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- M E M O R A N D U M -

TO: All Recipients of the CAR Operational Reports

FROM: Lisa Traynham, Data Analyst

DATE: September 24, 2024

RE: Operational Reports

The 2nd quarter 2024 Operational Reports follow this memorandum. This report includes data reported May 16, 2024, through August 15, 2024, for the accounting month period of April 2024 through June 2024. If you have any comments or suggestions to improve the usefulness of these reports, please contact me.

Section I – Accounting/Statistical Shipments:

There have been no proposed or approved updates to the Private Passenger Statistical Plan for this publication of the Operational Reports.

There have been no proposed or approved updates to the Commercial Statistical Plan for this publication of the Operational Reports.

CAR assessed a total of \$93,350 in the Statistical Data Quality Penalty Program in the 2nd Quarter 2024 Settlement of Balances.

Section II – Cession/MAIP Placement Record Reporting:

This section includes the MAIP Placement Record Reporting Analysis, which highlights valid and invalid activity related to MAIP Placement Record reporting. These reports can be found on the MAIP website. Please contact your company's designated Security Administrator for access to these reports.

The 2022 annual Cession/No Premium Write-Off amounts has been calculated and the penalty amount has been set at \$12,900 for all Commercial business including Taxi/Limousine/Car Service business which rolled into one Commercial Servicing Carrier program in 2022. Please reference Bulletin Notice No. 1157 distributed on December 7, 2023, for more information.

OPERATIONAL REPORTS 2ND QUARTER 2024

Section III – Residual Market Information:

This section includes various status reports related to Private Passenger – MAIP Residual Market, Commercial Residual Market, participation ratios, and quota share.

CAR ran the CA5010 - Flat Cancellation Audit report on July 25, 2024, using CAR's online system. The documentation is due on October 1, 2024.

As of June 2024, the MAIP residual market rate equaled 2.0% and the commercial residual market rate equaled 18.9%.

CAR posted the June 30, 2024 Quarterly Member Participation Reports to its website on September 6, 2024.

CAR ran the 2nd Quarter 2024 Rule 29 credit edit download reports on August 17, 2024.

Section IV – Accounting System Processing:

CAR produced 2nd Quarter 2024 Critical Error Loss Write-Offs and 10% Loss of Investment Fees.

The Penalty Forecasting exhibits were posted to CAR's website on September 19, 2024.

Section V - Statistical Agent Functions:

First Quarter 2024 Statutory Page 14 data was due at CAR on June 15, 2024. Reconciliation Responses for First Quarter 2024 ran on July 1, 2024, and were due back on August 1, 2024. Company assessments were included with Second Quarter 2024 Settlement of Balances. Second Quarter 2024 Statutory Page 14 data entry filings were due at CAR on September 16, 2024. Second Quarter 2024 Reconciliation is anticipated to run on October 1, 2024.

All companies that exceed the commercial rate edit tolerances are listed on page 24. The Rate Edit update for ceded commercial policies effective 1/1/2024 and subsequent has not been completed for Physical Damage relative to the reporting of Original Cost New instead of Symbol Code.

Section VI – Communications:

CAR moved the Statistical Policy Histories to its website in late May, 2023. With this update to the website, it marks the final mainframe application that has moved. Accordingly, industry users no longer need to maintain a mainframe user id and password.

**OPERATIONAL REPORTS
2ND QUARTER 2024**

I. STATISTICAL SYSTEM

A. Reporting of Company Shipments

The monthly submission of statistical data is due at CAR according to the Call Schedule contained in the table below. The timeliness exhibit on the following page reflects the timeliness status of all companies for 2024 as of the second quarter. That is, it reflects those companies whose submissions were not complete by the due date indicated below.

2024 CALL SCHEDULE		
Submission	Due Date	Quarter
January 2024	March 15, 2024	1 st Quarter
February 2024	April 16, 2024	
March 2024	May 15, 2024	
April 2024	June 17, 2024	2 nd Quarter
May 2024	July 15, 2024	
June 2024	August 15, 2024	
July 2024	September 16, 2024	3 rd Quarter
August 2024	October 15, 2024	
September 2024	November 15, 2024	
October 2024	December 16, 2024	4 th Quarter
November 2024	January 15, 2025	
December 2024	February 18, 2025	

In instances where a company's ceded loss dollars are complete by quarter's end but its ceded premium dollars are not, CAR will assess "loss of investment income" penalties to reimburse the pool for the missing premium dollars. CAR did not assess any "loss of investment income" penalties in the second quarter, 2024.

**OPERATIONAL REPORTS
2ND QUARTER 2024**

I. STATISTICAL SYSTEM (continued)

2024 Timeliness Report

<i>CO NO</i>	<i>Jan 3/15</i>	<i>Feb 4/16</i>	<i>Mar 5/15</i>	<i>Apr 6/17</i>	<i>May 7/15</i>	<i>Jun 8/15</i>	<i>July 9/16</i>	<i>Aug 10/15</i>	<i>Sep 11/15</i>	<i>Oct 12/16</i>	<i>Nov 1/15</i>	<i>Dec 2/18</i>
013	COM											
109			COM									
134			COM									
143			COM									
162			COM									
164			COM									
245	COM											
266			COM									
329	PP	PP	PP	PP	PP	PP						
336	COM											
354	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH						
362	COM		BOTH			COM						
377		COM	COM									
427		COM										
429			COM									
616	COM											
738	COM											
884	COM											
885	COM											
887	COM											
891	COM											
893	COM											
970			COM									
972				PP								

OPERATIONAL REPORTS 2ND QUARTER 2024

I. STATISTICAL SYSTEM (continued)

B. Statistical Plan Penalty Fee Program

CAR assesses various statistical penalties as outlined in the Data Quality Penalty Section of the Private Passenger and Commercial Statistical Plans. These penalties include items such as incomplete monthly submissions, late submission of page 15 data, reconciliation responses, distributional analysis response and failure to reduce a statistical shipment's error percent to below 5%.

