



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110
www.commauto.com 617-338-4000

NOTICE OF MEETING

COMMERCIAL AUTOMOBILE COMMITTEE

A meeting of the Commercial Automobile Committee will be held virtually via Zoom video conferencing software, on

FRIDAY, NOVEMBER 5, 2021, AT 10:30 A.M.

If you plan to attend this meeting and are not a member of this Committee, please RSVP by completing the Visitor Security Form located in the Contact Us/Visitor Information section of CAR's website. CAR will then forward to you, via email, meeting access information. Please do not share access information provided by CAR, but refer others wishing to attend the meeting to CAR's Visitor Security Form.

MEMBERS OF THE COMMITTEE

Mr. Thomas DePaulo – Chair
Cabot Risk Strategies, LLC

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

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

AGENDA

CAC

21.01 Records of Previous Meeting

The Records of the Commercial Automobile Committee meeting of August 31, 2021 should be read and approved.

CAC

21.03 CAR Conflict of Interest Policy

The Chair will read a statement relative to CAR's Conflict of Interest Policy.

CAC

20.05 Transportation Network Services Coverage (TNC)

The Committee will review proposed revisions to CAR's Manual of Administrative Procedures (MAP), updated to reflect recent TNC coverage changes, references to the new endorsement forms placed on file, suggested amendments to the taxi, limousine, car service and the supplemental applications, as well as other miscellaneous updates. The proposed MAP pages are attached. (Docket #CAC20.05, Exhibit #9)

Other Business

To transact any other business that may properly come before this Committee.

Executive Session

The Commercial Automobile Committee may convene in Executive Session in accordance with the provisions of G.L. c. 30A, § 21.

TIMOTHY GALLIGAN
Actuarial and Statistical Services Director

Attachment

Boston, Massachusetts
October 21, 2021

October 21, 2021

Manual of Administrative Procedures Updates

Memorandum of Changes

Modifications to the following chapters of the Manual of Administrative Procedures are proposed:

Chapter III – Servicing Carrier Responsibilities

- Section A - Servicing Carrier Responsibilities is modified to eliminate reference to sharing in CAR's administrative expenses and underwriting results, as these responsibilities are not limited to Servicing Carriers, but are Member Company responsibilities set forth in Rule 3 – Insurer Obligations of CAR's Rules of Operation.
- Section B – Additional Servicing Carrier Responsibilities is amended to add reference to claims handling responsibilities, including a requirement to record the use and driver of a vehicle involved in an accident to determine the application of coverage and classification.
- Section B – Exhibit III-B-1 – The Taxi, Limousine, and Car Service Application amended to include disclaimer language similar to the ACORD Application, and a requirement to notify the insurance company of changes during the policy term.
- Section B – Exhibit III-B-2 – The Supplemental Application is modified to include a question to identify risks engaging in Transportation Network Services activities, a disclaimer, and a requirement to notify the insurance company of changes during the policy term.

Chapter V – Premium

Sections A.7.b.(4) and (5) have been updated to identify commercial automobile endorsement forms recently placed on file, including CR 99 04 02 22, CR 99 05 02 22, and CR 99 06 02 22.

CAR | **Manual of Administrative Procedures**
Chapter III | **Servicing Carrier Responsibilities**
Revision Date | **2021.09.08**
Page | **1 of 36**

A. Servicing Carrier Responsibilities

In order to successfully fulfill its residual market obligations, a Servicing Carrier is responsible for meeting the requirements of CAR's Rules of Operation, specifically performing the duties identified in Rule 13 – Servicing Carrier Requirements including those relative to rates and policy issuance, data reporting, Exclusive Representative Producers (ERPs), and compliance with established claims performance standards, ~~and sharing in CAR's administrative expenses and underwriting results.~~ Additional Servicing Carrier responsibilities are described in Section B. of this Chapter and in Chapter X – Servicing Carrier and Exclusive Representative Producer Standards and Forms of this Manual. Section C. provides requirements relative to the termination of an ERP contract including the process for reviewing such termination and associated appeal procedures. Section D. of this Chapter provides information relative to the premium and expense reimbursement procedure a Servicing Carrier must follow when an ERP default occurs.

