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ADDITIONAL INFORMATION

TO MEMBERS OF THE COMMERCIAL AUTOMOBILE COMMITTEE

FOR THE MEETING OF:

Tuesday, March 16, 2021 at 10:30 a.m.

CAC

19.14 Agent Commissions

Attached is further analysis to assist the Committee in developing a single commission rate for the taxi, limousine, and car service classes combined, including average premium and commission per exposure from 2014 through 2020. (Docket #CAC19.14, Exhibit #6)

CAC

20.05 Transportation Network Services Coverage (TNC)

Based upon Committee discussions at its last meeting, attached are proposed endorsement forms and updates to the Commercial Automobile Manual Rules to address TNC activities in the commercial residual market. (Docket #CAC20.05, Exhibit #4)

CAC

21.04 Impacts to Program Requirements Under a Combined Commercial Servicing Carrier Program

The combining of the Taxi/Limousine/Car Service Program and the Commercial Servicing Carrier Program will require consistency in the procedures for both programs. For the Committee's review and consideration, attached is an outline that identifies the unique requirements that currently exist between the two programs. (Docket #CAC21.04, Exhibit #1)

WENDY BROWNE
Vice President – Business Operations

Attachments

Boston, Massachusetts
March 11, 2021

CAR Commercial Automobile Committee
Taxi/Limousine/Car Service Commission Evaluation

<u>Taxi</u>						
<u>Policy Year</u>	<u>Written Premium</u>	<u>PDL Exposures</u>	<u>Commission Dollars</u>	<u>Average Premium</u>	<u>Commission per Exposure</u>	<u>Commission Percent</u>
2003	\$13,302,765	2,124	\$780,872	\$6,263	\$368	5.87%
2014	\$5,058,024	682	\$371,765	\$7,417	\$545	7.35%
2015	\$5,754,910	775	\$418,382	\$7,426	\$540	7.27%
2016	\$5,359,888	670	\$383,768	\$8,002	\$573	7.16%
2017	\$4,995,966	645	\$354,214	\$7,750	\$549	7.09%
2018	\$3,736,972	555	\$307,179	\$6,731	\$553	8.22%
2019	\$2,731,244	418	\$226,147	\$6,541	\$542	8.28%
2020	\$1,649,847	259	\$130,668	\$6,368	\$504	7.92%

<u>Car Service</u>						
<u>Policy Year</u>	<u>Written Premium</u>	<u>PDL Exposures</u>	<u>Commission Dollars</u>	<u>Average Premium</u>	<u>Commission per Exposure</u>	<u>Commission Percent</u>
2003	\$5,326,203	1,335	\$351,529	\$3,990	\$263	6.60%
2014	\$3,067,258	629	\$92,018	\$4,876	\$146	3.00%
2015	\$3,636,424	684	\$113,456	\$5,316	\$166	3.12%
2016	\$3,980,041	775	\$124,575	\$5,136	\$161	3.13%
2017	\$4,800,613	996	\$150,259	\$4,820	\$151	3.13%
2018	\$4,796,196	968	\$142,447	\$4,955	\$147	2.97%
2019	\$3,876,859	765	\$105,451	\$5,068	\$138	2.72%
2020	\$2,633,370	554	\$66,624	\$4,753	\$120	2.53%

<u>Limousine</u>						
<u>Policy Year</u>	<u>Written Premium</u>	<u>PDL Exposures</u>	<u>Commission Dollars</u>	<u>Average Premium</u>	<u>Commission per Exposure</u>	<u>Commission Percent</u>
2003	\$1,510,575	356	\$99,698	\$4,243	\$280	6.60%
2014	\$658,625	165	\$38,793	\$3,992	\$235	5.89%
2015	\$644,133	183	\$40,065	\$3,520	\$219	6.22%
2016	\$811,673	206	\$44,317	\$3,940	\$215	5.46%
2017	\$1,249,741	294	\$61,112	\$4,251	\$208	4.89%
2018	\$937,620	197	\$39,474	\$4,759	\$200	4.21%
2019	\$720,440	156	\$25,432	\$4,618	\$163	3.53%
2020	\$474,223	113	\$16,930	\$4,197	\$150	3.57%

