



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
20.12 Loss Reserving Committee**

The Summary of the Loss Reserving Committee meeting of December 2, 2020 is attached. (Docket #GC20.12, Exhibit #4)

NATALIE A. HUBLEY
President

Attachment

Boston, Massachusetts
December 3, 2020



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SUMMARY OF MEETING

LOSS RESERVING COMMITTEE – DECEMBER 2, 2020

Members Present

Ms. Lynellen Ramirez – Chair	Arbella Insurance Group
Mr. Christopher Morkunas	MAPFRE U.S.A. Corporation
Ms. Alyssa Potter	The Hanover Insurance Company
Ms. Melissa Vaughn ⁽¹⁾	Safety Insurance Company

Substituted for:

⁽¹⁾ Mr. Glenn Hiltbold

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 Loss Reserving Committee meeting of September 2, 2020. The Records have been distributed and are on file.

20.04 Quality of Current Quarter Reporting

The Committee was advised that seven Bodily Injury (BI) and one Property Damage Liability (PDL) large loss claims were referred this quarter to CAR's Compliance Audit Department for additional information and verification of the reported statistics. These claims were either newly reported, experienced large upward or downward reserve changes, or were paid in excess of the prior quarter reserve. Six of the seven BI claims have a \$1.0 million Combined Single Limit (CSL) coverage, and one claim is covered at \$5.0 million CSL.

The Committee reviewed large loss reports for all large losses reported for policy years 2011-2020 as of September, 2020. During the current quarter, nine new claims ranging from policy years 2017 through 2020 were added to the report, with four claims removed for dropping below the 1.0 million threshold. Two of the nine claims have \$5.0 million CSL coverage, while the remaining claims are written at \$1.0 million CSL. There are 100 claims over 1.0 million reported during the latest ten policy years. The reports are attached as pages 6-10.

Summary of Large Losses GT 1.0 M as of September, 2020 (000)

	Claims > \$1.0M	Current Incurred Losses	Current Reserves	Prior Incurred Losses	Change in Loss
New Claims	9	11.0	9.9	4.0	7.0
Total Claims	100	181.5	66.7	174.2	7.6

The Committee also reviewed a summary report of six large losses that were reported during the current quarter using the Large Loss Notification Form. This report is attached as page 11.

20.06 Policy Year Deficit and Loss Ratio Report

The Committee set loss and loss adjustment expense reserves using data through September, 2020.

The Committee discussed in detail the continued improvement in the overall results for PY 2016-2019, recognizing that the development on the large losses has slowed significantly. With the addition of the past two quarters of data, indications showed that a significant reduction in ultimate losses was warranted. The Committee has approached the improvement with a degree of conservatism and tempered their selections to avoid more significant swings from quarter to quarter.

The Committee estimated a policy year 2016 commercial deficit of \$39.9 million with a loss ratio of 98.0%, resulting in a \$.3 million improvement from the prior quarter’s deficit of \$40.2 million.

The Committee estimated a policy year 2017 commercial deficit of \$11.5 million with a loss ratio of 81.3%, resulting in a \$3.1 million improvement from the prior quarter’s deficit of \$14.6 million.

The Committee estimated a policy year 2018 commercial deficit of \$36.1 million with a loss ratio of 95.0%, unchanged from the prior quarter’s deficit.

The Committee estimated a policy year 2019 commercial deficit of \$2.4 million with a loss ratio of 79.5%, resulting in a \$10.3 million improvement from the prior quarter’s deficit of \$12.7 million. The improvement in the 2019 results are due in large part to the impact of the COVID-19 public health crisis, which was not anticipated when the ultimate losses and deficit were originally set. The Committee also recognized that the changes enacted by other committees to curb the growing residual market are now being realized in the data.

The Committee estimated a policy year 2020 commercial surplus of \$27.9 million with a loss ratio of 62.5%. This is the first estimate of the 2020 deficit. The Committee recognized that a level of uncertainty exists with projecting 2020 ultimate losses, as vehicle usage and accident frequencies are lower due to COVID-19, and it is unclear if these patterns will continue as 2020 policies earn fully into 2021.

Ultimate loss ratio and deficit projections for policy years 2018-2020 are attached as pages 12-13.

