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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: April 15, 2025

RE: Operational Reports

The 4th quarter 2024 Operational Reports follow this memorandum. This report includes data reported November 16, 2024, through February 15, 2025 for the accounting month period of October 2024 through December 2024. 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 recently approved mandatory minimum limits of liability.

CAR assessed a total of \$217,850 in the Statistical Data Quality Penalty Program in the 4th 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 2023 annual Cession/No Premium Write-Off amounts have 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 4TH 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 January 29, 2025 using CAR's online system. The documentation was due on April 1, 2025.

As of December 2024, the MAIP residual market rate equaled 1.9% and the commercial residual market rate equaled 18.7%.

CAR posted the December 31, 2024 Quarterly Member Participation Reports to its website on March 7, 2025.

CAR ran the 4th Quarter 2024 Rule 29 credit edit download reports on February 18, 2025.

Section IV – Accounting System Processing:

CAR produced 4th Quarter 2024 Critical Error Loss Write-Offs and 10% Loss of Investment Fees. There were no policies eligible for write-offs during the quarter.

The Penalty Forecasting exhibits posted on CAR's website on March 19, 2025.

Section V - Statistical Agent Functions:

Third Quarter 2024 Statutory Page 14 data was due at CAR on December 15, 2024. Reconciliation Responses for Third Quarter 2024 ran on January 3, 2024, and were due back on February 1, 2025. Company assessments were included in Fourth Quarter 2024 Settlement of Balances. Fourth Quarter 2024 Statutory Page 14 electronic file submissions were due at CAR on March 17, 2025. Fourth Quarter 2024 Reconciliation ran on April 3, 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
4TH 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 fourth 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	

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

**OPERATIONAL REPORTS
4TH 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						COM					
109			COM						COM	COM		COM
123												COM
134			COM									
143			COM									
162			COM									
164			COM						COM			
245	COM						COM					
259										PP		
266			COM									
303									COM			
329	PP	PP	PP	PP	PP	PP						
336	COM											
347								COM				
354	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH						
362	COM		BOTH			COM						
377		COM	COM				COM					COM
427		COM										
429			COM									
463							COM					
616	COM											
622									COM			
713												COM
738	COM						COM					
829												COM
884	COM						COM					
885	COM						COM					
887	COM						COM					
891	COM						COM					
893	COM											
970			COM									
972				PP								
989										PP		

**OPERATIONAL REPORTS
4TH QUARTER 2024**

I. STATISTICAL SYSTEM (continued)

Massachusetts Private Passenger Statistical Plan

Approved Modifications

Approved Effective Date	Description	Status
July 1, 2025	As a result of the recently approved increase to the compulsory liability limits on motor vehicle policies for policies effective July 1, 2025 and subsequent, new bodily injury, uninsured, underinsured, and property damage limit codes have been added to the Private Passenger Statistical Plan. Separate limit codes for bodily injury, uninsured and underinsured coverage have been added to identify the mandatory offer of insurance coverage. A new combined single limit code has been added to identify the increased combined single limit coverage relative to the approved compulsory limits. The footnotes have been updated to identify those codes pertaining to the prior compulsory limits and obsolete language has been deleted.	Approved by the Division of Insurance on March 21, 2025

Massachusetts Commercial Statistical Plan

Approved Modifications

Approved Effective Date	Description	Status
July 1, 2025	As a result of the recently approved increase to the compulsory liability limits on motor vehicle policies effective July 1, 2025 and subsequent, new bodily injury, uninsured, underinsured, and property damage limit codes have been added to the Commercial Statistical Plan. Separate limit codes for bodily injury, uninsured and underinsured coverage have been added to identify the mandatory offer of insurance coverage. A new combined single limit code has been added to identify the increased combined single limit coverage relative to the approved compulsory limits. The footnotes were updated to identify those codes pertaining to the prior compulsory limits and obsolete language has been deleted.	Approved by the Division of Insurance on March 21, 2025

**OPERATIONAL REPORTS
4TH QUARTER 2024**

I. STATISTICAL SYSTEM (continued)

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 shipper's error percent to below 5%.

For the 4th Quarter 2024, CAR assessed a total penalty amount of \$217,850. The table below shows the detailed penalties for each company.

