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**TRANSCRIPT OF  
GOVERNING COMMITTEE MEETING**

A meeting of the Governing Committee was 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.**

Committee Members present –

Mr. James S. Hyatt – Chair  
Arbella Insurance Group

Ms. Carol Berthold <sup>(1)</sup>	GEICO
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. 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

Substituted for:

<sup>(1)</sup>Mr. Christopher Jarrard

Not in Attendance:

**PROCEEDINGS**

*(Meeting began at 10:30 a.m.)*

Mr. Hyatt: I'd like to call the meeting to order. Welcome everyone. We have one substitution. Carol Berthold from GEICO. Welcome, Carol. You've been here before. Welcome back. And Tom McCall is also here from the Division of Insurance substituting. Welcome, Tom.

**GC**

**18.01 Transcript of Previous Meeting:**

Mr. Hyatt: The first order of business is to review and accept the meeting minutes from the previous meeting.

Mr. Gilman: Move approval, Mr. Chairman.

Mr. Harris: Second.

Mr. Hyatt: Any discussion? All those in favor?

All Committee Members: Aye.

Mr. Hyatt: Any opposed? Okay. That motion carries.

**GC**

**18.04 President's Report**

Mr. Hyatt: I'll turn it over to Natalie for the President's Report.

Ms. Hubley: As has been reported and discussed in quite detail over recent months, the commercial market is our main focus here at CAR. Most of the staff is working diligently at a lot of different issues that are impacting that commercial market. Tim Galligan is going to report on the Loss Reserving Committee's efforts at their most recent meeting. He will be reporting that the Committee is currently projecting a policy year 2017 deficit of \$31.4 million and for 2016, \$41.6 million. As you're probably aware, that combined result reflects an increase of about \$10.2 million over last quarter's projection. We all recognize and did understand that that deficit – you know, it didn't have any good news for the short term. Hopefully, some of the efforts we're undertaking are going to have some very impactful results. To that end, the Committee had approved the principal place of business, the amended definition to Rule 2 and as you are probably aware that revised definition was deemed approved last month. We do believe that that will be and has already been useful in providing some guidance to Servicing Carriers to consistently manage the eligibility definition. Also, we are reviewing the commercial rate filing. We are expecting to make the next filing before the June

Governing Committee meeting. Right now, those results are a little too preliminary to report on, but we are looking at a number of different factors and expect to make a filing in June.

The Commercial Auto Committee also has some action items for your consideration today that Thom DePaulo will be reporting on. The Committee has directed staff that the next priorities to be addressed, coming up later this month, will be the private passenger type non-fleet standards, Exclusive Representative Producer requirements and the information sharing. The AIB is also kind of finishing up their first look at the private passenger indications. So CAR staff will also be working and taking a look at when we'll be making our next filing. I don't have anything really to report on that.

Also, I've been reporting on our disaster recovery efforts each month. That process is nearing completion. That is progressing under Pete McCabe's supervision. We have contracted our disaster recovery services with two providers, one for the LAN and one for the mainframe. That went into production in April. We are in some of the final testing phases, now that we're in production, to make sure everything is working well. We plan to be scheduling official disaster recovery tests in June. Then the final deliverables on that project will be in July where our consultants will finalize the documentation and the runbooks or how to get back up after we recover from a potential disaster.

Finally, just other efforts. Staff has completed its efforts with regard to the Registry of Motor Vehicles changes. That went fairly smoothly. There are some additional bugs that I think are being worked out by the Registry. But as we move forward that will enable us to make some enhancements to our MAIP application to get driver information for carriers. That's kind of down the road. That would conclude my report.

Mr. Hyatt:

Any questions for Natalie? Thank you.

**GC**

**18.05 Counsel's Report**

Mr. Hyatt:

I'll turn it over to Counsel for the Counsel's Report.

