COMMONWEALTH AUTOMOBILE REINSURERS
101 Arch Street, Suite 400 Boston, Massachusetts 02110
www.commauto.com 617-338-4000
NATALIE A. HUBLEY
PRESIDENT

NOTICE OF MEETING

COMMERCIAL PROGRAM OVERSIGHT COMMITTEE

A meeting of the Commercial Program Oversight Committee will be held virtually via Zoom video conferencing software on

TUESDAY, MARCH 29, 2022, AT 10:00 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

Mr. John Olivieri, Jr. – Chair
J.K. Olivieri Insurance Agency, Inc.

Mr. Donald Bredberg	Norfolk and Dedham Group
Mr. Brian Hayes	Quincy Mutual Group
Mr. David McCormick	McCormick & Sons Insurance Agency, Inc.
Ms. Sharon Murphy	Acadia Insurance Company

AGENDA

CPOC
21.01 Records of Previous Meeting

The Records of the Commercial Program Oversight Committee meeting of October 26, 2021 should be read and approved.

CPOC
22.03 CAR Conflict of Interest Policy

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

CPOC
22.04 2021 Servicing Carrier Annual Report Review

The Commercial Servicing Carrier Annual Reports are intended to provide Servicing Carriers a framework to report annually to CAR their efforts in managing the commercial automobile residual market. A draft of the 2021 Servicing Carrier Annual Report template is included for the Committee's review and recommendations prior to distribution to the four Servicing Carriers. (Docket #CPOC22.04, Exhibit #1)

CPOC
22.05 Request for Reimbursement of Extraordinary Expenses – Safety Insurance Company

Attached is a Request for Reimbursement of Extraordinary Expenses submitted by Ms. Elizabeth B. Brodeur, General Counsel for the Safety Insurance Company. The petitioner is requesting reimbursement of extraordinary expenses that the company "has actually incurred in performing its obligations as a Servicing Carrier in the Commercial Automobile Servicing Carrier program." (Docket #CPOC22.05, Exhibit #1)

Other Business

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

Executive Session

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

RICHARD DALTON
Residual Market Liaison

Attachments

Boston, Massachusetts
March 16, 2022

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Commercial Servicing Carrier Annual Report
2021 Review

A. Introduction

The purpose of the Commercial Servicing Carrier Annual Report is to provide Servicing Carriers a framework to report annually to CAR their efforts in managing the commercial automobile residual market. The Servicing Carriers will provide a self-assessment of their performance in addressing past commercial market concerns and the results of those efforts. The Servicing Carriers will outline their objectives to maintain current levels of achievement in dealing with the issues identified in the marketplace over the past years and strategies for maintaining or exceeding those expectations in upcoming years.

Please comment on each area identified below and submit to CAR staff.

B. Specific Areas for Servicing Carrier Comment

1. The COVID pandemic has impacted the automobile insurance industry over the past two plus years.

    a. Identify the trends and impacts to the Massachusetts commercial automobile residual market that arose in 2020 as a result of the public health crisis and its effect on MA businesses. Also discuss how those trends and impacts evolved or transitioned in 2021.

    b. Comment on the trends and impacts that may continue to evolve or transition into 2022. (i.e. change in policy limits, general policy processing and handling issues, differences by class type, growth or decline of business, etc.).

2. Modifications to the Performance Standards were approved by the DOI in April 2021 to improve the quality of the SIU data reported to CAR. These changes included a mechanism for reporting Rule 10 underwriting concerns referred to the SIU for investigation to CAR. The audit sample for measuring efforts to control fraud as outlined in Massachusetts G.L. c. 175 § 113H can now include both claims and underwriting concerns investigated by SIU.

    a. Identify the volume of policies investigated for underwriting concerns and the number of residual market policies that were cancelled or non-renewed or otherwise not written as a result of those investigations.

    b. CAR Rule 10.C. requires that SIU conduct an audit on a representative sampling of policies to verify garaging and policy details. Describe the efforts established and identify the number of policies audited to adhere to this requirement.

3. For the non-fleet private passenger type classification, comment on the company's efforts to control the underwriting deficit generated by the NF-PPT classification. Below is a chart displaying ultimate deficit data for both your company and all Servicing Carriers combined.

PPT NF Ultimate (Deficit)/Surplus Projections By Company at December, 2021

SC

Policy Year	Reported Losses	Losses To Ultimate	LDF To Ultimate	Earned Premium	Loss Ratio	Ultimate Premium	Ceding Expense	Ultimate (Deficit)/Surplus	Ultimate PDL Exp	Ult (Deficit) / Surplus Per Exp	Avg Prem
2017											
2018											
2019											
2020											
2021											

Industry

Policy Year	Reported Losses	Losses To Ultimate	LDF To Ultimate	Earned Premium	Loss Ratio	Ultimate Premium	Ceding Expense	Ultimate (Deficit)/Surplus	Ultimate PDL Exp	Ult (Deficit) / Surplus Per Exp	Avg Prem
2017	24,665,576	24,596,859	0.997	19,346,177	1.271	19,346,177	4,836,544	(10,087,226)	12,301	(820)	1,573
2018	21,002,891	20,743,942	0.988	17,692,311	1.172	17,692,311	4,140,001	(7,191,632)	10,345	(695)	1,710
2019	12,684,677	12,248,233	0.966	12,706,958	0.964	12,706,958	2,757,410	(2,298,685)	6,576	(350)	1,932
2020	7,692,912	7,591,533	0.987	8,539,548	0.889	8,539,548	1,836,003	(887,988)	3,892	(228)	2,194
2021	2,725,467	5,537,488	2.032	3,647,950	0.779	7,112,015	1,457,963	116,564	3,137	37	2,267

Reported Losses = Reported Incurred Losses (Paid + Outstanding) as of December, 2021.
Ultimate Losses include projected Liability and Physical Damage Incurred Losses separately to ultimate.
LDF to Ultimate = Loss Development Factors to Ultimate. LDF = Ultimate Loss / Reported Loss.
Loss Ratio = Ultimate Loss / Earned Premium
Ultimate Premium = projected Total Premiums to ultimate.
Ceding Expense Ratios use current allowances and include all True-Up adjustments to date. PY 2017 25.0% PY 2018 23.4% PY 2019 21.7% PY 2020 21.5% PY2021 20.5%.
Ultimate Deficit = (Ultimate Premium - (Loss Ratio*Ultimate Premium) - Ceding Expense)
Ultimate PDL Exp = projected PDL exposures to ultimate.

4. The Ineligible Risk Application was introduced in November 2018 for use as a communication and documentation tool for the commercial automobile Servicing Carriers relative to the underwriting and management of business submissions to the residual market. Since its introduction, the application and information has been positively received, actively used and shared by each of the Servicing Carriers.

   a. Based on the trending numbers in the chart below please comment on the impact of the application to your company and the overall residual market results.

