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## RECORDS OF MEETING

### LOSS RESERVING COMMITTEE –DECEMBER 6, 2023

#### Members Present

Ms. Lynellen Ramirez – Chair	Arbella Insurance Group
Ms. Julie Ann Frechette	The Hanover Insurance Company
Ms. Satomi Miyanaga	Liberty Mutual Insurance Companies
Mr. Martin Murphy	Plymouth Rock Assurance Corporation
Mr. Gavin Traverso	MAPFRE U.S.A. Corporation
Ms. Melissa Vaughn	Safety Insurance Company

Not in Attendance:  
N/A

#### 23.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Loss Reserving Committee meeting of September 6, 2023. The Records have been distributed and are on file.

#### 22.08 Committee Membership Considerations

In light of continued turnover on the Committee, the Committee was asked to again consider whether delegating the commercial residual market loss reserving and deficit projection function to CAR's Actuarial/Statistical Department staff is advisable. Committee members were asked to discuss this matter and present their opinions, suggestions, or general comments regarding the delegation of these responsibilities.

Ms. Natalie Hubley opened the conversation with a summary of the prior discussions and events regarding committee turnover. She made note of CAR's efforts to have all four servicing carriers as well as some of the larger voluntary writing companies represented on the committee following a previous discussion where all parties expressed an interest in maintaining the current loss reserving process. However, the newer participating companies experienced staffing issues that resulted in additional membership turnover.

Mr. Gavin Traverso pointed out that if CAR Staff were to take over the reserving function, there may be costs involved in hiring an actuary either on staff or as a consultant to review the results. He opined that if the committee turnover can be withstood, it would be in everyone's best interest to maintain the current process of reserving and avoid this additional cost. Ms. Vaughn concurred but noted that there would be benefits to CAR handling the reserving process due to their integral involvement and familiarity with the data used by the committee. She noted her willingness to remain as a committee member.

Speaking as a new member, Ms. Satomi Miyanaga made note of the challenges she encountered in transitioning onto the committee due to a lack of historical context and insight into the loss reserving process. However, she noted that there is value in the committee process, even in light of continuity issues. To this point, Ms. Hubley added that CAR’s actuarial department has been working consistently with this process for many years, and though the issue of lacking an accredited actuary would take some time to address, CAR staff is certainly qualified and capable of taking on a more involved role in the reserving process.

Mr. Timothy Galligan weighed in as well, stating that he and his department at CAR have proactively addressed member transition with training sessions for all new members. He noted that the addition of new reports could be added to assist in providing more information to the committee to enhance their understanding of the data, including the IBNR shift from policy year to accident year. This includes more detail on large losses that occur in a different accident year from the policy year. This in turn could contribute to more discussion and involvement in that process.

Ms. Lynellen Ramirez added that CAR staff’s knowledge and experience with the more complicated aspects of the loss reserving process is an asset to the committee that would be beneficial to utilize, especially in the current environment where it is unlikely for this turnover to stop anytime soon. It was also noted by Ms. Ramirez that it is unfair to expect new committee members to join for a quarter and sufficiently contribute to a process with which they have little to no experience.

The Committee then resolved to direct staff to outline the process in which CAR could take on additional Loss Reserving Committee responsibilities. Ms. Hubley noted that the outline would include alternatives for back-end review of CAR’s reserving results. It was agreed to continue the discussion at a future meeting in an effort to formulate a recommendation to the Governing Committee.

#### **23.04 Quality of Current Quarter Reporting**

Ms. Katy Proctor reviewed the current quarter data quality report, including missing premium and both paid and outstanding losses for the September, 2023 accounting shipment for the Safety Insurance Group. Safety provided CAR with estimates of the missing data that was included in the loss reserving development data and loss projections. A summary of the estimated policy year data is as follows:

Written Premium	\$4.4 million for PY 2021 - 2023
Paid Losses	\$3.2 million for PY 2014 - 2023
Outstanding Losses	\$86.8 million for PY 2014 – 2023

The Committee was informed that two Bodily Injury (BI) claims were referred this quarter to CAR’s Compliance Audit Department for additional information and verification of the reported statistics. Of the two BI large losses investigated, one carried a \$1.0 million combined single limit (CSL) coverage, and one policy was reviewed due to a large decrease in the reserves of \$600,000. There were no property damage liability claims referred this quarter. The claims referred were either newly reported, experienced large upward or downward reserve changes, or were paid in excess of the prior quarter reserve and were verified for accuracy with the reporting Servicing Carrier.

