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COMMONWEALTH AUTOMOBILE REINSURERS

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NOTICE OF MEETING

REINSURANCE COMMITTEE

A meeting of the Reinsurance Committee will be held at the Automobile Insurers Bureau Conference Center at 101 Arch Street, 7th Floor, Boston, on

WEDNESDAY, SEPTEMBER 18, 2019 AT 9:00 A.M.

MEMBERS OF THE COMMITTEE

Mr. James Hyatt – Chair
Arbella Insurance Group

Mr. Douglas Briggs
Ms. Kellie Thibodeau

Quincy Mutual Group
The Hanover Insurance Company

AGENDA

RC

19.01 Records of Previous Meeting

The Records of the Reinsurance Committee meeting of May 16, 2019 should be read and approved.

RC

19.03 CAR Conflict of Interest Policy

The Chair will read a statement relative to CAR's Conflict of Interest Policy.

RC

19.04 Commercial Residual Market Reinsurance Arrangement

At its May 16, 2019 meeting, the Reinsurance Committee began discussions relative to the feasibility of entering into a reinsurance treaty for CAR. The Committee directed staff to prepare several exhibits for consideration. Attached are the following exhibits related to the commercial residual market to assist in the Committee's discussion:

- An updated summary of large losses by policy year for policies with losses greater than \$1.0 million. (Docket #RC19.04, Exhibit #2)

- CAR's "Large Loss Load" filing, proposed but not approved in the 2019 rate filing. (Docket #RC19.04, Exhibit #3)

A report summarizing underwriting results including on-level premiums and projected and trended losses by statistically reported class type will be distributed as additional information prior to the meeting.

The Committee should be prepared to review these exhibits and to continue discussions at the September 18, 2019 meeting.

Other Business

To transact any other business that may properly come before this Committee.

Executive Session

The Reinsurance Committee may convene in Executive Session in accordance with the provisions of G.L. c. 30A, § 21.

SHANNON CHIU
Actuarial/Statistical Analyst

Attachments

Boston, Massachusetts
September 6, 2019

Commonwealth Automobile Reinsurers
Large Loss Listing by Policy Year (Large Losses \$1.0 Million and Greater)
Data Reported Through June, 2019

#	PY	Liab Lim	Limit ID	Accident Year	No of Claims	Class Description	ITD Paid Loss	Current Reserves	ITD ALAE	Total Incurred		Change in Total		CITY_TWN	QTR 1ST > 1.0		
										Loss	Prior Reserves	Losses	PIP Loss		Mill	1st Rept	
1	13	5.0 M	CSL	13	2	INTER CITY BUS, FLEET	1,764,617	0	66,058	1,830,675	0	1,830,675	0	0	NON MA	4Q 2016	1Q 2014
2	13	1.0 M	CSL	13	2	NON-OWNED: NON OWNERSHIP LIABILITY	1,000,000	0	26,833	1,026,833	0	1,026,833	0	0	NON MA	3Q 2015	4Q 2013
3	13	5.0 M	CSL	14	15	CHARTER BUS, NON-FLEET, ZONE RATED	3,386,839	347	291,839	3,679,025	2,157	3,688,619	(9,594)	217,274	NON MA	3Q 2017	1Q 2014
4	13	5.0 M	CSL	14	3	CHARTER BUS, NON-FLEET, ZONE RATED	1,432,188	0	75,117	1,507,305	0	1,507,305	0	0	NON MA	4Q 2017	1Q 2014
5	13	5.0 M	CSL	14	2	CHARTER BUS, FLEET	1,217,136	0	52,574	1,269,710	0	1,269,710	0	0	NON MA	4Q 2015	1Q 2014
6	13	5.0 M	CSL	14	1	SPECIAL RATING AND ADJUSTMENT: COMPOSITE RATED RISKS	2,508,000	0	23,224	2,531,224	0	2,531,224	0	8,000	MASS	2Q 2017	2Q 2014
7	13	1.0 M	CSL	14	1	NON-OWNED: HIRED AUTOS	1,000,000	0	25,432	1,025,432	0	1,025,432	0	0	NOT REPORTED	3Q 2014	2Q 2014
8	13	1.5 M	CSL	14	17	BUS NOT OTHERWISE CLASSIFIED, NON-FLEET, ZONE RATED	1,521,226	0	10,096	1,531,322	0	1,531,322	0	22,359	NON MA	3Q 2014	2Q 2014
9	13	1.0 M	CSL	14	2	EXTRA-HEAVY TRUCK-TRACTORS, NON FLEET, ZONE RATED	42,344	1,000,000	251,500	1,293,844	1,007,656	1,305,000	(11,156)	43,844	NON MA	4Q 2014	3Q 2014
13 Total							13,872,350	1,000,347	822,673	15,695,370	1,009,813	15,716,120	(20,750)	291,477			
1	12	5.0 M	CSL	13	3	INTER CITY BUS, FLEET	1,495,842	0	24,558	1,520,400	0	1,520,400	0	0	NON MA	4Q 2016	2Q 2013
2	12	1.0 M	CSL	12	2	EXTRA-HEAVY TRUCK-TRACTORS, FLEET	1,088,400	0	10,895	1,099,295	0	1,099,295	0	0	MASS	3Q 2012	3Q 2012
3	12	5.0 M	CSL	12	1	BUS NOT OTHERWISE CLASSIFIED, FLEET	3,858,000	0	24,490	3,882,490	0	3,882,490	0	8,000	MASS	1Q 2013	4Q 2012
4	12	1.0 M	CSL	12	2	NON-OWNED: NON OWNERSHIP LIABILITY	1,000,000	0	3,810	1,003,810	0	1,003,810	0	0	NOT REPORTED	4Q 2012	3Q 2012
5	12	5.0 M	CSL	12	2	BUS NOT OTHERWISE CLASSIFIED, NON-FLEET, ZONE RATED	1,250,000	0	67,167	1,317,167	0	1,317,167	0	0	NON MA	4Q 2012	4Q 2012
6	12	5.0 M	CSL	13	3	INTER CITY BUS, FLEET	4,849,894	0	41,875	4,891,769	0	4,891,272	497	100,455	NON MA	1Q 2013	1Q 2013
12 Total							13,542,136	0	172,795	13,714,931	0	13,714,434	497	108,455			
1	11	49	CSL	12	1	ALL OTHER SPECIAL RATING AND ADJUSTMENT	962,503	0	53,247	1,015,750	0	1,015,750	0	0	NON MA	1Q 2017	1Q 2012
2	11	5.0 M	CSL	11	14	SEMITRAILERS, FLEET	5,130,932	0	227,409	5,358,341	0	5,358,341	0	0	MASS	3Q 2011	3Q 2011
3	11	1.0 M	CSL	11	7	LIGHT TRUCK, FLEET	1,008,378	0	22,620	1,030,998	0	1,030,998	0	0	MASS	1Q 2012	3Q 2011
4	11	1.0 M	CSL	11	2	CAR SERVICE, NON-FLEET	1,008,000	0	117,427	1,125,427	0	1,125,427	0	8,069	MASS	2Q 2018	4Q 2011
11 Total							8,109,813	0	420,703	8,530,516	0	8,530,516	0	8,069			
1	10	1.0 M	CSL	10	4	GARAGES: RISKS SUBJECT TO COMPULSORY LAW	1,047,336	0	7,576	1,054,912	0	1,054,912	0	0	MASS	3Q 2010	3Q 2010
2	10	1.0 M	CSL	10	3	HEAVY TRUCKS, NON FLEET	1,012,086	0	2,313	1,014,399	0	1,014,399	0	0	MASS	3Q 2010	2Q 2010
3	10	1.0 M	CSL	11	2	NON-OWNED: HIRED AUTOS	1,000,000	0	402,416	1,402,416	0	1,402,416	0	0	NOT REPORTED	2Q 2013	1Q 2012
4	10	1.0 M	CSL	10	2	GARAGES: RISKS SUBJECT TO COMPULSORY LAW	1,000,000	0	68,416	1,068,416	0	1,068,416	0	1	MASS	4Q 2013	2Q 2010
5	10	1.0 M	CSL	11	1	HEAVY TRUCKS, NON FLEET	1,002,680	0	5,803	1,008,483	0	1,008,483	0	0	MASS	3Q 2011	3Q 2011
10 Total							5,062,102	0	486,524	5,548,626	0	5,548,626	0	1			
Grand Total							79,095,508	58,559,321	7,530,211	145,185,040	56,399,201	140,462,988	4,722,052	2,429,521			

