



# COMMONWEALTH AUTOMOBILE REINSURERS

225 Franklin Street Boston, Massachusetts 02110

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

617-338-4000

RALPH A. IANNACO  
PRESIDENT

## RECORDS OF MEETING

### MAIP STEERING COMMITTEE – FEBRUARY 16, 2010

#### Members Present

|                                       |  |
|---------------------------------------|--|
| Mr. William J. Cahill, Jr. – Chairman | The Hanover Insurance Company            |
| Mr. Joseph F. Cofield                 | Metropolitan Property & Casualty Company |
| Ms. Karen A. Cora                     | Deland Gibson Insurance Associates, Inc. |
| Mr. Robert J. Cordner                 | OneBeacon Insurance                      |
| Mr. William F. Hofmann, III           | Provider Insurance Group, Inc.           |
| Mr. Richard P. Jones                  | Leslie S. Ray Insurance Agency, Inc.     |
| Mr. John V. Kelly                     | The Commerce Insurance Company           |
| Mr. Douglas R. Long*                  | Liberty Mutual Group                     |
| Mr. Edward N. Patrick, Jr.            | Safety Insurance Company                 |
| Ms. Susan K. Scott                    | The Premier Insurance Company of Mass.   |
| Mr. Joseph A. Vargas                  | Vargas & Vargas Insurance                |

Substituted for:

Mr. Paolo V. Abelli\*

Not in Attendance:

N/A

#### 10.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the MAIP Steering Committee meeting of January 14, 2010. The Records have been distributed and are on file with CAR's Secretary.

#### 10.05 Rule 21.C. Transition Procedures

The Committee reviewed modifications to Rule 21.C. Transition Procedures, drafted by staff in response to suggestions provided in correspondence received from Commissioner Murphy dated January 14, 2010. As drafted, the modifications provide that a 20% down payment based on 80% of the MAIP rate is calculated by the MAIP Policy Application for new business submitted for coverage through March 31, 2011 by a former ERP that does not have a voluntary contract as of April 1, 2010. Additionally, the transition provision relating to the ARP maintaining the original signed new business application is included in the proposed modifications.

A modification to the draft was suggested to clarify that these procedures apply to new business applications for coverage effective April 1, 2010 through March 31, 2011. Further, the Committee expressed concern that the down payment based on 80% of the MAIP rate may result in an insufficient deposit and suggested that the down payment be calculated at 20% of the full MAIP premium.

The Committee voted unanimously to recommend adoption of the attached modifications to Rule 21 of the CAR Rules of Operation as amended.

#### **10.06 Clean-In-Three Provisions**

It was the consensus of the Committee to defer discussion on Clean-In-Three until the Actuarial Committee develops a credit mechanism for this business as required by Rule 21.F.

#### **10.07 Electronic Funds Transfer (EFT)**

The Committee discussed various options and methods for the electronic transfer of funds, and identified some of the problems associated with establishing EFT as a payment method for assigned risk business. It was the consensus of the Committee to continue to explore alternatives and to request that Mr. John Kelly and Ms. Susan Scott work with staff to prepare additional information on electronic banking for consideration by the Committee at its next meeting.

#### **Other Business**

At the request of Mr. Sumner Gilman, the Committee agreed to address various issues relating to the mid-term cancellation of MAIP assigned policies at its next meeting.

At the request of Mr. Frank Mancini representing MAIA, the Committee agreed to add the ownership of expirations to the Agenda for the next meeting in light of the recent court decision on Arbella Mutual Insurance Company & Massachusetts Association of Insurance Agents vs. Commissioner of Insurance (SJC-10511).

PAMELA WALLACE  
Vice President – Residual Market Services

Boston, Massachusetts  
February 24, 2010

**ATTACHMENT LISTING**

Docket MSC10.02, Exhibit #2

Attendance Listing

Docket MSC10.04, Exhibit #2

Correspondence - Assigned Risk Producers of MA, Inc.

MAIP STEERING COMMITTEE MEETING  
 SIGN-IN SHEET  
 February 16, 2010

Individual's Name

Company / Agency

PLEASE PRINT

| Individual's Name        | Company / Agency    |
|--------------------------|---------------------|
| James M. Sullivan        | A.R. P of MA        |
| James M. Sullivan        | SULLIVAN INS        |
| Jason Calianos           | Calianos Ins        |
| Jmda Lullisto            | Pacific Ins Agency  |
| <del>Frank Mancini</del> | <del>MAIA</del>     |
| FRANK MANCINI            | MAIA                |
| Valerio Bedzina          | CAR                 |
| Jane Garrison            | CAR                 |
| Lynne Prosenburg         | CAR                 |
| Richard Nelson           | CAR                 |
| May Lee Thompson         | DOT                 |
| Andrew Campbell          | Quincy Mutual       |
| Ken Willis               | Plymouth Rock       |
| Pamela Bryan             | Safety              |
| Renee Cotterman          | Safety              |
| Janelle Harewood         | Q:Q                 |
| Sean Thompson            | Hanover             |
| Marwan Adgate            | CAR                 |
| Fatie Talley             | GEICO               |
| MARIE-ANNE THEODAT       | R THEODAT INS. AGCY |
|                          |                     |
|                          |                     |
|                          |                     |



# Assigned Risk Producers of Massachusetts, Inc.

1691 Main Street  
Springfield, MA 01103  
(413) 733-7047



February 10, 2010

Mr. William Cahill, Esquire  
Hanover Insurance Group, Inc.  
440 Lincoln Street  
Worcester, MA 01653

Dear Bill,

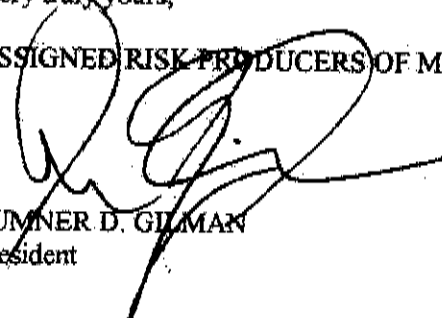
Two issues have come to my attention that I hope you will agree are appropriate agenda items for the MAIP Steering Committee.

- As of April 2010, carriers are sending non-renewal notices directly to policyholders; providing the assigned risk producer with a list.
- Many MAIP carriers are "finding reasons" to cancel a MAIP risk. This is done because when the risk is rewritten, C.A.R. does not reassign the risk to the original carrier.

As always, I sincerely appreciate your assistance.

Very truly yours,

ASSIGNED RISK PRODUCERS OF MASSACHUSETTS, INC.

  
SUMNER D. GILMAN  
President

cc: Commissioner Joseph Murphy  
R. Iannaco, President C.A.R.

Via: E-mail