COMMONWEALTH AUTOMOBILE REINSURERS
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NATALIE A. HUBLEY
PRESIDENT

ADDITIONAL INFORMATION

TO MEMBERS OF THE GOVERNING COMMITTEE

FOR THE MEETING OF:

Tuesday, November 17, 2026, at 11:00 a.m.

GC
26.11 MAIP Steering Committee

The Records of the MAIP Steering Committee meeting of November 5, 2026, are attached (Docket #GC26.11, Exhibit #3). The Records of Meeting have been distributed and are on file.

GC
26.17 Governing Committee Review Panel

The Records of the Governing Committee Review Panel meeting of September 25, 2026, are attached (Docket #GC26.17, Exhibit #1). The Records of Meeting have been distributed and are on file.

NATALIE HUBLEY
President

Attachments

Boston, Massachusetts
November 13, 2026

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RECORDS OF MEETING

MAIP STEERING COMMITTEE – NOVEMBER 5, 2026

Members Present

Mr. Barry Tagen – Chair	Pilgrim Insurance Company
Mr. Matthew Cote	Arbella Insurance Company
Ms. Sheila Doherty	Doherty Insurance Agency, Inc.
Mr. Shaun Farley	Vermont Mutual Insurance Group
Mr. David Hassey	Mill City Insurance, Inc.
Ms. Jean Houghton	Norfolk and Dedham Group
Mr. Andrew Lajzer	Safety Insurance company
Mr. Henry Risman	Risman Insurance Agency, Inc.
Mr. Ben Vick[(1)]	GEICO
Mr. Mark Winiker	Acrisure East Insurance Services, LLC
Ms. Qianyi Zhao	MAPFRE U.S.A. Corporation

Substituted for:
[(1)]Ms. Shi Adams

Not in Attendance:
Mr. Cory Hanson, The Hanover Insurance Company

26.01 Records of Previous Meeting

The Committee voted to approve the Records of the MAIP Steering Committee meeting of May 28, 2026, with nine in favor and one recused due to technical difficulties. The Records have been distributed and are on file.

26.07 MAIP Compliance Oversight Programs

Mr. Richard Dalton provided an overview of the current operation of the MAIP Compliance Oversight Programs, including the Assigned Risk Company (ARC) and Assigned Risk Producer (ARP) performance standards, category thresholds, and the penalties applicable to valid violations. He noted that the committee should discuss the effectiveness of the program as well as any possible improvements. More specifically, Mr. Dalton presented several possible recommendations for the Committee's consideration, including revising the producer documentation requirements to require that premium finance agreements be submitted with completed applications within two business days, establishing a new violation status to indicate that a reported valid violation has been resolved, and whether resolved violations should be included in the measurement of noncompliance against established thresholds for ARC penalty assessments and ARP warning, suspension, and decertification actions.

Chair Barry Tagen noted the recent changes to CAR Rules 28 and 31 to add premium finance agreements, where applicable, to the documents required to be submitted with a completed MAIP application. Therefore, there was broad consensus by the Committee that the documentation requirements for the finance agreement should be included in the ARP compliance assessment.

The Committee then considered the impact to the effectiveness of the oversight program of excluding from the compliance assessment those reported valid violations that are subsequently resolved. Ms. Sheila Doherty commented that excluding valid violations hinders CAR's ability to identify repeat violations and enforce CAR Rules. After discussion, the committee members agreed that the oversight program should be modified to add a new violation status code to identify valid reported violations that are subsequently resolved and to include those resolved violations in the assessment of the ARPs compliance. Accordingly, the Committee directed staff to draft amendments to the ARP and ARC Procedures Manuals for discussion at the next meeting.

26.08 Massachusetts Automobile Insurance Policy Revision

Ms. Wendy Browne reviewed changes incorporated into the Massachusetts Automobile Insurance Policy placed on file effective July 1, 2026. She highlighted revisions to the various compulsory limits and the inclusion of language previously addressed through the Massachusetts Mandatory Endorsement (M-0099-S) into the Medical Payments Coverage section. Additionally, editorial changes to the Substitute Transportation Coverage provisions and the inclusion of language to address the Negative Options Features were also added. Ms. Browne noted that, if CAR adopts the revised policy, the mandatory endorsement will also be withdrawn.

