



NATALIE A. HUBLEY  
PRESIDENT

# COMMONWEALTH AUTOMOBILE REINSURERS

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## TRANSCRIPT OF ANNUAL MEETING

The Annual Meeting of Commonwealth Automobile Reinsurers was held virtually via Zoom video conferencing software on

**FRIDAY, DECEMBER 4, 2020 AT 10:30 A.M.**

Committee Members present –

Mr. Thomas C. DePaulo – Chair  
Cabot Risk Strategies, LLC

|                                  |                                      |
|----------------------------------|--------------------------------------|
| Ms. Pamela L. Bodenstab-Krynicki | P L Krynicki Insurance Agency        |
| Ms. Elizabeth B. Brodeur         | Safety Insurance Company             |
| Ms. Ida Denard                   | Denard Insurance Agency, Inc.        |
| Ms. Gail Eagan                   | Arbella Insurance Group              |
| Mr. Thomas A. Harris             | Quincy Mutual Group                  |
| Mr. Christopher Jarrard          | GEICO                                |
| Mr. John V. Kelly                | MAPFRE U.S.A. Corporation            |
| Mr. M. John Olivieri, Jr.        | J.K. Olivieri Insurance Agency, Inc. |
| Ms. Kellie A. Thibodeau          | The Hanover Insurance Company        |
| Ms. Meredith M. Woodcock         | Liberty Mutual Group                 |

Substituted for:  
N/A

Not in Attendance:  
N/A

**PROCEEDINGS**

*(Meeting began at 10:30 a.m.)*

Mr. DePaulo: Welcome to the Annual Meeting of CAR's Governing Committee, December 4<sup>th</sup>. This is a relatively short meeting, but we'll get right into the agenda.

**AM**

**19.01 Transcript of Previous Meeting**

Mr. DePaulo: The first agenda item is a motion to approve the transcript of the previous Annual Meeting dated November 20, 2019, which has been distributed to everyone.

Mr. Olivieri: So moved.

Ms. Thibodeau: I second.

Mr. Olivieri: I made the motion, John.

Mr. DePaulo: John made the motion. There was a second?

Ms. Thibodeau: Yes, Kellie did.

Mr. DePaulo: OK, Kellie. Thank you, Kellie.

Ms. Thibodeau: Sure.

Mr. DePaulo: Any discussion on that? We have to do this by a vote. I don't have the roster here so, Natalie, could you just make the roll call for the vote to approve the motion?

Ms. Hubley: Absolutely. Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Hubley: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Hubley: Ida Denard?

Ms. Denard: Aye.

Ms. Hubley: Gail Eagan?

Ms. Eagan: Aye.

Ms. Hubley: Tom Harris?

Mr. Harris: Aye.

Ms. Hubley: Chris Jarrard?

Mr. Jarrard: Since I wasn't at the meeting, I was thinking I should abstain. Is that appropriate?

Ms. Hubley: Yes. John Kelly?

Mr. Kelly: Aye.

Ms. Hubley: John Olivieri?

Mr. Olivieri: Aye.

Ms. Hubley: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Hubley: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Hubley: The motion carries with one abstention and the rest in favor?

Mr. DePaulo: Thank you very much.

**AM  
20.04 Annual Report**

Mr. DePaulo: We will move to our next agenda item which will be the reporting of the Annual Report. I will turn this over to Natalie to present the Annual Report.

Ms. Hubley: Thank you. I did distribute to the Governing Committee members and to CAR counsel, yesterday, CAR's draft of the Annual Report. This was a very unusual year as it has been in so many ways. Because of the date of our Annual Meeting, we actually have all of the data we need to close our books. Normally, we present to you an Annual Report that's based on projected financials. But, today, we have for you the actual income statement reflected in our Financial section of the Annual Report. The Loss Reserving Committee met on Wednesday and the staff worked really hard to replace and update all of the exhibits. So, we were only able to get that to you last night, but we hope that you were able to take a look at that.

I just wanted to comment that this is my sixth year in this current role as President of CAR. It has been my objective over those years to spend time and concentrate on building and strengthening the relationship and

the partnership between CAR staff and its committees. I think we've been very successful at that as is evidenced by the many accomplishments we've all enjoyed together. But this year, I do want to take an opportunity to really recognize and appreciate what I think is the extraordinary commitment and effort of CAR staff during this very unusual year. As you know, this year has presented unprecedented challenges, to say the least, and I think this staff of dedicated and committed professionals has risen to the occasion and has accomplished so much for CAR.

