



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110
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NOTICE OF MEETING

GOVERNING COMMITTEE

A meeting of the Governing Committee will be held at the Automobile Insurers Bureau Conference Center at 101 Arch Street, 7th Floor, Boston, on

WEDNESDAY, FEBRUARY 12, 2020 AT 10:30 A.M.

MEMBERS OF THE COMMITTEE

Mr. Thomas C. DePaulo – Chair
Cabot Risk Strategies, LLC

Ms. Pamela L. Bodenstab-Krynicky	P.L. Krynicky Insurance Agency, Inc.
Ms. Elizabeth B. Brodeur	Safety Insurance Company
Mr. Christopher D. Dupill	EM Freedman Insurance Agency, Inc.
Ms. Gail Eagan	Arbella Insurance Group
Ms. Paula W. Gold	Plymouth Rock Assurance Corporation
Mr. Thomas A. Harris	Quincy Mutual Group
Mr. John V. Kelly	MAPFRE U.S.A. Corporation
Mr. M. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Ms. Kellie A. Thibodeau	The Hanover Insurance Company
Ms. Meredith M. Woodcock	Liberty Mutual Group

AGENDA

GC

19.01 Transcript of Previous Meeting

The Transcript of the Governing Committee meeting of November 20, 2019 should be read and approved.

GC

20.03 CAR Conflict of Interest Policy

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

GC

20.04 President's Report

Commonwealth Automobile Reinsurers' President will report on matters affecting CAR.

GC

20.05 Counsel's Report

Commonwealth Automobile Reinsurers' counsel will report on pending litigation, CAR Rule changes and any other matters relevant to legal issues at CAR.

GC

19.12 Loss Reserving Committee

The Governing Committee will hear the report of the Loss Reserving Committee meeting of December 4, 2019.

A Summary of the Loss Reserving Committee meeting of December 4, 2019 is attached. (Docket #GC19.12, Exhibit #4)

The Records of the Loss Reserving Committee meeting of December 4, 2019 have been distributed and are on file.

GC

19.17 Joint Actuarial Commercial Lines Committee

The Governing Committee will hear the report of the Joint Actuarial Commercial Lines Committee meeting of December 18, 2019.

The Records of the Joint Actuarial Commercial Lines Committee meeting of December 18, 2019 are attached. (Docket #GC19.17, Exhibit #5)

The Records of the Joint Actuarial Commercial Lines Committee meeting of December 18, 2019 have been distributed and are on file.

GC

20.06 Commercial Automobile Committee

The Governing Committee will hear the reports of the Commercial Automobile Committee meetings of December 5, 2019 and January 9, 2020.

The Records of the Commercial Automobile Committee meetings of December 5, 2019 and January 9, 2020 are attached. (Docket #GC20.06, Exhibits #1 and #2)

The Records of the Commercial Automobile Committee meetings of December 5, 2019 and January 9, 2020 have been distributed and are on file.

GC

20.07 Compliance and Operations Committee

The Governing Committee will hear the report of the Compliance and Operations Committee meeting of January 29, 2020.

The Records of the Compliance and Operations Committee meeting of January 29, 2020 will be distributed as additional information prior to the meeting.

GC

20.08 Financial Audit Committee

The Governing Committee will hear the report of the Financial Audit Committee meeting of February 4, 2020.

The Records of the Financial Audit Committee meeting of February 4, 2020 will be distributed as additional information prior to the meeting.

GC

20.09 Personnel Committee

The Governing Committee will hear the report of the Personnel Committee meeting of February 4, 2020.

The Records of the Personnel Committee meeting of February 4, 2020 will be distributed as additional information prior to the meeting.

Other Business

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

Executive Session

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

NATALIE A. HUBLEY
President

Attachments

Boston, Massachusetts
January 29, 2020



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110
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SUMMARY OF MEETING

LOSS RESERVING COMMITTEE – DECEMBER 4, 2019

Ms. Lynellen Ramirez – Chair
Mr. Michael Lombardi ⁽¹⁾
Ms. Alyssa Potter
Ms. Melissa Vaughn ⁽²⁾

Arbella Insurance Group
MAPFRE U.S.A. Corporation
The Hanover Insurance Company
Safety Insurance Company

Substituted for:

⁽¹⁾ Mr. Warren Ehrlich

⁽²⁾ Mr. Glenn Hiltbold

19.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Loss Reserving Committee meeting of September 4, 2019. The Records have been distributed and are on file.

19.04 Quality of Current Quarter Reporting

The Committee was advised that nine Bodily Injury (BI) large loss claims and one Property Damage Liability (PDL) claim were referred this quarter to CAR's Compliance Audit Department for additional information and verification of the reported statistics. These claims, impacting policy years 2017-2019, either were newly reported, experienced large upward or downward reserve changes, or were paid in excess of the prior quarter reserve.

The Committee reviewed large loss reports for all large losses reported for policy years 2010-2019 as of September, 2019. During the current quarter, five new claims ranging from policy years 2013 through 2019 with losses greater than \$1.0 million were reported. The reports are attached, pages 5-9. Page 9 provides a summary of the change in large losses from the prior quarter.

The Committee also reviewed a summary report of 14 large losses that were reported using the new Large Loss Notification Form. This form is required by Servicing Carriers to notify CAR of an accident involving a commercial ceded insured within ten business days of becoming aware of a potential large loss liability for the pool. The Committee discussed the report, and agreed that more time was needed to understand how the report will be able to be used in the future. The Committee commented that the report provides an initial estimate of potentially large losses, but the reporting is done so early in the discovery process that initial estimates are subject to significant fluctuation. The Committee will continue to monitor this report on a quarterly basis in an effort to gain insight into the differences in the initial estimate versus the statistical reporting patterns, so that the information can be used to assist the Committee in making its ultimate loss projections. This report is attached, page 10.

