



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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ADDITIONAL INFORMATION

TO MEMBERS OF THE GOVERNING COMMITTEE

FOR THE MEETING OF:

Wednesday, September 20, 2023, at 10:30 a.m.

GC

23.07 Compliance and Operations Committee

The Records of the Compliance and Operations Committee meeting of September 6, 2023 are attached. (Docket #GC23.07, Exhibit #3)

The Records of the Compliance and Operations Committee meeting of September 6, 2023 have been distributed and are on file.

GC

23.11 Loss Reserving Committee

The Summary of the Loss Reserving Committee meeting of September 6, 2023 is attached. (Docket #GC23.11, Exhibit #3).

GC

23.14 Actuarial Committee

The Records of the Actuarial Committee meeting of September 5, 2023 are attached. (Docket #GC23.14, Exhibit #2).

The Records of the Actuarial Committee meeting of September 5, 2023 have been distributed and are on file.

GC

23.15 Budget Committee

The Records of the Budget Committee meeting of September 7, 2023 are attached. (Docket #GC23.15, Exhibit #1).

The Records of the Budget Committee meeting of September 7, 2023 have been distributed and are on file.

NATALIE HUBLEY
President

Attachments

Boston, Massachusetts
September 12, 2023



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RECORDS OF MEETING

COMPLIANCE AND OPERATIONS COMMITTEE – SEPTEMBER 6, 2023

Members Present

Ms. Erin Cummings– Chair	Norfolk and Dedham Group
Ms. Kara Boehm	Allstate Insurance Company
Ms. Kerri Boutin ⁽¹⁾	Risman Insurance Agency, Inc.
Mr. Thomas Harris	Quincy Mutual Group
Ms. Annmarie Hassan	Arbella Insurance Group
Ms. Nicole Martorana	FBInsure, LLC
Mr. Barry Tagen	Pilgrim Insurance Company
Mr. Christopher Taylor	The Hanover Insurance Company
Ms. Brenda Williams	MAPFRE U.S.A. Corporation

Substituted for:

⁽¹⁾ Mr. Henry Risman

Not in Attendance:

Ms. Sharon Murphy, Acadia Insurance Company

Mr. Kenneth Olivieri, J.K. Olivieri Insurance Agency, Inc.

23.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Compliance and Operations Committee meeting of June 7, 2023. The Records have been distributed and are on file.

23.05 Compliance Audit Program

Mr. Matthew Hirsh presented Hybrid Audit (HAP) results for The Hanover Insurance Company. Mr. Christopher Taylor of Hanover recused himself from participating in the consideration of the Hanover report. The Hanover Hybrid Audit scope included \$790,000 in written premium, and associated loss dollars, including paid losses and allocated loss adjustment expenses, totaled to \$1,378,000. Mr. Hirsh noted five recurring statistical premium reporting issues and two recurring statistical claims reporting issues not in compliance with the Statistical Plan. Mr. Hirsh noted that while Hanover did have several recurring issues identified, including unverifiable Towing & Labor losses due to the insufficient level of documentation provided, overall quota share and ratemaking results did not meet the benchmark to be moved into the yellow light value of the traffic light assessment rating system described in the ARC Procedures Manual. Staff therefore recommended a green light assessment of Hanover's audit results, indicating that no further auditing is required, and that the ARC remain in the five-year Hybrid Audit schedule. Mr. Hirsh advised that staff would reevaluate the validity of Hanover's Towing & Labor documentation by reviewing a minor sample of towing losses in September of 2024. On a roll call vote, the Committee voted unanimously, with

one recusal, to accept the audit report with no further auditing, and directed staff to retest Hanover's unverifiable Towing & Labor losses in September of 2024 to determine if the level of documentation is sufficient.

Mr. Mark Alves then provided a status report of two companies that are working to correct data quality issues identified in prior HAP or focus audits. He noted that Farm Family has a late and unacceptable shipment statistical penalty pending. Staff previously prioritized seven recurring reporting errors that required correction to avoid penalty assessment. Farm Family met with CAR staff virtually in July and have since provided a detailed plan to address each of the seven issues. Multiple test files intended to document system corrections were subsequently transmitted to CAR. CAR reviewed the data and provided a response that five of the seven issues were corrected. He also noted that the two open claim issues could not be assessed without system access or further documentation. Once established, CAR will make a final determination and anticipates notifying the Committee of an outcome at the November meeting.

Mr. Alves continued by noting that Allstate does not have pending penalties but has continued to address several reporting issues identified in the Hybrid Audit report distributed earlier this year. Since closing the audit, Allstate has corrected the reporting of underinsured limits for coverage code 06 and continues to work on coding logic for other limits as well. Additionally, Allstate provided a detailed explanation of its roadside service procedures, suggesting that it supports validation of tow payments in accordance with the Statistical Plan and the ARC Procedures Manual. Upon review, CAR staff agreed that this process would allow for validation of tow payments if supporting documentation exists confirming that the amount paid to the vendor agrees to the amount statistically reported to CAR. Allstate acknowledged that the described documentation would exist for 95% of tow payments. In conclusion, Allstate indicated that the workload and available resources will continue to be prioritized while communicating future correction efforts to CAR.

Ms. Wendy Browne then provided an update on the two remaining reporting issues identified through CAR's statistical & data quality program for Foremost of Grand Rapids, including incorrect reporting of exposures on endorsement records and invalid reporting of merit rating values. Ms. Browne reported that Foremost's 1st Quarter 2023 data was evaluated and that the error rates for these issues have improved but remain slightly above the industry average. In addition, Ms. Browne noted that Foremost has continued to make efforts toward correcting the identified issues, and that Foremost is scheduled to undergo a HAP audit in the latter half of 2024. She indicated that rather than performing yet another focus audit, the HAP audit will include a review of merit rating and endorsement data to determine if further progress has resulted in the error rates for these two issues approaching industry averages. Ms. Browne stated that CAR will continue to evaluate Foremost's data and provide the Committee with additional status updates.

22.09 Merit Rating Reporting

Mr. Hirsh presented the results of the follow-up private passenger merit rating focus audits. He stated that in 2022, CAR conducted an industry-wide audit of statistically reported merit rating values to verify if each Assigned Risk Company (ARC) was accurately imputing merit rating values from the Massachusetts Registry of Motor Vehicles. Results identified five ARCs with error rates that exceeded the industry average of 8.7%. At its September 2022 meeting, the Committee directed CAR staff to conduct follow-up audits retesting the merit rating data for each of the five outlier companies and provided a deadline of the January 2024 submission for each ARC to have their merit rating data corrected.

Mr. Hirsh noted that at the conclusion of last year's audits, each of the five outlier ARCs provided CAR with a corrective action plan, and CAR allowed time for each plan to impact statistical reporting before taking follow-up samples. Audits were then conducted utilizing the same procedures as the preceding 2022 merit rating audits.

Results noted one ARC's error rate decreased to below the industry average, and as such, that ARC is now considered compliant with merit rating reporting requirements.

Two ARCs improved but remained above the industry benchmark. Mr. Hirsh explained that both ARCs are scheduled to undergo Hybrid Audits in 2024, at which point, a final audit on each ARC's merit rating data will be conducted by CAR staff.

One ARC was scheduled for a Hybrid Audit in 2023 and thus, did not undergo a follow-up merit rating audit. However, this ARC's Hybrid Audit has recently been delayed to 2024. Mr. Hirsh explained that, like the two prior ARCs, CAR will also conduct a merit rating audit on this ARC when the Hybrid Audit is conducted in 2024.

Lastly, one ARC's results weakened from last year's to this year's merit rating audit. This ARC underwent a Hybrid Audit in 2023 and, as such, will have its merit rating data evaluated for a third time in the spring of 2024, after the January 2024 data submission, before considering penalty options.