Every year I do comment on the efforts of the CAR IT group, led by Peter McCabe. I do think it's very important to recognize this group. They're very professional workers. They do work behind the scenes. Their work is so much less visible to all of you, but this year they deserve, I think, even higher praise for their work. They're no less committed to the successful achievements of this organization. They've worked with all of you on a day-to-day basis to ensure that your systems are working, that our staff is able to assist you in this work-from-home environment, and they really have ensured that none of us have missed a beat in providing the service to you that you need and you expect.

I'd also comment that our Business Operations group, led by Wendy Browne, has equally risen to the challenges of this year, to provide the support to your organization and to navigate the waters of this pandemic. Her staff has supported the staffs of your member companies to ensure uninterrupted flows of data as these individuals have all worked from home. They've assisted Member Companies and producers to evaluate the impacts of the market disruption caused by the pandemic and provided guidance to ensure the consistent handling of residual market business. They've continued to make extraordinary forward progress as well in developing and implementing the solutions that improve the residual market results and the services that we provide to our industry partners.

This year's commercial market improvements have focused on program oversight and pursuit of adequate commercial rates. To name a few of the accomplishments of the staff, we did have meaningful rate improvement that was approved during this year. CAR is on the verge of making a filing to introduce further improvements to dissuade those organizations that have migrated to Massachusetts simply to pursue the favorable rates.

CAR's new Commercial Audit Plan has delegated to the staff, compliance review responsibility that was absent from the program oversight to date. The audit staff has done a tremendous job to implement the enhanced procedures and to ensure a fair and equitable review of each carrier's processes and procedures. Additionally, improvements in the MAIP environment and CAR statistical agent services are also described in the Annual Report.

Finally, the Human Resources group and the Financial Services group, led by Tim Costain and Steve Gautieri, also deserve recognition as

they've assisted CAR staff in navigating the many challenges of this work-from-home environment.

I'd like to recognize Robin. She's done a tremendous job in managing all of these committee meetings during these nine months working from home. Robin has helped coordinate 24 committee meetings. She's really been a great support to all of the committee members and the CAR staff, not to mention the many, many internal CAR meetings that she's helped us out with.

What I find most remarkable and most inspiring is how the entire staff has pulled together to maintain a sense of community and has demonstrated care and support for their fellow employees to minimize that sense of isolation that everybody has experienced as they're working from home and trying to do the best we can to support our community leaders.

I would then like to take you to some of the financial results. On Page 5 of the Annual Report, I think it's important that we touch briefly on CAR's fiscal year 2020 financial results. As I said, normally, we present projected financial results and when we do post this report I will want to correct – we did reflect projected financial results but when we post the report we want to reflect that these are actual financial results.

The Income Statement you'll see reflects a \$50 million underwriting gain for the fiscal year activity. About half of that improvement over the prior fiscal year is reflective of the Loss Reserving Committee's initial projection of a 62.5 percent loss ratio for policy year 2020. This result is firmly driven by the impact of the COVID-19 pandemic on business operations. While this projection is preliminary and the Loss Reserving Committee does not yet know how these results are going to develop, the current projection is fully reflected in our fiscal year results.

The improvement in the policy year 2019 result is also, in part, influenced by the pandemic, but the results also reflect the enhanced efforts of Servicing Carriers to evaluate residual market eligibility and classification.

Finally, the fiscal year improvement is also attributed to adjustments made to loss reserving estimates for prior policy years reflective of the impact of the high severity losses on historical development patterns. Tim Galligan will be sharing with you more detail at your Governing Committee meeting that will take place right after this one to give you more insight into the Loss Reserving Committee's current projections.

In closing, I would like to welcome our newest member to the CAR Governing Committee, Ms. Ida Denard. Ida has served the Dorchester community for more than 30 years. We very much appreciate her many years of experience with the private passenger residual market that she brings to CAR's Governing Committee.

I'd also like to welcome back Chris Jarrard who served on the CAR Governing Committee for several years prior to a brief two-year hiatus. We also appreciate your willingness, Chris, to serve on the CAR Governing Committee.

Mr. Jarrard: Thank you.

Ms. Denard: Thank you.

Ms. Hubley: I'd also like to thank Chris Dupill and Paula Gold for their collective 24 years of service. They're no longer representing the CAR Governing Committee at this time.

Finally, I want to recognize the outgoing Chair, Thom DePaulo. I want to thank you, Thom, personally, for the four years you served as CAR Governing Committee Vice Chair and as Chair. You've been a tremendous partner to the CAR staff and a great mentor to me. I think we've accomplished a lot in that four-year tenure. As has been CAR's tradition for many years, we do have a gift to express our appreciation for your service. Unfortunately, we're not able to present that gift in person in these strange times, but Robin has mailed that gift to you. She did pick out a beautiful pen that commemorates your term as Governing Committee Chair and Vice Chair. That should be coming real soon.

