



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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617-338-4000

## NOTICE OF MEETING

### GOVERNING COMMITTEE

A meeting of the Governing Committee will be held virtually via Zoom video conferencing software, on

**WEDNESDAY, APRIL 13, 2022, AT 10:30 A.M.**

If you plan to attend this meeting and are not a member of this Committee, please RSVP by completing the Visitor Security Form located in the Contact Us/Visitor Information section of CAR's website. CAR will then forward to you, via email, meeting access information. Please do not share access information provided by CAR, but refer others wishing to attend the meeting to CAR's Visitor Security Form.

### MEMBERS OF THE COMMITTEE

Ms. Elizabeth B. Brodeur – Chair  
Safety Insurance Company

Ms. Pamela L. Bodenstab-Krynicky  
Mr. Ryan A. Brand  
Mr. Thomas C. DePaulo  
Mr. Thomas A. Harris  
Mr. William S. Hughes  
Ms. Ida Denard Jones  
Mr. M. John Olivieri, Jr.  
Mr. Daniel P. Olohan  
Ms. Kellie A. Thibodeau  
Ms. Meredith M. Woodcock

P.L. Krynicky Insurance Agency, Inc.  
GEICO  
Cabot Risk Strategies, LLC  
Quincy Mutual Group  
Arbella Insurance Group  
Denard Insurance Agency, Inc.  
J.K. Olivieri Insurance Agency, Inc.  
MAPFRE U.S.A. Corporation  
The Hanover Insurance Company  
Liberty Mutual Insurance Companies

### AGENDA

**GC**

#### **22.01 Transcript of Previous Meeting**

The Transcript of the Governing Committee meeting of February 16, 2022 should be read and approved.

**GC**

**22.03 CAR Conflict of Interest Policy**

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

**GC**

**22.04 President's Report**

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

**GC**

**22.05 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**

**22.06 Compliance and Operations Committee**

The Governing Committee will hear the report of the Compliance and Operations Committee meeting of April 6, 2022.

The Records of the Compliance and Operations Committee meeting of April 6, 2022 will be distributed as additional information prior to the meeting.

**GC**

**22.07 Commercial Automobile Committee**

The Governing Committee will hear the report of the Commercial Automobile Committee meeting of March 30, 2022.

The Records of the Commercial Automobile Committee meeting of March 30, 2022 will be distributed as additional information prior to the meeting.

**GC**

**22.10 Loss Reserving Committee**

The Governing Committee will hear the report of the Loss Reserving Committee meeting of March 2, 2022.

The Summary of the Loss Reserving Committee meeting of March 2, 2022 is attached. (Docket #GC22.10, Exhibit #1)

The Records of the Loss Reserving Committee meeting of March 2, 2022 have been distributed and are on file.

**GC**

**22.11 Commercial Program Oversight Committee**

The Governing Committee will hear the report of the Commercial Program Oversight Committee meeting of March 29, 2022.

The Records of the Commercial Program Oversight Committee will be distributed as additional information prior to the meeting.

**GC**

**22.12 Ad Hoc P & C Insurance Committee**

The Governing Committee will hear the report of the Ad Hoc P & C Insurance Committee meeting of April 12, 2022.

**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

Attachment

Boston, Massachusetts  
March 23, 2022



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

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617-338-4000

## SUMMARY OF MEETING

### LOSS RESERVING COMMITTEE – MARCH 2, 2022

#### Members Present

Ms. Lynellen Ramirez – Chair  
Mr. Christopher Morkunas  
Ms. Melissa Vaughn<sup>(1)</sup>  
Ms. Alison Wilkman

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

Substituted for:

<sup>(1)</sup> Mr. Glenn Hiltbold

Not in Attendance:

N/A

#### 21.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Loss Reserving Committee meeting of December 1, 2021. The Records have been distributed and are on file.

#### 22.04 Quality of Current Quarter Reporting

The Committee was advised that eight Bodily Injury (BI) and two 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. All of these claims have a \$1.0 million Combined Single Limit (CSL) coverage.

