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## NOTICE OF MEETING

### COMMERCIAL AUTOMOBILE COMMITTEE

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

**WEDNESDAY, JANUARY 10, 2024, AT 10:00 A.M.**

If you plan to attend this session 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. Annmarie Castonguay  
Ms. Sheila Doherty  
Ms. Mary McConnell  
Ms. Sharon Murphy  
Mr. John Olivieri, Jr.  
Mr. Tiago Prado  
Mr. Thomas Skelly, Jr.  
Mr. Barry Tagen  
Mr. David Zawilinski  
Mr. Jesse Zimmerman

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

### AGENDA

CAC

#### 23.01 Records of Previous Meeting

The Records of the Commercial Automobile Committee meeting of December 8, 2023 should be read and approved.

**CAC**

**24.03 CAR Conflict of Interest Policy**

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

**CAC**

**23.06 Implementation of Commercial Policy Coverage and Endorsement Forms**

The Committee will continue its review of manual rule amendments related to the implementation of new policy coverage and endorsement forms already approved by the Committee. Draft amendments to Section V – Public Transportation and Section VI – Garage Dealers of the Commercial Automobile Insurance Manual are attached for the Committee's consideration (Docket #CAC23.06, Exhibit #4).

**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  
December 22, 2023































































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~~LiabilityGarage Operations Other Than Covered  
Automobiles~~ rate page in the Rate Section.

**RULE 89. MEDICAL PAYMENTS INSURANCE**

~~A. Automobile Medical Payments Coverage and GarageAuto Dealers  
Locations and Operations Medical Payments Coverage is included in the  
Auto Dealers Coverage Form. To exclude auto dealers locations and  
operations medical payments coverage, use Exclusion – Locations And  
Operations Medical Payments CA 25 52.~~

~~B. To provide automobile medical payments insurance, use Automobile  
Medical Payments Coverage Endorsement MM 99 13.~~

~~AC.~~ The percentages shown in the ~~GarageAuto Dealers~~ Medical  
Payments Table in the Rate Section are applicable to the total bodily  
injury premium for compulsory bodily injury liability coverage and  
optional bodily injury liability coverage for covered automobiles.

~~BD.~~ If the liability coverage is limited in accordance with Section A. of  
Rule 87 – Liability Coverage, the percentages for the limits shown are  
applicable to the total bodily injury premium prior to the application of  
the discount.

~~C. Use Automobile Medical Payments Coverage Endorsement MM 99 13 to  
provide automobile medical payments insurance. Use Garage Locations and  
Operations Medical Payments Coverage Endorsement CA 25 05 to provide  
garage locations and operations medical payments insurance.~~

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**RULE 90. AUTO DEALERS - ADDITIONAL PROVISIONS**

A. Elevators and Escalators

Liability Coverage for elevators and escalators is included. A charge shall be made for legally required inspections made by or for the company.

B. Municipalities

To extend the policy to apply to the liability of a political subdivision in connection with certain permits it may require at the premises of the named insured, use Additional Insured (~~- Municipalities~~) Endorsement MM 25 98.

**RULE 91. GENERAL LIABILITY EXCLUSIONARY ENDORSEMENTS**

The following endorsements must be attached to the Auto Dealers policy.

A. Locations And Operations Not Covered

To exclude liability arising out of the locations or operations shown in the schedule of the endorsement, use Locations And Operations Not Covered Endorsement CA 25 07.

B. Cannabis

To exclude bodily injury, property damage or personal and advertising injury liability arising out of the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis, the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of cannabis and property damage to cannabis, use Cannabis Exclusion For General Liability Coverages Endorsement CA 27 12.

C. Unmanned Aircraft

To exclude bodily injury and property damage liabilities, use Unmanned Aircraft Exclusion For General Liability Coverages – (Bodily Injury And Property Damage Liability Only) Endorsement CA 27 06.



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D. Cross Suits Liability Exclusion

To exclude liability arising out of any claim or suit that is brought by any named insured against another insured covered by the same policy, use Exclusion – Cross Suits Liability For General Liability Coverages Endorsement CA 27 16.

E. Acts, Errors Or Omissions Liability Exclusion

To exclude all acts, errors, or omissions liability coverages, use Exclusion – Acts, Errors Or Omissions Liability Coverages Endorsement CA 25 63.

