



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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

**ADDITIONAL INFORMATION
TO MEMBERS OF THE GOVERNING COMMITTEE**

FOR THE MEETING OF:

Wednesday, April 11, 2018 at 10:30 a.m.

GC

18.09 Commercial Automobile Committee

The Records of the Commercial Automobile Committee meeting of April 2, 2018 are attached. (Docket #GC18.09, Exhibit #4)

The Records of the Commercial Automobile Committee meeting of April 2, 2018 have been distributed and are on file.

GC

18.12 Compliance and Operations Committee

The Records of the Compliance and Operations Committee meeting of March 28, 2018 are attached. (Docket #GC18.12, Exhibit #1)

The Records of the Compliance and Operations Committee meeting of March 28, 2018 have been distributed and are on file.

NATALIE A. HUBLEY
President

Attachments

Boston, Massachusetts
April 6, 2018



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RECORDS OF MEETING

COMMERCIAL AUTOMOBILE COMMITTEE – APRIL 2, 2018

Members Present

Mr. Thomas DePaulo – Chair	Cabot Risk Strategies, LLC
Ms. Elizabeth Brodeur ⁽¹⁾	Safety Insurance Company
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. 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:

⁽¹⁾Mr. Brian Lam

Not in Attendance:

18.01 Records of Previous Meeting

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

18.06 Commercial Automobile Residual Market Standards Subcommittee

Mr. John Olivieri, Chair of the Commercial Automobile Residual Market Standards Subcommittee provided the Committee with a summary of the Subcommittee's March 29, 2018 meeting. He noted that after each Subcommittee meeting, a prioritized list of issues impacting the commercial residual market will be updated by CAR staff to reflect the current status of the Subcommittee's deliberations. He stated that in light of the recently approved amendments to the Principal Place of Business definition in the CAR Rules, the Subcommittee had substantial discussion relative to Servicing Carrier and producer standards for determining and validating principal place of business, including expectations for producers to substantiate the principal place of business prior to binding coverage and Servicing Carriers to address questionable circumstances during the underwriting process. The Subcommittee agreed that an effective tool at point of application would be the requirement for a signed certification by a new business applicant of the location of its principal place of business and directed staff to update the producer standards to include this requirement.

Mr. Olivieri also noted that the Subcommittee has recommended to the Commercial Automobile Committee, approval of a commercial Focus Audit. Mr. Mark Alves provided the Committee with a brief overview of the audit. He noted that all Servicing Carriers will be audited with the objective of gathering information to support the development of underwriting standards to be used by Servicing Carriers to validate the eligibility, classification and rating of a commercial residual market risk and for the subsequent development of long term audit and oversight procedures. Initially, the audit will sample from five classes of business with Servicing Carriers providing a count of risks that have been declined, cancelled and non-renewed and an explanation for the action taken. CAR will produce a summarized report identifying both common and unique residual market practices and procedures used by the Servicing Carriers pertaining to these risks. CAR's approach to the audit and the audit findings will be consistent with the audits currently performed, as identified in the ARC Procedures Manual and Manual of Administrative Procedures, with the reports produced provided to both the Compliance and Operations Committee and the Commercial Automobile Committee.

The Committee unanimously voted to recommend to the Governing Committee approval of the commercial Focus Audit as proposed.

MARIAN ADGATE
Corporate Documentation Specialist

Boston, Massachusetts
April 6, 2018

Proposed Commercial Focus Audit

Overview

At its February 14, 2018 meeting, the Governing Committee discussed staff's efforts to begin focus auditing of all Servicing Carriers in the commercial residual market. The Committee specifically noted concerns with Private Passenger Type (PPT) Non-Fleet and interstate bus risks as classes contributing most significantly to the growth of the residual market.

Current Environment

Much of CAR's focus during 2017 has been to evaluate the risk concerns that have adversely impacted the commercial market and to develop a coordinated plan to improve results. The Commercial Auto Residual Market Standards Subcommittee is currently considering issues and identifying opportunities to standardize underwriting procedures among the Servicing Carriers. Procedure audits will be developed in the future from the standardization efforts of the Subcommittee. In the interim, staff will perform focus audits to gather additional information relative to Servicing Carrier handling of the above noted classes in order to aid in the development of standards and ensure consistent procedures going forward.

Compliance Audit Overview

CAR's Compliance Audit Department currently conducts premium and claim statistical audits designed to test the quality of data reporting in accordance with the Commercial Statistical Plan. These audits address the accuracy of statistical reporting for ratemaking purposes. These audits are not intended to evaluate the quality of underwriting.

