



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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

ADDITIONAL INFORMATION
TO MEMBERS OF THE GOVERNING COMMITTEE

FOR THE MEETING OF:

Wednesday, February 14, 2018 at 10:30 a.m.

GC
18.09 Commercial Automobile Committee

The Records of the Commercial Automobile Committee meeting of February 8, 2018 are attached.
(Docket #GC18.09, Exhibit #1)

The Records of the Commercial Automobile Committee meeting of February 8, 2018 have been distributed and are on file.

NATALIE A. HUBLEY
President

Attachment

Boston, Massachusetts
February 13, 2018



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RECORDS OF MEETING

COMMERCIAL AUTOMOBILE COMMITTEE – FEBRUARY 8, 2018

Members Present

Mr. Thomas DePaulo – Chair	Cabot Risk Strategies, LLC
Mr. Peter Chung	The Norfolk & Dedham Group
Ms. Sarah Clemens	MAPFRE U.S.A. Corporation
Ms. Sheila Doherty	Doherty Insurance Agency, Inc.
Mr. Brian Lam	Safety Insurance Company
Mr. Dennis Morris ⁽¹⁾	Arbella Insurance Group
Mr. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Mr. Barry Tagen	Pilgrim Insurance Company
Mr. Sean Thompson ⁽²⁾	The Hanover Insurance Company

Substituted for:

⁽¹⁾Ms. Mayre Hammond

⁽²⁾Mr. Coleman Johnson

Not in Attendance:

Mr. Thomas Skelly, Jr., Deland, Gibson Insurance Associates, Inc.

17.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Commercial Automobile Committee meeting of September 14, 2017. The Records have been distributed and are on file.

18.04 Servicing Carrier Service Levels Subcommittee

Mr. John Olivieri reported on the Subcommittee's meetings of November 9, 2017, January 23, 2018 and February 6, 2018. He noted that the Subcommittee unanimously approved updates to Rule 11.C. of the Rules of Operation and Chapter III – Servicing Carrier Responsibilities of the Manual of Administrative Procedures to incorporate procedures relative to Servicing Carrier requests for reimbursement of extraordinary expenses.

The modifications made to Rule 11.C.2. reflect the Subcommittee's discussion that the existing Rule language predates the commercial Servicing Carrier programs and emphasize the fact that the expenses being requested are of an extraordinary nature. Further, the updated language describes the requirement to ensure that requested expenses are in excess of the expenses anticipated when accepting the terms of the request for proposal, that the Servicing Carrier must petition the Governing Committee for relief and the expense must be actually paid before reimbursement. The Commercial Automobile

Committee unanimously voted to accept the recommendation of the Subcommittee to approve the proposed updates to Rule 11.C.2. and recommended their adoption by the Governing Committee.

The language added to Chapter III of the Manual of Administrative Procedures describes the procedure for requesting reimbursement of extraordinary expenses and the process for committee review. The process includes the appointment of an advisory committee to review and recommend requests for reimbursement including the form that should be used to initiate a petition for reimbursement of extraordinary expenses. Additionally, the language reflects a need for a Servicing Carrier to provide reasonable notification to CAR when it recognizes that it has encountered an extraordinary circumstance for which it intends to seek reimbursement. The Commercial Automobile Committee unanimously voted to accept the recommendation of the Subcommittee to approve the proposed updates to Section E. of Chapter III of the Manual of Administrative Procedures regarding the procedures for the request for reimbursement of extraordinary expenses and recommended their adoption by the Governing Committee.

18.05 Commercial Classification Subcommittee

Mr. Glenn Hiltbold reported on the Subcommittee's meetings of November 16, 2017 and December 14, 2017. He stated that the Subcommittee discussed the development of a class plan for private passenger type risks. However, the Subcommittee noted the extensive and costly effort that would be required by Servicing Carriers to collect data to support an initial rate filing, as well as the significant IT and statistical reporting resources that would be needed. It was also noted that the Commercial Residual Market Standards Subcommittee is currently discussing methods for developing consistent standards for Servicing Carrier underwriting of these risks. The Subcommittee recommended tabling discussion on this topic and reconvening after these efforts are more fully developed and implemented, if needed.

