COMMONWEALTH AUTOMOBILE REINSURERS
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NATALIE A. HUBLEY
PRESIDENT

ADDITIONAL INFORMATION

TO MEMBERS OF THE COMMERCIAL AUTOMOBILE COMMITTEE

FOR THE MEETING OF:

Thursday, August 27, 2026, at 10:30 a.m.

CAC
26.10 2026 Annual Evaluation of Market Need for ERP Appointments

Reports to assist the Committee in its annual review of market need for ERP appointments are attached (Docket #CAC26.10, Exhibit #1).

CAC
26.11 Consistency in Tow Truck Classifications

To assist the Committee in its discussion of classification and underwriting consistency in tow truck classifications, a summary description of the issue and Servicing Carrier responses to CAR's request for comment is attached (Docket #CAC26.11, Exhibit #1).

TIMOTHY GALLIGAN
Director of Actuarial and Statistical Services

Attachments

Boston, Massachusetts
August 20, 2026

Commonwealth Automobile Reinsurers
Policy Year 2025 Written Premium Through December, 2025
Total Market

Primary Office Location (Territory)	Class Type Group											
	TTT	PPT Fleet	PPT Non-Fleet	Buses	Van Pools	Garages	Special Types & Motocycles	Non-Owned & Operations	Taxi	Limo	Car Services	Total
01-10	32,332,709	2,244,989	6,006,024	12,421,518	118,583	1,366,739	2,352,553	24,468,176	4,127,176	2,360,655	5,181,338	92,980,460
11	27,458,498	1,624,969	3,441,366	1,531,094	37,209	1,135,177	1,554,141	2,657,378	117,712	2,993	272,398	39,832,935
12	34,576,718	1,770,902	2,923,485	3,210,002	42,109	2,423,188	1,840,323	2,480,501	6,964	25,892	284,838	49,584,922
13	36,434,771	2,895,655	5,019,206	4,323,661	12,343	2,690,328	2,452,369	4,112,193	58,956	19,914	203,030	58,222,426
14	63,158,942	5,128,558	5,996,218	4,074,432	21,907	3,289,853	3,895,254	25,768,234	44,140	100,396	560,164	112,038,098
15	39,734,219	2,994,659	4,120,481	3,278,222	10,351	1,343,813	1,525,403	3,273,409	448,684	132,812	407,598	57,269,651
16	69,495,695	5,566,452	7,944,393	9,867,061	66,558	4,572,002	4,254,969	28,980,332	612,264	647,399	1,563,954	133,571,079
17	88,088,174	7,111,631	12,120,298	12,368,787	107,195	5,207,941	6,038,672	20,374,056	473,672	409,433	2,559,717	154,859,576
18	117,092,220	10,849,309	16,832,834	19,506,004	285,095	6,982,457	9,111,011	25,924,173	356,304	411,127	1,648,628	208,999,162
19	30,194,951	2,719,549	6,136,406	4,728,950	79,589	2,471,028	2,217,062	3,148,679	396,126	504,630	1,455,662	54,052,632
20	21,752,633	1,377,686	4,672,085	3,023,678	37,883	1,670,293	2,348,938	1,843,126	572,273	173,306	1,276,650	38,748,551
99	136,459,968	17,044,892	28,378,794	83,136,488	54,395	16,028,422	17,167,420	111,644,427	515,063	1,212,512	1,822,961	413,465,342
Total	696,779,498	61,329,251	103,591,590	161,469,897	873,217	49,181,241	54,758,115	254,674,684	7,729,334	6,001,069	17,236,938	1,413,624,834