F. Personal And Advertising Injury Liability

To exclude coverage for personal and advertising injury liability, use Exclusion – Personal And Advertising Injury Liability Coverages Endorsement CA 25 54.

G. Damage to Rented Premises

To exclude coverage for damage to rented premises, use Exclusion – Damage To Rented Premises Endorsement CA 25 50.

***RULES ~~91~~2-94 RESERVED FOR FUTURE USE.***

**II. GARAGEKEEPERS INSURANCE**

**RULE 95. ELIGIBILITY**

A. Garagekeepers' Insurance may be provided to cover loss to non-owned autos in the insured's possession while the insured is attending, servicing, repairing, parking or storing them. Use Garagekeepers Coverage Endorsement CA 99 37 to provide Garagekeepers' Insurance for risks classified pursuant to Rule 124.F. and written on the Business Auto Coverage Form CA 00 01. No endorsement is necessary to provide Garagekeepers' Insurance under the Auto Dealers Coverage Form CA 00 25.

B. To provide coverage for damage to, or loss of, a customer's auto or customer's auto equipment left in the insured's care as part of the insured's towing operation, use On-hook Coverage Endorsement CA 04 52. Do not attach when Garagekeepers' Insurance is provided

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under the Business Auto Form. On-hook coverage is for insureds who do not have garage or service locations. - The premium for Comprehensive is 5% of the rate for Garagekeepers' coverage and the premium for Collision is 90% of the rate for Collision coverage.

C. Garagekeepers insurance may be issued only to a single garage owner or operator described in this Section. Do not group two or more garage owners or operators in a single policy.

**RULE 96. PREMIUM DEVELOPMENT**

- A. Determine the type of coverage to be afforded:
1. Legal Liability
  2. Direct Coverage – primary basis (without regard to legal liability)
  3. Direct Coverage – excess over customer's policy (without regard to legal liability)
- B. Rating basis - maximum limit of liability.
- C. Show each location with its limit of liability.
- D. Charge the premium shown in the Garagekeepers Premiums tables in the Rate Section based on the limit of liability selected for each location. The total premium is the sum of the premium for each location.

**RULE 97. PREMIUM DEVELOPMENT – CUSTOMERS' SOUND RECEIVING EQUIPMENT**

A. Application

Comprehensive coverage, excluding theft, and Collision coverage for sound receiving equipment in a garage's care, custody or control may be provided. Use Garagekeepers Coverage – Customers' Sound Receiving Equipment Endorsement CA 99 59.

B. Premium Development

Determine the maximum limit of liability for customers' sound receiving equipment in a garage's care, custody or control at any one time. If more than one location, show the applicable limit for each location.

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Use the premium shown in the Garagekeepers Premiums Tables for Other Than Collision and Collision in the Rate Section for the total of the limits of liability for all locations and apply the following factors:

1. For Comprehensive – excluding theft – .50
2. For Collision – .40

**III. GARAGE-AUTO DEALERS PHYSICAL DAMAGE COVERAGE**

**RULE 98. DEALERS PHYSICAL DAMAGE COVERAGE**

A. This coverage applies to:

1. Automobiles owned by a dealer or non-dealer and held for sale;
2. Automobiles owned and used in the named insured's business, including demonstrator automobiles and service automobiles;
3. Automobiles on consignment if specifically indicated on the declarations;
4. Automobiles held by the named insured pending delivery after sale except as to loss for which the interests of the purchaser are covered by insurance.

B. The rates and premiums for this coverage are applicable for all automobiles in accordance with the following:

1. Franchised Dealers – risks that have a franchise issued by an automobile manufacturer for the sale of new automobiles and are engaged in the sale and services of automobiles, and have been granted a Class 1 license as defined in G.L. c. 140, §58.

Charge 100% of the applicable manual rate for all coverages.

2. Non-Franchised Dealers – risks that are primarily engaged in the sale of automobiles that are not franchised dealers and have been granted a Class 2 or Class 3 license as defined in G.L. c. 140, §58.

Charge 110% of the applicable manual rate for all coverages.

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3. Non-Dealer Risks – develop the premium by using the non-reporting basis specified in Section B.2. of this Rule and charge 110% of the applicable manual rate for all coverages. Use Physical Damage Coverage – Autos Held for Sale by Non-Dealers Endorsement MM 20 27.