18.06 Commercial Automobile Residual Market Standards Subcommittee

Mr. John Olivieri reported on the Subcommittee's meetings of December 11, 2017, January 23, 2018 and February 6, 2018. He noted that the Subcommittee has begun addressing its compiled list of issues impacting the commercial residual market and is recommending to the Commercial Automobile Committee modification to the Principal Place of Business definition in Rule 2 – Definitions of the Rules of Operation.

The modifications made to Rule 2 incorporate the so-called nerve center test, which refers to the corporation's center of direction, control, and coordination in the determination of principal place of business in order to verify a risk's eligibility to be placed in the residual market. The Commercial Automobile Committee unanimously voted to accept the recommendation of the Subcommittee to approve the proposed modifications to the Principal Place of Business definition in Rule 2 and recommended their adoption by the Governing Committee.

Servicing Carriers were requested to provide CAR with examples of documentation they have considered acceptable to validate a risk's principal place of business and staff will summarize the information received in order to draft additional guidance to Servicing Carriers and producers. Mr. Olivieri noted that the Subcommittee will continue to discuss the remaining issues on the list after compiling additional information from the Servicing Carriers and reviewing research requested of CAR staff. Finally, he noted that the Subcommittee is in the process of reviewing the Rules in the Commercial Automobile Manual that staff has identified as containing ambiguous wording which may provide a Servicing Carrier with discretion in application of the Rule. He stated that the Subcommittee has no recommended modifications to the Manual at this time.

18.07 Distribution of Residual Market Books of Business

Arbella Protection Insurance Company has requested that the Committee pre-authorize CAR staff to perform a redistribution in the commercial residual market pursuant to Rule 13.C.2. which requires CAR to perform a quarterly review of the distribution of ceded commercial written premium and, if necessary, permits a redistribution of residual market books of business to maintain equity among the Servicing Carriers. Redistribution may occur 12 reporting months from the effective date of the previous distribution with the redistribution performed no sooner than 60 days from the date of the review. Mr. Dennis Morris of Arbella, Mr. Barry Tagen of Pilgrim, Mr. Brian Lam of Safety and Ms. Sarah Clemens of MAPFRE recused themselves from Committee discussion of this agenda item.

Ms. Roberta Fitzpatrick, representing Arbella, referred to Arbella's request for a redistribution to maintain equity in the ceded commercial market and noted that the imbalance existing in the distribution of ceded premium among the Servicing Carriers has left Arbella significantly undersubscribed for well over a year. She noted that the effective date of the last premium redistribution was January 1, 2017 and that 12 reporting months of data will be available as of February 15, 2018 when the December 2017 shipment is due. Ms. Fitzpatrick requested that the Committee consider Arbella's request to direct CAR to comply with the schedule presented in her letter dated January 19, 2018 which was attached to the Notice of Meeting. The schedule includes staff review of commercial ceded premium after the reporting of the data due on February 15, 2018 and if a disproportionate distribution of written premium among the Servicing Carriers is confirmed, perform the redistribution so as to provide equity among Servicing Carriers and ensure the least disruption possible to producers and consumers. Specifically, Arbella proposed that notice be provided to all impacted parties by March 1, 2018 and the redistribution of books of business be for policies effective no later than 60 days following the review, approximately May 1, 2018.

Responding to questions from the Committee relative to the redistribution process, Ms. Natalie Hubley indicated that CAR makes as few changes as possible to restore equity, taking into consideration agency affiliations and keeping reassignments to a minimum. She noted that typically a redistribution is performed for policies effective 90 days from review of the data so the Committee would also need to consider the timing aspect of Arbella's request.

