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Principal Place of Business Certification Form

Principal Place of Business Certification Form Requirement Multi-State Bus and Truck Renewals

At its June 20, 2018 meeting, the Governing Committee unanimously voted to approve standards for validating the “nerve center” Principal Place of Business of a commercial automobile residual market risk. Details may be found in CAR Bulletin No. 1055 dated July 10, 2018. Signed certification forms were required to be submitted along with all commercial automobile new business applications as of September 1, 2018. The Standards state that, “Pursuant to Rule 10 – Claims of CAR’s Rules of Operation, Servicing Carriers are required to conduct audits on representative samples of policies to verify garaging and policy facts. However, market conditions may warrant increased awareness and focus on specific classifications of business due to suspected fraud, increased loss experience, or other negative impacts on the commercial automobile residual market during the Servicing Carrier contract period. If such occasions occur, the specific classifications will be identified, through CAR’s committee process, for mandatory Servicing Carrier SIU investigations involving the principal place of business. **At its March 29, 2018 meeting the Commercial Automobile Market Standards Subcommittee directed that Servicing Carriers be notified of an expectation to enhance their focus on validating principal place of business for intermediate and long distance TTT and bus classifications.**”

To that extent, and in order to confirm eligibility for continued placement in the commercial automobile residual market, the Commercial Automobile Residual Market Standards Subcommittee, at its September 27, 2018 meeting, unanimously agreed that the Principal Place of Business Certification Form be required for all multi-state bus and truck renewal risks renewing during the Servicing Carrier’s next twelve (12) month renewal cycle. This requirement does not apply to risks that provided the Principal Place of Business Certification Form during the risk’s new business application process.

To access the form on CAR’s website, click on the Manuals tab and then the Commercial Automobile link.

JOHN METCALFE
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