



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

[www.commauto.com](http://www.commauto.com)

617-338-4000

## NOTICE OF MEETING

### COMMERCIAL PROGRAM OVERSIGHT COMMITTEE

A meeting of the Commercial Program Oversight Committee will be held at the Automobile Insurers Bureau Conference Center at 101 Arch Street, 7<sup>th</sup> Floor, Boston, on

**THURSDAY, MARCH 5, 2020 AT 10:30 A.M.**

#### MEMBERS OF THE COMMITTEE

Mr. William Cahill, Jr. – Chair  
The Hanover Insurance Company

Mr. Charles Boynton, III  
Mr. Peter Chung  
Mr. Brian Hayes  
Mr. John Olivieri, Jr.

Boynton Insurance Agency, Inc.  
The Norfolk & Dedham Group  
Quincy Mutual Group  
J.K. Olivieri Insurance Agency, Inc.

#### AGENDA

##### CPOC

##### **19.01 Records of Previous Meeting**

The Records of the Commercial Program Oversight Committee meeting of October 29, 2019 should be read and approved.

##### CPOC

##### **20.03 CAR Conflict of Interest Policy**

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

##### CPOC

##### **20.04 Fitzgerald Insurance Agency – Change in Servicing Carrier**

A Request for Review, completed by Stephen E. Fitzgerald of the Fitzgerald Insurance Agency was submitted by Susan Reilly of the Renaissance Alliance on November 6, 2019 with a waiver of the need for review within 15 business days. The petition requests that the agency be permitted to continue with its existing commercial automobile Servicing Carrier, Safety Insurance Company, for a specified period of time, following the agency's membership in the Renaissance group. The Renaissance group's Servicing Carrier is the Commerce Insurance Company. Rule 14 – Exclusive Representative Producer Requirements

of CAR's Rules of Operation requires that "all members of a group be appointed to the same Servicing Carrier". The agency, through discussions and actions in concert with Renaissance, sought relief from CAR with respect to a change in its Servicing Carrier for a specified period prior to the agency eventually entering into a membership agreement effective on October 11, 2019. Subsequently, the agency filed its Request for Review which was pended subject to CAR's notification of the change in assignment. The Request for Review document submission is attached. (Docket #CPOC20.04, Exhibit #1)

**CPOC**

**20.05 2019 Servicing Carrier Annual Reports**

The Commercial Servicing Carrier Annual Reports are intended to provide Servicing Carriers a framework to report annually to CAR their efforts in managing the commercial automobile residual market. A draft of the 2019 Servicing Carrier Annual Report template will be provided to the Committee for its review and recommendations prior to distribution to the four Servicing Carriers. The draft, and other documentation to assist the Committee in its review, will be distributed as additional information prior to the meeting.

**CPOC**

**20.06 Commercial Program Evaluation – 2021 Request for Proposal**

The current Commercial Servicing Carrier Program is set to expire on December 31, 2021. A Request for Proposal (RFP) will be distributed to the industry by March 1, 2021 for a subsequent engagement to service the commercial automobile residual market, beginning with policies effective January 1, 2022 and subsequent. The Committee should consider the changes initiated during the current engagement period and discuss ongoing concerns impacting the commercial automobile residual market as it develops recommendations and specifications for the upcoming RFP.

Attached is an outline of general issues for the Committee's consideration. The Committee should be prepared to review the list and discuss and prioritize the issues in order to establish a working agenda for deliberation, evaluation and determination at upcoming meetings, prior to the distribution of the RFP in 2021. (Docket #CPOC20.06, Exhibit #1)

**Other Business**

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

**Executive Session**

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

JOHN METCALFE  
Director – Residual Market Services

Attachments

Boston, Massachusetts  
February 20, 2020

**Metcalf, John**

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**From:** Donovan, Adrienne  
**Sent:** Friday, November 08, 2019 11:14 AM  
**To:** Metcalfe, John  
**Subject:** FW: Fitzgerald Insurance Agency - Ceded Relief Request  
**Attachments:** ReviewForm-signed.pdf

**Importance:** High

Good Morning Adrienne: This is to notify you that the Fitzgerald Agency has joined the Renaissance Alliance, signing on 10/11/2019.