23.10 Interim Summary Data Penalty Program

Ms. Browne presented for the Committee's review proposed changes to the Assigned Risk Company Procedures Manual to include a new penalty program to enforce the timely reporting of Interim Summary data. Ms. Browne provided the Committee with a brief overview of the importance of receiving timely Interim Summary data for non-reporting Newly Writing Companies. She noted that late submissions of Interim Summary data require CAR to use old data or to make approximations for the Quota Share determination. She stated that, until recently, most companies had complied. However, one new entrant had timeliness issues where six submissions from the prior 12 months were considered late. Ms. Browne stated that having a penalty program in place provides incentive, allowing companies to avoid the penalty when data is reported timely.

Ms. Browne indicated that the proposed changes to Chapter III - B.4 of the Assigned Risk Company Procedures Manual included an outline of the penalty program for non-compliant companies. She noted that this proposed penalty program was developed to mimic the penalty program for late statistical submissions, while focusing on the frequency of each late Interim Summary submission. Continuing, Ms. Browne stated that proposed changes to Chapter X – D.2 of the Assigned Risk Company Procedures Manual were also included to reference updated wording regarding the proposed Interim Summary penalty program.

On a roll call vote, the Committee voted unanimously to recommend to the Governing Committee the proposed new penalty program for the late submission of Interim Summary data and the updates to the Assigned Risk Company Procedures Manual.

MATTHEW HIRSH
Compliance Audit Supervisor

Boston, Massachusetts
September 11, 2023

Assigned Risk Company Procedures Manual

Memorandum of Changes

To implement a penalty program to enforce the timely reporting of interim summary data, the Committee should consider the following amendments to the Assigned Risk Company Procedures Manual:

Chapter III – Assigned Risk Company Responsibilities

B.4 – Data Reporting Responsibilities

- A new paragraph has been added that outlines a schedule of penalties based on the number of interim summary submissions that are not reported on a timely basis within a given accounting year.

Chapter X – Quota Share and Credit Programs

D.2 – Inclusion of Newly Writing Company Interim Summary Data

- A sentence has been added to reference the penalty program in Chapter III.B.4

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Chapter III | Assigned Risk Company Responsibilities
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Upon receipt of the Notice of Expiration of Policy Assignment, the risk may reapply for coverage through the MAIP. This reapplication will be considered a new application and CAR will assign the applicant to a different ARC than the previously assigned ARC, in accordance with the provisions of Rule 29 – Assignment Process of CAR’s Rules of Operation.

4. Data Reporting Responsibilities

An ARC is responsible for reporting all premiums written, losses paid, allowable expenses, MAIP Placement Records and any other information that may be required by the Plan and Rules of Operation, the Assigned Risk Company Procedures Manual, the Massachusetts Private Passenger Automobile Statistical Plan or as requested by CAR’s Governing Committee or the Division of Insurance. This information must be reported to CAR on an individual company basis, using the company code number as assigned by CAR. An ARC that has executed a LADA with a Member company will be provided with a company code number under which the policies assigned to that Member must be issued and under which the ARC must report its data.

In accordance with Rule 29 – Assignment Process of CAR’s Rules of Operation, a Newly Writing Company that is not yet reporting statistical data to CAR is required to report interim summary data to CAR. The initial submission of interim summary data must be reported no later than 45 days after the close of the month of the Member’s initial Private Passenger Motor Vehicle Insurance rates and rate manual effective date and then must be reported on a monthly basis thereafter until the Member commences reporting statistical data to CAR.

The due date is the same date as the monthly statistical submission, which is generally the first CAR business day 45 days after the close of each accounting month. CAR will notify the industry on a yearly basis of the specific submission due dates. Failure to report an interim summary submission by the due date will result in the assessment of \$500. Failure to report a second interim summary submission by the due date in an accounting year will result in the assessment of \$1,250. Failure to report any subsequent interim summary submissions by the monthly due date in a given accounting year will result in the assessment of \$3,000 for each submission thereafter.

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The Interim Summary Data Upload function is located on the Reports page of CAR's website, under the Data Transfers link. Refer to Chapter X – Quota Share and Credit Programs of this Manual for additional information.

Once assigned a MAIP policy and upon any change in status of the policy, ARCs are responsible for submitting a MAIP Placement Record (MPR) to CAR to indicate MAIP coverage. For additional information regarding reporting timeframes and data requirements for MAIP Placement Records, refer to Chapter IX – MAIP Placement Record Reporting Requirements and Correction Procedures of this Manual.

An ARC must comply with all premium and claim statistical audit, claims performance standards and SIU review requirements and cooperate with CAR in the investigation of any data quality or other reporting irregularities. These responsibilities also include the quarterly upload of SIU Activity Log information using the Compliance Audit Reports link on the Reports page of CAR's website. For additional information, refer to the SIU Quarter Log Help Manual which is located on the Compliance Audit Reports page of CAR's website and Appendix A – CAR Special Investigative Unit Standards of the Private Passenger Claims Performance Standards which is located on the Manuals page of CAR's website.

5. Responsibilities Relative to Assigned Risk Producers

a. Producer Violation Reporting Requirements

ARCs are responsible for notifying CAR of any of the ARP infractions specified in Rule 30.B.5. – Assigned Risk Company Requirements and Rule 31.B. – Assigned Risk Producer Requirements of CAR's Rules of Operation that may result in the revocation of the ARP's MAIP certification. ARCs should report alleged producer performance violations to CAR online using the ARP Violations link which is located on the MAIP Company page of CAR's website, under the Non-Compliance link (refer to Exhibits III-B-1 and III-B-2). The violation report will also be forwarded to the ARP. The ARP has 20 calendar days to respond to CAR regarding the validity of the alleged violation, using the ARP Violations link. A copy of the ARP's response will also be

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2. Inclusion of Newly Writing Company Interim Summary Data

As part of the monthly base data update, CAR will include interim summary data from non-reporting Newly Writing Companies in the Quota Share calculation as specified in Rule 29 of CAR's Rules of Operation.

Non-reporting Newly Writing Companies shall be eligible for appointment as an ARC as of the effective date of its initial rates and rate manual. The Member shall be required to accept assignments through the MAIP on the date that MAIP processes the Member's initial summary data submission. The Member is required to report written private passenger property damage liability car months of exposure by CAR Identification Code, policy effective month, territory, classification and merit rating status, as defined in the Massachusetts Private Passenger Automobile Statistical Plan, for the 12 most recently available consecutive policy effective months, no later than 45 days after the close of the month of the Member's initial rates and rate manual effective date and on a monthly basis thereafter until the Member commences reporting statistical data to CAR. Reported interim summary data will be subject to audit review. Failure to report interim summary data will be subject to a penalty as outlined in Chapter III.B.4.

The date that a company is required to begin reporting detailed statistical data to CAR is based upon the provisions of the Massachusetts Private Passenger Automobile Statistical Plan. If the Member elects to commence reporting its statistical data as of a calendar date that is prior to the required date, the Member will still be required to submit interim summary data for the preceding 12 rolling effective months until all 12 policy effective months included in the Quota Share reports are statistically reported. Therefore, for a period of time, the Member will submit to CAR both interim summary data and detailed statistical data.

E. Company Management Reports and Data Files

Each month, reports and data files that detail the determination of Quota Share and provide companies with information that may be used to reconcile a Member's Quota Share reports are made available to Members. Links to the following reports and files are located on the



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SUMMARY OF MEETING

LOSS RESERVING COMMITTEE – SEPTEMBER 6, 2023

Members Present

Ms. Lynellen Ramirez – Chair
Ms. Julie Ann Frechette
Mr. Cody Marsh
Ms. Satomi Miyanaga
Ms. Melissa Vaughn

Arbella Insurance Group
The Hanover Insurance Company
MAPFRE U.S.A. Corporation
Liberty Mutual Insurance Companies
Safety Insurance Company

23.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Loss Reserving Committee meeting of June 7, 2023. The Records have been distributed and are on file.

23.04 Quality of Current Quarter Reporting

The Committee was informed that 14 Bodily Injury (BI) and 4 Property Damage Liability (PDL) large loss claims were referred this quarter to CAR's Compliance Audit Department for additional information and verification of the reported statistics. Of the 14 BI large losses, 13 carry a \$1.0 million combined single limit (CSL) coverage, and one policy has a BI coverage of 250/500. These claims were either newly reported, experienced large upward or downward reserve changes, or were paid in excess of the prior quarter reserve and were verified for accuracy with the reporting Servicing Carrier.

