



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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

**TRANSCRIPT OF
SPECIAL GOVERNING COMMITTEE MEETING**

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

THURSDAY, AUGUST 5, 2021, AT 10:30 A.M.

Committee Members present –

Ms. Elizabeth B. Brodeur – Chair
Safety Insurance Company

Ms. Pamela L. Bodenstab-Krynicki	P L Krynicki Insurance Agency
Mr. Thomas C. DePaulo	Cabot Risk Strategies, LLC
Ms. Gail Eagan	Arbella Insurance Group
Mr. Christopher Jarrard	GEICO
Ms. Ida Denard Jones	Denard Insurance Agency, Inc.
Mr. Todd Lehmann ⁽¹⁾	Quincy Mutual Group
Mr. M. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Mr. Daniel P. Olohan	MAPFRE U.S.A. Corporation
Ms. Kellie A. Thibodeau	The Hanover Insurance Company
Ms. Meredith M. Woodcock	Liberty Mutual Insurance Companies

Substituted for:

⁽¹⁾Mr. Thomas A. Harris

Not in Attendance:

N/A

PROCEEDINGS

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

Ms. Brodeur: I'm calling to order the Special Meeting of the CAR Governing Committee being held today, August 5, 2021, at 10:30 a.m. The first thing I'd like to note for the record is that Todd Lehmann will be substituting for Tom Harris for today's meeting. Is anyone else hearing an echo?

Ms. Thibodeau: I hear an echo.

Ms. Brodeur: Sorry about that.

The first thing I want to start with are the remote meeting protocols which I know we've all heard many times, but to hit the highlights, this meeting is being hosted and attended remotely via video conferencing software and, as we all just heard, is being recorded. Non-committee members are asked to keep their video off unless they have been asked to speak. This will help myself and the rest of the Committee to follow along with the discussions. Throughout the course of the meeting, if you do wish to speak, please raise your hand. Then we will hopefully realize that is there – and I'm sure Robin will notice because she always does – and call on you and ask for you to speak. Please mute yourself if you're not speaking to try to cut down on the background noise and echoing and such. Obviously, if you do want to speak, you need to unmute yourself to do that. All votes of the Committee will be by roll call vote and the results of each vote will be read back by CAR staff.

GC

21.01 Transcript of Previous Meeting

Ms. Brodeur: The next item on the agenda, I believe, is the – I need a motion to approve the minutes of the prior meeting of June 14, 2021.

Mr. DePaulo: So moved.

Mr. Jarrard: Second.

Ms. Brodeur: Robin, would you be so kind as to call the roll?

Ms. Tigges: Absolutely. Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Ms. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Todd Lehmann?

Mr. Lehmann: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Tigges: Ida Jones?

Ms. Denard Jones: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Dan Olohan?

Mr. Olohan: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: The vote is unanimous.

Ms. Brodeur: Thank you, Robin.

**GC
21.04 President's Report**

Ms. Brodeur: With that, I'm going to ask Natalie to please proceed with the President's Report.

Ms. Hubley: Thank you. Given that this is a special meeting of the Governing Committee, I'm going to save my regular status report for your next meeting. The only thing that I really want to point out today is that, as all of you know, I did forward an email to all of the CAR Governing Committee members to advise them that beginning with our September meeting, the CAR Governing Committee meetings will be held in-person. We did indicate that the advisory committee meetings will be held either remotely or in-person at the discretion of the respective advisory committee Chair.

We do want to let you know that we understand that the landscape is changing almost daily with respect to this virus. At this time, we still intend to continue with that plan to have our Governing Committee meetings held in-person. We are monitoring the guidance and advice of the state and city authorities relative to masking recommendations and indoor gatherings. If anything should change, we will certainly let you know as soon as possible. If anybody has any concerns that they would like to share, please reach out to me directly so that we can address those as timely as we possibly can. That's all I really have to say.

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

GC
21.06 Commercial Program Oversight Committee

Ms. Brodeur: Moving right along to the Commercial Program Oversight Committee report, before I get to that, I wanted to note, John Olivieri, as Chair of that Committee, is going to be providing that report. But given that Safety is a bidder on the Servicing Carrier Program, I am going to be handing the gavel over to him to not only provide the Committee report but also to chair the discussion and voting on the items that are related to that Committee. So, John, if you could be so kind as to take that on, I would really appreciate it.