The following summary displays the policy year results from the December 2, 2020 meeting:

Policy Year Results
Total Commercial

<u>PY</u>	Loss & Allocated Loss Adjustment Expense (000)					Number of Open Claims
	Earned Premium(000)	Paid	Case Outstanding	IBNR	Held Ultimate	
2011	88,954	71,253	116	-1	71,368	4
2012	95,070	77,829	507	1	78,337	3
2013	110,512	95,616	1,800	4	97,420	17
2014	127,937	97,660	3,805	-81	101,384	32
2015	151,439	123,945	6,717	780	131,442	66
2016	169,141	136,253	28,530	1,014	165,797	278
2017	182,590	111,845	27,063	9,469	148,377	516
2018	195,965	110,954	63,312	11,873	186,139	1,240
2019	184,447	62,057	52,658	31,838	146,553	2,037
2020 @ 9 mos	47,754	7,906	9,047	12,903	29,856	783
Total	1,353,809	895,318	193,555	67,800	1,156,673	4,976

Change in Ultimate Loss

<u>PY</u>	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
2011	71,368	88,954	80.2%	71,323	88,954	80.2%	45	0.1%
2012	78,337	95,070	82.4%	78,232	95,070	82.3%	105	0.1%
2013	97,420	110,512	88.2%	96,985	110,512	87.8%	435	0.4%
2014	101,384	127,937	79.2%	101,479	127,937	79.3%	-95	-0.1%
2015	131,442	151,439	86.8%	132,500	151,439	87.5%	-1,058	-0.7%
2016	165,797	169,141	98.0%	166,163	169,141	98.2%	-366	-0.2%
2017	148,377	182,590	81.3%	151,509	182,590	83.0%	-3,132	-1.7%
2018	186,139	195,965	95.0%	186,248	196,012	95.0%	-109	0.0%
2019	146,553	184,447	79.5%	143,219	168,962	84.8%	3,334	-5.3%
2020	29,856	47,754	62.5%	14,008	21,908	63.9%	15,848	-1.4%
Total	1,156,673	1,353,809	85.4%	1,141,666	1,312,525	87.0%	15,007	-1.5%

The following summary displays the accident year results from the December 2, 2020 meeting:

Accident Year Results
Total Commercial

<u>CAL/AY</u>	Loss & Allocated Loss Adjustment Expense (000)					Number of Open Claims
	Earned Premium(000)	Paid	Case Outstanding	IBNR	Held Ultimate	
2011	88,176	74,795	2	-1	74,796	1
2012	91,576	65,936	144	1	66,081	4
2013	102,216	80,669	917	4	81,590	10
2014	117,843	99,885	2,717	-150	102,452	19
2015	140,066	106,676	3,570	33	110,279	44
2016	160,225	141,315	13,929	548	155,792	100
2017	175,270	121,956	32,450	5,944	160,350	431
2018	189,482	115,292	43,553	9,469	168,314	825
2019	198,156	90,270	69,974	19,945	180,189	1,674
2020 @ 9 mos	133,218	27,828	26,301	32,007	86,136	1,869
Total	1,396,228	924,622	193,557	67,800	1,185,979	4,977

Change in Ultimate Loss

<u>CAL/AY</u>	<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>
2011	74,796	88,176	84.8%	74,796	88,176	84.8%	0	0.0%
2012	66,081	91,576	72.2%	65,935	91,576	72.0%	146	0.2%
2013	81,590	102,216	79.8%	81,421	102,216	79.7%	169	0.1%
2014	102,452	117,843	86.9%	102,446	117,843	86.9%	6	0.0%
2015	110,279	140,066	78.7%	110,278	140,066	78.7%	1	0.0%
2016	155,792	160,225	97.2%	156,599	160,225	97.7%	-807	-0.5%
2017	160,350	175,270	91.5%	161,566	175,270	92.2%	-1,216	-0.7%
2018	168,314	189,482	88.8%	170,567	189,488	90.0%	-2,253	-1.2%
2019	180,189	198,156	90.9%	182,594	198,215	92.1%	-2,405	-1.2%
2020	86,136	133,218	64.7%	64,781	91,872	70.5%	21,355	-5.8%
Total	1,185,979	1,396,228	84.9%	1,170,983	1,354,947	86.4%	14,996	-1.5%

SHANNON CHIU
Actuarial/Statistical Analyst

Boston, Massachusetts
December 3, 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, 2020