Reported in 2021			*Reported in 2020*	
Reason	**Industry**		**Reason**	**Industry**
Owed Premium	125		Invalid License	608
Other	68		Other	234
Failiure to provide documention	58		PPoB	72
Invalid License	45		Unverifiablee Commercial Entity	60
PPoB	43		No License	40
Unverifiablee Commercial Entity	14		Mispresentation	21
Mispresentation	14		Failure to cooperate	13
Failure to cooperate	13		Fraudulent Claim	4
No License	2			
Total	382		Total	1052

b. Feedback from the Servicing Carrier community in 2021 resulted in an enhancement to the application adding a new reason code, owed premium, to aid in the identification of action reasons and trends. Please comment on whether further opportunities are seen to include additional information in the application that may be helpful to Servicing Carriers in the consistent handling of business submissions.

5. Several policy processing standards, forms and procedures were developed and implemented to address various issued within the commercial automobile residual market in 2018-2020. These standards and forms included Principal Place of Business, Non-Fleet Private Passenger Type Vehicles, Radius Class and Geographic Class of Truck, Tractors and Trailers and Public Autos, Servicing Carrier and Exclusive Representative Producer Verification of Applicant Driver's Licenses, and a Commercial Supplemental Application.

   a. Consider and comment on the impact the standards and procedures have had, since their implementation, in addressing those issues from a residual market standpoint. (depopulation, deficit, etc.).

   b. Consider and comment on marketplace compliance with the standards and procedures since their implementation (producer compliance and responsiveness, etc.).

   c. Consider and comment on any other issues that may have developed or may arise from the implementation of those standards.

6. The Taxi/Limo/Car Service Program and the Commercial Servicing Carrier Program were combined for the new term beginning January 1, 2022. Comment on any significant implementation issues or observations with combining the two programs.

7. Comment on any other successes and/or challenges in 2021 relative to the commercial automobile residual market activities.

8. Servicing Carrier Program Recommendations for 2022 and later:

    a. Provide input on any market concerns and/or identify any new conditions not currently being addressed by the Commercial Automobile Committee and provide recommendations to focus on these issues.

    b. Provide suggestions, recommendations and/or solutions that would further control claims and service costs for 2022 and later.

C. General Topics to be Addressed by the Servicing Carrier in the Annual Report

Servicing Carriers are expected to comment on market conditions and experience both relative to the industry and specific to their company in the handling of commercial automobile residual market business during the 2021 policy year. Comment on the industry and your company's efforts, challenges and successes in handling this business. The charts below provide industry and company data as of December, 2021 to assist you in your evaluation and comments. Additional data reports can be found on CAR's website on the Commercial Only – Servicing Carrier Profile Page.

Ceded Written Premium by Vehicle Type for Policy Years 2019-2021

Industry					
Class Type Group	**2019**	**2020**	**20/19 % Chg**	**2021**	**21/20 % Chg**
Regular TTT and Regular TTT - Fleet	81,003	78,288	-3.4%	87,201	11.4%
Zone Rated TTT and Zone Rated TTT - Fleet	20,489	22,009	7.4%	23,466	6.6%
Commercial Buses and Commercial Buses - Fleet	16,246	14,617	-10.0%	15,026	2.8%
Zone Rated Buses and Zone Rated Buses - Fleet	8,265	2,780	-66.4%	4,031	45.0%
PPT Buses and PPT Buses - Fleet	17,803	16,436	-7.7%	17,483	6.4%
Garages Subject to Compulsory Law	11,113	11,132	0.2%	11,940	7.3%
Garages - Premises and Garages Not Subject to Compulsory Law	66	61	-8.2%	60	-0.5%
Van Pools	755	703	-7.0%	683	-2.8%
Private Passenger Types - Non Fleet	12,707	8,543	-32.8%	7,445	-12.8%
Private Passenger Types - Fleet	4,365	3,624	-17.0%	3,682	1.6%
Special Types and Motorcycles	7,035	7,000	-0.5%	7,328	4.7%
Non-Owned, Special Rating and Gross Receipts and Mileage	3,103	3,072	-1.0%	3,347	9.0%
Total	182,952	168,265	-8.0%	181,693	8.0%

Company					
Class Type Group	**2019**	**2020**	**20/19 % Chg**	**2021**	**21/20 % Chg**
Regular TTT and Regular TTT - Fleet					
Zone Rated TTT and Zone Rated TTT - Fleet					
Commercial Buses and Commercial Buses - Fleet					
Zone Rated Buses and Zone Rated Buses - Fleet					
PPT Buses and PPT Buses - Fleet					
Garages Subject to Compulsory Law					
Garages - Premises and Garages Not Subject to Compulsory Law					
Van Pools					
Private Passenger Types - Non Fleet					
Private Passenger Types - Fleet					
Special Types and Motorcycles					
Non-Owned, Special Rating and Gross Receipts and Mileage					
Total					

Written premium (000) based on statistically reported data for all coverages combined.

C. General Topics to be Addressed by the Servicing Carrier in the Annual Report (continued)

Ceded PDL Exposures by Vehicle Type for Policy Years 2019-2021

Industry					
Class Type Group	**2019**	**2020**	**20/19 % Chg**	**2021**	**21/20 % Chg**
Regular TTT and Regular TTT - Fleet	20,991	18,607	-11.4%	19,231	3.4%
Zone Rated TTT and Zone Rated TTT - Fleet	4,012	3,729	-7.0%	3,424	-8.2%
Commercial Buses and Commercial Buses - Fleet	3,564	3,606	1.2%	2,459	-31.8%
Zone Rated Buses and Zone Rated Buses - Fleet	746	268	-64.1%	262	-2.2%
PPT Buses and PPT Buses - Fleet	4,493	4,809	7.0%	3,705	-22.9%
Garages Subject to Compulsory Law	3,358	3,255	-3.0%	3,299	1.3%
Van Pools	154	135	-12.1%	130	-3.5%
Private Passenger Types - Non Fleet	6,576	3,894	-40.8%	3,283	-15.7%
Private Passenger Types - Fleet	1,218	952	-21.8%	951	-0.1%
Special Types and Motorcycles	1,779	1,713	-3.7%	1,666	-2.7%
Total	46,889	40,967	-12.6%	38,412	-6.2%

Company					
Class Type Group	**2019**	**2020**	**20/19 % Chg**	**2021**	**21/20 % Chg**
Regular TTT and Regular TTT - Fleet					
Zone Rated TTT and Zone Rated TTT - Fleet					
Commercial Buses and Commercial Buses - Fleet					
Zone Rated Buses and Zone Rated Buses - Fleet					
PPT Buses and PPT Buses - Fleet					
Garages Subject to Compulsory Law					
Van Pools					
Private Passenger Types - Non Fleet					
Private Passenger Types - Fleet					
Special Types and Motorcycles					
Total					

Note: Excludes Garge Premise, Not Subject to Compulsary Law, Non-Owned, Special Rating and Gross Receipts that do not report exposures on a car year basis.

