



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110  
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**ADDITIONAL INFORMATION**

**TO MEMBERS OF THE GOVERNING COMMITTEE**

**FOR THE MEETING OF:**

**Wednesday, April 12, 2023, at 10:30 a.m.**

**GC  
23.12 Commercial Automobile Committee**

The Records of the Commercial Automobile Committee meeting of March 15, 2023 continued to March 29, 2023 are attached. (Docket #GC23.12, Exhibit #1)

The Records of the Commercial Automobile Committee meeting of March 15, 2023 continued to March 29, 2023 have been distributed and are on file.

NATALIE HUBLEY  
President

Attachment

Boston, Massachusetts  
April 5, 2023



NATALIE A. HUBLEY  
PRESIDENT

## COMMONWEALTH AUTOMOBILE REINSURERS

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### RECORDS OF MEETING

#### COMMERCIAL AUTOMOBILE COMMITTEE – MARCH 15, 2023 CONTINUED TO MARCH 29, 2023

##### Members Present

Mr. Thomas DePaulo – Chair	Cabot Risk Strategies, LLC
Ms. Kristina Broskey <sup>(1)</sup>	MAPFRE U.S.A. Corporation
Ms. Annmarie Castonguay	The Hanover Insurance Company
Ms. Mary McConnell	Safety Insurance Company
Ms. Sharon Murphy <sup>(2)</sup>	Acadia Insurance Company
Mr. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Mr. Tiago Prado	BRZ Insurance, LLC
Mr. Thomas Skelly, Jr.	Deland, Gibson Insurance Associates, Inc.
Mr. Barry Tagen	Pilgrim Insurance Company
Mr. Mark Winiker	A-Affordable Insurance Agency, Inc.
Mr. David Zawilinski	Arbella Insurance Group

Substituted for:

<sup>(2)</sup> Mr. Bird, substituted for Ms. Murphy for the March 29, 2023 session

Not in Attendance:

<sup>(1)</sup> Ms. Kristina Broskey, absent for the March 15, 2023 session

#### 22.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Commercial Automobile Committee meeting of September 15, 2022. The Records have been distributed and are on file.

#### 22.05 AIB Commercial Automobile Insurance Manual and Endorsement Changes

The Committee continued discussions regarding the upgrade of forms on file for the MA commercial automobile residual market, including a review of the current Business Auto Policy (BAP) to the latest version, withdrawing the Truckers Coverage Form and instead using the BAP together with the Motor Carrier Endorsement for trucking risks.

Staff presented a comparison of the BAP currently on file for ceded policies (03/06 version) to the most recent policy version (11/20), including the identification of amendments that may require underwriting and claims training as well as those that may require manual rule and/or rate filings and statistical plan updates. After brief discussion, staff agreed to further review whether the updated reference to Gross Vehicle Weight requires rate review.

The Committee then reviewed a comparison of the Truckers Coverage Form currently on file for ceded policies (06/06 version) to the most recent policy version of the BAP together with the Motor Carrier Endorsement (11/20 versions). Staff commented that this approach affords the same coverage previously afforded insureds and that the impacts of upgrading to the most recent versions are consistent with those of the BAP changes in terms of required underwriting and claims training, manual rule and rate review, and statistical plan changes. Further, staff advised that this approach is currently employed by three of the four Servicing Carriers and will ensure a more efficient transition for this change and any future upgrades.

Staff then reviewed a schedule of policy forms and endorsements indicating updates needed to implement the latest policy forms, including additional endorsements as recommended by the Committee during prior discussions. The Committee also discussed a list of comments and questions for consideration with respect to the schedule of required updates. The Committee provided initial feedback regarding the use of the ISO BAP declarations form for risks not subject to MA compulsory law as well as the potential need for two versions of certain forms on file with a two-step implementation. One committee member also advised that ISO is currently considering additional amendments to the Motor Carrier forms and requested that staff review relevant ISO communications.