Row	Eff Yr	Liab Lim	Lim Id	Accdt Year	Clm	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	20	1.0 M	CSL	2020	2	Zone Rated TTT	20,372	1,000,000	75,009	1,095,381	100,000	125,000	970,381	0	Out Of State	3Q 2020	2Q 2020
							20,372	1,000,000	75,009	1,095,381	100,000	125,000	970,381	0			
1	19	1.0 M	CSL	2019	1	TTT	0	1,000,000	30,024	1,030,024	0	0	1,030,024	0	Out Of State	3Q 2020	3Q 2020
2	19	1.0 M	CSL	2019	8	TTT	800,001	300,550	15,028	1,115,579	412,992	1,117,701	-2,122	0	MA	4Q 2019	3Q 2019
3	19	5.0 M	CSL	2020	9	TTT	1,051,268	420,500	21,025	1,492,793	983,775	1,731,962	-239,169	0	MA	2Q 2020	2Q 2020
4	19	1.0 M	CSL	2019	6	Public Transportation Buses	16,310	990,000	51,465	1,057,775	990,000	1,055,517	2,258	8,000	MA	1Q 2020	4Q 2019
5	19	1.0 M	CSL	2019	2	TTT	0	1,000,000	20,039	1,020,039	1,000,000	1,020,039	0	0	MA	4Q 2019	3Q 2019
6	19	1.0 M	CSL	2019	1	Zone Rated TTT	0	1,000,000	50,000	1,050,000	750,000	800,000	250,000	0	Out Of State	3Q 2020	3Q 2019
7	19	5.0 M	CSL	2019	7	Zone Rated Bus	72,411	1,838,434	77,025	1,987,870	1,838,434	1,972,059	15,811	61,320	Out Of State	1Q 2020	4Q 2019
8	19	5.0 M	CSL	2020	4	Zone Rated Bus	74,150	2,000,000	346	2,074,496	132,300	136,225	1,938,271	70,821	Out Of State	3Q 2020	1Q 2020
9	19	1.5 M	CSL	2019	6	Commercial Bus	102,011	1,502,755	111,101	1,715,867	1,502,755	1,713,686	2,181	99,151	Out Of State	3Q 2019	3Q 2019
10	19	1.0 M	CSL	2020	5	Zone Rated TTT	0	1,000,000	100,109	1,100,109	303,000	323,230	776,879	0	Out Of State	3Q 2020	2Q 2020
11	19	5.0 M	CSL	2019	3	Zone Rated Bus	111,625	1,320,000	44,979	1,476,604	1,800,000	1,908,027	-431,423	111,404	Out Of State	1Q 2020	3Q 2019
12	19	5.0 M	CSL	2019	13	Zone Rated Bus	153,771	3,046,627	140,722	3,341,120	1,799,569	2,070,720	1,270,400	58,903	Out Of State	4Q 2019	3Q 2019
13	19	1.0 M	CSL	2019	6	TTT	1,014,871	17,850	8,605	1,041,326	1,002,850	1,093,595	-52,269	42	MA	1Q 2020	4Q 2019
							3,396,418	15,436,716	670,468	19,503,602	12,515,675	14,942,761	4,560,841	409,641			
1	18	1.5 M	CSL	2019	2	Commercial Bus	7,010	1,508,990	50,010	1,566,010	1,509,769	1,566,010	0	16,009	MA	4Q 2019	3Q 2019
2	18	1.0 M	CSL	2018	4	TTT	1,094,953	0	26,792	1,121,745	987,283	1,139,955	-18,210	0	Out Of State	3Q 2019	2Q 2018
3	18	1.0 M	CSL	2018	8	TTT	1,039,416	140,899	30,005	1,210,320	157,804	1,210,320	0	0	Out Of State	4Q 2018	4Q 2018
4	18	1.0 M	CSL	2018	6	TTT	486,542	767,344	39,442	1,293,328	253,600	753,897	539,431	0	MA	3Q 2020	4Q 2018
5	18	1.0 M	CSL	2019	2	TTT	1,079,123	0	4,331	1,083,454	0	1,083,454	0	0	Out Of State	1Q 2019	1Q 2019
