



NATALIE A. HUBLEY  
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COMMONWEALTH AUTOMOBILE REINSURERS

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## RECORDS OF MEETING

### ACTUARIAL COMMITTEE – SEPTEMBER 5, 2024

#### Members Present

Ms. Sarah Clemens – Chair	MAPFRE U.S.A. Corporation
Mr. Joshua Huang	Allstate Insurance Group
Mr. Todd Lehmann	Quincy Mutual Group
Mr. Tiago Prado	BRZ Insurance, LLC
Ms. Lynellen Ramirez	Arbella Insurance Group
Mr. Christopher Walendin <sup>(1)</sup>	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:

<sup>(1)</sup>Mr. Glenn Hiltbold

#### 24.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Actuarial Committee meeting of May 28, 2024. The Records have been distributed and are on file.

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

Ms. Sarah Clemens noted that, at the prior meeting, the Committee voted to make no change to quota share credits but agreed to postpone a final recommendation to the Governing Committee to enable the Committee to continue to monitor market conditions impacting MAIP assignment volumes. At that time, the Committee cited anticipated rate relief in the voluntary market, along with revised MAIP rates effective May 1, 2024 as reasons to anticipate that the assignment growth would stabilize.

Mr. Timothy Galligan reviewed reports requested by the Committee to identify historical indicated credit factors, exposures, residual market shares and relativities to the state-wide average by class and territory. The Committee also reviewed an exhibit displaying the historical MAIP retention rates by year, including statistics identifying the volume of assignments rated with company voluntary or MAIP rates.

In the ensuing discussion, Ms. Lynellen Ramirez referenced points from the Committee's prior discussions of which Committee members put greater emphasis on the influence of general market conditions as opposed to quota share credits on the size of the residual market. Ms. Ramirez opined that

this data supports these previous observations. With the residual market size now stabilizing, it seems these market conditions are changing again and returning the market to a regular state. Ms. Ramirez then suggested maintaining the current credit structure and allowing time for the market to correct itself. Several committee members concurred with Ms. Ramirez's point.

Mr. Todd Lehmann agreed as well but wanted to bring to the Committee's attention that the credit factors have not changed in years despite indications for reduced need in some cells and increased need in others. He suggested that the credit need should be evaluated although not the driving cause of the residual market trends. Ms. Clemens agreed and suggested further analysis into the matter early next year, after the market has stabilized. Mr. Joshua Wykle expressed further desire to investigate the credits, agreeing that more of an effort could be made to align the current credit factors with their indicated values.

To Mr. Wykle's point, Ms. Ramirez explained that the Committee made a recommendation to modify credits effective April 1, 2019. At that time, the Committee proposed to add or increase credit factors where there was an indicated need and to reduce credits factors gradually over time in cells where credits would otherwise be eliminated. She noted that the Commissioner called for a hearing on the proposal and ultimately it was not approved. While Ms. Ramirez noted that she did not oppose analysis of the credits for a new proposal in due course, she felt this historical context served to remind the Committee of the DOI's commitment to maintain stability in the credit offer. Ms. Clemens agreed and requested that additional detail regarding the 2019 credit proposal and the hearing decision be included with meeting materials for the Committee's discussion next year.

**After discussion, the Committee unanimously voted to recommend no change to the current keep-out credit factors for policies effective April 1, 2025 and subsequent.**

The Committee then discussed take-out credits. Mr. Galligan explained that carriers writing MAIP risks as voluntary are afforded a credit factor of 1.0 for the first year. He described the process through which carriers identify risks eligible for take-out credit and CAR procedures to validate and process the credit in the quota share determination. He further noted that the usage of take-out credits has diminished over recent years from approximately \$15 million to \$2 million. Ms. Clemens observed that the volume of MAIP risks rated with company voluntary rates suggests that carriers are likely unable to make voluntary offers that the assigned risk would accept.

**After discussion, the Committee unanimously voted to recommend no change to the current take-out credit provisions for policies effective April 1, 2025 and subsequent.**

TIMOTHY GALLIGAN  
Actuarial/Statistical Services Director

Boston, Massachusetts  
September 11, 2024

**ATTACHMENT LISTING**

Docket #AC24.02, Exhibit #3

Attendance Listing

**ACTUARIAL COMMITTEE MEETING  
MEETING ATTENDEES  
SEPTEMBER 5, 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
Tiago Prado	BRZ Insurance, LLC
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
Evan Ross	CAR Staff
Robin Tigges	CAR Staff