The Committee reviewed large loss reports for all large losses greater than \$1.0 million reported for policy years 2012-2021 as of December 2021. During the current quarter, there were five new claims added to the report, four carrying \$1.0 M CSL, and one policy year 2020 bus claim with a \$5.0M CSL. Additionally, four claims were removed from the report for dropping below the \$1.0 million threshold. As of the current quarter, there are 104 claims over \$1.0 million reported during the latest ten policy years. The reports are attached as pages 5-10.

**Summary of Large Losses GT \$1.0M as of December, 2021 (\$ in millions)**

|              | Claims<br>>\$1.0M | Current<br>Incurred<br>Losses | Current<br>Reserves | Prior<br>Incurred<br>Losses | Change in<br>Loss |
|--------------|-------------------|-------------------------------|---------------------|-----------------------------|-------------------|
| New Claims   | 5                 | \$5.2                         | \$4.0               | \$1.9                       | \$3.3             |
| Total Claims | 104               | \$187.4                       | \$54.0              | \$181.3                     | \$6.3             |

The Committee was also informed that during the current quarter, seven new claims were reported using the Large Loss Notification Form for policy years 2018-2021. One policy year 2020 claim was reported with a \$5.0M CSL, with current quarter reserves reported at \$1.0M. This report is attached as page 11.

**22.06 Policy Year Deficit and Loss Ratio Report**

The Committee estimated a policy year 2019 surplus of \$7.1 million with an ultimate loss ratio of 74.5%. This results in a \$570,000 improvement from the prior quarter's projected surplus of \$6.6 million.

The Committee estimated a policy year 2020 surplus of \$27.1 million with an ultimate loss ratio of 62.8%, resulting in a \$1.1 million reduction of the prior quarter's projected surplus of \$28.2 million.

The Committee estimated a policy year 2021 surplus of \$24.0 million with an ultimate loss ratio of 66.4%. This results in a \$2.6 million reduction of the prior quarter's projected surplus of \$26.7 million. As the policy year will ultimately include both accident years 2021 and 2022, how the Covid 19 pandemic continues to unfold is unknown and will likely impact the Committee's estimates.

Ultimate loss ratio and deficit projections for all policy years are attached as pages 12-14.

The following summary displays the policy year results:

**Policy Year Results**  
Total Commercial Ceded

| <u>PY</u>    | <u>Earned<br/>Premium<br/>(000)</u> | <u>Loss &amp; Allocated Loss Adjustment Expense (000)</u> |                             |               |                      | <u>Number of<br/>Open<br/>Claims</u> |
|--------------|-------------------------------------|---|-----------------------------|---------------|----------------------|--------------------------------------|
|              |                                     | <u>Paid</u>   | <u>Case<br/>Outstanding</u> | <u>IBNR</u>   | <u>Held Ultimate</u> |                                      |
| 2012         | 95,070                              | 78,265  | 27                          | 0             | 78,292               | 1                                    |
| 2013         | 110,512                             | 96,625  | 846                         | 0             | 97,471               | 10                                   |
| 2014         | 127,937                             | 98,715  | 2,336                       | 6             | 101,057              | 20                                   |
| 2015         | 151,439                             | 128,767   | 2,023                       | 415           | 131,205              | 23                                   |
| 2016         | 169,141                             | 148,275   | 19,620                      | -750          | 167,145              | 173                                  |
| 2017         | 182,590                             | 121,364   | 22,031                      | 1,697         | 145,092              | 178                                  |
| 2018         | 195,958                             | 138,675   | 37,313                      | 6,587         | 182,575              | 459                                  |
| 2019         | 190,284                             | 86,741  | 41,144                      | 13,965        | 141,850              | 595                                  |
| 2020         | 172,759                             | 51,028  | 37,617                      | 19,873        | 108,518              | 1,590                                |
| 2021         | 93,878                              | 16,935  | 17,336                      | 28,032        | 62,303               | 1,858                                |
| <b>Total</b> | <b>1,489,568</b>                    | <b>965,390</b>  | <b>180,293</b>              | <b>69,825</b> | <b>1,215,508</b>     | <b>4,907</b>                         |

