



NATALIE A. HUBLEY  
PRESIDENT

## COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110  
www.commauto.com 617-338-4000

### NOTICE OF MEETING

### GOVERNING COMMITTEE

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

**WEDNESDAY, APRIL 11, 2018 AT 10:30 A.M.**

### MEMBERS OF THE COMMITTEE

Mr. James S. Hyatt – Chair  
Arbella Insurance Group

Ms. Pamela L. Bodenstab-Krynicky	P.L. Krynicky Insurance Agency, Inc.
Mr. Thomas C. DePaulo	Cabot Risk Strategies, LLC
Mr. Christopher D. Dupill	EM Freedman Insurance Agency, Inc.
Mr. Sumner D. Gilman	Economy Insurance Agency, Inc.
Ms. Paula W. Gold	Plymouth Rock Assurance Corporation
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

### AGENDA

**GC**

**18.01 Transcript of Previous Meeting**

The Transcript of the Governing Committee meeting of February 14, 2018 should be read and approved.

**GC**

**18.03 CAR Conflict of Interest Policy**

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

**GC**

**18.04 President's Report**

Commonwealth Automobile Reinsurers' President will report on matters affecting CAR.

**GC**

**18.05 Counsel's Report**

Commonwealth Automobile Reinsurers' counsel will report on pending litigation, CAR Rule changes and any other matters relevant to legal issues at CAR.

**GC**

**18.09 Commercial Automobile Committee**

The Governing Committee will hear the reports of the Commercial Automobile Committee meetings of March 15, 2018 and April 2, 2018.

The Records of the Commercial Automobile Committee meeting of March 15, 2018 are attached. (Docket #GC18.09, Exhibit #3)

The Records of the Commercial Automobile Committee meeting of March 15, 2018 have been distributed and are on file.

The Records of the Commercial Automobile Committee meeting of April 2, 2018 will be distributed as additional information prior to the meeting.

**GC**

**18.10 Loss Reserving Committee**

The Governing Committee will hear the report of the Loss Reserving Committee meeting of March 9, 2018.

A Summary of the Loss Reserving Committee meeting of March 9, 2018 is attached. (Docket #GC18.10, Exhibit #1)

The Records of the Loss Reserving Committee meeting of March 9, 2018 have been distributed and are on file.

**GC**

**18.11 Governing Committee Review Panel**

The Governing Committee will hear the report of the Governing Committee Review Panel meeting of March 15, 2018.

The Records of the Governing Committee Review Panel meeting of March 15, 2018 are attached. (Docket #GC18.11, Exhibit #1)

The Records of Governing Committee Review Panel meeting of March 15, 2018 have been distributed and are on file.

**GC**

**18.12 Compliance and Operations Committee**

The Governing Committee will hear the report of the Compliance and Operations Committee meeting of March 28, 2018.

The Records of the Compliance and Operations Committee meeting of March 28, 2018 will be distributed as additional information prior to the meeting.

**Other Business**

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

**Executive Session**

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

NATALIE A. HUBLEY  
President

Attachments

Boston, Massachusetts  
March 30, 2018



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PRESIDENT

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## RECORDS OF MEETING

### COMMERCIAL AUTOMOBILE COMMITTEE – MARCH 15, 2018

#### Members Present

Mr. Thomas DePaulo – Chair	Cabot Risk Strategies, LLC
Mr. Peter Chung	The Norfolk & Dedham Group
Ms. Sarah Clemens	MAPFRE U.S.A. Corporation
Ms. Sheila Doherty	Doherty Insurance Agency, Inc.
Ms. Mayre Hammond	Arbella Insurance Group
Mr. Coleman Johnson	The Hanover Insurance Company
Mr. Brian Lam	Safety Insurance Company
Mr. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Mr. Thomas Skelly, Jr.	Deland, Gibson Insurance Associates, Inc.
Mr. Barry Tagen	Pilgrim Insurance Company

Substituted for:

Not in Attendance:

#### 18.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Commercial Automobile Committee meeting of February 8, 2018. The Records have been distributed and are on file.

#### 18.04 Servicing Carrier Service Levels Subcommittee

At its last meeting, the Commercial Automobile Committee unanimously voted to adopt the recommendations of the Servicing Carrier Service Levels Subcommittee and recommend the adoption of proposed modifications to Rule 11.C.2. and Chapter III.E. of the Manual of Administrative Procedures to the Governing Committee. The proposed modifications define overall expectations for commercial Servicing Carrier service levels and procedures for the review of requests for reimbursement of extraordinary expenses.

