COMMONWEALTH AUTOMOBILE REINSURERS
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NATALIE A. HUBLEY
PRESIDENT

RECORDS OF MEETING

GOVERNING COMMITTEE REVIEW PANEL – SEPTEMBER 25, 2026

Members Present

Mr. Thomas DePaulo – Chair	Cabot Risk Strategies, LLC
Mr. William Hughes	Arbella Insurance Group
Ms. Mary McConnell[(1)]	Safety Insurance Company

Substituted for:
[(1)]Mr. Christopher Taylor

Not in Attendance:
N/A

24.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Governing Committee Review Panel meeting of April 30, 2024. The Records have been distributed and are on file.

26.04 A One Insurance Agency/Commerce Insurance Company

Ms. Lynne Rosenburg provided the Governing Committee Review Panel with background information relative to the A One Insurance Agency's appeal. She stated the Market Review Committee met on July 16, 2026 to consider a Request for Review submitted by A One Insurance Agency seeking relief of the termination of the agency's commercial Exclusive Representative Producer appointment by Commerce Insurance Company for alleged violation of CAR Rules 14.B.1.b., d., g., j., m., p., q., and x. The Market Review Committee considered the sections of Rule 14 that formed the basis of Commerce's termination notice and voted on each separately. With regard to Rule 14.B.1. sections b, d, g, j, and q, the Committee determined that Commerce had established that A One had violated the cited section of the Rule and that each of those violations was a valid basis for termination. With regard to Rule 14.B.1.m., p., and x, the Committee determined that Commerce had not established that A One had violated the cited section of the Rule. Since the Committee determined that Commerce had established that a number of Rule violations had occurred, and that each of those violations constituted a valid basis for termination, the termination was upheld.

Ms. Rosenburg informed the Panel that A One had filed a timely notice to appeal certain of the decisions of the Market Review Committee and that the Commerce Insurance Company did not appeal the Market Review Committee's decisions with respect to those alleged violations that the Market Review Committee found had not been established. Accordingly, the Request for Review before the Governing

Committee Review Panel was limited to the alleged violations of CAR Rules 14.B.1. b., d., g., j., and q only. She further stated that the Governing Committee Review Panel's review is a de novo review in which the Panel is not bound by the Market Review Committee's decisions. Ms. Rosenburg further stated that the Panel should consider whether or not A One's termination should be upheld based on the grounds stated in Commerce's notice of termination. She stated that each alleged violation should be considered individually to determine whether it was a valid basis for termination, and that the Panel should ultimately determine, in accordance with CAR Rule 20, whether Commerce's termination of the agency's commercial automobile Exclusive Representative Producer appointment was unfair, unreasonable or improper.

On behalf of Commerce Insurance Company, Mr. Paul Drennan presented the company's grounds for termination of A One. Mr. Drennan stated that the rule violation issues with the A One Agency had persisted over time. Mr. Drennan contended that these include premium payments not being submitted in a timely manner, vehicles for which policies were bound but not reported to the company, premium finance agreements not being received, policies bound without confirmation of no unpaid premium, and financed premium paid to the agency instead of the company. He noted that Commerce has been the agency's Servicing Carrier since 2017 and has had the same underwriter handling the agency for the entire period. For most of that time, the underwriter managed the agency at the desk level. Mr. Drennan commented as the agency grew, these issues became more frequent. Eventually, the underwriter raised the issues to senior leadership and started tracking the issues, leading to a Warning Letter being sent to the agency on October 7, 2025. Mr. Drennan noted that the company continued tracking A One's violations during the period following the Warning Letter which led to the Termination Letter issuing in May 2026. He noted that all examples cited in the Termination Letter had occurred following the Warning Letter.

Mr. William Hughes asked questions relating to the agency's performance in the seven years prior to the concerns being raised to senior management, asked whether the increased number of violations coincided with the growth of the agency's business, and inquired about any communication that may have occurred between senior management at Commerce and A One ownership. Mr. Drennan responded that there were fewer problems during the first couple of years, and that the agency has experienced growth in the last few years which could have triggered the increase in the issues experienced with the agency. He further noted that the communications with the agency happened with the underwriter and not with senior leadership.

Committee Chair Thomas DePaulo asked about the timeline of when Commerce started tracking the agency's violations and about any efforts of the carrier to train the agency. Ms. Stacy Marsh of Commerce explained that she is the underwriter assigned to the agency and she started tracking and emailing to the agency about the violations prior to 2023. She explained that she worked with the agency on training to help A One understand the process and the Rule requirements but the issues continued. Commerce then began sending formal letters for each violation in 2023. Mr. DePaulo also asked if the violations continued after the Termination Letter was sent. Ms. Marsh confirmed that, while the volume of violations slowed down after the Termination Letter, likely due to the procedural changes put in place with the termination letter, funds are still not submitted by A One on a timely basis and incomplete submissions have continued. Noting that the meeting materials included the agency's assertion that it had made procedural changes since being issued the Termination Letter, Mr. DePaulo asked about communications between the company and the agency since that time and whether any improvement has been observed. Mr. Drennan answered that there was no further outreach to the agency and he has not observed any changes, although no premium financed policies have been submitted since the Termination Letter.