	Percent of Statewide Premium by Class Type Group											
01-10	4.6%	3.7%	5.8%	7.7%	13.6%	2.8%	4.3%	9.6%	53.4%	39.3%	30.1%	6.6%
11	3.9%	2.6%	3.3%	0.9%	4.3%	2.3%	2.8%	1.0%	1.5%	0.0%	1.6%	2.8%
12	5.0%	2.9%	2.8%	2.0%	4.8%	4.9%	3.4%	1.0%	0.1%	0.4%	1.7%	3.5%
13	5.2%	4.7%	4.8%	2.7%	1.4%	5.5%	4.5%	1.6%	0.8%	0.3%	1.2%	4.1%
14	9.1%	8.4%	5.8%	2.5%	2.5%	6.7%	7.1%	10.1%	0.6%	1.7%	3.2%	7.9%
15	5.7%	4.9%	4.0%	2.0%	1.2%	2.7%	2.8%	1.3%	5.8%	2.2%	2.4%	4.1%
16	10.0%	9.1%	7.7%	6.1%	7.6%	9.3%	7.8%	11.4%	7.9%	10.8%	9.1%	9.4%
17	12.6%	11.6%	11.7%	7.7%	12.3%	10.6%	11.0%	8.0%	6.1%	6.8%	14.9%	11.0%
18	16.8%	17.7%	16.2%	12.1%	32.6%	14.2%	16.6%	10.2%	4.6%	6.9%	9.6%	14.8%
19	4.3%	4.4%	5.9%	2.9%	9.1%	5.0%	4.0%	1.2%	5.1%	8.4%	8.4%	3.8%
20	3.1%	2.2%	4.5%	1.9%	4.3%	3.4%	4.3%	0.7%	7.4%	2.9%	7.4%	2.7%
99	19.6%	27.8%	27.4%	51.5%	6.2%	32.6%	31.4%	43.8%	6.7%	20.2%	10.6%	29.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: 1. Excludes invalid class codes
2. Excludes invalid producer codes

Commonwealth Automobile Reinsurers

Market Producer Data By Primary Office Location - Average Book Size

SERVICING CARRIER APPOINTMENTS

Primary Office Location	Voluntary Contract ERP Appointment					No Voluntary Contract ERP Appointments				
	ERP Count	PY25 Written Premium	Policy Count			ERP Count	PY25 Written Premium	Policy Count		
			PY2025	PY2024	PY2023			PY2025	PY2024	PY2023
01	3	5,877,925	730	595	510	-	-	-	-	-
02	-	-	-	-	-	2	251,979	22	18	25
03	2	443,891	79	83	78	2	105,629	14	7	7
04	2	1,516,702	173	95	89	-	-	-	-	-
05	13	15,301,441	1,522	1,522	1,409	1	200,880	20	17	17
06	-	-	-	-	-	-	-	-	-	-
07	35	31,362,584	2,908	2,823	2,711	3	124,663	18	25	28
08	9	17,414,840	1,003	1,016	1,044	-	-	-	-	-
09	3	369,728	65	63	55	-	-	-	-	-
10	3	1,069,249	111	85	65	-	-	-	-	-
11	61	35,404,300	6,536	6,629	6,664	4	247,827	69	67	54
12	66	48,618,892	7,200	7,235	7,265	-	-	-	-	-
13	72	57,703,537	7,544	7,610	7,668	-	-	-	-	-
14	87	97,469,486	10,244	10,573	10,877	1	6,671	1	1	1
15	64	55,011,267	5,736	5,789	5,896	2	479,233	5	5	4
16	90	98,727,638	10,164	10,537	10,551	1	547,846	112	142	121
17	137	133,680,950	14,483	15,153	14,952	2	149,557	3	4	4
18	183	198,442,943	20,157	20,475	20,216	2	33,366	9	9	7
19	67	50,949,240	5,920	5,961	5,629	2	73,818	13	16	16
20	40	37,042,429	4,916	5,441	5,232	-	-	-	-	-
99	40	91,518,639	6,550	7,037	7,017	-	-	-	-	33
Total	**977**	**977,925,681**	**106,041**	**108,722**	**107,928**	**22**	**2,221,469**	**286**	**311**	**317**
Ave Pol (WP/ERP)		**9,222**	**109**	**111**	**110**		**7,767**	**13**	**14**	**14**

	Voluntary Producer without Servicing Carrier Appointment				
	Producer Count	PY25 Written Premium	Policy Count		
			PY2025	PY2024	PY2023
	300	**434,215,359**	**37,798**	**34,536**	**32,953**
Ave Pol (WP/ERP)		**11,488**	**126**	**115**	**110**