For the 2nd Quarter 2024, CAR assessed a total penalty amount of \$93,350. The table below shows the detailed penalties for each company.

Penalty Assessments 2nd Quarter 2024

<u>Co #</u>	<u>Company Name</u>	<u>Assessment</u>	<u>Assessment Amount</u>
109	Pennsylvania Lumbers Mutual	Late MAS 03/2024	\$1,250
109	Pennsylvania Lumbers Mutual	Late DA Response - 12/2023	\$300
109	Pennsylvania Lumbers Mutual	Late Page 14 - 03/2024	\$200
118	Privilege Underwriters Reciprocal	Stat Err > 5% - 04/2024	\$150
121	Allied World Specialty Ins. Co	Late Page 14 - 03/2024	\$100
123	HDI Global Insurance Company	Late Explain 03/2024	\$100
128	Accredited Surety & Casualty Co.	Late Page 14 - 03/2024	\$400
134	New York Marine and General Ins	Late MAS 03/2024	\$500
134	New York Marine and General Ins	Late DA Response - 12/2023	\$300
143	American Hallmark Ins Co. TX	Late MAS 03/2024	\$500
145	Allied World Insurance Company	Stat Err > 5% - 03/2024	\$300
145	Allied World Insurance Company	Late Page 14 - 03/2024	\$100
151	Amerisure Insurance Company	Late Explain 12/2023	\$200
155	Argonaut Insurance Company	Stat Err > 5% - 02/2024	\$750
155	Argonaut Insurance Company	Stat Err > 5% - 03/2024	\$150
155	Argonaut Insurance Company	Late Explain 03/2024	\$100
155	Argonaut Insurance Company	Late DA Response - 12/2023	\$150
162	Imperium Insurance Company	Late MAS 03/2024	\$500
164	Starstone National Insurance Co	Stat Err > 5% - 03/2024	\$150
164	Starstone National Insurance Co	Late MAS 03/2024	\$1,250
166	Accelerant National Insurance Co	Late Page 14 - 03/2024	\$100
170	Am Fed Advantage Insurance Co	Late Page 14 - 03/2024	\$100
172	Lemonade Insurance Company	Late Page 14 - 03/2024	\$300
174	AmFed Casualty Insurance Co	Late Page 14 - 03/2024	\$100
182	AmFed National Insurance Co	Late Page 14 - 03/2024	\$100
208	MGT Insurance Company	Late Page 14 - 03/2024	\$4,500
236	Granada Indemnity Insurance Co	Late Page 14 - 03/2024	\$100
247	National Casualty Company	Stat Err > 5% - 03/2024	\$150
262	Citizens Insurance Co of America	Late Explain 03/2024	\$100

**OPERATIONAL REPORTS
2ND QUARTER 2024**

I. STATISTICAL SYSTEM (continued)

B. Statistical Plan Penalty Fee Program (continued)

Penalty Assessments
2nd Quarter 2024

			Assessment
Co #	Company Name	Assessment	Amount
266	Church Mutual Insurance Co	Late MAS 03/2024	\$500
301	Incline Casualty Company	Late Explain - 03/2024	\$100
323	Esurance Insurance Company	Stat Err > 5% - 02/2024	\$150
323	Esurance Insurance Company	Stat Err > 5% - 03/2024	\$150
323	Esurance Insurance Company	Stat Err > 5% - 04/2024	\$150
329	AMICA Property & Casualty Ins Co	Interim 01/2024 MAS Penalty	\$9,000
329	AMICA Property & Casualty Ins Co	Interim 02/2024 MAS Penalty	\$9,000
329	AMICA Property & Casualty Ins Co	Interim 03/2024 MAS Penalty	\$8,500
329	AMICA Property & Casualty Ins Co	Interim 04/2024 MAS Penalty	\$6,000
329	AMICA Property & Casualty Ins Co	Interim 05/2024 MAS Penalty	\$3,000
329	AMICA Property & Casualty Ins Co	Interim 06/2024 MAS Penalty	\$500
349	Selective Ins Co. of the Southwest	Stat Err > 5% - 03/2024	\$150
349	Esurance Insurance Company	Stat Err > 5% - 04/2024	\$300
353	Pie Casualty Insurance Company	Late Page 14 - 03/2024	\$200
354	AMICA Mutual Insurance Co	Interim 01/2024 MAS Penalty	\$9,000
354	AMICA Mutual Insurance Co	Interim 02/2024 MAS Penalty	\$9,000
354	AMICA Mutual Insurance Co	Interim 03/2024 MAS Penalty	\$8,500
354	AMICA Mutual Insurance Co	Interim 04/2024 MAS Penalty	\$6,000
354	AMICA Mutual Insurance Co	Interim 05/2024 MAS Penalty	\$3,000
354	AMICA Mutual Insurance Co	Interim 06/2024 MAS Penalty	\$500
362	Farm Family Casualty Ins Co	Stat Err > 5% - 02/2024	\$1,050
362	Farm Family Casualty Ins Co	Stat Err > 5% - 04/2024	\$450
362	Farm Family Casualty Ins Co	Late 03/2024 MAS	\$500
364	Prime Property & Casualty Ins Inc.	Stat Err > 5% - 03/2024	\$300
377	Federal Insurance Company	Late 03/2024 MAS	\$1,250
429	Government Employee's (Comm)	Late 03/2024 MAS	\$500
443	NOVA Casualty Company	Stat Err > 5% - 03/2024	\$150
444	Green Mountain Insurance, Inc.	Late 03/2024 MAS	\$500
455	The Hanover Insurance Company	Late Explain - 03/2024	\$200
561	Markel American Insurance Co	Stat Err > 5% - 02/2024	\$150
562	Mobilitas General Insurance Co	Stat Err > 5% - 04/2024	\$150
747	SiriusPoint American Insurance Co	Late Page 14 - 03/2024	\$100
907	United Services Automobile Assoc	Late Page 14 - 03/2024	\$100
916	Garrison Property & Casualty Ins	Late Page 14 - 03/2024	\$100
940	USAA General Indemnity Co	Late Page 14 - 03/2024	\$100
943	USAA Casualty Insurance Co	Late Page 14 - 03/2024	\$100
958	Harleysville Insurance Company	Stat Err > 5% - 05/2024	\$150

