



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

COMMERCIAL AUTOMOBILE COMMITTEE – MARCH 15, 2023 CONTINUED TO MARCH 29, 2023

Members Present

Mr. Thomas DePaulo – Chair	Cabot Risk Strategies, LLC
Ms. Kristina Broskey ⁽¹⁾	MAPFRE U.S.A. Corporation
Ms. Annmarie Castonguay	The Hanover Insurance Company
Ms. Mary McConnell	Safety Insurance Company
Ms. Sharon Murphy ⁽²⁾	Acadia Insurance Company
Mr. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Mr. Tiago Prado	BRZ Insurance, LLC
Mr. Thomas Skelly, Jr.	Deland, Gibson Insurance Associates, Inc.
Mr. Barry Tagen	Pilgrim Insurance Company
Mr. Mark Winiker	A-Affordable Insurance Agency, Inc.
Mr. David Zawilinski	Arbella Insurance Group

Substituted for:

⁽²⁾ Mr. Bird, substituted for Ms. Murphy for the March 29, 2023 session

Not in Attendance:

⁽¹⁾ Ms. Kristina Broskey, absent for the March 15, 2023 session

22.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Commercial Automobile Committee meeting of September 15, 2022. The Records have been distributed and are on file.

22.05 AIB Commercial Automobile Insurance Manual and Endorsement Changes

The Committee continued discussions regarding the upgrade of forms on file for the MA commercial automobile residual market, including a review of the current Business Auto Policy (BAP) to the latest version, withdrawing the Truckers Coverage Form and instead using the BAP together with the Motor Carrier Endorsement for trucking risks.

Staff presented a comparison of the BAP currently on file for ceded policies (03/06 version) to the most recent policy version (11/20), including the identification of amendments that may require underwriting and claims training as well as those that may require manual rule and/or rate filings and statistical plan updates. After brief discussion, staff agreed to further review whether the updated reference to Gross Vehicle Weight requires rate review.

The Committee then reviewed a comparison of the Truckers Coverage Form currently on file for ceded policies (06/06 version) to the most recent policy version of the BAP together with the Motor Carrier Endorsement (11/20 versions). Staff commented that this approach affords the same coverage previously afforded insureds and that the impacts of upgrading to the most recent versions are consistent with those of the BAP changes in terms of required underwriting and claims training, manual rule and rate review, and statistical plan changes. Further, staff advised that this approach is currently employed by three of the four Servicing Carriers and will ensure a more efficient transition for this change and any future upgrades.

Staff then reviewed a schedule of policy forms and endorsements indicating updates needed to implement the latest policy forms, including additional endorsements as recommended by the Committee during prior discussions. The Committee also discussed a list of comments and questions for consideration with respect to the schedule of required updates. The Committee provided initial feedback regarding the use of the ISO BAP declarations form for risks not subject to MA compulsory law as well as the potential need for two versions of certain forms on file with a two-step implementation. One committee member also advised that ISO is currently considering additional amendments to the Motor Carrier forms and requested that staff review relevant ISO communications.

After discussion, the committee members agreed to further review the materials and provide additional feedback at a later date. Staff advised that counsel has recently begun its review of staff's analysis and will also provide additional feedback. Finally, the Committee recognized the need to inform and involve producers in the process of adopting any new forms and endorsements, citing processing changes and the coverage impacts that may require claims and underwriting training.

The Committee reconvened on March 29, 2023 to continue its discussion. Staff provided additional feedback with respect to certain endorsements previously recommended for withdrawal (CA DS 03 and CA 99 54) and noted that the schedule of forms is a work in progress that is anticipated to be finalized with the completion of the review of the Auto Dealers form and the drafting of manual rules.

The Committee considered the benefits and drawbacks of a single-phase implementation plan to adopt the new policy forms and endorsements versus a two-phase implementation involving the adoption of the newer version of the BAP and MC Endorsement, followed by a subsequent adoption of the Auto Dealers Policy. Given the extensive scope of the upgrade as demonstrated by staff's analysis to date and the schedule of required form changes, the four Servicing Carriers strongly favored the one-phase implementation as the more cost-efficient approach with regard to the system updates and related training. Producers also favored the single-phase implementation noting the inherent exposure of maintaining separate versions of certain endorsements. Members noted that when deciding on an implementation date, sufficient lead time to budget, plan, and implement system and resource changes, including training, needs to be considered.