The Committee reviewed large loss reports for all losses greater than \$1.0 million reported for policy years 2014-2023 as of June 2023. During the current quarter, there were 4 new claims added to the report with a \$1.0 million CSL. One claim was removed for dropping below the threshold. As of the current quarter, there are 117 claims over \$1.0 million reported during the latest 10 policy years. These claims have current incurred losses of approximately \$200.3 million, an increase of \$3.6 million since the prior quarter. The corresponding large loss reports are attached as pages 5-9.

Summary of Large Losses GT \$1.0M as of June, 2023 (\$ in millions)

	Claims >\$1.0M	Current Incurred Losses	Current Reserves	Prior Incurred Losses	Change in Loss
New Claims	4	\$4.6	\$3.8	\$1.2	\$3.4
Total Claims	117	\$200.3	\$64.0	\$196.7	\$3.6

The Committee was also informed that, during the current quarter, 6 new claims were reported using the Large Loss Notification Form. This report is attached as page 10. Four of the losses carry \$1.0 million CSL coverage, one with \$1.5 million CSL, and one that carries \$5.0 million CSL coverage. The \$5.0 CSL claim is a recent out-of-state zone-rated bus accident that includes an estimated loss of \$4.0 million with no current reserves reported.

23.06 Policy Year Deficit and Loss Ratio Report

The Committee estimated a policy year 2020 surplus of \$26.8 million with an ultimate loss ratio of 63.0%, resulting in a \$330,000 increase to the prior quarter's projected surplus of \$26.4 million.

The Committee estimated a policy year 2021 surplus of \$22.5 million with an ultimate loss ratio of 67.9%. The estimate results in a \$1.5 million increase of the prior quarter's projected surplus of \$21.0 million.

The Committee estimated a policy year 2022 deficit of \$5.1 million with an ultimate loss ratio of 79.1%, resulting in a \$1.1 million increase of the prior quarter's projected deficit of \$4.0 million.

The Committee estimated a policy year 2023 ultimate loss ratio of 76.6%.

Ultimate loss ratio and deficit projections for all policy years are attached as pages 11-14.

The following summary displays the policy year results:

Policy Year Results
Total Commercial Ceded

PY	Earned Premium (000)	Loss & Allocated Loss Adjustment Expense (000)				Number of Open Claims
		Paid	Case Outstanding	IBNR	Held Ultimate	
2014	127,937	99,553	2282	-1	101,834	16
2015	151,439	129,951	872	63	130,886	7
2016	169,141	155,099	11661	219	166,979	94
2017	182,590	134,156	7,921	462	142,539	75
2018	195,958	154,064	23,966	1463	179,493	170
2019	190,284	108,909	23,996	2,887	135,792	173
2020	172,642	70,823	29,796	8,120	108,739	386
2021	183,380	76,674	36,109	11,666	124,449	881
2022	164,024	46,513	51,843	31,460	129,816	2,293
2023@6 mos	26,508	5136	6,120	9,051	20,307	512
Total	1,563,903	980,878	194,566	65,390	1,240,834	4,607

Policy Year Change in Ultimate Loss

PY	Current Quarter			Prior Quarter			Difference	
	Ultimate Loss(000)	Earned Prem(000)	Loss Ratio	Ultimate Loss(000)	Earned Prem(000)	Loss Ratio	Ultimate Loss(000)	Loss Ratio
2014	101,834	127,937	79.6%	101,825	127,937	79.6%	9	0.0%
2015	130,886	151,439	86.4%	130,912	151,439	86.4%	-26	0.0%
2016	166,979	169,141	98.7%	167,721	169,141	99.2%	-742	-0.4%
2017	142,539	182,590	78.1%	144,039	182,590	78.9%	-1500	-0.8%
2018	179,493	195,958	91.6%	181,015	195,958	92.4%	-1,522	-0.8%
2019	135,792	190,284	71.4%	138,147	190,284	72.6%	-2,355	-1.2%
2020	108,739	172,642	63.0%	109,096	172,642	63.2%	-357	-0.2%
2021	124,449	183,380	67.9%	126,057	183,436	68.7%	-1,608	-0.9%
2022	129,816	164,024	79.1%	105,833	134,865	78.5%	23,983	0.7%
2023@6 mos	20,307	26,508	76.6%	5,493	7,271	75.5%	14,814	1.0%

The following summary displays the accident year results from the meeting:

Accident Year Results
Total Commercial Ceded

CAL/AY	Loss & Allocated Loss Adjustment Expense (000)					Number of Open Claims
	Earned Premium(000)	Paid	Case Outstanding	IBNR	Held Ultimate	
2014	117,843	101,213	1127	-1	102,339	9
2015	140,066	109,258	1,634	63	110,955	13
2016	160,225	154,967	1,520	219	156,706	15
2017	175,270	143,404	13,516	430	157,350	115
2018	189,480	145,949	18,366	267	164,582	138
2019	198,126	139,949	25,270	2260	167,479	164
2020	176,009	76,266	24,246	4,376	104,888	243
2021	181,582	72,481	28,139	13,500	114,120	518
2022	184,530	71,319	59,888	18,295	149,502	1668
2023@6 mos	95,758	19,520	21,315	25,981	66,816	1728
Total	1,618,889	1,034,326	195,021	65,390	1,294,737	4,611

Accident Year Change in Ultimate Loss

CAL/AY	Current Quarter			Prior Quarter			Difference	
	Ultimate Loss(000)	Earned Prem(000)	Loss Ratio	Ultimate Loss(000)	Earned Prem(000)	Loss Ratio	Ultimate Loss(000)	Loss Ratio
2014	102,339	117,843	86.8%	102,316	117,843	86.8%	23	0.0%
2015	110,955	140,066	79.2%	111,007	140,066	79.3%	-52	0.0%
2016	156,706	160,225	97.8%	156,703	160,225	97.8%	3	0.0%
2017	157,350	175,270	89.8%	159,020	175,270	90.7%	-1670	-1.0%
2018	164,582	189,480	86.9%	164,734	189,480	86.9%	-152	-0.1%
2019	167,479	198,126	84.5%	169,907	198,126	85.8%	-2,428	-1.2%
2020	104,888	176,009	59.6%	105,589	176,009	60.0%	-701	-0.4%
2021	114,120	181,582	62.8%	115,504	181,604	63.6%	-1,384	-0.8%
2022	149,502	184,530	81.0%	146,620	184,631	79.4%	2,882	1.6%
2023@6 mos	66,816	95,758	69.8%	32,644	47,295	69.0%	34,172	0.8%

SHANNON CHIU
Actuarial/Statistical Analyst

Boston, Massachusetts
September 12, 2023

Loss Reserving Committee Executive Summary – Attachments

<u>Report Name</u>	<u>Page(s)</u>
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Commonwealth Automobile Reinsurers
Large Loss Detail By Policy Year (Large Losses \$1.0 Million and Greater)

