



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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www.commauto.com 617-338-4000

RECORDS OF MEETING

COMMERCIAL AUTOMOBILE COMMITTEE – MARCH 27, 2025

Members Present

| | |
|------------------------------------|---|
| Mr. Thomas DePaulo – Chair | Cabot Risk Strategies, LLC |
| Ms. Annmarie Castonguay | The Hanover Insurance Company |
| Mr. Andrew Lajzer | Safety Insurance Company |
| Mr. John Olivieri, Jr. | J.K. Olivieri Insurance Agency, Inc. |
| Mr. Tiago Prado | BRZ Insurance, LLC |
| Ms. Allison Ratliff ⁽¹⁾ | MAPFRE U.S.A. Corporation |
| Mr. Thomas Skelly, Jr. | Deland, Gibson Insurance Associates, Inc. |
| Mr. Barry Tagen | Pilgrim Insurance Company |
| Ms. Jeanne Weathers ⁽²⁾ | Arbella Insurance Group |

Substituted for:

- ⁽¹⁾ Mr. Jesse Zimmerman
- ⁽²⁾ Mr. David Zawilinski

Not in Attendance:

Ms. Sheila Doherty, Doherty Insurance Agency, Inc.
Ms. Sharon Murphy, Acadia Insurance Company

24.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Commercial Automobile Committee meeting of November 1, 2024. The Records have been distributed and are on file.

24.09 Assignment Procedures for Affiliated Producers

At its last meeting, the Committee began discussions to consider the feasibility of changes to the producer assignment procedures for affiliated agencies outlined in Rule 14.A.2. The Committee was asked to consider this issue in light of the limitations caused by agency network participation and merger and acquisition activity on CAR's ability to minimize market disruption during redistribution of residual market books of business performed to maintain equity among Servicing Carriers.

Ms. Lynne Rosenberg presented CAR Staff's findings from the committee-directed research into agency networks regarding the optional and mandatory services these networks provide. While CAR Staff contacted the four major networks currently recognized as affiliated groups in the agency assignment process, none responded to Staff's inquiries regarding the specific services and agency requirements.

Instead, Staff reviewed the content and FAQs on the networks' websites and gathered general information for the Committee.

The initial research indicated that network clusters allow their participating agencies to remain entirely independent and maintain existing contracts with current carriers. Outside of providing market access, the network clusters also provide mentoring, marketing, training, management, and back-office support services. One of these clusters appeared more selective with the agencies allowed to participate in their network and has greater oversight and involvement in matching a submission to a carrier. Further analysis found that, of the four network clusters, three clusters also operate as independent agencies with their own assignment to a Servicing Carrier. Additionally, all four network clusters combined for a total of about 285 affiliated agencies.

Ms. Rosenberg made note of a recent suggestion that Staff contact the Servicing Carriers for their perspective on how these agent networks function, stating that CAR Staff can make this a priority for the next meeting should the Committee agree. Additional options mentioned in prior meetings were also proposed for review, including consideration of the network participants as independent agencies for assignment purposes, assignment of the larger affiliated groups to multiple Servicing Carriers based upon geographic location or other criteria, and the assignment of business to Servicing Carriers on a rotational basis as suggested by a few agents with the last redistribution. Ms. Rosenberg then turned the discussion over to the Committee to consider how to proceed.

Mr. John Olivieri questioned whether the Committee can mandate a response from the network clusters, stating that it is imperative that the Committee understand how these agency networks operate to make an informed decision on the matter. Some discussion ensued regarding CAR's authority in this regard, with Counsel suggesting they develop a strategy to engage the networks in discussion and to review CAR Rule 14 to consider options to address varying levels of autonomy of agencies affiliated by participation in networks.

Mr. Barry Tagen suggested that CAR Staff seek Servicing Carriers input relative to the alternative assignment methods described to gain their perspective on how the various options would impact the Servicing Carriers' business operations.

The Committee finally resolved to direct CAR Staff to contact the Servicing Carriers for their input on the options the Committee is considering, attempt to contact the agency networks again, and further analyze Rule 14.A.2 to better understand what, in the Committee's authority, could be utilized for an effective course of action on this matter.

24.10 Pollution Coverage

Ms. Wendy Browne recalled the discussions raised in the previous committee meeting regarding the possible development of new procedures for pollution coverage, to ensure consistency in the writing and application of pollution coverage. CAR staff contacted the Servicing Carriers to gain a better understanding of their procedures for determining the applicability of pollution coverage. CAR staff found notable differences in the responses. Some automatically apply the coverage when the MCS-90 is required, whereas others apply the coverage upon the agent's request. Ms. Browne then asked for the Committee's consensus whether the Servicing Carriers should continue the administration of pollution coverage using their own underwriting guidelines, or whether procedures should be developed to ensure consistency amongst Servicing Carriers.