C. General Topics to be Addressed by the Servicing Carrier in the Annual Report (continued)

Ceded Loss Ratio by Vehicle Type for Policy Years 2019-2021

Industry			
Class Type Group	**2019**	**2020**	**2021**
Regular TTT and Regular TTT - Fleet	65.61%	46.34%	37.94%
Zone Rated TTT and Zone Rated TTT - Fleet	75.64%	71.38%	38.49%
Commercial Buses and Commercial Buses - Fleet	26.17%	29.15%	18.63%
Zone Rated Buses and Zone Rated Buses - Fleet	158.97%	43.97%	17.70%
PPT Buses and PPT Buses - Fleet	61.80%	39.94%	32.60%
Garages Subject to Compulsory Law	64.73%	67.70%	43.79%
Garages - Premises and Garages Not Subject to Compulsory Law	8.82%	0.00%	0.00%
Van Pools	33.36%	19.09%	63.35%
Private Passenger Types - Non Fleet	99.82%	90.05%	71.37%
Private Passenger Types - Fleet	27.07%	50.76%	39.54%
Special Types and Motorcycles	35.66%	38.92%	23.04%
Non-Owned, Special Rating and Gross Receipts and Mileage	108.25%	85.95%	16.67%
Total	67.90%	51.47%	36.34%

Company			
Class Type Group	**2019**	**2020**	**2021**
Regular TTT and Regular TTT - Fleet			
Zone Rated TTT and Zone Rated TTT - Fleet			
Commercial Buses and Commercial Buses - Fleet			
Zone Rated Buses and Zone Rated Buses - Fleet			
PPT Buses and PPT Buses - Fleet			
Garages Subject to Compulsory Law			
Garages - Premises and Garages Not Subject to Compulsory Law			
Van Pools			
Private Passenger Types - Non Fleet			
Private Passenger Types - Fleet			
Special Types and Motorcycles			
Non-Owned, Special Rating and Gross Receipts and Mileage			
Total			

Loss Ratio = (Incurred Losses including ALAE) / (Earned Premium). This data reflects statistically reported data only, with no premium or loss development / IBNR.

C. General Topics to be Addressed by the Servicing Carrier in the Annual Report (continued)

Ceded Exposures by Class Type Group and Liability Limit for Policy Year 2021

Industry										
CSL	**TTT**	**ZR TTT**	**AO Buses**	**ZR Buses**	**PPT Buses**	**Van Pools**	**Garages**	**PPT NF**	**PP Fleet**	**Special Types**
45,000	31	0	8	0	11	0	7	0	0	0
50,000	3	0	0	0	0	0	0	0	0	0
75,000	0	0	0	0	0	0	0	0	0	0
100,000	49	0	3	0	2	0	14	1	2	4
150,000	0	0	0	0	0	0	0	0	0	0
200,000	25	0	0	0	0	0	5	1	1	0
250,000	17	0	0	0	0	0	3	1	2	0
300,000	79	0	3	0	24	7	13	34	6	5
400,000	0	0	0	0	0	0	0	0	0	0
500,000	318	3	46	0	248	9	67	59	29	40
750,000	155	3	0	0	0	0	35	3	5	5
1,000,000	12,564	3,358	960	0	1,638	65	1,917	1,082	611	1,089
1,500,000	5	0	170	24	274	0	0	0	2	0
3,000,000	0	0	0	0	0	0	0	0	0	0
5,000,000	270	46	870	242	26	0	1	0	1	1
7,500,000	0	0	0	0	0	0	0	0	0	0
All Other	1	0	7	0	1	0	0	0	0	0
Total	13,516	3,409	2,059	266	2,223	81	2,062	1,181	659	1,145
BI Single Limit	**TTT**	**ZR TTT**	**AO Buses**	**ZR Buses**	**PPT Buses**	**Van Pools**	**Garages**	**PPT NF**	**PP Fleet**	**Special Types**
20/40	19	0	2	0	0	0	2	3	0	3
20/40 w/optional BI	971	9	85	1	207	2	281	319	70	205
20/50	92	0	1	0	2	1	7	162	3	3
25/60	0	0	1	0	0	0	0	1	0	0
25/50	457	0	12	0	10	4	34	179	12	9
30/70	7	0	0	0	0	0	0	0	0	0
35/80	202	0	0	0	0	0	9	66	15	6
50/100	966	0	23	0	95	5	183	271	49	57
100/300	2,151	9	164	0	208	17	513	722	88	203
250/500	583	0	73	1	776	19	145	310	43	80
500/500	57	0	12	0	47	0	22	21	0	6
500/1000	37	0	8	0	81	0	17	12	5	13
1000/1000	82	0	13	0	54	1	7	24	1	36
All Other	40	0	0	0	0	1	16	7	2	5
No BI	0	0	0	0	0	0	0	0	0	0
Total	5,664	19	393	2	1,481	49	1,237	2,096	289	625
PDL Single Limit	**TTT**	**ZR TTT**	**AO Buses**	**ZR Buses**	**PPT Buses**	**Van Pools**	**Garages**	**PPT NF**	**PP Fleet**	**Special Types**
5,000	86	1	48	1	160	1	47	13	8	79
10,000	4	0	1	0	0	0	5	3	0	20
15,000	1	0	0	0	0	0	0	3	0	0
25,000	4	0	2	0	26	0	12	2	0	19
35,000	0	0	0	0	0	0	0	0	0	1
50,000	98	0	14	0	46	0	50	62	19	17
100,000	4,442	17	234	0	1,082	39	911	1,710	235	320
250,000	820	0	75	1	142	9	154	255	24	102
500,000	97	0	9	0	16	1	29	21	1	18
750,000	0	0	0	0	0	0	0	1	0	0
1,000,000	2	0	0	0	0	0	1	1	0	0
All Other	105	0	10	0	10	0	29	23	2	12
PDL Deductible	0	0	0	0	0	0	0	0	0	0
Total	5,659	19	394	2	1,481	49	1,237	2,094	289	586

*Garage Premises, Non-Owned, Special Rating and Gross Receipts and Mileage are excluded

C. General Topics to be Addressed by the Servicing Carrier in the Annual Report (continued)

Ceded Exposures Distribution by Class Type Group and Liability Limit for Policy Year 2021