Penalty Assessments
4th Quarter 2024

<u>Co #</u>	<u>Company Name</u>	<u>Assessment</u>	<u>Assessment Amount</u>
45	American Automobile Ins Co	Late DA Response - 06/2024	\$300
109	Pennsylvania Lumbers Mutual	Late DA Response - 06/2024	\$300
109	Pennsylvania Lumbers Mutual	Late 09/2024 MAS	\$1,250
109	Pennsylvania Lumbers Mutual	Late 10/2024 MAS	\$500
116	Security National Insurance Co	Stat Err > 5% - 06/2024	\$1,850
116	Security National Insurance Co	Stat Err > 5% - 07/2024	\$600
123	HDI-Global Insurance Company	Late Explain - 09/2024	\$200
141	Preferred Mutual Insurance Co	Late Page 14 - 09/2024	\$200
143	American Hallmark Ins Co. of Tx	Late Explain - 09/2024	\$1,300
144	Wesco Insurance Company	Stat Err > 5% - 06/2024	\$3,700
144	Wesco Insurance Company	Stat Err > 5% - 07/2024	\$1,200
144	Wesco Insurance Company	Stat Err > 5% - 08/2024	\$1,500
145	Allied World Insurance Company	Final > 5% Penalty - 03/2024	\$1,200
155	Argonaut Insurance Company	Late DA Response - 06/2024	\$150
164	Starstone National Insurance Co	Late 09/2024 MAS	\$500
206	Nationwide Agribusiness Ins Co	Stat Err > 5% - 03/2024	\$2,500
237	All American Insurance Company	Stat Err > 5% - 09/2024	\$150
238	Central Insurance Company	Stat Err > 5% - 08/2024	\$2,700
247	National Casualty Company	Stat Err > 5% - 03/2024	\$2,500
259	Cincinnati Insurance Company	Late 10/2024 MAS	\$500
303	Cumis Insurance Society, Inc.	Late 09/2024 MAS	\$500
323	Esurance Insurance Company	Stat Err > 5% - 04/2024	\$1,250
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	\$9,000
329	AMICA Property & Casualty Ins Co	Interim 04/2024 MAS Penalty	\$9,000
329	AMICA Property & Casualty Ins Co	Interim 05/2024 MAS Penalty	\$9,000
329	AMICA Property & Casualty Ins Co	Interim 06/2024 MAS Penalty	\$9,000
329	AMICA Property & Casualty Ins Co	Interim 07/2024 MAS Penalty	\$9,000

**OPERATIONAL REPORTS
4TH QUARTER 2024**

I. STATISTICAL SYSTEM (continued)

Statistical Plan Penalty Fee Program (continued)

