



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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## RECORDS OF MEETING

### COMMERCIAL PROGRAM OVERSIGHT COMMITTEE – JANUARY 25, 2024

#### Members Present

Mr. John Olivieri, Jr. – Chair  
Mr. Brian Hayes  
Ms. Nicole Martorana  
Ms. Sharon Murphy  
Mr. Henry Risman  
Ms. Meredith Woodcock

J.K. Olivieri Insurance Agency, Inc.  
Quincy Mutual Group  
FBInsure, LLC  
Acadia Insurance Company  
Risman Insurance Agency, Inc.  
Liberty Mutual Insurance Companies

Substituted for:  
N/A

Not in Attendance:  
N/A

#### 23.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Commercial Program Oversight Committee meeting of August 31, 2023. The Records have been distributed and are on file.

#### 24.04 Redistribution of Residual Market Books of Business

Ms. Natalie Hubley noted that a Servicing Carrier Request for Proposal (RFP) will be distributed to the industry in June, 2024 in order to accommodate the residual market's transition to the new commercial forms and endorsements effective January 1, 2027. Ms. Hubley stated that, as CAR staff moved forward in preparing the draft of the RFP, it became apparent that minimizing market disruption will become more difficult in the future when redistributing the Exclusive Representative Producer's (ERP's) books of business, given current market trends and the redistribution requirements. Mr. John Olivieri observed that it was an optimal time to review the redistribution process.

The Committee noted that the current procedures for redistribution have held up well yet, the dynamics in current residual market conditions with mergers and acquisitions, market trends and potential premium volume shifts make it worth reviewing. The Committee then questioned the Servicing Carriers regarding the influence of elements such as agency count, classification mix, and the number and size of policies they write. It was the consensus of the Servicing Carriers that those elements were important and each created difficult challenges; however, the inequity of revenue has been the significant factor when determining whether to request a redistribution.

The Committee then discussed alternatives to the current practice with some members suggesting consideration of ways to enable more flexibility in allowing two Servicing Carriers in cases involving mergers of larger books of business and large networks, but noted that parameters needed to be established. Further discussion centered around alternatives or changes to the current allocation of premium method such as increasing the three percent tolerance level that triggers a redistribution. Mr. Barry Tagen suggested the Committee consider a change to the expense allocation procedure to enhance incentives to depopulate the residual market and to minimize the potential need for redistributions. Specifically, he suggested a flat expense allocation for each servicing carrier based on an equal portion of the total expense allocation. Ms. Hubley advised that staff will review the suggestions expressed and outline alternatives for consideration at the next meeting.

### **Other Business**

Mr. Barry Tagen introduced the topic of the Servicing Carrier's Annual Reports to the Committee and questioned whether these reports would be waived as was the case when Servicing Carriers responded to the 2020 RFP. The Committee agreed to add this topic to the agenda for further discussion at its next meeting.

RICHARD DALTON  
Residual Market Liaison

Boston, Massachusetts  
January 30, 2024

**ATTACHMENT LISTING**

Docket #CPOC24.02, Exhibit #1

Attendance Listing

**COMMERCIAL PROGRAM OVERSIGHT COMMITTEE MEETING  
MEETING ATTENDEES  
JANUARY 25, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

M. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Brian Hayes	Quincy Mutual Group
Nicole Martorana	FBInsure, LLC
Sharon Murphy	Acadia Insurance Company
Henry Risman	Risman Insurance Agency, Inc.
Meredith Woodcock	Liberty Mutual Insurance Companies
David Zawilinski	Arbella Insurance Group
John Magadieu	Arbella Insurance Group
Barry Tagen	Pilgrim Insurance Company
Mary Ellen Thompson	Division of Insurance
Benjamin Hincks	TSH & D – CAR Counsel
Steven Torres	TSH & D – CAR Counsel
Laura Poulin	MAIA
Peter Barton	Safety Insurance Company
Mary McConnell	Safety Insurance Company
Mark Alves	CAR Staff
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Richard Dalton	CAR Staff
Adrienne Donovan	CAR Staff
Timothy Galligan	CAR Staff
Steven Gautieri	CAR Staff
Matthew Hirsh	CAR Staff
Cheryl Kopas	CAR Staff

**COMMERCIAL PROGRAM OVERSIGHT COMMITTEE MEETING  
MEETING ATTENDEES  
JANUARY 25, 2024**

Individual's Name

Company / Agency

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Tiffany Manning	CAR Staff
Katy Proctor	CAR Staff
James Robery	CAR Staff
Lynne Rosenburg	CAR Staff
Alison Ruggiero	CAR Staff
Robin Tigges	CAR Staff