**OPERATIONAL REPORTS
2ND QUARTER 2024**

I. STATISTICAL SYSTEM (continued)

B. Statistical Plan Penalty Fee Program (continued)

Penalty Assessments
2nd Quarter 2024

			Assessment
<u>Co #</u>	<u>Company Name</u>	<u>Assessment</u>	<u>Amount</u>
970	Sompo America Insurance Co	Late MAS 03/2024	\$500
972	Foremost Property & Casualty Ins	Late MAS 04/2024	\$500
		Total	\$93,350

OPERATIONAL REPORTS 2ND QUARTER 2024

II. CESSION/MAIP PLACEMENT RECORD REPORTING

A. Cession Submission

CAR accepts cession data via two different methods: on-line entry through CAR's website and FTP transmission. Please contact your company's Data Analyst if you need assistance in gaining access to CAR's website application.

CAR accepts cession records and cession corrections on commercial business for policy years 2022 - 2024.

B. Cession Backdates

1. TX1/TX2 Cession Backdate Appeals based on Intent to Cede

In instances where a company provides documentation showing its intent to cede a specific policy, CAR maintains the authority to act upon those appeals provided the backdate request does not exceed 25 policies. Furthermore, the appeal and associated documentation must meet the criteria outlined in Chapter 2 of the Manual of Administrative Procedures. For any policy that does not meet the criteria, CAR does not have the authority to grant the appeal; the company then can present the appeal before the Operations Committee.

There have been no "intent-to-cede" appeals since the last publication of the Operational Reports.

2. TX5 Cession Backdate Appeals

In instances where a company intended to write a policy voluntary, it can appeal for a transaction 5 (uncede) backdate. CAR maintains the authority to approve these types of appeals when the documentation provided clearly shows the company made the decision to write the policy voluntary prior to the policy effective date.

There have been no TX5 backdate requests made since the last publication of the Operational Reports.

OPERATIONAL REPORTS 2ND QUARTER 2024

II. CESSION/MAIP PLACEMENT RECORD REPORTING (continued)

3. CR215 Cessions Automatically Backdated

On a quarterly basis, CAR produces the CR215 report that shows the volume of cessions backdated for involuntary producer business. The program monitors the three current reporting years for cession activity. Accordingly, CAR ran the latest report on July 29, 2024, monitoring policy years 2022, 2023 and 2024 for 2nd Quarter 2024.

The following exhibits show the industry's volume of backdated cessions. On the report itself, the column to the right of percent backdated indicates if the volume of backdated producers exceeds the tolerance level. Accordingly:

- an asterisk (*) indicates that more than 5% of the total new business cessions for the company are backdated.
- a pound symbol (#) indicates more than 5% are backdated but fall within the tolerance level. (*The tolerance level is 5% and 25 policies in error*).

Policy Year 2022
Commercial

CO NO	POLICIES ELIGIBLE	BACKDATED POLICIES	PERCENT BACKDATED	% CHANGE	PD LOSSES COVERED	O/S LOSSES COVERED
154	202	0	0.0	0.0	0	0
732	97	0	0.0	0.0	0	0
773	1	0	0.0	0.0	0	0
Totals	300	0	0.0%	N/A	0	0

* indicates that more than 5% of the total new business cessions for the company are backdated.

indicates more than 5% are backdated but fall within the tolerance level. (*The **tolerance** level is 5% and 25 policies in error*).

**OPERATIONAL REPORTS
2ND QUARTER 2024**

II. CESSION/MAIP PLACEMENT RECORD REPORTING (continued)

Policy Year 2023
Commercial

CO NO	POLICIES ELIGIBLE	BACKDATED POLICIES	PERCENT BACKDATED	% CHANGE	PD LOSSES COVERED	O/S LOSSES COVERED
154	286	5	1.7	0.1	0	0
732	89	1	1.1	0.0	0	0
773	2	0	0.0	0.0	0	0
Totals	377	6	1.6%	N/A	0	0

* indicates that more than 5% of the total new business cessions for the company are backdated.

indicates more than 5% are backdated but fall within the tolerance level. (*The **tolerance** level is 5% and 25 policies in error*).

Policy Year 2024
Commercial

CO NO	POLICIES ELIGIBLE	BACKDATED POLICIES	PERCENT BACKDATED	% CHANGE	PD LOSSES COVERED	O/S LOSSES COVERED
154	204	0	0.0	0.0	0	0
732	82	1	1.2	1.2	0	0
773	3	0	0.0	0.0	0	0
Totals	289	1	0.3%	N/A	0	0

* indicates that more than 5% of the total new business cessions for the company are backdated.

indicates more than 5% are backdated but fall within the tolerance level. (*The **tolerance** level is 5% and 25 policies in error*).

**OPERATIONAL REPORTS
2ND QUARTER 2024**

II. CESSION/MAIP PLACEMENT RECORD REPORTING (continued)

C. CA5010 Flat Cancellation Audit

Twice per year CAR runs the CA5010 - Flat Cancellation Documentation Listing. Its purpose is to randomly sample flat-canceled policies to verify that the industry is using flat-cancellation transactions properly. The report was run on July 25, 2024 and the documentation is due back on October 1, 2024. Please note documentation should be uploaded through the CAR Accounting application on the website using your account id and password.

**OPERATIONAL REPORTS
2ND QUARTER 2024**

II. CESSION/MAIP PLACEMENT RECORD REPORTING (continued)

D. MAIP Placement Record Reporting Analysis

On a monthly basis, CAR reviews the quality of MAIP Placement Record reporting and produces a report which highlights the error counts for various types of errors. Companies with excessive error counts are contacted and requested to research the cause of its reporting problem and if appropriate provide a corrective action plan.