Compliance Audit also conducts claims Performance Standards and Special Investigations Unit (SIU) audits that measure the consistency of claims handling between the voluntary and residual markets, and the consistency of the audited company's SIU Department to industry Best Practices.

Focus Audit Objective

The objective of the focus audit is to gather more detailed information regarding the Servicing Carrier's efforts to validate the *eligibility* of the risk in the residual market, validate the proper *classification*, and *rating* of the risk. Audit results should support the development of the residual market standards currently in process by the Commercial Auto Residual Market Standards Subcommittee.

Focus Audit Sample Selection:

Staff has identified five classes of business on which to concentrate the initial focus audit based on concerns expressed in committee discussions to date, as well as an analysis of the five year loss ratios for each class. Staff has defined sample selections which will target 20 policies with losses for each Servicing Carrier within each of the five groupings for which data is reported. Samples from each group will not be randomly generated but will be selected intentionally by reviewing the associated statistical data and other supplemental resources utilized in the normal audit process. The five classes include:

1. Fleet Public Transportation: Charter Bus; zone rated (>200 miles)
 - Class Type 38 and Class Code 540900
2. Fleet Public Transportation: Charter Bus; intermediate (51 to 200 miles)
 - Class Type 37 and Class Code 549#00
3. Non Fleet Public Transportation: Charter Bus; zone rated (>200 miles)
 - Class Type 34 and Class Code 547900

Proposed Commercial Focus Audit

4. Non Fleet Public Transportation: Bus Not Otherwise Classified; zone rated (>200 miles)
 - Class Type 34 and Class Code 587900
5. Private Passenger Type Non-Fleet: Vehicles used in business
 - Class Type 81 and Class Code 739100

The Servicing Carriers are also asked to provide a count of residual market risks that have been declined, cancelled or non-renewed with a corresponding explanation for the action. Staff will subsequently request documentation supporting the decision on a sample of these risks not to exceed 20 in total.

Requested Documentation

All Servicing Carriers will be audited remotely and concurrently. To obtain an accurate overview of residual market practices and procedures, CAR will require access to each Servicing Carrier's policy processing and claim systems. Access to all underwriting files including underwriting notes, premium systems, claim systems and SIU documentation where relevant will also be required. CAR may also follow up with additional requests while in the process of auditing.

For each sampled charter bus, the Servicing Carrier shall provide the Motor Carrier Number to enable verification of information through the Federal Motor Carrier Safety Administration (FMCSA).

Focus Audit Report

CAR will produce a single audit report that objectively summarizes findings while not attributing results to a specific Servicing Carrier. The report objective is to provide an overview that is useful to the further development of standards pertaining to commercial automobile residual market issues.

For the five sampled groupings, the report will summarize information gathered and comment on:

- The eligibility of the risks in the residual market.
- The appropriateness of the classification of the risks.
- The appropriateness of the rating of the risks.
 - As CAR currently audits all Servicing Carriers biennially for the accuracy in rating based on statistical reporting, CAR will not conduct a complete rerating of the ceded policy but consider policy attributes with impact to rating.
- In accordance with Chapter III.B.3.e. of the Manual of Administrative Procedures, the report will comment on the Servicing Carrier's Loss Control Services including inspection of vehicles, driver and equipment evaluations, etc.
- Should the Servicing Carrier have obtained further information from the insured to research the sampled risks?
- Should the Servicing Carrier have forwarded the policy or loss to its SIU department for further investigation if it did not?

CAR will compile an overall control report to share with the Committee both common and unique procedures employed by Servicing Carriers pertaining to those risks that have been declined, cancelled or non-renewed.

Proposed Commercial Focus Audit

Audit Conclusion Procedures

The closing audit process will be primarily consistent with Chapter IX – Compliance Audit of the Manual of Administrative Procedures pertaining to the audits of Member Companies and Servicing Carriers. Findings will be included in the report as determined by CAR staff but will not identify results by naming Servicing Carriers.

The company may provide a response letter to the overall focus audit and include any additional comments it deems appropriate. Response letters will not be provided to the Committee without the Servicing Carrier's consent.

The report will be provided for consideration to the Compliance and Operations Committee and the Commercial Automobile Committee.