Change in Large Losses By Policy Year Data Reported through June, 2019

Summary of Losses Over 1.0 Million:

<u>Policy Year</u>	<u># Claims</u>	<u>Current Reserves</u>	<u>Current Incurred Losses</u>	<u>Prior Incurred Losses</u>	<u>Change in losses</u>
2018	10	20,530,351	23,784,178	18,271,570	5,512,608
2017	10	7,988,325	10,882,211	10,560,940	321,271
2016	19	21,919,722	33,922,535	34,170,262	(247,727)
2015	9	4,995,576	22,590,863	22,753,827	(162,964)
2014	7	1,425,000	8,619,975	8,620,967	(992)
2013	9	1,000,347	15,695,370	15,716,120	(20,750)
2012	6	0	13,714,931	13,714,434	497
2011	4	0	8,530,516	8,530,516	0
2010	5	0	5,548,626	5,548,626	0
Subtotal	79	57,859,321	143,289,205	137,887,262	5,401,943

Losses that went under 1.0 Million (Remain on Report):

<u>Policy Year</u>	<u># Claims</u>	<u>Current Reserves</u>	<u>Current Incurred Losses</u>	<u>Prior Incurred Losses</u>	<u>Change in losses</u>
2016	1	0	906,399	1,143,042	(236,643)
2015	1	700,000	989,436	1,432,684	(443,248)
Subtotal	2	700,000	1,895,835	2,575,726	(679,891)
Total All	81	58,559,321	145,185,040	140,462,988	4,722,052

New To Report: Incurred Losses Over 1.0 Million:

<u>Policy Year</u>	<u># Claims</u>	<u>Current Reserves</u>	<u>Current Incurred Losses</u>	<u>Prior Incurred Losses</u>	<u>Change in losses</u>
2018	2	2,000,000	2,000,000	0	2,000,000
2017	1	1,000,000	1,103,200	825,763	277,437
	3	3,000,000	3,103,200	825,763	2,277,437

Massachusetts Commercial Automobile**Large Loss Adjustment****Explanatory Memorandum**

With this filing CAR proposes to introduce an adjustment to bodily injury rates to address loss distribution differences in the residual market Bus experience that is not adequately reflected in the pricing of increased limits factors used for Buses.

The table below shows commercial residual market per-occurrence claims in excess of \$900K over accident years 2012-2016 at latest report.