COMMONWEALTH AUTOMOBILE REINSURERS
MAIP PLACEMENT RECORD REPORTING ANALYSIS
Reflects Statistically Reported Data for Policy Effective Months 07/2023 to 06/2024
Reflects MAIP Placement Record Reported Data as of August 17, 2024

Co No	Missing MPRs	Rejected MPRs	Fatal MPRs	Rejected Take Out Credits	MPRs with No Premium	Premium with No MPRs	Active MPRs
113	0	0	0	0	1	1	985
142	0	0	0	0	2	0	771
153	209	153	0	510	26	65	8319
192	0	0	0	0	0	1	1204
202	0	0	0	0	0	0	203
250	0	0	0	0	0	0	116
258	0	0	0	0	0	0	859
279	2	1	6	45	1	0	34926
304	0	0	0	0	0	0	4
308	0	0	0	0	0	0	481
315	0	0	0	0	0	0	74
354	263	383	1	0	5692	33	10988
363	0	0	0	0	0	0	20
450	0	0	0	0	0	0	240
522	0	0	0	0	3	3	3568
531	0	0	0	0	0	0	1371
584	0	0	0	0	1	1	1942
604	13	55	6	1	15	159	1449
664	41	55	0	0	1	28	2997
724	0	0	0	0	0	0	6
726	0	0	0	0	0	0	15
731	0	0	0	6	0	0	0
735	0	0	0	0	0	0	494
773	11	0	18	23	1	49	3522
827	0	0	0	0	0	0	1379
890	0	0	0	0	0	1	969
908	0	0	0	0	0	1	8975
959	0	0	0	0	0	0	86
988	0	1	0	0	2	2	2631
Average	19	22	1	20	198	12	3055

OPERATIONAL REPORTS 2ND QUARTER 2024

III. RESIDUAL MARKET INFORMATION

A. Residual Market Volumes

The MAIP Residual Market and Commercial Residual Market volume results for the past seven years are highlighted in the chart below. The residual market rate for the current year is based on statistically reported data only and does not include estimates for missing data.

Effective Year	MAIP Residual Market %	Commercial Cession %	Time Period
2018	1.2%	22.7%	Final Result
2019	1.0%	21.6%	Final Result
2020	0.7%	18.6%	Final Result
2021	0.5%	18.0%	Final Result
2022	0.4%	17.3%	Final Result
2023	1.1%	17.6%	Final Result
2024	2.0%	18.9%	As of June, 2024

Commercial Residual Market volume reports are available on CAR's website www.commauto.com). From CAR's home page, click Reports, under the Market heading are the Residual Market Volume and Volume Analysis links to the reports.

B. Private Passenger – Massachusetts Automobile Insurance Plan (MAIP)

Policy Year 2024 Results as of June, 2024

	2023 @ Final	% Total		2024 @ 6 Months	% Total
MAIP Assigned (CAR-ID 9)	52,443	1.1%		50,789	2.0%
MAIP Retained (CAR-ID 8)	4,838,029	98.9%		2,491,809	98.0%
Total	4,890,472	100.0%		2,542,598	100.0%

C. Private Passenger MAIP Premium and Loss Reports

Private Passenger Premium and Loss reports were updated on August 20, 2024 to reflect reported data through June, 2024. These reports are available on CAR's website in the MAIP section under Company. These reports provide summary policy year information for statistically reported MAIP assignments (CAR ID Code 9), including premiums, losses, loss ratio, and data for frequency/severity displayed historically by accounting quarter. Member companies will have access to both their own company reports, as well as the industry.

OPERATIONAL REPORTS 2ND QUARTER 2024

III. RESIDUAL MARKET INFORMATION (continued)

D. Production of Quarterly Participation Reports

CAR posted the June 2024 Quarterly Member Participation Reports to its website on September 6, 2024. From CAR's home page, click Reports sign-on and then select Settlement of Balances. These are secure reports that require a CAR website user id and password to view. Please contact your company's security administrator to request access.

E. Participation Base Data

The 2nd Quarter 2024 estimated Participation Ratios using data reported through the June, 2024 monthly accounting shipments will be posted to CAR's website by September 30, 2024.

F. Interim Ceding Expense Estimates – Calendar Year 2024

The 2024 Commercial Servicing Carrier interim expense allowance of 24.17% is detailed in Commercial Lines Bulletin No. 157, distributed on January 25, 2024. The expense allowance will apply to all commercial vehicle types, including taxi, limousine, and car service vehicles.

G. Quota Share as of June, 2024

CAR posted the June 2024 Monthly Quota Share and Assignment Order Report to its website on August 29, 2024. The report has been updated to include statistical data from July 2023 to June 2024 effective month policies reported through August 16, 2024.

Member Companies can also view additional reports that provide detailed information about the data used in the Quota Share calculation on CAR's website in the MAIP section under Company.

H. CAR Financial Results – Latest Deficit Projections

The latest valuation of ultimate policy year deficit projections as of June 2024 was posted to CAR's website on September 5, 2024 for the latest three policy years are as follows:

(Numbers are in \$000s)

Commercial Deficit as of June, 2024 (in Millions) (Valuation: + Surplus - Deficit)		
Policy Year	Current Qtr	Prior Qtr
2021	\$24.6	\$24.1
2022	-\$23.4	-\$23.7
2023	-\$7.5	-\$6.0

Deficit projections for all policy years can be found on CAR's website (www.commauto.com) in the Financial Reports area using the Deficit Projections link.

OPERATIONAL REPORTS 2ND QUARTER 2024

III. RESIDUAL MARKET INFORMATION (continued)

I. Private Passenger Residual Market Rate Placed on File – November 1, 2024 Effective Date

On July 30, 2024, the Division of Insurance placed revised rates on file for private passenger residual market policies effective November 1, 2024 and subsequent. (CARI-134142333) The rates reflect revised increased limits factors. No other changes were included.

