



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

www.commauto.com

617-338-4000

**TRANSCRIPT OF
GOVERNING COMMITTEE MEETING**

A meeting of the Governing Committee was held virtually via Zoom video conferencing software on

FRIDAY, DECEMBER 4, 2020 AT 11:00 A.M.

Committee Members present –

Ms. Elizabeth B. Brodeur – Chair
Safety Insurance Company

Ms. Pamela L. Bodenstab-Krynicki	P L Krynicki Insurance Agency
Ms. Ida Denard	Denard Insurance Agency, Inc.
Mr. Thomas C. DePaulo	Cabot Risk Strategies, LLC
Ms. Gail Eagan	Arbella Insurance Group
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

Substituted for:

N/A

Not in Attendance:

N/A

PROCEEDINGS

(Meeting began at 11:00 a.m.)

Ms. Brodeur: Welcome to the December 4, 2020 meeting of the CAR Governing Committee. Welcome, again, to our newest member, Ida Denard of the Denard Insurance Agency.

Ms. Denard: Thank you.

Ms. Brodeur: You're welcome. And welcome back to Chris Jarrard from GEICO.

Mr. Jarrard: Thank you.

Ms. Brodeur: Let me start off by reminding everybody about the meeting protocols for this remote meeting to the extent that you don't remember them from a few minutes ago. First of all, this meeting is being hosted and attended remotely via video conferencing and it is being recorded. All non-committee members are asked to turn off their video until they are called upon to speak which will help me and everyone else to follow along with the discussions of the Committee. During the course of the meeting, if you would like to speak, please raise your hand through the menu button. If you are on the telephone you can do that by entering *9 on your telephone keypad if you're dialing in without video. We would ask that everyone, if you're not speaking, to please mute yourself to try to cut down on the background noise on the meeting. I will try, with Robin's assistance, to call on people who have raised their hand, so please wait until you're called upon to speak. I think I'm often the worst offender in that respect. When I have recognized you to speak, please unmute yourself and then re-mute yourself when you are finished speaking. All votes of the Committee will be conducted by a roll call. So, we'll do that just as we did in the Annual Meeting. Finally, the results of all the votes will be read back by CAR staff. So, unless anyone has any questions about those procedures, I will dive right into the agenda.

GC

20.01 Transcript of Previous Meeting

Ms. Brodeur: The first item is the transcript of the prior Governing Committee which was way back on June 17, 2020. I will accept a motion to have that transcript approved.

Mr. Olivieri: So moved.

Ms. Woodcock: Second.

Ms. Brodeur: Thank you. Is there any discussion about the transcript? Seeing none – who would like to call the roll for these? Robin, do you want to do it. Should I do it? Natalie, do you want to do it?

Ms. Tigges: Sure.

Ms. Brodeur: The sure, who is that?

Ms. Tigges: That's me. Sorry, Liz.

Ms. Hubley: That's Robin.

Ms. Tigges: Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Tom Harris?

Mr. Harris: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Abstain.

Ms. Tigges: John Kelly?

Mr. Kelly: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Hubley: The motion carries unanimously with one abstention.

Ms. Brodeur: Thank you.

GC
20.04 President's Report

Ms. Brodeur: The next item on the agenda is the President's Report. Natalie, can you kick that off?

Ms. Hubley: Sure. I just have a few housekeeping items for you and a couple of informational items. First of all, we want to let you know of the Governing Committee meeting schedule for next year. They're all Wednesdays. We have February 10th, April 21st, June 16th, September 8th, and November 17th. You'll note that the February and the September meetings are early this year. Those are due to the school vacations and certain religious holidays. All of those meetings will begin at 10:30. As usual, the November meeting will include the Annual Meeting at 10:30 and the Governing Committee at 11:00. That meeting schedule will be posted on CAR's website right after this meeting.

Robin has solicited requests from committee members for seats on the advisory committees for next year. We are in the process of following up to prepare a roster of information for the Chair and the Vice Chair to consider. We'll be meeting next week to go over that and hope to then consult with the Commissioner on that so that we're able to post the 2021 committee appointments right after the first of next year.

As an informational item, as you know, you've discussed in previous meetings the issue of the identification of classic and specialty cars within certain carriers' voluntary antique programs. These are cars that don't fit the statutory definition for antiques and exemption from the residual market participation. CAR staff has, since your last meeting, identified five additional carriers that also write these vehicles, including two that do not currently participate in the MAIP quota share. The Actuarial Committee will recommend to the Governing Committee, with its report, that these exposures be factored in the quota share calculation. One company would then also need to be prepared to take on assignments. We have notified that company. Staff is working with them to prepare to accept that responsibility. We expect to have a request for you to appoint that company as an ARC at your next meeting.

Finally, you have a lot of advisory committee reports for today so I'll keep my comments relating to CAR staff's efforts on the commercial residual market improvement brief. We are working on a commercial residual market rate filing that we expect to make early next year with a proposed effective date of July 1, 2021. We are drafting materials for the next Commercial Auto Committee meeting. The audit of the TTT (trucks, tractors and trailers) classification is in process. We are drafting an RFP for the Oversight Committee to review in January as they

consider Servicing Carrier appointments be to effective January 1, 2022. That would conclude my report.

Ms. Brodeur: Thank you, Natalie. Does anyone have any questions for Natalie?

**GC
20.05 Counsel's Report**

Ms. Brodeur: Hearing none, we will move on to the Counsel's Report. Steve or Ben, I'm not sure which of you will be giving that.

Mr. Torres: I'll deliver that one this morning, thank you. There are four items on today's Counsel's Report and one action item.

Item number one, the Calianos Insurance Agency appeal to the Division, nothing new to report on that. The matter has been fully briefed and argued. We're still waiting a decision from the hearing officer at the Division of Insurance.

Item number two, the Point Insurance matters, we do have an update on the Point I appeal. That's the proceeding through which Point pursued an administrative appeal in Suffolk Superior Court of the Division of Insurance's ruling in March of 2019 upholding a determination at CAR by the Market Review Committee and GCRP that certain conduct by Arbella was not unfair, unreasonable or improper. In a decision in May, earlier this year, the Superior Court judge issued a comprehensive decision denying Point's appeal and granting cross-motions for judgment on the pleadings in favor of CAR, Arbella and the Division of Insurance. Point then appealed the case and that appeal is now pending before the Massachusetts Appeals Court. Point's appellate brief is due in January and then CAR, the Attorney General and Arbella will have 30 days to file their opposing briefs. That matter is pending in the appellate process.

The Point II appeal, Point's appeal challenging Arbella's termination has been fully briefed and is pending before the Division. We currently await a ruling from the hearing officer on that.

Item number three, the Rule 31 amendment, that's the Governing Committee's Rule 31 amendment, is also pending at the Division. We await a decision or ruling on that item as well.

The fourth and final item in the Counsel's Report relates to the Limited Assignment Distribution Agreement between Pilgrim Insurance and Cincinnati Insurance Company. We have reviewed the LADA between Pilgrim and Cincinnati and find that the terms provided there to be consistent with the CAR Rules, including, in particular, CAR Rule 36. Moreover, the terms are similar to and consistent with the terms of other LADAs that have been previously approved by the Governing Committee. Therefore, we see no issue from a legal perspective to prevent approval of this agreement and note that CAR staff have

reviewed and confirmed that there is no issue from a premium-volume perspective to prevent the adoption of this agreement. This is an action item that the Governing Committee may consider if so inclined to do so.

Ms. Brodeur: Thank you, Steve. Do I have a motion for the LADA between Pilgrim and Cincinnati Insurance to be approved?

Ms. Woodcock: So moved.

Ms. Brodeur: Is there a second?

Mr. DePaulo: I'll second.

Ms. Brodeur: Is there any discussion on this motion? I don't see any hands up. Seeing none, Robin, would you like to call the role yet again? Robin, you are muted.

Ms. Tigges: Sorry about that. Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard: Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Gail Egan?

Ms. Eagan: Aye.

Ms. Tigges: Tom Harris?

Mr. Harris: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Tigges: John Kelly?

Mr. Kelly: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Brodeur: Thank you, Robin. I believe that was unanimous.

Ms. Tigges: Yes, sorry about that.

Ms. Brodeur: That's okay. Steve, does that complete your report?

Mr. Torres: Yes, thank you. Unless there are any questions, that concludes today's Counsel's Report.

Ms. Brodeur: Thank you very much.

