have consistently written approximately half of all assignments. It was noted that the exhibits identify two agencies that have experienced ten- and twelve-fold increases in assignment volume. Ms. Natalie Hubley advised that the Governing Committee has directed the MAIP

Steering Committee to discuss the current status of the market and to evaluate whether Rules and procedures may be strengthened to address the volume concerns. To that end, she indicated that the information will be provided to the MAIP Steering Committee for their deliberations.

Next, the Committee reviewed and discussed an exhibit displaying the historical MAIP retention rates by year, including statistics identifying the volume of assignments rated with company or MAIP rates. One member noted that historically 50% of assignments were MAIP-rated, however, recently that statistic has grown to 65%.

A general discussion ensued about the factors driving the volume of business in the MAIP and whether there are any indications that the market may be showing signs of improvement. Several committee members cited the volume of MAIP-rated risks as demonstration of the residual market rate need, noting the impact to profitability and willingness to write marginal risks voluntary. Members also recognize that some companies that specialize in writing substandard business have pulled back on their underwriting standards. One member also commented on the constraints associated with MAIP rate level that are placed on companies' voluntary rates and the resulting strain on the overall market.

Carriers commented that gradual rate relief experienced in the voluntary market and the MAIP rate increase for policies effective May 1 give reason to cautiously anticipate improvement. It was noted that recent data, although too immature to indicate a credible trend, shows a slight decrease in assignments. However, members strongly emphasized the importance of continued diligence in pursuing improved MAIP rate levels and consideration of alternatives to respond timely to indicated rate need.

Committee members concurred that quota share credits are not a contributing factor to the current marketplace conditions. Some members noted that historically, changes to credits have not correlated to trends in assignment volumes. Therefore, the Committee agreed to make no change to credits at this time. However, the Committee will continue to monitor market conditions and assignment volumes and will meet in early September to deliberate further.

TIMOTHY GALLIGAN
Actuarial/Statistical Services Director

Boston, Massachusetts
June 6, 2024

ATTACHMENT LISTING

Docket #AC24.02, Exhibit #2

Attendance Listing

**ACTUARIAL COMMITTEE MEETING
 MEETING ATTENDEES
 MAY 28, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

Sarah Clemens	MAPFRE U.S.A. Corporation
Joshua Huang	Allstate Insurance Group
Christopher Walendin	Safety Insurance Company
Todd Lehmann	Quincy Mutual Group
Lynellen Ramirez	Arbella Insurance Group
Jaris Wicklund	The Hanover Insurance Company
Mark Winiker	A-Affordable Insurance Agency, Inc.
Meredith Woodcock	Liberty Mutual Insurance Companies
Joshua Wykle	Vermont Mutual Insurance Group
Hao Zhang	Plymouth Rock Assurance Corporation
Monique Miller	AIB
Ron Martin	Preferred Mutual Insurance Company
Barry Tagen	Pilgrim Insurance Company
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Timothy Galligan	CAR Staff
Steven Gautieri	CAR Staff
Natalie Hubley	CAR Staff
Katy Proctor	CAR Staff
Lynne Rosenberg	CAR Staff
Evan Ross	CAR Staff
Robin Tigges	CAR Staff