Updated rate pages, rating factor tables, and implementation notes are now available on the MAIP Company and Producer pages of CAR's website, under Manuals. A valid user-id and password are required for access. The approved filing is available to Member Companies upon request. Requests should be directed to ActStatDept@commauto.com.

Please refer to Bulletin #1175 for additional details.

J. Commercial Residual Market Rate Placed on file – October 1, 2024 Effective Date

On June 26, 2024, the Division of Insurance placed CAR's commercial residual market rates and rating manual on file for policies effective October 1, 2024 and subsequent. (SERFF Tracking Number: CARI-133957562) Please note that the original effective date of July 1, 2024 has been updated to October 1, 2024 to allow for the implementation of these rates. There were no changes made to the filing with the exception of the effective date.

The Commercial Automobile Insurance Manual Rules, Rates, Experience Rating Plan, and Implementation Instructions are available on the Manuals page of CAR's website. Requests should be directed to ActStatDept@commauto.com.

Please refer to Commercial Lines Notice #159 for additional details.

K. CAR Commercial Automobile Manual Rule and Form Filing

As announced in Bulletin #1174, on July 31, 2024, the Division of Insurance placed on file the Commercial Automobile Insurance Manual Rule, Policy Form, and Endorsement Form changes applicable to commercial policies with effective dates of January 1, 2027 and subsequent that are ceded to CAR. (SERFF Tracking Number: CARI-134030396). These changes were made 2 years in advance of its effective date because of the significant amount of resources that will be required to make these changes.

The January 1, 2027 Commercial Automobile Insurance Manual Rules and CAR-specific endorsement forms are available on the Manuals tab of CAR's website on the Commercial Automobile Manual page. Note that future additional amendments to CAR's Manual Rules that may be approved through January 1, 2027 will also be incorporated into the January 1, 2027 Manual Rules as directed by the Division of Insurance. Questions should be directed to CAR's Actuarial and Statistical Services Department at ActStatDept@commauto.com.

OPERATIONAL REPORTS 2ND QUARTER 2024

III. RESIDUAL MARKET INFORMATION (continued)

L. Changes to CAR Rules of Operation (Rule 27 – Coverages) for Maximum Phys Dam Loss

CAR filed proposed Rule 27 amendments to the CAR Rules of Operation with the Division of Insurance on April 10, 2024 detailed in Bulletin #1163. The Rule is amended to introduce a maximum physical damage limit of loss of \$175,000 per vehicle for policies effective January 1, 2025 and later. As outlined in Bulletin #1165, Rule 27 as amended was deemed approved on May 13, 2024. The Rules of Operation, reflecting the approved changes to Rule 27, will be updated on CAR's website upon approval of CAR's corresponding rate/rule/form filing.

M. Private Passenger Manual Rule and Rate Page Filing – Maximum Physical Damage Loss

CAR submitted a Massachusetts Private Passenger Residual Market Form/Rate/Rule filing with the Division of Insurance on May 14, 2024 relating to the introduction of the physical damage maximum limit of loss of \$175,000 per vehicle (SERFF Tracking Number: CARI-134101960). The filing includes changes effective January 1, 2025 to CAR's Manual Rule and Rate pages, and a proposed endorsement form to address the maximum loss.

There was an approved 120-day implementation period for companies to incorporate these changes into their systems, so as the file is still pending, the revised effective date has now been moved to February 1, 2025. Upon approval, the effective date may change again to incorporate the 120-day implementation period and will be communicated to the Industry at that time.

For additional details related to this filing, please refer to Bulletin #1166.

N. Manual of Administrative Procedures Update to Chapter X

At its meeting of April 9, 2024, the Governing Committee unanimously voted to approve modifications to Chapter X – Servicing Carrier and Exclusive Representative Producer Standards and Forms of the Manual of Administrative Procedures. Section C – Standards for Determining and Validating Radius Class and Geographic Classification of Trucks, Tractors, and Trailers and Public Automobiles has been updated to reflect a new procedure to evaluate and determine radius and geographic classification for risks that may be unable to provide credible, permanent documentation to substantiate the radius or geographic classification.

The Manual of Administrative Procedures has been updated and is available on the Manuals page of CAR's website. This new procedure is effective immediately.

For additional details related to these changes, please refer to Bulletin #1164.

**OPERATIONAL REPORTS
2ND QUARTER 2024**

III. RESIDUAL MARKET INFORMATION (continued)

O. Updates to MAP Chapter X

At its meeting on June 18, 2024, the Governing Committee unanimously voted to approve modifications to Chapter X of the Manual of Administrative Procedures, Section C titled: “Standards for Determining and Validating Radius Class and Geographic Classification of Trucks, Tractors, and Trailers and Public Automobiles,” has been updated to include a clarification to assign the bus NOC classification when evaluating Public Buses and the applicant is unable to provide credible records prior to policy inception.

For additional details related to these changes, please refer to Bulletin #1170.

OPERATIONAL REPORTS 2ND QUARTER 2024

III. RESIDUAL MARKET INFORMATION (continued)

P. Rule 29 Voluntary Credits

CAR ran the Rule 29 credit edit reports for effective date March data in mid-May. These reports are available on CAR's website under the Data Reporting and Quality Reports page.

There is no tolerance level for the Rule 29 credits. If a record is incorrect, the credit is not applied. The table below shows the industry's error percent starting with the January 2022 accounting date.

