



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

[www.commauto.com](http://www.commauto.com)

617-338-4000

## NOTICE OF MEETING

### GOVERNING COMMITTEE

A meeting of the Governing Committee will be held virtually via Zoom video conferencing software, on

**WEDNESDAY, NOVEMBER 17, 2021, AT 11:00 A.M.**

If you plan to attend this meeting and are not a member of this Committee, please RSVP by completing the Visitor Security Form located in the Contact Us/Visitor Information section of CAR's website. CAR will then forward to you, via email, meeting access information. Please do not share access information provided by CAR, but refer others wishing to attend the meeting to CAR's Visitor Security Form.

### MEMBERS OF THE COMMITTEE

Ms. Elizabeth B. Brodeur – Chair  
Safety Insurance Company

Ms. Pamela L. Bodenstab-Krynicki  
Mr. Thomas C. DePaulo  
Ms. Gail Eagan  
Mr. Thomas A. Harris  
Mr. Christopher Jarrard  
Ms. Ida Denard Jones  
Mr. M. John Olivieri, Jr.  
Mr. Daniel P. Olohan  
Ms. Kellie A. Thibodeau  
Ms. Meredith M. Woodcock

P.L. Krynicki Insurance Agency, Inc.  
Cabot Risk Strategies, LLC  
Arbella Insurance Group  
Quincy Mutual Group  
GEICO  
Denard Insurance Agency, Inc.  
J.K. Olivieri Insurance Agency, Inc.  
MAPFRE U.S.A. Corporation  
The Hanover Insurance Company  
Liberty Mutual Insurance Companies

### AGENDA

**GC**

#### **21.01 Transcript of Previous Meeting**

The Transcript of the Governing Committee meeting of September 8, 2021 should be read and approved.

**GC**

**21.03 CAR Conflict of Interest Policy**

The Chair will read a statement relative to CAR's Conflict of Interest Policy.

**GC**

**21.04 President's Report**

Commonwealth Automobile Reinsurers' President will report on matters affecting CAR.

**GC**

**21.05 Counsel's Report**

Commonwealth Automobile Reinsurers' counsel will report on pending litigation, CAR Rule changes and any other matters relevant to legal issues at CAR.

**GC**

**21.06 Commercial Program Oversight Committee**

The Governing Committee will hear the report of the Commercial Program Oversight Committee meeting of October 26, 2021.

The Records of the Commercial Program Oversight Committee meeting of October 26, 2021 are attached. (Docket #GC21.06, Exhibit #5)

The Records of the Commercial Program Oversight Committee meeting of October 26, 2021 have been distributed and are on file.

**GC**

**21.09 Personnel Committee**

The Governing Committee will hear the report of the Personnel Committee meeting of November 2, 2021.

The Records of the Personnel Committee meeting of November 2, 2021 are attached. (Docket #GC21.09, Exhibit #3)

The Records of the Personnel Committee meeting of November 2, 2021 have distributed and are on file.

**GC**

**21.10 Commercial Automobile Committee**

The Governing Committee will hear the report of the Commercial Automobile Committee meeting of November 5, 2021.

The Records of the Commercial Automobile Committee meeting of November 5, 2021 will be distributed as additional information prior to the meeting.

**GC**

**21.12 Compliance and Operations Committee**

The Governing Committee will hear the report of the Compliance and Operations Committee meeting of November 4, 2021.

The Records of the Compliance and Operations Committee meeting of November 4, 2021 will be distributed as additional information prior to the meeting.

**Other Business**

To transact any other business that may properly come before this Committee.

**Executive Session**

The Governing Committee may convene in Executive Session in accordance with the provisions of G.L. c. 30A, § 21.

NATALIE A. HUBLEY  
President

Attachments

Boston, Massachusetts  
November 4, 2021



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## RECORDS OF MEETING

### COMMERCIAL PROGRAM OVERSIGHT COMMITTEE – OCTOBER 26, 2021

#### Members Present

Mr. John Olivieri, Jr. – Chair  
Mr. Charles Boynton, III  
Mr. Brian Hayes  
Mr. Bryan Hurwitz  
Ms. Sharon Murphy

J.K. Olivieri Insurance Agency, Inc.  
Boynton Insurance Agency, Inc.  
Quincy Mutual Group  
The Norfolk & Dedham Group  
Acadia Insurance Company

Substituted for:  
N/A

Not in Attendance:  
N/A

#### 21.01 Records of Previous Meeting

On a roll call vote, the Committee voted to approve the Records of the Commercial Program Oversight Committee meeting of July 26, 2021. The Records have been distributed and are on file.

