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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: October 28, 2025  
RE: Operational Reports

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The 2nd quarter 2025 Operational Reports follow this memorandum. This report includes data reported May 16, 2025, through August 15, 2025, for the accounting month period of April 2025 through June 2025. If you have any comments or suggestions to improve the usefulness of these reports, please contact me.

**Section I – Accounting/Statistical Shipments:**

At its February 11, 2025 meeting, the Governing Committee approved modifications to the Private Passenger and Commercial Statistical Plans to include new and updated statistical coding for the approved mandatory minimum limits of liability.

CAR assessed a total of \$140,300 in the Statistical Data Quality Penalty Program in the 2nd Quarter 2025 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 2023 annual Cession/No Premium Write-Off amount has been calculated, and the penalty amount has been set at \$14,100 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. 1183 distributed on December 3, 2024, for more information.

## **OPERATIONAL REPORTS 2ND QUARTER 2025**

### **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 28, 2025, using CAR's online system. The documentation was due on October 1, 2025.

As of June 2025, the MAIP residual market rate equaled 1.9% and the commercial residual market rate equaled 19.7%.

CAR posted the June 30, 2025 Quarterly Member Participation Reports to its website on September 5, 2025.

CAR ran the 2nd Quarter 2025 Rule 29 credit edit download reports on August 19, 2025.

### **Section IV – Accounting System Processing:**

CAR produced 2nd Quarter 2025 Critical Error Loss Write-Offs and 10% Loss of Investment Fees. **There have been no Critical Errors or Loss Write-Offs for this quarter.**

The Penalty Forecasting exhibits were posted to CAR's website on September 30, 2025.

### **Section V - Statistical Agent Functions:**

First Quarter 2025 Statutory Page 14 data was due at CAR on June 15, 2025. Reconciliation Responses for First Quarter 2025 ran on July 1, 2025, and were due back on August 1, 2025. Company assessments were included with Second Quarter 2025 Settlement of Balances. Second Quarter 2025 Statutory Page 14 data entry filings were due at CAR on September 16, 2025. Second Quarter 2025 reconciliation ran on October 1, 2025.

All companies that exceed the commercial rate edit tolerances are listed on page 24.

### **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 2025**

**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 2025 as of the second quarter. That is, it reflects those companies whose submissions were not complete by the due date indicated below.

<b>2025 CALL SCHEDULE</b>		
<b>Submission</b>	<b>Due Date</b>	<b>Quarter</b>
January 2025	March 17, 2025	1 <sup>st</sup> Quarter
February 2025	April 15, 2025	
March 2025	May 15, 2025	
April 2025	June 16, 2025	2 <sup>nd</sup> Quarter
May 2025	July 15, 2025	
June 2025	August 15, 2025	
July 2025	September 15, 2025	3 <sup>rd</sup> Quarter
August 2025	October 15, 2025	
September 2025	November 17, 2025	
October 2025	December 15, 2025	4 <sup>th</sup> Quarter
November 2025	January 15, 2026	
December 2025	February 17, 2026	

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, 2025.

**OPERATIONAL REPORTS  
2ND QUARTER 2025**

**I. STATISTICAL SYSTEM (continued)**

2025 Timeliness Report

<i>CO NO</i>	<i>Jan 3/17</i>	<i>Feb 4/15</i>	<i>Mar 5/15</i>	<i>Apr 6/16</i>	<i>May 7/15</i>	<i>Jun 8/15</i>	<i>July 9/15</i>	<i>Aug 10/15</i>	<i>Sep 11/17</i>	<i>Oct 12/15</i>	<i>Nov 1/15</i>	<i>Dec 2/17</i>
030			PP									
109			COM									
121						COM						
134						COM						
145						COM						
155						COM						
162						COM						
164			COM			COM						
347						COM						
349		COM				COM						
354			COM									
364			COM									
569		COM		COM	COM	COM						
609					PP							
612				COM	COM	COM						
713			COM			COM						
972				PP								
989			PP									

\*There were no late or rejected companies for the January 2025 MAS.

