



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

www.commauto.com

617-338-4000

RECORDS OF MEETING

AD HOC PRODUCER REASSIGNMENT COMMITTEE – FEBRUARY 12, 2026

Members Present

| | |
|----------------------------------|---------------------------------|
| Mr. John Olivieri, Jr. – Chair | World Insurance Associates, LLC |
| Mr. Thomas DePaulo | Cabot Risk Strategies LLC |
| Mr. Andrew Lazjer | Safety Insurance Company |
| Ms. Nicole Martorana | FBInsure |
| Ms. Kylee Morfitt ⁽¹⁾ | MAPFRE U.S.A. Corporation |
| Ms. Sharon Murphy | Acadia Insurance Company |
| Mr. Barry Tagen | Pilgrim Insurance Company |
| Mr. David Zawilinski | Arbella Insurance Company |

Substituted for:

⁽¹⁾ Ms. Alison Ratliff

Not in Attendance:

N/A

25.01 Records of Previous Meeting

The Committee voted eight in favor and one recused to approve the Records of the Ad Hoc Producer Reassignment Committee meeting of August 20, 2025. The Records have been distributed and are on file.

25.04 Procedures to Mitigate Disruptive Impacts of ERP Reassignments

Ms. Lynne Rosenberg presented an exhibit demonstrating how CAR Rules have been applied to address recent agency mergers and acquisitions and illustrating the impact of that activity on the distribution of the ceded books of business. She also outlined two examples where CAR used its discretion in the reassignment process.

Ms. Natalie Hubley reviewed exhibits prepared by staff to illustrate how the allocation of expense allowances would have been impacted if a hybrid approach had been in place at the time of previous commercial ERP redistributions.

Mr. Barry Tagen observed that CAR cession volume data for 2017 through 2025 shows that two Servicing Carriers were undersubscribed eight of the last nine years while the other two Servicing Carriers were at or above 25% of the ceded commercial business. Mr. Tagen attributes the consistent undersubscription to successful depopulation resulting from diligent underwriting of both new and renewal business. He suggested that the 50/50 hybrid methodology option, as presented, with 50% of expense

dollars distributed based on premium volume and 50% as a fixed allowance, results in a more equitable distribution of expense dollars. Mr. Tegen indicated this allocation methodology would likewise enable a 6% threshold to consider rebalancing and would minimize the need for midterm ERP redistributions.

Significant discussion ensued regarding the consistent distribution results of the past 9 years. Committee members commented that the ceded book distribution could result from depopulation efforts to write business in the voluntary market, underwriting efforts to remove business ineligible for the MA commercial residual market, or impacts of agency mergers and acquisitions. Mr. Thomas DePaulo expressed interest in understanding whether the assignment procedures for the merger and acquisition activity are becoming an issue, or if there are other root causes for the imbalances that were described.

Further discussion ensued regarding the expense allocation methodology and whether a move to a 50/50 hybrid model would enable a higher tolerance for variance in the ceded book distribution. Mr. David Zawilinski indicated potential support for the 50/50 hybrid approach but was skeptical that the 6% threshold would maintain equity among the carriers noting the strong correlation of premium to labor costs.

The Committee acknowledged that any change to the expense allocation methodology and/or the Statement of Intent agreed to by the Committee and approved by the Governing Committee would likely be implemented with the appointment term beginning January 2032. Accordingly, Ms. Sharon Murphy suggested that Servicing Carriers be asked to track certain information prospectively to provide staff additional information regarding underwriting and depopulation efforts. In addition, staff was asked to accumulate information regarding the impact of reassignments resulting from agency mergers and acquisitions. Finally, staff was asked to solicit additional feedback from Servicing Carriers regarding the hybrid expense allocation methodology and the potential for an increased tolerance for variance in the premium distribution. Finally, staff was asked to draft survey questions that may provide further insight into the carriers' underwriting and depopulation activities.

ADRIANNE DONOVAN
Residual Market Services Liaison

Boston, Massachusetts
March 19, 2026

ATTACHMENT LISTING

Docket #PRC26.02, Exhibit #1

Attendance Listing

**AD HOC PRODUCER REASSIGNMENT COMMITTEE MEETING
 MEETING ATTENDEES
 FEBRUARY 12, 2026**

Individual's Name

Company / Agency

PLEASE PRINT

| | |
|--------------------|---------------------------------|
| John Olivieri, Jr. | World Insurance Associates, LLC |
| Thomas DePaulo | Cabot Risk Strategies, LLC |
| Andrew Lazjer | Safety Insurance Company |
| Nicole Martorana | FBInsure |
| Sharon Murphy | Acadia Insurance Company |
| Kylee Morfitt | MAPFRE U.S.A. Corporation |
| Barry Tagen | Pilgrim Insurance Company |
| David Zawilinski | Arbella Insurance Group |
| Linda Zarella | Arbella Insurance Group |
| Matthew Devine | Arbella Insurance Group |
| Margaret Barao | Division of Insurance |
| Peter Barton | Safety Insurance Company |
| Steven Torres | TSH & D - CAR Counsel |
| Monique Miller | AIB |
| Michael Brady | Pilgrim Insurance Company |
| Mark Winiker | A-Affordable Insurance Agency |
| Wendy Browne | CAR Staff |
| Shannon Chiu | CAR Staff |
| Richard Dalton | CAR Staff |
| Adrienne Donovan | CAR Staff |
| Timothy Galligan | CAR Staff |
| Steven Gautieri | CAR Staff |
| Richard Heath | CAR Staff |
| Natalie Hubley | CAR Staff |
| Katy Proctor | CAR Staff |

**AD HOC PRODUCER REASSIGNMENT COMMITTEE MEETING
MEETING ATTENDEES
FEBRUARY 12, 2026**

Individual's Name

Company / Agency

PLEASE PRINT

| | |
|-----------------|-----------|
| Lynne Rosenburg | CAR Staff |
| Evan Ross | CAR Staff |
| Robin Tigges | CAR Staff |