



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

COMMERCIAL PROGRAM OVERSIGHT COMMITTEE – FEBRUARY 3, 2021

Members Present

Mr. John Olivieri, Jr. – Chair
Mr. Charles Boynton, III
Mr. Brian Hayes
Mr. Bryan Hurwitz
Ms. Sharon Murphy

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

Substituted for:
N/A

Not in Attendance:
N/A

20.01 Records of Previous Meeting

On a roll call vote, the Committee voted to approve the Records of the Commercial Program Oversight Committee meeting of January 19, 2021. The Records have been distributed and are on file.

20.06 Commercial Program Evaluation - 2021 Request for Proposal

The Committee continued its review of the Request for Proposal (RFP) for Servicing Carrier appointments to service the commercial automobile residual market for policies effective January 1, 2022 and subsequent. At its January 19, 2021 meeting, in addition to discussing several wording updates to the RFP document, the Committee unanimously voted to combine the Commercial Automobile and the Taxi/Limousine/Car Service Programs into a single program to service all classes of commercial automobile residual market business. At that meeting, Committee discussion also focused on concerns that were raised relative to the disruptive impact that the redistribution of ceded books of business has on impacted Exclusive Representative Producers (ERPs). At the meeting, Chair John Olivieri noted that as an organization, CAR committed to vetting the redistribution issue and owes it to the industry, and especially the producers, to discuss all options in a timely and expedient manner. He also noted that the review and recommendations should take place prior to the Servicing Carrier selection process for the upcoming term. He suggested that it would be beneficial to form a focused subcommittee to further discuss measures that could be taken to minimize the negative impacts of book of business redistributions and prepare a recommendation for consideration by the full Committee.

Ms. Natalie Hubley indicated that staff had prepared documentation distributed as Additional Information that addresses previous redistributions and offers potential options for proceeding with the committee discussions. She stated that the documentation provides the status of the current book of business distribution among the existing Servicing Carriers, and discussion topics for minimizing the frequency of redistributions. The documentation also provides the Committee with options for assuring that its recommendation is provided to the Governing Committee in a timely manner. The options include, 1) inserting in the RFP a disclosure, as drafted by CAR counsel, to specify that the redistribution issue was currently under committee discussion and it was CAR's right to make changes to the Commercial Servicing Carrier Program during the RFP process with respect to redistribution, or, 2) a six-month extension of the current Servicing Carrier appointment term to allow for ongoing committee discussion. Ms. Hubley also noted that a third option had been discussed by staff and the Chair to modify the planned RFP distribution and Servicing Carrier selection schedule. Mr. Olivieri stated that the third option discussed would require modification of the current RFP schedule but would also assure the timely implementation of new Servicing Carrier appointments.

Ms. Hubley noted that modifying the dates of the current RFP schedule would retain the ability to maintain a January 1, 2022 implementation date. She stated that the modification of dates would move consideration of the Committee's RFP recommendation to the Governing Committee's April meeting instead of its February meeting and therefore the distribution of the RFP for the upcoming Servicing Carrier term would be pushed to the end of April 2021. The evaluation of company proposals, by this Committee, would take place during July 2021 and a special Governing Committee meeting would be needed in early August 2021 to finalize Servicing Carrier selection. Servicing Carriers would be notified of the Governing Committee's decision by the day following the special meeting. The remainder of the current RFP schedule would remain unchanged. Servicing Carriers and impacted ERPs would be notified of any changes in assignments no later than September 1, 2021. Servicing Carriers would have until the end of October to contract with ERPs. Implementation of the new term for Servicing Carrier appointments to service the commercial automobile residual market would begin with policies effective January 1, 2022 and subsequent.

After discussing the options presented and recognizing the potential issues that the current Servicing Carriers may have with both the disclosure and term extension options, the Committee agreed that modifying the implementation schedule was the least impactful option for Servicing Carriers and the best option to address the matter prior to the selection process. Accordingly, the Committee unanimously voted to approve the implementation of the modified RFP schedule as presented.

Mr. Olivieri advised that the membership of the subcommittee to discuss the redistribution issue has been finalized and notification of the scheduled meeting date will occur within the next day or so. He noted that it is anticipated that the subcommittee will meet on an expedited basis, with its recommendation provided to the Committee for consideration and a final RFP recommendation presented to the Governing Committee at its April 2021 meeting.

MARIAN ADGATE
Corporate Documentation Specialist

Boston, Massachusetts
February 5, 2021

ATTACHMENT LISTING

Docket #CPOC21.02, Exhibit #2

Attendance Listing

**COMMERCIAL PROGRAM OVERSIGHT COMMITTEE MEETING
MEETING ATTENDEES
FEBRUARY 3, 2021**

Individual's Name

Company / Agency

PLEASE PRINT

John Olivieri, Jr.	J.K. Olivieri Insurance Agency Inc.
Charles Boynton III	Boynton Insurance Agency, Inc.
Brian Hayes	Quincy Mutual Group
Bryan Hurwitz	The Norfolk & Dedham Group
Sharon Murphy	Acadia Insurance Company
Roberta Fitzpatrick	Arbella Insurance Group
John Magadieu	Arbella Insurance Group
David Zawilinski	Arbella Insurance Group
Thomas Skelly	Deland, Gibson Insurance Associates, Inc.
Mary Ellen Thompson	Division of Insurance
Nick Fytrilakis	MAIA
John Kelly	MAPFRE U.S.A. Corporation
Barry Tagen	Pilgrim Insurance Company
Pete Barton	Safety Insurance Company
Elizabeth Brodeur	Safety Insurance Company
Mary McConnell	Safety Insurance Company
Brian White	Safety Insurance Company
Marian Adgate	CAR Staff
Mark Alves	CAR Staff
Wendy Browne	CAR Staff
Tim Costain	CAR Staff
Richard Dalton	CAR Staff
Timothy Galligan	CAR Staff
Natalie Hubley	CAR Staff
Daniel Mason	CAR Staff
John Metcalfe	CAR Staff
Katy Proctor	CAR Staff
Lynne Rosenberg	CAR Staff
Robin Tigges	CAR Staff
Ben Hincks	TSH & D – CAR Counsel
Steve Torres	TSH & D – CAR Counsel