After discussion, the committee members agreed to further review the materials and provide additional feedback at a later date. Staff advised that counsel has recently begun its review of staff's analysis and will also provide additional feedback. Finally, the Committee recognized the need to inform and involve producers in the process of adopting any new forms and endorsements, citing processing changes and the coverage impacts that may require claims and underwriting training.

The Committee reconvened on March 29, 2023 to continue its discussion. Staff provided additional feedback with respect to certain endorsements previously recommended for withdrawal (CA DS 03 and CA 99 54) and noted that the schedule of forms is a work in progress that is anticipated to be finalized with the completion of the review of the Auto Dealers form and the drafting of manual rules.

The Committee considered the benefits and drawbacks of a single-phase implementation plan to adopt the new policy forms and endorsements versus a two-phase implementation involving the adoption of the newer version of the BAP and MC Endorsement, followed by a subsequent adoption of the Auto Dealers Policy. Given the extensive scope of the upgrade as demonstrated by staff's analysis to date and the schedule of required form changes, the four Servicing Carriers strongly favored the one-phase implementation as the more cost-efficient approach with regard to the system updates and related training. Producers also favored the single-phase implementation noting the inherent exposure of maintaining separate versions of certain endorsements. Members noted that when deciding on an implementation date, sufficient lead time to budget, plan, and implement system and resource changes, including training, needs to be considered.

Further discussion ensued with the Servicing Carriers expressing concern that the workload and costs were not contemplated in the most recent RFP, and suggested postponing implementation of the new forms until the next appointment cycle. Some members expressed concern with delaying implementation to 2027 or later, and suggested exploring options for additional consideration of implementation costs in the current term to allow that the forms be adopted more timely.

Ms. Hubley advised that staff will review the Rules of Operation and Manual of Administrative Procedures and consult with CAR counsel to outline alternatives for consideration at the next meeting.

## 22.07 Taxi/Limo/Car Service Underwriting Inspection Forms

Ms. Tiffany Manning presented a modified version of the draft underwriting inspection form that reflects the revisions suggested by the Committee at the September 15, 2022 meeting. She noted that CAR plans to have the interactive form available on its website. The Committee voted unanimously to approve the proposed inspection form.

Ms. Manning then reviewed draft updates to Chapter III – Servicing Carrier Responsibilities of the Manual of Administrative Procedures reflecting the required use of the new inspection form and/or other available source documentation in conjunction with a new business application to determine territory and rating classification.

**On a roll call vote, the Committee voted unanimously to recommend to the Governing Committee adoption of the updates to Chapter III – Servicing Carrier Responsibilities of the Manual of Administrative Procedures.**

## OTHER BUSINESS

The Chairman advised that CAR had received correspondence from Mr. Nick Fyntrilakis, from the Massachusetts Association of Insurance Agents (MAIA), requesting the opportunity to introduce to the Committee an issue regarding the eligibility for cession of risks engaged in peer-to-peer vehicle sharing programs.

The Committee unanimously voted to allow the presentation of the issue for discussion.

Mr. Fyntrilakis addressed the Committee stating he has received numerous concerns from members of MAIA who are unable to secure coverage for clients that are utilizing peer-to-peer vehicle sharing programs. He cited TURO as a web-based vehicle sharing application with which individuals can enable the use of their personally owned vehicles by others for a fee. He noted that the standard market will not write this type of business and that the Massachusetts private passenger automobile policy will not cover it because of its commercial use. Mr. Fyntrilakis acknowledged that CAR has a commercial automobile exclusion which prohibits vehicle sharing, and asked the Committee to consider alternatives where coverage might be afforded for this type of risk, including the possibility of classifying the risk similar to a car rental agency eligible for placement in CAR.

Discussion ensued with both CAR staff and members stating that they, too, have fielded calls regarding these web-based programs, and agreed to add this topic to the agenda for further discussion at a future meeting.