6	18	1.0 M	CSL	2018	2	Non-Owned / Special Rating	0	1,000,001	144,929	1,144,930	1,000,001	1,073,180	71,750	0	Not Reported	2Q 2020	2Q 2018
7	18	1.0 M	CSL	2019	2	Garage	23,028	988,800	2,795	1,014,623	988,800	1,013,602	27,089	0	MA	2Q 2019	2Q 2019
8	18	1.0 M	CSL	2018	4	TTT	92,938	1,016,148	8,887	1,117,973	48,379	147,047	970,926	0	Out Of State	3Q 2020	4Q 2018
9	18	1.0 M	CSL	2019	15	Zone Rated TTT	24,685	1,000,000	52,980	1,077,665	1,000,000	1,073,228	4,437	0	Out Of State	2Q 2019	2Q 2019
10	18	1.0 M	CSL	2018	2	TTT	34,184	1,008,000	29	1,042,213	1,008,000	1,042,213	0	8,000	MA	4Q 2018	4Q 2018
11	18	1.0 M	CSL	2019	1	Public Transportation Buses	500,726	2,924	12,816	516,466	502,924	1,038,775	-522,309	3,775	MA	4Q 2019	3Q 2019
12	18	1.0 M	CSL	2018	3	Zone Rated TTT	59,613	1,000,000	100,000	1,159,613	1,000,000	1,109,613	50,000	33,806	Out Of State	2Q 2020	4Q 2018
13	18	1.0 M	CSL	2018	8	Zone Rated Bus	139,371	331,537	19,820	490,728	939,713	1,081,210	-590,482	88,558	Out Of State	3Q 2019	4Q 2018
14	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
15	18	5.0 M	CSL	2018	9	Zone Rated Bus	130,428	1,000,000	40,063	1,170,491	750,000	920,491	250,000	16,230	Out Of State	3Q 2020	4Q 2018
16	18	5.0 M	CSL	2019	14	Zone Rated Bus	75,389	1,958,335	162,107	2,195,831	1,958,736	2,219,680	-23,849	54,212	Out Of State	4Q 2019	3Q 2019
17	18	5.0 M	CSL	2019	59	Zone Rated Bus	4,000,048	1,784,525	600,992	6,385,565	2,497,342	6,398,258	-12,693	385,025	Out Of State	1Q 2019	1Q 2019
18	18	5.0 M	CSL	2018	1	Zone Rated Bus	5,000,000	3,500	50,125	5,053,625	5,003,500	5,053,625	0	3,625	Out Of State	1Q 2019	4Q 2018
19	18	5.0 M	CSL	2019	4	Zone Rated Bus	0	5,000,000	155,093	5,155,093	5,000,000	5,155,093	0	0	Out Of State	3Q 2019	3Q 2019
20	18	5.0 M	CSL	2019	11	Zone Rated Bus	95,665	1,057,500	50,656	1,203,821	1,061,150	1,207,574	-3,753	26,700	Out Of State	1Q 2020	3Q 2019
21	18	1.0 M	CSL	2019	6	Garage	76,907	972,850	55,030	1,104,787	972,850	1,104,787	99,976	0	MA	2Q 2020	3Q 2019
22	18	5.0 M	CSL	2018	72	Zone Rated Bus	656,466	5,005,135	361,172	6,022,773	5,006,086	5,931,345	91,428	904,163	Out Of State	2Q 2018	2Q 2018
23	18	5.0 M	CSL	2018	6	Zone Rated Bus	121,700	845,000	50,326	1,017,026	880,000	1,017,151	-125	64,588	Out Of State	1Q 2020	4Q 2018
24	18	1.0 M	CSL	2018	1	PPT - NF	8,000	1,000,000	20,000	1,028,000	1,000,000	1,028,000	0	8,000	MA	4Q 2019	3Q 2018
							14,746,192	28,391,488	2,088,605	45,226,285	34,525,937	44,418,713	933,616	1,612,691			