Note: 1. Excludes Producers with no premium
2. Excludes invalid producer codes
Producer activities as of: August 6, 2026

	Voluntary Producer Combined					No Voluntary Contract ERP Combined				
	Producer Count	PY25 Written Premium	Policy Count			Producer Count	PY25 Written Premium	Policy Count		
			PY2025	PY2024	PY2023			PY2025	PY2024	PY2023
	1,277	**1,412,141,040**	**143,839**	**143,258**	**140,881**	**22**	**2,221,469**	**286**	**311**	**317**
Ave Pol (WP/ERP)		**9,818**	**113**	**112**	**110**		**7,767**	**13**	**14**	**14**

Commonwealth Automobile Reinsurers
Ceded Market Producer Data By Primary Office Location

Primary Office Location	ERP Count	Voluntary Producer with Servicing Carrier Appointment						No Vol Producer with Servicing Carrier Appointment						
		Writing ERPs	No Ceded WP	PY25 Written Premium	Policy Count			ERP Count	Writing ERPs	No Ceded WP	PY25 Written Premium	Policy Count		
					PY2025	PY2024	PY2023					PY2025	PY2024	PY2023
01-10	70	60	10	33,654,579	2,148	2,075	1,723	8	7	1	659,649	69	61	71
11	61	55	6	5,241,788	673	689	676	4	4	-	187,480	50	44	34
12	66	57	9	12,801,182	895	954	927	-	-	-	-	-	-	-
13	72	61	11	12,865,870	866	890	993	-	-	-	-	-	-	-
14	87	83	4	20,197,629	1,132	1,228	1,229	1	1	-	6,671	1	1	1
15	64	54	10	15,657,025	677	610	564	2	2	-	479,233	5	5	4
16	90	76	14	23,607,655	1,165	1,216	1,229	1	1	-	547,846	112	142	121
17	137	120	17	31,207,579	1,717	1,760	1,643	2	1	1	141,736	1	1	1
18	183	142	41	45,627,880	2,554	2,678	2,566	2	2	-	23,509	6	6	4
19	67	56	11	15,030,173	993	1,063	959	2	2	-	73,818	13	16	16
20	40	32	8	12,907,611	755	869	786	-	-	-	-	-	-	-
99	40	29	11	28,702,266	837	465	481	-	-	-	-	-	-	-
Total	**977**	**825**	**152**	**257,501,237**	**14,412**	**14,497**	**13,776**	**22**	**20**	**2**	**2,119,942**	**257**	**276**	**252**
Ave Pol (WP/ERP)				**17,867**	**17**	**18**	**17**				**8,249**	**13**	**14**	**13**

Voluntary Producer without Servicing Carrier Appointment				
Producer Count	PY25 Written Premium	Policy Count		
		PY2025	PY2024	PY2023
300	434,215,359	37,798	34,536	32,953

Ave WP Per Pol **11,488**

Note: 1. Excludes Producers with no premium
2. Excludes invalid producer codes

Producer activities as of: August 6, 2026

Commonwealth Automobile Reinsurers
Policy Year 2024 Written Premium Through December, 2024
Total Market

