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COMMERCIAL LINES NOTICE NO. 149

Transportation Network Services Coverage (TNC) Approval SERFF filing CARI-13298

On September 16, 2021, the Division of Insurance placed on file commercial automobile endorsement forms and manual rule changes to address coverage afforded for commercial residual market risks engaged in TNC activities. The new rules and forms are to be implemented for policies effective February 1, 2022 and later.

The new TNC Endorsement Forms are as follows:

CR 99 04 02 22 – Public or Livery Passenger Conveyance and On-Demand Delivery Services Other Insurance Condition Endorsement

This endorsement is for use with all ceded 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.

CR 99 05 02 22 – Vehicle Sharing Program Exclusion Endorsement

This endorsement is for use with all ceded commercial automobile policies. It excludes coverage for any auto enrolled or participating in a vehicle sharing program.

CR 99 06 02 22 – Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion

This endorsement is for use with all ceded commercial automobile policies, except those providing coverage for public automobile classifications. It excludes coverage for any auto being used as public livery or conveyance for passengers or by an insured who is logged into a transportation network platform or delivery network platform as a driver.

The modifications to the Commercial Automobile Insurance Manual are as follows:

Section II – Common Coverages and Rating Procedures

Rule 20 – How to Classify Automobiles

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.

Rule 44 – Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion Endorsements

This Rule has been added to specify that the Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion Endorsement (CR 99 06) must be attached to all commercial residual market policies, except those providing coverage for public automobiles.

Section V – Public Transportation

Rule 71 – Eligibility

The eligibility requirements in this Rule have been modified to indicate that this Section also applies to those autos used as public livery or conveyance, including autos engaging in public or livery passenger conveyance and on-demand delivery services through a transportation network or delivery network services company.

Rule 72 – Public Automobile Classifications

The definition of the car service classification has been modified to clarify that the insured may be under contract with a transportation network or delivery network services company.

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

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

The Commercial Automobile Manual has been updated accordingly. The Commercial Automobile Manual Rules and Endorsement Forms are available on the Manuals page of CAR's website. Questions should be directed to Shannon Chiu at schiu@commauto.com.

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