In response to a question from Mr. Hughes, Mr. Drennan advised that, for the six policies bound since the Termination Letter, there have been few processing violations but late payments and missing deposits continue. Ms. Marsh noted that the special procedures require that completed, signed applications be submitted prior to binding. Further questions from the committee members focused on the status of the

policies that were bound subsequent to the Termination Letter and certain policies identified in the company's submission to the committee.

Mr. Enrique Arce, principal of A One Insurance Agency, presented the agency's appeal and acknowledged that the agency had committed some violations but that he believed that the violations did not justify termination. He explained that the agency has grown significantly and focuses on commercial trucking risks, and there are not many voluntary carriers for those risks. Mr. Arce further commented that he implemented changes in the agency to make improvements following the Warning Letter received in October. The changes included releasing some employees and hiring new ones, retraining existing employees, and contracting with a new finance company. He described the process by which he collected deposit premium and the difficulty with Commerce not accepting ACH payments. To prevent further issues with deposit premium, the agency now accepts credit card payments only. Mr. Arce closed by confirming that the agency has implemented new procedures and is committed to adhering to CAR Rules.

Committee members asked a number of questions of Mr. Arce to gain a better understanding of the changes he implemented at the agency, the training that he has conducted, the changes in the premium finance company, the gaps in funds provided to Commerce, and his overall role as principal of the agency. Mr. Hughes asked if the agency reached out to the carrier to discuss the issues or violations after receiving the Warning Letter in October. Mr. Arce confirmed that he reached out to the carrier and that the carrier highlighted one large policy that had multiple issues that took significant time to address. Mr. Arce indicated that he believed the agency and underwriter were working together on it so that the issues shouldn't have been considered violations. Mr. Matt Corcoran of A One further addressed the issues with this particular policy and the associated complicating factors, which, in his opinion, seemed to be the start of the increasing violations.

After concluding their discussions that followed the presentations, the Panel proceeded to consider the alleged violations that were the basis of the Market Review Committee's decision to uphold the agency's termination. The Chair advised that, for each alleged violation, the Panel would separately consider(i) whether Commerce had established that the agency violated CAR Rules and, if the violation had been established, (ii) whether that violation constituted a valid basis for termination. Accordingly, the Panel considered each of violations that were the basis of the Market Review Committee's decision to uphold the agency's termination as follows:

- On a unanimous vote, the Panel approved a motion that Commerce had established that A One Insurance violated CAR Rule 14.B.1.b. by failing to collect, process and remit premium due Commerce in accordance with the provisions of the Rules of Operation. Additionally, the Panel unanimously approved a motion that the violation provided a valid basis for termination.

- On a unanimous vote, the Panel approved a motion that Commerce has established that A One Insurance violated CAR Rule 14.B.1.d. by failing to submit for all applicants a new business application for insurance with appropriate certification form(s), completed in their entirety, and a signed premium finance application/agreement, if applicable within two business days. Additionally, the Panel unanimously approved a motion that the violation provided a valid basis for termination.

- On a unanimous vote, the Panel approved a motion that Commerce has established that A One Insurance violated CAR Rule 14.B.1.g. by failing to verify that the applicant has not been in default in the payment of any Motor Vehicle Insurance premiums in the prior 24 months. Additionally, the Panel unanimously approved a motion that the violation provided a valid basis for termination.

- On a unanimous vote, the Panel approved a motion that Commerce has established that A One Insurance violated CAR Rule 14.B.1.j. by failing to forward all premium payments to Commerce

within two business days, such period not being required to be extended by Commerce because, notwithstanding any written assurances, the premium finance company had previously failed to perform its commitment. Additionally, the Panel unanimously approved a motion that the violation provided a valid basis for termination.

- On a unanimous vote, the Panel approved a motion that Commerce has established that A One Insurance violated CAR Rule 14.B.1.q. by failing to notify the premium finance company and the insured that premium checks for all financed accounts are to be made payable to the Servicing Carrier. Additionally, the Panel unanimously approved a motion that the violation provided a valid basis for termination.

Ms. Rosenburg then advised that CAR would confirm the decision of this Governing Committee Review Panel via email. She further advised that the decision of the Review Panel carries the weight of the Governing Committee and may be appealed to the Division of Insurance pursuant to Rule 20 – Review and Appeal of CAR's Rules of Operation within 30 days of being officially notified of this Panel's decision.

LYNNE ROSENBURG
Director of Operations and Residual Market Services

Boston, Massachusetts
November 13, 2026

ATTACHMENT LISTING

Docket #GCRP26.02, Exhibit #1 Attendance Listing

GOVERNING COMMITTEE REVIEW PANEL
SIGN-IN SHEET
SEPTEMBER 25, 2026

Individual's Name **PLEASE PRINT**	Company / Agency
Mary McConnell	Safety Insurance
William Hughes	ARBE.CLA
Ben Hincks	CAR Counsel
Steve Torres	CAR Counsel
Natalie Hubbard	CAR
Thom Di Paolo	CABOT Risk Strategies
Lynne Rosenburg	CAR
Regina Nagle	CAR

GOVERNING COMMITTEE REVIEW PANEL
SIGN-IN SHEET
SEPTEMBER 25, 2026

PLEASE PRINT

Individual's Name	Company / Agency
Paul Drennan	MAPFRE
Stacy Marsh	Mapfre
Enrique Arias	A One Ins.
Adrienne D[illegible]	Staff
Richard Dalton	STAFF
Mathew Corcoran	A one ins.
Wendy Browne	CAR