Penalty Assessments
4th Quarter 2024

<u>Co #</u>	<u>Company Name</u>	<u>Assessment</u>	<u>Assessment Amount</u>
329	AMICA Property & Casualty Ins Co	Interim 08/2024 MAS Penalty	\$9,000
329	AMICA Property & Casualty Ins Co	Interim 09/2024 MAS Penalty	\$8,500
329	AMICA Property & Casualty Ins Co	Interim 10/2024 MAS Penalty	\$6,000
329	AMICA Property & Casualty Ins Co	Interim 11/2024 MAS Penalty	\$3,000
329	AMICA Property & Casualty Ins Co	Interim 12/2024 MAS Penalty	\$500
342	Selective Insurance Co of America	Late Explain - 09/2024	\$1,200
343	GEICO General Insurance Co	Stat Err > 5% - 08/2024	\$300
349	Selective Ins Co. of the Southwest	Stat Err > 5% - 04/2024	\$1,250
353	Pie Casualty Insurance Company	Late Page 14 - 09/2024	\$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	\$9,000
354	AMICA Mutual Insurance Co	Interim 04/2024 MAS Penalty	\$9,000
354	AMICA Mutual Insurance Co	Interim 05/2024 MAS Penalty	\$9,000
354	AMICA Mutual Insurance Co	Interim 06/2024 MAS Penalty	\$9,000
354	AMICA Mutual Insurance Co	Interim 07/2024 MAS Penalty	\$9,000
354	AMICA Mutual Insurance Co	Interim 08/2024 MAS Penalty	\$9,000
354	AMICA Mutual Insurance Co	Interim 09/2024 MAS Penalty	\$8,500
354	AMICA Mutual Insurance Co	Interim 10/2024 MAS Penalty	\$6,000
354	AMICA Mutual Insurance Co	Interim 11/2024 MAS Penalty	\$3,000
354	AMICA Mutual Insurance Co	Interim 12/2024 MAS Penalty	\$500
562	Mobilias General Insurance Co	Late Explain - 09/2024	\$100
562	Mobilias General Insurance Co	Late DA Response - 06/2024	\$150
571	Milford Casualty Insurance Co	Stat Err > 5% - 06/2024	\$1,850
571	Milford Casualty Insurance C	Stat Err > 5% - 08/2024	\$1,500
622	National Interstate Insurance Co	Late 09/2024 MAS	\$500
664	Norfolk & Dedham Mutual Fire Ins	Stat Err > 5% - 10/2024	\$150
704	Spinnaker Insurance Company	Late Explain - 09/2024	\$1,300
828	State Farm Mutual Automobile Ins	Stat Err > 5% - 07/2024	\$600
828	State Farm Mutual Automobile Ins	Stat Err > 5% - 08/2024	\$600
828	State Farm Mutual Automobile Ins	Stat Err > 5% - 10/2024	\$150
828	State Farm Mutual Automobile Ins	Stat Err > 5% - 11/2024	\$150
829	Mitsui Sumitomo Ins Co.	Stat Err > 5% - 06/2024	\$1,850
829	Mitsui Sumitomo Ins Co.	Stat Err > 5% - 09/2024	\$300
989	Foremost Insurance Company	Late 10/2024 MAS	\$500
940	USAA General Indemnity Co	Stat Err > 5% - 10/2024	\$150
940	USAA General Indemnity Co	Late Explain - 09/2024	\$200
		Total	\$217,850

**OPERATIONAL REPORTS
4TH 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.

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4TH 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 March 26, 2025 monitoring policy years 2022, 2023 and 2024 for 4th 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).*

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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	0.0	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*).

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	-0.2	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*).

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4TH 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 ran on January 29, 2025 and the documentation was due back on April 1, 2025. Please note documentation should be uploaded through the CAR Accounting application on the website using your account id and password.

**OPERATIONAL REPORTS
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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 01/2024 to 12/2024
Reflects MAIP Placement Record Reported Data as of February 20, 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	1117
142	0	0	0	0	0	0	1169
153	63	87	0	1234	63	49	9733
192	0	1	0	0	0	1	1307
202	0	0	0	0	0	0	213
250	0	0	0	0	0	0	194
258	0	0	0	0	0	0	1061
279	2	6	4	25	1	3	36992
304	0	0	0	0	0	0	2
308	0	0	0	0	0	0	403
315	0	0	0	0	0	0	90
354	1270	8	1	0	2	972	9483
363	0	0	0	0	0	0	13
450	0	0	0	0	0	0	377
522	0	0	0	0	0	4	6152
531	0	0	0	0	0	0	3134
584	0	0	0	0	0	1	2204
604	6	11	22	2	11	136	1517
664	52	89	0	0	2	40	4689
724	0	0	0	0	0	0	43
726	0	0	0	0	0	0	12
731	0	0	0	8	0	0	0
735	1	1	0	0	0	1	990
773	9	0	36	23	3	49	6367
827	0	0	0	0	0	1	1534
890	0	0	0	0	0	0	1155
908	0	0	0	0	1	0	9994
959	0	0	0	0	0	0	101
988	0	0	0	0	1	1	3102
Average	48	7	2	45	3	43	3557

**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.

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	0.9%	17.5%	Final Result
2024	1.9%	18.7%	As of Dec, 2024

Commercial Residual Market volume reports are available on CAR’s website (www.commauto.com).