Ms. Proctor informed the Committee that the current quarter’s large loss reports were not updated for the current quarter due to the missing data from Safety. Ms. Proctor noted that Staff would update the exhibits and post them to CAR’s website once the data was reported. Mr. Galligan noted that although the detailed data was not available, Safety had confirmed a significant increase in outstanding losses for policy

year 2022 including two claims at \$5 million CSL with estimated outstanding losses totaling \$7.3 million, along with an additional thirteen claims between \$385,000 and \$1.0 million with outstanding losses totaling \$4.5 million.

The Committee was also informed that, during the current quarter, six new claims were reported using the Large Loss Notification Form. Ms. Proctor noted that 5 claims have a 1.0 million CSL, and one claim carried a 5.0 million CSL that is currently estimated to be \$700,000 with \$42,000 currently statistically reported to CAR. (Docket #LR23.04, Exhibit #32)

## **23.05 Selection of Ultimate Losses**

### **All Other Bodily Injury, Property Damage, and No-Fault Pools**

#### **A.O. Bodily Injury**

##### **Accident Year 2014:**

Ms. Melissa Vaughn recommended using the indicated ultimate loss for accident year 2014.

##### **Accident Years 2015 – 2017:**

Ms. Vaughn recommended using the incurred indications based on the “latest 8 M-M” methodology for accident years 2015 – 2017.

##### **Accident Year 2018 – 2019:**

Ms. Vaughn recommended using the incurred indication based on the “latest 8 unity” methodology for accident years 2018 – 2019.

##### **Accident Year 2020:**

Ms. Vaughn recommended a loss ratio of 63.0% for accident year 2020, which is a reduction of four points from the prior quarter’s loss ratio.

##### **Accident Year 2021:**

Ms. Vaughn recommended a loss ratio of 65.0% for accident year 2021, which is a reduction of four points from the prior quarter’s loss ratio.

##### **Accident Year 2022:**

Ms. Vaughn recommended using the incurred indication based on the “latest 8 M-M” methodology for accident year 2022 resulting in a loss ratio of 101.2%, up significantly from the prior quarter’s ultimate loss ratio of 97.0%.

##### **Accident Year 2023:**

Ms. Vaughn recommended a loss ratio of 95.4% based upon the “latest 12 unity” methodology, resulting in an ultimate valuation of \$65.8 million for accident year 2023.

In the discussion following her selections, Ms. Vaughn stated that the decrease to the loss ratios of accident years 2020 and 2021 were more aggressive this quarter, but noted that she has been moving these loss ratios down for several quarters and the new selections are representative of where they were heading. Ms. Vaughn noted that these years are offset by increases in 2022 and 2023. Ms. Vaughn informed the Committee that for AY 2023, the large losses are significant and represent almost half of the total incurred losses, and is therefore comfortable with her increase. Ms. Lynellen Ramirez agreed with the decreases for AY 2020 and 2021, but noted that the accident year 2021 was still \$6.0 million higher than the indications and asked for Committee consideration on bringing down the loss ratio even further. After some

discussion, the Committee agreed that the year is still developing and favored a conservative approach to leave the ultimate loss selection as recommended at this time.

On a roll call vote, the Committee unanimously voted to accept the above recommendations for All Other Bodily Injury.

### **A.O. No Fault**

#### **Accident Years 2014 – 2018:**

Ms. Satomi Miyanaga recommended using the incurred indications based on the “latest 12 M-M” methodology for accident years 2014 - 2018.

