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ADDITIONAL INFORMATION

TO MEMBERS OF THE COMMERCIAL AUTOMOBILE COMMITTEE

FOR THE MEETING OF:

Wednesday, March 15, 2023 continued to Wednesday, March 29, 2023 at 10:00 a.m.

CAC

22.05 AIB Commercial Automobile Insurance Manual and Endorsement Changes

The Committee will continue to discuss an implementation plan for upgrading the commercial auto residual market program coverage forms and endorsements to more current and available versions. To assist the Committee in its deliberations, staff offers the following topics for consideration in selecting an option:

Two Phase Approach

A two-phase implementation plan for upgrading coverage forms and endorsements would require the need for multiple versions of certain endorsements to be on file for use with their respective coverage forms.

- Servicing Carriers are asked to verify their systems capabilities for maintaining multiple versions simultaneously.
- Committee members should comment on the impact to producers to accurately advise insureds of coverage specifics in instances where coverage under the different versions may vary.

Single Phase Approach

A single phased approach would transition coverage forms and endorsements without the need for multiple versions being filed and maintained.

- Committee members are asked to consider whether a single target implementation date of November 2024 (or coincident with CAR's rate change subsequent to that date) would provide sufficient lead time to enable an orderly one-step implementation.

Servicing Carriers are also asked to consider the efficiency of systems upgrades in light of the number of form changes needed under the one- and two-step plans as illustrated in the attachment. (Docket #CAC22.05, Exhibit #7)

TIMOTHY GALLIGAN
Actuarial and Statistical Services Director

Attachment

Boston, Massachusetts
March 22, 2023

Commercial Automobile Committee
Coverage and Endorsement Form Upgrade
Number of Forms Needing Upgrade – 1-Phase vs 2-Phase Implementation

Type of Form/Endorsement	Option 1	Option 2	
	All forms in 1 Phase	Phase 1 BAP/MC Endorsement	Phase 2 Auto Dealers
Coverage Forms	2	1	1
Declarations	3	2	1
MA Mandatory Endorsement	2	1	1
Nuclear Endorsement	1	0	1
Auto Dealers Endorsements	13	0	13
Special Types Endorsements			
BAP only	13	13	0
BAP and AD	7	7	7
TTT Endorsements	9	9	0
Public Transportation Endorsements			
BAP only	1	1	0
BAP and AD	1	1	1
Common Coverage Endorsements			
BAP only	6	6	0
BAP and AD	23	23	23
TBD (prob BAP and AD)	2	2	2
TOTAL	83	66	50

Note:

Number of Endorsements Withdrawn = 4

Number of Endorsements With No Change = 5