CAR Commercial Automobile Committee
Taxi/Limousine/Car Service Commission Evaluation

<u>Policy Year</u>	<u>Taxi, Car Service, Limousine Combined</u>					
	<u>Written Premium</u>	<u>PDL Exposures</u>	<u>Commission Dollars</u>	<u>Average Premium</u>	<u>Commission per Exposure</u>	<u>Commission Percent</u>
2003	\$20,139,543	3,815	\$1,232,100	\$5,279	\$323	6.12%
2014	\$8,783,907	1,476	\$502,576	\$5,951	\$341	5.72%
2015	\$10,035,467	1,642	\$571,903	\$6,112	\$348	5.70%
2016	\$10,151,602	1,651	\$552,661	\$6,149	\$335	5.44%
2017	\$11,046,320	1,935	\$565,586	\$5,710	\$292	5.12%
2018	\$9,470,788	1,720	\$489,100	\$5,506	\$284	5.16%
2019	\$7,328,543	1,339	\$357,029	\$5,475	\$267	4.87%
2020	\$4,757,440	926	\$214,222	\$5,137	\$231	4.50%

Alternative Commission Rates (Based on 2020 WP)

<u>Commission</u>	<u>Taxi</u>		<u>Car Service</u>		<u>Limousine</u>		<u>Combined</u>	
	<u>per Exposure</u>	<u>Percent Change</u>	<u>per Exposure</u>	<u>Percent Change</u>	<u>per Exposure</u>	<u>Change</u>	<u>per Exposure</u>	<u>Percent Change</u>
4.0%	\$255	-49%	\$190	58%	\$168	12%	\$205	-11%
5.0%	\$318	-37%	\$238	98%	\$210	40%	\$257	11%
6.0%	\$382	-24%	\$285	137%	\$252	68%	\$308	33%
7.0%	\$446	-12%	\$333	177%	\$294	96%	\$360	55%
8.0%	\$509	1%	\$380	216%	\$336	124%	\$411	78%

Impact of Alternative Commission (using 7/1/2020 Rates)

<u>Commission</u>	<u>Taxi</u>		<u>Car Service</u>		<u>Limousine</u>		<u>Combined</u>
	<u>Premium Impact</u>	<u>Rate Impact</u>	<u>Premium Impact</u>	<u>Rate Impact</u>	<u>Premium Impact</u>	<u>Rate Impact</u>	<u>Premium Impact</u>
4.0%	(\$143,781)	-3.6%	\$99,374	1.8%	\$4,299	0.4%	(\$40,108)
5.0%	(\$104,816)	-2.6%	\$160,340	2.9%	\$15,321	1.3%	\$70,845
6.0%	(\$65,851)	-1.6%	\$221,305	4.0%	\$26,343	2.2%	\$181,798
7.0%	(\$26,886)	-0.7%	\$282,271	5.1%	\$37,366	3.2%	\$292,751
8.0%	\$12,079	0.3%	\$343,237	6.2%	\$48,388	4.1%	\$403,704

Commercial Automobile Committee
Commercial Automobile Insurance Rules and Forms
Summary of Amendments to Address TNC Activities

TNC Endorsement Forms

CR 99 06 XX 21 – Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion

This endorsement will be filed for use with private passenger type and short term leasing or rental concerns classifications. It excludes coverage when an auto classified as a private passenger type or short term leasing or rental concerns is being used as a public or livery conveyance for passengers or by an insured who is logged into a transportation network platform or delivery network platform as a driver.

CR 99 05 XX 21 – Vehicle Sharing Program Exclusion Endorsement

This endorsement will be filed for use with all vehicle types. It excludes coverage for any auto enrolled or participating in a vehicle sharing program.