Discussion ensued relative to how equity should be measured with the members referencing the documentation distributed by staff which demonstrated differences among Servicing Carriers based upon how premium is distributed and expenses are allocated. It was suggested that in the future the Committee may want to discuss whether there exists more appropriate methods for achieving equity among Servicing Carriers, such as using exposure instead of premium when reviewing books of business consistent with the method for allocating expense dollars. However, for the purposes of the Arbella request, the Committee agreed that it would be appropriate to proceed with the redistribution based upon premium as this is specifically contemplated under Rule 13.C.2.

The Committee agreed that there exists a clear inequity among Servicing Carriers that needs to be addressed and that any redistribution effort should attempt to attain equity by causing the least disruption as possible. A motion was made to move forward with redistribution per Arbella's request using data received by February 15, 2018, for notification to all impacted agencies and Servicing Carriers by March 1, 2018. The methodology in place today should be used and the redistribution should have an effective date of not more than 90 days subsequent to the notification and should cause the least amount of disruption as possible. The motion failed with vote of two in favor and two opposed. Those opposed expressed interest in knowing the number of producers that would be impacted and felt that more information was needed to identify what was driving the numbers before recommending a redistribution.

Accordingly, staff was directed to use current premium volumes to prepare data by March 1, 2018 for Committee review at a subsequent meeting in March 2018. The number of agencies impacted should

be identified and the Committee would make its recommendation to the Governing Committee at its April meeting with a potential effective date of July 1, 2018.

18.08 Commercial Servicing Carrier Annual Report

The Committee tabled discussion on this item until its next meeting.

MARIAN ADGATE
Corporate Documentation Specialist

Boston, Massachusetts
February 13, 2018

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Rule 11 | **Assessments and Participation**
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C. Settlement of Balances

1. CAR will issue quarterly summaries to all Members reflecting their cumulative balances. However, CAR will settle the cumulative balances relating to the current policy year following the close of the third quarter of the calendar year, or at a later date if so determined by the Governing Committee.
2. The Governing Committee, subject to the approval of the Commissioner, may ~~offer or allow~~ authorize reimbursement of a Servicing Carrier ~~reimbursement~~ in whole or in part for a specific extraordinary expense incurred in qualifying for, ~~continuing serving~~ as, or ceasing to be, a Servicing Carrier. The Servicing Carrier must petition the Governing Committee for such relief and the expense must be actually incurred before reimbursement. Such expense must be explained by the Servicing Carrier and supported in such detail as required by the Governing Committee ~~and must be shown to be, and must be in its judgment~~ an expense that is significantly in excess of the normal additional expense expected to be incurred by the Servicing Carrier such that the expense could not have been reasonably contemplated by the Servicing Carrier in its acceptance of the terms of CAR's request for proposal for the current service period, and must be actually incurred before reimbursement. ~~The Servicing Carrier must petition the Governing Committee for such relief.~~
3. The Governing Committee, subject to the approval of the Commissioner, may authorize reimbursement of Servicing Carriers for normal insurance business losses incurred in connection with CAR business. Such normal business losses shall be defined and designated by the Governing Committee but shall not include any loss or expense incurred as a result of fraud or dishonesty on the part of a Servicing Carrier's claims personnel including, but not limited to, independent adjusters and agents, and each Servicing Carrier shall hold CAR harmless from and reimburse it for any such loss or expense charged. The Servicing Carrier must petition the Governing Committee for such relief.

E. Request for Reimbursement of Extraordinary Expenses from Commercial Automobile or Taxi and Limousine Servicing Carrier Programs

A Servicing Carrier may be reimbursed in whole or in part for a specific extraordinary expense incurred in qualifying for, serving as, or ceasing to be a Servicing Carrier. The Servicing Carrier must petition CAR for such relief and the expense must be actually incurred before reimbursement. Such expense must be explained by the Servicing Carrier in such detail as is requested and establish that the expense is significantly in excess of the normal additional expense expected to be incurred by the Servicing Carrier in acceptance of the terms of CAR's request for proposal for the current service period.