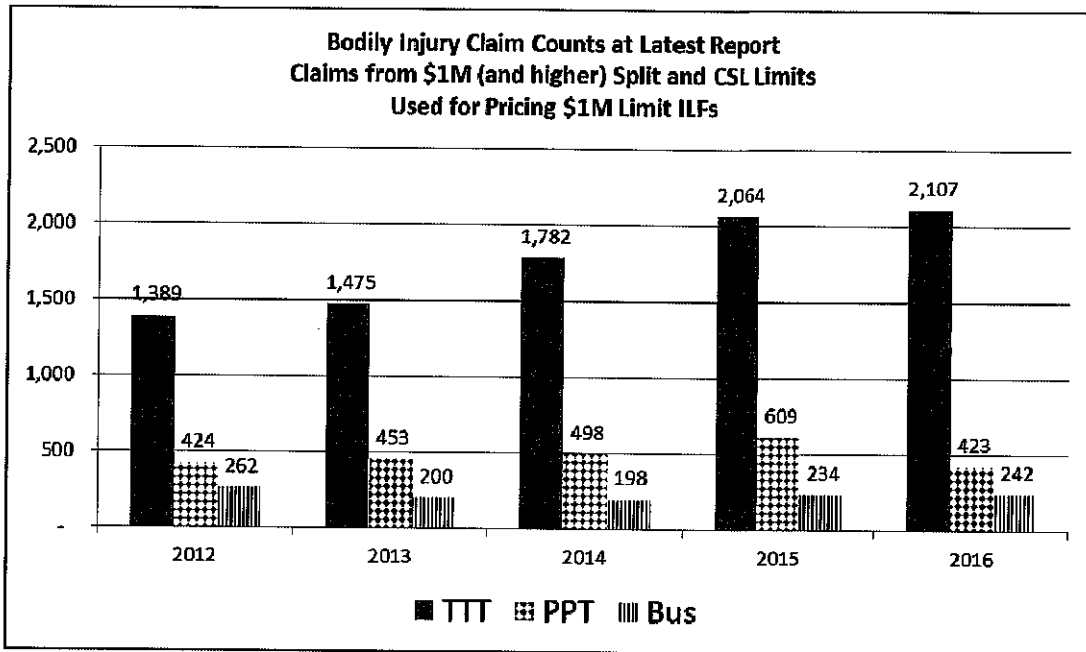
Accident Year	Class Type	Total Incurred Loss & ALAE
2012	Bus	\$3,874,490
	Bus	2,060,724
2013	Bus	4,545,000
	Non-Owned	1,000,000
	Bus	1,534,676
2014	Bus	1,501,776
	Bus	1,075,000
	Non-Owned	1,070,902
	TTT	1,066,205
	Non-Owned	1,025,432
2015	TTT	943,198
	TTT	1,175,000
	Bus	1,100,000
	Bus	1,006,069
2016	Non-Owned	980,000
	TTT	1,045,944
	Bus	5,000,000
	Bus	5,291,301
	Bus	1,500,000
	PPT	1,000,000
	Non-Owned	1,000,000
Bus	1,100,000	
Bus	1,491,564	

The above table shows that the source of most large residual market claims in recent years is the Bus vehicle class. Given the impact such large losses have on commercial residual market deficits it is important to evaluate the adequacy of the excess limit rates and ratemaking methodology for the Bus class type.

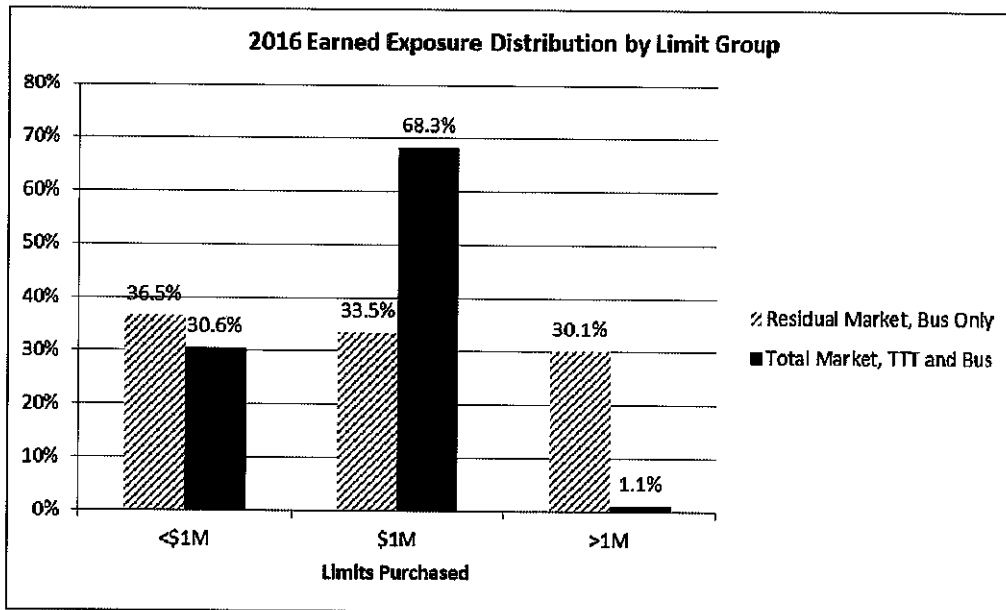
Currently bodily injury increased limits factors (ILFs) for Buses are derived using combined total market data (combined voluntary and residual markets) for Trucks, Tractors & Trailers (TTTs), Private Passenger Types (PPTs), Buses and Van Pools¹. The chart below shows incurred bodily injury claim counts by vehicle class used to price the \$1M/\$1M limit ILF for buses; it illustrates that the majority of data comprises the TTT vehicle class and therefore this class has significantly more influence on the resulting ILF than the Bus class².

1 Increased limits factor calculations exclude data for Zone-rated vehicles; however, the resulting ILFs are used for pricing Zone-rated vehicles.

2 As described more fully in Section 101, losses used to evaluate increased limits factors at any particular policy limit are used from policies written at that limit or higher. (Losses from higher limit policies are censored to the policy limit being evaluated.) The \$1M/\$1M limit is the highest limit for which empirical ILF calculations are performed based on historical experience. ILFs for limits greater than \$1M/\$1M are derived using the \$1M/\$1M limit ILF and an interpolation between the log-transformed limits.



In the chart below, exposure distributions show that (as a group) less than 2% of the combined exposures for TTTs and Buses in the total market are written at combined single limits in excess of \$1M. However, over 30% of Buses in the residual market were written at limits greater than \$1M in 2016.



A deeper look into the exposure distribution for the Buses vehicle class shows bodily injury coverage for policies in the residual market tends to be written at higher policy limits than in the voluntary market. Exhibit 1 displays historical earned Bus exposures written at \$1M and \$5M policy limits in the voluntary and residual markets. In the voluntary market most exposures (approximately 90%) are written at \$1M limits, with only 2%-5% at the higher \$5M limit. In the residual market over 30% of exposures are written at the \$5M limit.

The above shows there is an increased risk potential for more, larger losses in the residual market which may exceed the expected losses anticipated by the current Bus ILFs due to:

- the masking of the contribution of data from high limit Bus policies by the more voluminous TTT data,
- the \$1M censoring of the data from the many \$5M limit Bus policies,
- the differences in exposure distributions of residual market Buses vs. the total market grouped experience used to price ILFs for Buses.