**Policy Year Change in Ultimate Loss**

| <u>PY</u> | <b>Current Quarter</b>    |                         |                   | <b>Prior Quarter</b>      |                         |                   | <b>Difference</b>         |                   |
|-----------|---------------------------|-------------------------|-------------------|---------------------------|-------------------------|-------------------|---------------------------|-------------------|
|           | <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> |
| 2012      | 78,292                    | 95,070                  | 82.4%             | 78,697                    | 95,070                  | 82.8%             | -405                      | -0.4%             |
| 2013      | 97,471                    | 110,512                 | 88.2%             | 97,517                    | 110,512                 | 88.2%             | -46                       | 0.0%              |
| 2014      | 101,057                   | 127,937                 | 79.0%             | 100,950                   | 127,937                 | 78.9%             | 107                       | 0.1%              |
| 2015      | 131,205                   | 151,439                 | 86.6%             | 131,377                   | 151,439                 | 86.8%             | -172                      | -0.2%             |
| 2016      | 167,145                   | 169,141                 | 98.8%             | 168,264                   | 169,141                 | 99.5%             | -1,119                    | -0.7%             |
| 2017      | 145,092                   | 182,590                 | 79.5%             | 146,581                   | 182,590                 | 80.3%             | -1,489                    | -0.8%             |
| 2018      | 182,575                   | 195,958                 | 93.2%             | 183,367                   | 195,958                 | 93.6%             | -792                      | -0.4%             |
| 2019      | 141,850                   | 190,284                 | 74.5%             | 142,427                   | 190,296                 | 74.8%             | -577                      | -0.3%             |
| 2020      | 108,518                   | 172,759                 | 62.8%             | 103,725                   | 166,673                 | 62.2%             | 4,793                     | 0.6%              |
| 2021      | 62,303                    | 93,878                  | 66.4%             | 34,832                    | 53,271                  | 65.4%             | 27,471                    | 1.0%              |

The following summary displays the accident year results from the meeting:

**Accident Year Results**  
Total Commercial Ceded

| <u>CAL/AY</u> | <u>Earned Premium(000)</u> | <u>Loss &amp; Allocated Loss Adjustment Expense (000)</u> |                         |               |                      | <u>Number of Open Claims</u> |
|---------------|----------------------------|---|-------------------------|---------------|----------------------|------------------------------|
|               |                            | <u>Paid</u>   | <u>Case Outstanding</u> | <u>IBNR</u>   | <u>Held Ultimate</u> |                              |
| 2012          | 91,576                     | 66,317  | 27                      | -             | 66,344               | 1                            |
| 2013          | 102,216                    | 81,237  | 126                     | -             | 81,363               | 5                            |
| 2014          | 117,843                    | 100,606   | 1,448                   | 6             | 102,060              | 11                           |
| 2015          | 140,066                    | 108,562   | 1,819                   | 76            | 110,457              | 22                           |
| 2016          | 160,225                    | 151,203   | 5,572                   | (36)          | 156,739              | 42                           |
| 2017          | 175,270                    | 132,312   | 27,671                  | 280           | 160,263              | 224                          |
| 2018          | 189,481                    | 132,220   | 27,735                  | 4,273         | 164,228              | 283                          |
| 2019          | 198,126                    | 118,442   | 44,926                  | 6,729         | 170,097              | 588                          |
| 2020          | 176,032                    | 61,118  | 31,317                  | 16,933        | 109,368              | 704                          |
| 2021          | 181,930                    | 39,144  | 39,652                  | 41,564        | 120,360              | 3,027                        |
| <b>Total</b>  | <b>1,532,765</b>           | <b>991,161</b>  | <b>180,293</b>          | <b>69,825</b> | <b>1,241,279</b>     | <b>4,907</b>                 |