19.06 Policy Year Deficit and Loss Ratio Report

The Committee set loss and loss adjustment expense reserves, using data through September, 2019.

The Committee estimated a policy year 2017 commercial deficit of \$26.7 million with a loss ratio of 89.6 percent, similar to the prior quarter.

The Committee estimated a policy year 2018 commercial deficit of \$42.3 million with a loss ratio of 98.2 percent, representing a \$6.8 million deterioration from the prior quarter's deficit of \$35.5 million. This is due primarily to an overall increase in reported losses including one \$5.0 million CSL bus claim, two \$1.0 million CSL claims. Policy Year 2018 includes a total of 4 bus claims reserved at the \$5.0 million CSL, and 9 additional claims reserved at the 1.0 M CSL.

The Committee estimated a policy year 2019 commercial deficit of \$41.2 million with a loss ratio of 97.9 percent. This is the first ultimate deficit projection for 2019. There is currently one significant large loss reserved at \$1.5 million CSL. Initial reported loss patterns suggest a higher loss ratio in 2019, compared to 2018. However, due to that the immaturity of the data, the range of loss projections varies significantly with different projection methods, making a selection more difficult. Therefore, the Committee tempered the current quarter's loss ratio, resulting in a policy year 2019 selection that is similar to policy year 2018.

Ultimate loss ratio and deficit projections for policy years 2017-2019 are attached as pages 11-12.

The following summary displays the policy year results from the December 4, 2019 meeting:

Policy Year Results

Total AO

PY	Loss & Allocated Loss Adjustment Expense (000)					Number of Open Claims
	Earned Premium(000)	Paid	Case Outstanding	IBNR	Held Ultimate	
2010	91,820	67,936	3	-1	67,938	1
2011	88,954	71,239	77	63	71,379	5
2012	95,070	76,728	1,164	-7	77,885	8
2013	110,512	94,867	3,051	422	98,340	32
2014	127,937	94,293	6,214	-186	100,321	63
2015	151,439	117,154	14,495	3,153	134,802	150
2016	169,141	118,945	42,175	10,050	171,170	550
2017	182,602	97,974	40,877	24,752	163,603	1,168
2018	189,156	76,503	75,414	33,769	185,686	3,506
2019 @ 9 mos	56,197	12,466	16,070	26,460	54,996	1,677
Total	1,262,828	828,105	199,540	98,475	1,126,120	7,160

Change in Ultimate Loss

PY	Current Quarter			Prior Quarter			Difference	
	Ultimate Loss(000)	Earned Prem(000)	Loss Ratio	Ultimate Loss(000)	Earned Prem(000)	Loss Ratio	Ultimate Loss(000)	Loss Ratio
2010	67,938	91,820	74.0%	68,088	91,820	74.2%	-150	-0.2%
2011	71,379	88,954	80.2%	71,380	88,954	80.2%	-1	0.0%
2012	77,885	95,070	81.9%	77,872	95,070	81.9%	13	0.0%
2013	98,340	110,512	89.0%	98,822	110,512	89.4%	-482	-0.5%
2014	100,321	127,937	78.4%	100,198	127,937	78.3%	123	0.1%
2015	134,802	151,439	89.0%	135,376	151,439	89.4%	-574	-0.4%
2016	171,170	169,141	101.2%	171,270	169,141	101.3%	-100	-0.1%
2017	163,603	182,602	89.6%	163,750	182,621	89.7%	-147	-0.1%
2018	185,686	189,156	98.2%	161,323	171,036	94.3%	24,363	4.1%
2019	54,996	56,197	97.9%	21,958	24,571	89.4%	33,038	9.5%
Total	1,126,120	1,262,828	89.2%	1,070,037	1,213,101	88.2%	56,083	1.1%

The following summary displays the accident year results from the December 4, 2019 meeting:

Accident Year Results

Total AO

<u>CAL/AY</u>	<u>Loss & Allocated Loss Adjustment Expense (000)</u>					<u>Number of Open Claims</u>
	<u>Earned Premium(000)</u>	<u>Paid</u>	<u>Case Outstanding</u>	<u>IBNR</u>	<u>Held Ultimate</u>	
2010	95,938	74,111	3	(1)	74,113	1
2011	88,176	74,794	2	63	74,859	1
2012	91,576	65,547	280	(7)	65,820	7
2013	102,216	79,711	1,602	76	81,389	22
2014	117,843	98,033	4,239	196	102,468	32
2015	140,066	103,014	7,139	56	110,209	99
2016	160,225	128,721	27,000	5,632	161,353	251
2017	175,270	106,543	46,104	14,773	167,420	883
2018	189,524	91,172	60,332	25,624	177,128	1,944
2019 @ 9 mos	148,527	41,945	52,837	52,063	146,845	3,926
Total	1,309,361	863,591	199,538	98,475	1,161,604	7,166