Ms. Marian Adgate noted that at the Governing Committee's February 14, 2018 meeting, a Committee member, with the intent to further strengthen Servicing Carrier requirements and procedures relative to requests for reimbursement of incurred extraordinary expenses, presented suggested modifications to the proposed language. She stated that the suggested language included further strengthening of the language to specify that the extraordinary expense incurred for which the Servicing Carrier was requesting reimbursement also had to be an expense that was necessary to be incurred by the company in order to perform its obligations as a Servicing Carrier. Additionally, the suggested

modifications included the elimination of a sentence in the Manual of Administrative Procedures relative to the approval of an “expense not to exceed” amount due to concerns that a pre-approval type of process should not apply. Ms. Adgate noted that the Governing Committee agreed that further discussion of these issues was required and remanded the Rule and Manual language back to the Commercial Automobile Committee for further review.

The Committee addressed the addition of the requirement that the expenses incurred must be considered “necessary” in addition to “extraordinary”, with members expressing concern as to the appropriate party responsible for determining whether the expense was necessary. It was noted that since the word “necessary” was subjective in nature, language to specifically define it could not be incorporated into the Rule. However, the Committee did agree that it would be the Servicing Carrier’s responsibility to persuade the reviewing committee that the expenses being requested were both necessary and extraordinary in performing its duties as a Servicing Carrier.

The Committee also addressed the suggested removal of the “expense not to exceed” wording from Chapter III.E.2.b. of the Manual of Administrative Procedures. This language is similar to that in the existing defaulted broker expense procedures and was intended to provide a Servicing Carrier with the ability to come before a committee for approval of expenses prior to the Servicing Carrier actually incurring those expenses. The recommendation to eliminate this sentence was suggested out of the concern that having this type of pre-approval process may jeopardize the Servicing Carrier’s efforts to do its due diligence as a Servicing Carrier if the committee didn’t agree that the expense was extraordinary. The Committee expressed its concern that the timing and logistics of scheduling committee meetings may impact a Servicing Carrier’s ability to obtain a CAR committee’s approval in a timely manner, and that the sentence as written could potentially make it difficult for a Servicing Carrier to move forward in its efforts to manage the residual market. Accordingly, the Committee agreed that the pre-approval process should not be allowed and that the sentence should be removed.

Following significant discussion, the Committee recommended further editorial changes to Rule 11.C.2. and Chapter III.E. of the Manual of Administrative Procedures to clarify that an expense requested for reimbursement by a Servicing Carrier must be a specific, necessary and extraordinary expense, and to ensure consistency between the Rule and Manual of Administrative Procedures language. The Committee unanimously voted to recommend Governing Committee approval of the amended language.

## **18.07 Distribution of Residual Market Books of Business**

Rule 13.C.2. requires CAR to perform a quarterly review of the distribution of ceded commercial written premium and, if necessary, permits a redistribution of residual market books of business to maintain equity among the Servicing Carriers. Redistribution may occur 12 reporting months from the effective date of the previous distribution with the redistribution performed no sooner than 60 days from the date of the review.

At its February 8, 2018 meeting, the Committee agreed that there exists a clear inequity among Servicing Carriers that needs to be addressed and that any redistribution effort should cause the least amount of disruption possible. Accordingly, staff was directed to evaluate current Servicing Carrier premium volume and prepare data reports for review by the Committee. Mr. Timothy Galligan reviewed the prepared exhibits with the Committee noting that in order to rebalance premium both in total and by class type among the four Servicing Carriers with the least amount of disruption, 26 producer reassignments with an associated written premium volume of \$19 million will be necessary. It was noted that 11 of the 26 producers have voluntary contracts with their new Servicing Carrier. The exhibits identified a summary of producer movement and the distribution of premium by class type before and after reassignment, using the latest written premium data through December 2017.

The Committee expressed concern that six of the producers to be reassigned had previously also been reassigned during the redistribution process occurring less than 18 months ago when Pilgrim replaced Travelers as a Servicing Carrier. Ms. Natalie Hubley indicated that regardless of how the reassignment process is modeled, it will be virtually impossible to reach the goal of minimizing disruption and maintaining equity by classification without impacting some of the producers that were reassigned to Pilgrim last year. She further noted that every effort has been made to assure that as many of the producers as possible had a prior relationship with the carrier to which it would be reassigned which limited the reassignment to the six producers.