1. Reimbursement Considerations

An advisory committee will be appointed to review a Servicing Carrier's petition for reimbursement and will make a recommendation to CAR's Governing Committee as to whether or not the Servicing Carrier qualifies for the reimbursement it requested or some portion thereof. Reimbursement of an extraordinary expense will be reviewed on an individual case basis.

2. Procedures

a. Request for Reimbursement

A Servicing Carrier must provide CAR with timely and reasonable notification that it is seeking reimbursement of extraordinary expenses involved in a matter it deems to be significantly in excess of costs that were reasonably anticipated in the expense allowance provision for the current Servicing Carrier program.

The Servicing Carrier must complete a Request for Reimbursement of Extraordinary Expenses form (Exhibit III-E-1) with a copy sent to the Commissioner of Insurance. The following additional information must also be provided:

- 1) A summary of the request.
- 2) A detailed description of the issue(s) directly responsible for the request and why the petitioner deems its efforts as being extraordinary, i.e. why the effort/expense is considered to be outside of the scope of services accepted by the carrier in response to CAR's Request for Proposal for Commercial

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Automobile or Taxi and Limousine Servicing Carrier Appointment.

- 3) A background of events, in chronological order, leading up to the request, including pertinent correspondence and documentation between the company(s), producer(s) and/or any other involved entity.
- 4) A summary of efforts undertaken by the Servicing Carrier to mitigate the impact to the residual market.
- 5) A detailed accounting of any incurred expenses directly related to the residual market issue by company employees and/or contracted other service providers utilized by the company on a regular or routine basis that are alleged to be extraordinary. Provide detailed explanations as to why these efforts/costs are deemed to be significant and extraordinary.
- 6) An explanation for the need of any outside business, legal or other service provider contracted to specifically address resolution of the issue(s) along with the anticipated costs and an accounting of any expenses already incurred that are directly related to the issue presented by the Servicing Carrier.
- 7) Confirmation that the Commissioner of Insurance has been copied on the request.

b. Advisory Committee Review

The appointed advisory committee will be charged with determining whether or not the Servicing Carrier had diligently used usual and customary procedures for managing residual market business, including effective oversight of agency/company business submissions (underwriting, loss control, etc.) and whether the company diligence was timely in addressing issues that may have otherwise held costs to lower amounts. The petitioning Servicing Carrier must demonstrate that it qualifies for relief and address why the expected and/or incurred extraordinary costs were not anticipated in the Servicing Carrier's acceptance of the service terms and the expense allowance provision resulting from Servicing Carrier selection process. The committee's presumption prior to review of the request will be that expense allowance expectations for residual market business were intended to be at a level that would anticipate and require a higher level of management versus voluntary business.

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A decision to authorize reimbursement and the amount of reimbursement will not be based solely on whether the Servicing Carrier's efforts were justified but also on whether the efforts are deemed to have been extraordinary and the company took appropriate steps to mitigate negative impact to the residual market.

The advisory committee will require any level of detail it may deem necessary to support the amount of the requested reimbursement. The Servicing Carrier bears the burden of providing adequate documentation and justification for all requested expense amounts. The committee may recommend an "expense not to exceed" in order that the company may move forward in its efforts to act in the best interest of the residual market and the motoring public. Reimbursable expenses must be already paid, directly related to the residual market issue, and quantifiable and verifiable prior to reimbursement and are subject to the further approval required in 2.d. and 2.e. of this Section.

c. CAR Review of an Approved Expense Reimbursement

To the extent that clarification or revision of the original requested reimbursement amount occurs as a result of advisory committee deliberations, CAR staff will verify that all documentation supports the recommended reimbursement amounts pursuant to the committee discussion.

d. Governing Committee and Commissioner of Insurance Approval

The Governing Committee will consider whether to authorize reimbursement of all or any part of the amount requested. Any decision by CAR's Governing Committee to approve reimbursement of extraordinary expenses, will be subject to the review and approval of the Commissioner of Insurance.

e. Reimbursement by CAR

After final approval by the Commissioner of Insurance, CAR staff will review final expense documentation to confirm compliance with the approved reimbursement amount and approved reimbursement payments will be processed as bulk adjustments to a Servicing Carrier's Settlement of Balances and the Governing Committee will be notified.