Mr. Torres:

Three items on the counsel report this morning. Each one has been the subject of prior reports. The Calianos Insurance Agency appeal has been fully briefed and argued. We're still waiting a decision from the hearing officer at DOI. That's been the subject of prior reports.

The second item is the Governing Committee Rule 31 amendment is also pending at the Division. That issue has been fully briefed and submitted. We await a decision on that ruling as well.

The third item is the Point Insurance appeal to the Division. The Point Insurance/Arbella matter has been the subject of prior reports as well. The Point appeal to the Division regarding decisions by CAR's Market

Review and Governing Committee Review Panel about certain market conduct Point alleged about Arbella has been fully briefed and has been submitted to the Division some time ago. We're waiting for a decision on that particular item. It's still pending. In addition to that, with respect to those same parties, there's been a subsequent, additional proceeding that Point submitted a request for review challenging its termination by Arbella. That request for review was submitted to the Market Review Committee on November 28, 2017 at which time the MRC upheld the termination and denied Point's request for relief. Point appealed that decision and the Governing Committee Review Panel met on March 15, 2018 to hear that appeal. I think you'll hear a report from the Governing Committee Review Panel with some further detail on that. But the GCRP found that Arbella had established the bases cited in its Letter of Termination and that each violation was a valid basis for termination. So the Governing Committee Review Panel voted unanimously to affirm the decision of the Market Review.

On April 4, 2018, Point included a notice of appeal of that GCRP determination and with its notice of appeal requested a stay of the termination. The Division scheduled a hearing on the request for stay for this coming Friday. CAR will attend and submit a response to the request for stay. Also, during the interim, in between the Market Review and the Governing Committee Review Panel, Point submitted an additional request for review on February 23<sup>rd</sup> and then they amended that request on March 5<sup>th</sup>. In both instances, CAR took the position that Point's request concerned matters that were either presently before the Division or matters that were not an appropriate request for review so it did not convene an additional proceeding by letter dated March 28, 2018. Point's counsel indicated that they recognize that certain issues that they had raised were, in fact, before the Division and that they reserve their right to re-file a request for review regarding the other issues that they had mentioned. That's the report from Counsel unless there's any questions.

Mr. Hyatt: Great. Thank you. Any questions for Counsel? Seeing none, we'll move on.

**GC**  
**18.09 Commercial Automobile Committee**

Mr. Hyatt: I'll turn it over to Thom DePaulo for a report on the Commercial Auto Committee.

Mr. DePaulo: Good morning. Thank you, Mr. Chairman. Responding on the Commercial Auto Committee reports, we will actually have three action items that we'll vote on. Then at the end of my report I'll have just some informational reporting to you folks.

The first item that I will report to you and will be an action item is the amended language to Rule 11 and the Manual of Administrative Procedures Chapter III.E. The Committee considered input from the

Governing Committee at its February meeting regarding proposed amendments to Rule 11.C.2. language addressing a request by a Servicing Carrier for reimbursement of extraordinary expense. Amendments proposed by Plymouth Rock Assurance were discussed in depth by the Committee at this meeting. The Committee addressed the suggested additional language to emphasize that the expense incurred must be considered necessary in addition to extraordinary. At the meeting, the Committee did express concern that the term “necessary” is subjective in nature. It was questioned as to who or what party would be responsible for determining what is actually necessary. However, the Committee agreed that it would be the responsibility of the Servicing Carrier to persuade the reviewing committee that the expenses being requested were both necessary and/or extraordinary in performing its duties as a Servicing Carrier.

The Committee also address the suggested removal of the line in the language “expense not to exceed.” This language is from the Manual of Administrative Procedures. The recommendation to eliminate this sentence was suggested out of concern that this type of language or pre-approval process may jeopardize a Servicing Carrier’s efforts to perform its due diligence in the event that the reviewing committee found that they did not agree that the expense was in fact extraordinary.