**GC
20.06 Commercial Automobile Committee**

Ms. Brodeur: The next item on the agenda is the report of the Commercial Auto Committee. John Olivieri, I believe that you are going to be giving that report.

Mr. Olivieri: I will be doing so. Thank you, Madam Chair.

In your Governing Committee packets, everyone has received our minutes from the July 15th, August 11th and October 23rd meetings. I will skip going through a lot of the detail in order to keep this report as succinct as possible and mainly focus on the three action item topics that we are trying to move forward through the Governing Committee today.

I will start off with the agents' commissions in regard to ceded business. The Committee continued its discussion relative to commissions paid on ceded commercial policies with the intent to develop a simpler, more consistent and more market-appropriate approach. Members had previously agreed that having different commission rates among the classifications could be problematic from a Servicing Carrier's IT perspective. Thus, it was the consensus of the Committee to develop some consistency going forward. Furthermore, the members also agreed that even though the commission rate may be higher for a particular class of business, the complexity involved in the programming for a separate rate would not outweigh the additional commission that might be paid on that business.

The Committee discussed various options, including consistent percentage rates, flat percentage rates, or to just simply maintain the current structure. Mr. Nick Fyntrilakis, representing MAIA, stated that

the agents' association is advocating for a consistent commission rate to be implemented which would provide continuity from one year to the next, while keeping the current rate in place would be the simplest approach. Mr. Fyntrilakis urged the Committee to avoid consideration of a reduction in any of the existing rates, including the taxi percentage.

After considerable discussion, on a roll call vote with eight in favor and one abstention, the Committee approved a recommendation to the CAR Governing Committee that beginning with CAR's next rate filing, the current commission rate of 8.34 percent of premium be filed for all classes except taxi, limousine and car service classes. Since there is consideration to incorporate taxi, limousine and car service vehicles into the Commercial Auto Program, a review of the commissions for those classes would be addressed after the decision is made. That decision, at this point, is in the hands of the Program Oversight Committee. That particular portion, the taxi, limo and car service, is still an ongoing conversation at our committee level. Putting that aside, this is an action item for the Committee's consideration. Any questions?

Ms. Brodeur: Thank you, John. I would then ask, do I have a motion for the commission rate of 8.34 percent of premium to be filed for all classes except for taxi, limousine and car service beginning with CAR's next commercial auto rate filing?

Mr. DePaulo: So moved.

Ms. Brodeur: Is there a second?

Mr. Olivieri: I second it. I think I can second it, right?

Ms. Brodeur: I believe so. So, the initial motion was from Thom?

Mr. DePaulo: Yes, that's correct Liz, it's Thom.

Ms. Brodeur: Do we have any discussion on the motion?

Mr. Kelly: I didn't see anywhere – I'm sorry, this is John Kelly – I didn't see anywhere in the records, John, but the concept here is that we're going to build this into the rate filing and that the result of this is not going to increase the deficit, that this commission rate is going to be built into the rates that we file and get approval for?

Mr. Olivieri: That is correct. I'll defer to staff to confirm that for me.

Ms. Hubley: That is correct.

Ms. Brodeur: Does anyone else have any questions or comments on the motion, any further discussion? Seeing none, Robin, would you please call the roll?

Ms. Tigges: Pam Krynicki? Pam, I didn't hear you.

Ms. Bodenstab-Krynicki: Can you hear me now?

Ms. Tigges: I hear you now.

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Tom Harris?

Mr. Harris: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Tigges: John Kelly?

Mr. Kelly: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: Unanimous vote.

Ms. Brodeur: Thank you, Robin. John, would you like to continue?

Mr. Olivieri: Yes. We also continued to review the additional insureds. The Committee was informed that the Additional Insured endorsement requires further clarification relative to its handling and issuance. The

current Manual Rule language indicates that the producer would submit the additional insured endorsement to the Servicing Carrier. However, the language needs further clarification to reflect that a producer may submit a request to the Servicing Carrier to add an additional insured to the policy, but it is the Servicing Carrier's responsibility to process and issue the endorsement.

Updates to Chapter V – Premium of the Manual of Administrative Procedures and Rule 37 – Additional Insured Endorsement – Massachusetts of the Commercial Automobile Manual were presented to the Committee for review. The updates include the following:

The Common Coverages Endorsement table in Chapter V has been updated to reflect the new Additional Insured – Massachusetts endorsement CA 99 02 and the existing Additional Insured – Massachusetts endorsement MM 99 50, now obsolete, has been eliminated from the table.

Also, Rule 37 of the Commercial Automobile Manual has been clarified to reflect the procedure for issuing the endorsement and that it is the responsibility of the Servicing Carrier to issue the endorsement and attach the form to the policy.

On a roll call vote, the Committee unanimously voted to recommend to the Governing Committee, modifications to Chapter V of the Manual of Administrative Procedures and Rule 37 of the Commercial Automobile Manual, as presented. These modifications can be found on pages 11 through 13 of the agenda, which is labeled as CAR Docket #GC20.06, Exhibit #6, pages 4 through 6. This is an action item for the Committee's consideration.

Ms. Brodeur: Thank you, John. Do I have a motion on the modifications to be made to Chapter V of the Manual of Administrative Procedures and Rule 37 of the Commercial Automobile Manual as has been presented by John and is in the material pages that he referenced?

Mr. Harris: Tom Harris, so moved.

Mr. Jarrard: Chris Jarrard, second.

Ms. Brodeur: Thank you. Any discussion on the motion? I don't see any hands. Seeing none, Robin, can you call the roll, please?

Ms. Tigges: Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard: Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Thom Harris?

Mr. Harris: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Tigges: John Kelly?

Mr. Olivieri: You're muted, John.

Mr. Kelly: Thank you, John, aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: The vote is unanimous.

Ms. Brodeur: Thank you. John, back to you, yet again.

Mr. Olivieri: The third action item has to do with foreign license requirements. The Committee was informed that recent updates to the Registry of Motor Vehicles Driver's Manual have resulted in the need for amendments to the Servicing Carrier and Exclusive Representative Producer Standards for the Verification of Applicant Drivers' Licenses, particularly with regards to the verification of foreign drivers' licenses. It was noted that the Registry has recently concluded that the one-year limitation requirement for drivers with a foreign license is no longer applicable and the Driver's Manual has been updated accordingly.

To be consistent with the Registry's recent updates, CAR has proposed modifications to the Non-Fleet Private Passenger Types Certification Form and Chapter X – Servicing Carrier and Exclusive Representative Producer Standards and Forms of the Manual of Administrative Procedures. The certification form requires the validation of licensing information for drivers holding a foreign license. Accordingly, the form has been updated to require that all NF-PPT applicants must provide a foreign driver's license expiration date for any operator listed on the application for insurance that has a license from a country or territory approved by the Massachusetts RMV.

Chapter X of the Manual of Administrative Procedures has also been updated to reflect the changes proposed to the certification form and to reflect the amendments made to the RMV's Driver's Manual, relative to the elimination of the one-year limitation requirement. The language has also been updated to reference that an alternative translation document may be used to identify the license holder and translate license information into English, and to add some minor edits of language to ensure consistency in the terminology used.

The Committee, recognizing that limitations on the availability of information specific to foreign license status exist, agreed to collect the expiration date of the license and acknowledged that the management of these risks would continue to be based on information that the Servicing Carriers would be able to obtain and confirm. Accordingly, on a roll call vote, the Committee unanimously voted to recommend Chapter X of the Manual of Administrative Procedures as presented. These modifications can be found on pages 14 through 21 of the agenda, which is labeled as CAR Docket #GC20.06, Exhibit #6, pages 7 through 14. This is an action item for the Committee's consideration.

- Ms. Brodeur: Thank you, John. May I have a motion regarding the modifications that John just described to the Non-Fleet Private Passenger Type Certification Form and Chapter X of the Manual of Administrative Procedures relative to the applicable requirements for foreign-licensed drivers.
- Mr. Harris: Tom Harris, so moved.
- Ms. Thibodeau: Kellie Thibodeau will second.
- Ms. Brodeur: Do we have any discussion on the motion? I actually have a question myself as to when this new requirement would go into effect, assuming it is voted on affirmatively.
- Mr. Olivieri: I'll defer that to staff as far as the timing goes. Natalie or Wendy?
- Ms. Hubley: Wendy, you might have to help me here because I just asked this question yesterday. I think that that would go into effect upon approval by the Division of Insurance, of the certification forms.
- Ms. Browne: I would agree. I don't think we had a specific effective date for this form.