#### 20.07 Commercial Auto Residual Market – COVID-19 Emergency Period Guidance

Mr. John Metcalfe summarized the Committee's previous discussions regarding the issue of earned but uncollected premium related to the handling of and accommodations afforded to policies pursuant to the Division of Insurance Bulletin 2020-05, entitled "Flexibility in the Issuance and Administration of Insurance during COVID-19 (Coronavirus) Public Health Crisis." The Committee met in 2020 to deliberate on the issue, and recognized that when it becomes clear that premium will not be collected, a Servicing Carrier will be responsible for presenting its request for reimbursement to the Committee, pursuant to the review process contemplated in Rule 11.C.2. and in accordance with procedures identified in the Manual of Administrative Procedures. He indicated that the Committee had determined that a reimbursement evaluation would need to take into consideration the level of detail to which the requesting carrier is able to identify its COVID-19 related earned but uncollected premium versus earned and uncollected premium that might otherwise be incurred in the course of normal business operations. The Committee further noted that in order to review future requests for reimbursement, consistent criteria to define applicable extraordinary expenses would need to be established.

Ms. Natalie Hubley provided an update on the Servicing Carriers' communications to CAR, relative to their experience to date. She noted that some Servicing Carriers had indicated that the COVID-19-related uncollected premium appears not to be significantly in excess of expenses incurred under normal conditions. However, all expressed interest in the result of the Committee's discussion of the criteria to define applicable extraordinary expenses as they consider whether to pursue reimbursement. Finally, Ms.

Hubley noted that staff has been advised of one situation in which an individual risk is significantly in default.

The Committee discussed that evaluating the impact of COVID-19-related defaults on a risk-by-risk basis would be difficult if not impossible. The members also noted that Rule 11.C.2 requires that an extraordinary expense be significantly in excess of normal expenses. Therefore, the members agreed that a measure of an aggregate baseline of historical experience, in terms of both premium volume and number of accounts, is needed to consider requests for reimbursement in the context of normal business operations. The members also agreed that unique cases may then be considered within that context.

Servicing Carriers noted that historical experience would likely vary by carrier depending upon each carrier's ceded book of business. In addition, the manner in which Servicing Carriers responded to the Division's request for flexibility also varied by carrier. Accordingly, the Committee agreed that the combined experience of the four Servicing Carriers may not give relevant context to an individual Servicing Carrier request. Therefore, the Committee concluded that a Servicing Carrier requesting reimbursement would need to provide its aggregate 3-year historical experience under normal business operations and its aggregate experience during the pandemic when presenting its case for reimbursement.

After further discussion, the Committee noted that the Manual of Administrative Procedures requires that a Servicing Carrier provide CAR with timely notification that it is seeking reimbursement. Therefore, the Committee directed staff to solicit input from the Servicing Carriers to determine whether additional guidance is requested relative to applicable extraordinary expenses pursuant to CAR Bulletin 1101. Absent the need for an additional guidance, the Committee anticipates timely requests for reimbursement.

RICHARD DALTON  
Residual Market Liaison

Boston, Massachusetts  
November 2, 2021



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## RECORDS OF MEETING

### PERSONNEL COMMITTEE – NOVEMBER 2, 2021

#### Members Present

Ms. Elizabeth Brodeur – Chair	Safety Insurance Company
Mr. Thomas DePaulo	Cabot Risk Strategies, LLC
Ms. Gail Eagan	Arbella Insurance Group
Mr. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Ms. Kellie Thibodeau	The Hanover Insurance Company

Substituted for:  
N/A

Not in Attendance:  
Mr. Daniel Olohan, MAPFRE U.S.A. Corporation

#### 21.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Personnel Committee meeting of March 24, 2021. The Records have been distributed and are on file.

#### 21.09 Development of Presidential Performance Objectives

At its March 24, 2021 meeting, the Committee discussed the establishment of business objectives for CAR's President and a process to coordinate the development of those objectives in conjunction with approved corporate objectives. The Committee also agreed that non-business plan goals should be considered in the development of Presidential performance objectives.

Ms. Natalie Hubley provided a review of progress relative to CAR's 2021 corporate objectives and identified activities still in progress which have carried over to CAR's FY2022 Business Plan. She also briefly reviewed the FY2022 business objectives approved by the Budget and Governing Committees in September. Ms. Hubley indicated that the majority of the corporate objectives remain focused on the commercial automobile residual market and noted that, while progress has been made, there is still significant work ahead to foster continued reduction of the commercial residual market size and improvement of its financial results. Finally, Ms. Hubley advised the Committee of planned non-business plan activities including succession planning and future space planning and lease negotiations, and cyber security preparedness.

After discussion, the Committee also suggested inclusion and diversity training as a worthwhile on-going business objective.

TIMOTHY COSTAIN  
Chief of Staff

Boston, Massachusetts  
November 4, 2021