The Committee agreed at the meeting that the timing and logistics could make it difficult for a Servicing Carrier to move forward with its efforts. Therefore, the Committee agreed that the pre-approval process should not be included in that review and agreed that that language should be eliminated. After significant discussion, the Committee recommended further editorial changes to the proposed Rule and the Manual of Administrative Procedures language to clarify that an expense approved for reimbursement must be specific, necessary and extraordinary to ensure that there is consistency between the Rule and the Manual of Administrative Procedures references. The proposed Rule and Manual amendments were distributed with records of the Commercial Auto Committee meeting. I believe they’re distributed here for you today at the table for the Governing Committee members to use as a reference.

The conclusion to this report, I move to adopt the proposed amendments to Rule 11.C.2. and Chapter III.E. of the CAR Manual of Administrative Procedures, and to direct staff to forward the amended Rule language to the Commissioner of Insurance for approval.

Mr. Gilman:

Second.

Mr. Hyatt:

The motion has been made and seconded. Any discussion, questions? Seeing none, I’ll ask for a vote. All those in favor?

All Committee Members:

Aye.

Mr. Hyatt:

Any opposed? Motion carries.

Mr. DePaulo:

The second agenda item will be the discussion of redistribution of the residual market book of business. Also, at our March 15<sup>th</sup> meeting, the Commercial Auto Committee addressed the distribution of the residual market books of business among its four Servicing Carriers. Pursuant to Rule 13.C.2., CAR will perform a quarterly review of the distribution of the ceded commercial written premium and, if necessary, approve a redistribution of the residual market books of business to maintain equity among all four Servicing Carriers. According to the Rule, redistribution may occur 12 reporting months from the effective date of the previous distribution and no sooner than 60 days from the date of review. The Committee reviewed reports prepared by CAR staff to evaluate the impact of a redistribution which attempts to minimize market disruption while realigning the distribution of premium both in total and by major classification. The result of the redistribution would pretty much be as follows: There would be 26 producers that would be reassigned to carriers and the Committee was advised that 11 out of the 26 producers would be reassigned to carriers which they have the voluntary contracts. The Committee expressed concern that six of the producers to be reassigned had been previously reassigned during the redistribution process over the last 18 months when Pilgrim was replacing Travelers within the Servicing Carrier Program.

After a robust discussion, the Committee agreed that the numbers presented reflect a more equitable distribution both in premium volume and by class type and accomplish this with as little disruption as possible. On a vote taken of 7 in favor and 2 opposed, the Committee voted to recommend that the Governing Committee move forward with staff's recommended redistribution as presented for new and renewal business effective July 1, 2018.

I move to adopt the Commercial Auto Committee recommendation to approve the redistribution as proposed by CAR staff.

Mr. Gilman:

Second.

Mr. Hyatt:

It's been seconded. Any discussion? I would also just add my compliments to CAR staff. This is not an easy thing to do. A lot of considerations and math has to be done. I think it ended up in a good place. With that, I'll take it to a vote. All those in favor?

Most Committee Members:

Aye.

Mr. Hyatt:

Any opposed? One opposition. Motion carries.

Mr. DePaulo:

For our last action item, this will be a report on the Servicing Carrier Focus Audits. As discussed briefly at our February 14<sup>th</sup> Governing Committee meeting, the Subcommittee reviewed draft specifications developed by staff for a focus audit in order to gather more detailed information regarding Servicing Carrier procedures, confirming risk eligibility, classification and rating. Staff noted that the objective of the Focus Audit will be to gather information to support the development of underwriting standards by the Committee and the subsequent

development of long term audit and oversight procedures. As the Committee has noted, concerns with the private passenger non-fleet and interstate bus risks as classes contributing most significantly to the growth of the residual market, a targeted sample will be selected from reported data for five classes of business as outlined in the Focus Audit plan, as well as from a log provided by each Servicing Carrier of the risks that have been declined, cancelled or non-renewed, including an explanation of why that action was actually taken.