**OPERATIONAL REPORTS  
2ND QUARTER 2025**

**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 2025, CAR assessed a total penalty amount of \$140,300. The table below shows the detailed penalties for each company.

Penalty Assessments  
2nd Quarter 2025

<b>Co #</b>	<b>Company Name</b>	<b>Assessment</b>	<b>Assessment Amount</b>
30	American Family Home Insurance	Late 03/2025 MAS	\$500
45	American Automobile Insurance	Late DA Response - 12/2024	\$150
109	Pennsylvania Lumbers Mutual	Late DA Response - 12/2024	\$300
109	Pennsylvania Lumbers Mutual	Late 03/2025 MAS	\$1,250
109	Pennsylvania Lumbers Mutual	Stat Err > 5% - 01/2025	\$600
120	Crestbrook Insurance Company	Stat Err > 5% - 03/2025	\$300
121	Allied Insurance Company	Late DA Response - 12/2024	\$150
123	HDI Gerling Insurance Company	Late Explain - 03/2025	\$100
134	New York Marine and General Ins	Stat Err > 5% - 02/2025	\$600
141	Preferred Mutual Insurance Co	Late Page 14 - 03/2025	\$600
143	American Hallmark Insurance Co	Late Page 14 - 03/2025	\$800
144	Wesco Insurance Company	Stat Err > 5% - 01/2025	\$150
155	Argonaut Insurance Company	Late DA Response - 12/2024	\$150
155	Argonaut Insurance Company	Late Explain - 03/2025	\$100
164	Starstone National Insurance Co	Late DA Response - 12/2024	\$150
164	Starstone National Insurance Co	Late 03/2025 MAS	\$500
164	Starstone National Insurance Co	Late Explain - 03/2025	\$100
166	Accelerant Insurance Company	Late Page 14 - 03/2025	\$800
172	Lemonade Insurance Company	Late Page 14 - 03/2025	\$200
176	City National Insurance Company	Late Page 14 - 03/2025	\$500
187	Arch Prop & Cas Company	Late Page 14 - 03/2025	\$600
224	CM Regent Insurance Company	Late Page 14 - 03/2025	\$600
301	Incline Insurance Company	Late DA Response - 12/2024	\$300
323	Esurance Insurance Company	Late DA Response - 12/2024	\$150
323	Esurance Insurance Company	Stat Err > 5% - 03/2025	\$450
344	Tri-State Ins Co of Minnesota	Late DA Response - 12/2024	\$150
354	Amica Mutual Insurance Company	Late 03/2025 MAS	\$500
364	Prime Property & Casualty Ins Co.	Stat Err > 5% - 03/2025	\$450