Committee members express support for adopting the revised policy, provided that adequate lead time is available for carriers to implement the new form for both their voluntary and MAIP policies. The Committee agreed that the revised policy should be incorporated into the next MAIP rate filing, which is planned for later this year with a proposed effective date of July 1, 2027.

The Committee unanimously voted to recommend to the Governing Committee adoption of the July 1, 2026, version of the Massachusetts Automobile Insurance Policy for MAIP policies, coincident with the effective date of the next MAIP rate filing in 2027.

26.09 Amendment to Assigned Risk Company Procedures Manual – Chapter X - Quota Share and Credit Programs to Reflect New Compulsory Limits

Ms. Shannon Chiu reported that the Commissioner approved amendments to Rule 29 - Assignment Process, of the Rules of Operation to update the quota share formula to reflect the new compulsory limits. Ms. Chiu presented the corresponding amendments to the Assigned Risk Company Procedures Manual – Chapter X – Quota Share and Credit Programs for the Committee's review that specifically modified the definition of MAIP premium and credit premium to use $25,000/$50,000 limits for bodily injury coverage.

The Committee unanimously voted to recommend to the Governing Committee approval of the proposed amendments to the Assigned Risk Company Procedures Manual - Chapter X – Quota Share and Credit Programs.

ADRIANNE DONOVAN
Residual Market Services Liaison

Boston, Massachusetts
November 13, 2026

MAIP STEERING COMMITTEE
November 5, 2026

Amendment to Assigned Risk Company Procedures Manual – Chapter X - Quota Share and Credit Programs to Reflect New Compulsory Limits

The Actuarial Committee approved the changes to the Rule 29 Quota Share formula to reflect the new compulsory limits beginning with the June 2026 statistical submission. Pages 2, 4 and 5 of Chapter X – Quota Share and Credit Programs in the Assigned Risk Company Procedures Manual are being amended to also reflect the new compulsory limits. This change modifies the definition of MAIP premium and credit premium to use the $25,000/$50,000 limits for bodily injury coverage.

Classification Code	Classification Description	Adjustment Factor
0400	Electric Cars	.33
0426	Snowmobiles	.33
0408-0425, 0427-0431 0508-0525, 0527-0531 0608-0625, 0627-0631	Motorcycles	.33

(2) Members will also be required to provide CAR with information, as needed, to perform any other necessary adjustments to statistically reported data.

c. Determine Each Member's Voluntary Market Share

A Member's voluntary market share shall be the ratio of its written property damage liability exposures for CAR Identification Code 8 to the total written property damage liability exposures for CAR Identification Code 8 as accumulated in Section A.1.a. and as adjusted in Section A.1.b. of this Chapter Refer to Exhibit X-A-1, Column (2).

2. Accumulate MAIP Quota Share Premium

MAIP Quota Share premium shall include data from the sources noted below. Refer to Exhibit X-A-1, Column (3).

a. Reported Premium (from reported exposures)

(1) MAIP exposures for each Member will be accumulated on a monthly basis. Written property damage liability exposures (CAR Identification Code 9) will be accumulated for the 12 most recent policy effective months and will be sorted by rate effective year, classification code, territory and merit rating points.

(2) Determine the MAIP premium related to the exposures accumulated in Section A.2.a.(1) of this Chapter for the following coverages: $25~~20~~,000/$50~~40~~,000 bodily injury (including guest), $100,000 property damage liability, and $8,000 personal injury protection, using the rates from CAR's Massachusetts Private Passenger Automobile Insurance

Manual, excluding subsidies and redundancies as calculated from the cost-based rate indicated in the underlying rate filing.

(3) Adjust MAIP premium accumulated in Section A.2.a.(2) of this Chapter by multiplying by the appropriate merit rating surcharge/credit factor, for the applicable coverages.

For additional details regarding the calculation of Quota Share premium, access the Quota Share link that is displayed on the MAIP Company Access page of CAR's website, then access the Data Downloads and Premium and Credit Calculations links.

b. Premium from Assigned MAIP Policies

Accumulate premium for MAIP risks assigned as described in Section C. of this Chapter and having policy effective dates subsequent to the 12 policy effective month rolling total.

