



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

LEGAL CONTRACT REVIEW COMMITTEE – APRIL 4, 2019

Members Present

Mr. John Olivieri, Jr. – Chair
Ms. Elizabeth Brodeur
Mr. Thomas DePaulo
Ms. Roberta Fitzpatrick

J.K. Olivieri Insurance Agency, Inc.
Safety Insurance Company
Cabot Risk Strategies, LLC
Arbella Insurance Group

Substituted for:

N/A

Not in Attendance:

N/A

16.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Legal Contract Review Subcommittee Committee meeting of June 7, 2016 continued to June 15, 2016. The Records have been distributed and are on file.

19.04 Legal Services Review

The Committee reviewed the performance of CAR's current outside law firm, Torres, Scammon, Hincks & Day, LLC (TSH&D), during the past three years to determine whether to recommend retention of the firm or to proceed with an RFP. Mr. John Olivieri reminded the Committee that CAR's contracting policy for professional services calls for a review of provider performance every five years, but noted that TSH&D's initial engagement was limited to three years to provide an earlier opportunity to review the new firm's performance and value to CAR.

Staff indicated that the firm attorneys have been accessible, easy to work with and have spent significant time on a wide range of issues involving committee associated activity and day to day legal matters. The Committee was told that the firm has shown a willingness to utilize the depth of assets within its organization to provide timely and thorough representation. Members of the Committee agreed that the firm has performed well, particularly in light of CAR's unique organizational and operational characteristics, which require a lengthy learning curve for providers of professional services. The Committee reached consensus that TSH&D should be retained and accordingly, there is no need to initiate an RFP for outside legal services.

The monthly retainer arrangement with TSH&D was discussed and staff advised that the firm had provided a retainer proposal for either a two-year extension of the expiring three-year engagement, or for a five-year renewal agreement. The Committee reviewed the costs of the proposal and the relative merits of each timeframe within the context of current market activity and the legal workload. The Committee noted that the time and effort provided by TSH&D was more than the firm anticipated when it was initially retained in 2016, and while there is no reliable way to predict what the need for legal representation may be in the long term, the Committee recognized that ongoing efforts related to the commercial market in particular are expected to continue for the foreseeable future. With that in mind, the Committee agreed that even if the need for the firm's services were to lessen during the next several years, the tiered increase in the retainer proposed by TSH&D for a five-year renewal engagement was reasonable and would provide cost certainty for a longer period of time. CAR has no in-house counsel, so TSH&D serves a dual purpose of sorts and consideration was given to the possibility that if the Committee recommended a two-year extension of the engagement, a review and possible renegotiation in 2021 could result in higher retainer fees than what is now being proposed. The Committee acknowledged that while a retainer agreement is difficult to compare to hourly rates charged by firms providing legal services to member companies and like organizations, there was agreement that the TSH&D proposal represents good value for CAR. The Committee also took note of the firm's continued commitment to endeavor to keep matters within the retainer, as has been the case for the first three years.

Following discussion and in consideration of the quality of the firm's performance and service, the Committee unanimously voted to recommend to the Governing Committee that the TSH&D engagement be renewed for a five-year term under a monthly retainer arrangement as proposed.

TIMOTHY COSTAIN
Chief of Staff

Boston, Massachusetts
April 9, 2019

ATTACHMENT LISTING

Docket #LCRC19.02, Exhibit #1

Attendance Listing