**OPERATIONAL REPORTS  
2ND QUARTER 2025**

**I. STATISTICAL SYSTEM (continued)**

**B. Statistical Plan Penalty Fee Program (continued)**

Penalty Assessments  
2nd Quarter 2024

<u>Co #</u>	<u>Company Name</u>	<u>Assessment</u>	<u>Assessment Amount</u>
372	Cronus Insurance Company	Late Page 14 - 03/2025	\$4,600
402	Firemans Ins Co of Wash, DC	Late DA Response - 12/2024	\$150
486	Harleysville Preferred Ins Co	Stat Err > 5% - 03/2025	\$750
508	Mainsail Insurance Company	Late Page 14 - 03/2025	\$4,500
562	Mobilitas General Insurance Co	Late DA Response - 12/2024	\$150
569	Midvale Indemnity Company	Interim Jan - June 2025 MAS	\$45,500
569	Midvale Indemnity Company	Stat Err > 5% - 03/2025	\$900
571	Milford Casualty Insurance Co	Stat Err > 5% - 03/2025	\$150
571	Milford Casualty Insurance Co	Stat Err > 5% - 04/2025	\$150
612	National Grange Mutual Insurance	Interim November 2024 MAS	\$9,000
612	National Grange Mutual Insurance	Interim December 2024 MAS	\$9,000
612	National Grange Mutual Insurance	Interim Jan - June 2025 MAS	\$34,750
630	Nationwide Mutual Insurance Co	Stat Err > 5% - 04/2025	\$300
667	The North River Insurance Co	DA Unresolved Reporting	\$3,000
712	Stonewood Insurance Company	Late Page 14 - 03/2025	\$100
713	Fall Lake Insurance Company	Late DA Response - 12/2024	\$150
713	Fall Lake Insurance Company	Late 03/2025 MAS	\$500
713	Fall Lake Insurance Company	Late Page 14 - 03/2025	\$100
713	Fall Lake Insurance Company	Stat Err > 5% - 03/2025	\$450
737	Progressive Casualty Ins Co	Late DA Response - 12/2024	\$300
747	SiriusPointe America Insurance Co	Late Page 14 - 03/2025	\$4,600
792	State National Insurance Company	Late Page 14 - 03/2025	\$500
797	Starr Indemnity and Liability Co	Late Page 14 - 03/2025	\$200
799	Starr Specialty Insurance Co	Late Page 14 - 03/2025	\$200
828	State Farm Mutual Automobile Ins	Stat Err > 5% - 03/2025	\$750
828	State Farm Mutual Automobile Ins	Stat Err > 5% - 05/2025	\$150
829	Mitsui Sumitomo Ins of America	Stat Err > 5% - 03/2025	\$450
860	WCF National Insurance Company	Late Page 14 - 03/2025	\$4,600
910	Union Insurance Company	Late DA Response - 12/2024	\$150
951	Vanliner Insurance Company	Late Explain - 03/2025	\$1,400
985	CorePointe Insurance Company	Stat Err > 5% - 04/2025	\$300
989	Foremost Ins of Grand Rapids, MI	Late 03/2025 MAS	\$500
		Total	<b>\$140,300</b>

**OPERATIONAL REPORTS  
2ND QUARTER 2025**

**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 2023 - 2025.

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 2025**

**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 28, 2025 monitoring policy years 2023, 2024 and 2025 for 2nd Quarter 2025.

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 2023  
Commercial

CO NO	POLICIES ELIGIBLE	BACKDATED POLICIES	PERCENT BACKDATED	% CHANGE	PD LOSSES COVERED	O/S LOSSES COVERED
154	286	5	1.7	0.0	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*).

**OPERATIONAL REPORTS  
2ND QUARTER 2025**

**II. CESSION/MAIP PLACEMENT RECORD REPORTING (continued)**

Policy Year 2024  
Commercial

CO NO	POLICIES ELIGIBLE	BACKDATED POLICIES	PERCENT BACKDATED	% CHANGE	PD LOSSES COVERED	O/S LOSSES COVERED
154	375	1	0.3	0.3	0	0
279	1	0	0.0	0.0	0	0
732	166	2	1.2	1.2	0	0
773	6	0	0.0	0.0	0	0
Totals	548	3	0.5%	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 2025  
Commercial

CO NO	POLICIES ELIGIBLE	BACKDATED POLICIES	PERCENT BACKDATED	% CHANGE	PD LOSSES COVERED	O/S LOSSES COVERED
154	109	0	0.0	0.0	0	0
279	1	0	0.0	0.0	0	0
732	45	0	0.0	0.0	0	0
773	3	0	0.0	0.0	0	0
Totals	158	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 2025**

**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 ran on July 28, 2025 and the documentation was due back on October 1, 2025. Please note documentation should be uploaded through the CAR Accounting application on the website using your account id and password.