#### **Accident Years 2019 – 2020:**

Ms. Miyanaga recommended using the incurred indications based on the “latest 12” methodology for accident years 2019 - 2020.

#### **Accident Years 2021 – 2022:**

Ms. Miyanaga recommended using the incurred indication based on the “latest 8” methodology for accident years 2021 – 2022.

#### **Accident Years 2023:**

Ms. Miyanaga recommended using the incurred indication based on the “latest 8” methodology, resulting in an ultimate valuation of \$1.8 million for accident year 2023, and a loss ratio of 71.9%.

Upon calls for discussion, Ms. Miyanaga commented on her own selections, stating that she tried to keep her choices consistent with the prior quarter due to the small dollar amounts in this particular coverage.

On a roll call vote, the Committee unanimously voted to accept the above recommendations for All Other No Fault.

### **A.O. Property Damage Liability**

#### **Accident Years 2014 – 2022:**

Ms. Julie Ann Frechette recommended using the incurred loss projections based on the “incurred 8 M-M” methodology for accident years 2014 - 2022.

#### **Accident Year 2023:**

Ms. Frechette recommended the prior quarter’s ultimate ratio of 61.0%, resulting in an ultimate loss valuation of \$22.0 million for accident year 2023. Ms. Frechette noted that she gave more weight to the incurred loss projections in making her selection for 2023.

On a roll call vote, the Committee unanimously voted to accept the above recommendations for All Other Property Damage Liability.

**Current ultimate valuations selected for A.O. Liability are:**

(Values in Millions)

AY	AOBI	AONF	AOPDL	TOTAL	AY LR
2014	54.0	3.7	22.6	80.3	87.5
2015	48.7	4.0	28.7	81.4	76.6
2016	86.1	5.5	30.0	121.6	101.2
2017	77.4	4.7	36.3	118.3	89.6
2018	82.4	6.0	35.7	124.2	87.3
2019	92.0	3.9	36.3	132.2	89.2
2020	51.4	1.7	24.7	77.8	59.6
2021	56.5	1.8	25.0	83.3	60.9
2022	89.3	2.3	27.5	119.1	86.6
2023	65.8	1.8	22.0	89.6	83.3

**All Other Collision and Other Than Collision**

**A.O. Collision**

**Accident Years 2014 – 2019:**

Mr. Gavin Traverso recommended using the paid indications for accident years 2014 – 2019.

**Accident Years 2020 – 2021:**

Mr. Traverso recommended retaining the prior quarter's indications for accident years 2020 – 2021.

**Accident Year 2022:**

Mr. Traverso recommended using the paid indications based on the "latest 8" methodology for accident year 2022.

**Accident Year 2023:**

Mr. Traverso recommended a loss ratio of 64.1%, noting that it falls between the current quarter's indication and the prior quarter's selection. This results in an ultimate valuation of \$18.6 million for accident year 2023.

On a roll call vote, the Committee unanimously voted to accept the above recommendations for A.O. Collision.

**A.O. Other Than Collision**

**Accident Years 2014 – 2022:**

Mr. Martin Murphy recommended using the paid indications for accident years 2014 – 2022.

**Accident Year 2023:**

Mr. Murphy recommended a loss ratio of 83.6%, up from the prior quarter's loss ratio of 72.0%. This results in an ultimate valuation of \$7.4 million for accident year 2023. Mr. Murphy noted a higher severity and adverse development with volatility in the 3<sup>rd</sup> quarter. He informed the Committee that his selection falls between the current quarter's indication and the prior quarter's selection. Discussion ensued relating to the desire to further increase the 2023 loss ratio, given an indicated loss ratio of 92.9%. The Committee agreed to leave the selection as recommended, noting that the selection is moving in the right direction after such a drastic change in a single quarter.

On a roll call vote, the Committee unanimously voted to accept the above recommendations for A.O. Other Than Collision.