Ms. Brodeur: OK. Thank you. I just wanted to clarify that.

Mr. Olivieri: Should we incorporate that into the motion, that the effective date would be upon approval of the DOI? I guess I'd defer that to Counsel. Do we need to have a date with it? Are we safer having a date with it?

Ms. Hubley: I think that's fine.

Mr. Hincks: I think it's fine, too. I don't know that you need it. But I think you're on safe ground making that the effective date because I don't see anything interrupting what's been done after the Division has reviewed it and assuming the Division approves everything.

Ms. Brodeur: Would someone like to amend the motion accordingly.

Mr. Harris: Yes. It's Tom Harris. I made the motion. I would amend it accordingly.

Ms. Thibodeau: Second.

Ms. Brodeur: So, the amended motion is to proceed with the modifications to the Non-Fleet PPT Certification Form and Chapter X of the Manual of Administrative Procedures related to the foreign license drivers which would become effective as to the certification form upon approval from the Division of Insurance of that form, correct? Tom, that is your motion?

Mr. Harris: Yes, that it my motion. Thank you, Liz.

Ms. Brodeur: Do I have a second?

Ms. Thibodeau: I'll second it again.

Ms. Brodeur: Any discussion on the amended motion? Seeing none, Robin, can you call the roll, please?

Ms. Tigges: Sure. Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Liz Brodeur:

Ms. Brodeur: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard? Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Tom Harris?

Mr. Harris: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Tigges: John Kelly?

Mr. Kelly: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: The vote is unanimous.

Mr. Brodeur: Thank you, Robin. John, do you have any additional items to report on?

Mr. Olivieri: The only thing I would add, in addition to the topics that I just reviewed and the action items, is we continue to move forward with a variety of other issues which, again, you can see the details in the minutes. The next two items that we hopefully will have some actions items on have to do with transportation network services and their impact on our market and, also, short-term rental physical damage and moving forward with clarifying that issue as well. So, that concludes my report.

Ms. Brodeur: Thank you very much, John.

**GC
20.07 Compliance and Operations Committee**

Ms. Brodeur: The next committee we're going to hear from is the Compliance and Operations Committee. Wendy, I believe that you are going to be giving that report.

Ms. Browne: I am. Good Morning, I will be reporting on the actions taken at the Compliance and Operations Committee meetings of September 2nd,

October 8th, and November 5th. There's a lot here so you're going to have to bear with me, particularly since we have six months of audit reports. So, rather than reporting by meeting, I am going to provide an overview by topic and any action items I'll point out.

First, beginning with the Compliance Audit Program, as I mentioned, the Committee was provided with the results of the following audits:

First, there was a Focus Audit of the Integon Insurance Company. The Committee had previously recommended that staff conduct a focus audit due to reporting issues identified in the previous Hybrid Audit, as well as to evaluate quota share and ratemaking data quality and determine if Integon was compliant to the statutory requirement that each company maintain its own SIU. It was noted that the results improved on the loss side and worsened slightly on the premium side. However, the lack of improvement on the premium side can be attributed to the rigidity of the default audit procedures used to audit industry data, not just the specific audited company. Furthermore, the company demonstrated improvement in six of the eight data quality issues, along with three new data quality errors. Integon continues to under-report credit premium which impacts only the audited company. Lastly, Integon uploaded sufficient referrals into CAR's SIU system to allow for testing in accordance with the procedures outlined in the Performance Standards and the company is now in compliance with the statutory requirements. Accordingly, the Committee voted unanimously, with one recusal, to accept the audit report and return Integon to a normal audit schedule.

The Preferred Mutual and State Farm Insurance Companies had Hybrid Audits during this time period. It should be noted that both companies have LAD agreements with Pilgrim. However, Preferred Mutual does not receive any MAIP assignments and thus the sample of Pilgrim MAIP policies was only used in the State Farm audit.

The Committee was informed that while several statistical reporting issues were identified, Preferred's overall results were found to be consistent to the industry audits averages and, as such, the Committee voted unanimously, with one recusal, to accept the audit report without further consideration.

The Committee was next informed that several data quality issues were identified in the State Farm audit and that the overall results and quota share error rates were higher than industry averages. However, that higher-than-average discrepancy rate can be attributed to the amount of out-of-state and out-of-country operators found in the sample, along with the default audit procedures utilized in verifying licenses for those operators. Accordingly, the Committee voted unanimously, with one recusal, to accept the audit report without further consideration.

There was a Commercial Claims Performance Standards and SIU Audit of the Pilgrim Insurance Company. The Performance Standards establish a benchmark for the handling of claims while documenting audit procedures. Overall, Pilgrim was compliant with all Performance

Standards as measured by coverages within the samples for each Best Practice and with all three of the distributional tests. Separately, Pilgrim was well above the 80 percent minimum benchmark on ceded claims within all coverages. The SIU testing resulted in 100 percent compliance with each measured Best Practice. The Committee voted unanimously, with one recusal, to accept the audit report without further consideration. Are there any questions on any of those audit reports?

Moving along, I'm next going to address the Commercial Servicing Carrier Program, the Non-Fleet Private Passenger Type risk audit. The Committee was provided with an overview of the recent audits of the Commercial Servicing Carrier Program, which are the second enhanced procedural audits that consider residual market eligibility, this time relating to the Non-Fleet Private Passenger Types. The samples consisted of 15 new and renewal policies, and the Servicing Carriers were required to provide an electronic or hard copy file of all documentation relevant to the determination of eligibility. Audit procedures were developed using the documentation requirements noted in Bulletins 1055, 1058, 1066, and 1085. Draft reports were provided to each Servicing Carrier with an outcome that was limited to either staff agreement that sufficient documentation existed to support the eligibility decision, or another recommendation or comment was provided. It was noted that staff was not opining as to whether or not the risk was eligible for the commercial residual market, but rather was identifying any inconsistencies or gaps in the documentation provided. In those instances that staff determined an inconsistency or gap, the outcome included a recommendation or comment pertinent to the issue. The summary of the individual company results are as follows:

Arbella – Ten of the 14 audited policies had an outcome that staff was in agreement that sufficient documentation existed to support the eligibility decision. The other four had recommendations to obtain either a Non-Fleet Private Passenger Type Certification or an updated operator list. Arbella's documentation demonstrated a consistent effort to validate the business entity, verify the drivers' licenses, and utilize SIU when necessary. Arbella indicated that it had completed the recommendation on three of the four policies and the fourth policy had been subsequently cancelled. The Committee voted unanimously, with two recusals, to accept the report without further consideration.

MAPFRE – Three of the 14 audited policies had an outcome that staff was in agreement that sufficient documentation existed to support the eligibility decision. The other 12 policies had another outcome that included recommendations to obtain further supporting documentation such as the policy application, the Non-Fleet PPT or Principal Place of Business Certification or the Operator Exclusion Form. It was noted that, generally, the documentation gap resulted from MAPFRE's internal procedure to not retain RMV documentation unless a discrepancy exists. While it reasonable to expect that MAPFRE is completing these reviews, the importance of the verification procedures is central to the standard

procedures set forth in the bulletins. MAPFRE's response detailed its company processes and procedures and noted that the company system has an RMV prefill as a component of the verification process. The Committee voted unanimously, with two recusals, to accept the report without further consideration.

Pilgrim – All 15 audited policies had an outcome that staff was in agreement that sufficient documentation existed to support the eligibility decision. The documentation provided by Pilgrim demonstrated a consistent effort to validate the business entity, verify the drivers' licenses and utilize SIU when necessary. The Committee voted unanimously, with one recusal, to accept the report without further consideration.

Safety – Six of the 15 audited policies had an outcome that staff was in agreement that sufficient documentation existed to support the eligibility decision. Three policies had a recommendation to obtain a Non-Fleet Private Passenger Type Certification Form upon renewal and in all three cases, Safety's response indicated that after multiple attempts, the company was unsuccessful in obtaining the certification from the risk. Furthermore, Safety was recommending that the form be considered part of the application and that the policy is subject to cancellation if the form is not signed and returned by the insured. It was the consensus of the Committee to request that the Commercial Auto Committee consider whether further clarification of the forms and procedures is appropriate. The remaining six policies included recommendations regarding the need to reevaluate the license verification. Safety responded that recommendations had already been completed on two of the six policies and comments were provided for the other four policies. The Committee voted unanimously, with two recusals, to accept the report without further consideration. Does anybody have any questions on the Commercial Servicing Carrier Program audit?

