

Premium Finance Board

November 5, 2020

**MINUTES**

At the call of Assistant Attorney General (AAG) Glenn Kaplan, designee of Attorney General Maura Healey, a meeting of the Premium Finance Board, hereby known as the Board, was called to order at 11:04 a.m. through GoToWebinar.

Also present were other board members Mary Gallagher, Commissioner of Banks and Cara Toomey, Counsel to the Commissioner of Insurance at the Division of Insurance (DOI). Cara Toomey is the designee on this Board for the Commissioner of Insurance.

Others present who are staff of the agencies represented on the Board include Heather Bennett, Arwen Thoman, Chloe Williams, and Burt Feinberg.

After the call to order, the next order of business was the opportunity for opening statements of the Board members. None of the Board members offered an opening statement.

Discussion of the third agenda item, approval of minutes from the prior meeting, ensued. AAG Kaplan noted that there had been some suggested edits to the initial draft, and that the final draft had now been circulated. AAG Kaplan roll-called the board members on a vote to approve the minutes. AAG Kaplan voted in favor of the motion, as did Commissioner Gallagher and Cara Toomey.

**VOTED: to approve the prior Premium Finance Board meeting minutes as distributed to the Board members.**

Discussion of the fourth agenda item ensued. This item was related to a potential document request and gathering of information. Cara Toomey noted that the Division of Insurance does not receive notice when a producer contracts with a Premium Finance Company. In addition, no complaints regarding insurance premium finance cancellations were made to the Division of Insurance. Cara Toomey also stated that the Division of Insurance had not heard from any companies regarding any thoughts or suggestions about premium finance.

The discussion then moved on to the potential document request. Commissioner Gallagher thanked Heather Bennett for taking the lead on drafting this document request.

AAG Kaplan then indicated the proposed edits made by the Office of the Attorney General, including an edit that helped define what the document was referring regarding “secured aspects.”

Commissioner Gallagher noted that the edits offered by the Office of the Attorney General helped to clarify the Board’s request and stated that these edits seemed fair.

Cara Toomey agreed with the incorporated edits.

AAG Kaplan asked the Board how they would go about doing outreach for the proposed information request.

Commissioner Gallagher offered that the Division of Banks could reach out to licensee contacts proactively and that the Board could post the information request on its website as well.

Heather Bennett agreed with Commissioner Gallagher. While the Division of Banks does not have an exhaustive list of industry and consumer groups, it could do some more research. Furthermore, Heather Bennett stated that the Division of Banks does have contacts for licensees.

AAG Kaplan agreed with Commissioner Gallagher and Heather Bennett’s suggestions. He also suggested that the Board explore reaching out to other entities.

Commissioner Gallagher noted that the Division of Banks could certainly reach out to its contacts at finance companies, which could provide the majority of the information the Board is seeking. She also asked what consumer and advocacy organizations might be contacted. Commissioner Gallagher suggested that the Office of the Attorney General might make this outreach.

AAG Kaplan indicated the AGO could do some outreach. He also suggested that the Board could pursue additional outreach if it was needed in the future. AAG Kaplan then asked if there was a proposed deadline for production under the document request.

Heather Bennett noted that no deadline was included on the current draft. AAG Kaplan stated that a deadline would be helpful in gathering information. Heather Bennett agreed with AAG Kaplan’s suggestion. AAG Kaplan asked the Board how much time should be given for entities to respond to the information request. Commissioner Gallagher proposed three to four weeks from the meeting’s date.

AAG Kaplan noted the issue of upcoming holidays and suggested adding another week on to Commissioner Gallagher's proposed timeline.

Commissioner Gallagher offered Friday, December 11, 2020 as the deadline. Commissioner Gallagher asked whether the Board should plan to meet the week after the Board received responses. AAG Kaplan suggested that the volume of response would indicate when the next meeting should take place.

Commissioner Gallagher asked if the Board would need to meet to officially receive the data. Cara Toomey asked who would be receiving the data. AAG Kaplan questioned whether a specific contact was listed on the proposed draft. Heather Bennett responded that there was no specific contact listed on the proposed draft. She then asked if there was a Premium Finance Board email. AAG Kaplan confirmed that there was a Premium Finance Board email and website. He noted that adding this information to the proposed draft should be included in voting to approve the draft. AAG Kaplan suggested that Chloe Williams, the administrator for the Board, could circulate data to the Board members as it comes in.

Commissioner Gallagher said that it would be fine if Board members received the information as it comes in. She then asked if this was in line with Open Meetings Law. AAG Kaplan responded that Open Meeting Laws would allow for data to be circulated to the Board members as the data comes in. Cara Toomey asked if the information request should come from the Premium Finance Board's email. AAG Kaplan suggested that in contacting entities, Board members could use their own email and then direct these entities to the Premium Finance Board's website and email. Cara Toomey agreed that this would make sense as whoever is receiving the request would likely pay more attention to an email from the Division of Banks versus the Premium Finance Board.

AAG Kaplan proposed a vote to post the drafted notice on the Premium Finance Board with the reviewed amendments and an indication of Friday, December 11 as the deadline for comments to be submitted.

Commissioner Gallagher seconded the vote, but then asked if it would be possible for Board members to review edits before a final vote.

AAG Kaplan responded that the vote could be subject to a final read for edits. Barring these edits, the Premium Finance Board would begin the circulation process. AAG Kaplan moved that the Board (1) adopt the document that Heather Bennett provided to the Board with the edits as the Board has discussed in during the Board meeting as well as the addition of the December 11 deadline and (2) make any additional typographical edits as per the requests of the Board members.

Arwen Thoman added that this motion should include adding instructions to submit responses to the Premium Finance Board's email address.

Commissioner Gallagher seconded the motion.

AAG Kaplan roll-called the board members on a vote to on the proposed information request. AAG Kaplan voted in favor of the motion, as did Commissioner Gallagher and Cara Toomey.

**VOTED: to approve the proposed information request as distributed to the Board members with additional redline edits, deadline of December 11, of any typographical errors, and including instructions on how to respond to the information request.**

Commissioner Gallagher again inquired about proposing a date for the next meeting.

AAG Kaplan suggested that the Board pencil in the week after the deadline of the information request as the next meeting date; however, he noted that this date may have to move depending on the volume of data the Board receives.

Commissioner Gallagher asked if the Board members should come to the next meeting after having reviewed the material the Board has received.

AAG Kaplan suggested that the Board members conduct a preliminary review of the data before the next meeting.

Arwen Thoman asked if the Board should hold a session in the future where it allows individuals to speak about their concerns.

AAG Kaplan agreed the board should discuss this but thought the Board should first focus on the information request. He also noted that Chloe Williams would be in touch with Board members regarding the scheduling of the next meeting.

AAG Kaplan motioned to adjourn the meeting, Cara Toomey seconded the motion and Commissioner Gallagher agreed as well.

**VOTED: to adjourn at 11:33 a.m.**