Staff discussed that that the approach of the audit and the report of the audit findings will be consistent with the normal audit procedures as identified in the Manual of Administrative Procedures and the Assigned Risk Company Procedures Manual. Reports will be provided both to the Compliance and Operations Committee and the Commercial Auto Committee. After discussion, the Commercial Auto Committee voted unanimously to recommend approval of focus audits as presented. The audit plan is attached to the Records of the Commercial Auto Committee and was distributed today for you to review. At the conclusion of this report, I move to approve the Focus Audit plan as recommended.

Mr. Gilman:

Second.

Mr. Hyatt:

Okay. It's been moved and seconded. Any discussion? John?

Mr. Kelly:

Jim, I support the audit. But as we go through all these issues on the commercial lines side, we're going to hear – Natalie referenced the increase in the deficit. I think that one analysis that may help all of these issues is something that CAR has done a few times in the past where they have done an analysis to try to identify what's driving the deficit itself, you know, kind of a source of the deficit analysis. I think the first time it was done was – I think CAR hired Tillinghast back in the timeframe when the residual market was very large. I'm not suggesting that, but I'm sure the AIB could assist in that process to do an analysis to really pinpoint what's driving the deficit. If that's known then a lot of the audit – a lot the things we're talking about could be focused in those areas to try to improve the results since that's really what we're trying to get at here. It's just a suggestion. It's not part of this motion. I support the audit. But I think it would be a good tool for this. I think it would be a good tool for the subcommittees that are dealing with trying to prioritize what to do next also as far as trying to address the issues that we're having in the commercial pool. I would be supportive of that kind of an analysis. I'm sure that we could work with the AIB to try to develop or obtain resources to do that work.

Ms. Hubley:

I'd be happy to comment to that. You referenced the very thorough analysis we did years ago. Those programs and data files continue to be used by CAR staff. We have internally been working with very detailed reports that identify for us where the problem areas are and the source of that deficit. As noted, the major focus is on those classes of business that have been discussed by the Committee. In addition, some of the smaller areas that information is much used by CAR staff in its focused review of the rate indications in order to make sure that we're addressing those

areas from that regard as well. If it is helpful we can provide that in a report form to the Subcommittee as they continue their discussions later this month.

Mr. Kelly: Sure. I think that's great. I do think having actuaries look at something, that's what they're trained in, I think that would be a good exercise. So I think that's good. I would like to see that analysis, but maybe that we'd go beyond and look at some things that are different in the commercial pools than what you have done in the past. Personally, I can speak for our company. We've looked at this issue and there's always a large difference by producer of results in the residual market. Actually, in the non-fleet PPT class that's true. So, there may be other ideas that the actuaries at the AIB may come up with that are new that we should take a look at.

Mr. Hyatt: That's a good idea. I'm very pleased with getting this Focus Audit process off the ground. We're going to do this round. We're going to learn from it. It's going to be tweaked, solidified. This will become more of a kind of regular audit process like with do with Hybrid Audit, et cetera. It just will be a matter of how we transact business within the residual market. I think if that can help, John, I think it's a good idea as we continue to make sure that we're peeling back the onion on this issue to make sure that no stone is left unturned. It's a good idea to consider. Any other comments or thoughts? Seeing none, I'll put that to a vote. All those in favor?

All Committee Members: Aye.

Mr. Hyatt: Opposed? Motion carries.

Mr. DePaulo: Lastly, just for some reporting, these will be action items for later Governing Committee meetings. Finally, on March 15<sup>th</sup>, the Commercial Auto Committee reviewed and approved a schedule submission and presentation of the Servicing Carrier annual reports as required by the RFP. The intention of the annual report is to allow Servicing Carriers to outline their strategies to depopulate the residual market and address market conditions. The reports will enable carriers to describe challenges encountered during the year and a successful strategy to address those challenges. It is expected that the discussion by the Commercial Auto Committee of the annual reports will further aid in the development of market standards to ensure consistent practices where appropriate. Carriers will provide company profile data to assist in the development of their reports. Carriers will address the components of the Servicing Carrier Program as outlined in the RFP and CAR Rules. It will address current concerns present in today's marketplace and company efforts undertaken to address these concerns. The Committee commented on the recommended schedule and agreed that submissions would be due on June 1<sup>st</sup>. It is expected that a report of the Commercial Auto Committee findings with respect to the annual reports will be presented at our Governing Committee meeting in September of this year.