**OPERATIONAL REPORTS  
2ND QUARTER 2025**

**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 07/2024 to 06/2025

Reflects MAIP Placement Record Reported Data as of August 19, 2025

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	0	0	1240
142	0	0	0	0	0	0	886
153	36	0	47	64	2	56	10760
192	1	1	0	0	0	0	1385
202	0	0	0	0	0	0	213
250	0	0	0	0	0	0	281
258	0	0	0	0	3	0	1204
279	0	12	56	49	2	1	34327
304	0	0	0	0	0	0	2
308	0	0	0	0	0	0	271
315	0	0	0	0	0	0	114
354	663	31	0	3	2	201	6845
363	0	0	0	0	2	0	100
367	2	2	0	0	5	1	3404
450	0	0	0	0	0	0	430
522	0	0	0	0	2	1	4926
531	0	0	0	0	0	0	3202
584	0	0	0	0	1	1	2438
604	3	784	15	1	21	202	2237
664	31	78	11	0	0	38	4806
724	1	1	0	0	3	0	726
726	0	0	0	0	0	0	12
731	0	0	0	15	0	0	0
735	0	0	0	0	7	0	2355
773	8	0	59	24	3	24	7528
827	0	0	0	0	1	0	1576
890	2	2	0	0	0	0	1246
908	1	2	0	0	4	1	10710
959	0	0	0	0	0	0	97
988	0	0	1	1	0	0	3019
Average	25	30	6	5	2	16	3545

**OPERATIONAL REPORTS  
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**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.

<b>Effective Year</b>	<b>MAIP Residual Market %</b>	<b>Commercial Cession %</b>	<b>Time Period</b>
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	0.9%	17.5%	Final Result
2024	1.9%	18.7%	Final Result
2025	1.9%	19.7%	As of June, 2025

Commercial Residual Market volume reports are available on CAR's website ([www.commauto.com](http://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 Residual Market Information

1. Private Passenger – MAIP Current Results

Policy Year 2025 Results as of June, 2025

	2025 @6 Months	<u>% Total</u>	2024 @ 12 Months	<u>% Total</u>
MAIP Assigned (CAR-ID 9)	49,334	1.9%	93,729	1.9%
MAIP Retained (CAR-ID 8)	2,519,110	98.1%	4,834,144	98.1%
Total	2,568,444	100.0%	4,927,873	100.0%

**OPERATIONAL REPORTS  
2ND QUARTER 2025**

**III. RESIDUAL MARKET INFORMATION (continued)**

**B. Private Passenger Residual Market Information (continued)**

**2. Private Passenger - Quota Share Reports**

CAR posted the June 2025 Monthly Quota Share and Assignment Order Report to its website on August 29, 2025. The report has been updated to include statistical data from July 2024 to June 2025 effective month policies reported through August 15, 2025.

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.

**3. Private Passenger – Premium and Loss Reports**

Private Passenger Premium and Loss reports were updated on August 26, 2025 to reflect reported data through June, 2025. 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.

**4. Status of Private Passenger Rate Filings**

**i. July 1, 2025 – Rate/Rule Change (SERFF Tracking Number CARI-134311007)**

On April 11, 2025, CAR's rate/rule filing announced as Bulletin No. 1184 distributed on December 9, 2024 was placed on file. Please note that the base rates and effective date have changed since the original rate/rule filing. The increased limit factors include additional factors needed to implement the increase to the statutory basic limits as well as special instructions to provide guidance in calculating the minimum and increased limits. Note also that the final MA Private Passenger Residual Market Automobile Insurance Manual approved with this filing incorporates the amendments approved with the CARI-134413083 filing. All changes are detailed in the Memorandum of Changes and the Implementation Instructions.

For additional details related to these filings, please refer to Bulletin No. 1191.

**ii. July 1, 2025 – Compulsory Limit Rule/Form Change (SERFF Tracking Number CARI-134413083)**

On April 9, 2025, CAR's rule/form filing announced as Bulletin No. 1189 distributed on February 28, 2025 was placed on file. This filing adopts AIB advisory forms recently placed on file (SERFF Tracking Number: AIBM-134372807) and amends Rules 2 and 12 of the MA Private Passenger Residual Market Automobile Insurance Manual to address the increase to the minimum coverage limits.