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RECORDS OF MEETING

COMPLIANCE AND OPERATIONS COMMITTEE – MARCH 28, 2018

Members Present

Mr. Jerry Sleeper – Chair	Safety Insurance Company
Ms. Erin Cummings	The Norfolk & Dedham Group
Mr. David Dafgek	The Hanover Insurance Company
Ms. Kathleen Devericks	Nancy Z. Bender Insurance Agency, Inc.
Mr. Bruce Dodge	MAPFRE U.S.A. Corporation
Mr. Thomas Harris	Quincy Mutual Group
Mr. Robert Littlewood	Arbella Insurance Company
Mr. Kenneth Olivieri	J.K. Olivieri Insurance Agency, Inc.
Mr. Barry Tagen	Pilgrim Insurance Company

Substituted for:

Not in Attendance:

17.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Compliance and Operations Committee meeting of October 26, 2017. The Records have been distributed and are on file.

18.04 Informational Items

Ms. Wendy Browne informed the Committee that the proposed Private Passenger Statistical Plan changes regarding Continuous Coverage and Low Frequency Discounts and the proposed Commercial Statistical Plan changes regarding Private Passenger Type – Fleet Classification Codes and Garagekeepers – Miscellaneous Coverage were approved by the Governing Committee at its November 15, 2017 meeting and by the Division of Insurance on December 7, 2017.

18.05 Compliance Audit Program

Mr. Mark Alves presented Hybrid Audit results for Privilege Underwriters Reciprocal Exchange (PURE). Mr. Barry Tagen of Pilgrim Insurance recused himself from participating in this agenda item. The audit scope for sampled policies included approximately \$1,009,000 in written premium. Associated

loss dollars, including paid losses and allocated loss adjustment expenses, totaled \$461,000. PURE began writing Massachusetts private passenger automobile insurance in 2013 and continues to write only voluntary business. For this first Hybrid Audit of PURE, multiple reporting and data quality issues were identified, resulting in a high error rate for both the quota share and rate making data analyses. Additionally, three separate but similar systemic rating issues were identified that resulted in the incorrect premium charged to the policyholder on 69% of the sampled policies. In all three instances, the amount of premium charged was not in accordance with the PURE rates and rules on file with the Division of Insurance. Lastly, the PURE SIU program was considered not compliant to both the statutory SIU requirement and Rule 32.C. of CAR's Rules of Operation pertaining to the SIU verification of garaging and policy facts.

The PURE audit response letter indicated that several data issues noted in the report have either been corrected or are in the process of being corrected. However, based upon audit results, CAR staff recommended a future focus audit to address specific findings included in the report. The Committee unanimously accepted the report as written and directed CAR staff to conduct a focus audit of PURE data in the second quarter of 2019 after the company has been provided sufficient time to correct system issues.

Mr. Alves then provided an overview of commercial audit results specific to the Taxi and Limousine Program for the two Servicing Carriers, Pilgrim Insurance and Safety Insurance. Audit results included premium/claim statistical reporting of ceded data only, compliance with CAR Rules and procedures, Claim Performance Standards and the SIU evaluation. Samples were selected from 2016 accounting and accident year for all audited components and included ceded data only. The Committee accepted all reports of each component without further consideration. In addition to the individual company reports, the Committee reviewed the Commercial Division Summary Report developed from the Pilgrim and Safety audit results.

Lastly, the Committee voted unanimously to accept the modifications to the 2018 audit schedule as a result of changes to the audit plan for both Progressive and Bankers focus audits as well as additional commercial auto focus audits. These commercial focus audits include a review of allocated medical bill assessment fees and the planned focus audits to support the development of Servicing Carrier underwriting standards. The schedule has been updated and posted to CAR's website.

17.08 Disaster Recovery – Business Continuity Plan

Ms. Browne reviewed with the Committee the draft of CAR's Business Continuity Plan. She indicated that this is the final phase of CAR's ongoing effort, starting with the development of the Business Impact Analysis, the current IT effort to implement CAR's Disaster Recovery Plan, and the current development of the Business Continuity Plan. This plan identifies the resources and tools required to effect a smooth and timely restoration of administrative and operational activities for a period of up to six months once a disruption occurs. She noted that the recovery will be based on the severity of the event that triggers the disaster, and that the plan outlines the activities for core functions that would be performed at home or at an alternative site. Ms. Browne noted that as approved by this Committee, the Business Impact Analysis identifies that CAR's website, including the MAIP Policy Application will be functioning within two business days and that the mainframe will be restored and functioning within six months.