Lastly, at the April 2<sup>nd</sup> Commercial Auto Committee meeting, it was heard the report of the Residual Market Standards Subcommittee meeting of March 29<sup>th</sup>. In light of the recently approved amendments to Rule 2, Principal Place of Business definition, the Subcommittee considered a draft of Servicing Carrier and producer standards for determining and validating the principal place of business. The draft standards include expectations for producers to substantiate the principal place of business prior to binding coverage and for Servicing Carriers to address questionable circumstances during the underwriting process. The Subcommittee agreed that an effective tool at the 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. The Subcommittee directed staff to update the standards to include these requirements. It is anticipated that proposed standards will be presented to the Commercial Auto Committee for approval prior to the June Governing Committee meeting. That concludes my report.

Mr. Hyatt: Thank you, Thom. We'll be back to you in a minute so catch your breath.

**GC  
18.10 Loss Reserving Committee**

Mr. Hyatt: We'll go to Tim Galligan for the Loss Reserving Committee report.

Mr. Galligan: Good morning. Tim Galligan, CAR staff, reporting on the March 9<sup>th</sup> Loss Reserving Committee Meeting. A summary of the meeting was attached to your agenda as GC18.10, Exhibit #1. First, the Committee approved the Records from the December 6<sup>th</sup> meeting, which are on file with CAR's Secretary.

Next, the Committee established reserves using data reported through December 2017. For the commercial pool the total reserves – it's case reserves plus IBNR – for the latest 10 years combined are approximately \$218 million with ultimate losses totaling \$994 million. The Committee estimated a policy year 2017 deficit of \$31.4 million reflecting a loss ratio of 92.2 percent where last quarter's deficit was \$27.7 million. The Committee also estimated a policy year 2016 deficit, which we talked about today, of \$41.6 million reflecting a loss ratio of 99.1 percent where last quarter's deficit was \$35.1 million. Similar to recent quarters, the deterioration in the 2016 deficit relates directly to large loss activity that was shown during the current quarter. Digging into the numbers a little bit, there were four existing claims that showed a significant increase in their reserves during the quarter. There was one new claim that was reported in the quarter. It was known and discussed at prior Loss Reserving Committee meetings. So it was taken into consideration to an extent but not on a dollar-for-dollar basis as it came in statistically.

Just on a technical basis, 2016, compared to 2015, it's interesting that the frequency, the number of claims per volume of premium, remains pretty stable as compared to those two years where, you know, it's the severity

for 2016 where you see the big jump. That really relates right back to the large losses that we're seeing. That concludes the report. I'd be happy to take any questions.

Mr. Hyatt: Okay. Thank you, Tim.

**GC**

**18.11 Governing Committee Review Panel**

Mr. Hyatt: Next, we'll move on to the Compliance and Operations Committee report. I'll ask Wendy Browne to report for us. No. I'm sorry. Back up. Governing Committee Review Panel report from Thom DePaulo.