Industry										
CSL	**TTT**	**ZR TTT**	**AO Buses**	**ZR Buses**	**PPT Buses**	**Van Pools**	**Garages**	**PPT NF**	**PP Fleet**	**Special Types**
45,000	0.23%	0.00%	0.38%	0.00%	0.49%	0.00%	0.34%	0.01%	0.00%	0.04%
50,000	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
75,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
100,000	0.36%	0.00%	0.13%	0.00%	0.07%	0.00%	0.68%	0.12%	0.30%	0.39%
150,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
200,000	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.08%	0.15%	0.00%
250,000	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.08%	0.30%	0.00%
300,000	0.59%	0.00%	0.14%	0.00%	1.07%	9.07%	0.65%	2.84%	0.87%	0.44%
400,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
500,000	2.35%	0.09%	2.23%	0.00%	11.18%	11.13%	3.25%	4.98%	4.41%	3.52%
750,000	1.14%	0.08%	0.00%	0.00%	0.00%	0.00%	1.67%	0.23%	0.78%	0.40%
1,000,000	92.96%	98.50%	46.63%	0.00%	73.69%	79.79%	92.98%	91.64%	92.72%	95.13%
1,500,000	0.04%	0.00%	8.24%	8.93%	12.31%	0.00%	0.00%	0.00%	0.30%	0.00%
3,000,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5,000,000	2.00%	1.33%	42.25%	91.07%	1.18%	0.00%	0.05%	0.00%	0.15%	0.09%
7,500,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BI Single Limit	**TTT**	**ZR TTT**	**AO Buses**	**ZR Buses**	**PPT Buses**	**Van Pools**	**Garages**	**PPT NF**	**PP Fleet**	**Special Types**
20/40	0.33%	0.00%	0.44%	0.00%	0.00%	0.00%	0.16%	0.15%	0.00%	0.48%
20/40 w/optional BI	17.14%	51.35%	21.71%	50.00%	13.97%	3.54%	22.72%	15.21%	24.32%	32.80%
20/50	1.62%	0.00%	0.30%	0.00%	0.15%	2.02%	0.57%	7.72%	1.04%	0.45%
25/60	0.00%	0.00%	0.25%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%
25/50	8.08%	0.00%	2.96%	0.00%	0.69%	8.09%	2.76%	8.51%	4.27%	1.37%
30/70	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35/80	3.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.72%	3.15%	5.08%	1.00%
50/100	17.06%	0.00%	5.76%	0.00%	6.40%	10.29%	14.82%	12.93%	16.85%	9.09%
100/300	37.98%	48.65%	41.68%	0.00%	14.08%	33.73%	41.49%	34.45%	30.50%	32.39%
250/500	10.29%	0.00%	18.59%	50.00%	52.43%	37.77%	11.73%	14.80%	15.06%	12.80%
500/500	1.01%	0.00%	2.96%	0.00%	3.17%	0.00%	1.79%	1.02%	0.00%	0.99%
500/1000	0.65%	0.00%	2.03%	0.00%	5.46%	0.00%	1.37%	0.56%	1.73%	2.08%
1000/1000	1.44%	0.00%	3.30%	0.00%	3.66%	2.53%	0.57%	1.12%	0.46%	5.79%
All Other	0.70%	0.00%	0.00%	0.00%	0.00%	2.02%	1.29%	0.34%	0.69%	0.76%
No BI	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PDL Single Limit	**TTT**	**ZR TTT**	**AO Buses**	**ZR Buses**	**PPT Buses**	**Van Pools**	**Garages**	**PPT NF**	**PP Fleet**	**Special Types**
5,000	1.53%	7.66%	12.24%	50.00%	10.79%	1.52%	3.79%	0.62%	2.60%	13.48%
10,000	0.07%	0.00%	0.25%	0.00%	0.00%	0.00%	0.43%	0.14%	0.00%	3.37%
15,000	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.00%	0.00%
25,000	0.07%	0.00%	0.44%	0.00%	1.79%	0.00%	0.97%	0.08%	0.00%	3.23%
35,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%
50,000	1.73%	0.00%	3.68%	0.00%	3.08%	0.00%	4.03%	2.97%	6.61%	2.86%
100,000	78.50%	92.34%	59.40%	0.00%	73.08%	78.08%	73.61%	81.69%	81.28%	54.49%
250000	14.48%	0.00%	19.10%	50.00%	9.55%	18.38%	12.41%	12.18%	8.34%	17.33%
500000	1.72%	0.00%	2.35%	0.00%	1.05%	2.02%	2.32%	1.01%	0.38%	3.03%
750,000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%
1,000,000	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	0.05%	0.00%	0.00%
All Other	1.86%	0.00%	2.52%	0.00%	0.67%	0.00%	2.35%	1.08%	0.81%	2.05%
PDL Deductible	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*Garage Premises, Non-Owned, Special Rating and Gross Receipts and Mileage are excluded

Completed Annual Report responses for 2021 will be due to CAR by Friday, May 13, 2022. In June of 2022, the Commercial Program Oversight Committee will hold a meeting to discuss its review of the reports. Servicing Carriers are expected to be present at that meeting to respond to any questions from Committee members.

2021 Annual Report Schedule

April 1-15, 2022	**CAR data and cover document sent to Servicing Carriers**
May 13, 2022	**Servicing Carrier Annual Reports due to CAR**
June 2022	**Oversight Committee Review of Annual Reports**

Safety Insurance®
AUTO • HOME • BUSINESS
20 Custom House Street
Boston, MA 02110

February 18, 2022

Via Electronic Mail Only
nhubley@commauto.com
jmolivieri@jkoinsurance.com

Natalie A. Hubley, President
John Olivieri, Jr., Vice-Chair, Governing Committee
Commonwealth Automobile Reinsurers
101 Arch Street, Suite 400
Boston, MA 02110

Re: Request for Reimbursement of Extraordinary Expenses from the Commercial Automobile Servicing Carrier Program

Dear Ms. Hubley and Mr. Olivieri:

Pursuant to the provisions of Rule 11.C.2 of the Commonwealth Automobile Reinsurers' ("CAR") Rules of Operation and Chapter III.E. of the CAR Manual of Administrative Procedures (the "Manual"), attached please find a Request for Reimbursement of Extraordinary Expenses from the Commercial Automobile Servicing Carrier Program submitted by Safety Insurance Company (the "Request for Reimbursement"). As required by Chapter III.E.2.a of the Manual, a copy of the Request for Reimbursement has been provided to the Commissioner of Insurance.

Thank you for your consideration. If you have any questions, I may be reached at (877) 951-6432 or at elizabethbrodeur@safetyinsurance.com.

Sincerely,

Elizabeth B. Brodeur
General Counsel

Attachment

cc: Gary D. Anderson, Commissioner of Insurance (via electronic mail)

COMMONWEALTH AUTOMOBILE REINSURERS

REQUEST FOR REIMBURSEMENT OF EXTRAORDINARY EXPENSES
COMMERCIAL AUTOMOBILE SERVICING CARRIER PROGRAM

Company Name: Safety Insurance Company

Requestor/Contact Name: Elizabeth B. Brodeur		**Date: February 18, 2022**
Tel. #: (877) 951-6432	**Fax #: (617) 531-6680**	**Email: elizabethbrodeur@safetyinsurance.com**

Signature: Elizabeth B. Brodeur

Total Requested Reimbursement Expense Amount: $379,684.17

Reason For Reimbursement Request:

Concisely summarize the reason(s) for your request(s) and provide an overview of the nature of your issue(s).

Please see the attached written submission, which sets forth Safety Insurance Company's ('Safety") timely and reasonable notification to CAR that it is seeking reimbursement of extraordinary expenses that Safety has actually incurred in performing its obligations as a Servicing Carrier in the Commercial Automobile Servicing Carrier Program. For all the reasons set forth in the attached, Safety respectfully requests CAR authorize the reimbursement requested and explained herein.