Ms. Browne noted that, in the event of a declared disaster, two recovery locations exist – one for the LAN and one for the mainframe. The plan requires that copies of the disaster recovery procedures will be maintained at the recovery locations as well as at the homes of the Emergency Response Team. Furthermore, CAR's Disaster Recovery process includes annual testing of the disaster recovery and business continuity procedures.

The Business Continuity Plan outlines the responsibilities of each functional unit, based on various timeframes (Days One and Two, Day Three through Two Weeks, etc.). Ms. Browne noted that the responsibilities for the VP of Business Operations outlined the activities that would impact the industry, including the various communications and services that CAR would restore, and the associated timetables, in the event of a declared disaster. The Committee unanimously voted to recommend to the Governing Committee approval of CAR's Business Continuity Plan.

18.07 Private Passenger and Commercial Statistical Plans

Ms. Marian Adgate reviewed a modification made to the Private Passenger Statistical Plan in conjunction with the Division of Insurance's recent approval of an amendment to Rule 21 of CAR's Rules of Operation. The Rule 21 amendment confirmed the end date of March 31, 2018 for the restriction on the non-renewal of Clean-in-Three risks written by qualifying former Exclusive Representative Producers. Accordingly, CAR ID Code 1, used to identify this type of business, is no longer a valid code for policies effective April 1, 2018 and subsequent and has been eliminated from the CAR ID Code table.

Ms. Adgate also reviewed a proposed modification to the Commercial Statistical Plan. The change includes updated language to the Rating Identification Code table for clarification and will apply to policies effective January 1, 2019.

The Committee unanimously voted to recommend to the Governing Committee approval of the proposed Private Passenger and Commercial Statistical Plan pages as presented.

18.08 Special Investigations Unit System Development

Mr. Alves provided an overview of the Special Investigations Unit (SIU) System applicable to both private passenger and commercial business that is currently in development. The system will be a Graphical User Interface (GUI) based web application designed to replace the currently manual process. System objectives for automation include the ability to generate audit samples, control auditor work papers and notes, and develop result tables for use in audit reports.

All companies will upload the SIU Quarterly Activity Logs that are mandated by the Division of Insurance directly into the application using a specific file type and in a predetermined format. Additionally, the upload process requires that all companies provide log data that is consistent to statistically reported data. Once uploaded, the log data is automatically matched to statistical data to obtain accurate premium and claim detail.

System benefits include the development of a standardized SIU Quarterly Activity Log that eliminates inconsistencies from company to company. This standardized approach allows for the utilization of activity log data to enhance controls useful to monitoring SIU effectiveness including company or industry savings that result from SIU efforts.

Staff plans to transition to the new SIU system over a period of four quarters beginning with the industry reporting of the June 2018 SIU Quarterly Activity Logs.

Other Business

Mr. Alves notified the Committee that by statute the private passenger and commercial claims Performance Standards are due for biennial review. The current versions of the Standards were last

approved by the Division of Insurance on May 31, 2016. The Claims Subcommittee will meet in early May to consider proposed changes. Any changes that are recommended by the Subcommittee will subsequently be provided to the Compliance and Operations Committee at the June meeting.

MATTHEW HIRSH
Compliance Auditor & Specialist

Boston, Massachusetts
April 6, 2018

COMMONWEALTH AUTOMOBILE REINSURERS

Business Continuity Plan

DRAFT

June 2018

OVERVIEW

Sections:

- Overview
- Contents of Plan
- Responsibilities
 - President
 - Chief of Staff and Human Resources
 - VP of Technical Operations and Director of Information Technology
 - VP of Business Operations
 - Controller and Financial

Recovery Locations:

CAR will maintain separate Disaster Recovery (DR) sites for each processing platform.

- LAN: iLand – Data Center in Dallas, TX
- Mainframe: Data Management (DMI) – Data Center in Malabar, FL

Copies of Recovery Plans:

- The LAN disaster recovery procedures will be kept at the iLand recovery site and homes of the Emergency Response Team (ERT)
- The mainframe disaster recovery procedures will be kept at the IBM recovery site and homes of the ERT
- The Business Continuity Plan will be kept at the homes of the ERT

Testing of the Disaster Recovery Procedures/Business Continuity Plans:

- Annual tests will be scheduled for both LAN and Mainframe failure. Objectives of the test will be to successfully failover to the two backup sites, restore the computer system as well as establish the phone system in order to perform simulated processing and communications on the platforms. Additionally, the test will include fallback by restoring back to production machines and phone system without loss of processing activity or data. The details of the testing protocols will be included in the Disaster Recovery (DR) procedures manual.
- The Disaster Recovery (DR) procedures cover the responsibilities of key personnel after a disaster renders our data center inoperable. The DR procedures include restoring the LAN at an alternate site (iLand) within 24 – 48 hours and, if applicable, the Mainframe within 2 months at another alternate site (IBM). It will outline the hardware, software, network servers, and telephones systems requirements and the responsible staff to perform the restore.