Accounting Date	Reported Credit Premium	Adjusted Credit Premium	Rule 29 Credit Impact	Error Percentage
Jan. 2022	957,719,917	938,778,718	-18,941,199	1.98%
Feb. 2022	953,615,987	935,108,468	-18,507,519	1.94%
March 2022	958,970,895	940,803,622	-18,167,273	1.89%
April 2022	957,231,456	939,284,472	-17,946,984	1.87%
May 2022	959,180,731	941,271,305	-17,909,426	1.87%
June 2022	959,724,409	941,795,844	-17,928,565	1.87%
July 2022	958,554,760	940,735,184	-17,819,576	1.89%
August 2022	958,856,993	940,561,243	-18,295,750	2.67%
Sept 2022	960,979,583	942,167,652	-18,811,931	2.54%
Oct 2022	960,567,634	941,117,867	-19,449,767	2.02%
Nov 2022	962,041,430	942,124,090	-19,917,340	2.07%
Dec 2022	962,324,572	942,531,249	-19,793,323	2.06%
Jan 2023	961,694,880	943,116,380	-18,578,500	1.93%
Feb 2023	963,198,897	943,667,297	-19,531,582	2.03%
March 2023	959,240,622	939,581,963	-19,658,659	2.05%
April 2023	960,054,233	940,558,236	-19,495,997	2.03%
May 2023	962,825,669	942,900,043	-19,925,626	2.07%
June 2023	965,041,429	945,190,919	-19,850,510	2.06%
July 2023	964,510,095	944,471,121	-20,038,974	2.08%
August 2023	963,405,642	943,416,341	-19,989,301	2.07%
Sept 2023	952,806,058	932,666,291	-20,139,767	2.11%
Oct 2023	963,204,166	943,275,236	-19,928,930	2.07%
Nov 2023	961,646,357	941,341,053	-20,305,314	2.11%
Dec 2023	959,577,830	939,871,249	-19,706,581	2.05 %
Jan 2024	956,500,079	937,328,549	-19,171,530	2.00%
Feb 2024	956,118,689	937,249,456	-18,869,233	1.97%
March 2024	954,592,747	935,837,792	-18,754,955	1.96%
April 2024	952,446,290	933,714,861	-18,731,429	1.97%
May 2024	960,890,795	942,333,996	-18,556,799	1.93%
June 2024	964,780,487	946,111,083	-18,669,404	1.94%

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IV. ACCOUNTING SYSTEM

A. Update of the Online Accounting System

CAR updates the online accounting system every Thursday night. Accordingly, all new premiums and loss activity and all correction activity are posted to the system on Thursday evenings and viewable to the industry on Friday mornings. This schedule deviates throughout the year following the Monthly Accounting Submission's due date schedule. The table below shows the schedule for updates to the CAR accounting system.

Month	MAS Due Date	Accounting System Update	Quarter
January 2024	March 15, 2024	March 16, 2024	1st Quarter 2024
February 2024	April 15, 2024	April 16, 2024	
March 2024	May 15, 2024	May 16, 2024	
April 2024	June 17, 2024	June 18, 2024	2 nd Quarter 2024
May 2024	July 15, 2024	July 16, 2024	
June 2024	August 15, 2024	August 16, 2024	
July 2024	September 16, 2024	September 17, 2024	3 rd Quarter 2024
August 2024	October 15, 2024	October 16, 2024	
September 2024	November 15, 2024	November 18, 2024	
October 2024	December 16, 2024	December 17, 2024	4 th Quarter 2024
November 2024	January 15, 2025	January 16, 2025	
December 2024	February 18, 2025	February 19, 2025	

B. Error Write-Off

To ensure that each company's cession, premium, and loss reporting is accurate and timely, CAR edits all ceded data through four accounting edits to ensure sound reporting procedures. If any ceded record fails one or more of these edits, it lists on the Error Policies report on CAR's website. (You can find a description of these error codes in the Policy Edit Package).

For losses specifically, CAR requires every record to be fixed within one year of falling into accounting error. If a loss record has not been fixed after a year of remaining in error, CAR writes off that loss record and assesses an interest fee of 10%. This write-off process occurs the last Saturday of every month. The table on the following page shows the write-off amounts and associated 10% fees for 2nd quarter 2024.

Lastly, CAR also provides loss data eligible for future loss write-offs. The potential loss write-offs for October 2024 through April 2025 are shown following the 2nd Quarter Write-Off exhibit.

**OPERATIONAL REPORTS
2ND QUARTER 2024**

IV. ACCOUNTING SYSTEM (continued)

B. Critical Error Write-Off (continued)

2nd Quarter 2024 – Loss Write-Off

Company	May 2024	June 2024	July 2024	Total
154	0	0	0	0
245	0	0	0	0
279	0	0	3,591	3,591
717	0	0	0	0
732	0	0	0	0
734	0	0	0	0
773	0	0	0	0
Total	0	0	3,591	3,591

2nd Quarter 2024 – 10% Loss of Investment Fees

Company	May 2024	June 2024	July 2024	Total
154	0	0	0	0
245	0	0	0	0
279	0	0	0	0
717	0	0	0	0
732	0	0	0	0
734	0	0	0	0
773	0	0	0	0
Total	0	0	0	0

Potential Loss Write-Off October 2024 through April 2025

Company	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025	April 2025	Grand Total
154	0	0	0	0	0	0	0	0
245	0	0	0	0	0	0	0	0
279	1,333	0	59,815	21,537	479	7,113	0	90,277
717	0	0	0	0	0	0	0	0
732	0	0	0	0	0	0	0	0
734	0	0	0	0	0	0	0	0
773	0	0	0	0	0	0	0	0
Totals	1,333	0	59,815	21,537	479	7,113	0	90,277

**OPERATIONAL REPORTS
2ND QUARTER 2024**

IV. ACCOUNTING SYSTEM (continued)

C. Non-Critical Error "Audit Review" Program

With the implementation of the CAR Accounting system moving to the website and off of the mainframe platform, there have been changes to the accounting edits. Specifically, error codes 3, 5, 8 through 11 have been eliminated from displaying in the CAR Accounting system. Accordingly, the Audit Review program has become obsolete as these error codes will no longer be monitored.