B. Additional Servicing Carrier Responsibilities

1. Review of Agency Groups and Affiliations

On an annual basis, a Servicing Carrier must provide CAR with information relative to each ERP's affiliation status for commercial Motor Vehicle Insurance. Any contractual relationship or membership in a producer cluster or network that the ERP may have or whether the ERP has a direct or indirect material and continuing proprietary or management interest in another agency or brokerage firm having an ERP appointment to another Servicing Carrier must be identified. Additionally, any new agency affiliations or changes in affiliated agency relationships must be identified. CAR will also perform a review of producer group websites in an attempt to confirm group memberships. Refer to Rule 13.B.5. of CAR's Rules of Operation for additional information.

This information will assist CAR in its evaluation and assessment of the need to redistribute commercial ceded written premium among Servicing Carriers. For additional information relative to redistribution, refer to Chapter II.B. – Servicing Carrier Appointment of this Manual.

2. Commission Payment Requirements

A Servicing Carrier must pay commission to an ERP on ceded commercial business as specified in Rule 18 – Commissions of CAR's Rules of Operation.

CAR | **Manual of Administrative Procedures**
Chapter III | **Servicing Carrier Responsibilities**
Revision Date | **2021.09.08**
Page | **4 of 36**

not based upon a specific dollar amount threshold. Notification should be provided using the Large Loss Notification Form which is available on the Reports section of CAR's website, under the Servicing Carrier Profile link. A Help manual that provides detailed information relative to the Large Loss Notification Form and reporting application is also available. Only users associated with a commercial Servicing Carrier will be granted access to the Large Loss Notification Form and a valid user ID and password is required for access.

Additionally, to ensure that CAR's committees are advised of the circumstances surrounding large losses that may impact commercial deficit loss projections and that may potentially have an impact on a company's financial reporting requirements, several Large Loss Reports will be provided to CAR's Loss Reserving Committee on a quarterly basis. The reports provide historical large loss information by policy year for policies exceeding \$1 million in total losses including ALAE expenses. These reports will also be available to commercial companies on the Reports page of CAR's website, under the Deficit and Large Loss link. All users with a valid user ID and password are able to access the Large Loss Reports.

7. Claims Handling

The Commercial Claims Performance Standards provide the requirements for the handling and payment of claims by Servicing Carriers. During its investigation of a claim, the Servicing Carrier should record the use of the vehicle and driver of the vehicle at the time of the accident to validate the application of coverage and classification.

7.8. Additional Commercial Automobile Program and Performance Requirements

In addition to complying with the provisions of CAR's Rules of Operation, a Servicing Carrier is responsible for adhering to the following requirements:

a. Administrative and Account Management Services

- 1) A management level account executive with knowledge of the Program must be assigned and will be responsible for assuring the requirements of the Program, responding to CAR inquiries and meeting with CAR staff and committee representatives.
- 2) Each Servicing Carrier must provide a direct bill program. Servicing Carriers must cooperate with their assigned producers to assure that policyholders are made aware of their option to utilize an installment plan.

CAR | Manual of Administrative Procedures
Chapter III | Servicing Carrier Responsibilities
Revision Date | 2021.09.08
Page | 13 of 36

EXHIBIT III-B-1
(continued)

Optional Coverages Applicable to Limousine and Car Service Risks Only:

Coverage Type	Limit of Liability	Vehicle No.
M. Loss of Use – Rental Reimbursement Maximum \$30 per day	\$ _____ per day	_____
N. Hired Auto – Liability Only Cost of Hire	\$ _____	_____
O. Non-Owned Number of Employees	\$ _____	_____
P. Drive Other Car Coverage	\$ _____	_____

REMARKS:

The Fair Credit Reporting Act

In connection with your application for insurance and as part of our normal underwriting procedure, an investigative consumer report may be obtained, including, if applicable, information as to character, general reputation, personal characteristics and mode of living. This information is obtained through personal interviews with your friends, neighbors and business associates. Upon written request, received within a reasonable timeframe, additional detailed information concerning the nature and scope of this investigation will be provided.

Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information or who, for the purpose of misleading, conceals information concerning any fact material thereto, commits a fraudulent act which is a crime and may subject the person to criminal and civil penalties.