Moving forward, Proposal for Changes to the Hybrid Audit Plan. As background, the Committee was provided with an overview of the changes to the private passenger audits since 2009 as well as the increased volume. More specifically, in 2009, there were 12 Assigned Risk Companies as compared to 34 in 2020. In addition to the increase in scheduled HAP audits as a result of this growth, there is also a need to conduct focus audits to ensure an accurate quota share, as well as Interim Summary data audits of new entrants that have not yet started reporting detail statistical data. Finally, changes in the commercial residual market has resulted in the directive to increase oversight as part of a plan to improve the results. Accordingly, staff has proposed that the frequency of the HAP audits be adjusted from once every three years to once every five years. A Traffic Light assessment rating system for audit results would be used to provide recommendations to the Committee.

If the HAP audit findings indicate that the audited company has no quota share or rate making issues and is compliant to the statutory requirements and CAR Rules, the ARC receives a "green" light assessment and is only audited once every five years.

For companies with an error rate greater than 2 percent of the current industry average or is determined to not be compliant to the Performance Standards or SIU evaluation, the ARC receives a “yellow” light assessment and may be subject to a follow-up focus audit within 12 to 18 months. Recommendations would include potential penalty language for continued statistical reporting issues or non-compliance with the Standards.

If subsequent non-compliance occurs, the Committee may then recommend punitive action for either late and unacceptable statistical submissions or failure to meet the benchmarks stipulated in the Claims Performance Standards.

Potential benefits of this plan include maintaining HAP objectives, including the requirement of CAR’s enabling statute to conduct periodic audits. The Traffic Light Assessment would allow CAR to focus on ARCs with reporting issues while allowing for those that report in accordance with the requirements to be audited less frequently. Finally, this plan allows staff to continue to develop its enhanced audit procedures for the Commercial Servicing Carrier Program.

The changes to the HAP schedule and assessment process would be implemented in 2021 with the Committee’s conceptual approval. Staff would then prepare proposed changes to the Manual of Administrative Procedures and the ARC Procedures Manual for the Committee’s consideration at a future meeting. The Committee noted that the proposal was thoughtfully developed, enabled the audit plan to concentrate on companies with reporting issues, and agreed in concept with the changes to the Hybrid Audit Program as presented.

Claims Subcommittee – and this is an action item for you – the Claims Subcommittee met in August to complete the biennial review of the Private Passenger and Commercial Claims Performance Standards as required by G.L. Chapter 175, section 113H. In general, the majority of the changes pertain to the SIU reporting responsibilities. Modifications include the requirement that both private passenger and commercial underwriting SIU referrals be uploaded into a single web-based reporting system. The underwriting referrals would then be included in the SIU audit samples to help fulfill the volume requirements. Staff recommended a defined methodology for companies to determine the savings reported to CAR in the quarterly referral activity logs in order to ensure consistency among the carriers. Staff is also recommending a penalty program for non-compliance with the SIU statute in the Private Passenger Standards that is consistent to the current Tier I penalty in the Commercial Standards. Finally, the language pertaining to the requirement that all companies adhere to the special investigative standards was improved in both Standards.

The Committee voted unanimously to accept the amendments to the Private Passenger and Commercial Standards as presented and recommended that the Standards be adopted by the Governing Committee and forwarded to the Commissioner of Insurance for approval. These amendments can be found on Pages 30 to 96 of the

agenda, which is labeled as Exhibit #3, Pages 5 to 71. As I said, this is an action item for your consideration.

Ms. Brodeur: Thank you, Wendy. Do I have a motion to approve the proposed changes to the Private Passenger and Commercial Performance Standards as was presented by Wendy and in the materials for this meeting, and that those be submitted to the Commissioner of Insurance for approval?

Ms. Tigges: Liz, Tom Harris has his hand up.

Ms. Brodeur: Oh, I'm sorry.

Mr. Harris: Liz, thank you. I would like to make the motion but, again, before we do that, can we talk for a moment about timing because I think there's some gearing up for companies to be able to do this, even 30 days or something. But I think timing ought to be part of the vote. Wendy, do you have any opinion on that?

Ms. Browne: The draft of the changes to the Standards goes to the Division and then the Division typically has a hearing, so there is a timeframe while that approval process needs to be completed. Most of the changes deal with the collection process which is already in place and it's just changing that to add a little bit more to that process. So, I don't think these are substantial changes for the carriers to be implementing.

Mr. Harris: So, I'd like to make a motion – and Wendy, stop me if this doesn't make sense – that we do this as Liz proposed, to be effective with the approval by the Division.

Ms. Brodeur: Do I hear a second of Tom's motion?

Mr. Olivieri: I'll second it.

Ms. Brodeur: I don't know who that was, Thom or John.

Mr. DePaulo: I think John got it first.

Ms. Brodeur: Thank you. Do we have any discussion on the motion? Seeing none, Robin, would you like to call the roll?

Ms. Tigges: Pam Krynicki?

Ms. Bodenstab-Krynicki; Aye.

Ms. Tigges: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard: Aye.

Ms. Tigges: Thom DePaulo?
Mr. DePaulo: Aye.
Ms. Tigges: Gail Eagan?
Ms. Eagan: Aye.
Ms. Tigges: Tom Harris?
Mr. Harris: Aye.
Ms. Tigges: Chris Jarrard?
Mr. Jarrard: Aye.
Ms. Tigges: John Kelly?
Mr. Kelly: Aye.
Ms. Tigges: John Olivieri?
Mr. Olivieri: Aye.
Ms. Tigges: Kellie Thibodeau?
Ms. Thibodeau: Aye.
Ms. Tigges: And Meredith Woodcock?
Ms. Woodcock: Aye.
Ms. Tigges: The vote is unanimous.
Ms. Browne: I'm about halfway through.

Moving on to the CAR Accounting System Re-Write. The Committee was informed that CAR Staff continues to move forward in its effort to re-write the mainframe CAR Accounting System to an online application available through the website. The migration of the online policy histories was completed in August and Servicing Carriers can now view ceded policy history information on CAR's website.

The next phase of this project is to re-write the correction programs. As part of this effort, staff has performed a review of the accounting edits. Due to the run-off of ceded private passenger business and the consolidation of ceded commercial business to four Servicing Carriers and two taxi carriers, staff noted that there is a very limited volume of both critical and non-critical errors. Since most non-critical errors only have an impact when there is an excessive volume of errors, staff is recommending the elimination of most of the non-critical edits and

combining the two remaining non-critical edits into one edit, thereby consolidating the edit process and removing the distinction between critical and non-critical. The remaining edits concentrate on coverage-related errors and discrepancies. Additionally, staff is proposing to develop a new policy-based edit that would compare the ceded loss dollars for each loss occurrence to the policy's liability limits and identify those ceded losses that exceed the policy limits. An adjustment would be processed to reduce the ceded loss dollars to the policy limits. The Committee agreed with the conceptual changes and will review the specific details of each change when the proposed modifications to the Manual of Administrative Procedures are provided at a future meeting.

Also, as part of this development process, staff has been evaluating the current system to identify opportunities for improvements and enhancements. As noted previously, the four Servicing Carriers have a low error rate which has resulted in an extremely low volume of actual "grid" corrections. Grid corrections are only allowed on a handful of fields and are usually used to ensure consistency rather than amending coverage on a ceded policy. Furthermore, errors that are more critical in nature typically require a more substantial correction, such as the reporting of additional cession or premium records rather than a grid correction. For these reasons, staff requested that the Committee consider eliminating the grid correction option in the new system. If the Committee agreed, staff would propose modifications in the Manual of Administrative Procedures to document the change and present those modifications for review at a future meeting. It was the consensus of the Committee to eliminate those grid corrections. Any questions related to the system update?

Private Passenger and Commercial Statistical Plans – The Committee reviewed proposed modifications to the Private Passenger Statistical Plan to update classification codes in light of the RMV's implementation of the non-binary Gender X designation. The proposed updates to the Classification Code Private Passenger Definition table include modifications to the existing inexperienced youthful male gender designated class codes to also include the non-binary gender designation. For wording consistency, the description to the female designated class codes has also been updated. The proposed modifications would be optional for policies effective January 1, 2021 and mandatory for policies effective January 1, 2022.