Mr. DePaulo: I'll be reporting on the Governing Committee Review Panel. The Governing Committee Review Panel met on Thursday, March 15<sup>th</sup> to hear the request for review by the Point Agency requesting review of the termination action initiated by Arbella Protection Insurance Company. The agency previously petitioned CAR to overturn the termination and their petition was heard by the Market Review Committee on November 28, 2017. At that meeting, the Market Review Committee unanimously voted to uphold the termination of the agency, denying the agency's request for relief. Following statements at our meeting from both parties, counsel for the Point Agency and Arbella, and Panel discussion, the Governing Committee Review Panel voted separately on each of the CAR Rule 14 - Exclusive Representative Producer Requirements violations cited in the Arbella notice of termination as the basis for the agency termination, specifically violations to CAR Rule 14.B.1, Sections c., e., k., l., and n. The Panel unanimously concluded that Arbella had established that the agency was in violation of each section and that each violation of those sections was a valid basis for termination. Subsequently, the Panel unanimously voted to affirm the decision of the Market Review Committee. That concludes my report.

Mr. Hyatt: Any questions for Thom? Seeing none, we'll move on.

**GC**

**18.12 Compliance and Operations Committee**

Mr. Hyatt: Now we'll go Wendy for the Compliance and Operations Committee report.

Ms. Browne: Good morning. I will be reporting on the actions taken at the Compliance and Operations Committee meeting on Wednesday, March 28<sup>th</sup>.

First, the Committee reviewed the Hybrid Audit results for Privilege Underwriters Reciprocal Exchange, known as PURE. PURE began writing in Massachusetts in 2013 and this is the first Hybrid Audit for this company. It was noted that multiple reporting and data quality issues were identified, resulting in a high error rate for both the quota

share and rate making analyses. Additionally, it was determined that three different systematic rating issues had resulted in incorrect premium charges to over 50 percent of the policyholders that were sampled. Finally, PURE's SIU program was considered to be not compliant in both the statutory SIU requirements and CAR Rule 32.C., which is the verification of garaging and policy facts. The PURE response letter did indicate that the data issues have either been corrected or are in the process of being corrected. However, based upon the number and breadth of the findings in the audit report, CAR staff recommended that a follow-up focus audit be performed. The Committee unanimously accepted the report as written and directed CAR staff to conduct that focus audit in the second quarter of 2019 to allow the company sufficient time to correct its issues.

The Committee was then provided with an overview of commercial audit results specific to the Taxi and Limo Program for Pilgrim and Safety Insurance companies. The results were positive such that the Committee accepted all reports of each component without further consideration.

Lastly, the Committee voted unanimously to accept modifications to the 2018 audit schedule to accommodate the inclusion of focus audits for Progressive and Bankers Insurance companies, as well as focus audits to review allocated medical bill assessment fees and to review Servicing Carrier underwriting practices which will then be used to support the development of underwriting standards.

Moving on, the Committee next reviewed the draft of CAR's Business Continuity Plan. It was noted 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 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. It was noted that the recovery is based on the severity of the event that triggers the disaster and the plan outlines the activities for core functions that would be performed at home or at an alternative site. As approved by CAR's Committees, the Business Impact Analysis identifies that CAR's website, including the MAIP policy application, would be functioning within two business days and that the mainframe would be restored and functioning within six months.

The Committee was informed that in the event of a declared disaster, two recovery locations exist – one for the LAN and website 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 the various timeframes such as Day 1 and Day

2, Day 3 through two weeks, et cetera. It was 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 would be restored. The Compliance and Operations Committee voted unanimously to recommend to the Governing Committee approval of CAR's Business Continuity Plan. That plan was attached to the supplemental agenda. That is an action item for your consideration.

Mr. Gilman: Move adoption.

Mr. Hyatt: Do we have a second?

Mr. Kelly: Second.

Mr. Hyatt: Any discussion or questions for Wendy? All those in favor?

All Committee members: Aye.

Mr. Hyatt: Any opposed? Motion carries.

Ms. Browne: The Committee unanimously voted to recommend to the Governing Committee adoption of proposed changes to the Private Passenger and Commercial Statistical Plans. These changes include the elimination of value 1 for CAR ID Code as that value identifies Clean-In-Three business which has been discontinued at of 4/1/2018. The commercial changes include a clarification update to the Rating Identification Code to eliminate confusion and that change is effective 1/1/2019. The proposed pages were also included in the Additional Information package. That is also an action item for your consideration.