CR 99 04 XX 21 – Public or Livery Passenger Conveyance and On-Demand Delivery Services Other Insurance Condition Endorsement

This endorsement will be filed for use with all public automobile classifications. It stipulates that the public transportation auto liability coverage is excess over the insurance provided by a transportation network company when the auto is engaged in transportation network or delivery network services.

Proposed Modifications to the Commercial Automobile Insurance Manual

Section II – Common Coverages and Rating Procedures

Rule 20 – Common Coverages

Section D. of Rule 20 has been modified to indicate that vehicles engaging in TNC activities should be classified and rated in accordance with Section V – Public Transportation of the Manual.

Rule 43 – Vehicle Sharing Program Exclusion Endorsement

This Rule has been added to specify that the Vehicle Sharing Program Exclusion Endorsement (CR 99 05) must be attached to all commercial residual market policies.

Section IV – Private Passenger Types

Rule 61 – Eligibility

Section A.1. of this Rule has been modified to specify that this Rule does not apply to automobiles engaging in public or livery passenger conveyance and on-demand delivery services through a transportation or delivery network services company and such automobiles are not eligible for the PPT classification. The Servicing Carrier will attach Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion (CR 99 06) to any policy that provides coverage for a PPT vehicle.

Section V – Public Transportation

Rule 75 – Public or Livery Passenger Conveyance and On-Demand Delivery Services – Other Insurance Condition Exclusion

This Rule has been added to specify that the Public or Livery Passenger Conveyance and On-Demand Delivery Services – Other Insurance Condition Exclusion (CR 99 04) must be attached to all residual market policies that provide coverage for vehicles classified as public transportation. The endorsement

stipulates that the public transportation auto liability coverage is excess over the insurance provided by a transportation network or delivery network services company.

Section VII – Special Types and Operations

Rule 120 – Leasing or Rental Concerns

Rule language has been modified to specify that this Rule does not apply to short term leasing or rental concerns that lease or rent automobiles to others in order to engage in public or livery passenger conveyance and on-demand delivery services through a transportation or delivery network services company. The Servicing Carrier will attach Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion (CR 99 06) to the policy.

COMMERCIAL AUTO
CR 99 06 XX 21

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PUBLIC OR LIVERY PASSENGER CONVEYANCE
AND ON-DEMAND DELIVERY SERVICES EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MASSACHUSETTS GARAGE INSURANCE POLICY COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes in Covered Auto Liability Coverage

The following exclusion is added:

Public or Livery Passenger Conveyance and On-Demand Delivery Services

This insurance does not apply to any covered "auto" classified as a private passenger type or short term leasing and rental concerns while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

B. Changes in Physical Damage Coverage

The following exclusion is added:

Public or Livery Passenger Conveyance and On-Demand Delivery Services

We will not pay for "loss" to any covered "auto" classified as a private passenger type or short term leasing and rental concerns while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

C. Changes in Auto Medical Payments

If Auto Medical Payments Coverage is attached, then the following exclusion is added:

Public or Livery Passenger Conveyance and On-Demand Delivery Services

This insurance does not apply to:

"Bodily injury" sustained by an "insured" "occupying" a covered "auto" classified as a private passenger type or short term leasing and rental concerns while it is being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

D. Changes in Uninsured and/or Underinsured Motorists Coverage

1. If Uninsured and/or Underinsured Motorists Coverage is attached, and:
 - a. Contains, in whole or in part, a public or livery exclusion, then the following exclusion in Paragraph 2. does not apply.
 - b. Does not contain a public or livery exclusion, then the following exclusion in Paragraph 2. is added.
2. **Public or Livery Passenger Conveyance and On-Demand Delivery Services**
This insurance does not apply to any covered "auto" classified as a private passenger type or short term leasing and rental concerns while being used:
 - a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
 - b. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