Please reference CAR's Manual of Administrative Procedures, Chapter III, Section E. for procedures and documentation requirements relative to a request for reimbursement of extraordinary expenses.

Scheduling of Review

Upon receipt of a completed Request for Reimbursement of Extraordinary Expenses form, a hearing date will be established as coordinated by CAR with the petitioning party and the designated committee chair. After a date has been confirmed, CAR will issue a written Notice of Meeting in compliance with the Open Meeting Law.

Submission of Written Information

Any written materials to be considered by the designated committee must be submitted to CAR's Docket Clerk no later than 12:00 p.m., five business days prior to the scheduled meeting date. Timely submitted materials will be docketed by CAR and distributed to the committee as soon as practicable. Written materials submitted to CAR after 12:00 p.m. on the fifth business day prior to the scheduled meeting date will not be entered on the docket, but the submitting party may petition the committee directly for consideration of such materials. The committee has the discretion to determine whether such materials will be considered in its deliberations. If the committee allows such materials to be considered, the submitting party is expected to be prepared to provide a minimum of 25 copies at the meeting.

All document submissions must be in compliance with M.G.L. c. 93H and 201 CMR 17.00: Standards for the Protection of Personal Information of Residents of the Commonwealth (i.e. personal information, as defined, must be redacted). Any document submission determined to not be in compliance will result in the document being returned to the sender for correction and may impact its distribution to the reviewing committee.

SAFETY INSURANCE COMPANY

REQUEST FOR REIMBURSEMENT OF EXTRAORDINARY EXPENSES FROM THE COMMERCIAL AUTOMOBILE SERVICING CARRIER PROGRAM

FEBRUARY 18, 2022

In accordance with Commonwealth Automobile Reinsurers ("CAR") Rule 11.C.2 and CAR Manual of Administrative Procedures Chapter III.E, Safety Insurance Company ("Safety") respectfully submits this Request for Reimbursement of Extraordinary Expenses for the Commercial Automobile Servicing Carrier Program. Specifically, Safety now requests CAR authorize reimbursement in the amount of $379,684.17, as such amount is a specific, necessary and extraordinary expense that Safety has actually incurred in performing its obligations as a Servicing Carrier in the Commercial Automobile Servicing Carrier Program. For all the reasons set forth below, Safety asserts that this expense is necessary and significantly in excess of the normal additional expense that Safety could have reasonably anticipated as a Servicing Carrier in the program and, therefore, this expense should be reimbursed in accordance with CAR Rule 11.C.2 and Manual of Administrative Procedures Chapter III.E.

As is well known, the worldwide COVID-19 pandemic began affecting the United States in early 2020, and on March 10, 2020, Governor Baker, by Executive Order, declared a State of Emergency in the Commonwealth of Massachusetts due to the virus, which expired on June 15, 2021. In light of that declaration, state government took various steps to protect the public health, which resulted in the closing of offices, restaurants and schools, and restricted travel.

As part of these government actions, on March 23, 2020, the Commissioner of Insurance issued Bulletin 2020-04, *Flexibility in the Issuance and Administration of Insurance during COVID-19 (Coronavirus) Public Health Crisis*.[1] This Bulletin directed all insurers, including those writing property and casualty insurance, to "…provide employers and individuals with as much flexibility as is reasonably possible during the period of the COVID-19 public health crisis to maintain their existing coverage, despite policyholders' growing concerns about being able to send their premiums in on time." The Bulletin indicated that insurers should "…on a case-by-case basis…work with employers or individuals experiencing financial hardship to find the best ways to address concerns with the timing of premium payments in order to delay any cancellation of coverage for non-payment and collection activity." The Bulletin also stated that insurers "…should explore all possible ways to relax due dates for premiums payments; to extend grace periods; waive late fees, non-sufficient funds fees, installment fees and penalties; allow payment plans for premiums payments; assist affected policyholders to find ways that insurance policies do not lapse; and consider cancellation and non-renewal of policies only after exhausting other efforts to work with policyholders to continue coverage."

[1] A copy of Division of Insurance Bulletin 2020-05 is attached hereto as Exhibit 1.

On March 24, 2020, CAR issued Bulletin No. 1096, which recirculated Division of Insurance ("Division") Bulletin 2020-05 and indicated that Servicing Carriers and Assigned Risk Companies "…initiate solutions consistent with the DOI's directive."[2] Soon thereafter, on March 31, 2020, CAR issued Bulletin No. 1097 to provide further direction to Servicing Carriers and Exclusive Representative Producers regarding flexibility to ceded commercial automobile policyholders during the public health crisis.[3] In that Bulletin, CAR advised Servicing Carriers "…to consider opportunities to be flexible while employing methods permissible within the CAR Rules of Operation, Registry of Motor Vehicles requirements, and statutes under other federal, state, or local jurisdictions."

In response to Division Bulletin 2020-05 and in consideration of the significant effects of the COVID-19 pandemic on our policyholders, on March 23, 2020, Safety instituted a moratorium on policy cancellations and non-renewals for non-payment of premium, as well as waived the application of all late and non-sufficient funds fees to policies. These accommodations applied equally to Safety's voluntary and residual market policyholders and remained in effect through June 15, 2020.

On June 18, 2020, CAR issued Bulletin No. 1101 to provide guidance to Servicing Carriers "…in handling ceded commercial risks as the Commonwealth transitions through the current public health emergency." The Bulletin noted that "[r]ecognizing the extraordinary nature of the request set forth in Division of Insurance Bulletin 2020-05,… the [Governing] Committee has affirmed that premium defaults resulting from billing and cancellation accommodations made in connection with Bulletin 2020-05 for ceded business written through the CAR Commercial Automobile and Taxi, Limousine and Car Service Programs will be borne by the commercial residual market." The Bulletin went on to advise that "Servicing Carriers are directed to continue to pursue reasonable efforts to collect the unpaid premium."

Although Safety lifted its moratorium on policy cancellations and non-renewals for non-payment of premium on June 15, 2020, throughout 2020, Safety continued to work with voluntary and ceded policyholders, who indicated that they were experiencing financial difficulties due to the COVID-19 pandemic, to provide payment accommodations on a case-by-case basis, as appropriate.

On December 29, 2020, the Division issued Bulletin 2020-30, *Continued Flexibility in the Issuance and Administration of Insurance during the COVID-19 (Coronavirus) Public Health Crisis*, which reminded insurers of the Division's guidance in Bulletin 2020-05 and noted that, since "…March 2020, the Division has expected [insurers] to take all reasonably necessary steps to preserve policyholder access to insurance coverage."[4] The Bulletin indicated that insurers "…should be flexible in collection premiums and find ways to further address what the Division believes could be long-term disruptions in the business environment." As the Bulletin further noted, "[e]xploring all appropriate flexibility in arrangements and timing of payments will help protect policyholders while preserving the solvency of the Massachusetts insurance market." In

[2] A copy of CAR Bulletin No. 1096 is attached hereto as Exhibit 2.
[3] A copy of CAR Bulletin No. 1097 is attached hereto as Exhibit 3.
[4] A copy of Division of Insurance Bulletin 2020-30 is attached hereto as Exhibit 4.

light of this additional directive from the Division, Safety has continued to provide as much flexibility to policyholders as possible in the payment of premiums in light of the ongoing financial impacts of the pandemic on individuals and businesses.