Data Reported Through June, 2023

Row	Eff Yr	Liab Lim	Lim Id	Accdt Year	Clm	Class Desc	ITD Paid Loss	Current Reserve	ALAE ITD	ITD Total Loss	Prior Reserves	Prior Qtr Tot Loss	Change Tot Loss	PIP Loss	State	Qtr First > \$1.0M	First Rptd
1	23	1.0 M	CSL	2023	9	Zone Rated TTT	32,569	1,000,000	50,000	1,082,569	0	0	1,082,569	0	Out Of State	2Q 2023	2Q 2023
2	23	1.0 M	CSL	2023	4	TTT	316,273	793,119	200,005	1,309,397	500,000	525,000	784,397	0	MA	2Q 2023	1Q 2023
							348,842	1,793,119	250,005	2,391,966	500,000	525,000	1,866,966	0			
1	22	5.0 M	CSL	2022	33	Commercial Bus	90,652	5,004,512	262,402	5,357,566	5,015,843	5,342,925	14,641	96,780	MA	4Q 2022	4Q 2022
2	22	1.0 M	CSL	2023	4	TTT	188,318	1,000,000	53,853	1,242,171	1,002,500	1,052,625	189,546	4,768	Out Of State	1Q 2023	1Q 2023
3	22	1.0 M	CSL	2022	3	Garage	229,757	1,000,000	71,189	1,300,946	1,000,000	1,053,835	285,785	0	MA	4Q 2022	4Q 2022
4	22	1.0 M	CSL	2022	1	Garage	0	1,000,000	9,573	1,009,573	1,000,000	1,009,573	0	0	MA	1Q 2023	2Q 2022
5	22	1.5 M	CSL	2022	2	Commercial Bus	7,724	1,000,000	50,196	1,057,920	1,000,000	1,050,015	7,905	7,910	Out Of State	4Q 2022	4Q 2022
6	22	5.0 M	CSL	2022	6	Commercial Bus	98,485	2,766,171	48,976	2,913,632	2,778,948	2,887,580	26,052	112,406	Out Of State	1Q 2023	3Q 2022
7	22	1.0 M	CSL	2022	3	Zone Rated TTT	0	1,000,000	40,076	1,040,076	1,000,000	1,040,076	0	0	Out Of State	1Q 2023	2Q 2022
8	22	1.0 M	CSL	2022	3	Zone Rated TTT	12,942	991,158	50,125	1,054,225	304,100	367,167	687,058	4,225	Out Of State	2Q 2023	3Q 2022
9	22	1.0 M	CSL	2022	1	Zone Rated TTT	4,141	1,010,840	90,151	1,105,132	300,000	344,366	760,766	15,106	Out Of State	2Q 2023	3Q 2022
10	22	1.0 M	CSL	2022	7	TTT	106,400	1,000,000	20,001	1,126,401	1,000,000	1,126,400	1	0	Out Of State	4Q 2022	4Q 2022
							738,419	15,772,681	696,542	17,207,642	14,401,391	15,274,562	1,971,754	241,195			
1	21	1.0 M	CSL	2022	4	TTT	39,548	1,000,000	10,001	1,049,549	1,000,000	1,010,125	39,424	0	MA	1Q 2023	3Q 2022
2	21	1.0 M	CSL	2022	3	Non-Owned / Special Rating	0	1,000,000	20,612	1,020,612	1,000,000	1,018,006	2,606	0	Out Of State	2Q 2022	2Q 2022
3	21	1.0 M	CSL	2021	8	TTT	134,914	970,000	68,047	1,172,961	970,000	1,168,913	4,048	0	MA	1Q 2022	4Q 2021
4	21	5.0 M	CSL	2022	4	TTT	152,390	2,543,600	152,631	2,848,621	2,547,800	2,851,007	-2,386	0	MA	1Q 2022	1Q 2022
5	21	1.0 M	CSL	2021	3	Zone Rated TTT	903,081	0	4,151	907,232	996,919	1,001,596	-94,364	0	Out Of State	1Q 2023	3Q 2021
6	21	5.0 M	CSL	2022	1	Zone Rated Bus	4,900,000	0	108,405	5,008,405	5,000,000	5,066,701	-58,296	0	Out Of State	3Q 2022	3Q 2022
7	21	5.0 M	CSL	2022	17	Commercial Bus	124,307	4,037,712	245,095	4,407,114	3,746,867	4,064,689	342,425	160,825	Out Of State	4Q 2022	2Q 2022
8	21	1.0 M	CSL	2021	2	TTT	1,030,884	0	4,959	1,035,843	1,000,000	1,060,903	-25,060	8,000	MA	4Q 2021	4Q 2021
							7,285,124	9,551,312	613,901	17,450,337	16,261,586	17,241,940	208,397	168,825			
1	20	1.0 M	CSL	2020	5	TTT	1,035,920	0	21,226	1,057,146	13,938	1,065,034	-7,888	0	MA	4Q 2020	4Q 2020
2	20	1.0 M	CSL	2021	3	TTT	49,498	1,000,000	26,862	1,076,360	1,000,000	1,075,361	999	0	MA	2Q 2021	1Q 2021
3	20	1.0 M	CSL	2021	1	PPT - NF	0	1,000,000	63,150	1,063,150	1,000,000	1,061,707	1,443	0	Out Of State	2Q 2021	1Q 2021
4	20	1.0 M	CSL	2021	3	Zone Rated TTT	26,254	977,947	48,897	1,053,098	977,947	1,053,098	0	0	MA	1Q 2022	2Q 2021
5	20	1.0 M	CSL	2021	3	Zone Rated TTT	1,025,146	0	17,498	1,042,644	0	1,041,103	1,541	0	Out Of State	4Q 2021	2Q 2021
6	20	1.0 M	CSL	2021	3	TTT	52,982	1,000,000	56,539	1,109,521	1,000,000	1,109,451	70	68	Out Of State	2Q 2022	3Q 2021
7	20	1.0 M	CSL	2021	5	TTT	1,037,469	0	14,737	1,052,206	0	1,052,206	0	5,242	MA	3Q 2021	1Q 2021
8	20	1.0 M	CSL	2020	2	Zone Rated TTT	2,412	997,588	53,043	1,053,043	997,588	1,052,986	57	0	Out Of State	2Q 2022	4Q 2020
9	20	1.0 M	CSL	2020	1	Public Transportation Buses	1,008,000	0	1,782	1,009,782	0	1,009,782	0	8,000	MA	1Q 2022	4Q 2020
10	20	1.0 M	CSL	2021	3	Non-Owned / Special Rating	1,000,000	0	20,948	1,020,948	1,000,000	1,008,375	12,573	0	MA	3Q 2021	2Q 2021
11	20	5.0 M	CSL	2021	1	Commercial Bus	8,000	1,000,000	32,340	1,040,340	1,000,000	1,032,430	7,910	8,023	MA	4Q 2021	4Q 2021
12	20	1.0 M	CSL	2020	1	Garage	1,008,000	0	1,042	1,009,042	0	1,009,042	0	8,000	MA	4Q 2021	1Q 2021
13	20	5.0 M	CSL	2021	4	Zone Rated Bus	927,111	70,000	25,460	1,022,571	75,000	1,027,601	-5,030	17	Out Of State	2Q 2022	2Q 2021
14	20	1.0 M	CSL	2020	3	Zone Rated TTT	20,372	1,000,000	225,009	1,245,381	1,000,000	1,220,481	24,900	0	Out Of State	3Q 2020	2Q 2020
							7,201,164	7,045,535	608,533	14,855,232	8,064,473	14,818,657	36,575	29,350			

Commonwealth Automobile Reinsurers
 Large Loss Detail By Policy Year (Large Losses \$1.0 Million and Greater)
 Data Reported Through June, 2023