CONTENTS OF PLAN

Objectives:

This Business Continuity (BC) plan identifies the resources and tools required to effect a smooth and timely restoration of administrative and operational activities for a period of up to six months beginning with the operations disruption that occurs. While the extent of the disruption is being evaluated by the DR team, the BC plan contemplates the appropriate communications to the industry and staff. If a disaster is declared, the BC plan includes information and instructions to all affected parties.

The required administrative and operational recovery will be based on the severity of the event that triggered a disaster to be declared and may be altered if warranted. The goal of the plan is a recovery of normal business activities for core functions at home and/or an alternate office location, as needed.

Assumptions:

- Total loss of data center and office for up to six months
- Backup sites for mainframe and LAN survive the disaster
- All required hardware and software is available
- Successfully able to replicate production servers to duplicate servers at our LAN DR sites located at iLand and the mainframe to the DMI site
- Required backup tapes survived at RetrieveX
- Required backup of Active Directory at LAN backup site
- Majority of key personnel are available
- Damaged facility can be restored or relocated
- Copies of DR recovery procedures and BC plan available

Scope:

Required communications will be contemplated from the time of a business disruption as the situation is evaluated. If a disaster is then declared, this plan is implemented while the DR team is replicating the LAN system at a backup site within 48 hours of declaring a disaster. It will remain in effect through the completion of restoring CAR's data room and/or CAR's office back to pre-disaster condition such that business can resume normally. If the outage is anticipated to be more than two months, the mainframe may be replicated at its backup site in order to resume data reporting activities.

Emergency Response Team:

President

VP of Technical Operations

VP of Business Operations

Chief of Staff

Controller

Director of Information Technology

Department Directors and Managers

RESPONSIBILITIES

President

Responsible for making disaster declaration and approving an appropriate action plan. The President is also responsible for communications with Governing Committee members, regulators, company members, agents and staff (through Senior Staff where applicable) during the disaster recovery and business continuity period. All duties of the President will be carried out within the constraint of the disaster disruption to keep the business functioning at the required levels during the event.

Days One and Two:

➤ **During assessment and while website, email and phone system are replicated offsite**

- As the leader of the CAR Emergency Response Team (ERT), oversee disaster recovery assessment and approve the developed action plan
- Apprise the Governing Committee chair and vice chair of the situation
- Communicate with outside contacts as needed
- Discuss action plans for each business unit with Senior Management

Day Three through Two Weeks:

➤ **Assumes website, email and phone system are operable through DR solution**

- Continue assessment with DR team to gain clarity regarding extent and length of disaster
- Update the Governing Committee chair, vice chair and committee members of status
- Communicate with outside contacts as needed
- Communicate with Senior management for status reports related to their respective areas

Two Weeks through One Month:

➤ **Remote operations are in place for core functions**

- Update the Governing Committee chair, vice chair and committee members of status
- Resume all duties of the President, within constraints of disaster disruption
- Communicate with Senior management for status reports related to their respective areas

One Month to Six Months:

➤ **Timeline for office re-occupancy established**

- Update the Governing Committee chair, vice chair and committee members of status
- Continue performing all duties of the President, within constraints of disaster disruption
- Communicate with Senior management for status reports related to their respective areas

RESPONSIBILITIES

Chief of Staff and Human Resources

Responsible for communications with staff during the BC period, including when and where to report, continuation of benefits programs, and facility management including phone coverage and obtaining necessary supplies for all departments if a longer duration. Additionally responsible for oversight of committee activity requirements, including obtaining conference center services for required meetings. At least the Chief of Staff, HR Specialist and an Administrative Assistant are required for a short duration and the Office Service Technician would be required for a longer duration.