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

Policy Year 2024 Results as of December, 2024

	2023 @ Final	<u>% Total</u>		2024 @ 12 Months	<u>% Total</u>
MAIP Assigned (CAR-ID 9)	52,443	1.1%		93,729	1.9%
MAIP Retained (CAR-ID 8)	4,838,029	98.9%		4,827,732	98.1%
Total	4,890,472	100.0%		4,921,461	100.0%

C. Private Passenger MAIP Premium and Loss Reports

Private Passenger Premium and Loss reports were updated on February 24, 2025 to reflect reported data through December, 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
4TH QUARTER 2024**

III. RESIDUAL MARKET INFORMATION (continued)

D. Production of Quarterly Participation Reports

CAR posted the December 2024 Quarterly Member Participation Reports to its website on March 7, 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.

E. Participation Base Data

The 4th Quarter 2024 estimated Participation Ratios using data reported through December, 2024 monthly accounting shipments were posted to CAR's website on April 1, 2025.

F. 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.

G. Quota Share as of December, 2024

CAR posted the December 2024 Monthly Quota Share and Assignment Order Report to its website on February 28, 2025. The report has been updated to include statistical data from January 2024 to December 2024 effective month policies reported through February 17, 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.

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.

**OPERATIONAL REPORTS
4TH QUARTER 2024**

III. RESIDUAL MARKET INFORMATION (continued)

H. CAR Financial Results – Latest Deficit Projections

The latest valuation of ultimate policy year deficit projections as of December 2024 was posted to CAR’s website on March 5, 2025 for the latest three policy years are as follows:

(Numbers are in \$000s)

Commercial Deficit as of Dec, 2024 (in Millions) (Valuation: + Surplus - Deficit)		
Policy Year	Current Qtr	Prior Qtr
2022	-\$22.6	-\$24.5
2023	-\$6.9	-\$7.7
2024	-\$12.2	-\$13.5

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.

I. CAR Private Passenger Residual Market Rates

a. Rates 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.

b. Rates Filed – May 1, 2025 Effective Date

CAR filed a Massachusetts Private Passenger Residual Market rate change with the Division of Insurance on December 6, 2024 with an original proposed effective date of May 1, 2025. Upon approval, the effective date will change if necessary to allow companies approximately 90 days lead time to implement the new rates.

Please refer to Bulletin #1184 for additional details.

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III. RESIDUAL MARKET INFORMATION (continued)

I. CAR Private Passenger Residual Market Rates (continued)

c. Rule/Form Filed – July 1, 2025 Effective Date

CAR filed a Massachusetts Private Passenger Residual Market rule and form change with the Division of Insurance on February 26, 2025 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.

CAR is also proposing the adoption of the AIB's Advisory forms recently placed on file including the Massachusetts Mandatory Endorsement, the Application for Massachusetts Motor Vehicle Insurance, and the Coverage Selection Page.

Additionally, CAR is amending Rules 2 and 12 of the MA Private Passenger Residual Market Automobile Insurance Manual to reflect the increase to the minimum coverage limits.

Please refer to Bulletin #1189 distributed on February 28, 2025 for additional details.

J. 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 to CAR's Manual Rule and Rate pages, and a proposed endorsement form to address the maximum loss.

In light of the Compliance filing activity, CAR's MAIP Steering Committee is recommending to the Governing Committee that the effective date be revised to January 1, 2026.

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

K. CAR Commercial Automobile Manual Rule and Form Filing Placed on File

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 proposed changes and approval were also detailed in Commercial Lines Notice #158 and #160.

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III. RESIDUAL MARKET INFORMATION (continued)

K. CAR Commercial Automobile Manual Rule and Form Filing Placed on File (continued)

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.

L. Decision – Proposed Updates to the Rules of Operation – Rule 6

Proposed changes to the Rules of Operation amending Rule 6 were filed with the Commissioner of Insurance on November 22, 2024. The proposed changes were furnished to all members and interested parties as Bulletin No. 1181 dated November 22, 2024.

As no public hearing was requested by any interested party and the proposed Rule has not been disapproved by the Commissioner of Insurance, Rule 6 as amended is deemed approved effective December 24, 2024. For additional details related to these changes, please refer to Bulletin #1186.

M. Commercial Rule/Form/Rates Filed – July 1, 2025 Effective Date

CAR filed a Massachusetts Commercial Residual Market rate, rule and form change with the Division of Insurance on February 28, 2025 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.