E. Changes in Personal Injury Protection Coverage

1. If Personal Injury Protection, no-fault or other similar coverage is attached, and:
 - a. Contains, in whole or in part, a public or livery exclusion, then the following exclusion in Paragraph 2. does not apply.
 - b. Does not contain a public or livery exclusion, then the following exclusion in Paragraph 2. is added.
2. **Public or Livery Passenger Conveyance and On-Demand Delivery Services**
This insurance does not apply to any covered "auto" classified as a private passenger type or short term leasing and rental concerns while being used:
 - a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or

- b. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

F. Additional Definitions

As used in this endorsement:

1. "Delivery network platform" means an online-enabled application or digital network used to connect customers:
 - a. With drivers; or
 - b. With local vendors using drivers; for the purpose of providing prearranged "delivery services" for compensation. A "delivery network platform" does not include a "transportation network platform".
2. "Delivery Services" includes courier services.
3. "Occupying" means in, upon, getting in, on, out or off.
4. "Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

COMMERCIAL AUTO
CR 99 05 XX 21

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VEHICLE SHARING PROGRAM EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MASSACHUSETTS GARAGE INSURANCE POLICY COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes in Covered Auto Liability Coverage

The following exclusion is added:

Vehicle Sharing Program:

This insurance does not apply to any "covered" auto while enrolled or participating in a vehicle sharing program under the terms of an express agreement.

B. Changes in Physical Damage Coverage

The following exclusion is added:

We will not pay for "loss" to any covered "autos" while enrolled or participating in a vehicle sharing program under the terms of an express agreement.

C. Changes in Auto Medical Payments

If Auto Medical Payments Coverage is attached, then the following exclusion is added:

Vehicle Sharing Program:

This insurance does not apply to any "Bodily Injury" sustained by an "insured" "occupying a covered "auto" while enrolled or participating in a vehicle sharing program under the terms of an express agreement.

D. Changes in Uninsured And/Or Underinsured Motorist Coverage

If Uninsured and/or Underinsured Motorist Coverage is attached, then the following exclusion is added:

Vehicle Sharing Program:

This insurance does not apply to any covered "auto" while enrolled or participating in a vehicle sharing program under the terms of an express agreement.

E. Changes in Personal Injury Protection Coverage

If Personal Injury Protection, no-fault, or other similar coverage is attached, then the following exclusion is added:

Vehicle Sharing Program

This insurance does not apply to any covered “auto” while enrolled or participating in a vehicle sharing program under the terms of an express agreement.

F. Additional Definitions

As used in this endorsement

1. “Vehicle Sharing Program” means an online-enabled application or digital network used to connect owners of commercially insured vehicles with business entities seeking to rent those vehicles.
2. Vehicle Sharing Programs do not include leasing or rental companies.

DRAFT

COMMERCIAL AUTO
CR 99 04 XX 21

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PUBLIC OR LIVERY PASSENGER CONVEYANCE AND ON-DEMAND DELIVERY SERVICES

OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes in Covered Auto Liability Coverage

The following is added to the **Other Insurance** Condition in the Business Auto Coverage Form and the **Other Insurance – Primary and Excess Insurance Provisions** in the Truckers Coverage Form and supersedes any provision to the contrary:

The Coverage Form's Covered Auto Liability coverage is excess over insurance provided by a "transportation network company" when the covered "auto" is being used:

1. By an insured who is logged into a transportation network platform as a driver, whether or not a passenger is "occupying" the covered "auto" and whether or not the driver is driving to provide a prearranged ride; or
2. By an insured who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items, or products to be delivered are in the covered "auto".