Days One and Two:

➤ During assessment and while website, email and phone system are replicated offsite

- As a member of the CAR Emergency Response Team (ERT), participate in disaster recovery assessment and development of applicable action plan
- Initiate call tree to staff to provide direction depending on assessment conclusions – ERT initiates calls to direct reports and remaining staff

Day Three through Two Weeks:

➤ Assumes website, email and phone system are operable through DR solution

- Continue assessment with DR team to gain clarity regarding extent and length of disaster
- Confirm the integrity of twinning capability for key players to resume core functionality remotely upon restoration of phone system
- Communicate with CAR's insurance agent to initiate a claim as necessary
- Communicate with USPS for mail suspension and/or pick up if office is inaccessible
- Notify vendors to suspend office delivery services
- HR benefit administration flows through Chief of Staff or HR Specialist directly from individual employees to protect privacy concerns
- Evaluate committee activity to determine if conference center services will be required for necessary meetings.

Two weeks through One Month:

➤ Remote operations are in place for core functions

- Identify and secure short term meeting space (1 or 2 locations) for gathering and re-establishment of job assignment activity based on assessment status and prognosis for office re-occupancy
- Compile inventory of office supplies for distribution with Office Services Technician. Employees may also acquire supplies and seek reimbursement later
- Continue to oversee committee activity to determine if conference center services will be required for necessary meetings.

One Month to Six Months:

➤ **Timeline for office re-occupancy established**

- Retain meeting space and determine the need for full time occupancy by a number of employees TBD. Consider rotation of teams rather than ongoing assembly of entire company
- Develop meeting schedule for conferencing and/or physical meeting space by departments, sections or whole company
- Convert hardcopy operational cost invoices to electronic as necessary for duration of off-site operations
- Continue to oversee committee activity to determine if conference center services will be required for necessary meetings

DRAFT

RESPONSIBILITIES

VP of Technical Operations and Director of Information Technology

Responsible for immediate technical support of the MAIP Policy application, configuring the phone system for remote twinning of Emergency Response Team phones, and remote system access to LAN hosted at DR site for required staff, from CAR laptops. At least the VP of Technical Operations, Director of Information Technology, Database Administrator, Production Control Coordinator, Project Managers – Development(2), Project Manager and Web Architect and the Coordinator of Software Development will need to be available on an immediate basis for an outage of a short duration.

The remainder of the staff including the Software Developers, Website Administrator, System Programming Consultant, Production Control Coordinator, and Scheduler/Computer Operator would be required for outages that last a longer duration and where the declaration of a disaster on the mainframe platform occurred.

Additionally responsible for ensuring that the LAN and Mainframe replication procedures are current and properly distributed as defined in the overview.

Days One and Two:

➤ During assessment and while website, email and phone system are replicated offsite

- As a member of the CAR Emergency Response Team (ERT), participate in disaster recovery assessment and development of applicable action plan
- Communicate with Technical Operations staff and provide direction for the immediate timeframe
- For communications purposes, ensure that the CAR Facebook page and external email are available and accessible by CAR staff members
- Coordinate the activities of the Technical Operations staff in executing the Disaster Recovery procedures for the LAN environment
- Ensure that internet connectivity to our network and website is up and available at the DR site
- As part of the Disaster Recovery procedures for the LAN environment, bring online the MAIP Policy application for use by the industry
- Assist MAIP Policy Application support staff with any technical issues
- Monitor performance of equipment and intranet/internet applications at the Disaster Recovery site
- Support activities of CAR staff in recovering from disaster, direct Technical Operations staff in any recovery efforts

Day Three through Two Weeks:

➤ Assumes website, email and phone system are operable through DR solution

- Regularly communicate and consult with CAR ERT on status of outage and recovery
- Provide a status report on performance of the MAIP Policy Application and all other intranet/internet applications at the Disaster Recovery site
- Communicate with and direct activities of Technical Operations staff

- Remotely manage, maintain and monitor equipment, resources and applications at the Disaster Recovery site
- Monitor internet connectivity to our network and website applications at the Disaster Recovery site
- Ensure that email, phone and other network resources are brought online and become available for those employees working remotely
- Assist MAIP Policy Application support staff with any technical issues
- Continue to support activities of CAR staff in recovering from the disaster, direct Technical Operations staff in recovery efforts
- Based upon estimates of outage, determine if additional equipment will be required for staff

Two weeks through One Month:

➤ Remote operations are in place for core functions

- As a member of the CAR Emergency Response Team (ERT), participate in disaster recovery assessment and determine if an action plan for the Mainframe platform will be required
- Regularly communicate and consult with CAR ERT on status of outage and recovery
- Communicate with and direct activities of Technical Operations staff
- Provide a status report on performance of MAIP Policy Application at disaster recovery site
- Based upon estimates of outage, acquire necessary equipment for staff
- Remotely manage, maintain and monitor equipment, resources at the Disaster Recovery site
- Ensure that email, phone and other network resources are available for those employees working remotely
- Assist MAIP Policy Application support staff with technical issues
- Continue to support activities of CAR staff in recovering from disaster, direct Technical Operations staff in recovery efforts

One Month to Six Months:

➤ Timeline for office re-occupancy established

- If a Mainframe platform disaster is declared, direct staff to implement disaster recovery plan
- Communicate with and direct activities of Technical Operations staff
- Provide a status report on performance of MAIP Policy Application at disaster recovery site and any recovery efforts for the Mainframe
- Ensure that internet connectivity to our website is up and available at the DR site and the mainframe and LAN are in communication
- Based upon estimates of outage, purchase any necessary equipment for staff
- Remotely manage, maintain and monitor equipment, resources and applications at the Disaster Recovery sites for LAN and Mainframe
- Assist CAR staff with any technical issues
- Continue to support activities of CAR staff in recovering from disaster, direct Technical Operations staff in recovery efforts
- Work with CAR senior management to obtain an alternate office location(s). Any temporary site will require remote connectivity to our DR sites for both LAN and Mainframe for the foreseeable future

RESPONSIBILITIES

VP of Business Operations

Responsible for communication of the disaster via mass email from our Gmail account directing the industry to our Facebook page, which will contain CAR contact information, communications and instructions. Additionally, the VP of Business Operations is responsible for support of customer MAIP application and MAIP assignment process, communications with companies and agents, audits and data reporting.

At a minimum, the VP of Business Operations, Residual Market Services Director, Operations Services Manager, Actuarial & Statistical Services Director and Compliance Audit Director will be needed initially.

After two days, the Residual Market Services Liaisons would resume working to assist agents and companies.

If the interruption continues for a lengthy period of time, the Corporate Documentation Specialist, Residual Market Services Analyst, Data Analysts, Business Analyst, Actuarial Analysts, and Compliance Auditors would all be required to resume working at various points. Since Laptops/iPads along with internet connectivity will be required to access email, intranet, website, and eventually the mainframe, we may need to acquire devices for some of the staff to perform their respective duties.

Days One and Two:

➤ During assessment and while website, email and phone system are replicated offsite

- As a member of the CAR Emergency Response Team (ERT), participate in disaster recovery assessment and development of applicable action plan
- Communicate with Business Operations staff and provide direction for immediate timeframe
- Develop communications for Facebook page and industry emails for agents and companies
- Respond to any email communications from agents and companies

Day Three through Two Weeks:

➤ Assumes website, email and phone system are operable through DR solution

- Resume MAIP assignments utilizing backup MAIP policy application at failover sit.
- Continue to communicate with Business Operations staff and provide directions as needed
- Continue to communicate with the industry and provide status updates
- Remotely respond to questions/issues from agents utilizing the MAIP application
- Remotely respond to questions/issues from companies utilizing the website (and any available applications)
- Remotely respond to agent and company security requests

Two Weeks through One Month:

➤ Remote operations are in place for core functions

- Continue all activities outlined in the Day 3 through 2 weeks' timeframe
- Assess impacts to quota share process and take any appropriate actions
- Resume committee activity as necessary

One Month through Six Months:

➤ **Timeline for office re-occupancy established**

- Continue all activities outlined in the Day 3 to 2 weeks and 2 weeks to 1 month timeframes
- The Actuarial Analysts, Corporate Documentation Specialist and Compliance Auditors should begin working remotely or at a new location
- Once the software developers have begun working, the Business Analyst should begin working remotely or at new location
- Once the mainframe has become operational and companies resumed reporting statistical data, the Data Analysts and Residual Market Services Analyst should begin working remotely or at new location

DRAFT

RESPONSIBILITIES

Controller and Financial

Responsible for payroll and vendor payments for a short term disruption, and if longer, cash flow, financial statements, accounting activity and tax reporting. The Controller and a Financial Analyst are required and both could work remotely from home. The Controller has a CAR laptop, allowing him to connect to the remote site from home. The laptop should also have the accounting system installed. The Financial Analyst would need a rented laptop configured the same way for disruptions expected to last longer than a few weeks.