Primary Office Location (Territory)	Class Type Group											
	TTT	PPT Fleet	PPT Non-Fleet	Buses	Van Pools	Garages	Special Types & Motocycles	Non-Owned & Operations	Taxi	Limo	Car Services	Total
01-10	29,992,324	2,252,104	5,308,090	10,602,896	128,705	1,280,680	2,133,047	26,684,953	3,635,008	2,232,770	4,789,729	89,040,306
11	26,127,136	1,447,996	3,445,237	1,398,048	32,952	1,260,057	1,623,481	14,351,063	149,582	10,412	209,717	50,055,681
12	37,165,997	2,171,470	3,286,065	2,938,059	20,905	2,700,265	1,951,572	3,670,915	27,107	26,665	160,620	54,119,640
13	56,156,099	5,221,685	6,019,210	5,199,840	12,638	3,827,913	3,424,735	13,978,185	69,552	33,483	187,258	94,130,598
14	47,086,338	2,650,789	4,545,581	2,525,256	19,652	2,301,200	2,766,301	11,570,578	122,675	71,420	464,789	74,124,579
15	42,184,204	3,583,912	4,492,020	2,424,515	14,959	1,383,816	1,882,774	6,456,747	488,968	242,874	529,312	63,684,101
16	62,569,109	5,345,574	7,692,483	9,656,782	80,315	4,532,964	4,096,464	25,841,231	635,776	648,105	1,493,022	122,591,825
17	92,369,554	8,142,155	13,270,684	15,638,344	181,844	5,558,666	7,151,101	23,192,489	433,294	668,444	2,709,968	169,316,543
18	92,122,394	8,620,428	14,375,431	16,340,602	198,934	6,184,365	7,532,408	14,222,602	381,454	290,854	1,455,083	161,724,555
19	28,339,792	2,715,663	6,010,735	4,086,238	169,879	2,461,132	1,917,287	2,581,072	298,075	117,482	1,087,314	49,784,669
20	20,405,456	1,281,780	5,072,614	2,513,991	70,246	1,664,423	2,319,770	1,804,023	725,954	132,602	1,127,326	37,118,185
99	122,824,667	13,591,041	22,233,495	64,438,020	56,633	16,238,260	15,342,085	97,496,524	810,857	1,366,085	1,686,980	356,084,647
Total	657,343,070	57,024,597	95,751,645	137,762,591	987,662	49,393,741	52,141,025	241,850,382	7,778,302	5,841,196	15,901,118	1,321,775,329

	Percent of Statewide Premium by Class Type Group											
01-10	4.6%	3.9%	5.5%	7.7%	13.0%	2.6%	4.1%	11.0%	46.7%	38.2%	30.1%	6.7%
11	4.0%	2.5%	3.6%	1.0%	3.3%	2.6%	3.1%	5.9%	1.9%	0.2%	1.3%	3.8%
12	5.7%	3.8%	3.4%	2.1%	2.1%	5.5%	3.7%	1.5%	0.3%	0.5%	1.0%	4.1%
13	8.5%	9.2%	6.3%	3.8%	1.3%	7.7%	6.6%	5.8%	0.9%	0.6%	1.2%	7.1%
14	7.2%	4.6%	4.7%	1.8%	2.0%	4.7%	5.3%	4.8%	1.6%	1.2%	2.9%	5.6%
15	6.4%	6.3%	4.7%	1.8%	1.5%	2.8%	3.6%	2.7%	6.3%	4.2%	3.3%	4.8%
16	9.5%	9.4%	8.0%	7.0%	8.1%	9.2%	7.9%	10.7%	8.2%	11.1%	9.4%	9.3%
17	14.1%	14.3%	13.9%	11.4%	18.4%	11.3%	13.7%	9.6%	5.6%	11.4%	17.0%	12.8%
18	14.0%	15.1%	15.0%	11.9%	20.1%	12.5%	14.4%	5.9%	4.9%	5.0%	9.2%	12.2%
19	4.3%	4.8%	6.3%	3.0%	17.2%	5.0%	3.7%	1.1%	3.8%	2.0%	6.8%	3.8%
20	3.1%	2.2%	5.3%	1.8%	7.1%	3.4%	4.4%	0.7%	9.3%	2.3%	7.1%	2.8%
99	18.7%	23.8%	23.2%	46.8%	5.7%	32.9%	29.4%	40.3%	10.4%	23.4%	10.6%	26.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: 1. Excludes invalid class codes
2. Excludes invalid producer codes