Mr. Olivieri: Not a problem, Liz. Anything for you. What I'll do is I'll address the committee report first and then we'll work our way through any action that needs to be taken.

The Commercial Program Oversight Committee has had a number of meetings over the past few months. Obviously, everyone on the Governing Committee is familiar with us pushing this forward a little bit to make sure we address any and all issues before that Committee in regard to the RFP for the Commercial Auto Program.

At the last meeting we had, July 26th, last week, we reviewed all four proposals. The carriers that submitted proposals are the existing four carriers. After a lengthy discussion, more so on the expense allowance – and, again, not to get into the weeds, everyone does have copies, they were provided with the packet to the Governing Committee members and they are on record of the content of that meeting – after a couple of iterations of what to use for an expense allowance, the Committee voted unanimously to reappoint the four Servicing Carriers that are currently handling that Program, which are, in no particular order, MAPFRE, Safety, Plymouth Rock, and Arbella, at the expense allowance of 13% for the policy year 2022 with an increase annually of 2% for the subsequent years of the term.

Again, rather than get into too much detail, does anyone have any questions in regard to this one agenda item that the Oversight Committee

was working on for the past few months? I don't see anyone, Robin, do you?

Ms. Tigges: Yes, Kellie Thibodeau.

Mr. Olivieri: Oh, wait a minute, sorry. Kellie, go ahead.

Ms. Thibodeau: That's fine. I just had a quick point of clarification, so I understand. The 2% annual increase that's referenced in the document, is that literally, like, 13 times 1.02? So, your 2 would be 13.26? Is that how I should think about that 2% escalation?

Mr. Olivieri: Yes, that's exactly how you should be thinking about it.

Ms. Thibodeau: OK. I just wanted to make sure I understood. Thank you.

Mr. Olivieri: It's not 2% on top of the 13.

Ms. Thibodeau: I figured it wasn't, but just for the record.

Mr. Olivieri: That would be problematic, I think, on a lot of levels. You're absolutely interpreting it correctly, Kellie.

Ms. Thibodeau: Thank you.

Mr. Olivieri: Any other questions?

Ms. Tigges: I see no hands, John.

Mr. Olivieri: I do not either. I'm going to stop the report and talk about the motion that's going to come before the Governing Committee which, again, the Oversight Committee voted unanimously for in regard to awarding the proposal to the four existing carriers and the expense allowance of 13% with a 2% annual increase in subsequent years. Do I have a motion to that?

Mr. Jarrard: So moved.

Mr. Olivieri: Chris Jarrard made the motion. Do we have a second?

Mr. DePaulo: I'll second.

Mr. Olivieri: Thom DePaulo seconded. Any further discussion? OK, roll call vote.

Mr. Torres: Before we get to the roll call vote, could we just pause a moment to give any other committee members an opportunity to recuse themselves if they so choose?

Mr. Olivieri: That's a very good point. Who is else is going to recuse themselves? We know Liz has.

Mr. Olohan: This is Dan Olohan and I need to recuse myself. I'm General Counsel of MAPFRE, so I cannot participate.

Ms. Eagan: Gail Eagan is also recusing herself.

Mr. Olivieri: OK. Dan has recused himself, Gail has recused herself, and Liz has recused herself. OK. Now we can move forward with the roll call vote. Liz has recused herself. Pam?

Ms. Bodenstab-Krynicky: Aye.

Mr. Olivieri: Thom?

Mr. DePaulo: Aye.

Mr. Olivieri: Gail has recused herself. Todd?

Mr. Lehmann: Aye.

Mr. Olivieri: Chris?

Mr. Jarrard: Aye.

Mr. Olivieri: Ida?

Ms. Denard Jones: Aye.

Mr. Olivieri: Dan has recused himself. Kellie?

Ms. Thibodeau: Aye.

Mr. Olivieri: Meredith?

Ms. Woodcock: Aye.

Mr. Olivieri: Motion carries unanimously. Thank you very much.