Change in Ultimate Loss

	<u>Current Quarter</u>			<u>Prior Quarter</u>			<u>Difference</u>	
	<u>Ultimate Loss(000)</u>	<u>Earned Prem(000)</u>	<u>Loss Ratio</u>	<u>Ultimate Loss(000)</u>	<u>Earned Prem(000)</u>	<u>Loss Ratio</u>	<u>Ultimate Loss(000)</u>	<u>Loss Ratio</u>
2010	74,113	95,938	77.3%	74,262	95,938	77.4%	(149)	-0.1%
2011	74,859	88,176	84.9%	74,851	88,176	84.9%	8	0.0%
2012	65,820	91,576	71.9%	65,814	91,576	71.9%	6	0.0%
2013	81,389	102,216	79.6%	81,867	102,216	80.1%	(478)	-0.5%
2014	102,468	117,843	87.0%	102,325	117,843	86.8%	143	0.2%
2015	110,209	140,066	78.7%	110,690	140,066	79.0%	(481)	-0.3%
2016	161,353	160,225	100.7%	161,588	160,225	100.9%	(235)	-0.2%
2017	167,420	175,270	95.5%	167,520	175,271	95.6%	(100)	-0.1%
2018	177,128	189,524	93.5%	174,864	189,564	92.2%	2,264	1.3%
2019	146,845	148,527	98.9%	91,752	98,758	92.9%	55,093	6.0%
Total	1,161,604	1,309,361	88.7%	1,105,533	1,259,633	87.8%	56,071	0.9%

SHANNON CHIU
Actuarial/Statistical Analyst

Boston, Massachusetts
January 29, 2020

Loss Reserving Committee Executive Summary – Attachments

<u>Report Name</u>	<u>Page(s)</u>
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Commonwealth Automobile Reinsurers
Large Loss Detail By Policy Year (Large Losses \$1.0 Million and Greater)

Data Reported Through September, 2019

Row	Eff Yr	Liab Lim	Lim Id	Accdt Year	Clim	Class Desc	ITD Paid Loss	Current Reserve	ALAE ITD	ITD Total Loss	Prior Reserves	Prior Qtr Tot Loss	Change Tot Loss	PIP Loss	State	Qtr First > \$1.0M	First Rptd
1	19	1.5 M	CSL	2019	5	Bus & Van Pool	19,753	1,512,780	1,125	1,533,658	0	0	1,533,658	33,158	Out Of State	3Q 2019	3Q 2019
							19,753	1,512,780	1,125	1,533,658	0	0	1,533,658	33,158			
1	18	1.0 M	CSL	2018	4	TTT	107,670	987,283	45,001	1,139,954	767,000	919,671	220,283	0	Out Of State	3Q 2019	2Q 2018
2	18	1.0 M	CSL	2018	7	TTT	948,019	230,461	30,003	1,208,483	230,461	1,208,483	0	0	Out Of State	4Q 2018	4Q 2018
3	18	1.0 M	CSL	2019	2	Non-Owned & Special Rating	0	1,000,000	20,002	1,020,002	1,000,000	1,020,001	1	0	Out Of State	1Q 2019	1Q 2019
4	18	1.0 M	CSL	2019	2	TTT	1,079,123	0	0	1,079,123	0	1,072,231	6,892	0	Out Of State	1Q 2019	1Q 2019
5	18	1.0 M	CSL	2019	1	Garage	0	1,000,000	0	1,000,000	1,000,000	1,000,000	0	0	MA	2Q 2019	2Q 2019
6	18	1.0 M	CSL	2019	14	Zone Rated TTT	0	1,000,000	3,885	1,003,885	1,000,000	1,000,000	3,885	0	Out Of State	2Q 2019	2Q 2019
7	18	1.0 M	CSL	2018	2	TTT	34,184	1,008,000	29	1,042,213	1,008,000	1,008,029	34,184	8,000	MA	4Q 2018	4Q 2018
8	18	1.0 M	CSL	2018	8	Bus & Van Pool	90,588	940,428	42,115	1,073,131	160,928	247,722	825,409	82,810	Out Of State	3Q 2019	4Q 2018
9	18	1.0 M	CSL	2018	4	TTT	0	1,000,000	50,205	1,050,205	1,000,000	1,050,205	0	0	MA	4Q 2018	4Q 2018
10	18	5.0 M	CSL	2019	57	Bus & Van Pool	599,822	5,107,395	162,050	5,869,267	5,289,840	5,725,857	143,410	391,368	Out Of State	1Q 2019	1Q 2019
11	18	5.0 M	CSL	2018	1	Bus & Van Pool	0	5,003,500	50,125	5,053,625	5,003,500	5,053,625	0	3,625	Out Of State	1Q 2019	4Q 2018
12	18	5.0 M	CSL	2019	4	Bus & Van Pool	0	5,000,000	125,093	5,125,093	0	0	5,125,093	0	Out Of State	3Q 2019	3Q 2019
13	18	5.0 M	CSL	2018	64	Bus & Van Pool	439,714	4,993,091	266,963	5,699,768	4,998,550	5,645,747	54,021	613,358	Out Of State	2Q 2018	2Q 2018
							3,299,120	27,270,158	795,471	31,364,749	21,458,279	24,951,571	6,413,178	1,099,161			
1	17	1.0 M	CSL	2017	8	TTT	1,136,433	0	3,762	1,140,195	0	1,140,195	0	4,100	MA	4Q 2017	3Q 2017
2	17	1.0 M	CSL	2018	1	Garage	7,432	1,000,000	52,993	1,060,425	1,000,000	1,059,177	1,248	7,432	MA	4Q 2018	3Q 2018
3	17	1.0 M	CSL	2018	6	Zone Rated TTT	123,834	950,000	47,500	1,121,334	950,000	1,121,334	0	0	Out Of State	4Q 2018	2Q 2018
4	17	1.0 M	CSL	2018	6	TTT	2,718	1,000,000	106,435	1,109,153	1,000,000	1,103,200	5,953	2,783	MA	2Q 2019	1Q 2018
5	17	1.0 M	CSL	2017	1	Non-Owned & Special Rating	1,000,000	0	3,456	1,003,456	0	1,003,456	0	0	Out Of State	1Q 2018	4Q 2017
6	17	1.0 M	CSL	2017	2	Bus & Van Pool	20,493	1,000,000	26	1,020,519	1,000,000	1,020,519	0	0	MA	3Q 2017	3Q 2017
7	17	1.0 M	CSL	2018	1	TTT	0	1,003,500	50,125	1,053,625	1,003,500	1,053,625	0	3,625	MA	4Q 2018	4Q 2018
8	17	5.0 M	CSL	2017	6	Bus & Van Pool	116,888	1,035,000	55,817	1,207,705	1,035,000	1,207,705	0	8,027	Out Of State	4Q 2018	4Q 2017
9	17	1.0 M	CSL	2018	2	TTT	0	1,000,000	15,000	1,015,000	1,000,000	1,015,000	0	0	MA	3Q 2018	2Q 2018
10	17	1.0 M	CSL	2017	1	TTT	8,175	999,825	150,000	1,158,000	999,825	1,158,000	0	8,000	MA	4Q 2017	2Q 2017
							2,415,973	7,988,325	485,114	10,889,412	7,988,325	10,882,211	7,201	33,967			