EXHIBIT III-E-1

COMMONWEALTH AUTOMOBILE REINSURERS		
REQUEST FOR REIMBURSEMENT OF EXTRAORDINARY EXPENSES COMMERCIAL AUTOMOBILE AND TAXI/LIMOUSINE SERVICING CARRIER PROGRAMS		
Company Name:		
Requestor/Contact Name:		Date:
Tel. #:	Fax #:	Email:
Signature:		
Total Requested Reimbursement Expense Amount:		
Reason For Reimbursement Request:		
Concisely summarize the reason(s) for your request(s) and provide an overview of the nature of your issue(s).		
<i>Please reference CAR's Manual of Administrative Procedures, Chapter III, Section E. for procedures and documentation requirements relative to a request for reimbursement of extraordinary expenses.</i>		
Scheduling of Review		
Upon receipt of a completed Request for Reimbursement of Extraordinary Expenses form, a hearing date will be established as coordinated by CAR with the petitioning party and the designated committee chair. After a date has been confirmed, CAR will issue a written Notice of Meeting in compliance with the Open Meeting Law.		
Submission of Written Information		
Any written materials to be considered by the designated committee must be submitted to CAR's Docket Clerk no later than 12:00 p.m., five business days prior to the scheduled meeting date. Timely submitted materials will be docketed by CAR and distributed to the committee as soon as practicable. Written materials submitted to CAR after 12:00 p.m. on the fifth business day prior to the scheduled meeting date will not be entered on the docket, but the submitting party may petition the committee directly for consideration of such materials. The committee has the discretion to determine whether such materials will be considered in its deliberations. If the committee allows such materials to be considered, the submitting party is expected to be prepared to provide a minimum of 25 copies at the meeting.		
<u>All document submissions must be in compliance with M.G.L. c. 93H and 201 CMR 17.00: Standards for the Protection of Personal Information of Residents of the Commonwealth (i.e. personal information, as defined, must be redacted). Any document submission determined to not be in compliance will result in the document being returned to the sender for correction and may impact its distribution to the reviewing committee.</u>		

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Rule 2 | **Definitions**
Revision Date | **2014.10.17**
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INSURER means any corporation, association, partnership or individual licensed to write Motor Vehicle Insurance in Massachusetts.

MANUAL OF ADMINISTRATIVE PROCEDURES (MAP) means the Manual of Administrative Procedures of CAR and does not include the Assigned Risk Company Procedures Manual or the Assigned Risk Producer Procedures Manual.

MEMBER means any Insurer which is licensed to write Motor Vehicle Insurance liability policies or bonds in Massachusetts and which is not an Inactive Member. Groups of companies under the same ownership and management will be treated as a single Member. Groups of companies under either the same ownership or management, but not both, may elect to be treated either separately or as a single Member.

MOTOR VEHICLE INSURANCE means direct insurance against injury or damage, including the legal liability therefore, arising out of the ownership, operation, maintenance or use of motor vehicles, including but not limited to bodily injury liability insurance, personal injury protection insurance, property damage liability insurance, physical damage insurance, medical payments insurance, uninsured/underinsured motorists insurance and towing and labor insurance.

PERSON means a natural person, firm, co-partnership, association, corporation, government or agency thereof.

PLAN OF OPERATION or PLAN means the Plan of Operation of CAR prepared pursuant to G.L. c. 175, §113H.