Commonwealth Automobile Reinsurers

Market Producer Data By Primary Office Location - Average Book Size

SERVICING CARRIER APPOINTMENTS

Primary Office Location	Voluntary Contract ERP Appointment					No Voluntary Contract ERP Appointments				
	ERP Count	PY24 Written Premium	Policy Count			ERP Count	PY24 Written Premium	Policy Count		
			PY2024	PY2023	PY2022			PY2024	PY2023	PY2022
01	3	5,472,681	591	511	411	-	-	-	-	-
02	-	-	-	-	-	2	154,259	18	25	34
03	2	460,792	82	78	81	2	81,239	7	7	2
04	2	272,927	59	88	69	-	-	-	-	-
05	13	16,934,761	1,519	1,409	1,287	1	137,939	16	17	13
06	-	-	-	-	-	-	-	-	-	-
07	32	30,231,344	2,866	2,764	2,639	4	170,479	25	28	22
08	10	16,190,628	1,028	1,057	1,084	-	-	-	-	-
09	2	132,801	21	21	20	-	-	-	-	-
10	3	758,760	84	65	61	-	-	-	-	-
11	58	43,932,394	6,256	6,341	6,407	4	229,327	67	54	46
12	69	52,315,423	8,245	8,334	8,289	-	-	-	-	-
13	73	94,021,248	10,376	10,895	11,435	-	-	-	-	-
14	86	61,629,122	8,314	8,579	8,635	1	2,438	1	1	1
15	70	60,767,466	6,678	6,685	6,820	2	497,587	5	4	4
16	99	93,405,161	10,524	10,600	10,643	-	-	-	-	-
17	137	139,538,058	15,840	15,748	15,456	2	171,788	4	4	4
18	181	149,836,087	16,926	16,709	16,522	4	924,216	176	151	74
19	72	48,102,551	6,091	5,776	5,435	2	92,266	16	16	20
20	41	34,336,704	4,885	4,715	4,559	-	-	-	-	-
99	40	79,644,058	6,948	7,014	7,002	1	-	-	33	59
Total	**993**	**927,982,966**	**107,333**	**107,389**	**106,855**	**25**	**2,461,538**	**335**	**340**	**279**
Ave Pol (WP/ERP)		**8,646**	**108**	**108**	**108**		**7,348**	**13**	**14**	**11**

	Voluntary Producer without Servicing Carrier Appointment				
	Producer Count	PY24 Written Premium	Policy Count		
			PY2024	PY2023	PY2022
	300	**389,693,398**	**34,136**	**33,101**	**31,588**
Ave Pol (WP/ERP)		**11,416**	**114**	**110**	**105**

Note: 1. Excludes Producers with no premium
2. Excludes invalid producer codes
Producer activities as of: July 1, 2025

	Voluntary Producer Combined					No Voluntary Contract ERP Combined				
	Producer Count	PY24 Written Premium	Policy Count			Producer Count	PY24 Written Premium	Policy Count		
			PY2024	PY2023	PY2022			PY2024	PY2023	PY2022
	1,293	**1,317,676,364**	**141,469**	**140,490**	**138,443**	**25**	**2,461,538**	**335**	**340**	**279**
Ave Pol (WP/ERP)		**9,314**	**109**	**109**	**107**		**7,348**	**13**	**14**	**11**

Commonwealth Automobile Reinsurers

Ceded Market Producer Data By Primary Office Location

Primary Office Location	ERP Count	Voluntary Producer with Servicing Carrier Appointment						No Vol Producer with Servicing Carrier Appointment						
		Writing ERPs	No Ceded WP	PY24 Written Premium	Policy Count			ERP Count	Writing ERPs	No Ceded WP	PY24 Written Premium	Policy Count		
					PY2024	PY2023	PY2022					PY2024	PY2023	PY2022
01-10	67	58	9	29,696,890	2,032	1,727	1,511	9	9	-	524,332	60	71	66
11	58	53	5	5,844,762	662	648	657	4	4	-	160,932	44	34	28
12	69	62	7	12,921,103	1,013	979	986	-	-	-	-	-	-	-
13	73	62	11	15,692,514	1,104	1,227	1,278	-	-	-	-	-	-	-
14	86	79	7	18,521,426	1,083	1,086	1,098	1	1	-	2,438	1	1	1
15	70	58	12	12,293,549	681	622	761	2	2	-	497,587	5	4	4
16	99	88	11	21,770,644	1,227	1,239	1,211	-	-	-	-	-	-	-
17	137	123	14	31,095,815	1,805	1,698	1,655	2	1	1	156,611	1	1	1
18	181	141	40	40,717,466	2,447	2,323	2,331	4	4	-	914,423	173	148	71
19	72	62	10	13,780,185	1,090	986	850	2	2	-	92,266	16	16	20
20	41	34	7	11,436,773	821	747	672	-	-	-	-	-	-	-
99	40	27	13	15,216,859	468	483	525	1	-	1	-	-	-	-
Total	**993**	**847**	**146**	**228,987,986**	**14,433**	**13,765**	**13,535**	**25**	**23**	**2**	**2,348,589**	**300**	**275**	**191**
Ave Pol (WP/ERP)				**15,866**	**17**	**16**	**16**				**7,829**	**13**	**12**	**8**