Days One and Two:

➤ During assessment and while website, email and phone system are replicated offsite

- As a member of the CAR Emergency Response Team (ERT), participate in disaster recovery assessment and development of applicable action plan
- Communicate to Financial staff and provide direction for immediate timeframe
- Contact ADP and Bank of America to determine their status, if necessary.
- Perform only required actions such as transmitting payroll and processing electronic vendor payments from home – no system access

Day Three through Two Weeks:

➤ Assumes website, email and phone system are operable through DR solution

- Communicate to Financial staff and provide direction for the two week timeframe
- Remotely perform limited actions such as processing payroll and saving plan
- Perform online cash management for funding requirements
- Process only required vendor and/or member company payments
- File any required Federal/State tax forms

Two Weeks through One Month:

➤ Remote operations are in place for core functions

- Communicate to Financial staff and provide direction for the two week timeframe
- Acquire rented laptop and establish remote system access for analyst to assist with limited workload
- Remotely perform normal actions such as processing payroll and saving plan
- Perform online cash management for funding requirements
- Process all vendor and/or member company payments
- File any required Federal/State tax forms

One Month through Six Months:

➤ **Timeline for office re-occupancy established**

- Communicate to Financial staff daily and meet periodically at a remote conference center as required
- Acquire rented laptops and establish remote system access for other two analysts to return to work remotely with a limited workload
- Perform normal actions such as processing payroll and savings plan
- Perform online cash management for funding requirements
- Process all vendor and/or member company payments
- File any required Federal/State tax forms
- Process cash flows
- Produce Financial Statements

DRAFT

Proposed Modifications to the Private Passenger Statistical Plan

Proposed Effective Date	Description	Page Impacted	Records Impacted
<p>April 1, 2018</p>	<p>On December 19, 2017, modifications to Rule 21 of the CAR Rules of Operation were deemed approved by the Division of Insurance. The approved modifications confirmed a March 31, 2018 end date for the restriction on the non-renewal of Clean-in-Three risks written by qualifying former Exclusive Representative Producers (ERPs).</p> <p>Accordingly, the CAR Identification Code table in the Private Passenger Statistical Plan has been modified such that CAR ID Code 1, used to identify direct business written voluntarily that meets the Clean-in-Three definition noted in Rule 22, is no longer applicable and may no longer be statistically reported on policies effective April 1, 2018 and subsequent.</p>	<p>VI: 5</p>	<p>All</p>

**Massachusetts Private Passenger Automobile
 Statistical Plan
 Part VI - Coding Section**

CAR IDENTIFICATION CODE (continued)

★ Description (Policy Effective Dates April 1, 2009 and subsequent through March 31, 2018)	Code
Direct business written voluntarily that meets both the Clean-in-Three definition in Rule 22 of the CAR Rules of Operation and the voluntary market share exclusion criteria specified in Rule 29 of the CAR Rules of Operation	1
Direct business written voluntarily that does not meet the description of Code 1 above	8
Direct business written that is assigned through the Massachusetts Automobile Insurance Plan (MAIP)	9

★ Description (Policy Effective Dates April 1, 2018 and subsequent)	Code
<u>Direct business written voluntarily</u>	<u>8</u>
<u>Direct business written that is assigned through the Massachusetts Automobile Insurance Plan (MAIP)</u>	<u>9</u>

Proposed Modifications to the Commercial Statistical Plan

Proposed Effective Date	Description	Page Impacted	Records Impacted
January 1, 2019	Language contained in the Rating Identification Code table has been modified in order to alleviate potential confusion relative to the reporting of this data element. Note that this modification is for clarification only and aims to strengthen the description of each code by removing the word “basis” from the coding descriptions. The Rating Identification Code reported must indicate whether the policy has been experience rated (Code 1), all other rated (Code 7), both experience and all other rated (Code 9) or not experience or all other rated (Code 0).	VI: 30	For Clarification Only

**Massachusetts Commercial Automobile
 Statistical Plan
 Part VI - Coding Section**

RATING IDENTIFICATION CODE

Description	Code
★ Experience Rated Basis	1
★ Both Experience Rated and All Other Rated Basis	7
★ All Other Rated Basis	9
★ Not Experience Rated, Not All Other Rated Basis <ul style="list-style-type: none"> • Optional for policies effective 1/1/2003 – 12/31/2003. Mandatory for policies effective 1/1/2004 and subsequent. 	0