With that, I would be happy to respond to any comments or questions with respect to the Annual Report. I would then ask for a motion from the CAR Governing Committee to direct CAR staff to distribute the Annual Report to the Commissioner of Insurance, the CAR membership and the producer representatives on CAR's committees.

Mr. Harris: Tom Harris, so moved.

Mr. Jarrard: Chris Jarrard, second.

Mr. DePaulo: Any further discussion or any questions for Natalie before we take the final vote?

Ms. Thibodeau: No questions but I just want to thank you, Thom. I just want to echo the welcomes.

Ms. Denard: Thank you.

Mr. DePaulo: Thank you. Once again, Natalie, just for the vote, where you have the roster, could you do the roll call for the vote, please?

Ms. Hubley: Sure. Pam Krynicki?

Ms. Bodestab-Krynicki: Aye.

Ms. Hubley: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Hubley: Ida Denard?  
Ms. Denard: Aye.  
Ms. Hubley: Gail Eagan?  
Ms. Eagan: Aye.  
Ms. Hubley: Tom Harris?  
Mr. Harris: Aye.  
Ms. Hubley: Chris Jarrard?  
Mr. Jarrard: Aye.  
Ms. Hubley: John Kelly?  
Mr. Kelly: Aye.  
Ms. Hubley: John Olivieri?  
Mr. Olivieri: Aye.  
Ms. Hubley: Kellie Thibodeau?  
Ms. Thibodeau: Aye.  
Ms. Hubley: And Meredith Woodcock?  
Ms. Woodcock: Aye.  
Ms. Hubley: Thank you. The motion passes unanimously.  
Mr. DePaulo: Thank you very much

**AM**

**20.05 Election of Chair and Vice Chair**

Mr. DePaulo: We're now going to our next agenda item, which is the election of the Chair and the Vice Chair. Just briefly, and I will make this brief, before I turn the gavel over to Natalie, I just want to take a few minutes to thank everybody. Working with you over the last four years as Vice Chair and then Chair of the CAR Governing Committee has been an outstanding experience for me. I've learned a lot. I cannot express my thanks to Natalie for all her guidance. I think we've had a really great partnership. She has suffered gladly through nightly phone calls and on weekends because when I didn't understand something, I never had a problem while picking up the phone and sometimes ad nauseam we would talk about stuff but we would get through it so that I could have a better

understanding and we got things accomplished. Robin, as well. She was very much a huge help to me with all the housekeeping things to keep me from tripping up. Just a thanks to everybody. I feel like we've done a lot over the last four years. I'm not going anywhere. I'm coming back as a Governing Committee representative. I'm glad to be around for the next term that I will have to see, hopefully, a lot of the fruits of our labor over the last few years start to come to fruition. Thank you. Having said that, at this point, I will turn the gavel over to Natalie to conduct the election of Chair and Vice Chair.

Ms. Hubley: Thank you. At this time, I would ask if I could entertain a motion for a nomination of a CAR Governing member to serve as Governing Committee Chair.

Mr. DePaulo: Yes, Natalie, I'll make that motion. I motion to elect Liz Brodeur from Safety to be the CAR Governing Committee Chairperson.

Ms. Hubley: Thank you. Do I have a second?

Mr. Harris: Tom Harris, second.

Ms. Hubley: Thank you. Is there any discussion or any other nominations? Hearing none, I'll do a roll call vote. Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Hubley: Liz Brodeur – oh.

Ms. Brodeur: Can I vote for myself?

Ms. Hubley: Ida Denard?

Ms. Denard: Aye.

Ms. Hubley: Gail Eagan?

Ms. Eagan: Aye.

Ms. Hubley: Tom Harris?

Mr. Harris: Aye.

Ms. Hubley: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Hubley: John Kelly?

Mr. Kelly: Aye.

Ms. Hubley: John Olivieri?



Mr. Olivieri: Aye.

Ms. Hubley: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Hubley: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Hubley: Thank you. The motion carries unanimously. That's the first time we've had to do a roll call vote in this situation so that was kind of funny.

So, at this time, I'd like to entertain a motion to nominate a Governing Committee producer member to serve as the Vice Chair of the CAR Governing Committee.

Mr. DePaulo: I will make that motion, Natalie. I motion to elect John Olivieri as a Governing Committee member producer to serve as Vice Chair of CAR's Governing Committee.