Commonwealth Automobile Reinsurers
Large Loss Detail By Policy Year (Large Losses \$1.0 Million and Greater)
Data Reported Through September, 2020

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	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	59,805	1,067,237	1,000,000	1,065,409	1,828	7,432	MA	4Q 2018	3Q 2018
3	17	1.0 M	CSL	2018	6	TTT	1,002,718	0	78,737	1,081,455	0	1,081,455	0	2,783	MA	2Q 2019	1Q 2018
4	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
5	17	1.0 M	CSL	2017	2	Commercial Bus	1,020,493	0	1,692	1,022,185	0	1,022,185	0	0	MA	3Q 2017	3Q 2017
6	17	1.0 M	CSL	2018	1	TTT	0	503,500	125,125	628,625	1,003,500	1,103,625	-475,000	3,625	MA	4Q 2018	4Q 2018
7	17	1.0 M	CSL	2018	2	TTT	1,009,645	0	2,366	1,012,011	0	1,012,011	0	0	MA	3Q 2018	2Q 2018
8	17	1.0 M	CSL	2017	1	TTT	8,175	999,825	200,000	1,208,000	999,825	1,208,000	0	8,000	MA	4Q 2017	2Q 2017
9	17	1.0 M	CSL	2018	2	TTT	3,922	1,000,000	75,000	1,078,922	750,000	828,922	250,000	0	Out Of State	3Q 2020	2Q 2018
10	17	1.0 M	CSL	2018	6	TTT	89,875	912,950	151,204	1,154,029	912,950	1,154,029	0	10,575	MA	4Q 2019	1Q 2018
							5,278,693	4,416,275	701,147	10,396,115	4,666,275	10,619,287	-223,172	36,515			
1	16	1.0 M	CSL	2017	3	Garage	596,187	500,000	27,429	1,123,616	500,000	1,151,403	187,569	8,000	Out Of State	1Q 2018	2Q 2017
2	16	5.0 M	CSL	2016	1	Commercial Bus	5,000,000	0	51,479	5,051,479	0	5,051,479	0	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	1.0 M	CSL	2017	3	TTT	552,043	0	20,585	572,628	958,718	1,061,531	-488,903	0	MA	1Q 2020	4Q 2017
5	16	1.0 M	CSL	2016	1	Commercial Bus	7,000	1,000,005	117,950	1,124,955	1,000,005	1,124,168	787	2,000	MA	1Q 2020	3Q 2016
6	16	5.0 M	CSL	2017	4	Commercial Bus	3,550,031	0	78,378	3,628,409	4,785	3,668,478	-40,069	50,337	Out Of State	4Q 2018	2Q 2017
7	16	1.0 M	CSL	2016	3	Zone Rated TTT	1,003,220	0	39,530	1,042,750	0	1,042,750	6,442	0	Out Of State	3Q 2018	4Q 2016
8	16	5.0 M	CSL	2017	27	Commercial Bus	507,816	5,565,810	350,616	6,424,242	5,565,810	6,424,243	-1	72,935	Out Of State	4Q 2017	3Q 2017
9	16	5.0 M	CSL	2016	1	Commercial Bus	3,250,000	0	399,999	3,649,999	0	3,649,999	0	0	MA	4Q 2018	4Q 2016
10	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
11	16	1.0 M	CSL	2016	10	TTT	1,013,500	0	52,275	1,065,775	0	1,065,775	0	0	MA	2Q 2018	4Q 2016
12	16	1.0 M	CSL	2016	1	PPT Fleet	50,000	1,000,000	150,493	1,200,493	1,000,000	1,200,212	281	50,025	Out Of State	4Q 2016	3Q 2016
13	16	1.0 M	CSL	2017	4	TTT	994,060	0	8,474	1,002,534	0	1,001,060	1,474	0	MA	2Q 2020	4Q 2017
14	16	1.0 M	CSL	2016	4	Non-Owned / Special Rating	75,000	925,001	150,718	1,150,719	925,001	1,142,156	8,563	0	Not Reported	4Q 2017	3Q 2017
15	16	5.0 M	CSL	2017	39	Zone Rated Bus	304,381	857,000	121,078	1,282,459	1,035,000	1,445,959	-163,500	187,639	Out Of State	3Q 2017	2Q 2017
16	16	5.0 M	CSL	2017	12	Zone Rated Bus	115,333	1,666,494	284,993	2,066,820	1,466,494	1,866,820	200,000	45,901	Out Of State	4Q 2018	3Q 2017
17	16	1.0 M	CSL	2017	17	Garage	10,100	1,000,000	369,761	1,379,861	975,000	1,250,031	129,830	0	MA	2Q 2017	2Q 2017
18	16	1.5 M	CSL	2016	4	Commercial Bus	1,492,600	15,835	58,201	1,566,636	18,502	1,566,636	0	50,250	Out Of State	2Q 2017	2Q 2016
19	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
20	16	1.0 M	CSL	2016	1	TTT	0	1,000,000	50,000	1,050,000	1,000,000	1,050,000	0	0	Out Of State	4Q 2019	4Q 2016
21	16	1.0 M	CSL	2017	30	TTT	59,074	955,545	216,988	1,231,607	955,545	1,231,607	0	0	Out Of State	1Q 2019	1Q 2017
							20,580,345	15,485,690	2,550,509	38,616,544	16,404,860	38,995,869	-157,527	467,087			
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	Zone Rated Bus	5,560,777	38,075	855,357	6,454,209	38,075	6,454,144	65	331,810	Out Of State	4Q 2016	1Q 2016
3	15	1.0 M	CSL	2016	3	TTT	999,999	0	86,581	1,086,580	0	1,089,404	-2,824	0	Out Of State	1Q 2018	2Q 2017
4	15	5.0 M	CSL	2016	31	Non-Owned / Special Rating	4,369,198	630,802	150,000	5,150,000	630,802	5,149,999	1	0	Out Of State	2Q 2018	4Q 2016
5	15	5.0 M	CSL	2016	5	Non-Owned / Special Rating	1,842,823	0	146,584	1,989,407	0	1,989,407	0	0	MA	1Q 2016	1Q 2016
6	15	1.0 M	CSL	2016	2	TTT	0	1,000,001	75,251	1,075,252	1,000,001	1,064,299	10,953	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	1,173,954	0	0	Out Of State	4Q 2018	1Q 2016
8	15	1.0 M	CSL	2015	3	Public Transportation Buses	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	Zone Rated Bus	2,769,996	151,000	319,882	3,240,878	726,000	3,806,288	-565,410	55,845	Out Of State	3Q 2016	2Q 2016
							18,575,244	1,819,878	1,819,699	22,214,821	2,394,878	22,772,036	-557,215	410,035			