Commonwealth Automobile Reinsurers
Large Loss Detail By Policy Year (Large Losses \$1.0 Million and Greater)
Data Reported Through September, 2019

Row	Eff Yr	Liab Lim	Lim Id	Accdt Year	Clim	Class Desc	ITD Paid Loss	Current Reserve	ALAE ITD	ITD Total Loss	Prior Reserves	Prior Qtr Tot Loss	Change Tot Loss	PIP Loss	State	Qtr First > \$1.0M	First Rptd
1	16	1.0 M	CSL	2017	3	Garage	8,000	1,000,000	30,004	1,038,004	1,000,000	1,030,004	8,000	8,000	Out Of State	1Q 2018	2Q 2017
2	16	5.0 M	CSL	2016	1	Bus & Van Pool	5,000,000	0	51,479	5,051,479	0	5,050,517	962	0	Out Of State	3Q 2016	3Q 2016
3	16	1.0 M	CSL	2017	2	Non-Owned & Special Rating	1,000,000	0	17	1,000,017	0	1,000,017	0	0	Out Of State	3Q 2017	2Q 2017
4	16	5.0 M	CSL	2017	4	Bus & Van Pool	50,031	2,004,785	71,293	2,126,109	2,004,785	2,126,109	0	55,122	Out Of State	4Q 2018	2Q 2017
5	16	1.0 M	CSL	2016	3	Zone Rated TTT	999,999	0	39,530	1,039,529	976,906	1,056,957	-17,428	0	Out Of State	3Q 2018	4Q 2016
6	16	5.0 M	CSL	2017	27	Bus & Van Pool	507,816	5,565,570	250,612	6,323,998	5,565,570	6,322,197	1,801	72,935	Out Of State	4Q 2017	3Q 2017
7	16	5.0 M	CSL	2016	1	Bus & Van Pool	0	3,000,000	184,999	3,184,999	3,000,000	3,185,000	-1	0	MA	4Q 2018	4Q 2016
8	16	1.0 M	CSL	2016	2	Non-Owned & Special Rating	1,000,000	0	45	1,000,045	0	1,000,045	0	0	Not Reported	1Q 2017	3Q 2016
9	16	1.0 M	CSL	2016	10	TTT	232,452	787,048	75,952	1,095,452	787,048	1,087,584	7,868	0	MA	2Q 2018	4Q 2016
10	16	1.0 M	CSL	2017	4	TTT	128,248	853,600	49,358	1,031,206	850,000	1,025,128	6,078	0	MA	1Q 2019	1Q 2017
11	16	1.0 M	CSL	2016	1	PPT Fleet	50,000	1,000,000	117,373	1,167,373	1,000,000	1,162,618	4,755	50,025	Out Of State	4Q 2016	3Q 2016
12	16	1.0 M	CSL	2016	4	Non-Owned & Special Rating	0	1,000,002	134,742	1,134,744	1,000,002	1,127,586	7,158	0	Not Reported	4Q 2017	3Q 2017
13	16	5.0 M	CSL	2017	39	Bus & Van Pool	363,349	1,035,271	91,544	1,490,164	1,160,271	1,669,115	-178,951	187,605	Out Of State	3Q 2017	2Q 2017
14	16	5.0 M	CSL	2017	12	Bus & Van Pool	135,983	776,494	155,193	1,067,670	776,494	1,042,670	25,000	45,901	Out Of State	4Q 2018	3Q 2017
15	16	1.0 M	CSL	2017	17	Garage	10,100	1,000,000	241,734	1,251,834	1,000,000	1,222,034	29,800	0	MA	2Q 2017	2Q 2017
16	16	1.5 M	CSL	2016	4	Bus & Van Pool	1,489,087	19,348	58,201	1,566,636	19,953	1,566,636	0	50,250	Out Of State	2Q 2017	2Q 2016
17	16	1.0 M	CSL	2017	15	Garage	0	1,000,000	1,500	1,001,500	1,000,000	1,001,500	0	0	MA	2Q 2017	2Q 2017