Voluntary Producer without Servicing Carrier Appointment				
Producer Count	PY24 Written Premium	Policy Count		
		PY2024	PY2023	PY2022
300	389,693,398	34,136	33,101	31,588
Ave WP Per Pol	**11,416**			

Note: 1. Excludes Producers with no premium
2. Excludes invalid producer codes

Producer activities as of: July 1, 2025

Commercial Automobile Committee

Consistency in Tow Truck Classification

Questions have been raised as to differences in how Servicing Carriers may be determining classification and the corresponding premium for tow trucks. CAR has requested that each Servicing Carrier provide its classification and rating procedures for these risks as well as any other pertinent information used in the underwriting process. Their responses, as well as the current procedures described in the Commercial Automobile Insurance Manual, have been summarized below:

Commercial Automobile Insurance Manual indicates:
If the insured is towing for themselves or exclusively for one concern, then the tow truck would be rated as a regular truck based on the vehicle's weight (and a contract should be provided as documentation). In this case, the 99 – All Other secondary code applies and there is no additional premium. Additionally, Rule 55 directs you to rate autos transporting exclusively for one concern on the same basis as those owned by such concern for both territory and class.

However, if the insured is towing for more than one concern, then the tow truck would be considered a trucker as described by Rule 52 which defines truckers as automobiles used to haul or transport goods, materials, or commodities for another, other than automobiles used in moving operations. In this case, one of the trucker's secondary class codes would apply, and the 29 – All Other secondary code is the most likely scenario. This will result, when combined with the primary rating factor, in additional premium.

Servicing Carrier Responses:
Carrier A:
We follow the manual to the T.

Carrier B:
The outlined description correctly reflects our underwriting process for the most part. When a risk has an active status with FMCSA, we rate them as a Trucker risk (either 22 or 29 depending upon the filing type), and when they are a normal tow truck service, we rate them as a tow truck using the 99 truck subclass.

However, if a tow company has a contract with a municipality to tow vehicles parked illegally and also has a contract with an apartment complex to do the same, we would still consider them a towing operation rather than a trucker. If the non-trucker classification should only be used for a tow risk that either tows for themselves or one other entity, then we will need to modify our underwriting and classification procedures.

<u>Carrier C:</u>
The primary underwriting consideration is whether the operation is intrastate or interstate, which then impacts the following:

- Filing requirements
- MCS-90 applicability
- Limits
- Secondary vehicle coding
- BAC classification
- The need for trucking-related endorsements

<u>Carrier D:</u>
For vehicles built for towing, we use the secondary class code of 29 if it is a tow truck and towing the vehicles of others (roadside assistance, transporting vehicles to a repair shop). If the risk is towing its own vehicles (a vehicle is purchased at an auction and needs to be towed back to the business), we use the secondary class code of 99.

<u>Additional Servicing Carrier Suggestions for Consideration:</u>

- An additional trucker subclass that is unique to tow trucks would be useful.
- There is a sufficient volume of towing operations to warrant secondary classifications. For instance, new secondary classifications could be introduced for:
    - General Towing – Non-Trucking [haul for themselves or one entity]
    - Towing – Haul for Others [hauls for more than one entity]
- Do Auto Haulers warrant their own subclass?
- Similarly, does the type of vehicle (tow truck, ramp trucks, extra heavy vehicle that may transport multiple vehicles) warrant differentiation?