**Current ultimate valuations selected for A.O. Physical Damage are:**

(Values in Millions)

AY	AOCOLL	AOOTC	TOTAL	AY LR
2014	14.6	7.0	21.6	83.0
2015	21.5	7.9	29.5	87.4
2016	25.5	8.9	34.4	86.1
2017	29.4	9.4	38.7	89.6
2018	29.2	10.8	40.0	84.6
2019	26.3	7.7	33.9	68.0
2020	18.0	6.2	24.1	53.1
2021	20.5	6.9	27.3	60.9
2022	24.4	9.7	34.1	72.5
2023	18.6	7.4	26.0	68.6

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

Mr. Galligan informed the Committee that due to the missing data during the current quarter, the IBNR calculations (ultimate loss projections minus the reported losses) result in significant amounts of IBNR shifting from accident year to calendar year, which made the process more difficult this quarter. To assist the Committee, a revised report was made to assume that the Safety data had actually been reported. With lower IBNR, the shifting process was similar to prior quarters. The Committee then reviewed the data, and the final policy year ultimate losses were calculated based on the revised exhibits. The calculations were then performed again with the original IBNR using the ultimate policy year losses selected by the Committee.

The Committee agreed to the following shift of reserves:

AO Bodily Injury	\$176,000 from PY 2015 to PY 2014
AO Bodily Injury	\$3,941,000 from PY 2017 to PY 2016
AO Bodily Injury	\$1,659,000 from PY 2017 to PY 2018
AO Bodily Injury	\$1,925,000 from PY 2017 to PY 2019
AO Bodily Injury	\$615,000 from PY 2020 to PY 2019
AO Bodily Injury	\$355,000 from PY 2020 to PY 2022
AO Bodily Injury	\$8,805,000 from PY 2021 to PY 2022
AO Bodily Injury	\$6,357,000 from PY 2023 to PY 2022
AO Bodily Injury	\$500,000 from PY 2023 to PY 2022
AO PDL	\$21,000 from PY 2017 to PY 2016
AO PDL	\$11,000 from PY 2018 to PY 2016
AO PDL	\$7,000 from PY 2018 to PY 2020
AO PDL	\$167,000 from PY 2019 to PY 2020
AO PDL	\$32,000 from PY 2019 to PY 2021

AO PDL	\$16,000 from PY 2019 to PY 2022
AO PDL	\$122,000 from PY 2023 to PY 2022
AO No Fault	\$1,000 from PY 2015 to PY 2014
AO No Fault	\$5,000 from PY 2017 to PY 2016
AO No Fault	\$9,000 from PY 2017 to PY 2018
AO No Fault	\$1,000 from PY 2017 to PY 2020
AO No Fault	\$28,000 from PY 2019 to PY 2020
AO No Fault	\$20,000 from PY 2021 to PY 2020
AO No Fault	\$2,000 from PY 2021 to PY 2022
AO No Fault	\$103,000 from PY 2021 to PY 2023
AO Collision	\$300,000 from PY 2021 to PY 2022
AO Collision	\$300,000 from PY 2021 to PY 2023
AO OTC	\$600,000 from PY 2022 to PY 2023

The final version of the Policy Year Deficit and Loss Ratio reports of the Loss Reserving Committee to the Governing Committee are attached. (Docket #LR23.06, Exhibit #4) and (Docket #LR23.05, Exhibit #76)

### 23.07 Latest Valuation of Ultimate Projections

The latest deficit projections as of September, 2023 for policy years 2021, 2022, and 2023 were reviewed and finalized as follows:

#### Commercial ( Deficit) / + Surplus (In Millions)

	Prior Quarter	Current Quarter
2021	\$22.5	\$23.2
2022	(\$5.1)	(\$17.2)
2023	N/A	(\$6.6)

The Committee estimated a policy year 2021 surplus of \$23.2 million with an ultimate loss ratio of 67.5%. The estimate results in a \$.7 million increase of the prior quarter's projected surplus of \$22.5 million.