PRINCIPAL PLACE OF BUSINESS, as it applies to the definition of an Eligible Risk, is defined as the chief or usual place of business. It is the ~~head office; corporation's nerve center, its center of direction, control, and coordination,~~ the place where the principal officers generally transact business, and the place to which reports are made and from which orders emanate. It is ~~also~~ the place where the majority of executive and administrative corporate functions are performed. ~~It is where executive offices are located and corporate decisions are made.~~

The burden of proof with regard to the location of the Principal Place of Business, consistent with the definition as stated above, lies with the applicant who seeks to qualify as an Eligible Risk.

Commercial Servicing Carrier Program Premium Distribution and Expense Allocation

I. Written Premium for Policy Year 2017 @ December 2017

	Arbella	MAPFRE	Pilgrim	Safety	Total
TTT	14,434,224	21,187,157	11,571,296	22,076,509	69,269,186
Zone Rated TTT	645,661	3,281,423	6,659,934	5,503,570	16,090,588
PPT Fleet	842,272	1,180,599	675,520	882,644	3,581,035
PPT Non-Fleet	4,392,955	3,449,043	1,136,447	11,130,575	20,109,020
Garage - Liability Only	2,172,473	2,901,031	2,027,119	3,057,795	10,158,418
Other Buses/Van Pools	7,165,328	8,648,944	13,158,356	5,544,651	34,517,279
Zone Rated Buses	1,130,873	311,405	4,530,716	3,272,109	9,245,103
Special Types/Moto	2,386,059	1,560,683	885,487	1,946,656	6,778,885
Total	33,169,845	42,520,285	40,644,875	53,414,509	169,749,514
Percent of Total	19.5%	25.0%	23.9%	31.5%	

II. PDL Exposure for Policy Year 2017 @ December 2017

	Arbella	MAPFRE	Pilgrim	Safety	Total
TTT	4,918	6,109	3,558	7,442	22,027
Zone Rated TTT	105	749	1,350	1,127	3,331
PPT Fleet	287	411	266	328	1,292
PPT Non-Fleet	3,318	2,351	616	6,557	12,843
Garage - Liability Only	790	984	752	992	3,518
Other Buses/Van Pools	1,711	1,964	3,764	1,317	8,757
Zone Rated Buses	149	40	635	337	1,161
Special Types/Moto	514	566	405	589	2,075
Total	11,792	13,174	11,347	18,689	55,003
Percent of Total	21.4%	24.0%	20.6%	34.0%	

III. Expense @ \$396 per exposure

	Arbella	MAPFRE	Pilgrim	Safety	Total
TTT	1,947,530	2,419,120	1,408,882	2,946,997	8,722,528
Zone Rated TTT	41,446	296,636	534,794	446,156	1,319,032
PPT Fleet	113,746	162,717	105,332	129,818	511,613
PPT Non-Fleet	1,313,849	931,142	243,994	2,596,687	5,085,672
Garage - Liability Only	312,771	389,561	297,987	392,759	1,393,079
Other Buses/Van Pools	677,746	777,728	1,490,662	521,650	3,467,787
Zone Rated Buses	59,135	15,773	251,525	133,351	459,785
Special Types/Moto	203,572	224,263	160,375	233,400	821,610
Total	4,669,796	5,216,941	4,493,552	7,400,817	21,781,106
	21.4%	24.0%	20.6%	34.0%	

*Note: All data excludes classes that do not report exposures on a car year basis.

Commercial Servicing Carrier Program
Premium by Class Type
Ceded Business (Car ID 4, 5)
Written Premium Based on Latest 12 Months Ending April 2016
Loss Ratio for Policy Year 2013-2015 Valued through March 2016
After Reassigned

