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ACCOUNTING AND STATISTICAL NOTICE NO. 703

Annual Statement 2023 Massachusetts Automobile Reconciliation

In accordance with the 2024 Call Schedule published in Accounting and Statistical Notice No. 699, dated January 17, 2024, a copy of each company's Massachusetts Automobile Period Ending December 31, 2023 Annual Statement totals must be received at CAR no later than March 15, 2024. However, companies are encouraged to submit their statements prior to the due date, if possible.

Note: Submissions received after the March 15, 2024 deadline will be assessed a \$100 per day penalty fee. Explanation responses received after the May 1, 2024 deadline will be assessed a \$100 per day penalty.

Companies are required to submit the following data components:

- Copy of electronic NAIC filing (CD-Rom, USB Flash Drive or Internet Submission)
- Non-Reportable Data (if applicable)

The information reported for Statutory Page 14 data will include Non-Reportable data. Non-Reportable data refers to coverages included in the Statutory Page 14 numbers that are not statistically reportable to CAR. Common examples include umbrella premium, excess coverage, risk management business, auto warranty programs, and mechanical breakdown programs.

Note: Companies should not use the data entry function for 4th quarter information except for Non-Reportable data. Companies not in compliance may be subject to penalties.

If you do not have access to CAR's online Annual Statement Reconciliation System, please have your company's Security Administrator request a user-ID and password through CAR's website. Please contact a member of CAR's Data Operations Department for other questions regarding the use of this system.

CAR will compare the totals derived from the data reported in your company's January through December 2023 monthly accounting and statistical submissions to the totals from the Annual Statement submissions. The Non-Reportable totals are subtracted from the Statutory Page 14 data prior to the comparison. The results of the comparison are available via the online Reconciliation Reports function. If the difference between the statement totals and the statistically reported totals is greater than plus or minus five percent, then a written explanation must be submitted to CAR by the designated due date. The online Explanation Notes function is the tool necessary to comply with your company's response and it is imperative that companies utilize it. Companies that fail to comply with the reporting requirements associated with the reconciliation process will be subject to penalties. For additional information refer to Part VII – Statistical Data Quality Program of the Massachusetts Private Passenger and Commercial Automobile Statistical Plans.

CAR has made screen updates to the Reconciliation System. The data entry function now has both the written premium and paid loss data input box as well as the non-reportable data input box on the same screen. When entering these premium and loss dollar values, companies are to enter their dollar values one time and if you are satisfied with the entry, click on the update button and your data will be stored with a receipt confirmation on the page under Private Passenger/Commercial Page 14 Load date. No longer will you be asked to verify and validate your entry before we store the dollar values. Also, companies can enter changes or updates at any time before the quarterly reconciliation system process.

To announce again, the data entry function for 4th Quarter should be utilized for non-reportable dollar reporting only. Data entry filings will not be recognized as received and will be considered a late submission if no electronic file is sent by the due date.

The due dates for reporting quarterly/annual statement data are included in the Call Schedule, which CAR publishes at the beginning of each calendar year.

Companies can confirm their compliance in verifying the reporting of Statutory Page 14 data and Explanation Responses through the online reconciliation reports at any time.

Detailed information regarding this system can be found in the online Annual Statement Reconciliation Manual.

Questions regarding the reporting of Annual Statement data and the online Annual Statement Reconciliation System should be directed to your company's Data Analyst.

LISA TRAYNHAM
Data Analyst