



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110
www.commauto.com 617-338-4000

NOTICE OF MEETING

GOVERNING COMMITTEE

A meeting of the Governing Committee will be held at the Automobile Insurers Bureau Conference Center at 101 Arch Street, 7th Floor, Boston, on

WEDNESDAY, APRIL 12, 2023, AT 10:30 A.M.

MEMBERS OF THE COMMITTEE

Mr. John Olivieri, Jr. – Chair
J.K. Olivieri Insurance Agency, Inc

Ms. Pamela. Bodenstab-Krynicky
Ms. Sarah Clemens
Mr. Kevin Costigan
Mr. Thomas DePaulo
Mr. Thomas Harris
Mr. William Hughes
Ms. Ida Denard Jones
Ms. Nicole Martorana
Ms. Mary McConnell
Mr. Tiago Prado
Mr. Christopher Taylor
Ms. Meredith Woodcock

P.L. Krynicky Insurance Agency, Inc.
MAPFRE U.S.A. Corporation
GEICO
Cabot Risk Strategies, LLC
Quincy Mutual Group
Arbella Insurance Group
Denard Insurance Agency, Inc.
FBInsure, LLC
Safety Insurance Company
BRZ Insurance, LLC
The Hanover Insurance Company
Liberty Mutual Group

AGENDA

GC

23.01 Transcript of Previous Meeting

The Transcript of the Governing Committee meeting of February 15, 2023 should be read and approved.

GC

23.03 CAR Conflict of Interest Policy

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

GC

23.04 President's Report

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

GC

23.05 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

23.10 Governing Committee Review Panel

The Governing Committee will hear the report of the Governing Committee Review Panel meeting of February 21, 2023.

The Records of the Governing Committee Review Panel meeting of February 21, 2023 are attached. (Docket #GC23.10, Exhibit #1)

The Records of the Governing Committee Review Panel meeting of February 21, 2023 have been distributed and are on file.

GC

23.11 Loss Reserving Committee

The Governing Committee will hear the report of the Loss Reserving Committee meeting of March 1, 2023.

A Summary of the Loss Reserving Committee meeting of March 1, 2023 is attached. (Docket #GC23.11, Exhibit #1)

The Records of the Loss Reserving Committee meeting of March 1, 2023 have been distributed and are on file.

GC

23.12 Commercial Automobile Committee

The Governing Committee will hear the reports of the Commercial Automobile Committee meeting of March 15, 2023 continued to March 29, 2023.

The Records of the Commercial Automobile Committee meeting of March 15, 2023 continued to March 29, 2023 will be distributed as additional information prior to the meeting.

GC

23.13 Commercial Program Oversight Committee

The Governing Committee will hear the report of the Commercial Program Oversight Committee meeting of March 21, 2023.

The Records of the Commercial Program Oversight Committee are attached. (Docket #GC23.13, Exhibit #1)

The Records of the Commercial Program Oversight Committee meeting of March 21, 2023 have been distributed and are on file.

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 HUBLEY
President

Attachments

Boston, Massachusetts
March 30, 2023

Loss Reserving Committee Executive Summary – Attachments

<u>Report Name</u>	<u>Page(s)</u>
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Ultimate Loss Ratio and Deficit Projections at December, 2022	12-15

**Commonwealth Automobile Reinsurers
Large Loss Notification Summary
December, 2022 Loss Reserving Committee Meeting
Large Loss Notifications By Policy Year**

#	* Notification Date	Policy Year	Accident Year/Qtr	Liab Limit	Class Description	BI	Estimated \$			State	Current Qtr	Difference of	Difference of
							PDL	PIP	Total		Stat Reported Total	Estimate to Current Qtr	Prior to Current Qtr Reported Losses
Current Quarter Updates													
1	7/12/2022	2018	20184	\$1,000,000		875,000	7,000	0	882,000	Out Of State	924,068	(42,068)	232,834
2	8/11/2022	2018	20183	\$1,000,000		450,000	9,000	0	459,000	Out Of State	504,918	(45,918)	154,167

* Updated records that had been previously reported

COMMERCIAL ULTIMATE POLICY YEAR DEFICIT PROJECTIONS
 BASED ON DATA REPORTED THROUGH QUARTER ENDING DECEMBER 2022
 (000's OMITTED)