The Committee next reviewed proposed changes to both the Private Passenger and Commercial Stat Plans to reflect the addition of a new "classic car" classification. These codes are for vehicles that meet the statutory definition of an Antique Auto for usage but do not meet the age and registration requirements of an Antique Auto. It was noted that companies that write this class of business may be incorrectly utilizing the existing antique auto and motorcycle class codes for reporting. However, as stipulated by statute, these vehicles/class codes are excluded in the calculation of MAIP quota share and commercial participation ratios. The Actuarial Committee will be recommending that exposures for these types of vehicles be included in a company's quota share

calculation. Similarly, these types of vehicles would be included in the calculation of commercial participation ratios. Accordingly, the new class codes will allow for this. The proposed class codes would be optional for policies effective January 1, 2021 and mandatory for policies effective January 1, 2022.

The Committee voted unanimously to recommend to the Governing Committee approval of the proposed Private Passenger and Commercial Statistical Plan pages as presented. These modifications can be found on Pages 97 to 103 of the agenda, which is labeled as Exhibit #3, pages 72 to 78. This is an action item for your consideration.

- Ms. Brodeur: Thank you, Wendy. Do I have a motion to approve the proposed Private Passenger and Commercial Statistical Plan changes that are laid out in the pages that Wendy identified in the materials for this meeting?
- Mr. Harris: Tom Harris, so moved.
- Ms. Brodeur: Do I have a second?
- Mr. DePaulo: I'll second, Thom DePaulo.
- Ms. Brodeur: Thank you, Thom. Any discussion on this motion? Seeing none, Robin, will you call the roll?
- Ms. Tigges: Certainly. Pam Krynicki?
- Ms. Bodenstab-Krynicki: Aye.
- Ms. Tigges: Liz Brodeur?
- Ms. Brodeur: Aye.
- Ms. Tigges: Ida Denard?
- Ms. Denard: Aye.
- Ms. Tigges: Thom DePaulo?
- Mr. DePaulo: Aye.
- Ms. Tigges: Gail Eagan?
- Ms. Eagan: Aye.
- Ms. Tigges: Tom Harris?
- Mr. Harris: Aye.
- Ms. Tigges: Chris Jarrard?
- Mr. Jarrard: Aye.

Ms. Tigges: John Kelly?

Mr. Kelly: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: The vote is unanimous.

Ms. Brodeur: Wendy.

Ms. Browne: Ceded Commercial Reporting Issues – The Committee discussed the potential impacts to stat reporting as a result of the Joint Actuarial Commercial Lines Committee, CAR staff and AIB’s effort to perform a comprehensive review of the commercial rate need and to develop a filing schedule to achieve rate adequacy. There are two issues that would have an impact: the introduction of a rate differential for vehicles garaged outside of Massachusetts and the development of new breakdowns within the Non-Owned coverages, including the issue of fast-food delivery and policies with stand-alone non-owned coverage. Once CAR develops a rating structure and that structure is approved, the Committee will have the opportunity to consider statistical plan changes to address the data needs for those two issues.

The Committee was also informed that CAR is developing a Data Call to solicit information from the Servicing Carriers and presented several questions to the Committee in order to facilitate the process. It should be noted, at this time, that all four Servicing Carriers have completed and returned their respective data calls.

Finally, Final Close-Out of Policy Effective Years 2010 and 2011 – The Committee was informed that the volume of open claims reported in the June 2020 ceded outstanding loss submissions for policy effective years 2010 and 2011 is low enough to warrant a final close-out. The Committee voted unanimously to recommend to the Governing Committee a final close-out of policy effective years 2010 and 2011 for financial reporting purposes as of the third quarter 2020 and for statistical purposes as of the 2021 accounting year. This is an action item for your consideration.

Ms. Brodeur: Thank you, Wendy. Do I have a motion to approve the proposed updates to the Manual of Administrative Procedures?

Ms. Browne: This is a two-part recommendation. The first is to close out the years and second is for the MAP pages.

Ms. Brodeur: Do you want to do two separate motions?

Ms. Browne: Please.

Ms. Brodeur: OK. Do I have a motion then to approve the proposal to close out the two policy years, I believe it was 2010 and 2011, as Wendy proposed?

Mr. Harris: So moved, Tom Harris.

Ms. Brodeur: Do I have a second?

Mr. Jarrard: Second, Chris Jarrard.

Ms. Brodeur: Any discussion on the motion? Seeing none, Robin, will you please call the roll?

Ms. Tigges: Sure. Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard: Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Tom Harris?

Mr. Harris: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Tigges: John Kelly?

Mr. Kelly: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: Thank you. Unanimous vote.

Ms. Browne: And finally, proposed changes to Chapters 7 and 8 of the Manual of Administrative Procedures were presented to the Committee which document an automated process for CAR Staff to close out an older policy effective year without requiring committee approval. This proposal includes a change to the tolerance level of open claims from 50 or fewer records and a dollar amount of \$200,000 or less to a dollar amount of \$100,000 or less. Accordingly, if the total reserve amount is less than \$100,00 for a given year, CAR would perform the final close-out for financial and statistical purposes.

The Committee unanimously voted to recommend to the Governing Committee the updates to the Manual of Administrative Procedures as presented. These modifications can be found on Pages 104 to 106 of your agenda, which is labeled as Exhibit #3, Pages 79 to 81. This is, at least from this Committee, the last action item for your consideration.

Ms. Brodeur: Thank you, Wendy. Do I have a motion to accept the proposed changes to the Manual of Administrative Procedures, Chapters 7 and 8, as Wendy described and as are presented in the materials for this meeting?

Mr. Harris: Tom Harris – good work, Wendy – so moved.

Ms. Brodeur: Do I have a second?

Mr. Olivieri: John Olivieri, second.

Ms. Brodeur: Thank you. Any discussion on the motion? Seeing none, Robin, can you take the roll, please? Oh, I'm sorry.

Mr. Hiltpold: Can I just ask a quick question, and maybe this was covered already, but what if the fourth oldest year just happens to be under \$100,000 and then the tenth oldest year is also under \$100,000, would you be closing out young years? Shouldn't it still be kind of looked at and approved on? I'm just asking.

Ms. Browne: Normally, we keep ten years open for statistical reporting so this – that comes into play before we would close anything out for ceded reporting.

Mr. Hiltpold: Thank you.

Ms. Brodeur: Sorry about that, Glenn. Any other questions or comments before we take the roll. OK. Thank you. Robin?

Ms. Tigges: Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard: Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Tom Harris?

Mr. Harris: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Tigges: John Kelly?

Mr. Kelly: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: Thank you. Unanimous vote.

Ms. Browne: Thank you. That concludes my report.

Ms. Brodeur: Thank you, Wendy.

**GC
20.08 Financial Audit Committee**

Ms. Brodeur: The next item on the agenda is the report of the Financial Audit Committee. Mark Alves, I believe you are going to be giving this report.

Mr. Alves: Hello. This is Mark Alves of CAR's Compliance Audit staff reporting on the records of the August 26th Financial Audit Committee meeting. This is the only item for consideration today and it's the annual audit of CAR for fiscal year ending 2020.

Mr. John Buckley of AAFCPA presented the recommended engagement parameters for the 2020 review and Agreed Upon Procedures plan to the Committee. He discussed this year's procedures noting that these will continue to focus primarily on transactions relevant to CAR's administrative expenses and IT controls. Mr. Buckley confirmed the audit fee of \$78,000, which includes a 4 percent increase over 2019. He outlined a basic timeline for planning, execution, and completion of the engagement. After discussion regarding the logistics in performing the engagement remotely, both CAR staff and AAFCPA agreed that working remotely should have no impact to the audit.

This is an action item for your consideration today because the Committee, on a roll call vote, unanimously voted to recommend that the Governing Committee approve the engagement parameters as presented by AAFCPA for the review of CAR's fiscal year 2020 financial statements, including the AUP as presented, recognizing that the procedures are sufficient for their intended purposes and that access to the AUP report would be limited to CAR, its committees and subcommittees, its Member Companies, and the Division of Insurance. The Committee also recommended that CAR's President be directed to execute the engagement letters on behalf of CAR. Again, this is an action items for your consideration today.

Ms. Brodeur: Thank you, Mark. There is no way I'm going to be able to repeat all that. May I have a motion to accept the proposed recommendation related to the audit to be performed by AAFCPA as set forth in the materials and also to have CAR's President, Natalie Hubley, execute an engagement letter on behalf of CAR for that audit?