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2ND QUARTER 2025**

**III. RESIDUAL MARKET INFORMATION (continued)**

**B. Private Passenger Residual Market Information (continued)**

4. Status of Private Passenger Rate Filings (continued)

iii. January 1, 2026 – Maximum Physical Damage Limit of Loss Rate/Rule/Form Change (SERFF Tracking Number CARI-134101960)

The Division of Insurance has placed CAR's Private Passenger Residual Market Rules, Rates, and Forms on file for policies effective January 1, 2026 and subsequent. This filing implements a physical damage maximum limit of loss of \$175,000 per vehicle. Manual Rule 3, Rule 22, and Rate Page R-37 have been updated to include references to the maximum limit of loss, the new endorsement form and updated rate calculations. The filed rules, rate pages, and policy forms are available to Assigned Risk Carriers on CAR's website.

For additional details related to this filing, please refer to Bulletin No. 1194.

Bulletin No. 1198 distributed on August 25, 2025 provides additional information to assist ARCs in implementing this change.

5. Proposed Changes to Rule 28 of the Rules of Operation Deemed

The proposed changes to Rule 28 of the Rules of Operation are deemed approved effective May 20, 2025. These changes relate to ARC billing procedures to provide clear guidance to address an instance whereby the nine equal installments originally contemplated by the Rule are no longer possible due to late payment, non-payment, or endorsement activity.

Please refer to Bulletin No. 1195 distributed on May 20, 2025 for additional details.

6. Unfair and Deceptive Fees Regulation

The Office of the Attorney General has issued regulations concerning unfair or deceptive fees in the purchase, lease, or rental of products by Massachusetts consumers. The regulations took effect on September 2, 2025. Companies and producers are encouraged to review the new regulations to ensure compliance with all aspects.

Please refer to Bulletin No. 1197 distributed on August 20, 2025 for additional details.

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2ND QUARTER 2025**

**III. RESIDUAL MARKET INFORMATION (continued)**

**C. Commercial Residual Market Information**

1. CAR Financial Results – Latest Deficit Projections

The latest valuation of ultimate policy year deficit projections as of June 2025 was posted to CAR’s website on September 4, 2025 for the latest three policy years are as follows:

(Numbers are in \$000s)

Commercial Deficit as of June, 2025 (in Millions) (Valuation: + Surplus - Deficit)		
Policy Year	Current Qtr	Prior Qtr
2022	-\$17.4	-\$20.6
2023	-\$3.1	-\$4.8
2024	-\$11.8	-\$13.8

Deficit projections for all policy years can be found on CAR’s website ([www.commauto.com](http://www.commauto.com)) in the Financial Reports area using the Deficit Projections link.

2. Production of Quarterly Participation Reports

CAR posted the June, 2025 Quarterly Member Participation Reports to its website on September 5, 2025. 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.

3. Participation Base Data

The 2nd Quarter 2025 estimated Participation Ratios using data reported through the June, 2025 monthly accounting shipments will be posted to CAR’s website by September 30, 2025.

The Final 2024 Participation Ratios using data reported through the December 2024 monthly accounting shipment was calculated and included in the June Quarter Settlement of Balances, processed in September 2025. These Ratios are included in the calculations of deficit sharing, administrative expenses, and the advanced statistical assessment.

4. Interim Ceding Expense Estimates – Calendar Year 2025

The 2025 Commercial Servicing Carrier interim expense allowance of 24.44% is detailed in Commercial Lines Bulletin No. 163, distributed on January 8, 2025. The expense allowance will apply to all commercial vehicle types, including taxi, limousine, and car service vehicles.

**OPERATIONAL REPORTS  
2ND QUARTER 2025**

**III. RESIDUAL MARKET INFORMATION (continued)**

**C. Commercial Residual Market Information (continued)**

5. Status of Commercial Rate Filings

i. July 1, 2025 – Compulsory Limit Rate/Rule/Form Change (SERFF Tracking Number CARI-134422348)

On April 4, 2025, the Division of Insurance placed on file the Massachusetts Commercial Residual Market rate, rule, and form filing for policies issued or renewed on or after July 1, 2025. This filing has been made in response to Sections 1, 2, and 3 of Chapter 275 of the Acts of 2024 which increases the minimum coverage limits of insurance for the Bodily Injury and Property Damage coverages.