18	16	1.0 M	CSL	2016	2	TTT	2,773	1,000,000	100,000	1,102,773	1,000,000	1,087,773	15,000	0	Out Of State	3Q 2018	3Q 2016
19	16	1.0 M	CSL	2017	30	TTT	59,074	785,545	207,550	1,052,169	778,693	1,035,317	16,852	0	Out Of State	1Q 2019	1Q 2017
							11,036,912	20,827,663	1,861,126	33,725,701	21,919,722	33,798,807	-73,106	469,838			
1	15	1.0 M	CSL	2016	2	TTT	1,016,000	0	12,957	1,028,957	0	1,028,957	0	16,000	MA	4Q 2016	4Q 2016
2	15	5.0 M	CSL	2016	76	Bus & Van Pool	5,560,090	38,062	923,685	6,521,837	38,062	6,521,837	0	322,530	Out Of State	4Q 2016	1Q 2016
3	15	1.0 M	CSL	2016	3	TTT	14,288	985,711	33,029	1,033,028	985,711	1,018,850	14,178	0	Out Of State	1Q 2018	2Q 2017
4	15	5.0 M	CSL	2016	29	Non-Owned & Special Rating	4,054,198	945,802	149,997	5,149,997	945,802	5,149,997	0	0	Out Of State	2Q 2018	4Q 2016
5	15	5.0 M	CSL	2016	4	Non-Owned & Special Rating	1,824,935	0	146,584	1,971,519	0	1,971,519	0	0	MA	1Q 2016	1Q 2016
6	15	1.0 M	CSL	2016	2	TTT	0	1,000,001	52,178	1,052,179	1,000,001	1,050,001	2,178	0	Out Of State	1Q 2019	2Q 2016
7	15	1.0 M	CSL	2016	3	Zone Rated TTT	1,001,356	0	172,598	1,173,954	0	1,172,830	1,124	0	Out Of State	4Q 2018	1Q 2016
8	15	1.0 M	CSL	2015	3	Bus & Van Pool	1,015,095	0	489	1,015,584	0	1,015,584	0	6,380	MA	1Q 2016	3Q 2015
9	15	5.0 M	CSL	2016	15	Bus & Van Pool	1,369,996	2,026,000	285,292	3,681,288	2,026,000	3,661,288	20,000	55,845	Out Of State	3Q 2016	2Q 2016
							15,855,958	4,995,576	1,776,809	22,628,343	4,995,576	22,590,863	37,480	400,755			
1	14	1.0 M	CSL	2015	9	Garage	0	1,000,000	434,846	1,434,846	1,000,000	1,434,845	1	0	Out Of State	1Q 2017	3Q 2015
2	14	1.0 M	CSL	2014	4	TTT	1,027,733	0	56,146	1,083,879	0	1,083,879	0	0	Out Of State	4Q 2014	4Q 2014
3	14	1.0 M	CSL	2015	2	Non-Owned & Special Rating	1,000,000	0	0	1,000,000	0	1,000,000	0	0	MA	1Q 2015	1Q 2015
4	14	1.0 M	CSL	2014	4	TTT	1,000,000	0	77,176	1,077,176	425,000	1,079,364	-2,188	0	MA	1Q 2019	2Q 2014
5	14	1.0 M	BI	2015	3	PPT NonFleet	1,065,335	0	3,315	1,068,650	0	1,068,650	0	22,362	MA	4Q 2015	2Q 2015
6	14	1.5 M	CSL	2015	6	Bus & Van Pool	1,672,346	0	47,689	1,720,035	0	1,720,008	27	167,163	Out Of State	4Q 2015	3Q 2015
7	14	1.0 M	CSL	2014	4	Non-Owned & Special Rating	938,211	0	295,018	1,233,229	0	1,233,229	0	0	Out Of State	3Q 2016	3Q 2014
							6,703,625	1,000,000	914,190	8,617,815	1,425,000	8,619,975	-2,160	189,525			

Commonwealth Automobile Reinsurers
Large Loss Detail By Policy Year (Large Losses \$1.0 Million and Greater)
Data Reported Through September, 2019