3. Accumulate MAIP Credit Premium

Credit premium for each Member and for the industry will be accumulated on a monthly basis. Refer to Exhibit X-A-1, Column (4). Credit premium is generated from several sources including voluntary credits and take-out credits. Credit premium may also be adjusted as a result of the Rule 29 Credit Edit and from the sale and transfer of excess credits. The MAIP Quota Share – Data by Source report (refer to Exhibit X-A-2), details the source of accumulated MAIP credits and credit adjustments and is described further in Section E.1. of this Chapter. A link to the MAIP Quota Share – Data by Source report is available on the Company MAIP Access section of CAR's website, under the Quota Share link.

a. Voluntary Credits

Members shall receive voluntary credit for exposures that are eligible for MAIP placement but that are insured voluntarily, as described in Section A.3.a.(1) of this Chapter. Voluntary credits will be accumulated using the procedure described in Section A.3.a.(2) of this Chapter:

(1) For polices reported with CAR ID Code 8:

Members shall receive credit for each exposure that it insures voluntarily in the territory and operator classes specified in Rule 29.D.3. of CAR's Rules of Operation. The amount of credit shall equal the annual Private Passenger Motor Vehicle MAIP premium as determined in A.2.a.(2) that would have been calculated if the exposure had been assigned through the MAIP, multiplied by the factor specified in Rule 29.D.3.

(2) Accumulate property damage liability written exposures as reported for the 12 most recent policy effective months, sorted by rate effective year, classification code, territory and merit rating points.

(a) Determine the credit premium related to the exposures accumulated in A.3.a.(1) for the following coverages: $25~~20~~,000/$50~~40~~,000 bodily injury (including guest), $100,000 property damage liability, and $8,000 personal injury protection using the rates from CAR's Massachusetts Private Passenger Automobile Insurance Manual, excluding subsidies and redundancies as calculated from the cost based rate indicated in the underlying rate filing.

(b) Adjust the credit premium accumulated in Section A.3.a.(2)(a) of this Chapter by multiplying by the appropriate merit rating surcharge/credit factor, where applicable.

(c) Multiply each accumulation of premium by classification code, territory and merit rating points as determined in Section A.3.a.(2)(a) and adjusted as in Section A.3.a.(2)(b) of this Chapter, by the approved class/territory credit factor specified in Rule 29.D.3. of CAR's Rules of Operation.

For additional details regarding the calculation of Quota Share voluntary credit premium, access the Quota Share link that is displayed on the MAIP Company Access page of CAR's website, then access the Data Downloads and Premium and Credit Calculations links.

b. Take-Out Credits

Members will receive credit for each policy that is assigned through the MAIP that is voluntarily written at the policy's expiration. To qualify for a take-out credit, the requirements specified in Rule 29.D.4. of CAR's Rules of Operation must be met. Note that ARCs that report interim summary data are not eligible for Take-Out Credits.

(1) For each MAIP Placement Record (MPR) with a Transaction Code 6 – Business Taken out of MAIP submitted to CAR, a monthly verification procedure will be performed.

Each Transaction Code 6 MPR will be verified to assure that the corresponding policy previously insured through the MAIP was insured through the MAIP for the entire previous policy period by matching MPRs to corresponding reported statistical records.

Each take-out credit MPR will also be matched to the current period statistical data to ensure that the voluntary policy was in effect for at least 90 days.

(2) For each MAIP take-out placement record verified as eligible for take-out credit, as specified in Section A.3.b.(1) of this Chapter, statistical data will be accumulated to determine the appropriate take-out credit premium.

(a) Accumulate property damage liability written exposures as statistically reported for the 12 most recent policy effective months, sorted by rate effective year, classification code, territory and merit rating points for statistical data matching an eligible take-out credit placement record.

(b) Determine the credit premium related to the exposures accumulated in Section A.3.a.(1) of this Chapter for the following coverages: $25~~20~~,000/$50~~40~~,000 bodily injury (including guest), $100,000 property damage liability, and $8,000 personal injury protection using the rates from CAR's Massachusetts Private Passenger Automobile Insurance Manual, excluding subsidies and redundancies as calculated from the cost based rate indicated in the underlying rate filing.

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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