



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

COMMERCIAL PROGRAM OVERSIGHT COMMITTEE – AUGUST 7, 2018

Members Present

Mr. William Cahill, Jr. – Chair
Mr. Charles Boynton, III
Mr. Peter Chung
Mr. Thomas Harris
Mr. John Olivieri, Jr.

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

Substituted for:
N/A

Not in Attendance:
N/A

18.04 Commercial Program Oversight

Ms. Natalie Hubley stated that the Commercial Program Oversight Committee will be responsible for the direction of the Commercial Servicing Carrier Programs. The Committee will recommend program requirements to be included in the request for proposals, serve as the selection committee for Servicing Carrier appointments, review Servicing Carrier annual reports and audit results, review requests for extraordinary expenses and will be responsible for any other program oversight issues that may arise.

At the meeting, the Committee discussed its responsibilities relative to oversight of the commercial programs and the importance of addressing the underwriting challenges currently encountered by Servicing Carriers. Ms. Hubley stated that each Servicing Carrier is required to provide CAR with an annual report which identifies the company's efforts to depopulate the residual market. In its annual report, the Servicing Carrier provides input relative to the performance requirements of the Commercial Servicing Carrier Programs and the Servicing Carrier requirements in CAR's Rules, including both the company's successes and challenges in addressing current commercial market concerns over the previous year. She noted that the Committee should discuss and develop an approach for reviewing these reports going forward.

Committee members noted that based upon their review of the information provided by Servicing Carriers in their 2017 annual reports, depopulation by each company was addressed in a variety of ways. As such, the Committee agreed that it may be beneficial to initially start with a broad review of a few selected topics, in order to identify best practices relating to functions such as underwriting renewal business, agency management, and interdisciplinary communications that could be then developed into standard Servicing Carrier efforts and procedures. Ms. Hubley stated that at the request of the Governing Committee, CAR is also in the process of performing focus audits of all Servicing Carriers, sampling policies in an effort to validate the eligibility, classification and rating of risks placed in the commercial residual market. Audit findings may be used to identify additional areas where consistency between Servicing Carriers could be enhanced. The results of the focus audits will be available in early October and

may be used in conjunction with the Servicing Carrier annual reports in order for the Committee to develop its observations or recommendations to the Governing Committee. Any recommendations that require modification to CAR's rules, manuals, or request for proposal requirements will then be referred to the appropriate Subcommittee for further development.

The Committee noted that each Servicing Carrier used a unique approach to address the guidelines for the annual reports, and suggested that it may be helpful in evaluating the information if a more standardized approach were required next year. For the next meeting, staff was requested to provide summary information to assist the Committee in its review of potential improvements to be incorporated in next year's annual reports. In addition, the Committee will look to further define the scope of its oversight of the programs, including referral of program implementation specifics to the Commercial Automobile Residual Market Standards Subcommittee, where appropriate.

MARIAN ADGATE
Corporate Documentation Specialist

Boston, Massachusetts
September 12, 2018

ATTACHMENT LISTING

Docket #CPOC18.02, Exhibit #1

Attendance Listing

COMMERCIAL PROGRAM OVERSIGHT COMMITTEE MEETING
 SIGN-IN SHEET
 TUESDAY, AUGUST 7, 2018

Individual's Name

Company / Agency

PLEASE PRINT

MARK ALVES	CAR
Michael Oliver	agent
Peter Chung	NFA
Tom Hawk	Quincy Mutual
Charles Boynton	Agent
Tom Gellay	Car
Ben Hincks	TSH&D - CAR counsel
Steve Torres	" "
Natalie Hubley	CAR
Bill Cahill	HANOVER
JOHN METCALFE	CAR
Wendy Browne	CAR
Debra Banton	SAF
Brian Lam	Safety
Barry TADAN	Pilgrim
Richard Dawson	CAR
Mary Ann King	DOI
Spur Coster	CAR
Matt Hirsch	CAR
Leandro Rodrigues	point
Dana E. Casher	Point Ins
Wendy Stearns	MARFIRE
Marian Adgate	CAR