The Committee estimated a policy year 2022 deficit of \$17.2 million with an ultimate loss ratio of 85.6%, resulting in a \$12.1 million increase of the prior quarter's projected deficit of \$5.1 million. The increased deficit results are in part due to seven new large losses with current quarter incurred losses totaling \$11.5 million, a \$9.7 million increase from the prior quarter. In total, 16 large losses have been reported for policy year 2022 with incurred losses of \$30.0 million, an \$11.5 million increase from the prior quarter.

The Committee estimated a policy year 2023 deficit of \$6.6 million with an ultimate loss ratio of 79.3%. This was the first estimate of the policy year 2023 results.

The Ultimate Deficit results for policy years 2016 – 2020 using ultimate loss ratios from the meeting were also reviewed by the Committee and are included on the ultimate deficit report.

## **Ultimate Premium, Loss Ratio, and Expense Ratio Projections**

### **Policy Year 2021**

The policy year 2021 commercial ultimate premium of \$183.4 million is estimated using an average of the annual and quarterly premium development methods. The premium estimate remains unchanged from the prior quarter.

### **Policy Year 2022**

The policy year 2022 commercial ultimate premium of 186.4 million is estimated using an average of the annual and quarterly premium development methods. The premium estimate has increased \$100,000 from the prior quarter.

### **Policy Year 2023**

Mr. Galligan informed the Committee that the policy year 2023 commercial ultimate premium is estimated to be \$205.5 million. Mr. Galligan reviewed the results of several premium projection methods as follows:

- 1) Traditional method – using a projected total market premium of \$1.190 billion, and a cession rate of 17.6%, based on development from 9 to 12 months. Applying ultimate development factors to the 12-month ceded premium of \$209.5 million results in ultimate premium of \$205.5 million.
- 2) Actual reported data with estimates – using actual reported policy year 2023 data (January-October) and estimated rate adjusted and trended premium for November and December based on 2022. This results in ultimate premium of \$206.9 million.
- 3) Annual premium development method – established methodology of the committee using policy year 2023 data at 9 months and projected using historical development factors. This results in an ultimate premium of \$204.5 million.

Mr. Galligan informed the Committee that a final ultimate premium of \$205.5 million was selected based on the consistent results from the three methodologies used for consideration.

### **Loss Ratios**

The ultimate loss ratios for all policy years are set equal to the selected loss ratios from the meeting reflecting data ending September, 2023.

### **Expense Ratios**

#### **Policy Years 2021 and 2022**

Policy years 2021 and 2022 expense ratios are set equal to the latest reported value, which reflects all true-up adjustments to date.

#### **Policy Year 2023**

The policy year 2023 ultimate expense ratio of 23.90% is based on the expense allowance of 13.26%, 2.30% for premium tax, and 8.34% for commissions, and is applicable to all commercial vehicle types.



## **Underwriting Results for Older Years**

The Ultimate Deficit results for policy years 2016 – 2020 have been included and will be updated with the selected loss ratios at the meeting. Refer to (Docket #LR23.07, Exhibit #11) for additional details relating to the policy year ultimate deficits.