As depicted in the *Exposure Distribution by Limit Group* chart above there are proportionally far fewer TTT policies than Bus policies written at combined single limits over \$1M contributing to the data set used to determine ILFs. As shown below, there are a significant number of Bus exposures written at limits higher than \$1M from

which to draw inferences about size of loss distributions³.

2016 Earned Liability Exposures

<u>Limits</u>	TTT		Bus	
	<u>Res</u>	<u>Vol</u>	<u>Res</u>	<u>Vol</u>
<=\$1M	16,384	188,160	5,693	12,502
>\$1M	121	571	2,449	1,832

Exhibit 2 displays size of loss distributions for claims for Bus policies written at \$5M limits. Distributions are compared between the voluntary and residual markets, for accident years 2012-2016⁴, valued at the latest report. Total limits incurred claims (including ALAE) were segmented into size of loss layers and plotted as cumulative distributions. To interpret by example: Exhibit 2a indicates that in accident year 2012 100% of the \$5M limit Bus claims in the voluntary market are \$500K or less. In the residual market similar claims reach up into the \$3M-\$4M layer. Similar results hold for accident years 2013-2016 (shown in Exhibits 2b-2e), indicating that claim severities for policies with the same \$5M policy limits are consistently higher for buses in the residual market than in the voluntary market. Because both voluntary and residual market experience are used to determine ILFs for the residual market, use of the total market experience suppresses the indicated rate level required at the higher limits in the residual market for Buses. Exhibit 2f shows a sample of the largest claims that underlie Exhibit 2a-e.

³ Most of the higher limit Bus exposures are written at the \$5M limit.

To quantify this level of rate suppression Exhibit 3 provides a comparison of indicated ILFs at the \$1M/\$1M limit⁵ for various experience data subsets⁶. Subset (A) represents the data set used in filing analyses typically performed for ILFs applicable to Buses and comprises total market data for TTTs, PPTs, Buses and Van Pools. By observing the ILFs calculated using various other experience data subsets, the following observations can be made:

- The use of Bus-only data results in an indicated increase to the ILF. This can be seen by comparing the results from data subsets (A) vs. (C) and (B) vs. (D).
- The use of residual market data (instead of total market) also results in an indicated increase to the ILF. This can be seen by comparing the results from data subsets (C) vs. (E) and (D) vs. (F).
- The inclusion of Zone-rated data results in an indicated increase to the ILFs. This can be seen by comparing results from data subsets (A) vs. (B), (C) vs. (D), and (E) vs. (F). (Zone-rated experience is not currently included in the annual CAR ILF analyses.)

The indicated ILF from subset (E) has been used as the basis from which to estimate the losses for which the current rating methodology does not make an

4 Claims were compiled on a per claimant basis as data on a per occurrence basis was not readily available.

5 As noted in footnote 2, \$1M/\$1M is the highest limit for which ILFs are empirically calculated in the filing.

adequate provision in the residual market Bus rates at higher limits. Exhibit 4 uses indicated ILFs, 2016 earned exposures, and the bodily injury basic limits pure premiums for the various Bus groups to estimate the inadequacy. An indicated large loss adjustment⁷ has been calculated based on the ILF derived from residual market Bus data (subset (E)), and a selected adjustment⁸ has been derived based on ILFs capped at +10% above the ILF based on the typically filed data set (subset (A)).

Large loss adjustment amounts are calculated at \$1M, 1.5M and \$5M limits for the three Bus groups and the total is converted into a pure premium for inclusion in basic limits bodily injury rates in Form 100. The large loss pure premium is further adjusted in Exhibit 4 to reduce it for the expected average BI ILF for each vehicle class so the actual loss load collected will be uniform across all vehicle classes⁹.

The following are the adjustments included in the indicated bodily injury rates in Form 100:

6 Indicated ILFs are calculated as described in ILF Section 101 of this filing.

7 See column labelled (2) in Exhibit 4.

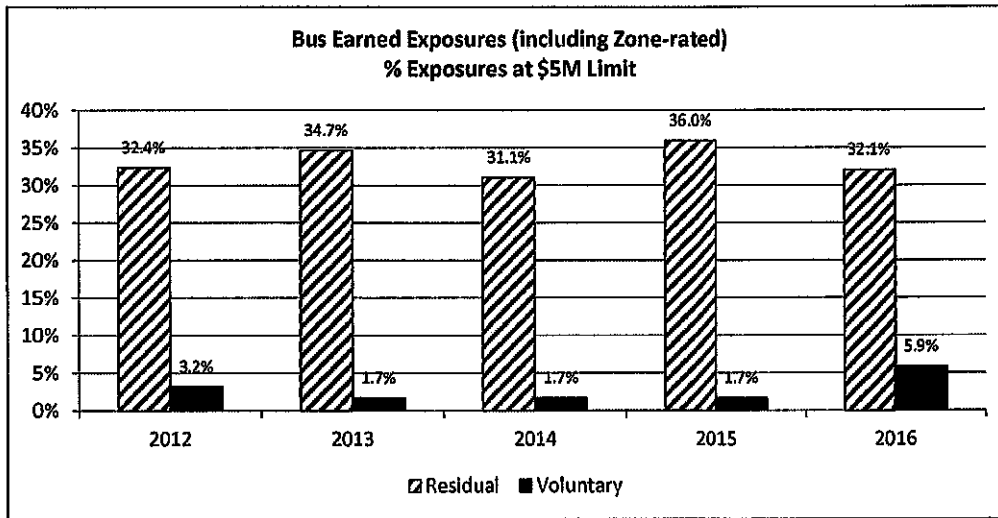
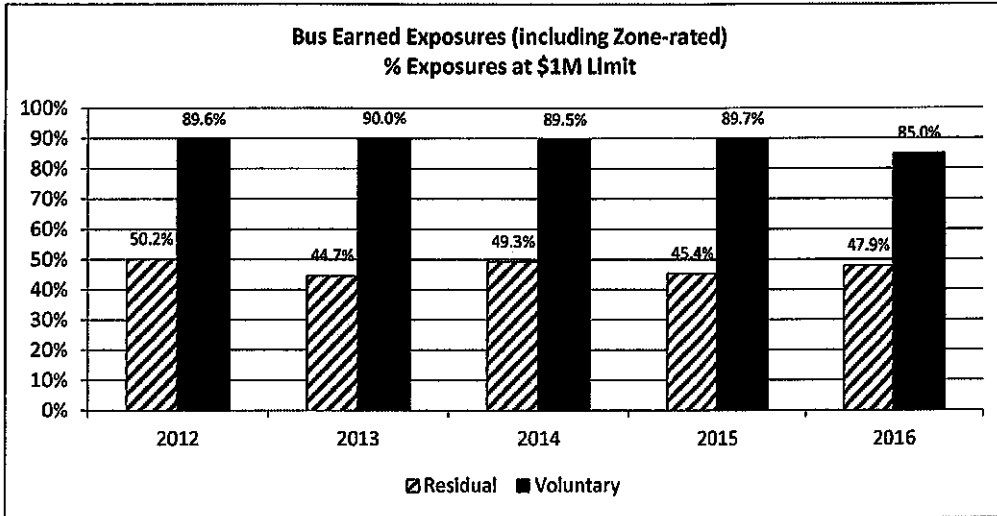
8 See column labelled (3) in Exhibit 4.