The second part of my report has to do with the transitioning aspect of the reappointments, I guess we'll call them, of the four Servicing Carriers. I'm going to ask, I believe, John to kind of walk the Committee through what the guidelines are that we agreed on then I'll provide the follow-up.

Mr. Metcalfe: Thank you. Program transition procedures to facilitate the role of business from the current term were approved by the Governing Committee. We basically took those and presented them to the Commercial Program Oversight Committee. They approved those unanimously with amendments that were specific to the Taxi/Limo/Car Service Program. The transition procedures that are being recommended include: 1.) agency reassignments procedures that would assign agencies for taxi, limo, and/or car service to the carrier that it currently has a Servicing Carrier appointment, 2.) agencies with identified affiliations

will also be placed with the same carrier to avoid adverse selection pursuant to Rule 14, and 3.) to maintain an equitable distribution of premium volume and loss ratio among 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.

As far as handling policy transition procedures, it is recommended that 1.) non-renewal notices 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 the new Servicing Carrier, and 2.) to assist producers in identifying well in advance business transferring to a new Servicing Carrier, staff will distribute a listing of expirations to producers.

For non-fleet business (excluding non-fleet taxi, limo, and car service), expiring policies' declaration pages may be submitted in place of a new business application, and if the declaration page is submitted to the new Servicing Carrier at least 60 days prior to the policy effective date, the deposit premium will be waived. For all fleet business and for non-fleet taxi, limo, and car service business, normal company application submission procedures will be followed pursuant to the Manual of Administrative Procedures.

Again, those transition procedures were unanimously adopted for recommendation to the Governing Committee for use in this particular transition.

Mr. Olivieri: Thanks, John. Just to reiterate, like John said, we did take a vote as a committee, and it was unanimous to adopt these transitions procedures. Does anyone have any questions in regard to this portion of our report?

Mr. DePaulo: John, I just have one question.

Mr. Olivieri: Go ahead.

Mr. DePaulo: I've been involved with this before, and the redistribution is not an easy task to get through. I'm just curious, under the agency reassignment procedures, once you folks from CAR get through the first group of the criteria, so you're left with making sure that there's equal distribution, do you foresee a big shuffling after the first two points have been addressed?

Mr. Metcalfe: No. I think, in terms of the overall Program, no. I think the volume will be on the taxi, limo, car service classes. As far as the rest, I believe we're looking at non-taxi reassignments in the order of 20 or so, in that neighborhood, probably having to move.

Mr. DePaulo: Thank you.

Mr. Olivieri: It should be minimal. Obviously, it helps that we have the same four Servicing Carriers that participated – or are participating currently. Any additional questions?

Ms. Tigges: I do not see any hands, John.

Mr. Olivieri: OK. Is anyone willing to make the motion that we adopt the transition procedures as outlined and voted on by the Commercial Program Oversight Committee?

Ms. Thibodeau: This is Kellie, I'm happy to move.

Mr. Olivieri: Kellie made the motion. Do we have a second?

Mr. Jarrard: This is Chris, I'll second it.

Mr. Olivieri: OK, Chris. Do we have any further discussion? Before I take the roll call, does anybody else want to – do the same three participants want to recuse themselves may be the easier way to do it. If you do, just indicate by nodding or waving your hand at me.

Ms. Brodeur: I cannot raise my hand apparently because I don't have that option.

Mr. Olivieri: I've got Liz. I've got Gail nodding. Dan, I can't see you, so you'll have to tell me.

Mr. Olohan: My video is not working. I'll recuse as well.

Mr. Olivieri: OK. We don't have any further discussion. I will do the roll call vote. Liz is recusing herself. Pam?

Ms. Bodenstab-Krynicky: Aye.

Mr. Olivieri: Thom?

Mr. DePaulo: Aye.

Mr. Olivieri: Gail is recusing herself. Todd?

Mr. Lehmann: Aye.

Mr. Olivieri: Chris?

Mr. Jarrard: Aye.

Mr. Olivieri: Ida?

Ms. Denard Jones: Aye.

Mr. Olivieri: Dan is recusing himself. Kellie?

Ms. Thibodeau: Aye.

Mr. Olivieri: Meredith?

Ms. Woodcock: Aye.