Furthermore, the applicant has the responsibility to notify the insurance company of any changes in ownership, operators, vehicles and/or use of vehicles during the policy term. Failure to do so may result in the denial of coverage.

I hereby declare that I have read all of the statements contained in this application and they are complete and true as of this date. The coverage and limits I requested are as indicated in the application.

Date: _____ Signature of Applicant: _____

The information contained in this application is as told to me by the applicant and is true and complete to the best of my knowledge.

Date: _____ Signature of Producer: _____

CAR | **Manual of Administrative Procedures**
Chapter III | **Servicing Carrier Responsibilities**
Revision Date 2021.09.08
Page 15 of 36

EXHIBIT III-B-2
(continued)

Supplemental Application
General Risk Information

Applicant Name: _____

Agent Name: _____

8. Do you or your company have an active General Liability insurance policy? Y N

If yes, provide a copy of your policy Declarations Page. If no, please provide an explanation as to why not:

9. Does your company have an ACTIVE filing with the MA Secretary of Commonwealth's office? Y N

If no, please provide an explanation as to why: _____

10. Are any of the risks to be insured on the policy public automobiles? Y N

If yes, please complete the Public Auto Information Addendum of the application.

- ~~11.~~ Will any of the risks to be insured on the policy be engaging in Transportation Network Services activities during the policy period? Y N

If yes, please complete the Taxi, Limousine, and Car Service Application.

- ~~12.~~ Are any of the risks to be insured on the policy truckers/motor carriers? Y N

If yes, please complete the Trucker/Motor Carrier Information Addendum of the application.

CAR | **Manual of Administrative Procedures**
Chapter III | **Servicing Carrier Responsibilities**
Revision Date | **2021.09.08**
Page | **16 of 36**

EXHIBIT III-B-2
(continued)

Supplemental Application
General Risk Information

Applicant Name: _____

Agent Name: _____

By signing below, I hereby certify that all information provided herein is true and accurate.

Signature of Applicant's Authorized Representative: _____

Date: _____

Printed Name of Applicant's Authorized Representative: _____

Title: _____

Witness to the Signator and Signing above:

Signature of Producer: _____ Date: _____

Printed Name of Producer: _____

Agency Name: _____

Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information or who, for the purpose of misleading, conceals information concerning any fact material thereto, commits a fraudulent act, which is a crime and may subject the person to criminal and civil penalties.

Furthermore, the applicant has the responsibility to notify the insurance company of any changes in vehicles and/or use of the vehicles during the policy term. Failure to do so may result in the denial of coverage.

CAR | **Manual of Administrative Procedures**
Chapter V | **Premium**
Revision Date | **2021.09.08**
Page | **8 of 30**

(2) Special Types Endorsements (continued)

Endorsement Title	Endorsement Number
Professional Services Not Covered	CA 20 18 12 93
Registration Plates Not Issued for a Specific Auto	MM 20 10 01 04
Sound Receiving Equipment Coverage – Fire, Police and Emergency Vehicles	CA 20 02 12 93

(3) Truck, Tractor, Trailer Endorsements

Endorsement Title	Endorsement Number
Commercial Automobiles Equipped with Amusement Devices	MM 23 03 09 98
Coverage for Injury to Leased Workers	CA 23 25 07 97
Explosives	MM 23 04 09 98
Multi-Purpose Equipment	CA 23 03 12 93
Rolling Stores	CA 23 04 10 01
Trailer Interchange – Fire and Fire and Theft Coverage	CA 23 13 12 93
Truckers Endorsement	CA 23 20 03 06
Truckers – Excess Coverage for the Named Insured and Named Lessors for Leased Autos	CA 23 08 12 93
Truckers – Insurance for Non-Trucking Use	MM 23 07 09 98
Truckers – Uniform Intermodal Interchange Endorsement (Form UIIE-1)	CA 23 17 03 06
Truckers – Named Lessee as Insured	CA 23 12 12 93
Wrong Delivery of Liquid Products	CA 23 05 12 93

(4) Public Transportation Endorsements

Endorsement Title	Endorsement Number
Public Transportation Autos	CA 24 02 12 93
<u>Public or Livery Passenger Conveyance and On-Demand Delivery Services Other Insurance Condition</u>	<u>CR 99 04 02 22</u>