EVAN ROSS  
Actuarial/Statistical Analyst

Boston, Massachusetts  
January 12, 2024

**Commonwealth Automobile Reinsurers  
Large Loss Notification Summary  
September, 2023 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		Estimate to	Prior to Current	
											Total	Current Qtr	Qtr Reported Losses	
<b>Prior Quarter Loss Notifications</b>														
1	8/9/2023	2023	20233	\$1,000,000		750,000	0	2,200	752,200	MA	796,162	(43,962)	796,162	
2	8/14/2023	2022	20233	\$5,000,000	ZR Bus	4,000,000	7,000	0	4,007,000	Out Of State	0	0	0	
3	8/25/2023	2022	20232	\$1,000,000	ZR TTT	735,200	4,200	0	739,400	MA	785,166	(45,766)	393,750	
4	7/19/2023	2020	20212	\$1,500,000		250,000	1,200	0	251,200	MA	263,695	(12,495)	50,000	
5	8/30/2023	2018	20193	\$1,000,000		650,000	25,000	0	675,000	Out Of State	558,758	116,242	440,701	
6	6/8/2023	2017	20182	\$1,000,000		250,000	22,000	0	272,000	MA	321,119	(49,119)	(13,773)	
<b>Current Quarter Loss Notifications</b>														
1	10/26/2023	2023	20233	\$5,000,000		650,000	50,000	0	700,000	Out Of State	42,100	657,900	42,100	
2	9/19/2023	2023	20233	\$1,000,000	TTT	35,200	0	2,500	37,700	MA	0	0	0	
3	9/19/2023	2023	20232	\$1,000,000	ZR TTT	50,500	0	0	50,500	Out Of State	53,078	(2,578)	53,078	
4	9/13/2023	2021	20222	\$1,000,000		430,000	25,000	0	455,000	Out Of State	462,392	(7,392)	162,500	
5	9/27/2023	2019	20193	\$1,000,000		750,000	20,000	0	770,000	Out Of State	195,098	574,902	125,373	
6	9/15/2023	2019	20192	\$1,000,000	TTT	1,000,000	0	0	1,000,000	MA	1,150,026	(150,026)	266,782	
<b>Current Quarter Updates</b>														
1	4/13/2023	2020	20204	\$1,000,000		800,000	0	0	800,000	MA	752,200	47,800	0	

\* Updated records that had been previously reported

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EXHIBIT # 4

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<b>All Other LIABILITY</b>	<b><u>PY 2023</u></b>	<b><u>PY 2022</u></b>	<b><u>PY 2021</u></b>	<b><u>PY 2020</u></b>
	@09 Mos	@21 Mos		
Written Premium	115,855	138,334	137,404	129,191
Written Premium Accrued	0	0	0	0
Unearned Premium Current	71,989	4,284	0	0
Total Earned Premium	43,866	134,050	137,404	129,191
Reported Losses	13,214	57,295	70,363	70,685
I.B.N.R. Reserve	23,334	64,875	21,750	9,931
Total Incurred Losses	36,548	122,170	92,113	80,616
Loss Ratio	0.833	0.911	0.670	0.624
Ceding Expenses & Commissions	27,690	32,694	27,330	27,795
Ceding Expenses Accrued	0	0	0	0
Deferred Acquisition Costs	17,205	1,012	0	0
Expense Ratio to Earned Premium	0.239	0.236	0.199	0.215
C.A.R. Underwriting Deficit	(3,167)	(19,802)	17,961	20,780
<b>All Other PHYSICAL DAMAGE</b>	<b><u>PY 2023</u></b>	<b><u>PY 2022</u></b>	<b><u>PY 2021</u></b>	<b><u>PY 2020</u></b>
	@09 Mos	@21 Mos		
Written Premium	41,034	48,262	45,963	43,453
Written Premium Accrued	0	0	0	0
Unearned Premium Current	25,660	1,487	0	0
Total Earned Premium	15,374	46,775	45,963	43,453
Reported Losses	8,213	31,079	32,596	24,394
I.B.N.R. Reserve	2,206	1,570	(925)	(45)
Total Incurred Losses	10,419	32,649	31,671	24,349
Loss Ratio	0.678	0.698	0.689	0.560
Ceding Expenses & Commissions	9,807	11,408	9,107	9,325
Ceding Expenses Accrued	0	0	0	0
Deferred Acquisition Costs	6,132	351	0	0
Expense Ratio to Earned Premium	0.239	0.236	0.198	0.215
C.A.R. Underwriting Deficit	1,280	3,069	5,185	9,779
<b>All Other ALL</b>	<b><u>PY 2023</u></b>	<b><u>PY 2022</u></b>	<b><u>PY 2021</u></b>	<b><u>PY 2020</u></b>
	@09 Mos	@21 Mos		
Written Premium	156,889	186,596	183,367	172,644
Written Premium Accrued	0	0	0	0
Unearned Premium Current	97,649	5,771	0	0
Total Earned Premium	59,240	180,825	183,367	172,644
Reported Losses	21,427	88,374	102,959	95,079
I.B.N.R. Reserve	25,540	66,445	20,825	9,886
Total Incurred Losses	46,967	154,819	123,784	104,965
Loss Ratio	0.793	0.856	0.675	0.608
Ceding Expenses & Commissions	37,497	44,102	36,437	37,120
Ceding Expenses Accrued	0	0	0	0
Deferred Acquisition Costs	23,337	1,363	0	0
Expense Ratio to Earned Premium	0.239	0.236	0.199	0.215
C.A.R. Underwriting Deficit	(1,887)	(16,733)	23,146	30,559