Row	Eff Yr	Liab Lim	Lim Id	Accdt Year	Clim	Class Desc	ITD Paid Loss	Current Reserve	ALAE ITD	ITD Total Loss	Prior Reserves	Prior Qtr Tot Loss	Change Tot Loss	PIP Loss	State	Qtr First > \$1.0M	First Rptd
1	13	5.0 M	CSL	2013	2	Bus & Van Pool	1,764,617	0	66,058	1,830,675	0	1,830,675	0	0	Out Of State	4Q 2016	1Q 2014
2	13	1.0 M	CSL	2013	2	Non-Owned & Special Rating	1,000,000	0	26,833	1,026,833	0	1,026,833	0	0	Out Of State	3Q 2015	4Q 2013
3	13	1.0 M	CSL	2014	3	Zone Rated TTT	750,000	0	252,213	1,002,213	0	988,938	13,275	0	Out Of State	3Q 2019	3Q 2014
4	13	5.0 M	CSL	2014	15	Bus & Van Pool	3,387,185	0	297,161	3,684,346	347	3,679,025	5,321	222,595	Out Of State	4Q 2014	1Q 2014
5	13	5.0 M	CSL	2014	3	Bus & Van Pool	1,432,188	0	75,117	1,507,305	0	1,507,305	0	0	Out Of State	3Q 2017	1Q 2014
6	13	5.0 M	CSL	2014	2	Bus & Van Pool	1,217,136	0	52,574	1,269,710	0	1,269,710	0	0	Out Of State	4Q 2015	1Q 2014
7	13	5.0 M	CSL	2014	1	Non-Owned & Special Rating	2,508,000	0	23,224	2,531,224	0	2,531,224	0	8,000	MA	2Q 2017	3Q 2014
8	13	1.0 M	CSL	2014	1	Non-Owned & Special Rating	1,000,000	0	25,432	1,025,432	0	1,025,432	0	0	Not Reported	3Q 2014	2Q 2014
9	13	1.5 M	CSL	2014	17	Bus & Van Pool	1,521,226	0	10,096	1,531,322	0	1,531,322	0	22,359	Out Of State	3Q 2014	2Q 2014
10	13	1.0 M	CSL	2014	2	Zone Rated TTT	42,344	1,000,000	251,500	1,293,844	1,000,000	1,293,844	0	43,844	Out Of State	4Q 2014	3Q 2014
							14,622,696	1,000,000	1,080,208	16,702,904	1,000,347	16,684,308	18,596	296,798			
1	12	5.0 M	CSL	2013	3	Bus & Van Pool	1,495,842	0	24,558	1,520,400	0	1,520,400	0	0	Out Of State	4Q 2016	2Q 2013
2	12	1.0 M	CSL	2012	2	TTT	1,088,400	0	10,895	1,099,295	0	1,099,295	0	0	MA	3Q 2012	3Q 2012
3	12	5.0 M	CSL	2012	1	Bus & Van Pool	3,858,000	0	24,490	3,882,490	0	3,882,490	0	8,000	MA	1Q 2013	4Q 2012
4	12	1.0 M	CSL	2012	2	Non-Owned & Special Rating	1,000,000	0	3,810	1,003,810	0	1,003,810	0	0	Not Reported	4Q 2012	3Q 2012
5	12	5.0 M	CSL	2012	2	Bus & Van Pool	1,250,000	0	67,167	1,317,167	0	1,317,167	0	0	Out Of State	4Q 2012	4Q 2012
6	12	5.0 M	CSL	2013	3	Bus & Van Pool	4,849,894	0	41,875	4,891,769	0	4,891,769	0	100,455	Out Of State	1Q 2013	1Q 2013
							13,542,136	0	172,795	13,714,931	0	13,714,931	0	108,455			
1	11	OTHE R	BI	2012	1	Non-Owned & Special Rating	962,503	0	53,247	1,015,750	0	1,015,750	0	0	Out Of State	1Q 2017	1Q 2012
2	11	5.0 M	CSL	2011	14	TTT	5,130,932	0	227,409	5,358,341	0	5,358,341	0	0	MA	3Q 2011	3Q 2011
3	11	1.0 M	CSL	2011	7	TTT	1,008,378	0	22,620	1,030,998	0	1,030,998	0	0	MA	1Q 2012	3Q 2011
4	11	1.0 M	CSL	2011	2	Limousine & Car Service	1,008,000	0	117,427	1,125,427	0	1,125,427	0	8,069	MA	2Q 2018	4Q 2011
							8,109,813	0	420,703	8,530,516	0	8,530,516	0	8,069			
1	10	1.0 M	CSL	2010	3	Garage	1,000,000	0	7,576	1,007,576	0	1,007,576	0	0	MA	3Q 2010	3Q 2010
2	10	1.0 M	CSL	2010	3	TTT	1,012,086	0	2,313	1,014,399	0	1,014,399	0	0	MA	3Q 2010	2Q 2010
3	10	1.0 M	CSL	2011	2	Non-Owned & Special Rating	1,000,000	0	402,416	1,402,416	0	1,402,416	0	0	Not Reported	2Q 2013	1Q 2012
4	10	1.0 M	CSL	2010	2	Garage	1,000,000	0	68,416	1,068,416	0	1,068,416	0	1	MA	4Q 2013	2Q 2010
5	10	1.0 M	CSL	2011	1	TTT	1,002,680	0	5,803	1,008,483	0	1,008,483	0	0	MA	3Q 2011	3Q 2011
							5,014,766	0	486,524	5,501,290	0	5,501,290	0	1			

Commonwealth Automobile Reinsurers
Large Loss Summary By Range
Data Reported through September, 2019
Policy Year Large Losses \$300,000 or Greater