C. Rating Basis

1. Reporting basis – use a reporting form to estimate the inventory of a dealer risk.
  - a. Charge the insured, on a monthly or quarterly basis, the premium earned during the preceding month or quarter.
  - b. Retain any deposit premium to be credited against the final payments.
  - c. Determine an estimated annual premium by multiplying the limits of liability shown in the policy by the annual rate.
2. Non-Reporting Basis
  - a. The non-reporting basis provides for specified limits at each location subject to a pro rata distribution clause. The total of all such specified limits is the total amount insured under the policy.
  - b. The specified limits for any named location may be increased, decreased or cancelled. Locations may be added pro rata.

**RULE 99. PARTS, MATERIALS OR ACCESSORIES**

Parts, materials or accessories kept as merchandise for sale and not attached to automobiles may not be insured under Dealers Physical Damage Coverage.

**RULE 100. SPECIFIED CAR BASIS**

- A. Garage physical damage coverage may be provided on a specified car basis.
- B. Charge the applicable trucks, tractors and trailers rates or private passenger type rates.

**RULE 101. CLASSIFICATIONS**

The following classifications apply for Dealers Physical Damage Coverages:

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- A. Standard Open Lots are open parking storage lots enclosed on all sides by a metal cyclone or equivalent fence not less than six feet in height; or bounded on one or more sides by the wall or walls of a building, with no unprotected openings, and with the exposed sides of the lot enclosed by a metal cyclone or equivalent fence not less than six feet in height, with openings securely locked when unattended.
- B. Non-Standard Open Lots are all other open lot locations, or unroofed space and buildings not securely enclosed and locked when unattended.
- C. Buildings.

**RULE 102. PREMIUM DEVELOPMENT**

- A. The rates shown in the Rate Section for Dealers Physical Damage Coverages are annual rates per \$100 of value.
- B. The rates shown in the Rate Section for Miscellaneous Types apply to the following if values are reported separately:
  - Ambulances, fire trucks and apparatus, funeral directors, flower cars, hearses, mobile home trailers, and special or mobile equipment.

**RULE 103. FALSE PRETENSE COVERAGE**

This coverage may be written at a rate per \$100 of value. Use the total inventory value including the wholesale floor plan value.

Refer to the Dealers Physical Damage Rates pages in the Rate Section. Use False Pretense Coverage Endorsement CA 25 03.

**RULE 104. DEALERS COLLISION COVERAGE**

- A. Specified Car – pro rate for the time at risk, the manual collision premium for the form of coverage and the type of automobile.
- B. Blanket Collision – if all automobiles are to be insured for collision, charge the rates shown in the Blanket Collision Rates table in the Rate Section.
- C. Dealers Collision Coverage may be written on a named driver basis to insure the dealer while any automobile owned by the dealer is being operated by the named driver or while the named driver is a passenger. This coverage does not apply to dealers drive-away operations. Use Named Driver Collision Coverage Endorsement CA 25 11.

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Refer to the Dealers Physical Damage Rate pages in the Rate Section for premium determination.

D. Blanket Collision may be averaged.

1. Determine the average rate by using the maximum value during the past 12 months or if not available the estimated maximum value to be covered at any time during the coming 12 months.
2. Multiply the values at the specific rates to determine the premium for the various rating splits.
3. Total these premiums and divide by the total values which will result in the average rate.

**RULE 105. DEALERS DRIVE-AWAY COLLISION COVERAGE**

Collision coverage may be provided for automobiles while being driven, towed or carried on any other automobile or trailer owned or hired by the insured from the point of purchase or distribution to the point of destination. Use the distance from the point of purchase or distribution to the point of destination to determine the mileage rating basis. This coverage is not available to drive-away contractors. Use Dealers Driveaway Collision Coverage Endorsement CA 25 02.

Individual Coverage

When collision coverage is not written on all automobiles, charge the per car per trip premiums displayed on the Dealers Physical Damage Rates pages in the Rate Section.

Blanket Coverage

When collision coverage is written on all automobiles and drive-away operation is in excess of 50 miles, charge the per car per trip premiums displayed on the Dealers Physical Damage Rates pages in the Rate Section.

***RULES 106-109 RESERVED FOR FUTURE USE.***