**Accident Year Change in Ultimate Loss**

| <u>CAL/AY</u> | <b>Current Quarter</b>    |                         |                   | <b>Prior Quarter</b>      |                         |                   | <b>Difference</b>         |                   |
|---------------|---------------------------|-------------------------|-------------------|---------------------------|-------------------------|-------------------|---------------------------|-------------------|
|               | <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> |
| 2012          | 66,344                    | 91,576                  | 72.4%             | 66,344                    | 91,576                  | 72.4%             | 0                         | 0.0%              |
| 2013          | 81,363                    | 102,216                 | 79.6%             | 81,810                    | 102,216                 | 80.0%             | -447                      | -0.4%             |
| 2014          | 102,060                   | 117,843                 | 86.6%             | 102,056                   | 117,843                 | 86.6%             | 4                         | 0.0%              |
| 2015          | 110,457                   | 140,066                 | 78.9%             | 110,299                   | 140,066                 | 78.7%             | 158                       | 0.2%              |
| 2016          | 156,739                   | 160,225                 | 97.8%             | 156,670                   | 160,225                 | 97.8%             | 69                        | 0.0%              |
| 2017          | 160,263                   | 175,270                 | 91.4%             | 161,247                   | 175,270                 | 92.0%             | -984                      | -0.6%             |
| 2018          | 164,228                   | 189,480                 | 86.7%             | 164,814                   | 189,480                 | 87.0%             | -586                      | -0.3%             |
| 2019          | 170,097                   | 198,126                 | 85.9%             | 170,650                   | 198,132                 | 86.1%             | -553                      | -0.2%             |
| 2020          | 109,368                   | 176,032                 | 62.1%             | 109,477                   | 176,067                 | 62.2%             | -109                      | -0.1%             |
| 2021          | 120,360                   | 181,930                 | 66.2%             | 90,152                    | 135,210                 | 66.7%             | 30,208                    | -0.5%             |

SHANNON CHIU  
Actuarial/Statistical Analyst

Boston, Massachusetts  
March 23, 2022

## Loss Reserving Committee Executive Summary – Attachments

| <u>Report Name</u>  | <u>Page(s)</u> |
|---|----------------|
| Large Loss Listing by Policy Year (> \$ 1.0 Million)          | 5-8            |
| Large Loss Summary of Range by Policy Year (> \$ 300,000)     | 9              |
| Change in Large Losses by Policy Year                         | 10             |
| Large Loss Notification Form Summary                          | 11             |
| Ultimate Loss Ratio and Deficit Projections at December, 2021 | 12-14          |













## Large Loss by Policy Year

## Change by Quarter

Data Reported through December, 2021

## Summary of Losses Over 1.0 Million

| Policy Year     | # Policies | Current Reserves  | Current Incurred Loss | Prior Incurred Loss | Change in Loss   |
|-----------------|------------|-------------------|-----------------------|---------------------|------------------|
| 2021            | 1          | 1,003,950         | 1,034,075             | 0                   | 1,034,075        |
| 2020            | 9          | 7,924,597         | 11,489,153            | 7,593,804           | 3,895,349        |
| 2019            | 15         | 12,469,006        | 22,112,546            | 21,070,777          | 1,041,769        |
| 2018            | 20         | 14,871,647        | 42,198,208            | 42,075,173          | 149,103          |
| 2017            | 9          | 6,018,501         | 11,857,072            | 11,857,072          | 0                |
| 2016            | 18         | 10,000,990        | 37,300,930            | 37,315,478          | 113,304          |
| 2015            | 9          | 150,000           | 22,143,999            | 22,142,272          | 1,727            |
| 2014            | 8          | 1,587,760         | 10,154,317            | 10,137,010          | 17,307           |
| 2013            | 9          | 0                 | 15,419,601            | 15,419,601          | 0                |
| 2012            | 6          | 0                 | 13,714,931            | 13,714,931          | 0                |
| <b>Subtotal</b> | <b>104</b> | <b>54,026,451</b> | <b>187,424,832</b>    | <b>181,326,118</b>  | <b>6,252,634</b> |