Ms. Woodcock: So moved.

Ms. Brodeur: Do I have a second?

Ms. Thibodeau: Kellie Thibodeau, I second.

Ms. Brodeur: Any discussion on the motion? I don't believe I see any hands. Robin, can you please call the roll?

Ms. Tigges: Sure. Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard: Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Tom Harris?

Mr. Harris: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Tigges: John Kelly?

Mr. Kelly: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: Thank you. The vote is unanimous.

Ms. Brodeur: Thank you, Robin. Thank you, Mark. Do you have any other items?

Mr. Alves: No, that's all. Thank you.

GC

20.11 Joint Actuarial Commercial Lines Committee

Ms. Brodeur: The next item on our agenda is the report of the Joint Actuarial Commercial Lines Committee. Glenn Hiltpold, you're going to give that report?

Mr. Hiltpold: Yes, I'll give that report. I will give you the highlights of both the July 16th meeting and the November 12th meeting.

On the July 16th meeting, the Committee discussed the white paper that we gave to the Division. The Committee agreed that the white paper is thorough and clearly presents the issues impacting the residual market rate need. The Committee suggested that an executive summary be added to more clearly identify the estimated rate need and highlight the most substantive conclusions and recommendations. After discussion, the Committee voted unanimously via roll call vote to approve the final version of the white paper with the addition of the executive summary and to direct staff to submit the white paper to the State Rating Bureau. Ms. Hubley commended the collaborative effort of CAR staff, AIB, AIPSO, and the Committee in producing the document.

Ms. Wendy Browne then presented to the Committee an overview of the system changes that would be required of both CAR and Servicing Carriers in order to achieve the two-year transition plan set forth in the white paper. She noted that committee input is necessary to address any concerns that the Servicing Carriers and the producers might have with the scope of the proposed changes and the time required to implement these changes. The process would also include consideration by CAR's Compliance and Operations Committee to review needed Stat Plan changes in the Fall in order to implement those changes in the 2022 reporting year.

Committee discussion ensued with two out of the four Servicing Carriers opining that while the programming changes will be extensive, the schedule would allow the time needed for completion. Mr. Hugh Thai suggested that CAR staff prepare a document to illustrate the proposed rating algorithm changes using specific examples to assist the Servicing Carriers in implementing the required rating system changes. Ms. Hubley noted that the physical damage rating algorithm would be the biggest change and that CAR staff would draft examples on how the calculation would work.

The Joint Actuarial Commercial Lines Committee then met again on November 12th. At its June 10, 2020 meeting, the Joint Actuarial Commercial Lines Committee directed staff to file amendments to its rates to implement the proposed rating modifications described in the white paper over a period of two years. The Committee was advised that the AIB is nearing completion of its review of the current indications and in light of certain marketplace considerations, the Committee was provided with alternative scheduling options to assist in the development of a filing strategy. I reviewed the different rate filing options that included indications related to CAR's "annual filings" schedule, and also highlighted alternative filing schedules for the zone rated components including the primary rating factors, increased limit factors, zone relativities, physical damage changes, and rates for vehicles garaged outside of the state.

Basically, we were discussing, would we want to do two filings annually or would we want to do four filings every six months, and how would we want to split these pieces up, would we want to do some pieces of the zone rated changes, split it in two and do the easier ones first and do the more complex ones later.

The Committee discussed the different filing options that were presented. The Committee expressed an interest in filing the zone rated changes sooner to address the significant rate need. It was noted that because some of the modifications to the rating factors involved significant system changes, it would be preferable to introduce those in 2022. Members were also concerned that too many segmented filings would cause an undue burden on resources that could cause delays due to an overlap in the approval process. After continued discussion, the Committee favored the two-filing approach described in Option 2, introducing initial modifications to primary rating factors, increased limit factors, and zone relativities for zone-rated classes with the first filing to be effective July 1, 2021. The second filing, to be effective July 1, 2022, will propose final changes to the primary rating factors, increased limits factors, and zone relativities, and will introduce the physical damage rate changes and out-of-state relativities. The second filing will also propose modifications to non-owned rates and address short term leasing concerns.

The Committee unanimously voted to direct CAR to proceed with annual filings with zone rated vehicles addressed as described in Option 2, meaning some pieces of the zone rated changes would occur in year 1 and the more complex changes would occur in the second filing effective July 1, 2022. I hand this back to the Committee. We agreed unanimously on this approach and we just wanted to make sure it was okay with the Governing Committee.

Ms. Brodeur:

Thank you, Glenn. Does anyone have any questions for Glenn?

Mr. Kelly:

John Kelly from MAPFRE, I do not, but I'm not sure if you need a motion for this one.

- Mr. Hiltpold: I'm not sure if this is an action item or not.
- Ms. Brodeur: I don't believe this is an action item. My understanding is this was more of a report on the state of affairs and that CAR staff is proceeding with the rate filing that Natalie mentioned in her President's Report. Obviously, I should defer to Natalie and CAR staff on that.
- Ms. Hubley: Sure, I could comment. I do think that what the Committee did – you, I don't know if it was your last meeting, we've missed a couple so I kind of forget, but in the summertime, you did review the Committee's recommendation with respect to the white paper. At that time, we were directed to file over two years. So, this Committee really just looked at a few options and they really affirmed the approach that you had agreed to six months ago. So, I don't think we need a motion of this Committee. I think we just wanted to give you a status report on the efforts.
- Ms. Brodeur: Thank you, Natalie. Are there any other questions for Glenn? Seeing none, Glenn are there any other items you want to report on?
- Mr. Hiltpold: No, that was it. It's on to the next agenda item.
- Ms. Brodeur: Thank you.

**GC
20.12 Loss Reserving Committee**

- Ms. Brodeur: The next item on the agenda is the report of the Loss Reserving Committee. I think that Tim Galligan is going to be giving that report.
- Mr. Galligan: Yes, I am. Good morning. I will be reporting on the September 2nd and December 2nd Loss Reserving Committee meetings, although I'm primarily going to focus on the results from the December meeting.
- Before I begin, I'd just like to point out that there was a correction made in the December ultimate deficit exhibit. That was Exhibit #4, Pages 12 and 13. There was an error in the policy year 2019 and 2020 deficit calculations that we had corrected on the Additional Information last night. So, if you happened to print that report out prior to last night, you may want to go back and reprint that.
- Moving on, the Summary of the September meeting was included in your agenda, that's GC20.12, Exhibit #4, with the records on file, and the December meeting Summary was part of the Additional Information packet that was distributed, GC20.12, Exhibit #2.
- At the December meeting, the Committee discussed ongoing data reporting and data quality concerns, including 9 new claims greater than \$1 million during the current quarter. Four claims were removed from that report because they fell below the threshold. The details of these claims are included in the report packet.

Next, the Committee set commercial loss reserves and ultimate deficits using data reported through September 2020. As you've seen during the past several quarters, the results show improvements for policy years 2016 to 2019. The Committee has recognized that the development on the large losses has slowed significantly. The Committee has approached the improvement with a degree of conservatism and tempered their selections to avoid more significant swings from quarter to quarter.

The Committee estimated a policy year 2016 commercial deficit of \$39.9 million, a \$300,000 improvement from the prior quarter, and a \$2.1 million improvement during the past two quarters. For policy year 2017, the deficit was estimated at \$11.5 million, representing a \$3.1 million improvement and a \$6.6 million improvement over the past two quarters. Policy year 2018, the deficit was estimated at \$36.1 million, unchanged from the prior quarter, although a \$4.2 million improvement combining the past two quarters. The Committee estimated a policy year 2019 commercial deficit of \$2.4 million with a loss ratio of 79.5 percent. This results in a \$10.3 million improvement from the prior quarter deficit and a \$22.7 million improvement for the past two quarters.

The improvements in the 2019 year, the Committee discussed, are due in large part to the impact of the COVID-19 crisis, which was not anticipated when the ultimate losses and deficit were originally set. The Committee also recognized that the changes enacted by other committees to curb the growing residual market are now being realized in the data.

The Committee estimated a policy year 2020 commercial surplus of \$27.9 million with a loss ratio initially set at 62.5 percent. This is the first estimate of the 2020 deficit. The Committee recognized that a level of uncertainty exists with projecting 2020 ultimate losses, noting that vehicle usage and accident frequencies are lower due to COVID-19 and it's unclear if these patterns will continue as 2020 policies earn fully into 2021. Ultimate loss ratio and deficit projections for all policy years were attached to your Summary.