It was the Committee's consensus that the numbers presented reflect a more equitable distribution both in premium volume and by class type and on a motion with 7 in favor and 2 opposed, the Committee recommended to the Governing Committee to move forward with staff's recommended redistribution as presented in the exhibits, for new and renewal policies effective July 1, 2018.

### **18.08 Commercial Servicing Carrier Annual Report**

The Commercial Auto and Taxi/Limo RFPs require that Servicing Carriers provide an annual report outlining their strategies to depopulate the residual market and address market conditions, as well as the successes and challenges of those efforts. The Committee directed Staff to prepare Servicing Carrier Company Profiles and an outline of topics to be addressed by Servicing Carriers in their annual reports.

Ms. Wendy Browne presented to the Committee the proposed schedule for CAR's development of Servicing Carrier Company Profiles and the submission of Servicing Carrier Annual Reports. She noted that CAR will develop a profile containing basic market information for each Servicing Carrier. Additionally, in order for CAR and the Committee to monitor a Servicing Carrier's residual market performance, each Servicing Carrier will be required to prepare an annual report that addresses components of the Servicing Carrier program as noted in the RFP and the CAR Rules, as well as current concerns present in today's marketplace and company efforts undertaken to address these concerns.

The Committee discussed the information to be contained in these reports and suggested that a ceded loss count and the number of agents assigned to each Servicing Carrier be added to the information provided by CAR in the Servicing Carrier profile. Additionally, in order to provide the Servicing Carrier with information that may be beneficial in preparation of their profiles, the Committee suggested that the schedule be modified to push back the distribution date for the Servicing Carrier Company Profiles to May 1, 2018 and adjust the due date for the Servicing Carrier Annual Reports to June 1, 2018. Ms. Browne indicated that staff will rework the remainder of the schedule based upon those dates, including the scheduling of Servicing Carrier Annual Report presentations to the Committee. The Committee's report of its findings will be presented to the Governing Committee at its September 2018 meeting.

MARIAN ADGATE  
Corporate Documentation Specialist

Boston, Massachusetts  
March 26, 2018



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**SUMMARY OF MEETING**

**LOSS RESERVING COMMITTEE – MARCH 9, 2018**

Ms. Lynnellen Ramirez – Chair	Arbella Insurance Group
Ms. Alyssa Potter	The Hanover Insurance Company
Ms. Melissa Vaughn <sup>(1)</sup>	Safety Insurance Company

Substituted for:

<sup>(1)</sup> Mr. Glenn Hiltbold

Not in Attendance:

Mr. Warren Ehrlich, MAPFRE U.S.A. Corporation

**17.01 Records of Previous Meeting**

The Committee unanimously voted to approve the Records of the Loss Reserving Committee meeting of December 6, 2017. The Records have been distributed and are on file.

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

The Committee set loss and loss adjustment expense reserves, using data through December 31, 2017. The Committee estimated a policy year 2017 commercial deficit of \$31.4 million with a loss ratio of 92.2 percent, and a policy year 2016 commercial deficit of \$41.6 million with a loss ratio of 99.1 percent. Ultimate loss ratio and deficit projections for policy years 2017 and prior are detailed in the attached exhibits.

The following summary displays the results from March 9, 2018 meeting:

**Total AO**

<u>CAL/AY</u>	Loss & Allocated Loss Adjustment Expense (000)					Number of Open Claims
	<u>Earned Premium(000)</u>	<u>Paid</u>	<u>Case Outstanding</u>	<u>IBNR</u>	<u>Held Ultimate</u>	
2008	139,719	90,015	572	(1)	90,586	4
2009	111,743	75,163	203	-	75,366	3
2010	95,938	73,810	32	2	73,844	3
2011	88,176	73,620	534	5	74,159	8
2012	91,576	64,635	1,420	(93)	65,962	22
2013	102,216	71,313	11,276	(33)	82,556	88
2014	117,843	85,122	14,841	1,055	101,018	171
2015	140,066	89,993	18,904	4,697	113,594	522
2016	160,236	87,691	51,358	14,479	153,528	1,274
2017	175,486	65,431	55,143	43,153	163,727	5,329
<b>Total</b>	<b>1,222,999</b>	<b>776,793</b>	<b>154,283</b>	<b>63,264</b>	<b>994,340</b>	<b>7,424</b>