Commonwealth Automobile Reinsurers
 Large Loss Detail By Policy Year (Large Losses \$1.0 Million and Greater)
 Data Reported Through September, 2020

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	14	1.0 M	CSL	2015	9	Garage	0	1,000,000	808,999	1,808,999	1,000,000	1,808,998	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	0	1,077,176	0	0	MA	1Q 2019	2Q 2014
5	14	1.0 M	BI	2015	3	PPT - NF	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	Zone Rated Bus	1,672,346	0	47,698	1,720,044	0	1,720,044	0	167,172	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	1,288,352	8,991,977	1,000,000	8,991,976	1	189,534			
1	13	5.0 M	CSL	2013	2	Commercial Bus	1,764,710	0	66,058	1,830,768	0	1,830,675	93	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	1,002,213	0	0	Out Of State	3Q 2019	3Q 2014
4	13	5.0 M	CSL	2014	15	Zone Rated Bus	3,387,185	0	298,076	3,685,261	0	3,685,259	2	223,510	Out Of State	4Q 2014	1Q 2014
5	13	5.0 M	CSL	2014	3	Zone Rated Bus	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	Commercial Bus	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	Zone Rated Bus	1,521,226	2,500	12,596	1,536,322	2,500	1,536,322	0	22,359	Out Of State	3Q 2014	2Q 2014
							14,580,445	2,500	832,123	15,415,068	2,500	15,414,973	95	253,869			
1	12	5.0 M	CSL	2013	3	Commercial Bus	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	Commercial Bus	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	Zone Rated Bus	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	Commercial Bus	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	Limo	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			

Commonwealth Automobile Reinsurers

Large Loss Summary By Range

CAR DOCKET #GC20.12

EXHIBIT #4

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Data Reported through September, 2020

