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ADDITIONAL INFORMATION

TO MEMBERS OF THE JOINT ACTUARIAL COMMERCIAL LINES COMMITTEE

FOR THE MEETING OF:

Thursday, November 12, 2020 at 10:00 a.m.

JACL

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. As the AIB is nearing completion of its review of the current indications, and in light of certain marketplace considerations, staff is requesting further direction relative to alternative scheduling options as described in the attachment. (Docket #JACL20.07, Exhibit #1)

KATY PROCTOR
Actuarial/Statistical Analyst

Attachment

Boston, Massachusetts
November 10, 2020

Commonwealth Auto Reinsurers
Alternative Commercial Residual Market Rate Filing Schedules

Target Eff. Date:	Option 1	Option 2	Option 3	Option 4	Option 5
SUMMARY	Four Filings, each Six Months apart.	Typical schedule, with Zone in two pieces.	Typical schedule, with Zone postponed until 2022.	Drop in Frequency due to the pandemic continues indefinitely.	JACL Proposal / GC Discussion
7/1/2021	"Annual" filing - typical changes excluding Zone-Rated Issues. (Zone ILF's = TTT/Bus ILF's, might increase)	"Annual" filing - typical changes including "easy" Zone-Rated Issues. Zone-Rated Filing - Part 1	"Annual" filing - typical changes excluding Zone-Rated Issues.	Forego general base rate changes and other rating factor increases.	
1/1/2022	Zone-Rated Filing - Part 1 Primary Rating Factors YES ILF's YES Zone Rels. YES Phys Dam. Rates Next Out of State Rels. Next	Primary Rating Factors YES ILF's YES Zone Rels. YES Phys Dam. Rates Next Out of State Rels. Next		Zone-Rated Filing - Part 1 - Build Structure Primary Rating Factors YES ILF's YES Zone Rels. YES Phys Dam. Rates Next Out of State Rels. Next	
7/1/2022	"Annual" filing which includes non-owned classes and short term leasing rates and out of state rels for non-zoned rated.	"Annual" filing - typical changes including non-owned classes and short term leasing rates as well as "stage 2" Zone Rated" Issues. Zone-Rated Filing - Part 2	Zone-Rated Filing - Part 1 Primary Rating Factors YES ILF's YES Zone Rels. YES Phys Dam. Rates YES Out of State Rels. YES	Return to an "Annual" filing - typical changes excluding Zone-Rated Issues.	
1/1/2023	Zone-Rated Filing - Part 2 Primary Rating Factors Step 2 ILF's Step 2 Zone Rels. Step 2 Phys Dam. Rates Step 1 Out of State Rels. Step 1	Zone Rels. Step 2 Phys Dam. Rates Step 1 Out of State Rels. Step 1		Zone-Rated Filing - Part 2 - Complete Structure Primary Rating Factors Step 2 ILF's Step 2 Zone Rels. Step 2 Phys Dam. Rates Step 1 Out of State Rels. Step 1	