B. Additional Definitions

As used in this endorsement:

1. "Delivery network platform" means an online-enabled application or digital network used to connect customers:
 - a. With drivers; or
 - b. With local vendors using drivers; for the purpose of providing prearranged "delivery services" for compensation. A "delivery network platform" does not include a "transportation network platform".
2. "Delivery Services" includes courier services.
3. "Occupying" means in, upon, getting in, on, out or off.
4. "Transportation network company" means a corporation, partnership, sole proprietorship or other entity that uses a digital network to connect riders to drivers to pre-arrange and provide transportation.
5. "Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

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RULE 20. HOW TO CLASSIFY AUTOMOBILES

- A. If an automobile has more than one use, use the highest rated classification, unless 80% or more of the use is in a lower rated activity. In that case, use the lower rated classification.
- B. Classify and rate automobiles of the truck type that transport property or are used in business according to Section III – Trucks, Tractors and Trailers of this Manual.
- C. Classify and rate automobiles of the private passenger type according to Section IV – Private Passenger Types of this Manual.
- D. Classify and rate buses, taxicabs and other automobiles that are used in the business of transporting people according to Section V – Public Transportation of this Manual, including vehicles engaging in public or livery passenger conveyance and on-demand delivery of services through a transportation network or delivery network services company.
- E. Classify and rate new and used automobile dealers according to Section VI – Garage Dealers of this Manual.
- F. Classify and rate automobiles that do not fit into these categories according to Section VII – Special Types and Operations of this Manual.
- G. Upon request, the applicant shall be required to substantiate with permanent records (such as log books, revenue books, etc.) that the automobile is being used as set forth in the application or renewal questionnaire.

RULE 21. RESIDENCE AND LOCATION

The proper rate schedules and rules are those effective in the city or town where the automobile is principally garaged except as otherwise provided in this Manual. Automobiles used by salesmen or solicitors, or those with similar duties, requiring the operation of the automobile in more than one rating territory in Massachusetts, shall be assigned to the territory determined by the place of principal garaging, or, if there is no specific city or town of principal garaging, then, by the residential address of the operator or, if the residential address of the operator cannot be determined then, by the Massachusetts business address of the operator. No

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b. Van Pools

Determine the value of the automobile and divide by \$100. Apply the stated amount rate to this value to determine the base premium. This base premium must be modified by the applicable van pool rating factor.

c. Private Passenger Types

Determine the value of the automobile and divide by \$100. Apply the stated amount rate to this value to determine the stated amount premium.

E. Agreed Value Basis

Physical Damage Coverages may be written on an agreed value basis which provides that in determining the actual cash value of an automobile to be insured, no deduction shall be made to reduce the value of the automobile to less than the agreed value in the event of a loss. Agreed value means the value of the automobile as determined by agreement between the insurer and the policyholder. As a condition to this coverage, the insurer shall be permitted to inspect the automobile at the time of application. The following procedures apply when rating this coverage:

1. An appraisal is to be made to establish the current market value of the automobile. The cost of said appraisal shall be borne by the policyholder.
2. Multiply the stated amount premium obtained by a factor of 110%.

RULE 43. ~~RESERVED FOR FUTURE USE~~ VEHICLE SHARING PROGRAM EXCLUSION ENDORSEMENT

The Servicing Carrier will attach Vehicle Sharing Program Exclusion endorsement form CR 99 05 to the policy. A vehicle sharing program means an online-enabled application or digital network used to connect owners of commercially insured vehicles with business entities seeking to rent those vehicles and does not include leasing or rental companies.

RULE 44. RESERVED FOR FUTURE USE

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RULE 61. ELIGIBILITY

A. Automobiles of the private passenger or station wagon type that are owned or leased under contract for a continuous period of at least twelve months by (1) partnerships, (2) corporations, (3) unincorporated business associations, or (4) other legal business entities with a federal employer identification number. This section does not apply to:

1. Automobiles that are used as a public livery or conveyance, including automobiles engaging in public or livery passenger conveyance and on-demand delivery of services through a transportation network or delivery network services company. Refer to Section V – Public Transportation of this Manual.

The Servicing Carrier will attach Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion form CR 99 06 to the policy.

2. Automobiles that are rented to others without a driver. Refer to Rule 120 – Leasing or Rental Concerns in Section VII – Special Types and Operations of this Manual.