TIMOTHY GALLIGAN  
Director of Actuarial and Statistical Services

Boston, Massachusetts  
April 5, 2023

Commonwealth Automobile Reinsurers  
 Taxi/Limousine/Car Service  
 Proposed Underwriting Inspection Form (Updated)

Inspection Information	Response
Policy Number	
Inspector Name	
Requestor	
Order Number	
Inspection Date	
Inspection Location	
New Business/Renewal Date	
Failure to Comply	Yes <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> <li>• If "Yes"</li> <li>○ No Response – List Date(s)</li> <li>○ No Show – List Date(s)</li> </ul>	

Company Information	Response
Named Insured	
Phone Number	
Address	
City	
State	
Zip Code	
Email Address	
Interviewed	
Title	

General Risk Questions		Response
1.	Does the insured operate out of state? <ul style="list-style-type: none"> <li>• If yes, please specify in the Remarks section on page three.</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.	Are vehicles operated solely by the named insured, an employee, or an independent contractor of the named insured, in attendance?	Yes <input type="checkbox"/> No <input type="checkbox"/>
3.	Do any vehicles pick up hail fares on the street?	Yes <input type="checkbox"/> No <input type="checkbox"/>
4.	Does the risk charge per mile traveled if the trip is less than 25 miles?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.	Does the risk operate on a scheduled business day and return to the automobile's base of operation for a continuous period of at least four hours in each 24-hour period?	Yes <input type="checkbox"/> No <input type="checkbox"/>
6.	Does the insured operate from a base with two-way communication?	Yes <input type="checkbox"/> No <input type="checkbox"/>
7.	Does the insured typically receive payment through billing, credit card, or cash? <ul style="list-style-type: none"> <li>• If no, how is the insured paid for services?</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>
8.	Is the insured under contract with a regional transit authority where transportation services are paid for by the individual requesting the services? <ul style="list-style-type: none"> <li>• If no, is the insured then paid by a social service agency?</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
9.	Is any vehicle used for or under contract with any Transportation Network or Delivery Network (Uber/Lyft/Grub Hub/DoorDash) services? If yes, please specify in the Remarks section on page three.	Yes <input type="checkbox"/> No <input type="checkbox"/>

Commonwealth Automobile Reinsurers  
 Taxi/Limousine/Car Service  
 Proposed Underwriting Inspection Form (Updated)

General Risk Questions (Continued)		Response
10.	Do customers contact insured by (check all that apply):	Phone <input type="checkbox"/> Street <input type="checkbox"/> App <input type="checkbox"/> Other <input type="checkbox"/>
11.	Are any vehicles rented or leased to others on a long-term or short-term agreement, or on a time, commission, profit-sharing, or other independent contractor basis?	Yes <input type="checkbox"/> No <input type="checkbox"/>
12.	Is the vehicle primarily used as: <ul style="list-style-type: none"> <li>• Courier Service</li> <li>• Package Parcel Delivery</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
13.	How are trips tracked? <ul style="list-style-type: none"> <li>• Contracts</li> <li>• Trip Logs               <ul style="list-style-type: none"> <li>○ If yes, please provide.</li> </ul> </li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
14.	Is the vehicle used to carry students or other persons to and from school or any other school activity?	Yes <input type="checkbox"/> No <input type="checkbox"/>
15.	Is the vehicle used to transport to or from airports? If yes, please provide locations in the Remarks section on page three.	Yes <input type="checkbox"/> No <input type="checkbox"/>
16.	Are any vehicles hired on a prearranged basis? Hourly, on an exclusive, dedicated basis for the duration of the event, not for drop-off and pick-up, only for weddings, funerals, religious ceremonies, or other non-business social functions?	Yes <input type="checkbox"/> No <input type="checkbox"/>

Vehicle Information	Response
<b><u>Vehicle Number 1</u></b>	
Model Year	
Make	
Model	
VIN	
Seat Capacity	
License/Permit No.	
Medallion Number (if applicable)	
Garage Location	
Garage Location Type	

Vehicle Checklist	Response	
Valid Inspection	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Special Equipment: <ul style="list-style-type: none"> <li>• Permanently installed fare meter</li> <li>• Dashcam</li> </ul>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Mileage Meter	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Partition	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Radio Dispatch	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Pre-Existing Damage	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Vehicle Markings/Signage/TNC Decals	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Massport or Airport Decals	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Commonwealth Automobile Reinsurers  
Taxi/Limousine/Car Service  
Proposed Underwriting Inspection Form (Updated)

Vehicle Photos

- Attach pictures of the front, the rear, both sides of vehicle, and the interior.
- Any decals, markings, or signage should be clearly visible.
- The seating area should be free of obstructions.
- Any specialized equipment that had been installed such as a camera or meter should also be photographed.