CAR is amending Rules 3, 22, 35, 36, 40, 41, 46, 52, 55, 120 and 125 to reflect the increase to the statutory basic limits. The filing also includes Special Rating Instructions to provide guidance in calculating the minimum and increased limits.

Additionally, CAR is proposing the adoption of AIB commercial advisory forms recently placed on file (SERFF No. AIBM-134378030), including the Garage Declarations, the Massachusetts Garage Insurance Policy, the Truckers Declarations, the Declarations – Massachusetts Business Auto Coverage Form, and the Important Notice to Policy Holders (MM 99 70 07 25)

CAR filed endorsements to ensure compliance with new statutory limits while referencing policy coverage forms currently on file for use in the commercial residual market including the Massachusetts Mandatory Endorsement, Mobile Equipment, Lessor - Additional Insured and Loss Payee Massachusetts, Truckers - Insurance for Non-Trucking Use Massachusetts, Uninsured Motorists Coverage – Massachusetts. Appendix I is updated to reflect the newer versions of policy coverage and endorsement forms and the Increased Limit Factors are updated to include the new required limits.

Please refer to Commercial Lines Notice #164 distributed on March 4, 2025 for additional details.

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III. RESIDUAL MARKET INFORMATION (continued)

N. Commercial Residual Market Rule Filing Placed on File Effective January 1, 2025

CAR's filed rule changes to CAR's Commercial Automobile Insurance Manual was placed on file by the Division of Insurance on December 31, 2024, with a 1/1/2025 effective date. This filing amended Rule 72 language in determining the classification of certain public vehicles, particularly the description of vehicles that are classified as Bus NOC and the determination of rating territory for non-zone rated classes. In addition, rating procedures for bobtail operations are clarified in Rule 55, and a new appendix has been added to the rule manual that lists the current policy and endorsement forms on file for use with ceded commercial risks.

For additional details related to these changes, please refer to Commercial Lines Notice #161 and #162.

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III. RESIDUAL MARKET INFORMATION (continued)

O. Rule 29 Voluntary Credits

CAR ran the Rule 29 credit edit reports for effective date December data in mid-February. 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.

Accounting Date	Reported Credit Premium	Adjusted Credit Premium	Rule 29 Credit Impact	Error Percentage
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%

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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 write-offs that loss record and assesses an interest fee of 10%. This write-off process occurs on the last Saturday of every month. The table on the following page shows the write-off amounts and associated 10% fees for fourth quarter 2024.

Lastly, CAR also provides loss data eligible for future loss write-offs. The potential loss write-offs for April 2025 through September 2025 are shown following the 4th Quarter Write-Off exhibit.

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IV. ACCOUNTING SYSTEM (continued)

B. Critical Error Write-Off (continued)

4th Quarter 2024 – Loss Write-Off

Company	Nov 2024	Dec 2024	Jan 2025	Total
154				
279				
732				
734				
735				
773				
Total				

4th Quarter 2024 – 10% Loss of Investment Fees

Company	Nov 2024	Dec 2024	Jan 2025	Total
154				
279				
732				
734				
735				
773				
Total				

Potential Loss Write-Off April 2025 through September 2025

Company	April 2025	May 2025	June 2025	July 2025	August 2025	Sept 2025	Grand Total
154							
245							
279							
717							
732							
734							
773							
Totals							

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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 – 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. In 2022, all Ceded Taxi/Limousine/Car Service business is now included in with the Commercial Ceded business. This chart excludes Co. 717 and 734.

Company	Policy Effective Year	Critical Premium Dollars	Error Percent
154	2022	6,615	0.02
154	2023	0	0.00
154	2024	239,130	1.71
279	2022	2	0.00
279	2023	7,952	0.01
279	2024	-534,671	-0.78
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	161,130	0.22
Total Ind		694,475	0.11

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 4th Quarter 2024 forecasting reports on March 19, 2025.

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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 closed on February 18, 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
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
2012	N/A	\$4,600	\$7,700

G. \$60 Cession/No Premium Penalties

The November 2024 \$60 Cession/No Premium penalties ran on December 11, 2024. These penalties were assessed with the 4th Quarter 2024 Settlement of Balances Report.