RULE 62. PRIVATE PASSENGER TYPES CLASSIFICATIONS

A. Fleet and Non-Fleet Classifications

1. Classify as fleet (class codes 73980 or 19980) any risk that has five or more self-propelled automobiles of any type that are under one ownership. For the purposes of assigning this classification, do not include:
 - a. automobiles owned by allied or subsidiary interests unless the insured holds a majority financial interest
 - b. mobile equipment insured on a General Liability Policy
 - c. trailers
2. Classify as non-fleet (class code 73910) automobiles of any other risk.

Do not change the fleet or non-fleet classification because of mid-term changes in the number of owned automobiles except at the request of the insured. The policy must be cancelled in accordance

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RULE 75. ~~RESERVED FOR FUTURE USE~~ PUBLIC OR LIVERY PASSENGER CONVEYANCE AND ON-DEMAND DELIVERY SERVICES – OTHER INSURANCE CONDITION ENDORSEMENT

For all automobiles classified as public automobiles in accordance with this Section, the Servicing Carrier will attach Public or Livery Passenger Conveyance and On-Demand Delivery Services – Other Insurance Condition endorsement form CR 99 04 to the policy.

RULE 76. TRANSPORTATION OF MIGRANT FARM WORKERS BY FARM LABOR CONTRACTORS

This rule applies only to automobiles of a farm labor contractor required to be registered in accordance with the Migrant and Seasonal Agricultural Workers Protection Act.

A. Eligible Class Codes

1. Passenger Hazard Included (Class Code 5926)
2. Passenger Hazard Excluded (Class Code 5927)

B. Premium Computation

1. Rate each automobile as an inter-city bus (Rule 72.B.1.f.(1)) and calculate the otherwise applicable non-fleet premium for each risk according to the provisions of Rule 73 – Premium Development – Other than Zone Rated Automobiles. If an automobile subject to this rule is of a truck type, the secondary rating factor should reflect a seating capacity of 21-60 in accordance with this Rule.

2. Passenger Hazard Included

Multiply the compulsory and optional bodily injury liability, personal injury protection and property damage liability premiums determined in Section B.1. of this Rule by 0.50 to determine the final premium.

3. Passenger Hazard Excluded

Multiply the compulsory and optional bodily injury liability, personal injury protection and property damage liability premiums determined in Section B.1. of this Rule by 0.375 to determine the final premium.

RULES 77-85 RESERVED FOR FUTURE USE

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3. The policy must exclude coverage for Bodily Injury or Property Damage which results from providing or failing to provide any professional service. Use Professional Services Not Covered Endorsement CA 20 18.

RULE 120. LEASING OR RENTAL CONCERNS

A. Eligibility

This rule applies to risks which lease or rent automobiles to others without drivers.

However, automobiles leased or rented on a short term basis for use as a public or livery passenger conveyance, including automobiles engaging in public or livery passenger conveyance and on-demand delivery of services through a transportation network or delivery network services company are not eligible under this rule. The Servicing Carrier will attach Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion form CR 99 06 to the policy.

For automobiles leased or rented with drivers refer to Rule 55 – Premium Development Options for Truckers in Section III – Trucks, Tractors and Trailers of this Manual or Rule 72 – Public Automobile Classifications in Section V – Public Transportation of this Manual.

B. Registration Requirements

The Massachusetts Registry of Motor Vehicles requires that motor vehicle registrations be obtained in the name of the actual owner of the automobile. When liability insurance is to be obtained by a person or organization other than the actual owner, policies must be issued as follows:

1. If the actual owner is other than the leasing company and the leasing company is obtaining the insurance, the policy must be issued to the leasing company as named insured and the Additional Insured – Owner of Leased Vehicle Endorsement MM 20 25 must be made a part of the policy.
2. If the actual owner is other than the leasing company and the ultimate lessee is obtaining the insurance, the policy must be issued to the ultimate lessee as named insured and the Additional Named Insured – Owner of Leased Vehicle Endorsement MM 20 25 and the Lessor – Additional Insured and Loss Payee Endorsement MM 20 26 must be made a part of the policy.

