



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110  
www.commauto.com 617-338-4000

## RECORDS OF MEETING

### COMMERCIAL PROGRAM OVERSIGHT COMMITTEE – NOVEMBER 8, 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  
Acadia Insurance Company  
Risman Insurance Agency, Inc.  
Liberty Mutual Insurance Companies

Substituted for:  
N/A

Not in Attendance:  
N/A

#### 24.01 Records of Previous Meeting

The Committee unanimously voted to approve the records of the Commercial Program Oversight Committee meeting of July 31, 2024. The records have been distributed and are on file.

#### 24.05 2027 Commercial Program Request for Proposal

Mr. Richard Dalton advised that each committee member is in receipt of the proposals submitted by Arbella Protection Insurance Company, The Commerce Insurance Company, Pilgrim Insurance Company and Safety Insurance Company for appointment as a commercial Servicing Carrier for the upcoming term commencing on January 1, 2027. He noted that committee members have had an opportunity to review the proposals prior to the meeting. In addition, staff provided each committee member a tabular summary of the proposals and price quotations included in each submission. Mr. Dalton pointed out that the summary highlights the proposers' responses to questions asked relative to issues observed during the current appointment term. Further, he noted that each proposer offered additional comment highlighting financial strengths, experience with the Massachusetts residual markets and success in addressing issues that emerged during the current term and that proposers also noted their continued interest in developing and implementing additional solutions to further improve the commercial residual market results during the upcoming term.

Ms. Natalie Hubley discussed procedural issues, noting that the Committee will finalize its decision regarding the recommended number of Servicing Carriers, the Committee will select a single dollar amount as compensation for the forms update, and the Committee will select a single percent of written premium

as compensation for the on-going servicing of residual market business during the appointment term. She explained that selected forms update allowance and servicing expense allowance will be paid to each carrier accepting the Committee's offer. Finally, Ms. Hubley advised that each proposer will then be required to respond to CAR by the close of business on Tuesday, November 12, 2024 to either accept the Committee's offer or to withdraw its proposal.

After discussion, the Committee members noted the demonstrated performance of each of the proposers through years of participation in the program and noted the potential disruptive impact of producer reassignments. Accordingly, the Committee confirmed its preference for four Servicing Carriers and voted unanimously to recommend appointment of Arbella, Pilgrim, MAPFRE, and Safety as Servicing Carriers for the five-year appointment term beginning with policies effective January 1, 2027.

Committee members then discussed the proposers' bid quotations for the forms upgrade. Ms. Meredith Woodcock noted the wide variance among the bids and requested additional information relating to the MAPFRE quote. Mr. Jesse Zimmerman advised that MAPFRE, having had no intention to update the forms, will now be required to implement the newer forms for its voluntary business causing MAPFRE to incur substantial costs it would not otherwise have incurred. He further explained that the update to the voluntary forms would require additional changes above those needed for the residual market due to form references specific to MAPFRE's voluntary business. Although Mr. Zimmerman indicated that he was not able to isolate expenses associated only to residual market business at the meeting, he indicated that those expenses would exceed each of the other proposers' quotes. The other proposers indicated that their respective bids were based on expenses associated only with residual market business.

Because committee members opined that it was not appropriate for the residual market to reimburse costs associated with voluntary business, the Committee considered the price quotations of the remaining proposers, ranging from \$397,000 to \$742,000. Ms. Meredith Woodcock suggested that reasonable compensation would range from \$450,000 to \$500,000. The Committee also discussed the schedule in which carriers would be compensated. Ms. Hubley noted that each proposer requested slightly different compensation schedules but all requested compensation prior to the start of the appointment term. She indicated that staff would consider alternatives and present its recommendation to the committee early next year. After considerable discussion, the Committee unanimously voted to offer each carrier \$475,000 as compensation for the forms update project with the payment to be made prior to January 1, 2027 and a specific schedule to be determined.

The Committee then discussed the compensation for ongoing servicing of the residual market business again noting the wide range of proposer quotes. The Committee observed that the compensation agreement for the current appointment term includes a 2% annual increase which projected to policy year 2027 would be 14.35% of written premium. The Committee also recognized that anticipated rate changes throughout the term will likely continue to result in increased compensation. Accordingly, after considerable discussion, the Committee unanimously voted to offer each carrier 14.8% of written premium as compensation for the ongoing servicing of residual market business for the 5-year appointment term beginning January 1, 2027.

RICHARD DALTON  
Residual Market Liaison

Boston, Massachusetts  
November 14, 2024

**ATTACHMENT LISTING**

Docket #CPOC24.02, Exhibit #5

Attendance Listing

**COMMERCIAL PROGRAM OVERSIGHT COMMITTEE MEETING  
MEETING ATTENDEES  
NOVEMBER 8, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

M. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Sharon Murphy	Acadia Insurance Company
Brian Hayes	Quincy Mutual Group
Nicole Martorana	FBInsure
Henry Risman	Risman Insurance Agency, Inc.
Jesse Zimmerman	MAPFRE U.S.A. Corporation
Amanda Fournier	MAPFRE U.S.A. Corporation
Karen Taylor	MAPFRE U.S.A. Corporation
Donald Berthel	MAPFRE U.S.A. Corporation
Allison Ratliff	MAPFRE U.S.A. Corporation
Patricia Lizotte	MAPFRE U.S.A. Corporation
Andrew Lough	MAPFRE U.S.A. Corporation
Angie McCann	MAPFRE U.S.A. Corporation
Isidia Salvas	MAPFRE U.S.A. Corporation
Kostas Panagiotou	MAPFRE U.S.A. Corporation
Susan Skowyra	MAPFRE U.S.A. Corporation
David Zawilinski	Arbella Insurance Group
William Hughes	Arbella Insurance Group
John Magadieu	Arbella Insurance Group
Matthew Devine	Arbella Insurance Group
Linda Zarella	Arbella Insurance Group
Patrick Avery	Pilgrim Insurance Company
Barry Tagen	Pilgrim Insurance Company
Michael Brady	Pilgrim Insurance Company
Joseph Mullen	Pilgrim Insurance Company
Mary Ellen Thompson	Division of Insurance

**COMMERCIAL PROGRAM OVERSIGHT COMMITTEE MEETING  
MEETING ATTENDEES  
NOVEMBER 8, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

Benjamin Hincks	TSH & D – CAR Counsel
Steven Torres	TSH & D – CAR Counsel
Matthew Burke	Division of Insurance
Mary McConnell	Safety Insurance Company
Peter Barton	Safety Insurance Company
Brian Lam	Safety Insurance Company
Andrew Lajzer	Safety Insurance Company
Christopher Whitford	Safety Insurance Company
Chadwick Hauff	Safety Insurance Company
Christopher Rushton	Safety Insurance Company
Kevin Thies	Safety Insurance Company
Mark Alves	CAR Staff
Shannon Chiu	CAR Staff
Richard Dalton	CAR Staff
Adrianne Donovan	CAR Staff
Steven Gautieri	CAR Staff
Matthew Hirsh	CAR Staff
Natalie Hubley	CAR Staff
Cheryl Kopas	CAR Staff
Tiffany Manning	CAR Staff
Katy Proctor	CAR Staff
James Robery	CAR Staff
Evan Ross	CAR Staff
Robin Tigges	CAR Staff