Policy Year Large Losses \$300,000 or Greater

Loss Range		2011			2012			2013			2014		
>=	<	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot
5.0 M	+	1	5,358,341	7.5%	0	0	0.0%	0	0	0.0%	0	0	0.0%
2.5 M	5.0 M	0	0	0.0%	2	8,774,259	11.2%	2	6,216,485	6.4%	0	0	0.0%
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%	1	1,520,400	1.9%	3	4,874,395	5.0%	2	3,529,043	3.5%
1.0 M	1.5 M	3	3,172,175	4.5%	3	3,420,272	4.4%	4	4,324,188	4.4%	5	5,462,934	5.4%
Policies > 1.0 M		4	8,530,516	12.0%	6	13,714,931	17.5%	9	15,415,068	15.8%	7	8,991,977	8.9%
500,000	1.0 M	10	7,441,624	10.4%	8	5,418,865	6.9%	11	7,262,103	7.5%	7	5,259,173	5.2%
300,000	500,000	5	1,862,505	2.6%	13	5,307,598	6.8%	18	6,268,482	6.4%	16	5,917,752	5.8%
Sum of Large Losses		19	17,834,645	25.0%	27	24,441,394	31.2%	38	28,945,653	29.7%	30	20,168,902	19.9%
Prior Qtr		19	17,834,645	25.0%	27	24,441,058	31.2%	37	28,438,078	29.3%	30	20,184,684	19.9%
Total Incurred Losses		71,330,560			78,309,604			97,403,107			101,453,670		
Loss Range		2015			2016			2017			2018		
>=	<	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot
5.0 M	+	2	11,604,209	8.9%	2	11,475,721	7.0%	0	0	0.0%	4	22,617,056	13.0%
2.5 M	5.0 M	1	3,240,878	2.5%	2	7,278,408	4.4%	0	0	0.0%	0	0	0.0%
2.0 M	2.5 M	0	0	0.0%	1	2,066,820	1.3%	0	0	0.0%	1	2,195,831	1.3%
1.5 M	2.0 M	1	1,989,407	1.5%	1	1,566,636	1.0%	0	0	0.0%	1	1,566,010	0.9%
1.0 M	1.5 M	5	5,380,327	4.1%	14	15,656,331	9.5%	9	9,767,490	7.0%	16	17,840,194	10.3%
Policies > 1.0 M		9	22,214,821	17.0%	20	38,043,916	23.1%	9	9,767,490	7.0%	22	44,219,091	25.5%
500,000	1.0 M	9	5,691,666	4.4%	20	13,123,819	8.0%	13	8,198,866	5.9%	15	8,995,131	5.2%
300,000	500,000	10	3,719,193	2.9%	18	6,637,995	4.0%	23	8,456,051	6.1%	28	10,487,999	6.0%
Sum of Large Losses		28	31,625,680	24.2%	58	57,805,730	35.1%	45	26,422,407	19.0%	65	63,702,221	36.7%
Prior Qtr		31	33,344,435	25.3%	58	58,179,160	35.3%	47	27,553,725	19.7%	62	61,688,349	35.8%
Total Incurred Losses		130,720,007			164,776,377			138,905,759			173,726,450		
Loss Range		2019			2020			Total					
>=	<	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot	Policies	Inc Loss	% Tot			
5.0 M	+	0	0	0.0%	0	0	0.0%	9	51,055,327	4.7%			
2.5 M	5.0 M	1	3,341,120	2.9%	0	0	0.0%	8	28,851,150	2.7%			
2.0 M	2.5 M	1	2,074,496	1.8%	0	0	0.0%	3	6,337,147	0.6%			
1.5 M	2.0 M	2	3,703,737	3.2%	0	0	0.0%	11	18,749,628	1.7%			
1.0 M	1.5 M	9	10,384,249	9.1%	1	1,095,381	6.5%	69	76,503,541	7.0%			
Policies > 1.0 M		13	19,503,602	17.0%	1	1,095,381	6.5%	100	181,496,793	16.7%			
500,000	1.0 M	8	5,415,877	4.7%	1	551,293	3.3%	102	67,358,417	6.2%			
300,000	500,000	16	5,920,074	5.2%	1	316,372	1.9%	148	54,894,021	5.0%			
Sum of Large Losses		37	30,839,553	26.9%	3	1,963,046	11.6%	350	303,749,231	27.9%			
Prior Qtr		30	24,184,693	23.7%	0	0	0.0%	341	295,848,827	27.8%			
Total Incurred Losses		114,713,551			16,952,064			1,088,291,149					

% Tot = Large Loss / Total Incurred Losses

Large Loss by Policy Year

Change by Quarter

Data Reported through September, 2020

Summary of Losses Over 1.0 Million

Policy Year	# Policies	Current Reserves	Current Incurred Loss	Prior Incurred Loss	Change in Loss
2020	1	1,000,000	1,095,381	125,000	970,381
2019	13	15,436,716	19,503,602	14,942,761	4,560,841
2018	22	28,057,027	44,219,091	42,298,728	2,046,407
2017	9	3,912,775	9,767,490	9,515,662	251,828
2016	20	15,485,690	38,043,916	37,934,338	331,376
2015	9	1,819,878	22,214,821	22,772,036	(557,215)
2014	7	1,000,000	8,991,977	8,991,976	1
2013	9	2,500	15,415,068	15,414,973	95
2012	6	0	13,714,931	13,714,931	0
2011	4	0	8,530,516	8,530,516	0
Subtotal	100	66,714,586	181,496,793	174,240,921	7,603,714

Losses that went under 1.0 Million (Remain on Report)

Policy Year	# Policies	Current Reserves	Current Incurred Loss	Prior Incurred Loss	Change in Loss
2018	2	334,461	1,007,194	2,119,985	(1,112,791)
2017	1	503,500	628,625	1,103,625	(475,000)
2016	1	0	572,628	1,061,531	(488,903)
Subtotal	4	837,961	2,208,447	4,285,141	(2,076,694)
Total All	104	67,552,547	183,705,240	178,526,062	5,527,020

New to Report: Incurred Losses Over 1.0 Million

Policy Year	# Policies	Current Reserves	Current Incurred Loss	Prior Incurred Loss	Change in Loss
2020	1	1,000,000	1,095,381	125,000	970,381
2019	4	5,000,000	5,254,629	1,259,455	3,995,174
2018	3	2,783,492	3,581,792	1,821,435	1,760,357
2017	1	1,000,000	1,078,922	828,922	250,000
Subtotal	9	9,783,492	11,010,724	4,034,812	6,975,912