Row	Eff Yr	Liab Lim	Lim Id	Accdt Year	Clim	Class Desc	ITD Paid Loss	Current Reserve	ALAE ITD	ITD Total Loss	Prior Reserves	Prior Qtr Tot Loss	Change Tot Loss	PIP Loss	State	Qtr First > \$1.0M	First Rptd
1	19	1.0 M	CSL	2019	1	TTT	1,000,000	0	33,462	1,033,462	0	1,033,462	0	0	Out Of State	3Q 2020	3Q 2020
2	19	1.0 M	CSL	2020	2	TTT	0	1,000,000	70,638	1,070,638	1,000,000	1,068,439	2,199	0	MA	3Q 2022	1Q 2020
3	19	1.0 M	CSL	2019	8	TTT	1,093,233	0	0	1,093,233	0	1,093,233	0	0	MA	4Q 2019	3Q 2019
4	19	1.0 M	CSL	2019	2	TTT	999,999	0	18,452	1,018,451	963,015	1,064,579	-46,128	0	MA	1Q 2023	2Q 2019
5	19	5.0 M	CSL	2020	11	TTT	1,672,199	345,813	46,136	2,064,148	345,813	2,064,148	0	0	MA	2Q 2020	2Q 2020
6	19	1.0 M	CSL	2019	3	TTT	32,130	975,870	55,999	1,063,999	975,870	1,061,094	2,905	8,000	MA	4Q 2021	2Q 2019
7	19	1.0 M	BI	2019	3	Non-Owned / Special Rating	975,000	0	76,333	1,051,333	0	1,041,419	9,914	0	Not Reported	3Q 2021	2Q 2020
8	19	1.0 M	CSL	2019	5	TTT	1,000,000	0	6,071	1,006,071	0	1,006,071	0	0	MA	4Q 2022	4Q 2019
9	19	1.0 M	CSL	2019	2	TTT	1,027,641	0	18	1,027,659	0	1,027,659	0	0	MA	2Q 2022	4Q 2019
10	19	1.0 M	CSL	2019	2	TTT	1,000,000	0	576	1,000,576	0	1,000,576	0	0	MA	4Q 2019	3Q 2019
11	19	1.0 M	CSL	2020	2	TTT	0	1,003,750	90,145	1,093,895	1,003,750	1,093,895	0	3,875	MA	4Q 2020	3Q 2020
12	19	1.0 M	CSL	2020	7	TTT	102,655	960,814	101,827	1,165,296	960,814	1,165,296	0	0	Out Of State	3Q 2022	1Q 2020
13	19	1.0 M	CSL	2019	2	Zone Rated TTT	0	1,000,000	75,000	1,075,000	1,000,000	1,075,000	0	0	Out Of State	4Q 2022	4Q 2019
14	19	5.0 M	CSL	2019	7	Zone Rated Bus	439,274	1,500,000	105,987	2,045,261	1,500,000	2,045,218	43	65,595	Out Of State	1Q 2020	4Q 2019
15	19	5.0 M	CSL	2019	1	Zone Rated Bus	20,410	1,000,000	75,288	1,095,698	1,000,000	1,095,698	0	20,698	Out Of State	2Q 2022	3Q 2019
16	19	5.0 M	CSL	2020	4	Zone Rated Bus	2,803,454	0	145,697	2,949,151	0	2,949,151	0	100,000	Out Of State	3Q 2020	1Q 2020
17	19	1.0 M	CSL	2019	7	Zone Rated TTT	1,045,357	0	18,256	1,063,613	0	1,063,613	0	0	MA	4Q 2020	3Q 2019
18	19	1.5 M	CSL	2019	6	Commercial Bus	1,116,830	0	50,712	1,167,542	0	1,167,542	0	109,801	Out Of State	3Q 2019	3Q 2019
19	19	1.0 M	CSL	2020	5	Zone Rated TTT	1,036,871	0	34,790	1,071,661	0	1,071,661	0	0	Out Of State	3Q 2020	2Q 2020
20	19	5.0 M	CSL	2019	13	Zone Rated Bus	1,760,420	792,098	71,078	2,623,596	750,000	2,581,468	42,128	43,307	Out Of State	4Q 2019	3Q 2019
21	19	1.0 M	CSL	2019	6	TTT	1,030,550	0	10,784	1,041,334	0	1,041,334	0	42	MA	1Q 2020	4Q 2019
							18,156,023	8,578,345	1,087,249	27,821,617	9,499,262	27,810,556	11,061	351,318			
1	18	1.5 M	CSL	2019	2	Commercial Bus	8,000	1,508,000	85,670	1,601,670	1,508,000	1,575,515	26,155	16,009	MA	4Q 2019	3Q 2019
2	18	1.0 M	CSL	2018	4	TTT	1,094,953	0	32,112	1,127,065	0	1,127,065	0	0	Out Of State	3Q 2019	2Q 2018
3	18	1.0 M	CSL	2018	8	TTT	1,183,229	0	17,741	1,200,970	0	1,200,970	0	0	Out Of State	4Q 2018	4Q 2018
4	18	1.0 M	CSL	2018	6	TTT	486,542	763,678	61,101	1,311,321	763,744	1,309,366	1,955	0	MA	3Q 2020	4Q 2018
5	18	1.0 M	CSL	2019	2	TTT	1,079,123	0	4,331	1,083,454	0	1,083,454	0	0	Out Of State	1Q 2019	1Q 2019
6	18	1.0 M	CSL	2019	2	Commercial Bus	8,005	993,940	72,458	1,074,403	993,940	1,072,379	2,024	0	MA	3Q 2021	3Q 2019
7	18	1.0 M	CSL	2018	2	Non-Owned / Special Rating	1,000,000	0	135,006	1,135,006	0	1,135,006	0	0	Not Reported	2Q 2020	2Q 2018
8	18	1.0 M	CSL	2019	2	Garage	1,013,028	0	5,071	1,018,099	0	1,018,099	26,068	0	MA	2Q 2019	2Q 2019
9	18	1.0 M	CSL	2018	4	TTT	1,095,196	0	39,901	1,135,097	0	1,133,938	1,159	0	Out Of State	3Q 2020	4Q 2018
10	18	1.0 M	CSL	2019	16	Zone Rated TTT	1,024,688	0	78,550	1,103,238	0	1,103,238	0	0	Out Of State	2Q 2019	2Q 2019
11	18	1.0 M	CSL	2018	2	TTT	34,184	1,000,000	1,601	1,035,785	1,000,000	1,035,785	0	0	MA	4Q 2018	4Q 2018
12	18	1.0 M	CSL	2018	3	Zone Rated TTT	960,890	0	68,594	1,029,484	0	1,029,484	0	35,083	Out Of State	2Q 2020	4Q 2018
13	18	5.0 M	CSL	2018	9	Zone Rated Bus	1,644,024	0	57,839	1,701,863	1,500,000	1,709,087	-7,224	29,826	Out Of State	3Q 2020	4Q 2018
14	18	5.0 M	CSL	2019	14	Zone Rated Bus	1,000,644	225,000	87,987	1,313,631	650,000	1,576,813	-263,182	25,198	Out Of State	4Q 2019	3Q 2019
15	18	1.0 M	CSL	2019	2	Zone Rated TTT	28,466	998,440	45,144	1,072,050	998,440	1,072,050	0	26,906	Out Of State	2Q 2022	2Q 2019
16	18	5.0 M	CSL	2019	59	Zone Rated Bus	5,026,954	726,643	400,894	6,154,491	726,643	6,154,429	62	374,992	Out Of State	1Q 2019	1Q 2019
17	18	5.0 M	CSL	2018	1	Zone Rated Bus	5,000,000	0	29,419	5,029,419	0	5,029,419	0	21	Out Of State	1Q 2019	4Q 2018
18	18	5.0 M	CSL	2019	4	Zone Rated Bus	5,000,000	0	209,896	5,209,896	0	5,209,896	0	0	Out Of State	3Q 2019	3Q 2019
19	18	5.0 M	CSL	2019	11	Zone Rated Bus	162,665	890,000	50,226	1,102,891	890,000	1,102,891	0	26,700	Out Of State	1Q 2020	3Q 2019
20	18	5.0 M	CSL	2018	72	Zone Rated Bus	1,330,814	5,003,500	675,300	7,009,614	5,003,500	6,836,704	172,910	1,766,004	Out Of State	2Q 2018	2Q 2018
							28,181,405	12,109,201	2,158,841	42,449,447	14,034,267	42,515,588	-40,073	2,300,739			

Commonwealth Automobile Reinsurers
 Large Loss Detail By Policy Year (Large Losses \$1.0 Million and Greater)
 Data Reported Through June, 2023