## Losses that went under 1.0 Million (Remain on Report)

| Policy Year      | # Policies | Current Reserves  | Current Incurred Loss | Prior Incurred Loss | Change in Loss     |
|------------------|------------|-------------------|-----------------------|---------------------|--------------------|
| 2020             | 1          | 0                 | 914,203               | 1,074,190           | (159,987)          |
| 2018             | 1          | 0                 | 871,208               | 1,055,019           | (183,811)          |
| 2017             | 1          | 237,357           | 498,622               | 1,079,157           | (580,535)          |
| 2016             | 1          | 130,000           | 626,028               | 1,010,836           | (384,808)          |
| <b>Subtotal</b>  | <b>4</b>   | <b>367,357</b>    | <b>2,910,061</b>      | <b>4,219,202</b>    | <b>(1,309,141)</b> |
| <b>Total All</b> | <b>108</b> | <b>54,393,808</b> | <b>190,334,893</b>    | <b>185,545,320</b>  | <b>4,943,493</b>   |

## New to Report: Incurred Losses Over 1.0 Million

| Policy Year     | # Policies | Current Reserves | Current Incurred Loss | Prior Incurred Loss | Change in Loss   |
|-----------------|------------|------------------|-----------------------|---------------------|------------------|
| 2021            | 1          | 1,003,950        | 1,034,075             | 0                   | 1,034,075        |
| 2020            | 3          | 2,003,200        | 3,088,959             | 1,222,819           | 1,866,140        |
| 2019            | 1          | 975,870          | 1,056,794             | 662,130             | 394,664          |
| <b>Subtotal</b> | <b>5</b>   | <b>3,983,020</b> | <b>5,179,828</b>      | <b>1,884,949</b>    | <b>3,294,879</b> |

**Commonwealth Automobile Reinsurers**  
**Large Loss Notification Summary**  
**December, 2021 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 |
| <b>Prior Quarter Loss Notifications</b>   |                   |             |                   |             |                   |              |         |       |           |       |                     |                         |                                      |
| 1   | 11/8/2021         | 2021        | 20214             | \$500,000   | TTT               | 500,000      | 0       | 2,500 | 502,500   | MA    | 533,000             | (30,500)                | 533,000                              |
| 2   | 11/2/2021         | 2021        | 20214             | \$1,000,000 | TTT               | 100,000      | 0       | 8,000 | 108,000   | MA    | 1,034,075           | (926,075)               | 1,034,075                            |
| 3   | 10/20/2021        | 2021        | 20214             | 50/100      | PPT - NF          | 70,000       | 5,000   | 0     | 75,000    | MA    | 0                   | 0                       | 0                                    |
| 4   | 11/11/2021        | 2021        | 20213             | \$1,000,000 |                   | 300,000      | 20,000  | 0     | 320,000   | CT    | 320,040             | (40)                    | 307,398                              |
| 5   | 11/8/2021         | 2020        | 20214             | \$1,000,000 | TTT               | 500,000      | 10,000  | 2,500 | 512,500   | MA    | 64,305              | 448,195                 | 64,305                               |
| 6   | 10/20/2021        | 2020        | 20203             | 250/500     |                   | 250,000      | 20,000  | 8,000 | 278,000   | MA    | 285,075             | (7,075)                 | 242,500                              |
| 7   | 9/23/2021         | 2017        | 20174             | 250/500     | Commercial Bus    | 270,000      | 16,000  | 0     | 286,000   | MA    | 286,703             | (703)                   | (7,500)                              |
| <b>Current Quarter Loss Notifications</b> |                   |             |                   |             |                   |              |         |       |           |       |                     |                         |                                      |
| 8   | 2/4/2022          | 2021        | 20221             | \$1,000,000 | TTT               | 500,000      | 0       | 0     | 500,000   | CT    | 0                   | 0                       | 0                                    |
| 9   | 1/25/2022         | 2021        | 20214             | \$1,000,000 | TTT               | 900,000      | 100,000 | 0     | 1,000,000 | MA    | 61,110              | 938,890                 | 61,110                               |
| 10  | 12/20/2021        | 2020        | 20214             | \$5,000,000 | ZR TTT            | 1,000,000    | 0       | 8,000 | 1,008,000 | MA    | 1,002,200           | 5,800                   | 1,002,200                            |
| 11  | 1/27/2022         | 2020        | 20204             | \$1,000,000 |                   | 1,000,000    | 0       | 0     | 1,000,000 | MA    | 34,781              | 965,219                 | 1,781                                |
| 12  | 12/17/2021        | 2020        | 20204             | \$1,000,000 | TTT               | 750,000      | 0       | 0     | 750,000   | MA    | 810,285             | (60,285)                | 764,715                              |
| 13  | 12/30/2021        | 2019        | 20191             | 250/500     |                   | 275,000      | 2,000   | 5,000 | 282,000   | MA    | 267,917             | 14,083                  | 240,000                              |
| 14  | 12/17/2021        | 2018        | 20192             | \$1,000,000 | ZR TTT            | 750,000      | 64,309  | 0     | 814,309   | NJ    | 599,614             | 214,695                 | 5,896                                |