In light of the additional guidance from the Division in Bulletin 2020-30, in 2021, Safety continued to provide payment accommodations to voluntary and ceded policyholders, as their individual circumstances warranted, including trying to provide flexible payment schedules for those former policyholders that owed Safety monies for earned but uncollected premiums on now cancelled policies.

Because of the circumstances described above, Safety's total earned but uncollected premiums for 2020 far exceeded those amounts the company incurred over the prior four years in the normal course of acting as a Servicing Carrier in CAR's Commercial Automobile Servicing Carrier Program. The following table sets forth Safety's annual earned but uncollected premiums for ceded commercial automobile insurance policies from 2016 through 2020, both in dollars and as a percentage of total direct written premiums for those risks.

Safety Ceded Commercial Auto Policies

Year	Direct Written Premium	EBU* Premiums	EBU* Premium as % of DWP
2016	$ 51,184,943	$ 208,919	0.408%
2017	$ 57,327,918	$ 251,871	0.439%
2018	$ 65,695,004	$ 491,217	0.748%
2019	$ 66,198,019	$ 359,327	0.543%
2020	$ 36,867,172	$ 807,091	2.189%

* Earned but Uncollected

Although Safety's overall earned but uncollected premium for 2020 is inordinately high, at this time, Safety specifically seeks reimbursement for earned but uncollected premium it has incurred for two ceded commercial automobile insurance policies issued to one specific insured, which provided delivery services for Amazon (including during the pandemic) using hundreds of insured vehicles (the "Insured"). At this time, the total outstanding earned but uncollected premium for these two policies alone is $379,684.17.[5] Both policies were in force during the COVID-19 pandemic and neither policy would have incurred such significant earned but uncollected premium balances absent the above-described accommodations Safety put in place to assist policyholders, including the Insured, during the pandemic, as directed by the Division of Insurance.

[5] The Insured's policy effective May 27, 2019 to May 27, 2020 incurred $258,132.07 in earned but uncollected premium and the Insured's policy effective May 27, 2020 through August 3, 2020 incurred $121,552.10 in earned but uncollected premium.

Safety worked extensively with the Insured and its representatives following the lifting of the above-described moratorium and the termination of the Insured's second policy, in an effort to collect the total earned but uncollected premiums due on both policies. After many months of these efforts and with no payments having been made, in late April of 2021, Safety notified the Insured that if a mutually-agreeable payment arrangement could not be reached, Safety would refer the matter to a third-party collection agency. A few days later, Safety received a letter from counsel for the Insured which advised, for the first time, that: the Insured had been notified by Amazon earlier in the year that the Insured would be losing its contract with Amazon as of March 31, 2021; the Insured was no longer operating; the Insured had surrendered its leased fleet of delivery vehicles; and the Insured had minimal remaining assets. Safety thereafter referred the Insured's outstanding earned but uncollected premium debt to a third party collections agency. To date, those collection efforts have been unsuccessful in recouping the earned but uncollected premiums owed to Safety by the Insured.

As set forth above, but for the COVID-19 pandemic and the accommodations Safety put in place to assist policyholders during that time, as directed by the Division of Insurance, the $379,684.17 in total earned but uncollected premiums attributable to the Insured would not have been incurred by Safety in fulfilling its obligations as a Servicing Carrier in the CAR Commercial Servicing Carrier Program. As such, this expense is "…significantly in excess of the normal additional expense…" Safety would anticipate as a Servicing Carrier in the program. *See* CAR Manual of Administrative Procedures Chapter III.E. For all of these reasons, Safety asserts that this earned but uncollected premium is a specific, necessary and extraordinary expense incurred by the company which should be reimbursed by CAR pursuant to CAR Rule 11.C.2. and CAR Manual of Administrative Procedures Chapter III.E.

EXHIBIT 1

COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE
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KARYN E. POLITO
LIEUTENANT GOVERNOR

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SECRETARY OF HOUSING AND ECONOMIC DEVELOPMENT

EDWARD A. PALLESCHI
UNDERSECRETARY OF CONSUMER AFFAIRS AND BUSINESS REGULATION

GARY D. ANDERSON
COMMISSIONER OF INSURANCE

BULLETIN 2020-05

To: All Insurance Carriers Issuing Insured Coverage in Massachusetts and Self-Insurance Groups Covering Employers in Massachusetts

From: Gary D. Anderson, Commissioner of Insurance

Date: March 23, 2020

Re: Flexibility in the Issuance and Administration of Insurance during COVID-19 (Coronavirus) Public Health Crisis

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The Division of Insurance ("Division") issues this Bulletin 2020-05 to provide information to all Insurance Carriers ("Carriers"), regardless of the line of coverage, and self-insurance groups about the Division's expectations regarding steps they are to take to help address concerns about maintaining coverage and preserving the Massachusetts insurance market during the COVID-19 (also known as Coronavirus) public health crisis.

The Coronavirus Risk

As stated in Bulletins 2020-02 and 2020-04, the public health and societal impact resulting from the spread of COVID-19 could dramatically impact the Commonwealth. It will be essential that government and business leaders take all appropriate steps to safeguard the general public and well-being of the Commonwealth's citizens. Insurance coverage plays a critical role in the stability of the Commonwealth's economy and the protection of its residents. COVID-19 may impose unique risks to our insurance market that Massachusetts has not faced for at least a generation. Therefore, the Division is notifying Massachusetts Carriers that it expects them to take all necessary steps to preserve individual and employer access to insurance coverage during this emergency period.

With restrictions on certain types of activities, the Division is aware of growing stress for policyholders as businesses reduce or suspend operations and how this may impact the payment of all expenses, including premium payments. During this period, the Division believes that Carriers

should be looking for all ways to be flexible in collecting premiums and find ways to address what the Division hopes will be a short-term disruption in the business environment.

Carriers' Flexibility in Issuance and Administration

All Carriers (whether issuing property and casualty, life and annuity, or health products) are advised to provide employers and individuals with as much flexibility as is reasonably possible during the period of the COVID-19 public health crisis to maintain their existing coverage, despite policyholders' growing concerns about being able to send their premiums in on time.

- Carriers should explore ways to streamline or delay the submission of administrative paperwork that may jeopardize the maintenance or issuance of coverage.
- Carriers should explain grace periods that usually allow distressed policyholders experiencing significant financial hardship to delay payments without coverage being terminated.
- On a case-by-case basis, Carriers should also work with employers or individuals experiencing financial hardship to find the best ways to address concerns with the timing of premium payments in order to delay any cancellation of coverage for non-payment and collection activity.
- Carriers should explore all possible ways to relax due dates for premiums payments; to extend grace periods; waive late fees, non-sufficient funds fees, installment fees and penalties; allow payment plans for premiums payments; assist affected policyholders to find ways that insurance policies do not lapse; and consider cancellation or non-renewal of policies only after exhausting other efforts to work with policyholders to continue coverage.