Row	Eff Yr	Liab Lim	Lim Id	Accdt Year	Clim	Class Desc	ITD Paid Loss	Current Reserve	ALAE ITD	ITD Total Loss	Prior Reserves	Prior Qtr Tot Loss	Change Tot Loss	PIP Loss	State	Qtr First > \$1.0M	First Rptd
1	17	1.0 M	CSL	2017	8	TTT	1,136,433	0	3,762	1,140,195	0	1,140,195	0	4,100	MA	4Q 2017	3Q 2017
2	17	1.0 M	CSL	2018	1	Commercial Bus	1,000,000	0	11,874	1,011,874	0	1,010,568	1,306	0	MA	3Q 2022	3Q 2022
3	17	1.0 M	CSL	2018	6	TTT	1,002,713	0	78,737	1,081,450	0	1,081,450	0	2,783	MA	2Q 2019	1Q 2018
4	17	5.0 M	CSL	2017	4	Zone Rated Bus	2,511,460	0	37,303	2,548,763	0	2,548,763	0	0	Out Of State	2Q 2021	4Q 2017
5	17	1.0 M	CSL	2017	1	Non-Owned / Special Rating	1,000,000	0	3,456	1,003,456	0	1,003,456	0	0	Out Of State	1Q 2018	4Q 2017
6	17	5.0 M	CSL	2017	2	Zone Rated TTT	1,112,500	0	67,002	1,179,502	0	1,179,502	0	0	Out Of State	3Q 2022	3Q 2022
7	17	1.0 M	CSL	2017	2	Commercial Bus	1,020,493	0	1,692	1,022,185	0	1,022,185	0	0	MA	3Q 2017	3Q 2017
8	17	1.0 M	CSL	2018	2	TTT	0	1,003,501	200,125	1,203,626	1,003,501	1,203,626	0	3,625	MA	4Q 2018	4Q 2018
9	17	1.0 M	CSL	2018	2	TTT	1,009,645	0	7,085	1,016,730	0	1,016,730	0	0	MA	3Q 2018	2Q 2018
							9,793,244	1,003,501	411,036	11,207,781	1,003,501	11,206,475	1,306	10,508			
1	16	1.0 M	CSL	2017	3	Garage	1,068,595	0	24,217	1,092,812	0	1,092,812	121,410	8,000	Out Of State	1Q 2018	2Q 2017
2	16	5.0 M	CSL	2016	1	Commercial Bus	5,000,000	0	51,479	5,051,479	0	5,051,479	0	0	Out Of State	3Q 2016	3Q 2016
3	16	1.0 M	CSL	2017	2	Non-Owned / Special Rating	1,000,000	0	17	1,000,017	0	1,000,017	0	0	Out Of State	3Q 2017	2Q 2017
4	16	1.0 M	CSL	2016	1	Commercial Bus	1,007,000	0	118,457	1,125,457	0	1,125,457	0	2,000	MA	1Q 2020	3Q 2016
5	16	5.0 M	CSL	2017	4	Commercial Bus	3,550,031	0	78,378	3,628,409	0	3,628,409	0	50,337	Out Of State	4Q 2018	2Q 2017
6	16	1.0 M	CSL	2016	3	Zone Rated TTT	1,003,220	0	39,530	1,042,750	0	1,042,750	6,442	0	Out Of State	3Q 2018	4Q 2016
7	16	5.0 M	CSL	2017	27	Commercial Bus	510,197	5,000,000	518,729	6,028,926	5,565,810	6,497,595	-468,669	72,935	Out Of State	4Q 2017	3Q 2017
8	16	5.0 M	CSL	2016	1	Commercial Bus	3,250,000	0	384,547	3,634,547	0	3,634,547	0	0	MA	4Q 2018	4Q 2016
9	16	1.0 M	CSL	2016	2	Non-Owned / Special Rating	1,000,000	0	45	1,000,045	0	1,000,045	0	0	Not Reported	1Q 2017	3Q 2016
10	16	1.0 M	CSL	2016	10	TTT	1,013,500	0	52,275	1,065,775	0	1,065,775	0	0	MA	2Q 2018	4Q 2016
11	16	1.0 M	CSL	2016	1	PPT Fleet	1,050,000	0	100,493	1,150,493	0	1,150,493	0	50,025	Out Of State	4Q 2016	3Q 2016
12	16	1.0 M	CSL	2017	4	TTT	994,060	0	9,918	1,003,978	0	1,003,978	0	0	MA	2Q 2020	4Q 2017
13	16	1.0 M	CSL	2016	4	Non-Owned / Special Rating	1,000,000	0	109,214	1,109,214	0	1,109,214	0	0	Not Reported	4Q 2017	3Q 2017
14	16	5.0 M	CSL	2017	12	Zone Rated Bus	1,366,396	366,494	212,601	1,945,491	366,494	1,945,491	0	46,964	Out Of State	4Q 2018	3Q 2017
15	16	1.0 M	CSL	2017	18	Garage	1,010,100	800,542	480,815	2,291,457	800,542	2,291,457	0	0	MA	2Q 2017	2Q 2017
16	16	1.5 M	CSL	2016	4	Commercial Bus	1,497,944	0	57,951	1,555,895	0	1,555,895	0	39,509	Out Of State	2Q 2017	2Q 2016
17	16	1.0 M	CSL	2017	17	Garage	1,000,000	812,599	1,500	1,814,099	812,599	1,814,099	0	0	MA	2Q 2017	2Q 2017
							26,321,043	6,979,635	2,240,166	35,540,844	7,545,445	36,009,513	-340,817	269,770			
1	15	1.0 M	CSL	2016	2	TTT	1,016,000	0	12,957	1,028,957	0	1,028,957	0	16,000	MA	4Q 2016	4Q 2016
2	15	5.0 M	CSL	2016	76	Zone Rated Bus	5,560,777	0	869,803	6,430,580	0	6,430,539	41	328,181	Out Of State	4Q 2016	1Q 2016
3	15	1.0 M	CSL	2016	3	TTT	999,999	0	86,581	1,086,580	0	1,086,580	0	0	Out Of State	1Q 2018	2Q 2017
4	15	5.0 M	CSL	2016	31	Non-Owned / Special Rating	5,000,000	0	76,786	5,076,786	0	5,076,786	0	0	Out Of State	2Q 2018	4Q 2016
5	15	5.0 M	CSL	2016	5	Non-Owned / Special Rating	1,842,823	0	146,584	1,989,407	0	1,989,407	0	0	MA	1Q 2016	1Q 2016
6	15	1.0 M	CSL	2016	2	TTT	1,000,000	0	40,716	1,040,716	0	1,040,716	0	0	Out Of State	1Q 2019	2Q 2016
7	15	1.0 M	CSL	2016	3	Zone Rated TTT	1,001,356	0	172,598	1,173,954	0	1,173,954	0	0	Out Of State	4Q 2018	1Q 2016
8	15	1.0 M	CSL	2015	3	Public Transportation Buses	1,015,095	0	489	1,015,584	0	1,015,584	0	6,380	MA	1Q 2016	3Q 2015
9	15	5.0 M	CSL	2016	15	Zone Rated Bus	2,954,996	0	312,059	3,267,055	0	3,267,055	0	55,845	Out Of State	3Q 2016	2Q 2016
							20,391,046	0	1,718,573	22,109,619	0	22,109,578	41	406,406			

Commonwealth Automobile Reinsurers

Large Loss Detail By Policy Year (Large Losses \$1.0 Million and Greater)