Commercial Rules 3, 22, 35, 36, 40, 41, 46, 52, 55, 120, and 125 have been amended to reflect the increase to the statutory basic limits. Appendix I has been updated to reflect new versions of policy coverage and endorsement forms. The filing also includes Special Rating Instructions to provide guidance in calculating the minimum and increased limits.

Please refer to Bulletin No. 1190 distributed on April 7, 2025 for additional details.

ii. November 1, 2025 – Rate/Rule/ Filing (SERFF Tracking Number CARI-134547589)

CAR filed Massachusetts Commercial Residual Market rate and rule change with the Division of Insurance on June 2, 2025, with a proposed effective date of November 1, 2025. This filing also includes updated versions of the Commercial Automobile Insurance Manual Rules and Rates, and the Commercial Experience Rating Plan.

Please refer to Commercial Lines Notice No. 166 distributed on June 11, 2025 for additional details relating to this filing.

iii. January 1, 2027 – Rule/Form Change (SERFF Tracking Number: CARI-134030396)

As announced in Bulletin No. 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. 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 proposed changes and approval were also detailed in Commercial Lines Notice No.s 158 and 160.

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](mailto:ActStatDept@commauto.com).

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**III. RESIDUAL MARKET INFORMATION (continued)**

**D. Rule 29 Voluntary Credits**

CAR ran the Rule 29 credit edit reports for effective date June data in mid-August. 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 2023 accounting date.

<b>Accounting Date</b>	<b>Reported Credit Premium</b>	<b>Adjusted Credit Premium</b>	<b>Rule 29 Credit Impact</b>	<b>Error Percentage</b>
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%
July 2024	969,971,699	951,525,105	-18,446,594	1.94%
August 2024	975,730,935	957,697,804	-18,033,131	1.89%
Sept 2024	981,880,121	963,842,632	-18,037,489	1.84%
Oct 2024	988,668,368	970,723,746	-17,944,622	1.82%
Nov 2024	999,633,477	981,502,387	-18,131,090	1.81%
Dec 2024	1,024,142,243	1,004,707,158	-19,435,085	1.90%
Jan 2025	1,041,058,075	1,021,112,660	-19,945,415	1.92%
Feb 2025	1,055,142,110	1,035,175,290	-19,966,820	1.89%
March 2025	1,074,421,008	1,054,113,415	-20,307,593	1.89%
April 2025	1,091,486,872	1,070,425,268	-21,061,604	1.93%
May 2025	1,096,685,423	1,075,697,568	-20,987,855	1.91%
June 2025	1,099,177,704	1,076,280,280	-22,897,424	2.08%

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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.

<b>Month</b>	<b>MAS Due Date</b>	<b>Accounting System Update</b>	<b>Quarter</b>
January 2025	March 17, 2025	March 19, 2025	1st Quarter 2025
February 2025	April 15, 2025	April 17, 2025	
March 2025	May 15, 2025	May 16, 2025	
April 2025	June 16, 2025	June 18, 2025	2 <sup>nd</sup> Quarter 2025
May 2025	July 15, 2025	July 17, 2025	
June 2025	August 15, 2025	August 18, 2025	
July 2025	September 15, 2025	September 17, 2025	3 <sup>rd</sup> Quarter 2025
August 2025	October 15, 2025	October 17, 2025	
September 2025	November 17, 2025	November 19, 2025	
October 2025	December 15, 2025	December 16, 2025	4 <sup>th</sup> Quarter 2025
November 2025	January 15, 2026	January 16, 2026	
December 2025	February 17, 2026	February 19, 2026	

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 2025.

Lastly, CAR also provides loss data eligible for future loss write-offs. The potential loss write-offs for October 2025 through April 2026 are shown following the 2nd Quarter Write-Off exhibit.