**Total PP**

<u>CAL/AY</u>	<u>Earned Premium(000)</u>	<u>Loss &amp; Allocated Loss Adjustment Expense (000)</u>			<u>Held Ultimate</u>	<u>Number of Open Claims</u>
		<u>Paid</u>	<u>Outstanding</u>	<u>IBNR</u>		
2008	212,132	206,550	76	(36)	206,590	7
2009	82,820	81,504	34	(17)	81,521	9
2010	2,871	2,792	-	-	2,792	-
<b>Total</b>	<b>297,823</b>	<b>290,846</b>	<b>110</b>	<b>(53)</b>	<b>290,903</b>	<b>16</b>

SHANNON CHIU  
 Actuarial/Statistical Analyst

Boston, Massachusetts  
 March 30, 2018



COMMERCIAL ULTIMATE POLICY YEAR DEFICIT PROJECTIONS  
 BASED ON DATA REPORTED THROUGH QUARTER ENDING DECEMBER 2017  
 (000's OMITTED)

SUMMARY EXHIBIT

	Policy Year 2015		Policy Year 2016		Policy Year 2017	
	Dollars	% Prem	Dollars	% Prem	Dollars	% Prem
Premium	151,400	100.0%	169,000	100.0%	181,700	100.0%
Losses Incurred and ALAE	126,571	83.6%	167,479	99.1%	167,527	92.2%
Underwriting Expenses	38,768	25.6%	43,126	25.5%	45,607	25.1%
Underwriting Result	(13,939)	-9.2%	(41,605)	-24.6%	(31,434)	-17.3%

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

Policy Year 2017

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	180,900	100.0%	181,700	100.0%	800	0.4%
Losses Incurred and ALAE	163,172	90.2%	167,527	92.2%	4,355	2.7%
Underwriting Expenses	45,406	25.1%	45,607	25.1%	201	0.4%
Underwriting Result	(27,678)	-15.3%	(31,434)	-17.3%	(3,756)	13.6%

Policy Year 2016

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	169,400	100.0%	169,000	100.0%	(400)	-0.2%
Losses Incurred and ALAE	161,269	95.2%	167,479	99.1%	6,210	3.9%
Underwriting Expenses	43,197	25.5%	43,126	25.5%	(71)	-0.2%
Underwriting Result	(35,066)	-20.7%	(41,605)	-24.6%	(6,539)	18.6%

Policy Year 2015

	Prior Qtr Estimate		Current Qtr Estimate		Variance	
	Dollars	% Prem	Dollars	% Prem	Dollars	Percent
Premium	151,500	100.0%	151,400	100.0%	(100)	-0.1%
Losses Incurred and ALAE	126,352	83.4%	126,571	83.6%	219	0.2%
Underwriting Expenses	38,784	25.6%	38,768	25.6%	(16)	0.0%
Underwriting Result	(13,636)	-9.0%	(13,939)	-9.2%	(303)	2.2%



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## RECORDS OF MEETING

### GOVERNING COMMITTEE REVIEW PANEL – MARCH 15, 2018

#### Members Present

Mr. Thomas DePaulo – Chair  
Mr. John Kelly  
Ms. Meredith Woodcock

Cabot Risk Strategies, LLC  
MAPFRE U.S.A. Corporation  
Liberty Mutual Group

Substituted for:

Not in Attendance:

#### 17.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Governing Committee Review Panel meeting of August 31, 2017. The Records have been distributed and are on file.

#### 18.04 Point Insurance Agency, Inc./Arbella Protection Insurance Company

Point Insurance Agency is appealing the November 28, 2017 decision of the Market Review Committee to uphold the termination action of the Arbella Protection Insurance Company in which Arbella terminated the agency's commercial automobile and taxi and limousine Exclusive Representative Producer appointments for violations of various sections of CAR Rule 14.B. and Arbella's Commercial and Taxi/Limo Servicing Carrier Agreements.

