



NATALIE A. HUBLEY  
PRESIDENT

# COMMONWEALTH AUTOMOBILE REINSURERS

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## RECORDS OF MEETING

### ACTUARIAL COMMITTEE – AUGUST 5, 2020

#### Members Present

Ms. Lynellen Ramirez – Chair	Arbella Insurance Group
Ms. Sarah Cast	Allstate Insurance Group
Ms. Sarah Clemens	MAPFRE U.S.A. Corporation
Mr. Christopher Dupill	EM Freedman Insurance Agency, Inc.
Mr. Glenn Hiltbold	Safety Insurance Company
Ms. Katherine McCarthy <sup>(1)</sup>	Quincy Mutual Group
Ms. Kimberly Miller <sup>(2)</sup>	The Hanover Insurance Company
Ms. Meredith Woodcock	Liberty Mutual Insurance Companies
Mr. Hao Zhang <sup>(3)</sup>	Plymouth Rock Companies

#### Substituted for:

<sup>(1)</sup> Mr. Todd Lehmann  
<sup>(2)</sup> Ms. Jennifer Graunas  
<sup>(3)</sup> Mr. Geoffrey Arnold

#### Not in Attendance:

N/A

#### 20.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Actuarial Committee meeting of March 4, 2020. The Records have been distributed and are on file.

#### 20.06 Review of Motorcycle/Miscellaneous Class Codes in Quota Share

Ms. Shannon Chiu informed the Committee that CAR staff recently became aware of antique automobile programs written in the voluntary market that include coverage for certain vehicles, such as “classic cars”, that do not meet the statutory definition of an antique due to the age of the vehicle. Ms. Chiu noted that antique autos have been exempted by statute from the provisions of 113H since 1998. Prior to this exemption, antique auto exposures were included among those miscellaneous classes that were counted in the residual market participation after applying a factor of 0.33, reflective of the lower average premium of these classes. Ms. Chiu advised that for those programs known to CAR, the classic cars have recently been added to the quota share determination, and she requested the Committee to consider whether the application of a 0.33 factor is warranted for these exposures in calculating the Quota Share voluntary market share. Ms. Chiu reviewed an exhibit that compared the classic car average premium to the total market private passenger, indicating that the average premium ratio of 31% was similar to other vehicle types that are currently factored.

The Committee inquired as to the specific definition of a classic car, versus that of an antique automobile. Ms. Browne noted that antique automobiles are statutorily defined as any motor vehicle over twenty-five years old which is maintained solely for use in exhibitions, club activities, parades and other functions of public interest and which is not used primarily for the transportation of passengers or goods over any way. Ms. Browne explained that classic cars would similarly be defined by the use restrictions, specifying that the use of these vehicles would be limited to those activities meeting the antique auto classification, but classic cars would not be defined by the age of the vehicle.

The Committee discussed other alternatives for handling these exposures in the quota share determination. One member questioned whether the exposures could be excluded, but noted that there is no statutory exclusion from eligibility for placement in MAIP. For that reason, the Committee agreed that they should be counted in the quota share determination. After discussion, the Committee, on a roll call vote, unanimously approved in concept the recommendation for the application of the 0.33 factor to classic cars subject to review of the definition of the new classification(s) and proposed amendments to Rule 29 of the Rules of Operation. Staff also advised that the definitions may need to be added to the Commercial Automobile Manual.

The Committee was advised that the new classification(s) will require statistical reporting changes to be considered by the Compliance and Operations Committee. Staff will provide additional information at the next meeting relative to plans to identify this data while reporting changes are being implemented.

TIMOTHY GALLIGAN  
Actuarial/Statistical Services Director

Boston, Massachusetts  
September 2, 2020

**ATTACHMENT LISTING**

Docket #AC20.02, Exhibit #2

Attendance Listing

**ACTUARIAL COMMITTEE MEETING  
 MEETING ATTENDEES  
 AUGUST 5, 2020**

Individual's Name

Company / Agency

PLEASE PRINT

Lynellen Ramirez	Arbella Insurance Group
Sarah Cast	Allstate Insurance Group
Sarah Clemens	MAPFRE U.S.A. Corporation
Christopher Dupill	EM Freedman Insurance Agency, Inc.
Glenn Hiltbold	Safety Insurance Company
Meredith Woodcock	Liberty Mutual Insurance Companies
Hao Zhang	Plymouth Rock Assurance Companies
Kimberly Miller	The Hanover Insurance Company
Katherine McCarthy	Quincy Mutual Group
Bill Scully	AIB
Barry Tagen	Pilgrim Insurance Company
Mary Ellen Thompson	DOI
Marian Adgate	CAR Staff
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Tim Galligan	CAR Staff
Natalie Hubley	CAR Staff
Katy Proctor	CAR Staff
Lynne Rosenberg	CAR Staff
Robin Tigges	CAR Staff