Mr. Gilman: Move adoption, Mr. Chairman.

Mr. Harris: Second.

Mr. Hyatt: We have a second. Any discussion? All those in favor?

All Committee Members: Aye.

Mr. Hyatt: Any opposed? That motion carries also.

Ms. Browne: I have one final topic. Finally, the Committee was provided with an overview of the Special Investigative Unit (SIU) System that is currently in development. This updated system will be a GUI web application that will replace the current manual process. The benefits of automating that process include the ability to generate audit samples, control auditor work papers and notes, and develop results tables for use in the audit reports. Companies will upload the SIU Quarterly Activity Log through CAR's website using a template. Data will then be matched to the company reported statistical data to obtain accurate premium and claims detail. In addition to a more efficient automated process, the new process will eliminate inconsistencies from company to company. Staff

plans to transition to the new SIU system over four quarters beginning with the June 2018 SIU Activity Log. As part of the design phase, which has been ongoing and continuing through this transition period, CAR staff will be working with companies on improving the data quality of the SIU information. That concludes my report.

Mr. Hyatt: Great. Thank you Wendy. I believe that's the last agenda item. I do just want to – and I probably should have said this earlier. I did want to extend a thank you to members of the Commercial Auto Committee, the Subcommittees and staff for the progress and the work on the commercial auto side. We still are facing a significant deficit in 2016, a meaningful deficit in 2017. So our work is not done, but I'm pleased to see the progress that we continue to make. I know a lot of meetings have happened particularly in the first quarter of this year. People have been doing double duty at times on the various committees. I just wanted to say that we appreciate that. It's needed. The job is not done, but progress is being made. So, thank you. Any other items to bring before the Governing Committee? Seeing none, I would entertain a motion to adjourn.

Mr. Gilman: So moved.

Mr. Harris: Second.

Mr. Hyatt: All those in favor?

All Committee Members: Aye.

Mr. Hyatt: Any opposed? Motion carries. Thank you.

*(Meeting ended at 11:07 a.m.)*

NATALIE A. HUBLEY  
President

Note: This Transcript has not been approved. It will be considered for approval at the next meeting of the Governing Committee.

Attachment

Boston, Massachusetts  
April 17, 2018

The above proceedings have been transcribed in accordance with CAR's guidelines for producing quality transcripts, which provide for the elimination of insignificant material that does not alter the substance of the Committee's discussions, such as sidebar comments, the use of verbal fillers (i.e., uhm's and ah's), and commentary (i.e., "laughter" and "coughing").

**ATTACHMENT LISTING**

Docket #GC18.02, Exhibit #2

Attendance Listing





**GOVERNING COMMITTEE MEETING  
 SIGN-IN SHEET  
 WEDNESDAY, APRIL 11, 2018**

Individual's Name

Company / Agency

PLEASE PRINT

Brian Law	Safety
Elizabeth Brodeur	Safety
Paul B Coleman	Safety
Pete Barton	Safety
Peter Chung	N/A
BARRY TAGEN	Pilsner
Geoffrey Arnold	Plymouth Rock
Timothy Calligan	CAR staff
Dora E. Casher	Point Insurance
Leandro Rodrigues	Point Insurance
Marian Pidgeon	CAR
Mike Bennett	Harleysville
Richard D. Dixon	CAR
HARRIS E. BERENSON	THE HANOVER INS. GROUP
JOHN METCALFE	CAR
KATHY CASARROVILS	VALU VALU'S TO RODNEY HERRICK
TIM COSTAIN	CAR
MARK ALVES	CAR
ROBIN TIGGES	CAR
PETER MCCABE	CAR
GILVAN MIRANDA	MIRANDA SERVICES
Stephanie Miranda	Miranda Services
Wendy Browne	CAR
Moege Hammond	Arbella
Mona McCowen	Arbella