In addition, for health insurance Carriers, the Division asks that Carriers consider the following steps to allow for continuation of coverage:

- Health insurance Carriers should be prepared to explain grace periods that may be available and whether the Carrier may be willing to allow employers to continue to pay for employees' health coverage during periods when the employees are on furlough or laid-off.
- Health insurance Carriers should have personnel available to explain programs allowing for laid-off employees to purchase COBRA or other coverage targeted to the recently unemployed.
- Health insurance Carriers are also encouraged to work with employers to allow flexibility in submitting enrollment, renewal or other information necessary to begin or renew health coverage.
- As noted above, health insurance Carriers are advised to work with employers experiencing financial hardship on a case-by-case basis to allow for reasonable flexibility in the timing of payment of premiums.

Exploring all appropriate flexibility in arrangements and timing of payments will enable Carriers and employers to address short-term difficulties that will help protect both policyholders and the solvency of the Massachusetts insurance market.

Health Insurance Carriers Acting As Administrators

Due to the public health crisis imposed by COVID-19, when health insurance Carriers are acting as administrators for employment-sponsored non-insured health benefit plans, the Division expects Carriers to encourage plan sponsors to take steps that are consistent with the provisions of Bulletin 2020-05. Plan sponsors should be made aware of the public health risks to all Massachusetts residents, and health insurance Carriers should do all they can to encourage plan sponsors to take steps to remove barriers to employers' and individuals' access to and continuity of health coverage.

Self-Insurance Groups

The Division expects self-insurance groups to apply the same premium flexibility for their groups as identified in Bulletin 2020-05.

If you have any questions about this Bulletin, please contact Kevin Beagan, Deputy Commissioner for the Health Care Access Bureau, at (617) 521-7323.

EXHIBIT 2

CAR
COMMONWEALTH AUTOMOBILE REINSURERS
101 Arch Street, Suite 400 Boston, Massachusetts 02110
www.commauto.com 617-338-4000
NATALIE A. HUBLEY
PRESIDENT

March 24, 2020

BULLETIN NO. 1096

Guidance for Servicing Carriers and Assigned Risk Companies
During the COVID-19 Public Health Crisis

On March 23, 2020, the Division of Insurance (DOI) issued attached Bulletin 2020-05, entitled "Flexibility in the Issuance and Administration of Insurance during COVID-19 (Coronavirus) Public Health Crisis." All Servicing Carriers that serve the commercial automobile residual market, and MAIP Assigned Risk Companies that serve private passenger automobile assigned risks, should be responsive to the DOI's directive and look for "all ways to be flexible on collecting premiums and in finding ways to address what the Division hopes is a short-term disruption in the business environment." The Bulletin cites examples and offers options.

In keeping with the guidance provided by the Division of Insurance, CAR suggests that Servicing Carriers and Assigned Risk Companies initiate solutions consistent with the DOI's directive. If you have any questions regarding reporting or residual market pool concerns, please contact John Metcalfe at jmetcalfe@commauto.com.

NATALIE HUBLEY
President

Attachment

COMMONWEALTH OF MASSACHUSETTS
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UNDERSECRETARY OF CONSUMER AFFAIRS AND BUSINESS REGULATION

GARY D. ANDERSON
COMMISSIONER OF INSURANCE

BULLETIN 2020-05

To: All Insurance Carriers Issuing Insured Coverage in Massachusetts and Self-Insurance Groups Covering Employers in Massachusetts

From: Gary D. Anderson, Commissioner of Insurance

Date: March 23, 2020

Re: Flexibility in the Issuance and Administration of Insurance during COVID-19 (Coronavirus) Public Health Crisis

---

The Division of Insurance ("Division") issues this Bulletin 2020-05 to provide information to all Insurance Carriers ("Carriers"), regardless of the line of coverage, and self-insurance groups about the Division's expectations regarding steps they are to take to help address concerns about maintaining coverage and preserving the Massachusetts insurance market during the COVID-19 (also known as Coronavirus) public health crisis.

The Coronavirus Risk

As stated in Bulletins 2020-02 and 2020-04, the public health and societal impact resulting from the spread of COVID-19 could dramatically impact the Commonwealth. It will be essential that government and business leaders take all appropriate steps to safeguard the general public and well-being of the Commonwealth's citizens. Insurance coverage plays a critical role in the stability of the Commonwealth's economy and the protection of its residents. COVID-19 may impose unique risks to our insurance market that Massachusetts has not faced for at least a generation. Therefore, the Division is notifying Massachusetts Carriers that it expects them to take all necessary steps to preserve individual and employer access to insurance coverage during this emergency period.

With restrictions on certain types of activities, the Division is aware of growing stress for policyholders as businesses reduce or suspend operations and how this may impact the payment of all expenses, including premium payments. During this period, the Division believes that Carriers

should be looking for all ways to be flexible in collecting premiums and find ways to address what the Division hopes will be a short-term disruption in the business environment.

Carriers' Flexibility in Issuance and Administration

All Carriers (whether issuing property and casualty, life and annuity, or health products) are advised to provide employers and individuals with as much flexibility as is reasonably possible during the period of the COVID-19 public health crisis to maintain their existing coverage, despite policyholders' growing concerns about being able to send their premiums in on time.

- Carriers should explore ways to streamline or delay the submission of administrative paperwork that may jeopardize the maintenance or issuance of coverage.
- Carriers should explain grace periods that usually allow distressed policyholders experiencing significant financial hardship to delay payments without coverage being terminated.
- On a case-by-case basis, Carriers should also work with employers or individuals experiencing financial hardship to find the best ways to address concerns with the timing of premium payments in order to delay any cancellation of coverage for non-payment and collection activity.
- Carriers should explore all possible ways to relax due dates for premiums payments; to extend grace periods; waive late fees, non-sufficient funds fees, installment fees and penalties; allow payment plans for premiums payments; assist affected policyholders to find ways that insurance policies do not lapse; and consider cancellation or non-renewal of policies only after exhausting other efforts to work with policyholders to continue coverage.

In addition, for health insurance Carriers, the Division asks that Carriers consider the following steps to allow for continuation of coverage:

- Health insurance Carriers should be prepared to explain grace periods that may be available and whether the Carrier may be willing to allow employers to continue to pay for employees' health coverage during periods when the employees are on furlough or laid-off.
- Health insurance Carriers should have personnel available to explain programs allowing for laid-off employees to purchase COBRA or other coverage targeted to the recently unemployed.
- Health insurance Carriers are also encouraged to work with employers to allow flexibility in submitting enrollment, renewal or other information necessary to begin or renew health coverage.
- As noted above, health insurance Carriers are advised to work with employers experiencing financial hardship on a case-by-case basis to allow for reasonable flexibility in the timing of payment of premiums.

