



NATALIE A. HUBLEY
PRESIDENT

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RECORDS OF MEETING

AD HOC PRODUCER REASSIGNMENT COMMITTEE – AUGUST 20, 2025

Members Present

Mr. John Olivieri, Jr. – Chair	World Insurance Associates, LLC
Mr. Thomas DePaulo	Cabot Risk Strategies, LLC
Mr. William Hughes ⁽¹⁾	Arbella Insurance Group
Mr. Andrew Lajzer	Safety Insurance Company
Ms. Nicole Martorana	FBInsure
Ms. Sharon Murphy	Acadia Insurance Company
Ms. Allison Ratliff	MAPFRE U.S.A. Corporation
Mr. Barry Tagen	Pilgrim Insurance Company

Substituted for:

⁽¹⁾Mr. David Zawilinski

Not in Attendance:

N/A

25.04 Procedures to Mitigate Disruptive Impacts of ERP Reassignments

Mr. John Olivieri opened discussion noting that the formation of this Ad Hoc Committee is to proactively develop an alternative solution to how the redistribution process is managed in order to mitigate the disruptive impacts to ERPs. He noted that ongoing merger and acquisition activity makes it difficult to maintain a balance amount for each of the four Servicing Carriers. Committee members acknowledged that two potential options could alleviate the balancing challenge: an adjustment to the tolerance level or an alternative expense allowance allocation method. It was noted that the growing number of large agencies and aggregators can create an imbalance on an ongoing basis as well as with upcoming redistributions.

Committee members discussed the possibility of adjusting the tolerance for variance from 3% to 5% recognizing that it could decrease the frequency of redistributions but that it would have a significant impact on company revenue. Mr. Tagen indicated that all companies have fixed costs, so a higher tolerance level would be problematic in light of addressing those costs. The Committee discussed how the 3% threshold was developed originally and agreed that while it could mitigate the need for redistributions, the associated drawbacks might outweigh the benefits.

The Committee then contemplated whether an alternative expense allowance using a fixed percentage would be a solution as this would encourage Servicing Carriers to depopulate the residual market. Ms. Ratliff noted that depopulating the pool could be difficult depending on the carrier's book of

business by class type. She further explained that more expenses are tied to variable costs rather than fixed costs.

Mr. Barry Tagen proposed looking back at past discussion that modeled various iterations of a hybrid approach that combines a fixed allowance and percentage of premium allowance.

Ms. Natalie Hubley expanded on that suggestion and provided a description of previous analysis done on the hybrid model. She noted that the hybrid model would require the feedback of the Servicing Carriers quantifying their fixed costs associated with administering the program versus their variable costs. Ms. Sharon Murphy suggested that when looking at the prior models, it would be helpful to identify the impacts that would have resulted when prior imbalances triggered a redistribution. Ms. Nicole Martorana inquired whether review of methods used in other states to address merger and acquisition activity would be beneficial. Ms. Hubley noted that most states use an assigned risk model rather than an assigned agency system, but that staff would solicit information.

Accordingly, it was the consensus of the Committee to revisit the hybrid expense allowance concept by having staff develop data models and additional information on the application of the hybrid method. It was also suggested that CAR investigate the process that other states may employ. After reviewing that information, the Committee could then discuss potential changes to the redistribution process.

ADRIANNE DONOVAN
Residual Market Liaison

Boston, Massachusetts
September 11, 2025

ATTACHMENT LISTING

Docket #PRC25.02, Exhibit #1

Attendance Listing

**AD HOC PRODUCER REASSIGNMENT COMMITTEE MEETING
MEETING ATTENDEES
AUGUST 20, 2025**

Individual's Name

Company / Agency

PLEASE PRINT

John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Thomas DePaulo	Cabot Risk Strategies, LLC
Andrew Lajzer	Safety Insurance Company
Nicole Martorana	FBInsure
Sharon Murphy	Acadia Insurance Company
Allison Ratliff	MAPFRE U.S.A. Corporation
Barry Tagen	Pilgrim Insurance Company
William Hughes	Arbella Insurance Group
Mark Winiker	A- Affordable Insurance Agency
Steven Torres	TSH & D – CAR Counsel
Margaret Barao	Division of Insurance
Nicholas Fyntrilakis	MAIA
Kylee Morfitt	MAPFRE U.S.A. Corporation
Linda Zarella	Arbella Insurance Group
Wendy Browne	CAR Staff
Richard Dalton	CAR Staff
Adrienne Donovan	CAR Staff
Natalie Hubley	CAR Staff
Cheryl Kopas	CAR Staff
Katy Proctor	CAR Staff
Lynne Rosenberg	CAR Staff
Robin Tigges	CAR Staff