**Commonwealth Automobile Reinsurers
Large Loss Notification Summary
September, 2020 Loss Reserving Committee Meeting**

Large Loss Notifications By Policy Year

#	Notification Date	Policy Year	Accident Year/Qtr	Liab Limit	Class Description	Estimated \$					Current Qtr	Difference of	Difference of
						BI	PDL	PIP	Total	State	Stat Reported Total	Estimate to Current Qtr	Prior to Current Qtr Reported Losses
Prior Quarter Loss Notifications													
1	6/9/2020	2020	20202	\$1,000,000	ZR TTT	1,000,000	0	0	1,000,000	NJ	1,095,381	(95,381)	970,381
2	7/24/2020	2019	20203	\$1,000,000	TTT	750,000	0	8,000	758,000	ME	115,597	642,403	115,597
3	6/19/2020	2019	20202	\$1,000,000	ZR TTT	1,000,000	5,000	0	1,005,000	AL	1,100,109	(95,109)	776,879
4	6/9/2020	2019	20202	\$5,000,000	TTT	0	1,400,000	0	1,400,000	MA	1,492,793	(92,793)	(239,169)
5	7/7/2020	2018	20184	\$750,000	Non-Owned / Special Rating	750,000	0	0	750,000	MA	33,390	716,610	33,390
6	6/18/2020	2017	20182	\$1,000,000	Commercial Bus	250,000	0	16,000	266,000	MA	176,006	89,994	(127,035)
Current Quarter Loss Notifications													
7	10/13/2020	2019	20203	\$1,000,000	TTT	1,000,000	0	8,000	1,008,000	MA	103,975	904,025	103,975
8	9/14/2020	2019	20201	\$1,000,000	TTT	0	250,000	0	250,000	MA	326,612	(76,612)	(22,072)
9	11/23/2020	2019	20193	\$1,000,000	ZR TTT	300,000	4,000	0	304,000	NC	33,975	270,025	0
10	10/8/2020	2019	20191	250/500		250,000	10,000	0	260,000	MA	27,710	232,290	0
11	11/10/2020	2018	20184	\$1,000,000	ZR TTT	500,000	107,370	0	607,370	CA	33,317	574,053	4,980
12	9/18/2020	2018	20184	1000/1000	TTT	300,000	0	0	300,000	MA	308,003	(8,003)	250,000
13	9/14/2020	2018	20184	\$1,000,000	TTT	986,000	14,000	0	1,000,000	NY	1,117,973	(117,973)	970,926
14	10/1/2020	2017	20174	\$1,000,000	Commercial Bus	400,000	0	0	400,000	MA	108,257	291,743	0

COMMERCIAL ULTIMATE POLICY YEAR DEFICIT PROJECTIONS
 BASED ON DATA REPORTED THROUGH QUARTER ENDING SEPTEMBER 2020
 (000's OMITTED)

SUMMARY EXHIBIT

	Policy Year 2018		Policy Year 2019		Policy Year 2020	
	Dollars	% Prem	Dollars	% Prem	Dollars	% Prem
Premium	196,000	100.0%	189,700	100.0%	172,200	100.0%
Losses Incurred and ALAE	186,200	95.0%	150,812	79.5%	107,625	62.5%
Underwriting Expenses	45,936	23.4%	41,255	21.7%	36,679	21.3%
Underwriting Result	(36,136)	-18.4%	(2,367)	-1.2%	27,896	16.2%

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

Policy Year 2020

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium			172,200	100.0%		
Losses Incurred and ALAE			107,625	62.5%		
Underwriting Expenses			36,679	21.3%		
Underwriting Result			27,896	16.2%		

Policy Year 2019

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	189,700	100.0%	189,700	100.0%	0	0.0%
Losses Incurred and ALAE	160,866	84.8%	150,812	79.5%	(10,054)	-6.2%
Underwriting Expenses	41,544	21.9%	41,255	21.7%	(289)	-0.7%
Underwriting Result	(12,710)	-6.7%	(2,367)	-1.2%	10,343	-81.4%

Policy Year 2018

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	196,000	100.0%	196,000	100.0%	0	0.0%
Losses Incurred and ALAE	186,200	95.0%	186,200	95.0%	0	0.0%
Underwriting Expenses	45,864	23.4%	45,936	23.4%	72	0.2%
Underwriting Result	(36,064)	-18.4%	(36,136)	-18.4%	(72)	0.2%