Ms. Hubley: Thank you. Do I have a second?

Mr. Harris: Tom Harris, second.

Ms. Hubley: Thank you, Tom. Are there any other nominations or any discussion of the motion? Hearing none, I do a roll call vote. Pam Krynicki?

Ms. Bodestab-Krynicki: Aye.

Ms. Hubley: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Hubley: Ida Denard?

Ms. Denard: Aye.

Ms. Hubley: Gail Eagan?

Ms. Eagan: Aye.

Ms. Hubley: Tom Harris?

Mr. Harris: Aye.

Ms. Hubley: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Hubley: John Kelly?

Mr. Kelly: Aye.

Ms. Hubley: John Olivieri?

Mr. Olivieri: I'll abstain.

Ms. Hubley: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Hubley: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Hubley: Thank you. The motion carries unanimously with one abstention. With that, I would congratulate the new Chair and Vice Chair. Thank you for your service. I would then turn over the gavel to the new Chair, Liz Brodeur, to close the Annual Meeting.

Ms. Brodeur: Thank you. Thank you, John, for making me look like a megalomaniac, number one. Number two, Thom, I want to say you have left big shoes to fill. I'm glad you're still on the Governing Committee so that I can pick your brain whenever I need to which, I'm sure, will be frequently. With that, unless there are any other items to be discussed, I would accept a motion to adjourn this meeting.

Mr. DePaulo: So moved.

Mr. Harris: Second.

Ms. Brodeur: Do we want to call the roll to close the meeting?

Ms. Hubley: Yes, I believe we do. Do you want me to do that, Liz?

Ms. Brodeur: Yes, sure, either way. You can do it. I'm fine with that.

Ms. Hubley: We'll finish it off. Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Hubley: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Hubley: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Hubley: Ida Denard?

Ms. Denard: Aye.

Ms. Hubley: Gail Eagan?

Ms. Eagan: Aye.

Ms. Hubley: Tom Harris?

Mr. Harris: Aye.

Ms. Hubley: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Hubley: John Kelly?

Mr. Kelly: Aye.

Ms. Hubley: John Olivieri?

Mr. Olivieri: Aye.

Ms. Hubley: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Hubley: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Hubley: Thank you. The motion carries unanimously.

Ms. Brodeur: OK. So, I think we're adjourned. Then we have to log off and log in separately for the Governing Committee meeting, which will start at 11:00 a.m., correct?

Ms. Hubley: Correct. Thank you all.

*(Meeting ended at 10:50 a.m.)*

NATALIE A. HUBLEY  
President

Note: This Transcript has not been approved. It will be considered for approval at the next Annual Meeting.

Attachment

Boston, Massachusetts  
December 31, 2020

The above proceedings have been transcribed in accordance with CAR's guidelines for producing quality transcripts, which provide for the elimination of insignificant material that does not alter the substance of the Committee's discussions, such as sidebar comments, the use of verbal fillers (i.e., uhm's and ah's), and commentary (i.e., "laughter" and "coughing").

**ATTACHMENT LISTING**

Docket #AM20.02, Exhibit #1

Attendance Listing

**ANNUAL MEETING  
 MEETING ATTENDEES  
 DECEMBER 4, 2020**

Individual's Name

Company / Agency

PLEASE PRINT

|                           |                                      |
|---------------------------|--------------------------------------|
| Thomas DePaulo            | Cabot Risk Strategies, LLC           |
| Pamela Bodenstab-Krynicky | P L Krynicky Insurance Agency        |
| Elizabeth Brodeur         | Safety Insurance Company             |
| Ida Denard                | Denard Insurance Agency, Inc.        |
| Gail Eagan                | Arbella Insurance Group              |
| Thomas Harris             | Quincy Mutual Group                  |
| Christopher Jarrard       | GEICO                                |
| John Kelly                | MAPFRE U.S.A. Corporation            |
| M. John Olivieri, Jr.     | J.K. Olivieri Insurance Agency, Inc. |
| Kellie Thibodeau          | The Hanover Insurance Company        |
| Meredith Woodcock         | Liberty Mutual Insurance Companies   |
| Ben Hincks                | TSH & D – CAR Counsel                |
| Steve Torres              | TSH & D – CAR Counsel                |
| Wendy Browne              | CAR Staff                            |
| Tim Costain               | CAR Staff                            |
| Steven Gautieri           | CAR Staff                            |
| Peter McCabe              | CAR Staff                            |
| Regina Nagle              | CAR Staff                            |
| Lynne Rosenberg           | CAR Staff                            |
| Robin Tigges              | CAR Staff                            |
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