CAR | **Manual of Administrative Procedures**
Chapter V | **Premium**
Revision Date | **2021.09.08**
Page | **9 of 30**

(5) Common Coverages Endorsements

Endorsement Title	Endorsement Number
Additional Insured – Massachusetts	CR 99 02 07 20
Agreed Value Insurance	MM 99 66 09 98
Audio, Visual and Data Electronic Equipment Coverage	CA 99 60 03 06
Auto Medical Payments Coverage	MM 99 13 10 06
Covered Auto Designation Symbol	CA 99 54 07 97
Drive Other Car Coverage – Broadened Coverage for Named Individuals	MM 99 22 09 98
Employees as Insureds	CA 99 33 02 99
Employee as Lessor	CA 99 47 07 97
Fire, Fire and Theft, Fire, Theft and Windstorm and Limited Specified Causes of Loss Coverages	MM 99 47 09 98
Garagekeepers Coverage	CA 99 37 03 06
Garagekeepers Coverage – Customers’ Sound Receiving Equipment	CA 99 59 03 06
Glass Breakage – \$100 Deductible	MM 99 51 09 98
Hired Autos Specified as Covered Autos You Own	CA 99 16 12 93
Individual Named Insured	CA 99 17 10 01
Liability Insurance – Deductible	MM 99 19 09 98
Limited Collision Coverage	MM 99 16 09 98
Loss of Use / Rental Reimbursement Coverage	MM 99 39 09 98
Loss Payable Clause – Audio, Visual and Data Electronic Equipment	CA 99 61 12 93
Massachusetts Changes	MM 99 67 09 98
Massachusetts Mandatory Endorsement	MM 99 11 10 11
Operator Exclusion	CR 99 01 08 18
Personal Injury Protection Coverage	MM 99 35 09 98
Pollution Liability – Broadened Coverage for Covered Autos	MM 99 55 10 06
Premium Adjustment and Coverage Endorsement - Massachusetts	MM 99 68 09 98
<u>Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion</u>	<u>CR 99 06 02 22</u>
Rate Modification	MM 99 23 09 98
Restriction of PIP for Employers Subject to the Massachusetts Workers’ Compensation Act	MM 99 20 09 98
Social Service Agencies – Volunteers as Insureds	CA 99 34 12 93

CAR | **Manual of Administrative Procedures**
Chapter V | **Premium**
Revision Date | **2021.09.08**
Page | **10 of 30**

(5) Common Coverages Endorsements (continued)

Endorsement Title	Endorsement Number
Specialty and Classic Auto – Massachusetts	CR 99 03 04 21
Split Liability Limits - Massachusetts	MM 99 18 09 98
Stated Amount Insurance - Massachusetts	MM 99 56 09 02
Underinsured Motorists Coverage - Massachusetts	MM 99 54 09 98
Uninsured Motorists Coverage - Massachusetts	MM 99 28 09 98
<u>Vehicle Sharing Program Exclusion Endorsement</u>	<u>CR 99 05 02 22</u>
Waiver of Deductible	MM 99 17 09 98

(6) Certifications

Form Title	Form Number
Non-Fleet Private Passenger Type	CR 00 02 01 21
Principal Place of Business	CR 00 01 08 18

B. Premium Reporting

1. General

Servicing Carriers shall statistically report premium on ceded policies in accordance with the reporting instructions contained in the Massachusetts Commercial Automobile Statistical Plan which is available on CAR’s website under the Manuals tab.

2. Reporting Policies with Non-Cedeable Limits or Coverages

For policies written with limits or coverages which exceed the cedeable limits or coverages identified in Section A. of this Chapter, a separate premium record must be reported to identify the portion of the premium applicable to the excess limits or coverage. This record must be reported with classification code 800000 (Non-Cedeable Limits) and a voluntary CAR Identification code. Refer to the Decision Table of the Massachusetts Commercial Automobile Statistical Plan for additional coding requirements for this classification code. The portion of the premium applicable to the cedeable limits or coverage must be reported on another record with a ceded CAR Identification Code in accordance with the statistical reporting requirements specified in the Massachusetts Commercial