Exploring all appropriate flexibility in arrangements and timing of payments will enable Carriers and employers to address short-term difficulties that will help protect both policyholders and the solvency of the Massachusetts insurance market.

Health Insurance Carriers Acting As Administrators

Due to the public health crisis imposed by COVID-19, when health insurance Carriers are acting as administrators for employment-sponsored non-insured health benefit plans, the Division expects Carriers to encourage plan sponsors to take steps that are consistent with the provisions of Bulletin 2020-05. Plan sponsors should be made aware of the public health risks to all Massachusetts residents, and health insurance Carriers should do all they can to encourage plan sponsors to take steps to remove barriers to employers' and individuals' access to and continuity of health coverage.

Self-Insurance Groups

The Division expects self-insurance groups to apply the same premium flexibility for their groups as identified in Bulletin 2020-05.

If you have any questions about this Bulletin, please contact Kevin Beagan, Deputy Commissioner for the Health Care Access Bureau, at (617) 521-7323.

EXHIBIT 3

CAR
COMMONWEALTH AUTOMOBILE REINSURERS
101 Arch Street, Suite 400 Boston, Massachusetts 02110
www.commauto.com 617-338-4000
NATALIE A. HUBLEY
PRESIDENT

March 31, 2020

BULLETIN NO. 1097

Guidance for Servicing Carriers and Exclusive Representative Producers
during the COVID-19 Public Health Crisis

On March 23, 2020, the Division of Insurance (the Division) issued Bulletin 2020-05, entitled "Flexibility in the Issuance and Administration of Insurance during COVID-19 (Coronavirus) Public Health Crisis." On March 24, 2020, CAR issued Bulletin No. 1096 emphasizing that all Servicing Carriers that serve the commercial automobile residual market, and all MAIP Assigned Risk Companies that serve private passenger automobile assigned risks be responsive to the Division's directive and look for "all ways to be flexible on collecting premiums and in finding ways to address what the Division hopes is a short-term disruption in the business environment."

CAR has received several inquiries from Servicing Carriers and producers regarding various suggested or requested measures to afford commercial residual market policyholders flexibility during the Public Health Crisis. Certain inquiries involve requests of the insured to reduce or eliminate liability coverage on specified vehicles. In the interest of furthering the Division's objective and maintaining consistent procedures among Servicing Carriers, CAR advises Servicing Carriers to consider opportunities to be flexible while employing methods permissible within the CAR Rules of Operation, Registry of Motor Vehicles requirements, and statutes under other federal, state, or local jurisdictions.

Note that CAR Rule 6.C.2. requires that physical damage coverage may only be written for an Eligible Risk in conjunction with liability coverage for that same vehicle. Therefore, liability coverage may not be eliminated. However, the requirement for liability coverage pursuant to Rule 6.C.2. would not prohibit a Servicing Carrier from reducing liability coverage limits to applicable statutory minimum requirements on a policy-wide or vehicle-specific basis if requested to do so by the insured. Be advised, however, that nothing set forth in this Bulletin relieves a policyholder from complying with any financial responsibility law under other federal, state, or local jurisdictions.

In an effort to foster consistent handling practices among Servicing Carriers, carriers are encouraged to continue to forward suggestions, questions, and concerns regarding the handling of business impacted by the current public health crisis. Additionally, CAR continually monitors the communications of the various agencies reacting to the public health crisis with additional guidance that may present further opportunities to encourage flexibility in the issuance and administration of commercial automobile residual market insurance. As such, CAR will set forth future guidance as appropriate.

Servicing Carriers may also refer to CAR's website for responses to other frequently asked questions regarding acceptable procedures to afford flexibility within CAR's Rules and established procedures. Further questions may be directed to John Metcalfe, CAR Director of Residual Market Services, at jmetcalfe@commauto.com.

NATALIE A. HUBLEY
President

EXHIBIT 4

COMMONWEALTH OF MASSACHUSETTS
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EDWARD A. PALLESCHI
UNDERSECRETARY OF CONSUMER AFFAIRS AND BUSINESS REGULATION

GARY D. ANDERSON
COMMISSIONER OF INSURANCE

BULLETIN 2020-30

To: All Insurance Carriers Issuing Insured Coverage in Massachusetts and Self-Insurance Groups Covering Employers in Massachusetts

From: Gary D. Anderson, Commissioner of Insurance

Date: December 29, 2020

Re: Continued Flexibility in the Issuance and Administration of Insurance during the COVID-19 (Coronavirus) Public Health Crisis

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The Division of Insurance ("Division") issues this Bulletin 2020-30 to remind Insurance Carriers ("Carriers"), regardless of the line of coverage, and self-insurance groups about the Division's prior guidance in Bulletin 2020-05 that expresses the Division's expectations for Carriers to take steps to help address concerns about maintaining coverage and preserving the Massachusetts insurance market during the COVID-19 public health crisis. We all continue to struggle to address the societal and economic impacts of this situation, and we need Carriers to continue to search for flexibility to maintain coverage.

Background

As stated in earlier Bulletins, the public health and societal effects resulting from the spread of COVID-19 has dramatically impacted the Commonwealth. It continues to be essential that government and business leaders take all appropriate steps to safeguard the well-being of the Commonwealth's citizens. Insurance coverage plays a critical role in the stability of the Commonwealth's economy and the protection of its residents. COVID-19 has imposed unique risks to our insurance market. Since Governor Baker declared a state of emergency within the Commonwealth in March 2020, the Division has expected Carriers to take all reasonably necessary steps to preserve policyholder access to insurance coverage.

Continued Flexibility

During this period, the Division believes that Carriers should continue to be flexible in collecting premiums and find ways to further address what the Division believes could be long-term disruptions in the business environment. All Carriers (whether issuing property and casualty, life and annuity, or health products) are advised, in accordance with the details laid out in Bulletin 2020-05, to provide policyholders with as much flexibility to maintain their existing coverage as is reasonably possible during the period of the COVID-19 public health crisis. The Division also would not consider it appropriate for a Carrier to impose any new or additional fee in exchange for granting this flexibility. Exploring all appropriate flexibility in arrangements and timing of payments will help protect policyholders while preserving the solvency of the Massachusetts insurance market.

In addition to continuing the flexibilities outlined in Bulletin 2020-05, the Division expects Carriers to maintain customer support services to provide consumers information about their insurance options, such as exploring ways to modify coverage to reduce premiums. Anticipating that some of their policyholders will experience financial hardships related to the COVID-19 public health crisis and have difficulty meeting their premium payment obligations, Carriers should proactively provide policyholders with information about how to contact the Carrier to investigate options that may be available to prevent a loss of coverage.

The Division will continue to monitor the financial impact of the pandemic on Carriers and ensure compliance with the applicable statutory and regulatory standards related to rates and consumer protections.

If you have any questions about this Bulletin, please contact Kevin Beagan, Deputy Commissioner for the Health Care Access Bureau, at (617) 521-7323.