**However, the Agent is filing a Ceded Relief Request (Hardship) for his Agency. He would like to continue with Safety, his current LSC carrier, for 1 year as outline in the attached Review Form and letter.**

Please reach out to Agent and cc Lacey O'Neil and myself with your decision.

Thank you.

*Susan Reilly*  
Susan Reilly, CIC  
Director of Agency Onboarding  
Reniassance Alliance  
981 Worcester St.,  
Wellesley, MA 02482  
(413) 687-2792 (cell)  
(781) 431-0222 (fax)

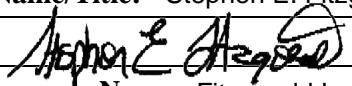
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**COMMONWEALTH AUTOMOBILE REINSURERS**

**REQUEST FOR REVIEW/RELIEF  
 (PURSUANT TO CAR RULE 20/MAIP RULE 40)**

**Requestor's Name/Title:** Stephen E. Fitzgerald

**Signature:**



**Date:** 11/6/2019

**Agency or Company Name:** Fitzgerald Insurance Agency

**Address:** 713 East Street

**City/Town:** Walpole

**State:** MA

**Zip Code:** 02081

**Tel. #:** 508-668-4100

**Fax #:** 508-668-4199

**email:** steve@fitzonline.com

**IF REPRESENTED BY COUNSEL OR OTHER PARTY, PLEASE COMPLETE THE FOLLOWING:**

(Representation by counsel is not required):

**Name of Rep:**

**Firm:**

**Address:**

**City/Town/State/ZIP:**

**Tel. #:**

**Fax #:**

**email:**

**1**

**Reason For Review:** A. Concisely summarize the reason(s) for your request for review, identifying the nature of your grievement or request for relief.  
 B. Identify the specific relief sought.

Please see attached letter.

Thank you.

<p><b>2</b></p>	<p><b>Details of Aggrievement(s):</b></p>	<p>Provide specific detail for each reason for the requested review cited above, including references to violations of CAR or MAIP Rules, the agency contract, or established practices of CAR, MAIP or one of its Members. Include historical reference, where appropriate. Attach supporting documentation.</p>
	<p><b>3</b></p>	<p><b>Actions(s) Taken to Date to Resolve the Matter:</b></p>

### **Scheduling of Review**

Upon receipt of a completed Request for Review/Relief Form, a hearing date will be established within 15 business days. After a date has been confirmed, CAR will issue a written Notice of Meeting to all affected parties and in compliance with the Open Meeting Law.

### **Request for Continuance**

A request for a continuance of a review of the matter by CAR will be granted upon the agreement of all parties. Absent the agreement of all parties, a request for a continuance must be presented to the assigned Committee for approval.

### **Submission of Written Information**

Any parties wishing to present written materials to be considered by the designated Committee must submit them to CAR's Docket Clerk no later than 12:00 p.m., 5 business days prior to the scheduled meeting date. Timely submitted materials will be docketed by CAR and distributed to the Committee as soon as practicable. Written materials submitted to CAR after 12:00 p.m. on the 5th business day prior to the scheduled meeting date will not be entered on the docket, but the submitting party may petition the Committee directly for consideration of such materials. The Committee has the discretion to determine whether such materials will be considered in its deliberations. In addition, parties who petition the Committee for the submission of materials are expected to be prepared to provide a minimum of 25 copies at the meeting. Parties should provide copies of ALL written materials that they wish considered in the matter to the opposing party in concert with their submission(s) to CAR and/or the Committee.