COMMERCIAL ULTIMATE POLICY YEAR DEFICIT PROJECTIONS  
 BASED ON DATA REPORTED THROUGH QUARTER ENDING DECEMBER 2021  
 (000's OMITTED)

SUMMARY EXHIBIT

|                          | Policy Year 2019 |        | Policy Year 2020 |        | Policy Year 2021 |        |
|--------------------------|------------------|--------|------------------|--------|------------------|--------|
|                          | Dollars          | % Prem | Dollars          | % Prem | Dollars          | % Prem |
| Premium                  | 190,300          | 100.0% | 172,700          | 100.0% | 183,100          | 100.0% |
| Losses Incurred and ALAE | 141,774          | 74.5%  | 108,456          | 62.8%  | 121,578          | 66.4%  |
| Underwriting Expenses    | 41,381           | 21.7%  | 37,131           | 21.5%  | 37,481           | 20.5%  |
| Underwriting Result      | 7,145            | 3.8%   | 27,113           | 15.7%  | 24,041           | 13.1%  |

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

Policy Year 2021

|                          | Prior Qtr Estimate |        | Current Qtr Estimate |        | Variance |         |
|--------------------------|--------------------|--------|----------------------|--------|----------|---------|
|                          | Dollars            | % Prem | Dollars              | % Prem | Dollars  | Percent |
| Premium                  | 188,600            | 100.0% | 183,100              | 100.0% | (5,500)  | -2.9%   |
| Losses Incurred and ALAE | 123,344            | 65.4%  | 121,578              | 66.4%  | (1,766)  | -1.4%   |
| Underwriting Expenses    | 38,606             | 20.5%  | 37,481               | 20.5%  | (1,125)  | -2.9%   |
| Underwriting Result      | 26,650             | 14.1%  | 24,041               | 13.1%  | (2,609)  | -9.8%   |

Policy Year 2020

|                          | Prior Qtr Estimate |        | Current Qtr Estimate |        | Variance |         |
|--------------------------|--------------------|--------|----------------------|--------|----------|---------|
|                          | Dollars            | % Prem | Dollars              | % Prem | Dollars  | Percent |
| Premium                  | 172,800            | 100.0% | 172,700              | 100.0% | (100)    | -0.1%   |
| Losses Incurred and ALAE | 107,482            | 62.2%  | 108,456              | 62.8%  | 974      | 0.9%    |
| Underwriting Expenses    | 37,152             | 21.5%  | 37,131               | 21.5%  | (21)     | -0.1%   |
| Underwriting Result      | 28,166             | 16.3%  | 27,113               | 15.7%  | (1,053)  | -3.7%   |

