



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

www.commauto.com

617-338-4000

RECORDS OF MEETING

COMMERCIAL AUTOMOBILE COMMITTEE – AUGUST 11, 2020

Members Present

Mr. John Olivieri, Jr. – Chair
Ms. Kristina Broskey
Ms. Annmarie Castonguay
Ms. Sheila Doherty
Mr. Bryan Hurwitz
Ms. Mary McConnell
Ms. Sharon Murphy
Mr. Thomas Skelly, Jr.
Mr. Barry Tagen
Mr. David Zawilinski

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

Substituted for:

N/A

Not in Attendance:

N/A

20.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Commercial Automobile Committee meeting of July 15, 2020. The Records have been distributed and are on file.

19.05 Commercial Residual Market Issues

Ms. Wendy Browne indicated that at the previous meeting, the Committee had determined that a premium approach was the best solution for resolving the short term rental issue and thus the status of this item should reflect that it has been referred to the Joint Actuarial Commercial Lines Committee and the AIB for evaluation. She then reported that five recommendations included in the Servicing Carrier Annual Reports were referred to this Committee by the Commercial Program Oversight Committee. She requested the Committee to provide input on whether these recommendations should be added to the commercial market issues list and, if so, indicate their priority. The five recommendations include; 1) a review of the validation standards for radius and geographic classification for certain risks, as set forth in Bulletin No. 1075, potentially limiting those procedures to bus and TTT classes only, 2) the development of a rule to require a risk to maintain an owner-operator on a policy for at least six months or be required to carry Trucker Cost of Hire coverage, 3) a review of the Garage Keepers coverage form to ensure consistent application among Servicing Carriers, 4) the clarification of the situation where a vehicle with a GVW of

10,000 pounds or greater, is not eligible for placement through the MAIP, but is not used for commercial operations and therefore has no home in the residual market and 5) the addition of further opportunities to enhance the producer management program. Ms. Browne indicated that the last recommendation could potentially be rolled into the Producer Management Program issue that is currently contained on the Committee's existing list of issues.

The Committee agreed that all items as referred by the Compliance and Operations Committee be added to the commercial issues list, and suggested that the recommendation to review the standards for validating radius and geographic classification be given a higher degree of priority since this issue will have an impact on current procedures.

19.09 Review of Additional Insureds

Mr. John Metcalfe stated that the additional insured endorsement, as previously discussed and approved by CAR's committees and placed on file by the Division of Insurance, requires further clarification relative to its handling and issuance. He noted that the current Manual Rule language indicates that the producer would submit the additional insured endorsement to the Servicing Carrier. However, the language needs further clarification to reflect that a producer may submit a request to the Servicing Carrier to add an additional insured to the policy, and it is the Servicing Carrier's responsibility to process and issue the endorsement. He also indicated that the endorsement form is currently available on CAR's website, with access to all users, so it will be necessary for staff to update access to the form to only those company users with a valid user ID and password.

Ms. Marian Adgate presented updates to Chapter V – Premium of the Manual of Administrative Procedures and Rule 37 – Additional Insured Endorsement – Massachusetts of the Commercial Automobile Manual, to the Committee. She stated that Common Coverages Endorsement table in Chapter V has been updated to reflect the addition of Additional Insured – Massachusetts endorsement CA 99 02 and the existing Additional Insured – Massachusetts endorsement MM 99 50, which is now obsolete, has been eliminated from the table. Additionally, Rule 37 of the Commercial Automobile Manual has been clarified to reflect the procedure for issuing the endorsement and that it is the responsibility of the Servicing Carrier to issue the endorsement and attach the additional endorsement form to the policy. Ms. Adgate further noted that if the proposed modifications are approved by Commercial Automobile Committee and the Governing Committee, Rule 37 will be filed for approval with the Division of Insurance.

On a roll call vote, the Committee voted unanimously to recommend to the Governing Committee, modifications to Chapter V of the Manual of Administrative Procedures and Rule 37 of the Commercial Automobile Manual, as presented.

20.07 Foreign License Requirements

Mr. Metcalfe stated that recent updates to the Registry of Motor Vehicles Driver's Manual have resulted in the need for amendments to the Servicing Carrier and Exclusive Representative Producer Standards for the Verification of Applicant Drivers' Licenses, particularly with regards to the verification of foreign driver's licenses.

Mr. Ben Hincks, CAR counsel, provided the Committee with further background relative to the Registry's recent Driver's Manual updates. He indicated that the Registry of Motor Vehicles Driver's Manual has been the source of CAR's guidance in implementing requirements for drivers with foreign licenses. Although there has been no change to the statute, the Registry has recently concluded that that

one year limitation requirement for drivers with foreign driver's licenses is longer applicable and the Driver's Manual has been updated accordingly.

To be consistent with the Registry's recent updates, CAR is proposing modifications to the Non-Fleet Private Passenger Types Certification Form and Chapter X – Servicing Carrier and Exclusive Representative Producer Standards and Forms of the Manual of Administrative Procedures. Ms. Adgate presented the Committee with the recommended updates. She noted that the certification form requires the validation of licensing information for drivers holding a foreign license. Accordingly, the form has been updated to require that all NF-PPT applicants must provide a foreign driver's license expiration date for any operator listed on the application for insurance that has a license from a country or territory approved by the Massachusetts Registry of Motor Vehicles.

Ms. Adgate stated that Chapter X of the Manual of Administrative Procedures has also been updated to reflect the changes proposed to the certification form and to reflect the amendments made to the RMV's Driver's Manual, relative to the elimination of the one year limitation requirement. This Chapter has also been updated to reference that an alternative translation document may be used to identify the license holder and translate license information into English, and to add some minor edits of the language contained in the Section, to assure consistency in terminology used. Ms. Adgate further noted that if the proposed modifications are approved by Commercial Automobile Committee and the Governing Committee, the Non-Fleet Private Passenger Type Certification Form will be filed with the Division of Insurance.

Committee discussion ensued relative to a Servicing Carrier's ability to verify the status of a foreign license, including whether the license has been suspended or revoked. Mr. Hincks agreed that the tools needed to determine whether a foreign license has been suspended or revoked do not exist. Ms. Sharon Murphy suggested that a question be added to the application for insurance, requiring the driver to certify the validity of his/her license. Mr. Steven Torres, CAR counsel, pointed out that the current certification form contains language that addresses the concern for each operator to hold a valid license. The Committee, recognizing that limitations on the availability of information specific to foreign license status exist, agreed to collect the expiration date of the licenses and acknowledged that the management of these risks would continue to be based upon information that Servicing Carriers would be able to obtain and confirm.

On a roll call vote, the Committee voted unanimously to recommend to the Governing Committee modifications to the Non-Fleet Private Passenger Certification Form and Chapter X of the Manual of Administrative Procedures, as presented.

MARIAN ADGATE
Corporate Documentation Specialist

Boston, Massachusetts
September 3, 2020

ATTACHMENT LISTING

Docket #CAC20.02, Exhibit #5

Attendance Listing