Mr. John Metcalfe provided the Panel with information relative to the appeal. He noted that on July 28, 2017, Point submitted a Request for Review/Relief to CAR appealing its termination by Arbella. After several agreed upon continuances, the Market Review Committee met on November 28, 2017 to consider whether the termination should be upheld based upon the grounds stated in Arbella's termination notice. The Market Review Committee considered the merits of Point's Request for Review/Relief and found that Arbella's termination of the Point Insurance agency's Exclusive Representative Producer appointments was not unfair, unreasonable or improper. Accordingly, the Market Review Committee voted to uphold Arbella's termination of the agency. Point Insurance Agency is now appealing the decision of the Market Review Committee to the Governing Committee Review Panel.

Mr. Metcalfe indicated that the Governing Committee Review Panel's review is a *de novo* review in which the Panel is not bound by the Market Review Committee's decision. The Panel should consider whether or not the termination should be upheld based on the grounds stated in the notice of termination. Each alleged violation should be considered individually to determine whether each was a valid basis for termination, and the Panel should ultimately determine whether Arbella's termination of the agency's commercial automobile and taxi and limousine Exclusive Representative Producer appointments was unfair, unreasonable or improper.

Mr. Stephen Torres, counsel for CAR, stated that attached to the meeting's Additional Information notice was material submitted by both Point and Arbella, specifically noting that included within Point's submission was a new Request for Review/Relief. Point requested that CAR provide this information to the Panel, believing it to be germane to the issue before the Panel today. However, Mr. Torres clarified that although the information presented in the new request may be considered by the Panel, it should be only considered as underlying information relative to the alleged violations that are the subject of today's review and should not be acted upon by the Panel at the meeting. In short, the Panel should focus only on the five grounds for termination outlined in Arbella's notice of termination dated June 29, 2017 and whether those items were a valid basis for termination.

Ms. Dana Casher, representing the Point Insurance Agency, requested that the Panel consider postponement of the hearing until after a decision is rendered by the Division of Insurance (DOI) on a prior pending matter. Point has requested the DOI to provide a ruling on several issues key to this hearing, noting that the DOI's decision on this matter will provide clarification relative to the basis on which eligibility for a commercial policy is determined, whether Arbella is required to apply the same underwriting standards to Point as it does to other ERPs, and whether Arbella must compensate Point for the losses suffered by the agency as a result of the company non-renewing a substantial number of its commercial policies.

Ms. Roberta Fitzpatrick, representing Arbella Protection Insurance Company, responded to the points made by Ms. Casher. She stated that Arbella does not believe that the matter pending before the Division of Insurance has any bearing on this termination proceeding and noted that the reason for Arbella's termination of the agency's ERP appointments was not due to eligibility issues but because of significant instances of fraud perpetrated by the agency. Ms. Fitzpatrick also noted that if Arbella imposed a higher level of underwriting standards on the agency, it was only to investigate suspected fraud within the agency. Additionally, she opined that whether Arbella must compensate Point is irrelevant to the termination proceeding as both CAR and the Division of Insurance have no authority in this regard. She stated that the issue before the Panel is whether or not Arbella's termination of the agency based on the grounds noted in the June 29, 2017 letter have been established and she indicated that Arbella would not agree to a continuance of the hearing.

Mr. Torres indicated that absent the agreement of the parties for a request for continuance, it is the Panel's decision whether to consider Point's request. He noted that the Rules and Manual of Administrative Procedures contemplate a specific process and order which in this instance has been followed and is currently underway, but the process does not contemplate a postponement or continuance due to a pending parallel proceeding between the same parties at the Division of Insurance. Members of the Panel were not persuaded that the matter pending at the DOI was relevant to the alleged violations subject to this review and therefore were in agreement that the meeting and the review should proceed.

Ms. Casher proceeded to present Point's case, referencing specific policies used by Arbella to support its termination of the Point agency. She indicated that all of the policies were renewals, initially written by Rapo and Jepsen Insurance Agency and underwritten by Arbella. Point was unaware of why the businesses had been set up and in most cases, the insurance has been in a corporate name for many years. She noted that of those policies, three were subsequently renewed by Arbella and four have been renewed in the residual market by other Servicing Carriers. Three policies were cancelled and correctly rewritten in

the private passenger market with assistance by Point and three insureds were able to get insurance on their own. She asserted that Point has tried to do the right thing by setting up meetings with Arbella, going to the DOI for guidance, and assisting its customers where necessary in securing individual insurance and that Point should not be held responsible for Rapo's prior conduct. She requested the Panel to consider a reversal of Point's termination or at least defer action until the DOI ruling is rendered.

