



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

www.commauto.com

617-338-4000

RECORDS OF MEETING

ACTUARIAL COMMITTEE – SEPTEMBER 16, 2025

Members Present

Ms. Meredith Woodcock – Chair
Ms. Sarah Clemens
Ms. Melinda Etschman⁽¹⁾
Mr. Todd Lehmann
Mr. Tiago Prado
Mr. Jeffrey Price
Mr. Christopher Walendin
Mr. Mark Winiker
Mr. Joshua Wykle
Mr. Hao Zhang

Liberty Mutual Insurance Companies
MAPFRE U.S.A. Corporation
Arbella Insurance Group
Quincy Mutual Group
BRZ Insurance
The Hanover Insurance Company
Safety Insurance Company
A-Affordable Insurance Agency
Vermont Mutual Insurance Group
Plymouth Rock Assurance Corporation

Substituted for:

⁽¹⁾Mr. Allen Chaves

Not in Attendance:

Mr. Joshua Huang, Allstate Insurance Group

25.01 Records of Previous Meeting

Chair Meredith Woodcock advised that, because the records of the previous meeting have not yet been publicly distributed, action on this agenda item will be postponed to the next meeting.

25.04 Quota Share Credits for Policies Effective April 1, 2026 and Later

The Committee continued its deliberation regarding an April 1, 2026 credit offer. Ms. Woodcock noted the substantive discussion from the prior meeting focused on defining disproportionate representation in the residual market. As credit factors have remained constant since 2015, committee members noted a need to realign credits to territories with indicated need, thus providing the incentives as mandated by statute, while gradually reducing credit factors in areas where residual market shares are decreasing. To that end, the Committee reviewed three credit models intended to address these factors.

Committee-Requested Model

This model uses the formula codified in Rule 29, capping credit factor decreases to 10%, allowing all indicated credit factor increases, and taking no decreases to the 11 so-called “DOI territories”. The model results in a 4.5% increase in credit-eligible exposures and a 5.6% increase in potential credit premium.

Plymouth Rock Proposal

This model adjusts the threshold for credit eligibility to 4% residual market share, redefining disproportionate representation to 50% of the reduction in the overall size of the residual market as compared to the 2010-2012 levels. The model also uses various parameters to temper credit factor decreases to ensure market stability. The model results in a 22.4% increase in credit-eligible exposures and a 24.5% increase in potential credit premium.

Vermont Mutual Proposal

This model adjusts the threshold for credit eligibility to 3% residual market share, redefining disproportionate representation commensurate with the reduction in the overall size of the residual market as compared to the 2010-2012 levels. The model also caps credit factor decreases to 10% to ensure market stability and ensures that inexperienced operator classes receive at least the same level of credit as class 10 in a given territory. The model results in a 68.3% increase in credit-eligible exposures and a 68.1% increase in potential credit premium.

Mr. Joshua Wykle noted that, while he has previously objected to an increase in credits, he has reconsidered this position in light of the need to realign credits to areas where there is an indicated need. If the committee must avoid decreases to the “DOI territories”, he argued that the only way to realign credits is to increase credits overall and questioned whether there is a negative impact of such a result. Mr. Wykle pointed out that residual market shares in territories 13, 14, and 15 (Revere, etc.) are more than double that of territory 42 (Springfield), and yet there is no credit incentive to write business voluntarily in those locations with indicated need. He further noted that redefining disproportionate representation pursuant to his model indicates little impact to the “DOI territories”, while adding credit where needed.

Further discussion of the Vermont Mutual model ensued. Some members questioned whether a credit factor less than 1.0 would be approved by the Division in light of comments included in previous decisions. Most committee members did not favor an increase to credits with such a small residual market. Many noted support for keeping credits level but realigning credit factors to offer appropriate incentives to write business voluntarily where there is indicated need. Other members strongly supported redefining disproportionate representation. Some members, noting that the Plymouth Rock model more gradually modifies credit thresholds, inquired whether that model could be adjusted to satisfy the objectives of most committee members.

The Committee overall was encouraged by the robust discussion and expressed interest in continued deliberations with additional iterations evaluated. Committee members also recognized improvements not only in companies’ voluntary rates but also in residual market rates. Many suggested delaying a recommended change to observe how the improved rates may result in shifts among class/territory cells and impact the indicated credit need. After discussion, the Committee resolved to meet early next year to consider alternative models to meet the expressed objectives of the Committee.

After discussion, the Committee voted with eight members in favor and two opposed to recommend no change to credits.

TIMOTHY GALLIGAN
Director of Actuarial & Statistical Services

Boston, Massachusetts
September 18, 2025

ATTACHMENT LISTING

Docket #AC25.02, Exhibit #3

Attendance Listing

**ACTUARIAL COMMITTEE MEETING
MEETING ATTENDEES
SEPTEMBER 16, 2025**

Individual's Name

Company / Agency

PLEASE PRINT

Meredith Woodcock	Liberty Mutual Insurance Companies
Melinda Etschman	Arbella Insurance Group
Sarah Clemens	MAPFRE U.S.A. Corporation
Todd Lehmann	Quincy Mutual Group
Tiago Prado	BRZ Insurance, LLC
Jeffrey Price	The Hanover Insurance Company
Christopher Walendin	Safety Insurance Company
Mark Winiker	A-Affordable Insurance Agency, Inc.
Joshua Wykle	Vermont Mutual Insurance Group
Hao Zhang	Plymouth Rock Assurance Corporation
Andrew Brown	Plymouth Rock Assurance Corporation
Barry Tagen	Pilgrim Insurance Company
Kenneth Willis	Plymouth Rock Assurance Corporation
Vidya Velloo	Plymouth Rock Assurance Corporation
Shi Adams	GEICO
Margaret Barao	Division of Insurance
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Timothy Galligan	CAR Staff
Steven Gautieri	CAR Staff
Richard Heath	CAR Staff
Natalie Hubley	CAR Staff
Katy Proctor	CAR Staff
Evan Ross	CAR Staff

**ACTUARIAL COMMITTEE MEETING
MEETING ATTENDEES
SEPTEMBER 16, 2025**

Individual's Name

Company / Agency

PLEASE PRINT

Lynne Rosenberg

CAR Staff

Robin Tigges

CAR Staff