Data Reported Through June, 2023

Row	Eff Yr	Liab Lim	Lim Id	Accdt Year	Clim	Class Desc	ITD Paid Loss	Current Reserve	ALAE ITD	ITD Total Loss	Prior Reserves	Prior Qtr Tot Loss	Change Tot Loss	PIP Loss	State	Qtr First > \$1.0M	First Rptd
1	14	1.0 M	CSL	2015	9	Garage	0	580,000	1,134,378	1,714,378	580,000	1,714,378	0	0	Out Of State	1Q 2017	3Q 2015
2	14	1.0 M	CSL	2014	4	TTT	1,027,733	0	56,146	1,083,879	0	1,083,879	0	0	Out Of State	4Q 2014	4Q 2014
3	14	1.0 M	CSL	2015	2	Non-Owned / Special Rating	1,000,000	0	0	1,000,000	0	1,000,000	0	0	MA	1Q 2015	1Q 2015
4	14	1.0 M	CSL	2014	4	TTT	1,000,000	0	77,176	1,077,176	0	1,077,176	0	0	MA	1Q 2019	2Q 2014
5	14	1.0 M	BI	2015	3	PPT - NF	1,065,335	0	3,315	1,068,650	0	1,068,650	0	22,362	MA	4Q 2015	2Q 2015
6	14	1.0 M	CSL	2014	7	Public Transportation Buses	427,435	589,843	275,365	1,292,643	589,843	1,265,906	26,737	5,891	MA	4Q 2020	4Q 2014
7	14	1.5 M	CSL	2015	6	Zone Rated Bus	1,672,346	0	47,698	1,720,044	0	1,720,044	0	167,172	Out Of State	4Q 2015	3Q 2015
8	14	1.0 M	CSL	2014	4	Non-Owned / Special Rating	938,211	0	295,018	1,233,229	0	1,233,229	0	0	Out Of State	3Q 2016	3Q 2014
							7,131,060	1,169,843	1,889,096	10,189,999	1,169,843	10,163,262	26,737	195,425			

Large Loss by Policy Year

Change by Quarter

Data Reported through June, 2023

Summary of Losses Over 1.0 Million

Policy Year	# Policies	Current Reserves	Current Incurred Loss	Prior Incurred Loss	Change in Loss
2023	2	1,793,119	2,391,966	525,000	1,866,966
2022	10	15,772,681	17,207,642	15,274,562	1,971,754
2021	7	9,551,312	16,543,105	16,240,344	302,761
2020	14	7,045,535	14,855,232	14,818,657	36,575
2019	21	8,578,345	27,821,617	27,810,556	11,061
2018	20	12,109,201	42,449,447	42,515,588	(40,073)
2017	9	1,003,501	11,207,781	11,206,475	1,306
2016	17	6,979,635	35,540,844	36,009,513	(340,817)
2015	9	0	22,109,619	22,109,578	41
2014	8	1,169,843	10,189,999	10,163,262	26,737
Subtotal	117	64,003,172	200,317,252	196,673,535	3,836,311

Losses that went under 1.0 Million (Remain on Report)

Policy Year	# Policies	Current Reserves	Current Incurred Loss	Prior Incurred Loss	Change in Loss
2021	1	0	907,232	1,001,596	(94,364)
Subtotal	1	0	907,232	1,001,596	(94,364)
Total All	118	64,003,172	201,224,484	197,675,131	3,741,947

New to Report: Incurred Losses Over 1.0 Million

Policy Year	# Policies	Current Reserves	Current Incurred Loss	Prior Incurred Loss	Change in Loss
2023	2	1,793,119	2,391,966	525,000	1,866,966
2022	2	2,001,998	2,159,357	711,533	1,447,824
Subtotal	4	3,795,117	4,551,323	1,236,533	3,314,790

**Commonwealth Automobile Reinsurers
Large Loss Notification Summary
June, 2023 Loss Reserving Committee Meeting
Large Loss Notifications By Policy Year**

#	* Date	Policy Year	Accident Year/Qtr	Liab Limit	Class Description	BI	Estimated \$			State	Current Qtr	Difference of	Difference of
							PDL	PIP	Total		Stat Reported	Estimate to	Prior to Current
											Total	Current Qtr	Qtr Reported Losses
Prior Quarter Loss Notifications													
1	4/25/2023	2022	20231	\$1,000,000	PPT - NF	370,000	10,000	8,000	388,000	MA	192,299	195,701	192,299
2	4/17/2023	2022	20231	\$1,000,000	TTT	995,800	19,305	0	1,015,105	Out Of State	1,242,171	(227,066)	189,546
3	3/16/2023	2022	20224	\$1,000,000		500,000	5,000	0	505,000	MA	503,930	1,070	0
4	3/27/2023	2021	20221	\$5,000,000		250,000	1,200	0	251,200	MA	251,172	28	0
5	5/9/2023	2021	20213	\$1,000,000	PPT Fleet	754,000	16,574	0	770,574	MA	809,979	(39,405)	367,500
6	4/13/2023	2020	20204	\$1,000,000		750,000	0	0	750,000	MA	752,200	(2,200)	745,779
7	4/17/2023	2020	20203	\$1,000,000	Car Service	700,000	0	2,500	702,500	MA	744,190	(41,690)	4,096
8	4/24/2023	2019	20194	\$1,000,000		400,000	37,000	0	437,000	MA	329,031	107,969	191,399
Current Quarter Loss Notifications													
1	8/9/2023	2023	20233	\$1,000,000		750,000	0	2,200	752,200	MA	0	0	0
2	8/14/2023	2022	20233	\$5,000,000	ZR Bus	4,000,000	7,000	0	4,007,000	Out Of State	0	0	0
3	8/25/2023	2022	20232	\$1,000,000	ZR TTT	735,200	4,200	0	739,400	MA	391,416	347,984	391,416
4	7/19/2023	2020	20212	\$1,500,000		250,000	1,200	0	251,200	MA	213,695	37,505	0
5	8/30/2023	2018	20193	\$1,000,000		650,000	25,000	0	675,000	Out Of State	118,057	556,943	3,427
6	6/8/2023	2017	20182	\$1,000,000		250,000	22,000	0	272,000	MA	334,892	(62,892)	112,858
Current Quarter Updates													
1	4/7/2022	2021	20221	\$1,000,000	ZR Bus	400,000	0	0	400,000	MA	253,143	146,857	0
2	12/15/2022	2018	20183	\$1,000,000		708,463	25,000	0	733,463	MA	781,303	(47,840)	476,659

* Updated records that had been previously reported

COMMERCIAL ULTIMATE POLICY YEAR DEFICIT PROJECTIONS
 BASED ON DATA REPORTED THROUGH QUARTER ENDING JUNE 2023
 (000's OMITTED)

SUMMARY EXHIBIT

	Policy Year 2020		Policy Year 2021		Policy Year 2022	
	Dollars	% Prem	Dollars	% Prem	Dollars	% Prem
Premium	172,644	100.0%	183,400	100.0%	186,300	100.0%
Losses Incurred and ALAE	108,766	63.0%	124,529	67.9%	147,363	79.1%
Underwriting Expenses	37,120	21.5%	36,364	19.8%	44,041	23.6%
Underwriting Result	26,758	15.5%	22,507	12.3%	(5,104)	-2.7%

COMPARISON OF ULTIMATE POLICY YEAR DEFICIT PROJECTIONS
PRIOR AND CURRENT QUARTER ESTIMATES

Policy Year 2022

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	186,300	100.0%	186,300	100.0%	0	0.0%
Losses Incurred and ALAE	146,246	78.5%	147,363	79.1%	1,117	0.8%
Underwriting Expenses	44,041	23.6%	44,041	23.6%	0	0.0%
Underwriting Result	(3,987)	-2.1%	(5,104)	-2.7%	(1,117)	28.0%

Policy Year 2021

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	183,400	100.0%	183,400	100.0%	0	0.0%
Losses Incurred and ALAE	125,996	68.7%	124,529	67.9%	(1,467)	-1.2%
Underwriting Expenses	36,370	19.8%	36,364	19.8%	(6)	0.0%
Underwriting Result	21,034	11.5%	22,507	12.3%	1,473	7.0%

Policy Year 2020

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	172,644	100.0%	172,644	100.0%	0	0.0%
Losses Incurred and ALAE	109,096	63.2%	108,766	63.0%	(330)	-0.3%
Underwriting Expenses	37,120	21.5%	37,120	21.5%	0	0.0%
Underwriting Result	26,428	15.3%	26,758	15.5%	330	1.2%

COMPARISON OF ULTIMATE POLICY YEAR DEFICIT PROJECTIONS
PRIOR AND CURRENT QUARTER ESTIMATES

Policy Year 2019

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	190,284	100.0%	190,284	100.0%	0	0.0%
Losses Incurred and ALAE	138,147	72.6%	135,794	71.4%	(2,353)	-1.7%
Underwriting Expenses	41,379	21.7%	41,379	21.7%	0	0.0%
Underwriting Result	10,758	5.7%	13,111	6.9%	2,353	21.9%