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**IV. ACCOUNTING SYSTEM (continued)**

**B. Critical Error Write-Off (continued)**

2nd Quarter 2025 – Loss Write-Off

<b>Company</b>	<b>May 2025</b>	<b>June 2025</b>	<b>July 2025</b>	<b>Total</b>
154	0	0	0	0
279	0	0	0	0
732	0	0	0	0
734	0	0	0	0
773	0	0	0	0
<b>Total</b>	0	0	0	0

2nd Quarter 2025 – 10% Loss of Investment Fees

<b>Company</b>	<b>May 2025</b>	<b>June 2025</b>	<b>July 2025</b>	<b>Total</b>
154	0	0	0	0
279	0	0	0	0
732	0	0	0	0
734	0	0	0	0
773	0	0	0	0
<b>Total</b>	0	0	0	0

Potential Loss Write-Off October 2025 through April 2026

<b>Company</b>	<b>October 2025</b>	<b>November 2025</b>	<b>December 2025</b>	<b>January 2026</b>	<b>February 2026</b>	<b>March 2026</b>	<b>April 2026</b>	<b>Grand Total</b>
154	0	0	0	0	0	0	0	0
279	0	0	7,763	0	0	0	0	7,763
732	0	0	0	0	0	0	0	0
734	0	0	0	0	0	0	0	0
773	0	0	0	0	0	577	0	577
<b>Totals</b>	0	0	7,763	0	0	577	0	8,340

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**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	2023	0	0.00
154	2024	0	0.00
154	2025	87,031	0.23
279	2023	0	0.00
279	2024	-21	0.00
279	2025	0	0.00
732	2023	0	0.00
732	2024	0	0.00
732	2025	-10,330	-0.03
773	2023	303,518	0.53
773	2024	345,936	0.48
773	2025	210,782	0.48
Total Ind		936,916	0.15

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 2025 forecasting reports on September 30, 2025.

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**IV. ACCOUNTING SYSTEM (continued)**

**F. 2023 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 2023 premium reporting year will close on February 17, 2026. Accordingly, CAR will no longer accept cession activity for the 2023 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 2023 effective date policies and for historical information. The Cession/No Premium Write-off Penalty amount has been calculated to be \$14,100 for policy effective year 2023. 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.

<b>Year</b>	<b>PP Penalty</b>	<b>Commercial Penalty</b>	<b>Taxi/Limo/CAR Service Penalty</b>
2023	N/A	\$14,100	N/A
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

**G. \$60 Cession/No Premium Penalties**

The May 2025 \$60 Cession/No Premium penalties ran on May 28, 2025. These penalties were assessed in the 2nd Quarter 2025 Settlement of Balances Report.

<b>Co No</b>	<b>Policy Eff Yr.</b>	<b>Policy Count</b>	<b>Assessed Penalty</b>
773	2024	1	\$60
<b>Total</b>		1	\$60

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**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 2025	March 17, 2025	March 18, 2025	1st Quarter 2025
February 2025	April 15, 2025	April 16, 2025	
March 2025	May 15, 2025	May 16, 2025	
April 2025	June 16, 2025	June 17, 2025	2 <sup>nd</sup> Quarter 2025
May 2025	July 15, 2025	July 16, 2025	
June 2025	August 15, 2025	August 16, 2025	
July 2025	September 15, 2025	September 16, 2025	3 <sup>rd</sup> Quarter 2025
August 2025	October 15, 2025	October 16, 2025	
September 2025	November 17, 2025	November 18, 2025	
October 2025	December 15, 2025	December 16, 2025	4 <sup>th</sup> Quarter 2025
November 2025	January 15, 2026	January 16, 2026	
December 2025	February 17, 2026	February 18, 2026	

**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 2025	June 16, 2025	July 1, 2025	Approx. August 1, 2025
2nd 2025	September 15, 2025	October 1, 2025	Approx. November 1, 2025
3rd 2025	December 15, 2025	January 3, 2026	Approx. February 3, 2026
4th 2025	March 17, 2026	April 1, 2026	Approx. May 1, 2026

