



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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

NOTICE OF MEETING

MARKET REVIEW COMMITTEE

A meeting of the Market Review Committee will be held at the Automobile Insurers Bureau Conference Center at 101 Arch Street, 7th Floor, Boston, on

TUESDAY, JANUARY 30, 2018 AT 1:00 P.M.

MEMBERS OF THE COMMITTEE

Mr. Charles Boynton, III – Chair
Boynton Insurance Agency, Inc.

Ms. Elizabeth Brodeur
Ms. Sheila Doherty
Mr. Andrew Drayer
Ms. Roberta Fitzpatrick
Mr. Harold Gerbis
Mr. Sumner Gilman
Mr. David McCormick
Ms. Marie-Armeil Theodat
Mr. Kenneth Willis

Safety Insurance Company
Doherty Insurance Agency, Inc.
MAPFRE U.S.A. Corporation
Arbella Insurance Group
Quincy Mutual Group
Economy Insurance Agency, Inc.
McCormick and Sons Insurance Agency, Inc.
All Towns Insurance Agency, Inc.
Plymouth Rock Assurance Corporation

AGENDA

MR

17.01 Records of Previous Meeting

The Records of the Market Review Committee meeting of November 28, 2017 should be read and approved.

MR

18.03 CAR Conflict of Interest Policy

The Chair will read a statement relative to CAR's Conflict of Interest Policy.

MR

18.04 CHC Insurance Agency

A Request for Review was submitted by the CHC Insurance Agency, seeking relief of the decertification of the agency's private passenger Assigned Risk Producer appointment by CAR. The agency was issued a notice of decertification on January 16, 2018, pursuant to Chapter II.B. – Producer Violation Reporting, Review, Certification Suspension or Decertification, of the Assigned Risk Producer Procedures Manual. CAR's notice of decertification was issued as a result of violation submissions being deemed valid, numerous and/or egregious. Chapter II.B. references producer requirements as specified in Rule 31 – Assigned Risk Producer Requirements of CAR's Rules of Operation, and details the process for oversight of valid violation findings by CAR including suspension of MAIP Policy Application access and Assigned Risk Producer decertification. The agency's Request for Review and CAR's notice of decertification are attached. (Docket #MR18.04, Exhibits #1 and #2)

Other Business

To transact any other business that may properly come before this Committee.

Executive Session

The Committee may convene in Executive Session in accordance with the provisions of G.L. c. 30A, § 21.

JOHN METCALFE
Director – Residual Market Services

Attachments

Boston, Massachusetts
January 19, 2018

2	Details of Aggrievement(s):	Provide specific detail for each reason for the requested review cited above, including references to violations of CAR or MAIP Rules, the agency contract, or established practices of CAR, MAIP or one of its Members. Include historical reference, where appropriate. Attach supporting documentation. My reasons are that I need to keep my business afloat because I owe it to my customers and the community in general. CAR is a big part of my business and I am very appreciative of that.
3	Actions(s) Taken to Date to Resolve the Matter:	State when you first became aware of each item/issue being contested and the steps taken to mitigate or resolve the matter prior to this request for a formal review. Attach supporting documentation. I am diligently paying attention to detail with regards to any and all business written on the MAIP. I became aware of the problem thru notification by CAR. To that end I am working towards a professional solution.

Scheduling of Review

Upon receipt of a completed Request for Review/Relief Form, a hearing date will be established within 15 business days. After a date has been confirmed, CAR will issue a written Notice of Meeting to all affected parties and in compliance with the Open Meeting Law.

Request for Continuance

A request for a continuance of a review of the matter by CAR will be granted upon the agreement of all parties. Absent the agreement of all parties, a request for a continuance must be presented to the assigned Committee for approval.

Submission of Written Information

Any parties wishing to present written materials to be considered by the designated Committee must submit them to CAR's Docket Clerk no later than 12:00 p.m., 5 business days prior to the scheduled meeting date. Timely submitted materials will be docketed by CAR and distributed to the Committee as soon as practicable. Written materials submitted to CAR after 12:00 p.m. on the 5th business day prior to the scheduled meeting date will not be entered on the docket, but the submitting party may petition the Committee directly for consideration of such materials. The Committee has the discretion to determine whether such materials will be considered in its deliberations. In addition, parties who petition the Committee for the submission of materials are expected to be prepared to provide a minimum of 25 copies at the meeting. Parties should provide copies of ALL written materials that they wish considered in the matter to the opposing party in concert with their submission(s) to CAR and/or the Committee.

15 Day Waiver: Initial below if waiving the need for review within 15 business days:

I waive the 15 business day review while retaining rights to a review: (Initial): AP

**PLEASE NOTE: THIS FORM MUST BE COMPLETED AND RETURNED TO CAR
 PRIOR TO THE INITIATION OF A FORMAL REVIEW PURSUANT TO
 CAR RULE 20/MAIP RULE 40**

FOR COMPLETION BY CAR OFFICE – DO NOT WRITE BELOW

4	Assigned Docket Number:
5	Related Docket Number(s):
6	Assigned Review Forum: CAR COMMITTEE: _____ Scheduled Review Date: _____
7	Disposition:



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January 16, 2018

CHC Insurance Agency
930 Crescent Street
Brockton, MA 02302

Dear Mr. Pearson,

As you are aware, CAR suspended the CHC Insurance Agency on four different occasions since September, 2017 due to MAIP compliance violations. The agency was suspended on September 28, 2017, following a MAIP noncompliance review. Again on October 13, 2017, for alleged premium deficiencies and on December 1, 2017, for premium payment mishandling. At that time, the agency filed a request for a hearing per Rule 40 of the CAR Rules of Operation which stayed the suspension. Then, a violation was filed on December 21, 2017 by an ARC which alleged failure to return unearned, uncontested commission. This type of violation under the MAIP ARP Noncompliance Program warrants an immediate suspension, a suspension letter was generated, however; the hearing request filed by the agency on December 1st stayed that suspension.

As of today, 206 MAIP violations have been filed by the industry against the agency since September 1, 2017. Most of these violations involve allegations of premium payment deficiencies. While it is apparent that the agency has worked to resolve some of these issues, it is also apparent that these egregious issues still exist and that the number of violations are being compounded by new filings almost daily. Therefore, given the number of violations being filed by the industry and the nature of these violations, a pattern has emerged that requires further action by CAR. Consequently, this correspondence will provide the CHC Insurance Agency notice of CAR's intent to exercise its rights under the MAIP program to decertify the agency in accordance with Rule 31 of CAR's Rules of Operation and Chapter II of the Assigned Risk Producer Procedures Manual.

The CHC Insurance Agency should amend its current request for review to address this decertification action and file a revised Request for Review accordingly.

Should you have any questions please feel free to contact me.

Thank you,

Richard Dalton
Commonwealth Automobile Reinsurers
101 Arch Street
Suite 400
Boston, MA 02110