



NATALIE A. HUBLEY  
PRESIDENT

# COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110  
www.commauto.com 617-338-4000

## NOTICE OF MEETING

### ACTUARIAL COMMITTEE

A meeting of the Actuarial Committee will be held at the Automobile Insurers Bureau Conference Center at 101 Arch Street, 7<sup>th</sup> Floor, Boston, on

**WEDNESDAY, MARCH 4, 2020 AT 1:00 P.M.**

### MEMBERS OF THE COMMITTEE

Ms. Lynellen Ramirez – Chair  
Arbella Insurance Group

Mr. Geoffrey Arnold  
Ms. Sarah Cast  
Ms. Sarah Clemens  
Mr. Christopher Dupill  
Ms. Jennifer Graunas  
Mr. Glenn Hiltbold  
Mr. Todd Lehmann  
Ms. Meredith Woodcock

Plymouth Rock Assurance Corporation  
Allstate Insurance Company  
MAPFRE U.S.A. Corporation  
EM Freedman Insurance Agency, Inc.  
The Hanover Insurance Company  
Safety Insurance Company  
Quincy Mutual Group  
Liberty Mutual Group

### AGENDA

AC

#### 19.01 Records of Previous Meeting

The Records of the Actuarial Committee meeting of June 25, 2019 should be read and approved.

AC

#### 20.03 CAR Conflict of Interest Policy

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

**AC**

**20.04 Quota Share Credits for Policies Effective April 1, 2021 and Later**

The Committee should be prepared to begin discussions relative to quota share credits for policies effective April 1, 2021.

**AC**

**20.05 Impacts of Gender X on Statistical Reporting**

The RMV's recent adoption of the non-binary gender designation presents a need to modify the statistical reporting of classification code, with alternatives ranging from the adoption of new codes designating Gender X to a redefinition of all class codes to eliminate gender distinction. At this time, the Actuarial Committee may wish to consider whether a more complex redefinition of class codes to gather risk characteristics such as years of driving experience and number of accidents and incidents would benefit MAIP's quota share and ratemaking requirements. In order to assist the Committee in its discussions, staff will report on the status of its review relative to alternative approaches for reporting classification code. (Docket #AC20.05, Exhibit #1)

**Other Business**

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

**Executive Session**

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

SHANNON CHIU  
Actuarial/Statistical Analyst

Attachment

Boston, Massachusetts  
February 20, 2020



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### **Impacts of Gender X on Statistical Reporting**

#### Background:

In November 2019, the Registry of Motor Vehicles implemented a systems change that included an option for applicants to choose a non-binary gender designation on their driver's licenses. The Private Passenger Statistical Plan currently identifies gender in the Statistical Class Definition as male and female, for those operators who are under 25 years old. In order to capture those drivers under 25 years old who choose a non-binary gender designation, the Private Passenger Statistical Plan needs to be updated.

CAR has identified four options for the Actuarial Committee to consider. With input from the Actuarial Committee, CAR will then present the Committee's considerations and recommendations to the Compliance and Operations Committee for its input and to recommend Statistical Plan changes to the Governing Committee.

#### Option 1:

Add four new Classification Codes to the Private Passenger Statistical Plan that identify an operator with a non-binary gender designation. No changes would be made to the existing Statistical Class definitions and any operator under 25 years old would be identified as male, female, or non-binary.

#### Option 2:

Redefine the existing Statistical Class Definitions to eliminate a gender reference. This will reduce the number of Classification Codes listed in the Private Passenger Statistical Plan.

#### Option 3:

Redefine the existing Statistical Class Definitions to eliminate gender references and combine the Statistical Class and Rate Class so as to eliminate some redundancy with the Statistical Class and Rating Class Definitions. There are a few different approaches that could be taken under this option and all changes would require updates to the existing Classification Code structure.

One approach would be to create two new gender-neutral Classification Codes to replace the six existing gender specific classification codes. Under this approach, the Classification Codes that specifically identify the principal or not the principal operator of the vehicle would be eliminated since the Rating Class (fourth position of the Classification Code) already defines those characteristics. Another approach would be to create a four-position Classification Code that would include an Age Indicator, Rating Class, and Merit Rating Value.

Option 4:

Discontinue the reporting of Classification Code and, instead, add new fields to the Statistical Record Layout to collect driver attributes and risk characteristics. The new fields to be reported would include those listed below. With the collection of the new data elements, CAR would then create its own internal Classification Code to be used in its data processing programs and applications.

Age of the Operator	Number of Years Driving
Principal or Occasional Operator	Number of Incidents
Driver Training Status	Number of Violations