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## RECORDS OF MEETING

### COMMERCIAL AUTOMOBILE RESIDUAL MARKET STANDARDS SUBCOMMITTEE – NOVEMBER 8, 2018

#### Members Present

Mr. John Olivieri, Jr. – Chair  
Ms. Elizabeth Brodeur<sup>(1)</sup>  
Ms. Sarah Clemens  
Ms. Sheila Doherty  
Mr. Coleman Johnson  
Ms. Mona McCowen<sup>(2)</sup>  
Mr. Thomas Skelly, Jr.  
Mr. Barry Tagen

J.K. Olivieri Insurance Agency, Inc.  
Safety Insurance Company  
MAPFRE U.S.A. Corporation  
Doherty Insurance Agency, Inc.  
The Hanover Insurance Company  
Arbella Insurance Group  
Deland, Gibson Insurance Associates, Inc.  
Pilgrim Insurance Company

Substituted for:

<sup>(1)</sup>Mr. Brian Lam

<sup>(2)</sup>Ms. Mayre Hammond

Not in Attendance:

N/A

#### 18.01 Records of Meeting

The Subcommittee unanimously voted to approve the Records of the Commercial Automobile Residual Market Standards Subcommittee meeting of October 23, 2018. The Records have been distributed and are on file.

#### 18.15 Standards for Verification of Applicant Drivers' Licenses

The Subcommittee reviewed proposed updates to the Eligible Risk definition in Rule 2 – Definitions of CAR's Rules of Operation and Servicing Carrier and Exclusive Representative Producer Standards for the Verification of Applicant Drivers' Licenses as amended pursuant to discussion at its last meeting. The procedures are intended to assure Servicing Carrier consistency in handling risks with non-Massachusetts drivers' licenses and to confirm the eligibility for the Massachusetts commercial residual market of a driver with a non-resident or foreign driver's license that regularly drives the vehicle.

At its last meeting, the Subcommittee had requested CAR counsel to further research potential constraints on CAR's authority to amend the current eligibility definition to address the foreign license issue and the legal source or authority for the one year requirement for foreign license conversion. Mr. Benjamin Hincks, CAR Counsel, reported that he had communicated with Registry inside counsel and a senior administrative officer relative to this topic, and although potential legal sources have been identified, there does not appear to be a clear statutory or regulatory source relied upon by the Registry. He noted that

it is possible that RMV policy in this regard goes back for decades, perhaps as far back as the United Nations 1949 Convention on Road Traffic.

Ms. Sarah Clemens questioned whether the rule and procedures would be applied to the named insured as well as all listed operators and whether a Servicing Carrier would be required to cancel a policy that lists any operator that does not have a valid license. The Subcommittee further discussed the possibility of using the Operator Exclusion Form not only for the named insured without a valid license, but any other listed operator without a valid license, therefore allowing the risk to maintain its eligibility status while excluding coverage for ineligible drivers.

Finally, the Subcommittee discussed issues including the proposed amendments' consistency with CAR's enabling statute and the extent to which the amendments should be codified in the CAR Rules or procedure manuals and Mr. Hincks confirmed his position that the proposed procedures do not violate the intent of the statute and comply with Registry Standards and practices.

On a vote of 4 in favor and 3 opposed, the Subcommittee recommended the proposed amendments to Rule 2 – Definitions of CAR's Rules of Operation and the implementation of the Servicing Carrier and Exclusive Representative Producer Standards for the Verification of Applicant Drivers' Licenses to the Commercial Automobile Committee.

MARIAN ADGATE  
Corporate Documentation Specialist

Boston, Massachusetts  
December 10, 2018

**ATTACHMENT LISTING**

Docket #CRMS18.02, Exhibit #12

Attendance Listing



