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**UPDATES TO THE MANUAL OF ADMINISTRATIVE PROCEDURES**

**Chapter I – Overview**

**Chapter II – Servicing Carrier Appointment**

**Chapter III – Servicing Carrier Responsibilities**

**Chapter IV – Cession Rules and Procedures**

**Chapter V – Premium**

**Chapter VI – Allowances to Servicing Carriers**

**Chapter VII – Participation**

**Chapter IX – Compliance Audit**

At its meeting of June 14, 2021, the Governing Committee approved modifications to the following chapters of the Manual of Administrative Procedures:

**Chapter I – Overview**

References to separate programs have been removed to reflect that the Taxi, Limousine, and Car Service Program and the Commercial Servicing Carrier Program have been combined into a single program.

**Chapter II – Servicing Carrier Appointment**

References to separate programs have been removed to reflect that the Taxi, Limousine, and Car Service Program and the Commercial Servicing Carrier Program have been combined into a single program. Additionally, provisions for assigning producers to taxi, limousine and car service Servicing Carriers have been eliminated.

**Chapter III – Servicing Carrier Responsibilities**

References to separate programs have been removed to reflect that the Taxi, Limousine and Car Service Program and the Commercial Servicing Carrier Program have been combined into a single program. Additionally, the billing requirements of the Commercial Servicing Carrier Program will be implemented for the combined program. The existing taxi application will continue to be used for taxi, limousine, and car service business, and taxi vehicle inspection requirements will be maintained. Loss control services are to be offered to all commercial classes.

#### Chapter IV – Cession Rules and Procedures

Automatic backdating of cessions for taxi, limousine, and car service policies is provided for policies prior to January 1, 2022; however, for policies effective January 1, 2022 and subsequent, automatic backdating of cessions for all new business commercial policies will occur only if a Servicing Carrier has elected to cede 100% of an ERP's new business policies.

Risk indicator values 1 and 2 are valid for policies effective December 31, 2021 and prior and risk indicator value 2 is valid for policies effective January 1, 2022 and subsequent. For policies effective January 1, 2022 and subsequent, CAR will convert risk indicator value 1 to value 2 as part of its fatal edit processing.

#### Chapter V – Premium

The Cession/No Premium Write-Off has been updated to indicate that beginning with policies effective January 1, 2022 and subsequent, only one cession/no premium amount will be calculated. The effective years in a number of examples have been updated to reflect more current years.

#### Chapter VI – Allowances to Servicing Carriers

References to separate programs have been removed to reflect that the Taxi, Limousine, and Car Service Program and the Commercial Servicing Carrier Program have been combined into a single program. The interim and final ceding expense allowance and true-up procedures have been merged for the combined program.

#### Chapter VII – Participation

For consistency with terminology in the Massachusetts Private Passenger and Commercial Automobile Statistical Plans, all references to the Annual Statement have been updated to read Statutory Page 14 for Massachusetts.

#### Chapter IX – Compliance Audit

References to separate programs have been removed to reflect that the Taxi, Limousine, and Car Service Program and the Commercial Servicing Carrier Program have been combined into a single program.

The updated chapters and the full Manual of Administrative Procedures are available on the Manuals page of CAR's website under the Administrative Procedures Link.

If you have any questions regarding these updates, please contact the undersigned.

WENDY BROWNE  
Vice President – Business Operations