*All written materials submitted must be in compliance with 201 CMR 17.00: Standards for the Protection of Personal Information of Residents of the Commonwealth, which implements the provisions of M.G.L. c. 93H. That is, any personal information that includes a Massachusetts resident's first and last name or first initial in combination with one or more of the following data elements that relate to such resident; a) Social Security number, b) driver's license or state-issued identification card number or c) financial account number (including an insurance policy number), or credit or debit card number, **must be redacted**. Any document submission determined to not be in compliance with the standards will result in the materials being returned to the sender for correction and may impact its distribution to the reviewing Committee.*

**15 Day Waiver: Initial below if waiving the need for review within 15 business days:**

**I waive the 15 business day review while retaining rights to a review: (Initial):** SEF

**PLEASE NOTE: THIS FORM MUST BE COMPLETED AND RETURNED TO CAR  
PRIOR TO THE INITIATION OF A FORMAL REVIEW PURSUANT TO  
CAR RULE 20/MAIP RULE 40**

Fitzgerald Insurance Agency  
Stephen E. Fitzgerald  
713 East Street – Walpole – MA – 02081  
V: 508-668-4100

To: Commonwealth Auto Insurers

Re: CAR Relief request

The reason for this request is due to the fact that we just finished rolling over our book of business from Commerce to Safety effective 7/1/2019.

We understand why CAR required the change to Safety and completely respect the process. We have been thru this before. As much as we respect the process, we also realized immediately that the work involved to do so was going to be intensive requiring numerous hours of extra effort, time and work.

**Additional reasons we are requested temporary relief:**

**Time requirements** - Staff - We are a small agency with just 2 full time staff, including myself. To make sure this process was done right we worked overtime and Saturdays for most of the rollover year to complete the change.

**E&O Concerns** – with what we think is a large book for an agency our size my major concern was an E&O claim in case we missed vehicles and coverages during the rollover. The amount of time required on every client rollover was all consuming. We had to make sure every policy Dec page, endorsement page, add on coverages, drivers, and additional insureds were correct. In addition, there were supplemental forms required as well. In every case it required 2 and sometimes 3 reviews to make sure every submittal was complete. On fleets, where we submitted records. It was not uncommon to have 10-20-30 changes in one year. Compiling and reviewing these changes was incredibly time consuming and the risk potential for an E&O claim was incredibly high.

**Client concerns** – numerous clients demanded to know why they were being changed. We explained the process but that required even more agency hours and effort which took away from the agency services we must provide to other clients. I suspect we lost a few personal lines clients because we just did not have the manpower needed for the rollover and could not afford to hire anyone.

**Agency - lost clients** – we lost several commercial auto clients in the process that would otherwise have stayed with us. Some wanted to stay with Commerce, some did not like being told they had to move, and some just thought we had done something wrong and left us.

By making the change back to Commerce so quickly we are going to see the same issues and lose more clients. That is a major hardship for this agency in particular and for any small agency.

**Brokerage** – I suspect that accepting brokered business is a concern. We have never brokered one policy in our history and would never do so now.

I know that we must make the change to Commerce at some point. We are asking for relief for the reasons above and also to give the agency time to recover from what we just finished 4 months ago. We want to make sure that when we make the change, we have the staff and hours available to make sure it is done correctly and without any E&O risk. In light of the above facts we would respectfully request a 1-year relief in the change to Commerce.

Thank you for your time and let me know if I can be of help in any way possible.

Stephen E. Fitzgerald

## **Commercial Program Oversight Discussion Issues – 2021 RFP**

### **1. Commercial Program Concepts**

- Combine Taxi/Limousine Program
- Number of Servicing Carriers
- Bid Proposals

### **2. Program Requirements Added to RFP**

- Servicing Carrier and ERP Standards
- Servicing Carrier Compliance Audits
- Extraordinary Expense Requests
- TTT/Buses
- Annual Report Requirements

### **3. Producer Management Concepts-(Re)Distributions**

- Expense Allowance Alternatives
- Assigned Producer vs Assigned Policy Distribution

### **4. PPT-NF Concepts-Rate Oversight Challenges**

- Pooling Mechanism vs Assigned Risk Plan