



NATALIE A. HUBLEY
PRESIDENT

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RECORDS OF MEETING

COMMERCIAL CLASSIFICATION SUBCOMMITTEE – DECEMBER 14, 2017

Members Present

Mr. Glenn Hiltpold – Chair
Ms. Sarah Clemens
Mr. Barry Tagen
Mr. Hugh Thai⁽¹⁾

Safety Insurance Company
MAPFRE U.S.A Corporation
Pilgrim Insurance Company
Arbella Insurance Group

Substituted for:
Ms. Lynellen Ramirez⁽¹⁾

Not in Attendance:
N/A

17.01 Records of Previous Meeting

The Subcommittee unanimously voted to approve the Records of the Commercial Classification Subcommittee meeting of November 16, 2017. The Records have been distributed and are on file.

17.04 Development of Commercial Classification Plan

The Commercial Classification Subcommittee continued discussion relative to the development of a Private Passenger Types (PPT) classification plan. Ms. Wendy Browne discussed Staff's list of recommended risks attributes that would be needed to make an initial filing. These attributes included number of years licensed, number of major and minor incidents, number of major and minor convictions, and whether or not these attributes could be verified. Ms. Browne also noted that changes to the Manual Rules would be required to the premium calculation procedures. Ms. Browne offered examples including driver assignment with multiple operators and/or multiple vehicles, and operator deferrals. Additionally, Ms. Browne discussed the potential need to modify the policy application and other forms as part of the development of the PPT classification plan.

Ms. Natalie Hubley further noted that initially, data would be manually collected from the Servicing Carriers as a Data Call, to support an initial rate filing. Secondly, she stated that changes to the Commercial Statistical Plan would be made to capture the required information statistically from both Servicing Carriers and voluntary companies for ongoing ratemaking needs.

The Subcommittee's discussion focused on the extensive manual effort that would be required of each Servicing Carrier to respond to such a data call. Some members indicated that their companies would not be in a position to comply with all or parts of the request. In addition, significant programming resources would be needed to modify rating programs not only for the private passenger type classifications,

but also for other classifications that use those rates. Finally, the Subcommittee also noted the significant resources that would be required of all carriers to modify statistical reporting.

Staff noted that its research has indicated that each of the Servicing Carriers has filed or plans to file a rating plan that addresses these risk characteristics. Therefore, the Subcommittee questioned whether the substantial cost to modify CAR's rating plan is justified. After considerable discussion, the Subcommittee agreed to recommend that the effort be tabled until such time as market conditions warrant.

KATY PROCTOR
Actuarial/Statistical Analyst

Boston, Massachusetts
January 16, 2018

ATTACHMENT LISTING

Docket #CCS17.02, Exhibit #2

Attendance Listing

COMMERCIAL CLASSIFICATION SUBCOMMITTEE MEETING
SIGN-IN SHEET
December 14, 2017

Individual's Name	Company / Agency
Sarah Clemens	NAPFRE
Kim Barber	AIB
Bill Scully	AIB
Barry Tegen	Pilgrim
Hugh Thai	Arbella
Natalie Hubley	CAR
Glenn Hiltbold	Sally Inslame
Wendy Brown	CAR
Katy Proctor	CAR

COMMERCIAL CLASSIFICATION SUBCOMMITTEE MEETING
SIGN-IN SHEET
December 14, 2017

Individual's Name	Company / Agency
Alison Ruggiero	C.A.R
Marian Adgate	CAR
JOHN METCALFE	CAR
Richard Pilon	CAR
T. Gallego	CAR
Shannon Chiu	CAR