Ms. Fitzpatrick responded that Arbella is not suggesting that the conduct of Rapo is grounds for termination of Point and any references to Rapo and Jepsen are purely for context. However, she pointed out that Mr. Rozembarque, principal of the Point agency, had been employed at the Rapo and Jepsen agency for five years at the time of the Rapo and Jepsen agency's termination and he was well aware of the underlying grounds for termination which included findings for fraud; specifically the scheme to create fraudulent businesses to enable people who were ineligible for insurance coverage in the private passenger market to obtain insurance in the commercial market. Despite initial optimism when Point took over the Rapo and Jepsen book of business, it became clear to Arbella that Point was not on board with cleaning up the book of business, identifying legitimate commercial accounts and obtaining fresh information to uncover fraud. Additionally, Ms. Fitzpatrick responded to Ms. Casher's assertion that the fact that some of the policies that were cancelled by Arbella and subsequently rewritten in the residual market by other Servicing Carriers was evidence that fraud did not exist. She stated that these carriers did not have the benefit of historical investigations on these policies and may not yet have identified red flags associated with those accounts. She further noted that the policies that Arbella had rewritten were done so because additional information was submitted by the risk that identified the risk as an eligible risk.

Mr. Ed Spellman, SIU Investigator for Arbella and Mr. Frank Hart, a private investigator for Arbella also provided the Panel with specific details relative to the evidence of fraud in support of Arbella's termination of the Point agency. In conclusion, Ms. Fitzpatrick asserted that Arbella's termination of the Point Insurance Agency's Exclusive Representative Producer assignments was not unfair, unreasonable or improper and therefore requested the Panel to uphold the ruling of the Market Review Committee.

The Panel discussed the comments made by the parties and subsequently considered each of the actions from which Point Insurance Agency requested review/relief, as specified in Arbella's termination letter dated June 29, 2017. The Panel voted on these items individually as follows:

- On a unanimous vote, the Panel approved a motion that Arbella has established that by failing to refrain from engaging in fraudulent activity in connection with the business of Motor Vehicle Insurance in accordance with the provisions of the CAR Rules of Operation, Point has violated CAR Rule 14.B.1.c. Additionally, the Panel unanimously approved a motion agreeing that Arbella has established that this violation provides a valid basis for termination of the agency.
- On a unanimous vote, the Panel approved a motion that Arbella has established that by failing to provide a reasonable and good faith effort to verify the information provided by the applicant, including rating and licensing data, Point has violated CAR Rule 14.B.1.e. Additionally, the Panel unanimously approved a motion agreeing that Arbella has established that this violation provides a valid basis for termination of the agency.
- On a unanimous vote, the Panel approved a motion that Arbella has established that by failing to cooperate with the Servicing Carrier during all audits and investigations, Point has violated Rule 14.B.1.i. Additionally, the Panel unanimously approved a motion agreeing that Arbella has established that this violation provides a valid basis for termination of the agency.
- On a unanimous vote, the Panel approved a motion that Arbella has established that by failing to notify the Servicing Carrier of any suspected fraud, Point has violated CAR Rule 14.B.1.k. Additionally, the

Panel unanimously approved a motion agreeing that Arbella has established that this violation provides a valid basis for termination of the agency.

- On a unanimous vote, the Panel approved a motion that Arbella has established that by failing to only order those coverages from the Servicing Carrier that are requested by the insured and for which the insured is eligible, Point has violated Rule 14.B.1.n. Additionally, the Panel unanimously approved a motion agreeing that Arbella has established that this violation provides a valid basis for termination of the agency.

Finally, the Panel unanimously approved a motion to uphold the decision of the Market Review Committee at its meeting of November 28, 2017 to terminate the Point Insurance Agency's commercial automobile and taxi and limousine Exclusive Representative Producer appointments based upon the grounds stated in the Notice of Termination.

Mr. Metcalfe advised the agency that the decision of the Governing Committee Review Panel carries the weight of the full Governing Committee and may be appealed to the Division of Insurance pursuant to Rule 20 – Review and Appeal of CAR's Rules of Operation within 30 days of being officially notified of the Panel's decision.

MARIAN ADGATE  
Corporate Documentation Specialist

Boston, Massachusetts  
March 29, 2018