<b>Vehicle Photos</b>	<b>Insert Photo 1 (front)</b>	<b>Insert Photo 2 (rear)</b>	<b>Insert Photo 3 (left side)</b>	<b>Insert Photo 4 (right side)</b>	<b>Insert Photo 5 (interior)</b>
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Additional Risk Remarks:

- Please include a brief description of business operations and the area of operation.

**Manual of Administrative Procedures Updates  
Chapter III – Servicing Carrier Responsibilities**

**Memorandum of Changes – March 15, 2023**

**Modifications**

The following modifications to the Manual of Administrative Procedures are proposed:

**Chapter III – Servicing Carrier Responsibilities**

Section B.8.e. is updated to reference the redesigned CAR Underwriting Inspection Form for use by the Servicing Carriers and will be available on CAR's website.



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**Chapter III** | **Servicing Carrier Responsibilities**  
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6) In order to prevent premium leakage, perform a pre-audit on any trucking risk with a cost of hire exposure and five or more power units or the equivalent of exposures if hired by the risk. The audits must be completed within 120 days of the policy effective date. Additional or return premium must be computed in accordance with the results of the audit and with appropriate notification given to the producer and the insured.

c. Claims Management Services

- 1) For risks insured through the Commercial Automobile Program, Servicing Carriers must establish claims management procedures in compliance with the provisions of CAR's Rules of Operation and this Manual.
- 2) A Servicing Carrier's Massachusetts claims unit must manage all claims occurring out-of-state.

d. Management Information Systems Services

- 1) Servicing Carriers must provide all data required by CAR's Rules of Operations and this Manual.
- 2) Servicing Carriers must produce any ad hoc reports as may be requested by CAR.

e. Loss Control Services

A Servicing Carrier is expected to provide safety engineering or loss control services consistent with best practices and as directed by CAR's Governing Committee. Minimum parameters for the establishment of loss control programs to be made available to qualifying policyholders are as follows:

- 1) Program features must include vehicle inspection, driver and equipment evaluation, a review of accident and loss experience, a safety newsletter or other informational mailings.

~~Additionally, for taxi, limousine and car service risks, the Servicing Carrier must also provide information regarding the performance of a mandatory underwriting inspection on all new business taxi policies and on their renewal, except those vehicles classified as non-owner operator in the Boston territory are not subject to this requirement. Vehicles classified as limousine or car service are subject to a mandatory inspection at the time a new business policy is written and as necessary thereafter to determine accurate~~

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~~classification and garaging. This type of inspection will assure proper territory and rating classification of each vehicle.~~

~~Additionally, for taxi, limousine and car service risks, the Servicing Carrier must complete the mandatory CAR Underwriting Inspection Form found on CAR's website. For taxi policies, the form must be completed on all new and renewal business, except those vehicles classified as non-owner operator in the Boston territory that are not subject to this requirement. For vehicles classified as limousine or car service, Servicing Carriers must complete the form at the time a new business policy is written and as necessary thereafter to determine accurate classification and garaging. This type of inspection, in conjunction with a new business application and/or other available source documentation, will assist the Servicing Carrier in determining the proper territory and rating classification of each vehicle. The CAR Underwriting Inspection Form can be found on CAR's website on the Commercial Only – Forms and Manuals Page.~~

- 2) Upon request, any risk regardless of size will be provided written material concerning loss control. Any risk with five or more power units or the equivalent of such exposure, if hired by the risk, that develops an experience rating debit will be offered a loss control survey.
- 3) The results of the loss control survey will include a corrective action plan, safety management feature and, if applicable to the risk, a hazardous material plan.