SUMMARY EXHIBIT

	Policy Year 2020		Policy Year 2021		Policy Year 2022	
	Dollars	% Prem	Dollars	% Prem	Dollars	% Prem
Premium	172,644	100.0%	183,400	100.0%	185,700	100.0%
Losses Incurred and ALAE	107,632	62.3%	122,144	66.6%	135,190	72.8%
Underwriting Expenses	37,120	21.5%	36,370	19.8%	43,899	23.6%
Underwriting Result	27,892	16.2%	24,886	13.6%	6,611	3.6%

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

Policy Year 2022

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	190,000	100.0%	185,700	100.0%	(4,300)	-2.3%
Losses Incurred and ALAE	137,560	72.4%	135,190	72.8%	(2,370)	-1.7%
Underwriting Expenses	44,916	23.6%	43,899	23.6%	(1,017)	-2.3%
Underwriting Result	7,524	4.0%	6,611	3.6%	(913)	-12.1%

Policy Year 2021

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	183,600	100.0%	183,400	100.0%	(200)	-0.1%
Losses Incurred and ALAE	122,094	66.5%	122,144	66.6%	50	0.0%
Underwriting Expenses	36,420	19.8%	36,370	19.8%	(50)	-0.1%
Underwriting Result	25,086	13.7%	24,886	13.6%	(200)	-0.8%

Policy Year 2020

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	172,600	100.0%	172,644	100.0%	44	0.0%
Losses Incurred and ALAE	107,530	62.3%	107,632	62.3%	102	0.1%
Underwriting Expenses	37,112	21.5%	37,120	21.5%	8	0.0%
Underwriting Result	27,958	16.2%	27,892	16.2%	(66)	-0.2%

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

Policy Year 2019

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	190,284	100.0%	190,284	100.0%	0	0.0%
Losses Incurred and ALAE	141,862	74.6%	141,187	74.2%	(675)	-0.5%
Underwriting Expenses	41,379	21.7%	41,379	21.7%	0	0.0%
Underwriting Result	7,043	3.7%	7,718	4.1%	675	9.6%

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	181,627	92.7%	182,307	93.0%	680	0.4%
Underwriting Expenses	45,927	23.4%	45,927	23.4%	0	0.0%
Underwriting Result	(31,596)	-16.1%	(32,276)	-16.5%	(680)	2.2%

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	144,116	78.9%	144,094	78.9%	(22)	0.0%
Underwriting Expenses	45,686	25.0%	45,686	25.0%	0	0.0%
Underwriting Result	(7,211)	-3.9%	(7,189)	-3.9%	22	-0.3%

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

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	168,214	99.5%	168,057	99.4%	(157)	-0.1%
Underwriting Expenses	43,287	25.6%	43,287	25.6%	0	0.0%
Underwriting Result	(42,360)	-25.0%	(42,203)	-25.0%	157	-0.4%

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	130,847	86.4%	130,797	86.4%	(50)	0.0%
Underwriting Expenses	38,778	25.6%	38,778	25.6%	0	0.0%
Underwriting Result	(18,186)	-12.0%	(18,136)	-12.0%	50	-0.3%



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RECORDS OF MEETING

COMMERCIAL PROGRAM OVERSIGHT COMMITTEE – MARCH 21, 2023

Members Present

Mr. John Olivieri, Jr. – Chair
Mr. Brian Hayes
Ms. Sharon Murphy
Mr. Henry Risman
Ms. Meredith Woodcock

J.K. Olivieri Insurance Agency, Inc.
Quincy Mutual Group
Acadia Insurance Company
Risman Insurance Agency, Inc.
Liberty Mutual Insurance Companies

Substituted for:
N/A

Not in Attendance:
N/A

22.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Commercial Program Oversight Committee meeting of October 27, 2022. The Records have been distributed and are on file.

23.04 2022 Servicing Carrier Annual Report Review

Mr. Richard Dalton provided an overview of the proposed 2022 Servicing Carrier Annual Report template which was attached to the meeting notice. He noted that the template is intended to be used by the Servicing Carriers in preparing their 2022 Annual Reports for review by the Committee. He indicated that the template is broken into sections, including a section with specific questions addressing current market issues, an expense section, and a section containing more general topics and associated data for Servicing Carrier comment. The Annual Report template also includes a schedule of dates for distribution to Servicing Carriers, for the carrier's completion and submission to CAR, and for the Committee's review of those Annual Reports.

The Committee unanimously voted to approve the proposed template and directed staff to proceed with the distribution to the Servicing Carriers in accordance with the schedule as presented.

RICHARD DALTON
Residual Market Liaison

Boston, Massachusetts
March 23, 2023