Further discussion ensued with the Servicing Carriers expressing concern that the workload and costs were not contemplated in the most recent RFP, and suggested postponing implementation of the new forms until the next appointment cycle. Some members expressed concern with delaying implementation to 2027 or later, and suggested exploring options for additional consideration of implementation costs in the current term to allow that the forms be adopted more timely.

Ms. Hubley advised that staff will review the Rules of Operation and Manual of Administrative Procedures and consult with CAR counsel to outline alternatives for consideration at the next meeting.

22.07 Taxi/Limo/Car Service Underwriting Inspection Forms

Ms. Tiffany Manning presented a modified version of the draft underwriting inspection form that reflects the revisions suggested by the Committee at the September 15, 2022 meeting. She noted that CAR plans to have the interactive form available on its website. The Committee voted unanimously to approve the proposed inspection form.

Ms. Manning then reviewed draft updates to Chapter III – Servicing Carrier Responsibilities of the Manual of Administrative Procedures reflecting the required use of the new inspection form and/or other available source documentation in conjunction with a new business application to determine territory and rating classification.

On a roll call vote, the Committee voted unanimously to recommend to the Governing Committee adoption of the updates to Chapter III – Servicing Carrier Responsibilities of the Manual of Administrative Procedures.

OTHER BUSINESS

The Chairman advised that CAR had received correspondence from Mr. Nick Fytrilakis, from the Massachusetts Association of Insurance Agents (MAIA), requesting the opportunity to introduce to the Committee an issue regarding the eligibility for cession of risks engaged in peer-to-peer vehicle sharing programs.

The Committee unanimously voted to allow the presentation of the issue for discussion.

Mr. Fytrilakis addressed the Committee stating he has received numerous concerns from members of MAIA who are unable to secure coverage for clients that are utilizing peer-to-peer vehicle sharing programs. He cited TURO as a web-based vehicle sharing application with which individuals can enable the use of their personally owned vehicles by others for a fee. He noted that the standard market will not write this type of business and that the Massachusetts private passenger automobile policy will not cover it because of its commercial use. Mr. Fytrilakis acknowledged that CAR has a commercial automobile exclusion which prohibits vehicle sharing, and asked the Committee to consider alternatives where coverage might be afforded for this type of risk, including the possibility of classifying the risk similar to a car rental agency eligible for placement in CAR.

Discussion ensued with both CAR staff and members stating that they, too, have fielded calls regarding these web-based programs, and agreed to add this topic to the agenda for further discussion at a future meeting.

TIMOTHY GALLIGAN
Director of Actuarial and Statistical Services

Boston, Massachusetts
April 5, 2023

ATTACHMENT LISTING

Docket #CAC23.02, Exhibit #1

Attendance Listing – March 15, 2023 continued to March 29,
2023

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Company / Agency

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Mark Winiker	A-Affordable Insurance Agency, Inc.
David Zawilinski	Arbella Insurance Group
Benjamin Hincks	TSH & D – CAR Counsel
Steven Torres	TSH & D – CAR Counsel
Mary Ellen Thompson	Division of Insurance
Peter Barton	Safety Insurance Company
Nicholas Fyntrilakis	MAIA
John Magadieu	Arbella Insurance Company
Monique Miller	AIB
Linda Zarella	Arbella Insurance Company
Mark Alves	CAR Staff
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Richard Dalton	CAR Staff
Timothy Galligan	CAR Staff
Steve Gautieri	CAR Staff

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Matthew Hirsh	CAR Staff
Natalie Hubley	CAR Staff
Cheryl Kopas	CAR Staff
Katy Proctor	CAR Staff
Tiffany Manning	CAR Staff
John Metcalfe	CAR Staff
James Robery	CAR Staff
Lynne Rosenberg	CAR Staff
Evan Ross	CAR Staff
Alison Ruggiero	CAR Staff
Robin Tigges	CAR Staff

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