Loss Range		2010			2011			2012			2013		
>=	<	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot
5.0 M	+	0	0	0.0%	1	5,358,341	7.5%	0	0	0.0%	0	0	0.0%
2.5 M	5.0 M	0	0	0.0%	0	0	0.0%	2	8,774,259	11.3%	2	6,215,570	6.4%
2.0 M	2.5 M	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%
1.5 M	2.0 M	0	0	0.0%	0	0	0.0%	1	1,520,400	2.0%	3	4,869,302	5.0%
1.0 M	1.5 M	5	5,501,290	8.1%	3	3,172,175	4.5%	3	3,420,272	4.4%	5	5,618,032	5.7%
Policies > 1.0 M		5	5,501,290	8.1%	4	8,530,516	12.0%	6	13,714,931	17.6%	10	16,702,904	17.1%
500,000	1.0 M	7	4,946,202	7.3%	10	7,441,624	10.4%	8	5,173,290	6.6%	10	6,721,413	6.9%
300,000	500,000	9	3,377,823	5.0%	5	1,862,505	2.6%	12	4,862,761	6.2%	16	5,547,396	5.7%
Sum of Large Losses		21	13,872,651	20.4%	19	17,834,645	25.0%	26	23,750,982	30.5%	36	28,971,713	29.6%
Prior Qtr		22	14,292,025	21.0%	19	17,834,645	25.0%	26	23,745,712	30.5%	36	28,938,117	29.5%
Total Incurred Losses		67,911,886			71,277,617			77,866,970			97,903,588		
Loss Range		2014			2015			2016			2017		
>=	<	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot
5.0 M	+	0	0	0.0%	2	11,671,834	8.9%	2	11,375,477	7.1%	0	0	0.0%
2.5 M	5.0 M	0	0	0.0%	1	3,681,288	2.8%	1	3,184,999	2.0%	0	0	0.0%
2.0 M	2.5 M	0	0	0.0%	0	0	0.0%	1	2,126,109	1.3%	0	0	0.0%
1.5 M	2.0 M	1	1,720,035	1.7%	1	1,971,519	1.5%	1	1,566,636	1.0%	0	0	0.0%
1.0 M	1.5 M	6	6,897,780	6.9%	5	5,303,702	4.0%	14	15,472,480	9.6%	10	10,889,412	7.8%
Policies > 1.0 M		7	8,617,815	8.6%	9	22,628,343	17.2%	19	33,725,701	20.9%	10	10,889,412	7.8%
500,000	1.0 M	5	3,612,360	3.6%	10	6,411,671	4.9%	21	14,089,221	8.7%	15	10,039,300	7.2%
300,000	500,000	19	7,004,610	7.0%	11	4,025,902	3.1%	15	5,624,326	3.5%	20	7,176,609	5.2%
Sum of Large Losses		31	19,234,785	19.1%	30	33,065,916	25.1%	55	53,562,976	33.2%	45	28,105,321	20.2%
Prior Qtr		28	18,238,194	18.2%	29	33,156,193	25.1%	55	53,371,547	33.1%	41	26,276,925	19.1%
Total Incurred Losses		100,495,317			131,705,608			161,117,946			138,845,125		
Loss Range		2018			2019			Total					
>=	<	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot
5.0 M	+	4	21,747,753	14.3%	0	0	0.0%	9	50,153,405	4.9%			
2.5 M	5.0 M	0	0	0.0%	0	0	0.0%	6	21,856,116	2.1%			
2.0 M	2.5 M	0	0	0.0%	0	0	0.0%	1	2,126,109	0.2%			
1.5 M	2.0 M	0	0	0.0%	1	1,533,658	5.4%	8	13,181,550	1.3%			
1.0 M	1.5 M	9	9,616,996	6.3%	0	0	0.0%	60	65,892,139	6.4%			
Policies > 1.0 M		13	31,364,749	20.7%	1	1,533,658	5.4%	84	153,209,319	14.9%			
500,000	1.0 M	13	8,547,040	5.6%	2	1,426,913	5.0%	101	68,409,034	6.7%			
300,000	500,000	21	7,745,654	5.1%	2	630,775	2.2%	130	47,858,361	4.7%			
Sum of Large Losses		47	47,670,474	31.4%	5	3,591,346	12.6%	315	269,660,809	26.2%			
Prior Qtr		32	34,805,923	27.6%	1	546,182	5.4%	289	251,205,463	25.6%			
Total Incurred Losses		151,873,114			28,531,172			1,027,528,343					

Commonwealth Automobile Reinsurers

Large Loss by Policy Year

Change by Quarter

Data Reported through September, 2019

Summary of Losses Over 1.0 Million

Policy Year	# Policies	Current Reserves	Current Incurred Loss	Prior Incurred Loss	Change in Loss
2019	1	1,512,780	1,533,658	0	1,533,658
2018	13	27,270,158	31,364,749	24,951,571	6,413,178
2017	10	7,988,325	10,889,412	10,882,211	7,201
2016	19	20,827,663	33,725,701	33,798,807	(73,106)
2015	9	4,995,576	22,628,343	22,590,863	37,480
2014	7	1,000,000	8,617,815	8,619,975	(2,160)
2013	10	1,000,000	16,702,904	16,684,308	18,596
2012	6	0	13,714,931	13,714,931	0
2011	4	0	8,530,516	8,530,516	0
2010	5	0	5,501,290	5,501,290	0
Subtotal	84	64,594,502	153,209,319	145,274,472	7,934,847
Total All	84	64,594,502	153,209,319	145,274,472	7,934,847

New to Report: Incurred Losses Over 1.0 Million

Policy Year	# Policies	Current Reserves	Current Incurred Loss	Prior Incurred Loss	Change in Loss
2019	1	1,512,780	1,533,658	0	1,533,658
2018	3	6,927,711	7,338,178	1,167,393	6,170,785
2013	1	0	1,002,213	988,938	13,275
Subtotal	5	8,440,491	9,874,049	2,156,331	7,717,718

Commonwealth Automobile Reinsurers
 Large Loss Notification Summary
 Submitted After September, 2019

