



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

www.commauto.com

617-338-4000

August 2, 2018

BULLETIN NO. 1061

Reporting Requirements for SIU Quarterly Activity Logs

CAR is in the process of developing a new application for the collection of Special Investigations Unit (SIU) data measured in the Compliance Audit program for both private passenger and commercial automobile insurance. This new process will require changes in the methodology that the industry utilizes to provide the SIU Quarterly Activity Log to CAR, as of the quarter ending September 2018. These new reporting requirements involve:

- The submission of a file in CSV format
- Data fields with pre-set validated formats
- Consistency between the SIU Log data and the corresponding statistically reported data

The log data will be matched to statistical data to obtain all relevant claim and premium information needed for review in the audit process. Also, all industry staff responsible for providing CAR the quarterly logs will be required to obtain a User ID and Password for access to the new SIU system that will be located on CAR's website. A detailed Help Manual explaining the necessary steps to upload the file into the application is also available on the website.

System benefits include the elimination of all manual processes currently required to conduct the SIU evaluation component of compliance audits. This will include improving the quality of the SIU relevant data through standardized data definitions and formats. From these automated reports, delinquent or insufficient referrals can be determined and monitored. A consistent and uniform SIU Quarterly Activity Log will enable CAR to build historical data prospectively and the system will build audit samples, audit control work papers, quantified results, and measured SIU savings by company or industry.

CAR will convert the SIU Quarterly Activity Logs submitted for the quarter ending June 2018 to the newly prescribed format for each company in preparation for the transition. Staff will identify any data problems in an effort to aid all companies in the transition to the new procedure beginning the quarter ending September 2018. CAR intends to have all Assigned Risk Companies and Servicing Carriers entirely transitioned to the new process and system by the quarter ending June 2019.

ARC and Servicing Carrier SIU responsibilities as well as CAR audit procedures are defined in CAR's Rules of Operation and the Performance Standards approved by CAR's Governing Committee and the Division of Insurance. Failure to comply with the new reporting requirement will result in non-compliance with the SIU evaluation measured by the Compliance Audit program.

Note that the SIU reviews of underwriting policy facts pursuant to CAR Rules 10.C. and 32.C. are not included in the SIU Quarterly Activity Logs. Efforts with respect to each carrier's investigation of underwriting, rating and premium issues will continue to be submitted to CAR through the current methods.

Please submit any questions regarding the new SIU Quarterly Activity Log reporting requirements to siulog@commauto.com.

PETER BERTONI
Compliance Auditor