9 Rather than filing for an increase to the BUS ILFs to address this rate inadequacy CAR has chosen to distribute this large loss adjustment across all vehicle class types, excluding PPT non-fleets.

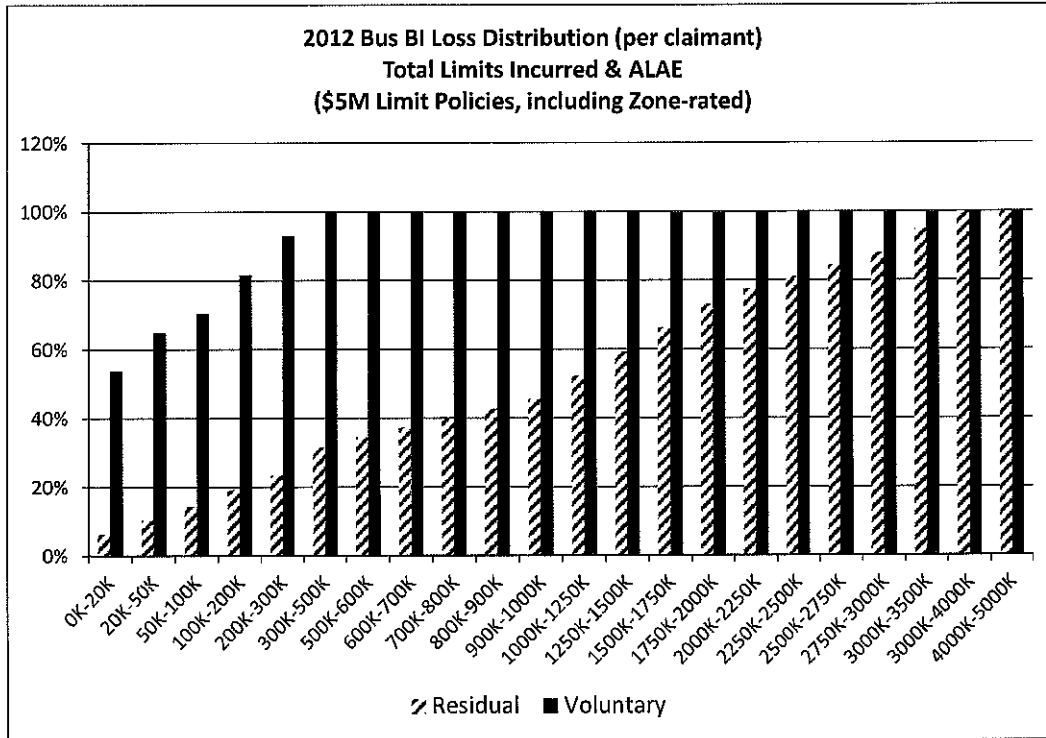
*2019 CAR Filing
Section 106
Page 8*

Vehicle Class	Large Loss Adjustment
TTT	\$18.88
PPT Fleet	\$19.56
Garages	\$17.97
Taxis	\$19.35
Limos	\$15.65
Car Service	\$15.65
Bus (School & Church)	\$15.50
Bus (Other)	\$15.81
Bus (Soc. Serv. & NOC)	\$15.81
Van Pools	\$15.98