Mr. Tagen expressed support of a Servicing Carrier's prior request for CAR to consider instituting rules and standards regarding the application of pollution coverage when the MCS-90 form is required.

Committee members concurred, noting the ongoing goal to ensure consistency among the Servicing Carriers. After discussion, the Committee directed Staff to draft manual rules and/or Manual of Administrative Procedures language for review at its next meeting.

Ms. Browne noted the draft of the proposed changes to the pollution language in Rule 46 of the Commercial Automobile Manual were attached to the Notice of Meeting. She reiterated that staff is seeking confirmation from Servicing Carriers regarding the procedures set forth with the proposed amendments and requested that they be prepared to finalize those changes at the next meeting. Ms. Annmarie Castonguay pointed out that the MCS-90 filing should be expired when there is a change in company and that the new company must file a new MCS-90 form. She suggested that the draft also incorporates this requirement.

25.04 New Minimum Compulsory Limits for Policies Effective July 1, 2025 and Later

Ms. Wendy Browne provided a status report on actions taken to date to implement new minimum compulsory limits mandated by recent legislation for policies that are issued or renewed on or after July 1, 2025 in the commercial residual market. Ms. Browne noted that CAR filed a rate, rule, and form change with the Division of Insurance on February 28, 2025 to comply with the increases to the minimum coverage limits of insurance for the bodily injury and property damage coverages. The filing is under review at this time.

Ms. Browne mentioned that with the filing, CAR is amending Rules in the Manual to reflect the increase to the statutory basic limits, noting that changes were proposed in Rules 3, 22, 35, 36, 40, 41, 46, 52, 55, 120, and 125. The filing also includes special rating instructions to provide guidance in calculating the minimum and increased limits.

Additionally, CAR is proposing the adoption of AIB commercial advisory forms recently placed on file (SERFF No. AIBM-134378030), including the Garage Declarations, the Massachusetts Garage Insurance Policy, the Truckers Declarations, the Declarations – Massachusetts Business Auto Coverage Form, and the Important Notice to Policy Holders (MM 99 70 07 25). Ms. Browne informed the Committee that CAR filed its own endorsements to ensure compliance with new statutory limits while referencing policy coverage forms currently on file for use in the commercial residual market. These include the Massachusetts Mandatory Endorsement, Mobile Equipment, Lessor - Additional Insured and Loss Payee Massachusetts, Truckers - Insurance for Non-Trucking Use Massachusetts, Uninsured Motorists Coverage – Massachusetts. Appendix I is also updated to reflect the newer versions of policy coverage and endorsement forms and the Increased Limit Factors are updated to include the new required limits.

Finally, Ms. Browne indicated that upon approval of the filing, notification will be sent with both a Commercial Lines Notice and a Bulletin to ensure that the producer community is aware of the changes.

TIMOTHY GALLIGAN
Actuarial and Statistical Services Director

Boston, Massachusetts
April 2, 2025

ATTACHMENT LISTING

Docket #CAC25.02, Exhibit #1

Attendance Listing

**COMMERCIAL AUTOMOBILE COMMITTEE MEETING
MEETING ATTENDEES
MARCH 27, 2025**

Individual's Name

Company / Agency

PLEASE PRINT

| | |
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| Thomas DePaulo | Cabot Risk Strategies, LLC |
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| Jeanne Weathers | Arbella Insurance Group |
| Allison Ratliff | MAPFRE U.S.A. Corporation |
| Peter Barton | Safety Insurance Company |
| Michael Brady | Pilgrim Insurance Company |
| Alexander Chodor | Arbella Insurance Group |
| Linda Zarella | Arbella Insurance Group |
| John Magadieu | Arbella Insurance Group |
| Katie Morrison | Arbella Insurance Group |
| Mary Ellen Thompson | Division of Insurance |
| Benjamin Hincks | TSH & D – CAR Counsel |
| Steven Torres | TSH & D – CAR Counsel |
| Monique Miller | AIB |
| Mark Alves | CAR Staff |
| Wendy Browne | CAR Staff |
| Richard Dalton | CAR Staff |
| Adrianne Donovan | CAR Staff |

**COMMERCIAL AUTOMOBILE COMMITTEE MEETING
MEETING ATTENDEES
MARCH 27, 2025**

Individual's Name

Company / Agency

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|------------------|-----------|
| Timothy Galligan | CAR Staff |
| Steven Gautieri | CAR Staff |
| Richard Heath | CAR Staff |
| Matthew Hirsh | CAR Staff |
| Natalie Hubley | CAR Staff |
| Cheryl Kopas | CAR Staff |
| Katy Proctor | CAR Staff |
| James Robery | CAR Staff |
| Evan Ross | CAR Staff |
| Lynne Rosenberg | CAR Staff |
| Alison Ruggiero | CAR Staff |
| Robin Tigges | CAR Staff |