D. Ceded Premiums In Error – Limited Commercial Servicing Carriers

The exhibit below shows a summary of ceded premium in accounting error. Companies can view their error policies via CAR's website under the CAR Accounting link from the main Reports Page. CAR is providing this information as a way for Limited Commercial Servicing Carriers to monitor both their ceded premium and ceded loss reporting to correct any errors prior to a write-off or close of a policy effective reporting year.

Company	Policy Effective Year	Error Premium Dollars	Error Percent
154	2022	6,615	0.02
154	2023	0	0.00
154	2024	184,343	0.59
279	2022	-5,469	-0.01
279	2023	10,963	0.02
279	2024	-7,412	-0.02
732	2022	0	0.00
732	2023	0	0.00
732	2024	0	0.00
773	2022	510,799	1.00
773	2023	303,518	0.53
773	2024	193,755	0.58
Total Ind		1,197,112	0.23

E. Penalty Forecasting Program

CAR produces the Penalty Forecasting exhibits in March, June, September, and December. The program helps companies in their correction efforts and helps Servicing Carriers track potential future penalties if corrective actions are not taken by the companies. If you do not have access to the reports, please contact your company's Security Administrator to request access.

CAR posted the 2nd Quarter 2024 forecasting reports on September 19, 2024.

**OPERATIONAL REPORTS
2ND QUARTER 2024**

IV. ACCOUNTING SYSTEM (continued)

F. 2022 Cession/No Premium Write-Off

When CAR closes a cession reporting year, it assesses a final penalty against policies that have an active cession record but no corresponding positive premium. The 2022 premium reporting year will close on February 17, 2025. Accordingly, CAR will no longer accept cession activity for the 2022 policy effective year and all policies that contain an active cession with no positive premium will be subject to the cession/no premium write-off penalty. The annual Cession/No Premium Write-Off amounts are based on a policy count (excluding flat cancelled and cession/no premium policies) divided by the corresponding full premium (rather than deviated), at 15 months.

Please reference the table below for the write-off penalty amounts for 2022 effective date policies and for historical information. The Cession/No Premium Write-off Penalty amount has been calculated to be \$12,900 for policy effective year 2022. Please note all Commercial business including Taxi/Limousine/Car Service business was rolled into one Commercial Servicing Carrier program in 2022 so there will be just one penalty amount going forward.

Year	PP Penalty	Commercial Penalty	Taxi/Limo/CAR Service Penalty
2022	N/A	\$12,900	N/A
2021	N/A	\$12,200	\$10,500
2020	N/A	\$10,600	\$8,600
2019	N/A	\$9,500	\$9,000
2018	N/A	\$7,700	\$8,600
2017	N/A	\$6,700	\$9,100
2016	N/A	\$5,700	\$8,200
2015	N/A	\$5,500	\$8,300
2014	N/A	\$5,200	\$8,300
2013	N/A	\$4,900	\$8,100
2012	N/A	\$4,600	\$7,700

G. \$60 Cession/No Premium Penalties

The May 2024 \$60 Cession/No Premium penalties ran on May 28, 2024. These penalties were assessed in the 2nd Quarter 2024 Settlement of Balances Report.

Co No	Policy Eff Yr.	Policy Count	Assessed Penalty
773	2022	2	\$120
773	2023	3	\$180
Total		5	\$300

OPERATIONAL REPORTS 2ND QUARTER 2024

V. STATISTICAL AGENT FUNCTION

A. Update of the Online Statistical System

CAR loads statistical data to its permanent database files and updates the online statistical system every Wednesday night. Accordingly, all new premiums and loss activity and all correction activity are posted to the system on Wednesday evenings and viewable to the industry on Thursday mornings. This schedule deviates throughout the year following the end of every Monthly Accounting Submission period. The table below shows this schedule for updates to the statistical system.

Month	MAS Due Date	Statistical System Update	Quarter
January 2024	March 15, 2024	March 16, 2024	1st Quarter 2024
February 2024	April 16, 2024	April 17, 2024	
March 2024	May 15, 2024	May 16, 2024	
April 2024	June 17, 2024	June 18, 2024	2 nd Quarter 2024
May 2024	July 15, 2024	July 16, 2024	
June 2024	August 15, 2024	August 16, 2024	
July 2024	September 16, 2024	September 17, 2024	3 rd Quarter 2024
August 2024	October 15, 2024	October 16, 2024	
September 2024	November 15, 2024	November 16, 2024	
October 2024	December 16, 2024	December 17, 2024	4 th Quarter 2024
November 2024	January 15, 2025	January 16, 2025	
December 2024	February 18, 2025	February 19, 2025	

B. Annual Statement and Annual Statement Reconciliation

CAR collects the quarterly annual statement figures from the industry according to the schedule below. Those companies that have greater than a 5% dollar difference between the data statistically reported and the financial data entered on the Page 14 must respond to this difference according to the schedule below.

Quarter	Due Date Quarterly Annual Statement	Run Date of the Reconciliation Program	Due Date Reconciliation Response
1st 2024	June 17, 2024	July 1, 2024	Approx. August 1, 2024
2nd 2024	September 16, 2024	October 1, 2024	Approx. November 1, 2024
3rd 2024	December 16, 2024	January 3, 2025	Approx. February 3, 2025
4th 2024	March 17, 2025	April 1, 2025	Approx. May 1, 2025

The Annual Statement collection of Page 14's for 1st Quarter 2024 was due on June 15, 2024. Penalties for late Page 14 amounted to \$7,300. Reconciliation 1st Quarter 2024 responses were due August 1, 2024 and penalties for late explanation response amounted to \$600. All penalties were included in the 2nd Quarter 2024 Settlement of Balances. The 2nd Quarter 2024 Annual Statement Statutory Page 14 data was due at CAR on September 16, 2024. The 2nd Quarter 2024 Reconciliation is due to run on or about October 1, 2024.