That concludes my report. I'd be happy to take any questions.

Ms. Brodeur: Does anybody have any questions for Tim? I do not see any hands up. Thank you, Tim.

GC
20.13 Actuarial Committee

Ms. Brodeur: Moving on to the Actuarial Committee, Tim, I think you are also giving that report.

Mr. Galligan: That's correct. I will be reporting on the meetings of August 5th and October 14th. The records of both meetings are on file with CAR's secretary.

At the August 5th meeting, the Committee discussed a new vehicle classification, Specialty and Classic Automobiles, and the potential to include these vehicles in the quota share voluntary market share calculation. These vehicles are similar to antique autos in their use, but do not meet the statutory definition of antiques due to the age of the vehicle and registration requirements as the vehicles are 25 years old or less. They are most likely currently reported as antiques and are currently excluded from the quota share. However, the Committee felt that the classic cars do not qualify for the exemption as antiques due to the age difference and therefore should be included in the voluntary market share calculation.

The Committee discussed the limited usage restrictions of the classic cars and reviewed average premium data that showed that it's consistent with other factored miscellaneous vehicle types. The Committee felt that the classic car exposures should be adjusted by a factor of .33 when they are included in the voluntary market share. They agreed to these changes, in concept, pending a review of the definition of the new classification by the Compliance and Operations Committee which was done at its September 2nd meeting.

The Actuarial Committee met again on October 14th to finalize its recommendation, including Rule and Manual changes needed for both private passenger and commercial business. Private passenger modifications detailed in today's agenda, attached as GC20.13, Exhibit #3, Pages 5 through 8, include amendments to Rule 29 to include the factored exposures in the quota share voluntary market share with a proposed effective date of April 1, 2021. Rule 29 was also updated to eliminate the reference to electric vehicles, as that classification had been eliminated previously for statistical reporting.

Rule 42 was added to the Manual to define the Specialty and Classic Motor Cars and Motorcycles to which the Rule applies. It identifies the related mandatory endorsement, MP-0003, required for all residual market policies and provides reference to the Rate section of the Manual for determining premium.

Updates were also made to the Miscellaneous Motor Vehicle Rate page in the Rate section of the Manual that provide information for computing premium based on the AIB's rating procedure for antique automobiles. Similar changes have been made for commercial residual market policies contained in your packet, Exhibit #3, Pages 9 through 12. Proposed changes include the addition of Rule 126 to the Manual and endorsement form CR 99 03 and rating procedures in the Special Types Rate section also adopted from the AIB's rating procedure for antique auto.

The Committee unanimously voted to recommend to the Governing Committee approval of Rule 29 of the Rules of Operation and the addition of rules, rates and endorsement forms to the Private Passenger and Commercial Automobile Residual Market Manuals as presented and included in your agenda for today's meeting to be forwarded to the

Division of Insurance for approval. This is an action item for your consideration.

Ms. Brodeur: Thank you, Tim. Kind of similar to a couple of the items we've discussed previously today. To clarify, the Rule – obviously, the Rule changes need to be filed with the Division for approval, but the Manual changes would be done by CAR itself. I thought you mentioned a proposed effective date of April 1, 2021. Would the idea be that those changes would be made effective 4/1/2021 even if the Rule changes take a longer period of time or are the two things tied together?

Mr. Galligan: I'm sorry, you cut out on me a little bit.

Ms. Brodeur: Oh, sorry. Are the proposed changes to Rule 29, which have to be approved by the Division, tied to the changes to the Manual such that changes to the Manual cannot be made unless the Division approves the Rule 29 changes?

Ms. Hubley: I can help with that question. These filings really all do stand on their own. Today, these specialty cars and classic vehicles are eligible for placement in the MAIP. There are none today. We do not anticipate a large volume, if any at all, but because they are eligible, we do need to have a way of rating them and those endorsement forms. They all do stand on their own. The modification to the exposures in the quota share formula would then be proposed. We propose them for all the same effective date, but, again, they all stand on their own. They all do require approval by the Division of Insurance, but they are separate filings. Rule 29 of the Rules of Operation is a filing directly to the Commissioner of Insurance for a Rule modification. The others are rule, rate and form filings that are filed under SERFF and are reviewed and placed on file by the Division.

Ms. Brodeur: So, is it most effective to do a single motion or multiple motions? I don't know if we need to put the same kind of language around there that these would be implemented upon approval of the Division. I mean, that's a little bit self-evident, I guess, for a rate and form filing or a Rule change.

Ms. Hubley: I think you can take them as separate motions, if you prefer, but I think you can also take them all together. We were proposing an effective date of 4/1/2021 for all of them only for the ease of consistency here. Again, they don't – because I don't think – or I know that the rules and rates are really a formality, not the Rules of Operation but the Manual rules and rates are really just getting something on file that probably won't need to be used.

Ms. Brodeur: OK. In light of all that, do I have a motion to accept the proposed – or approve the proposed changes to the CAR Rules of Operation and the Manual changes that Tim described and are set out in the materials that were distributed for this meeting?

Mr. Kelly: John Kelly from MAPFRE, I make that motion.

Ms. Woodcock: I second it.

Ms. Brodeur: Any discussion? Seeing none, Robin?

Ms. Tigges: Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard: Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Tom Harris?

Mr. Harris: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Tigges: John Kelly?

Mr. Kelly: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: Thank you. The vote is unanimous.

Ms. Brodeur: Thank you, Robin. Tim, do you have any other items to report on?

Mr. Galligan: No, that concludes my report. Thank you.

GC
20.14 Commercial Program Oversight Committee

Ms. Brodeur: The next items on the agenda is the report of the Commercial Program Oversight Committee. I believe John Metcalfe is giving that report.

Mr. Metcalfe: Yes, I'm reporting on the Commercial Program Oversight Committee meetings of July 28th and October 15th. There are no action items for the Governing Committee today, but I'll provide a brief summary of the Committee's deliberations at those meetings

The main topic of discussion at the July meeting involved the evaluation of the 2019 Servicing Carrier Annual Reports.

The 2019 policy year Annual Report submissions from the four Servicing Carriers were distributed to the Committee along with documentation provided by CAR staff to assist the Committee in its review of the reports. The documentation included a summarization of each of the four Servicing Carrier responses to the questions and issues addressed in their reports. In addition, various data reports profiling the commercial residual market as of December 2019, and a summary of Servicing Carrier bus eligibility audit results were also included for the Committee's reference.

The Committee considered several program and processing recommendations presented by each Servicing Carrier and referred several to other CAR committees for discussion and potential implementation. Specific recommendations are noted in the Records of Meeting

The Committee took note that each Servicing Carrier had reported that the programs and procedures implemented over the course of the past couple of years were highly effective in producing improved consistencies and positive results in the commercial automobile residual market in 2019.

Also on the July agenda was the Commercial Program Evaluation. The Committee began its evaluation of the overall Servicing Carrier Commercial Program relative to the upcoming 2021 Request for Proposal, including deliberations of program expectations and RFP content. The current Commercial Servicing Carrier Program is set to expire on December 31, 2021. An RFP will be distributed to the industry by March 1, 2021 for a subsequent engagement to service the commercial automobile residual market beginning with policies effective January 1, 2022 and subsequent.

To assist the Committee in its development of recommendations and specifications for the upcoming RFP, discussion topics to be addressed

by the Committee at upcoming meetings were provided with the Notice of Meeting. In preparation for the Committee's evaluation of whether to continue the existing programs as is, or whether other approaches could be taken or changes made to improve the programs, the Committee was provided with a historical perspective of both the Commercial Automobile and Taxi Servicing Carrier Programs. The Committee agreed that its deliberations would include discussions on whether the two programs should be combined, the number of Servicing Carriers to service the business from each program, and the existing Servicing Carrier compensation program which includes the physical redistribution of producer books of business to assure equitable distribution of commercial automobile written premium among Servicing Carriers.

Moving to the October meeting, the Committee took up those issues. The Committee was provided with information relative to the expected committee and RFP schedules going forward. The Committee is expected to finalize the RFP at its January 2021 meeting, with the approved draft being provided to the Governing Committee at its February meeting. In order to implement the program by January 2022, the notice of RFP will be distributed on March 1, 2021, pre-response conferences will be held by the end of March, and final submission of proposals will be due in mid-April. The Commercial Program Oversight Committee will evaluate proposals in May and provide its recommendations to the Governing Committee for approval in June. Selected Servicing Carriers will be notified the day after the Governing Committee meeting, changes in ERP assignments will be sent to the Servicing Carriers by September 1st and Servicing Carriers must contract their newly assigned ERPs by the end of October 2021.