Policy Year 2019

|                          | Prior Qtr Estimate |        | Current Qtr Estimate |        | Variance |         |
|--------------------------|--------------------|--------|----------------------|--------|----------|---------|
|                          | Dollars            | % Prem | Dollars              | % Prem | Dollars  | Percent |
| Premium                  | 190,300            | 100.0% | 190,300              | 100.0% | 0        | 0.0%    |
| Losses Incurred and ALAE | 142,344            | 74.8%  | 141,774              | 74.5%  | (570)    | -0.4%   |
| Underwriting Expenses    | 41,381             | 21.7%  | 41,381               | 21.7%  | 0        | 0.0%    |
| Underwriting Result      | 6,575              | 3.5%   | 7,145                | 3.8%   | 570      | 8.7%    |



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

Policy Year 2018

|                          | Prior Qtr Estimate |        | Current Qtr Estimate |        | Variance |         |
|--------------------------|--------------------|--------|----------------------|--------|----------|---------|
|                          | Dollars            | % Prem | Dollars              | % Prem | Dollars  | Percent |
| Premium                  | 195,958            | 100.0% | 195,958              | 100.0% | 0        | 0.0%    |
| Losses Incurred and ALAE | 183,370            | 93.6%  | 182,575              | 93.2%  | (795)    | -0.4%   |
| Underwriting Expenses    | 45,927             | 23.4%  | 45,927               | 23.4%  | 0        | 0.0%    |
| Underwriting Result      | (33,339)           | -17.0% | (32,544)             | -16.6% | 795      | -2.4%   |

Policy Year 2017

|                          | Prior Qtr Estimate |        | Current Qtr Estimate |        | Variance |         |
|--------------------------|--------------------|--------|----------------------|--------|----------|---------|
|                          | Dollars            | % Prem | Dollars              | % Prem | Dollars  | Percent |
| Premium                  | 182,591            | 100.0% | 182,591              | 100.0% | 0        | 0.0%    |
| Losses Incurred and ALAE | 146,581            | 80.3%  | 145,092              | 79.5%  | (1,489)  | -1.0%   |
| Underwriting Expenses    | 45,686             | 25.0%  | 45,686               | 25.0%  | 0        | 0.0%    |
| Underwriting Result      | (9,676)            | -5.3%  | (8,187)              | -4.5%  | 1,489    | -15.4%  |

PY 2016

|                          | Prior Qtr Estimate |        | Current Qtr Estimate |        | Variance |         |
|--------------------------|--------------------|--------|----------------------|--------|----------|---------|
|                          | Dollars            | % Prem | Dollars              | % Prem | Dollars  | Percent |
| Premium                  | 169,141            | 100.0% | 169,141              | 100.0% | 0        | 0.0%    |
| Losses Incurred and ALAE | 168,264            | 99.5%  | 167,146              | 98.8%  | (1,118)  | -0.7%   |
| Underwriting Expenses    | 43,287             | 25.6%  | 43,287               | 25.6%  | 0        | 0.0%    |
| Underwriting Result      | (42,410)           | -25.1% | (41,292)             | -24.4% | 1,118    | -2.6%   |

PY 2015

|                          | Prior Qtr Estimate |        | Current Qtr Estimate |        | Variance |         |
|--------------------------|--------------------|--------|----------------------|--------|----------|---------|
|                          | Dollars            | % Prem | Dollars              | % Prem | Dollars  | Percent |
| Premium                  | 151,439            | 100.0% | 151,439              | 100.0% | 0        | 0.0%    |
| Losses Incurred and ALAE | 131,376            | 86.8%  | 131,205              | 86.6%  | (171)    | -0.1%   |
| Underwriting Expenses    | 38,778             | 25.6%  | 38,778               | 25.6%  | 0        | 0.0%    |
| Underwriting Result      | (18,715)           | -12.4% | (18,544)             | -12.2% | 171      | -0.9%   |