Mr. Olivieri: Motion passes unanimously. Before I turn the gavel back over to our Chair, I would like to thank staff, and everyone on the Program Oversight Committee. Obviously, this took a little longer than expected. We had a few issues to work through, but I think we ended up at a good spot. Also, thank you to everyone on the Governing Committee for dealing with the delays and being able to attend and make this Special Governing Committee meeting in the middle of August, although meeting remotely I'm sure helps – helped us facilitate that. So, Liz, I'll turn it back over to you.

Ms. Brodeur: Thank you, John. Thank you for taking care of that for me, for being an excellent Vice Chair that I can rely on. I guess the only other item that is left is Other Business. Does anyone have any other business they'd like to raise at today's meeting? OK. Seeing none, I will entertain a motion to adjourn this meeting.

Ms. Woodcock: So moved.

Mr. Olivieri: Second.

Ms. Brodeur: Thank you. Robin, are you willing to call the roll? I don't call the roll myself as well as John.

Ms. Tigges: Absolutely. Pam Krynicki?

Ms. Bodenstab-Krynicki: Aye.

Mr. Tigges: Thom DePaulo?

Mr. DePaulo: Aye.

Ms. Tigges: Gail Eagan?

Ms. Eagan: Aye.

Ms. Tigges: Todd Lehmann?

Mr. Lehmann: Aye.

Ms. Tigges: Chris Jarrard?

Mr. Jarrard: Aye.

Ms. Tigges: Ida Jones?

Ms. Denard Jones: Aye.

Ms. Tigges: John Olivieri?

Mr. Olivieri: Aye.

Ms. Tigges: Dan Olohan?

Mr. Olohan: Aye.

Ms. Tigges: Kellie Thibodeau?

Ms. Thibodeau: Aye.

Ms. Tigges: Meredith Woodcock?

Ms. Woodcock: Aye.

Ms. Tigges: Thank you.

Ms. Brodeur: Thank you, Robin. Thank you, everyone for – to echo what John said – making yourself available for today’s meeting. I hope everyone has a great rest of the summer.

(Meeting ended at 10:50 a.m.)

NATALIE A. HUBLEY
President

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

Attachment

Boston, Massachusetts
August 11, 2021

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 #GC21.02, Exhibit #4

Attendance Listing

**GOVERNING COMMITTEE MEETING
 MEETING ATTENDEES
 AUGUST 5, 2021**

Individual's Name

Company / Agency

PLEASE PRINT

Elizabeth Brodeur	Safety Insurance Company
Pamela Bodenstab-Krynicky	P.L. Krynicky Insurance Agency, Inc.
Thomas DePaulo	Cabot Risk Strategies, LLC
Gail Eagan	Arbella Insurance Group
Christopher Jarrard	GEICO
Ida Denard Jones	Denard Insurance Agency, Inc.
Todd Lehmann	Quincy Mutual Group
M. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Daniel Olohan	MAPFRE U.S.A. Corporation
Kellie Thibodeau	The Hanover Insurance Company
Meredith Woodcock	Liberty Mutual Insurance Companies
Roberta Fitzpatrick	Arbella Insurance Group
Mary Ellen Thompson	Division of Insurance
Steven Rosenstein	Norfolk & Dedham Group
Barry Tagen	Pilgrim Insurance Company
Kenneth Willis	Plymouth Rock Assurance Corporation
Paula Gold	Plymouth Rock Assurance Corporation
Mary McConnell	Safety Insurance Company
Benjamin Hinks	TSH & D – CAR Counsel
Steven Torres	TSH & D – CAR Counsel
Mark Alves	CAR Staff
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Timothy Costain	CAR Staff
Timothy Galligan	CAR Staff
Steven Gautieri	CAR Staff

**GOVERNING COMMITTEE MEETING
MEETING ATTENDEES
AUGUST 5, 2021**

Individual's Name

Company / Agency

PLEASE PRINT

Natalie Hubley	CAR Staff
Cheryl Kopas	CAR Staff
Peter McCabe	CAR Staff
John Metcalfe	CAR Staff
Regina Nagle	CAR Staff
Lynne Rosenburg	CAR Staff
Robin Tigges	CAR Staff