



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

www.commauto.com

617-338-4000

NOTICE OF MEETING

LOSS RESERVING COMMITTEE

A meeting of the Loss Reserving Committee will be held virtually via Zoom video conferencing software on

WEDNESDAY, DECEMBER 6, 2023, AT 11:00 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. Lynellen Ramirez – Chair
Arbella Insurance Group

Ms. Julie Ann Frechette
Ms. Satomi Miyana
Mr. Martin Murphy
Mr. Gavin Traverso
Ms. Melissa Vaughn

The Hanover Insurance Company
Liberty Mutual Insurance Companies
Plymouth Rock Assurance Corporation
MAPFRE U.S.A. Corporation
Safety Insurance Company

AGENDA

LR

23.01 Records of Previous Meeting

The Records of the Loss Reserving Committee meeting of September 6, 2023 should be read and approved.

LR

23.03 CAR Conflict of Interest Policy

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

LR

22.08 Committee Membership Considerations

At its December 2022 meeting, the Loss Reserving Committee discussed concerns regarding frequent turnover in representation due to staffing and retention challenges experienced throughout the industry. At that time, the committee members cited the need for seasoned reservists with direct experience in the Massachusetts automobile insurance marketplace to serve CAR's loss reserving needs. The members expressed a strong preference for each of the Servicing Carriers to participate, given their involvement in servicing the commercial residual market. The Committee also supported participation of Member Companies with larger voluntary market shares to increase membership, allow for back-up for coverage responsibilities, and positively impact the discussion concerning the ultimate loss selections.

In light of continued turnover on the Committee, the Committee should again consider whether delegating the commercial residual market loss reserving and deficit projection function to CAR's Actuarial/Statistical Department staff is advisable. If so, staff is prepared for your March 2024 meeting to draft procedures for the Committee's consideration that outline a process to develop projections, document selections, and distribute information to Member Companies. The procedures will also include a process to review staff's reserve projections at least annually, either involving a committee or an accredited consulting actuary.

The Loss Reserving Committee will begin discussion of this topic at the meeting. Committee members may introduce alternative approaches for consideration at this time.

LR

23.04 Quality of Current Quarter Reporting

Staff will review quarterly adjustments to losses or premiums necessitated by data reporting problems.

Staff will also review newly reported large losses and historical large loss reports on an inception-to-date basis that were updated for the current quarter's activity.

LR

23.05 Selection of Ultimate Losses

The accident year loss reserve indications for the five loss development pools should be reviewed and finalized.

LR

23.06 Policy Year Deficit and Loss Ratio Report

The Committee should review and finalize the preliminary report to the Governing Committee for the quarter ending September 30, 2023.

LR

23.07 Latest Valuation of Ultimate Projections

The Committee should review the ultimate policy year projections valued at the quarter ending September 30, 2023.

Other Business

To transact any other business that may properly come before this Committee.

Executive Session

The Loss Reserving Committee may convene in Executive Session in accordance with the provisions of G.L. c. 30A, § 21.

EVAN ROSS
Actuarial/Statistical Analyst

Boston, Massachusetts
November 17, 2023