<u>Class Type</u>	<u>Arbella Insurance Company</u>				<u>Commerce Insurance Company</u>			
	<u>Written Premium</u>	<u>Class WP %</u>	<u>1yr Loss Ratio</u>	<u>3yr Loss Ratio</u>	<u>Written Premium</u>	<u>Class WP %</u>	<u>1yr Loss Ratio</u>	<u>3yr Loss Ratio</u>
TTT	\$12,834,653	34.7%	43.0%	47.6%	\$16,505,619	44.7%	53.7%	60.7%
Zone Rated TTT	\$582,338	1.6%	78.0%	85.7%	\$2,876,018	7.8%	52.5%	76.3%
PPT Fleet	\$599,769	1.6%	75.5%	63.4%	\$972,156	2.6%	99.4%	72.0%
PPT Non-Fleet	\$10,400,075	28.2%	164.4%	146.8%	\$3,044,409	8.2%	152.2%	150.8%
Bus/Van Pools	\$7,604,522	20.6%	57.6%	48.7%	\$7,683,624	20.8%	64.3%	56.9%
A/O (ex Taxi / Limo)	\$4,918,236	13.3%	26.2%	49.0%	\$5,857,620	15.9%	41.6%	59.2%
Total	\$36,939,593		74.3%	70.4%	\$36,939,446		63.6%	68.3%
Market Share	25.0%				25.0%			
Agency Count	249				508			

<u>Class Type</u>	<u>Safety Insurance Company</u>				<u>Pilgram Insurance Company</u>			
	<u>Written Premium</u>	<u>Class WP %</u>	<u>1yr Loss Ratio</u>	<u>3yr Loss Ratio</u>	<u>Written Premium</u>	<u>Class WP %</u>	<u>1yr Loss Ratio</u>	<u>3yr Loss Ratio</u>
TTT	\$13,844,457	37.5%	58.9%	68.3%	\$9,644,854	26.1%	49.1%	62.2%
Zone Rated TTT	\$5,298,030	14.3%	38.6%	71.2%	\$5,805,381	15.7%	27.0%	43.0%
PPT Fleet	\$567,011	1.5%	38.9%	44.6%	\$691,887	1.9%	58.0%	45.9%
PPT Non-Fleet	\$3,821,378	10.3%	121.0%	112.3%	\$1,892,423	5.1%	99.7%	97.7%
Bus/Van Pools	\$7,171,412	19.4%	53.0%	96.2%	\$12,116,503	32.8%	69.1%	81.1%
A/O (ex Taxi / Limo)	\$6,236,939	16.9%	61.4%	85.6%	\$6,788,396	18.4%	64.1%	72.3%
Total	\$36,939,227		61.2%	81.2%	\$36,939,444		56.6%	68.3%
Market Share	25.0%				25.0%			
Agency Count	368				270			

<u>Class Type</u>	<u>Total</u>			
	<u>Written Premium</u>	<u>Class WP %</u>	<u>1yr Loss Ratio</u>	<u>3yr Loss Ratio</u>
TTT	\$52,829,583	35.8%	51.6%	59.8%
Zone Rated TTT	\$14,561,767	9.9%	37.5%	62.2%
PPT Fleet	\$2,830,823	1.9%	62.2%	69.8%
PPT Non-Fleet	\$19,158,285	13.0%	147.0%	133.3%
Bus/Van Pools	\$34,576,061	23.4%	71.2%	58.0%
A/O (ex Taxi / Limo)	\$23,801,191	16.1%	47.4%	66.7%
Total	\$147,757,710		64.0%	72.0%

Commercial Servicing Carrier Program

Outline of Agency Reassignment Procedures

1. No Producer will be moved more than once in a three year period, unless the movement is unavoidable.
2. Producer reassignments will be made to equalize the total written premium for the Servicing Carriers.
3. Agency Affiliations will be kept together and assigned to the same Servicing Carrier.
4. The producer will be assigned to the Servicing Carrier that it already has a voluntary contract with, if possible. If multiple relationships exist, the producer will be assigned to the Servicing Carrier with the greatest amount of business with the producer.
5. When possible, loss ratio and premium distribution by class will be taken into consideration.

Measurement of Equity

1. Written Premium vs Exposure
2. Distribution by Class