



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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

ADDITIONAL INFORMATION

TO MEMBERS OF THE COMMERCIAL PROGRAM OVERSIGHT COMMITTEE

FOR THE MEETING OF:

MONDAY, JULY 26, 2021 AT 1:00 P.M.

CPOC

20.06 Commercial Program Evaluation – 2021 Request for Proposal

Attached is an outline intended to assist the Committee in discussion of potential transition procedures for the 2022 Servicing Carrier term. (Docket #CPOC20.06, Exhibit #11)

JOHN METCALFE
Director – Residual Market Services

Attachment

Boston, Massachusetts
July 20, 2021

Commercial Servicing Carrier Program
Program Transition Procedures
January 1, 2022

The upcoming Servicing Carrier Program term will combine the taxi, limousine, and car service classes into the full commercial automobile program. Accordingly, staff has drafted agency reassignment procedures described below for Committee consideration. The policy issuance transition procedures described below were approved by the Governing Committee in 2016 for the 2017 program term. The Committee should confirm these procedures and/or recommend modifications as it may consider appropriate.

Agency Reassignment Procedures

- To the extent possible, assign an agency with taxi, limousine, and/or car service risks to the carrier with which it has its commercial Servicing Carrier appointment.
- Agencies with identified affiliations will be placed with the same carrier to avoid adverse selection, pursuant to Rule 14.
- To maintain an equitable distribution of premium volume and loss ratio among the Servicing Carriers by class type group, reassign agencies as needed minimizing the number of impacted agencies and the volume of reassigned ceded business to the extent possible.

Policy Issuance Transition Procedures

- Non-renewal notices will be provided to the producer of record a minimum of 45 days prior to the expiration date for ceded policies that will be rewritten with a new Servicing Carrier.
- To assist producers in identifying well in advance business transferring to a new carrier, Staff will distribute a listing of expirations to producers.
- For non-fleet business:
 - Expiring policies' declarations page may be submitted in place of a new business application.
 - If the declarations page is submitted to the new Servicing Carrier at least 60 days prior to the policy effective date, the deposit premium is waived.
- For fleet business:
 - Normal company application submission procedures will be followed.