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EXHIBIT # 4

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<b>All Other LIABILITY</b>	<b><u>PY 2019</u></b>	<b><u>PY 2018</u></b>	<b><u>PY 2017</u></b>	<b><u>PY 2016</u></b>
Written Premium	141,569	146,682	137,689	127,482
Written Premium Accrued	0	0	0	0
Unearned Premium Current	0	0	0	0
Total Earned Premium	141,569	146,682	137,689	127,482
Reported Losses	91,029	128,725	102,157	125,311
I.B.N.R. Reserve	14,473	10,850	1,429	4,401
Total Incurred Losses	105,502	139,575	103,586	129,712
Loss Ratio	0.745	0.952	0.752	1.017
Ceding Expenses & Commissions	30,833	34,408	34,430	32,579
Ceding Expenses Accrued	0	0	0	0
Deferred Acquisition Costs	0	0	0	0
Expense Ratio to Earned Premium	0.218	0.235	0.250	0.256
C.A.R. Underwriting Deficit	5,234	(27,301)	(327)	(34,809)
<b>All Other PHYSICAL DAMAGE</b>	<b><u>PY 2019</u></b>	<b><u>PY 2018</u></b>	<b><u>PY 2017</u></b>	<b><u>PY 2016</u></b>
Written Premium	48,715	49,276	44,902	41,659
Written Premium Accrued	0	0	0	0
Unearned Premium Current	0	0	0	0
Total Earned Premium	48,715	49,276	44,902	41,659
Reported Losses	28,886	38,643	38,265	37,239
I.B.N.R. Reserve	4	0	(3)	3
Total Incurred Losses	28,890	38,643	38,262	37,242
Loss Ratio	0.593	0.784	0.852	0.894
Ceding Expenses & Commissions	10,546	11,519	11,256	10,708
Ceding Expenses Accrued	0	0	0	0
Deferred Acquisition Costs	0	0	0	0
Expense Ratio to Earned Premium	0.216	0.234	0.251	0.257
C.A.R. Underwriting Deficit	9,279	(886)	(4,616)	(6,291)
<b>All Other ALL</b>	<b><u>PY 2019</u></b>	<b><u>PY 2018</u></b>	<b><u>PY 2017</u></b>	<b><u>PY 2016</u></b>
Written Premium	190,284	195,958	182,591	169,141
Written Premium Accrued	0	0	0	0
Unearned Premium Current	0	0	0	0
Total Earned Premium	190,284	195,958	182,591	169,141
Reported Losses	119,915	167,368	140,422	162,550
I.B.N.R. Reserve	14,477	10,850	1,426	4,404
Total Incurred Losses	134,392	178,218	141,848	166,954
Loss Ratio	0.706	0.909	0.777	0.987
Ceding Expenses & Commissions	41,379	45,927	45,686	43,287
Ceding Expenses Accrued	0	0	0	0
Deferred Acquisition Costs	0	0	0	0
Expense Ratio to Earned Premium	0.217	0.234	0.250	0.256
C.A.R. Underwriting Deficit	14,513	(28,187)	(4,943)	(41,100)























COMMERCIAL ULTIMATE POLICY YEAR DEFICIT PROJECTIONS  
 BASED ON DATA REPORTED THROUGH QUARTER ENDING SEPTEMBER 2023  
 (000's OMITTED)

