



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:

Friday, December 4, 2020 at 11:00 a.m.

**GC
20.11 Joint Actuarial Commercial Lines Committee**

The Records of the Joint Actuarial Commercial Lines Committee meeting of November 12, 2020 are attached. (Docket #GC20.11, Exhibit #4)

The Records of the Joint Actuarial Commercial Lines Committee meeting of November 12, 2020 have been distributed and are on file.

NATALIE A. HUBLEY
President

Attachment

Boston, Massachusetts
November 25, 2020



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RECORDS OF MEETING

JOINT ACTUARIAL COMMERCIAL LINES COMMITTEE – NOVEMBER 12, 2020

Members Present

Mr. Glenn Hiltbold – Chair	Safety Insurance Company
Ms. Sarah Clemens	MAPFRE U.S.A. Corporation
Ms. Sheila Doherty	Doherty Insurance Agency, Inc.
Mr. James French	Quincy Mutual Group
Mr. Levi Kamenetsky	The Hanover Insurance Company
Ms. Lisa Kendrick ⁽¹⁾	Deland, Gibson Insurance Associates, Inc.
Mr. Barry Tagen	Pilgrim Insurance Company
Mr. Hugh Thai ⁽²⁾	Arbella Insurance Group

Substituted for:

Mr. Thomas Skelly Jr.⁽¹⁾
Ms. Lynellen Ramirez⁽²⁾

Not in Attendance:
N/A

20.01 Records of Previous Meeting

On a roll call vote, the Committee voted to approve the Records of the Joint Actuarial Commercial Lines Committee meeting of July 16, 2020. The Records have been distributed and are on file.

20.07 2021 CAR Commercial Rate Filing

At its June 10, 2020 meeting, the Joint Actuarial Commercial Lines Committee directed staff to file amendments to its rates to implement the proposed rating modifications described in the white paper over a period of two years. The Committee was advised that the AIB is nearing completion of its review of the current indications and in light of certain marketplace considerations, the Committee was provided with alternative scheduling options to assist in the development of a filing strategy.

Mr. Glenn Hiltbold, reviewed the different rate filing options that included indications related to CAR's "annual filings", and also highlighted alternative filing schedules for the zone rated components including the primary rating factors, increased limit factors, zone relativities, physical damage changes, and rates for vehicles garaged out of state.

The Committee discussed the different filing options that were presented. The Committee expressed an interest in filing the zone rated changes sooner, to address the significant rate need. It was noted that because some of the modifications to the rating factors involved significant system changes, it would be preferable to introduce those in 2022. Members were also concerned that too many segmented filings would cause an undue burden on resources and could cause delays due to an overlap in the approval process. After continued discussion, the Committee favored the two-filing approach described in option 2, introducing initial modifications to primary rating factors, increased limit factors, and zone relativities for zone-rated classes with the first filing to be effective July 1, 2021. The second filing, to be effective July 1, 2022, will propose final changes to the primary rating factors, increased limits factors, and zone relativities, and will introduce the physical damage rate changes and out-of-state relativities. The second filing will also propose modifications to non-owned rates and address short term leasing concerns.

The Committee unanimously voted to direct CAR to proceed with annual filings with zone rated vehicles addressed as described in Option 2.

KATY PROCTOR
Actuarial/Statistical Analyst

Boston, Massachusetts
November 24, 2020