**OPERATIONAL REPORTS
2ND QUARTER 2024**

V. STATISTICAL AGENT FUNCTION (continued)

C. Rate Edit Processing

CAR processes ceded commercial data through a rate editing routine for the latest two policy effective years. The table below shows the industry results by line of business and policy effective year.

	Line of Business	Eligible Records	Records in Error	Error %
COMM 2023 EFF YEAR	Liability	51,727	608	1.18%
	No Fault	48,841	329	0.67%
	Physical Damage	37,963	486	1.28%
	Total	138,531	1,423	1.03%
COMM 2024 EFF YEAR	Liability	26,861	258	0.96%
	No Fault	26,150	63	0.24%
	Physical Damage	19,604	708	3.61%
	Total	72,615	1,029	1.42%

* Please note: The Rate Edit update for ceded commercial policies effective 1/1/2024 and subsequent has not been completed for physical damage relative to the reporting of Original Cost New instead of Symbol Code. Completion is expected shortly. Please disregard the physical damage record numbers and error percentage for 2024 physical damage records.

The Commercial Rate Edit program incorporates a tolerance level to ensure the quality of the data the industry reports to CAR. The tolerance level is 2% and 50 records in error. If a company exceeds the rate edit tolerance levels on any one line of business, the company has six months to reduce its volume of rate errors on that line of business to below 2% or less than 50 records in error. Companies are responsible for monitoring whether they exceed the error tolerance by viewing the Commercial Rate Edit reports on CAR's website.

Commercial Rate Edit penalties apply to Current and Previous Effective Years. Current Effective Year includes policies effective January 2024 – December 2024. Previous Effective Year includes policies effective January 2023 – December 2023. Companies should contact the Residual Market Services Department regarding Rate Edit reporting.

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V. STATISTICAL AGENT FUNCTION (continued)

D. Deleted Washout Records

During the weekly statistical load, CAR deletes those records that washout within the same file. The table below shows those companies whose volume of deleted washout records exceeds 20% and it shows the overall industry total for all companies combined. If you would like to know your own company's washout total, please contact your Data Analyst. Periodically, CAR contacts those companies that have an excessive volume of washout activity to encourage them to reduce their volume.

Deleted Washout Totals
For All Shipments Received Through 06/2024

COMPANY NUMBER	RECORD COUNT	WASHOUT COUNT	WASHOUT PERCENT
025	15,545	20,614	75.41
029	1,096	1,986	55.19
033	422,347	1,352,272	31.23
044	222	639	34.74
100	37,448	64,202	58.33
113	1,332	6,039	22.06
118	59,195	156,491	37.83
127	14,213	17,449	81.45
141	200,451	363,915	55.08
142	1,474	5,396	27.32
153	1,241,432	4,180,613	29.69
154	404,416	648,503	62.36
156	32,818	47,828	68.62
192	1,824	7,825	23.31
201	3,450	11,715	29.45
202	260	1,068	24.34
204	2	8	25.00
226	15,534	19,874	78.16
250	172	830	20.72
256	198	485	40.82
258	1,300	5,973	21.76
261	2,852	4,920	57.97
265	184	567	32.45
307	3,154	5,721	55.13
308	662	3,079	21.50
327	574	1,964	29.23
334	92	178	51.69
344	5,104	13,715	37.21
349	5,439	24,971	21.78
362	163,186	233,433	69.91
402	19,766	28,373	69.66
417	2,308	3,652	63.20

**OPERATIONAL REPORTS
2ND QUARTER 2024**

V. STATISTICAL AGENT FUNCTION (continued)

D. Deleted Washout Records (continued)

Deleted Washout Totals
For All Shipments Received Through 06/2024

COMPANY NUMBER	RECORD COUNT	WASHOUT COUNT	WASHOUT PERCENT
418	22,994	91,662	25.09
420	4,664	12,129	38.45
439	27,246	36,412	74.83
443	696	1,450	48.00
450	416	1,647	25.26
486	1,186	4,563	25.99
503	70	92	76.09
522	8,080	24,668	32.75
531	1,794	8,204	21.87
577	49,722	105,738	47.02
584	2,880	12,922	22.29
626	121,756	200,656	60.68
627	2,286	11,347	20.15
638	520	970	53.61
664	290,094	904,656	32.07
708	22	75	29.33
731	607,980	2,774,706	21.91
737	729,982	1,997,043	36.55
770	145,498	543,549	26.77
785	2,195,452	7,662,859	28.65
827	2,068	9,016	22.94
881	596	1,788	33.33
890	1,446	6,335	22.83
902	122,892	205,367	59.84
908	13,022	59,627	21.84
910	44,382	114,522	38.75
916	99,648	326,945	30.48
940	137,682	458,148	30.05
941	1	4	25.00
943	267,228	704,629	37.92
959	124	506	24.51
996	952	2,291	41.55

Total Industry	9,783,694	54,443,238	17.97%
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The 2023 washout total following the 06/2023 shipments was 15.24%.

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V. STATISTICAL AGENT FUNCTION (continued)

E. Distributional Analysis

The Distributional Analysis application is a web report CAR developed to help determine whether companies are experiencing reporting issues relating to Data Quality. The reports are segmented into three sections by type of business: Private Passenger Total Market, Commercial – Voluntary and Commercial – Servicing Carrier business.

CAR ran the June 2024 Distributional Analysis reports and released them to the industry on September 6, 2024. Responses are due back on November 5, 2024. Any missing responses are required to be reported by the established due date.

Any questions regarding this reporting should be directed to your companies Data Analyst or a CAR Staff member of the Operational Services Department.

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VI. COMMUNICATIONS

A. CAR's Website

CAR moved the Statistical Policy Histories to its website in late May, 2023. With this update to the website, it marks the final mainframe application that has moved. Accordingly, industry users no longer need to maintain a mainframe user id and password.

B. Telecommunications

As noted above, the Statistical Policy History application moved to CAR's website in May, 2023. As that was the final mainframe application, this item will be removed from future publications of the Operational Reports.