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SUMMARY EXHIBIT

	Policy Year 2021		Policy Year 2022		Policy Year 2023	
	Dollars	% Prem	Dollars	% Prem	Dollars	% Prem
Premium	183,400	100.0%	186,400	100.0%	205,478	100.0%
Losses Incurred and ALAE	123,795	67.5%	159,558	85.6%	162,944	79.3%
Underwriting Expenses	36,444	19.9%	44,056	23.6%	49,109	23.9%
Underwriting Result	23,161	12.6%	(17,214)	-9.2%	(6,575)	-3.2%

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

DOCKET #: LR 23.07  
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Policy Year 2023

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium			205,478	100.0%		
Losses Incurred and ALAE			162,944	79.3%		
Underwriting Expenses			49,109	23.9%		
Underwriting Result			(6,575)	-3.2%		

Policy Year 2022

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	186,300	100.0%	186,400	100.0%	100	0.1%
Losses Incurred and ALAE	147,363	79.1%	159,558	85.6%	12,195	8.3%
Underwriting Expenses	44,041	23.6%	44,056	23.6%	15	0.0%
Underwriting Result	(5,104)	-2.7%	(17,214)	-9.2%	(12,110)	237.3%

Policy Year 2021

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	183,400	100.0%	183,400	100.0%	0	0.0%
Losses Incurred and ALAE	124,529	67.9%	123,795	67.5%	(734)	-0.6%
Underwriting Expenses	36,364	19.8%	36,444	19.9%	80	0.2%
Underwriting Result	22,507	12.3%	23,161	12.6%	654	2.9%



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

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Policy Year 2020

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	172,644	100.0%	172,644	100.0%	0	0.0%
Losses Incurred and ALAE	108,766	63.0%	104,965	60.8%	(3,801)	-3.5%
Underwriting Expenses	37,120	21.5%	37,120	21.5%	0	0.0%
Underwriting Result	26,758	15.5%	30,559	17.7%	3,801	14.2%

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	135,794	71.4%	134,389	70.6%	(1,405)	-1.0%
Underwriting Expenses	41,379	21.7%	41,379	21.7%	0	0.0%
Underwriting Result	13,111	6.9%	14,516	7.6%	1,405	10.7%

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	179,493	91.6%	178,219	90.9%	(1,274)	-0.7%
Underwriting Expenses	45,927	23.4%	45,927	23.4%	0	0.0%
Underwriting Result	(29,462)	-15.0%	(28,188)	-14.4%	1,274	-4.3%

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

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PY 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	142,538	78.1%	141,850	77.7%	(688)	-0.5%
Underwriting Expenses	45,686	25.0%	45,686	25.0%	0	0.0%
Underwriting Result	(5,633)	-3.1%	(4,945)	-2.7%	688	-12.2%

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	166,979	98.7%	166,954	98.7%	(25)	0.0%
Underwriting Expenses	43,287	25.6%	43,287	25.6%	0	0.0%
Underwriting Result	(41,125)	-24.3%	(41,100)	-24.3%	25	-0.1%

**LOSS RESERVING COMMITTEE MEETING  
MEETING ATTENDEES  
DECEMBER 6, 2023**

Individual's Name

Company / Agency

PLEASE PRINT

Lynellen Ramirez	Arbella Insurance Group
Julie Ann Frechette	The Hanover Insurance Company
Satomi Miyanaga	Liberty Mutual Insurance Companies
Martin Murphy	Plymouth Rock Assurance Corporation
Jacob Sechler	The Hanover Insurance Company
Gavin Traverso	MAPFRE U.S.A. Corporation
Melissa Vaughn	Safety Insurance Company
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Timothy Galligan	CAR Staff
Steven Gautieri	CAR Staff
Natalie Hubley	CAR Staff
Katy Proctor	CAR Staff
Evan Ross	CAR Staff
Robin Tigges	CAR Staff