Large Loss Notifications by Policy Year

#	Notification Date	Policy Year	Accident Year/Qtr	Liab Limit	Class Description	Estimated \$			State	Coverage	Current Quarter Stat Report		
						BI	PDL	PIP			OS	Paid	ALAE
1	10/8/2019	2019	20193	250/500	Bus/VanPool	250,000	0	8,000	MA				
2	10/11/2019	2019	20193	1.0 M	TTT	1,000,000	0	0	MA	BI/PIP/Coll	108,000		245
3	10/8/2019	2019	20193	1.0 M	TTT	100,000	10,000	0	MA	BI/PDL/Coll	102,850	9,788	130
4	10/9/2019	2019	20193	1.0 M	ZR TTT	400,000	100,000	0	MA	BI/PDL/Coll	217,160	35,893	410
5	10/9/2019	2019	20193	1.0 M	TTT	300,000	0	8,000	MA	BI/PIP	100,000	8,000	100
6	11/12/2019	2019	20191	1.0 M	TTT	700,000	80,000	8,000	MA				
7	11/19/2019	2019	20193	5.0 M	ZR Bus	1,000,000	5,000	72,000	CT				
8	10/8/2019	2018	20193	1.5 M	#N/A	1,500,000	0	16,000	MA	PIP	16,000		
9	10/8/2019	2018	20191	1.0 M	Bus/VanPool	500,000	0	8,000	MA	BI/PIP	103650		250
10	10/11/2019	2018	20184	1.0 M	Bus/VanPool	930,000	8,676	100,000	NY	ALL	940,428	90,588	42,115
11	10/8/2019	2018	20193	500K	PPT NF	75,000	0	8,000	MA	BI/PIP	75,000	8,049	521
12	10/8/2019	2018	20193	5.0 M	ZR Bus	100,000	0	8,000	VA	BI/PDL	102,850		130
13	11/5/2019	2018	20194	1.0 M	ZR TTT	100,000	0	0	NH				
14	11/8/2019	2017	20183	1.0 M	TTT	500,000	17,048	0	NY	BI/PDL	75,000	23,646	3,750

Large Loss Notifications by Accident Year

#	Submission Date	Policy Year	Accident Year	Liab Limit	Class Description	Estimated \$			State	Coverage	Current Quarter Stat Report		
						BI	PDL	PIP			OS	Paid	ALAE
1	10/8/2019	2019	2019	250/500	Bus/VanPool	250,000	0	8,000	MA				
2	10/11/2019	2019	2019	1.0 M	TTT	1,000,000	0	0	MA	BI/PIP/Coll	108,000		245
3	10/8/2019	2019	2019	1.0 M	TTT	100,000	10,000	0	MA	BI/PDL/Coll	102,850	9,788	130
4	10/9/2019	2019	2019	1.0 M	ZR TTT	400,000	100,000	0	MA	BI/PDL/Coll	217,160	35,893	410
5	10/9/2019	2019	2019	1.0 M	TTT	300,000	0	8,000	MA	BI/PIP	100,000	8,000	100
6	11/12/2019	2019	2019	1.0 M	TTT	700,000	80,000	8,000	MA				
7	11/19/2019	2019	2019	5.0 M	ZR Bus	1,000,000	5,000	72,000	CT				
8	10/8/2019	2018	2019	1.5 M	#N/A	1,500,000	0	16,000	MA	PIP	16,000		
9	10/8/2019	2018	2019	1.0 M	Bus/VanPool	500,000	0	8,000	MA	BI/PIP	103650		250
10	10/8/2019	2018	2019	500K	PPT NF	75,000	0	8,000	MA	BI/PIP	75,000	8,049	521
11	10/8/2019	2018	2019	5.0 M	ZR Bus	100,000	0	8,000	MA	BI/PDL	102,850		130
12	11/5/2019	2018	2019	1.0 M	ZR TTT	100,000	0	0	NH				
13	10/11/2019	2018	2018	1.0 M	Bus/VanPool	930,000	8,676	100,000	NY	ALL	940,428	90,588	42,115
14	11/8/2019	2017	2018	1.0 M	TTT	500,000	17,048	0	NY	BI/PDL	75,000	23,646	3,750

COMMERCIAL ULTIMATE POLICY YEAR DEFICIT PROJECTIONS
 BASED ON DATA REPORTED THROUGH QUARTER ENDING SEPTEMBER 2019
 (000's OMITTED)

SUMMARY EXHIBIT

	Policy Year 2017		Policy Year 2018		Policy Year 2019	
	Dollars	% Prem	Dollars	% Prem	Dollars	% Prem
Premium	182,600	100.0%	195,900	100.0%	207,900	100.0%
Losses Incurred and ALAE	163,610	89.6%	192,374	98.2%	203,534	97.9%
Underwriting Expenses	45,705	25.0%	45,841	23.4%	45,530	21.9%
Underwriting Result	(26,715)	-14.6%	(42,315)	-21.6%	(41,164)	-19.8%

COMPARISON OF ULTIMATE POLICY YEAR DEFICIT PROJECTIONS
PRIOR AND CURRENT QUARTER ESTIMATES

Policy Year 2019

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium			207,900	100.0%		
Losses Incurred and ALAE			203,534	97.9%		
Underwriting Expenses			45,530	21.9%		
Underwriting Result			(41,164)	-19.8%		

Policy Year 2018

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	196,300	100.0%	195,900	100.0%	(400)	-0.2%
Losses Incurred and ALAE	185,111	94.3%	192,374	98.2%	7,263	3.9%
Underwriting Expenses	46,719	23.8%	45,841	23.4%	(878)	-1.9%
Underwriting Result	(35,530)	-18.1%	(42,315)	-21.6%	(6,785)	19.1%

Policy Year 2017

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	182,600	100.0%	182,600	100.0%	0	0.0%
Losses Incurred and ALAE	163,792	89.7%	163,610	89.6%	(182)	-0.1%
Underwriting Expenses	45,502	24.9%	45,705	25.0%	203	0.4%
Underwriting Result	(26,694)	-14.6%	(26,715)	-14.6%	(21)	0.1%