The Annual Statement collection of Page 14's for 1st Quarter 2025 was due on June 16, 2025. Penalties for late Page 14 amounted to \$23,500. Reconciliation 1st Quarter 2025 responses were due August 1, 2025 and penalties for late explanation response amounted to \$1,700. All penalties were included in the 2nd Quarter 2025 Settlement of Balances. The 2nd Quarter 2025 Annual Statement Statutory Page 14 data was due at CAR on September 15, 2025. The 2nd Quarter 2025 Reconciliation ran on October 1, 2025.

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**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.

	<b>Line of Business</b>	<b>Eligible Records</b>	<b>Records in Error</b>	<b>Error %</b>
<b>COMM 2024 EFF YEAR</b>	Liability	60,496	907	1.50%
	No Fault	62,907	342	0.54%
	Physical Damage	46,846	375	0.80%
	Total	170,249	1,624	0.95%
<b>COMM 2025 EFF YEAR</b>	Liability	24,153	249	1.03%
	No Fault	23,364	73	0.31%
	Physical Damage	16,666	38	0.23%
	Total	64,183	360	0.56%

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 2025 – December 2025. Previous Effective Year includes policies effective January 2024 – December 2024. 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 06/2025

<b>COMPANY NUMBER</b>	<b>WASHOUT COUNT</b>	<b>RECORD COUNT</b>	<b>WASHOUT PERCENT</b>
017	410	1,357	30.21
025	990	3,989	24.82
029	1,784	2,504	71.25
033	354,193	1,128,738	31.38
091	8	20	40.00
100	38,786	61,118	63.46
118	46,878	143,803	32.60
141	197,813	379,355	52.14
153	1,173,319	3,992,925	29.38
154	383,366	685,822	55.90
156	24,722	36,596	67.55
201	2,522	9,541	26.43
226	19,204	44,269	43.38
256	184	406	45.32
257	16,976	37,740	44.98
261	1,028	3,484	29.51
265	1,736	2,346	74.00
266	979	3,158	31.00
307	1,710	2,329	73.42
327	738	2,635	28.01
334	74	203	36.45
342	3,065	14,780	20.74
344	3,648	13,144	27.75
349	6,522	29,018	22.48
362	163,706	248,446	65.89
363	86	303	28.38
367	5,904	22,537	26.20
402	20,538	44,904	45.74
417	3,852	5,648	68.20
418	22,294	90,271	24.70
420	9,662	26,539	36.41

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**V. STATISTICAL AGENT FUNCTION (continued)**

D. Deleted Washout Records (continued)

Deleted Washout Totals  
For All Shipments Received Through 06/2025

<b>COMPANY NUMBER</b>	<b>WASHOUT COUNT</b>	<b>RECORD COUNT</b>	<b>WASHOUT PERCENT</b>
439	5,895	9,027	65.30
443	2,204	3,141	70.17
503	34	56	60.71
530	84,316	410,880	20.52
569	10,401	15,286	68.04
577	33,826	74,956	45.13
612	107,128	159,440	67.19
626	168,220	261,070	64.43
627	2,588	11,948	21.66
664	307,882	988,701	31.14
696	46	82	56.10
724	1,452	5,602	25.92
737	885,766	2,452,136	36.12
770	104,148	417,666	24.94
785	3,888,250	11,876,511	32.74
797	1,586	3,062	51.80
881	560	1,405	39.86
902	159,058	245,669	64.74
907	200,483	541,655	37.01
910	50,568	94,890	53.29
916	133,434	397,391	33.58
940	179,442	543,059	33.04
943	324,910	793,440	40.95
970	3,620	5,612	64.50
996	576	918	62.75

Total Industry	11,146,106	57,738,665	19.30%
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The 2024 washout total following the 06/2024 shipments was 17.97%.

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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 2025 Distributional Analysis reports and released them to the industry on September 6, 2025. 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.