Policy Year 2018

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	195,958	100.0%	195,958	100.0%	0	0.0%
Losses Incurred and ALAE	181,015	92.4%	179,493	91.6%	(1,522)	-0.8%
Underwriting Expenses	45,927	23.4%	45,927	23.4%	0	0.0%
Underwriting Result	(30,984)	-15.8%	(29,462)	-15.0%	1,522	-4.9%

Policy Year 2017

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	182,591	100.0%	182,591	100.0%	0	0.0%
Losses Incurred and ALAE	144,039	78.9%	142,538	78.1%	(1,501)	-1.0%
Underwriting Expenses	45,686	25.0%	45,686	25.0%	0	0.0%
Underwriting Result	(7,134)	-3.9%	(5,633)	-3.1%	1,501	-21.0%

COMPARISON OF ULTIMATE POLICY YEAR DEFICIT PROJECTIONS
PRIOR AND CURRENT QUARTER ESTIMATES

PY 2016

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	169,141	100.0%	169,141	100.0%	0	0.0%
Losses Incurred and ALAE	167,721	99.2%	166,979	98.7%	(742)	-0.4%
Underwriting Expenses	43,287	25.6%	43,287	25.6%	0	0.0%
Underwriting Result	(41,867)	-24.8%	(41,125)	-24.3%	742	-1.8%

PY 2015

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	151,439	100.0%	151,439	100.0%	0	0.0%
Losses Incurred and ALAE	130,912	86.4%	130,886	86.4%	(26)	0.0%
Underwriting Expenses	38,778	25.6%	38,778	25.6%	0	0.0%
Underwriting Result	(18,251)	-12.1%	(18,225)	-12.0%	26	-0.1%



NATALIE A. HUBLEY
PRESIDENT

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RECORDS OF MEETING

ACTUARIAL COMMITTEE – SEPTEMBER 5, 2023

Members Present

Ms. Sarah Clemens – Chair	MAPFRE U.S.A. Corporation
Ms. Kara Boehm	Allstate Insurance Group
Mr. Glenn Hiltbold	Safety Insurance Company
Mr. William Kelley	The Hanover Insurance Company
Mr. Todd Lehmann	Quincy Mutual Group
Mr. Tiago Prado	BRZ Insurance, LLC
Ms. Lynellen Ramirez	Arbella Insurance Group
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:
N/A

Not in Attendance:
N/A

23.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Actuarial Committee meeting of May 10, 2023. The Records have been distributed and are on file.

23.04 Quota Share Credits for Policies Effective April 1, 2024 and Later

The Actuarial Committee continued discussion relative to the April 1, 2024 Quota Share credit offer. Mr. Timothy Galligan reviewed reports requested by the Committee including an exhibit displaying trends of MAIP exposures and assignments, and an historical summary of indicated credit offers for 2015 through 2024 that highlighted credit factors, residual market exposures and cession rates, and statewide average relativities. Additional exhibits were included to assist the Committee in its discussion, including credit cell variations, take-out credit premium and exposure data, and three-year loss ratios by rate class and territory that highlighted residual market share.

Mr. Galligan also noted that two exhibits were included that had been used by the Committee in past years. Specifically, the “Relative Range Methodology” and the “Statewide Average Relativity Methodology” adjust credit group ranges to better reflect changes in the size of the residual market. To

assign residual market share group threshold for credits, the “Relative Range Methodology” uses the ratio of the current residual market share to the 2011 residual market share; the year the original ranges were introduced. In contrast, the “Statewide Average Relativity Methodology” model uses a statewide average residual market share relativity to define the credit thresholds. This model begins to offer credits in those cells that are 1.8 times the statewide average residual market share, as compared to a 5% overall threshold used in the current formula.

In the discussion that followed, some committee members expressed concern that the models are not responsive to recent shifts in residual market share, noting the loss of credit in certain territories including those that have been previously highlighted by the Division of Insurance as territories of concern. Mr. Glenn Hiltbold suggested a methodology that assigns credit factors based on the 2023 market share. Mr. Kelley favored an approach that evaluates the change in market share from 2022 to 2023. However, Ms. Lynellen Ramirez rebutted this concern, asserting that the market’s movement can be attributed to pricing changes in the voluntary market, as opposed to credit impact. Ms. Ramirez noted that when comparing the current market data to a pre-pandemic year, such as 2019, the changes experienced between 2022 and 2023 do not appear to be abnormal; instead, the growth suggests a natural recovery of the market from the impact of the pandemic. Ms. Woodcock agreed and pointed out that the overall size of the MAIP is still very small. Ms. Woodcock noted the importance of maintaining stability in light of the market conditions, and she favored keeping the credit factors that are in place.

Further discussion ensued about the causes driving the increase in the residual market. There was a consensus that due to voluntary rate increases lagging behind rising loss costs, companies have been reluctant to write new business. In addition, as those carriers specializing in non-standard business turn consumers away, these risks are being placed in the MAIP. Further, committee members noted that the current MAIP rates remain essentially unchanged since pre-pandemic and commented that, as carriers raise their voluntary rates, the attractive MAIP rates contribute to growth in the residual market. In light of the instability caused by these conditions, the committee members did not advise changing credit factors at this time. **Accordingly, a motion was duly made and seconded to recommend no change to the current quota share credit factors. The motion passed with 9 members in favor and one opposed. In addition, a motion to recommend no change to take-out credits passed unanimously.**

The committee members agreed, however, on the importance of monitoring the market conditions and their impact on the size of the residual market. To that end, the Committee agreed to meet in January. Further, the Committee agreed to convene sooner if, in the interim, the size of the residual market exceeds 1.5% market share.

TIMOTHY GALLIGAN
Actuarial/Statistical Services Director

Boston, Massachusetts
September 11, 2023



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RECORDS OF MEETING

BUDGET COMMITTEE – SEPTEMBER 7, 2023

Members Present

Mr. William Hughes– Chair

Ms. Sarah Clemens

Mr. Cory Hansen⁽¹⁾

Mr. John Olivieri, Jr.

Ms. Meredith Woodcock

Arbella Insurance Group

MAPFRE U.S.A. Corporation

The Hanover Insurance Company

J.K. Olivieri Insurance Agency, Inc.

Liberty Mutual Insurance Companies

Substituted for:

⁽¹⁾Mr. Christopher Taylor

Not in Attendance:

Mr. Thomas DePaulo, Cabot Risk Strategies, LLC

Mr. Tiago Prado, BRZ Insurance, LLC

22.01 Records of Previous Meeting

On a roll call vote, the Committee voted unanimously to approve the Records of the Budget Committee meeting of September 8, 2022. The Records have been distributed and are on file.

23.04 Fiscal Year 2024 Budget and Business Plan

Ms. Natalie Hubley reviewed highlights of CAR's proposed fiscal year 2024 business plan which describes the organization's operational objectives. She advised that the objectives are targeted toward enhancements in support of the private passenger residual market, continued momentum to improve commercial results, as well as and the improved efficiency in the delivery of services to CAR's customers.

Mr. Steven Gautieri advised that CAR management is requesting a FY24 budget allocation of \$10,064,200, which represents an increase of 2.9%, or \$288,300, over FY23. He further noted that staff expects to close FY23 \$119,000 under budget and that the proposal recommends the surplus be allocated to fund CAR pension expenses, consistent with the strategy adopted in 2013.

Mr. Gautieri presented a detailed review of the proposed FY23 budget, providing explanations and rationale of variances between FY23 and FY24. Staff advised that this budget supports management's gradual implementation of strategic succession planning objectives. Ms. Hubley updated the Committee on the on-going discussions with her counterparts in the like organizations relative to opportunities for potential office-space savings at lease end.

After discussion, on a roll call vote, the Committee unanimously voted to recommend to the Governing Committee approval of the FY24 administrative expense budget and business plan as proposed.

STEVEN GAUTIERI
Controller

Boston, Massachusetts
September 12, 2023