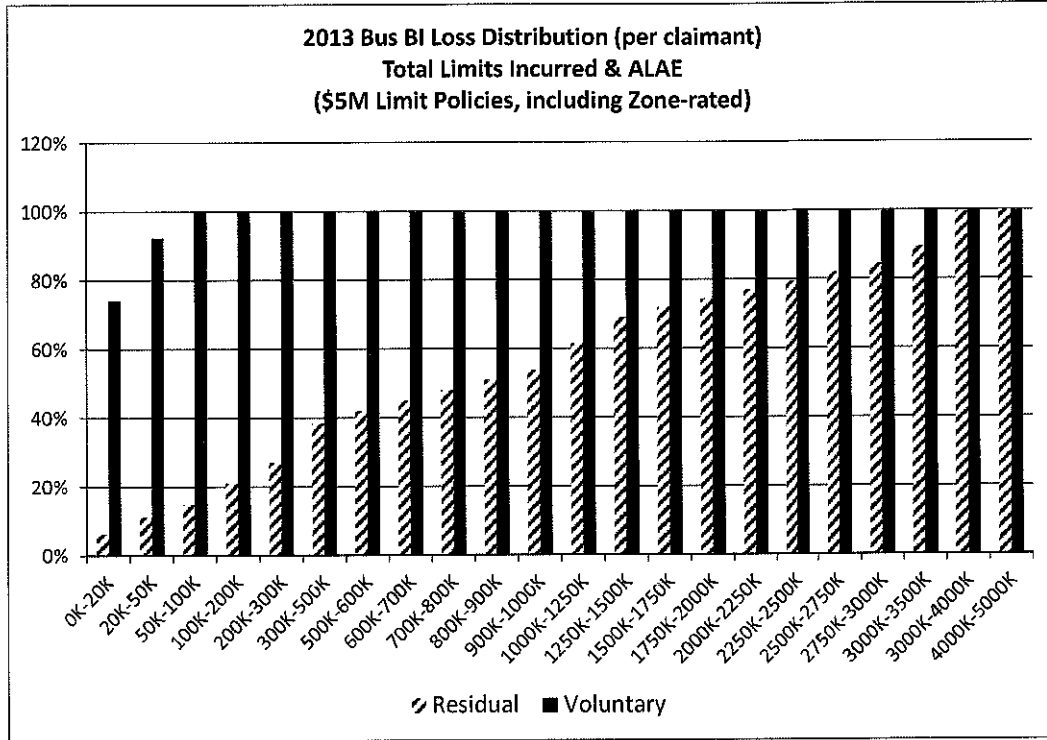
2019 CAR Filing
 Section 106
 Exhibit 1



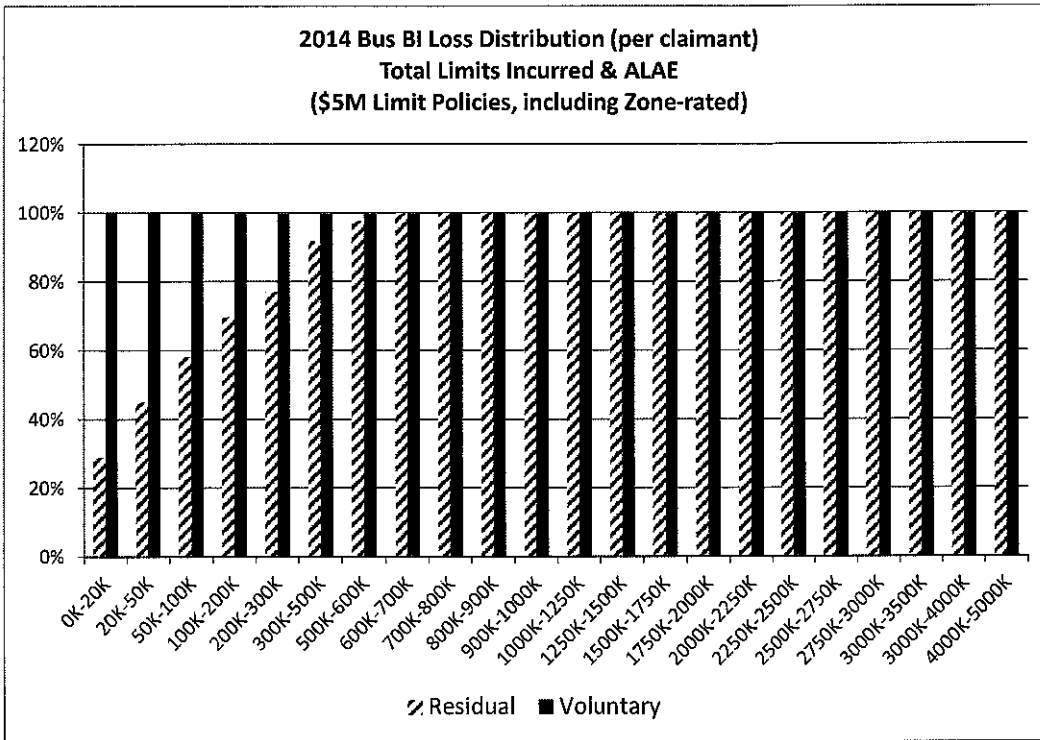
2019 CAR Filing
 Section 106
 Exhibit 2a



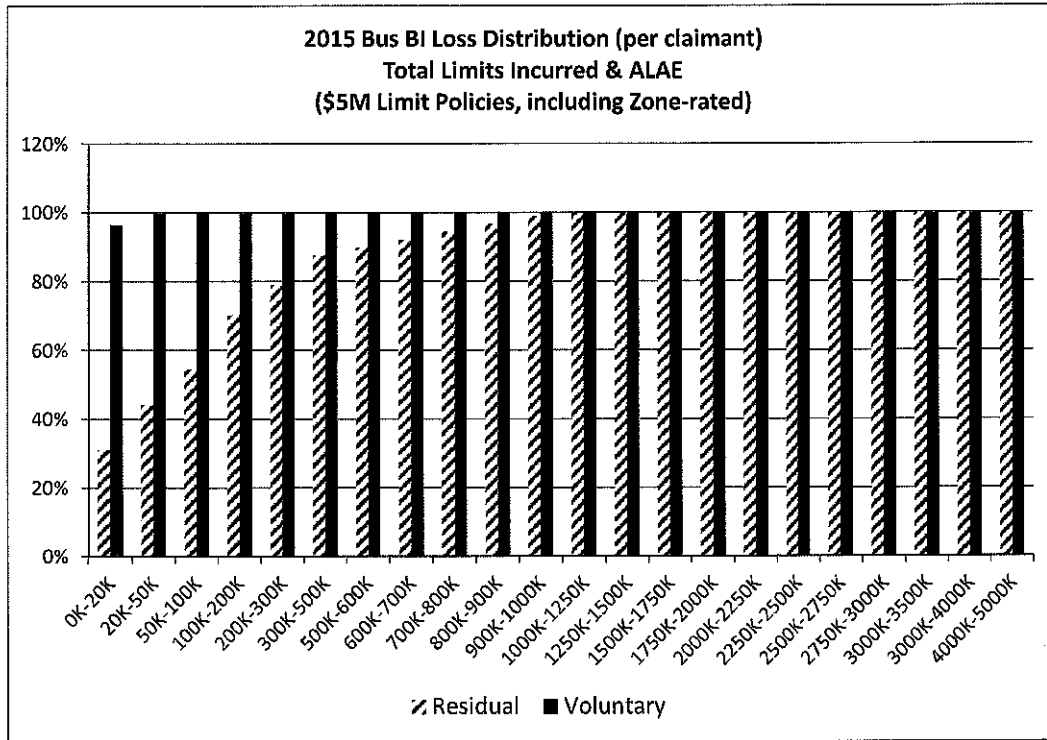
2019 CAR Filing
 Section 106
 Exhibit 2b