There were four issues at the meeting that were discussed by the Committee.

The first issue included whether to combine the Taxi Program with the full Commercial Auto Program. The Committee was provided with a historical summary of the Taxi/Limousine Program which commenced in 1995, and the Limited Servicing Carrier Program which commenced in 2006. It was noted that the separation of these programs was initially supported by the uniqueness of the taxi/limo/car service classifications. However, given the current market conditions and growing mixed-use of non-fleet private passenger type vehicles for TNC services, the Committee was to consider whether this business could be better managed in a combined program. The Committee discussed the advantages of combining the two programs noting that a combined program would streamline the ability for all commercial automobile risks to be classed within the same carrier, avoiding potential disruption of discovering that a class with coverage bound in one program might have to be cancelled and placed with another carrier, especially in light of the increasing mixed-use of these vehicles for TNC purposes. The Committee agreed that in the past there has been no compelling reason to

consider a change to the programs. However, with recent significant changes in the marketplace, it may be worthwhile to take the opportunity to re-evaluate this issue and requested for the next meeting that staff provide volume breakdowns between the taxi, limousine and car service classes, as well the identification of other trends that may assist the Committee in its evaluation of this topic. The Chair also requested that Servicing Carriers be prepared to provide input as well.

The second issue involved whether to include information in the RFP relative to the number of Servicing Carriers that will be appointed to service the program(s). Following substantial discussion involving historical precedent, market volumes and other jurisdictional approaches, and the possibility of combining the commercial auto program with the Taxi Program, the Committee indicated its interest in retaining four Servicing Carriers for the upcoming program term. However, the Committee noted that a decision on the number of Servicing Carriers for the term will be determined subsequent to the evaluation of the proposals.

The third issue discussed was Servicing Carrier compensation. The Committee was advised that as a result of Servicing Carrier requests for rebalancing of the ceded books during the current term to address inequitable allocation of expense allowances among the carriers, staff was requested to suggest alternative approaches to minimize the disruption associated with redistributions and result in improvements to the program.

The Committee was provided a perspective on how other states determine expense allowances for their commercial automobile residual market business and the amount paid to their servicing carriers. Staff also identified potential alternative compensation methods and requested comment from the Servicing Carriers regarding the impact these methods may have on the carriers' view of equity. The Committee discussed the presented alternatives and took no action at this meeting suggesting that Servicing Carriers consider each of the alternatives presented with their staff and requested CAR staff to explore each of these options further. The feedback obtained will provide the Committee with information for discussion at a future meeting.

Finally, staff noted that they had been tasked to evaluate any alternatives that might mitigate the market disruptions that typically occur with ERP reassignments as a result of the redistribution of ceded books of business among the Servicing Carriers. One alternative presented to the Committee involved replacing the current model of assigning producers to Servicing Carriers with an assigned policy distribution model, where risks would be assigned to a Servicing Carrier on a rotational basis. The Committee agreed that although it may be useful to try to identify other approaches to help mitigate the need for regular redistributions, conversion of the commercial pool to an assigned risk plan would be a

major change, and absent a compelling reason to do so, appears to be more than is necessary at this time. That concludes my report.

Ms. Brodeur:

Thank you, John. Does anyone have any questions for John?

**GC
20.15 Budget Committee**

Ms. Brodeur:

Seeing none, we will move on to the final Committee report, which is the Budget Committee, which actually I will be reporting on.

I am reporting on the Budget Committee meeting of September 3, 2020. At that time, CAR President Natalie Hubley reviewed highlights of CAR's proposed Fiscal Year 2021 Business Plan, including continued staff support of planned committee activity focusing on commercial market initiatives. CAR will pursue changes to its rating methodology and file indicated rates pursuant to the recommendations of the Joint Actuarial Commercial Lines Committee. In addition, CAR will complete an RFP, which John just described, and appointment of Servicing Carriers for terms to begin as of January 1, 2022 and will expand its audit procedures to include additional classes of business. During Fiscal Year 2021, CAR will implement a pre-fill of vehicle information imported to the MAIP policy application from the Registry systems, and CAR will evaluate the feasibility of introducing an electronic MAIP stamp and incorporating RMV registration forms into the MAIP policy application. Finally, CAR will continue its migration of mainframe applications to the web platform thereby improving the Member Company user experience.

Based on this, Ms. Hubley indicated that CAR management is requesting a Fiscal Year 2021 budget allocation of \$9,557,900, which represents a 0.3% or \$33,100 increase over Fiscal Year 2020. CAR is projecting to close Fiscal Year 2020 \$166,400 under budget. Her proposal also recommends that a portion of this surplus be allocated to level-fund the Fiscal Year 2021 expense assessment, and that the remaining dollars of the surplus be allocated to fund CAR's pension expenses.

Steve Gautieri also provided a detailed review of the proposed Fiscal Year 2021 budget, providing explanations and rationale where projected variances exist between Fiscal Year 2020 and Fiscal Year 2021. He also further explained CAR's approach to pre-paid pension funding, which ensures level budget funding through Fiscal Year 2023, maximizes assets to improve funded status, and minimizes guaranty fund insurance assessments.

Following discussion, on a roll call vote, the Committee unanimously voted to recommend to the Governing Committee adoption of the proposed Fiscal Year 2021 administrative expense budget and business plan, and to allocate prior year surplus funds as I just described.

Before I seek a motion, does anyone have any questions? Do I have a motion then to accept the Fiscal Year 2021 budget allocation as proposed, which is approximately \$9.5 million, with the surplus to be allocated both to level-fund the Fiscal Year 2021 expense assessment with the remainder going to fund CAR's pension expenses?

- Mr. Harris: Tom Harris, so moved.
- Mr. DePaulo: I'll second.
- Ms. Brodeur: Thank you, Tom and Thom. Any discussion on the motion? I just realized, I forgot to mention where this material was. I believe this proposal was circulated to the Committee in your materials for this meeting. Robin, can you call the roll, please?
- Ms. Tigges: Absolutely. Pam Krynicki?
- Ms. Bodenstab-Krynicki: Aye.
- Ms. Tigges: Liz Brodeur?
- Ms. Brodeur: Aye.
- Ms. Tigges: Ida Denard?
- Ms. Denard: Aye.
- Ms. Tigges: Thom DePaulo?
- Mr. DePaulo: Aye.
- Ms. Tigges: Gail Eagan?
- Ms. Eagan: Aye.
- Ms. Tigges: Tom Harris?
- Mr. Harris: Aye.
- Ms. Tigges: Chris Jarrard?
- Mr. Jarrard: Aye.
- Ms. Tigges: John Kelly?
- Mr. Kelly: Aye.
- Ms. Tigges: John Olivieri?
- Mr. Olivieri: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: And Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: Thank you. The vote is unanimous.

Ms. Brodeur: Thank you, Robin. I am pleased to say that we have reached the last – or second to last item on the agenda, which is Other Business. Does anyone have any items they'd like to raise with the Governing Committee this afternoon that we haven't already discussed? I don't see any hands up. Does anyone feel the need to convene in Executive Session to discuss any issues? OK, excellent.

Unless anyone has anything to add, I would accept a motion to adjourn this meeting.

Mr. Harris: So moved.

Mr. Olivieri: Second.

Ms. Brodeur: Robin, once last time, would you please call the roll?

Ms. Tigges: Certainly. Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Liz Brodeur?

Ms. Brodeur: Aye.

Ms. Tigges: Ida Denard?

Ms. Denard: Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Tom Harris?

Mr. Harris: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.
Ms. Tigges: John Kelly?
Mr. Kelly: Aye.
Ms. Tigges: John Olivieri?
Mr. Olivieri: Aye.
Ms. Tigges: Kellie Thibodeau?
Ms. Thibodeau: Aye.
Ms. Tigges: Meredith Woodcock?
Ms. Woodcock: Aye.
Ms. Tigges: Thank you.
Ms. Brodeur: Happy Holidays, everyone.

(Meeting ended at 12:41 p.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
December 31, 2020

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 #GC20.02, Exhibit #4

Attendance Listing