Co No	Policy Eff Yr.	Policy Count	Assessed Penalty
773	2022	1	\$60
773	2023	0	\$0
773	2024	2	\$120
Total		3	\$180

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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 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	2nd 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	3rd 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	4th 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 3rd Quarter 2024 was due on December 16, 2024. Penalties for late Page 14 amounted to \$600. Reconciliation 3rd Quarter 2024 responses were due November 1, 2024 and penalties amounted to \$4,300. All penalties were included in 4th Quarter 2024 Settlement of Balances. The 4th Quarter 2024 Annual Statement Statutory Page 14 data were due at CAR on March 17, 2025. The 4th Quarter 2024 Reconciliation ran on April 3, 2025 and are due on May 5, 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.

	Line of Business	Eligible Records	Records in Error	Error %
COMM 2023 EFF YEAR	Liability	52,206	623	1.19%
	No Fault	49,243	296	0.60%
	Physical Damage	38,316	459	1.20%
	Total	139,765	1,378	0.99%
COMM 2024 EFF YEAR	Liability	45,275	493	1.09%
	No Fault	52,179	138	0.26%
	Physical Damage	34,834	312	0.90%
	Total	132,288	943	0.71%

* Please note: The Rate Edit update for ceded commercial policies effective 1/1/2024 and subsequent has been completed for physical damage relative to the reporting of Original Cost New instead of Symbol Code. The physical damage record numbers and error percentage for 2024 physical damage records are now correct as shown.

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 12/2024

COMPANY NUMBER	RECORD COUNT	WASHOUT COUNT	WASHOUT PERCENT
025	22,814	30,090	75.82
029	3,076	4,643	66.25
033	842,510	2,686,638	31.36
044	1,599	2,472	64.68
100	90,504	172,978	52.32
118	96,813	268,427	36.07
127	24,344	33,462	72.75
141	397,752	726,920	54.72
142	2,608	12,062	21.62
153	2,461,233	8,249,065	29.84
154	808,839	1,312,178	61.64
156	62,952	92,365	68.16
192	3,202	15,981	20.04
201	6,454	22,743	28.38
202	472	2,246	21.02
204	2	8	25.00
226	35,168	56,285	62.48
256	354	1,021	34.67
258	2,590	12,882	20.11
261	3,284	6,867	47.82
265	670	1,883	35.58
307	5,978	9,895	60.41
327	1,184	5,869	20.17
334	134	570	23.51
344	8,714	26,166	33.30
349	11,424	51,986	21.98
362	323,778	461,090	70.22
402	35,876	51,007	70.34
417	4,142	7,484	55.34
418	47,429	190,171	24.94
420	12,036	25,698	46.84
439	54,545	109,879	49.64

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V. STATISTICAL AGENT FUNCTION (continued)

D. Deleted Washout Records (continued)

Deleted Washout Totals
For All Shipments Received Through 12/2024

COMPANY NUMBER	RECORD COUNT	WASHOUT COUNT	WASHOUT PERCENT
443	1,742	3,159	55.14
450	782	3,714	21.06
486	1,188	4,653	25.53
503	112	165	67.88
522	16,044	62,351	25.73
531	7,194	31,862	22.58
577	81,698	180,537	45.25
626	299,828	461,523	64.96
638	886	1,911	46.36
664	576,674	1,838,567	31.37
731	1,118,075	5,473,269	20.43
737	1,646,928	4,299,705	38.30
770	256,500	987,193	25.98
785	5,495,468	18,169,529	30.25
881	884	2,764	31.98
890	2,726	13,629	20.00
902	299,492	470,721	63.62
907	373,849	1,029,836	36.30
910	85,050	252,976	33.62
916	215,332	699,029	30.80
940	291,754	955,482	30.53
941	1	4	25.00
943	569,390	1,501,742	37.92
970	1,022	3,264	31.31
996	1,342	3,236	41.47

Total Industry	20,582,611	111,809,165	18.41%
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The 2023 washout total following the 12/2023 shipments was 17.02%

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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 December 2024 Distributional Analysis report in mid-March and responses are due back on May 12, 2025.

Any questions regarding this reporting should be directed to your company's 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.