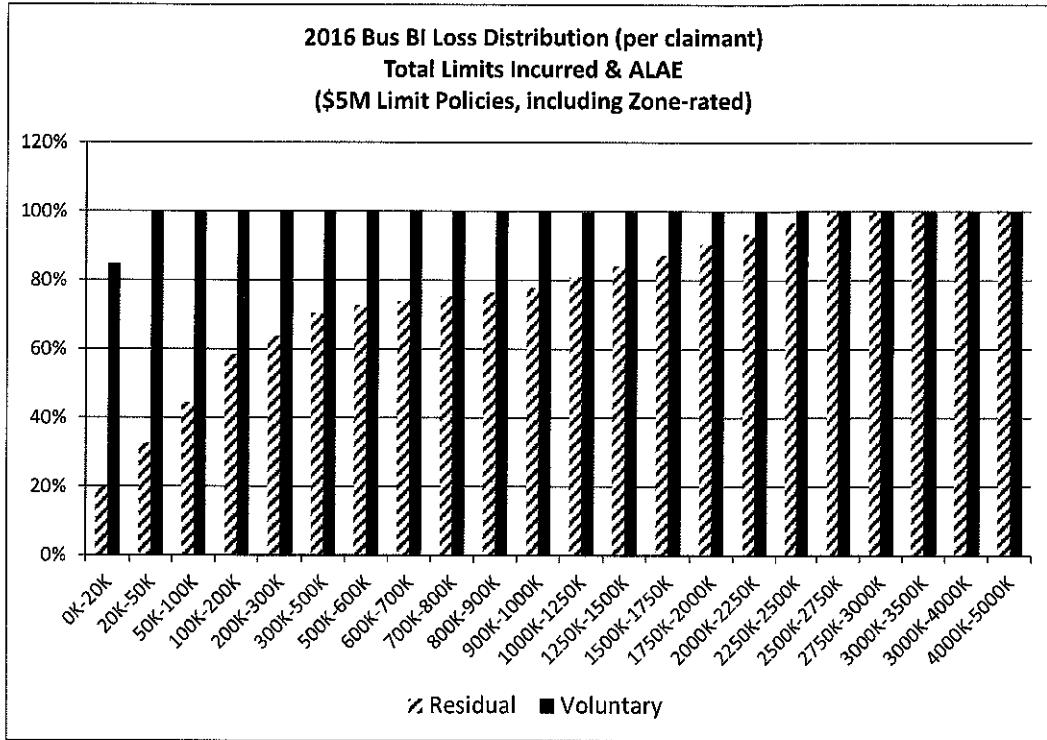
2019 CAR Filing
Section 106
Exhibit 2c



2019 CAR Filing
 Section 106
 Exhibit 2d



2019 CAR Filing
 Section 106
 Exhibit 2e



2019 CAR Filing
Section 106
Exhibit 2e

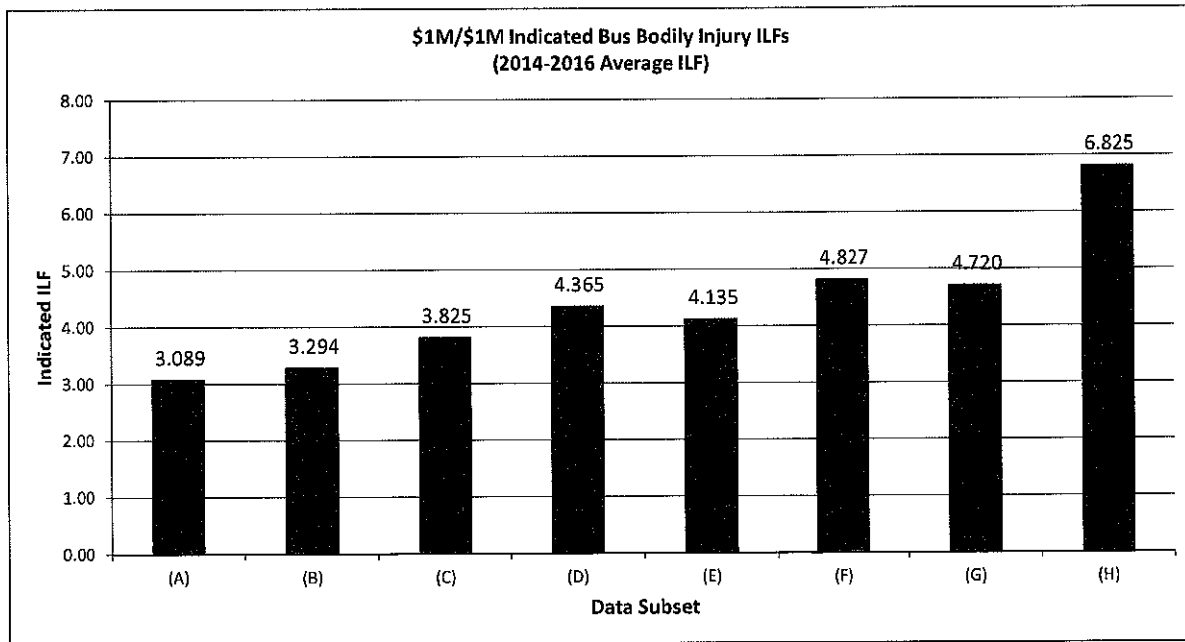
**Massachusetts Commercial Automobile
Top 10 Largest BI Claims by Market Segment
\$5M Policy Limits CSL Policies (per claimant)**

Accident Year	Top 10	Bus		TTT	
		Voluntary	Residual	Voluntary	Residual
2012	1	360,696	3,874,490	6,977	85,208
	2	40,000	2,060,724		40,500
	3	32,830	507,474		21,204
	4	32,214	136,493		15,000
	5	27,000	107,954		4,000
	6	26,000	96,444		
	7	25,005	44,112		
	8	25,000	43,964		
	9	20,000	40,392		
	10	19,000	32,512		
2013	1	64,003	4,545,000	105,966	40,658
	2	23,500	1,534,676	32,798	18,624
	3	20,000	1,501,776	8,784	16,000
	4	12,944	535,000	1,482	12,716
	5	10,000	510,076		10,855
	6	9,500	440,930		10,655
	7	8,297	110,000		9,893
	8	8,000	55,750		9,587
	9	8,000	55,631		7,524
	10	4,362	53,534		7,201
2014	1	15,000	695,662	7,000	125,253
	2	13,003	571,819	38	65,322
	3	12,000	570,002		42,672
	4	10,500	165,000		34,133
	5	10,000	150,000		30,000
	6	9,500	133,750		15,000
	7	7,750	125,212		9,500
	8	7,730	100,793		6,700
	9	7,500	95,000		6,700
	10	7,000	89,297		6,700
2015	1	22,500	1,045,944	166,792	31,065
	2	17,000	485,000	4,800	15,610
	3	11,973	273,663	340	11,400
	4	8,000	262,500		
	5	8,000	220,001		
	6		220,000		
	7		183,364		
	8		107,533		
	9		82,500		
	10		75,000		
2016	1	48,017	2,750,001	23,573	15,500
	2	20,051	574,790	10,600	13,180
	3	20,000	435,000		9,334
	4	20,000	250,000		4,100
	5	10,250	239,440		2,500
	6	10,000	220,000		2,500
	7	10,000	205,000		201
	8	8,000	195,000		
	9	8,000	145,000		
	10	7,095	139,000		

**\$1M/\$1M Bodily Injury Indicated Increased Limits Factors
 Based Various Data Subsets
 (Average of 2014-2016 Indicated ILFS)**

2016 Incurred Claims*	Indicated ILF	Data Subset
2,818	3.089	(A) Total Market (TTT, PPT, Bus, Van), Excluding Zone-rated (Typical Filed Data Subset for Buses)
3,021	3.294	(B) Total Market (TTT, PPT, Bus, Van), Including Zone-rated
346	3.825	(C) Total Market (Bus only), Excluding Zone-rated
454	4.365	(D) Total Market (Bus only), Including Zone-rated
235	4.135	(E) Residual Market (Bus only), Excluding Zone-rated
338	4.827	(F) Residual Market (Bus only), Including Zone-rated
201	4.720	(G) Zone-rated only, Total Market (Bus & TTT)
108	6.825	(H) Zone-rated only, Total Market (Bus)

* Claims contributing to the \$1M/\$1M ILF calculations (from policies with limits equal to or higher than the \$1M/\$1M limit)



**Massachusetts Commercial Automobile
Calculation and Distribution of Large Loss Adjustment
Reflecting Bodily Injury Distributional Differences in High Limit Policies**

Bus Group	2016	Bodily Injury	Implied
	Residual Market	Selected Average	
	E. Exposures	Premium	Losses
	(Form 100)	(Form 100)	
S&C Bus	2,128.9	319.35	679,864
Other Bus	1,342.6	501.16	672,857
SS & NOC Bus	3,722.6	986.99	3,674,169
	7,194.1		5,026,891

Limit	(1)	(2)	(3)
	Indicated	Indicated	Selected
	Total Market TTT,	Residual Market	Residual Market
	PPT, Bus Van ILF	Bus ILF	Bus ILF
\$1M	3.201	4.135	3.521
\$1.5M	3.389	4.378	3.728
\$5M	3.947	5.098	4.342

- (1) Based on Total Market TTT, PPT, Bus and Van Pool experience (Exh. 4, Subset A)
- (2) Based on Residual Market Bus-only experience (Exh. 4, Subset E)
- (3) Total Market TTT, PPT, Bus and Van Pool ILF capped at 10.0%

Note: \$1.5M and \$5M limit ILFs based on the \$1M limits ILF and an interpolation between the log-transformed limits.

Limit	Bus Group	2016 Residual Market E. Exposures	Bodily Injury Selected Average Premium (Form 100)	Indicated (1) Tot. Market TTT, PPT, Bus & Van ILF	Implied Losses	Indicated (2) Residual Market Bus			Selected (3) Residual Market Bus		
						Indicated ILF	Implied Losses	Indicated Adjustment	Selected ILF	Implied Losses	Selected Adjustment
\$1M	S&C Bus	983	319.35	3.201	1,004,861	4.135	1,298,064	293,202	3.521	1,105,347	100,486
	Other Bus	349	501.16	3.201	559,870	4.135	723,232	163,361	3.521	615,857	55,987
	SS & NOC Bus	1,595	986.99	3.201	5,039,171	4.135	6,509,520	1,470,349	3.521	5,543,088	503,917
\$1.5M	S&C Bus	140	319.35	3.389	151,519	4.378	195,736	44,217	3.728	166,671	15,152
	Other Bus	219	501.16	3.389	371,956	4.378	480,503	108,547	3.728	409,152	37,196
	SS & NOC Bus	322	986.99	3.389	1,077,061	4.378	1,391,376	314,315	3.728	1,184,767	107,706
\$5M	S&C Bus	123	319.35	3.947	155,038	5.098	200,250	45,211	4.342	170,542	15,504
	Other Bus	1,513	501.16	3.947	2,992,833	5.098	3,865,584	872,752	4.342	3,292,116	299,283
	SS & NOC Bus	129	986.99	3.947	502,539	5.098	649,086	146,547	4.342	552,793	50,254
TOTAL					11,854,849		15,313,350	3,458,501		13,040,334	1,185,485

Distribution of Large Loss Adjustment To Class Type
(Bodily Injury Coverage Only)

(a)	(b)	(a)=(b)
2016 Residual Market E. Exposures	Average BI ILF (Form 110)	Large Loss Adjustment
TTT	19,095.6	18.88
PPT Fleet	1,142.9	19.56
Garages	3,380.9	17.97
Taxis	703.1	19.35
Limos	203.5	15.65
Car Service	763.4	15.65
Bus (S&C)	2,128.9	15.50
Bus (Other)	1,342.6	15.81
Bus (SS & NOC)	3,722.6	15.81
Van Pool	147.5	15.98
Zone-rated (TTT)	1,744.0	
Zone-rated (Bus)	867.0	
TOTAL	35,242.0	

The large loss adjustments for Zone-rated classes are incorporated into Zone rate: as described in footnote (3) of the filing summary exhibit (filing page 2)

Selected Large Loss Adjustment 1,185,485
Large Loss Adj. as Pure Premium \$33.64 = (Adjustment)/(Total Earned Exposures)