

October1, 2003 CAR Commercial Rate Implementation

1. Commission Schedule
Commissions to be paid in conjunction with the CAR Commercial Rate are as follows:

Taxi	5.86%
Limousine/Car Service	3.72%
All Other	9.52%

2. CAR Commercial Automobile Insurance Manual
Manual Rules

- A. Rule Revisions

There are no Rule changes associated with this filing.

- B. Statistical Impacts

There are no statistical coding changes associated with this filing.

3. Experience Rating Plan

The CAR Experience Rating Plan updated to reflect factors and components as a result of the 10-01-03 rate change will be distributed under separate cover as soon as it becomes available. Policies eligible for experience rating issued prior to the distribution of the Experience Rating Plan should include endorsement MM 99 23 - Rate Modification.

4. Rate Implementation

- A. Territory Schedule

The 2003 territory configuration is to be used for policies effective 10-01-03 and subsequent.

- B. Increased Limit Factors

Increased Limit Factors have been modified, and include the addition of a separate BI table for Van Pools, a separate BI table for Social Service, Other Bus, and NOC Bus classes, while Church and School Bus classes will continue to be rated using Table 1 for bodily injury. There is also a separate PDL table for van pools and all of the bus classes. These Tables are found in the Rate Section of CAR's Commercial Automobile Manual.

- C. Schedule 107 and 10-01-03 Rate Section

1. Trucks, Tractors, Trailers

Schedule 107-1 and the TTT Rate Section contain all of the information necessary for the calculation of rates for vehicles classified as Truck, Tractor, or Trailer. Formulas used for the calculation of these rates for both liability and physical damage coverage remain unchanged from the 10-01-02 methodology.

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Trucks, Tractors, Trailers con't.

Medical Payments, U1 and U2 premiums are fixed amounts as shown in Schedule 107-1, with additional limits and premiums for U1 and U2 coverage found in the Increased Limits Tables of the Rate Section.

Primary and Secondary rating factors remain unchanged.

Collision premiums for Truck-Tractors and Vehicles Used in Dumping Operations are developed by applying a factor of 1.5 times the corresponding Truck Collision premium.

\$500 Deductible Fire, Theft and CAC premiums are developed by applying a factor of .64 to the corresponding \$500 Deductible Comprehensive premium. Calculation of the \$300 Deductible Fire, Theft and CAC premium follows the same procedure as for \$300 Deductible Comprehensive coverage, including a minimum \$7.00 buyback charge.

Zone Rates, Trailer Interchange, and Long Distance Physical Damage are developed by applying a factor of 1.048 times the 10-01-02 rates.

2. Private Passenger Types

Schedule 107-2 and the PPT Rate Section contain all of the information necessary for the calculation of rates for vehicles classified as Private Passenger Fleet, and those miscellaneous vehicle classifications with base rates derived from the Private Passenger Non-Fleet type. Private Passenger Non-Fleet vehicles (739100) will continue to be rated using the Servicing Carriers voluntary filed rate. Formulas used for the calculation of these rates for both liability and physical damage remain unchanged from the 10-01-02 methodology.

Medical Payments, U1 and U2 premiums are fixed amounts as shown in Schedule 107-2, with additional limits and premiums for U1 and U2 coverage found in the Increased Limits Tables of the Rate Section.

\$300 Deductible Buyback charges for Collision, Limited Collision and Comprehensive are found in Schedule 107-2 and are reflected in the Rate Section.

3. Public Vehicle Types

a. Taxi and Limousine / Car Service

Schedules 107-3 and 107-4 and the Public Vehicle Rate Section contain all of the information necessary for the calculation of Taxi and Limousine / Car Service liability rates. Formulas used for the calculation of Taxi rates remain unchanged from the 10-01-02 methodology.

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Public Vehicle Types con't.

Base rates for vehicles classified as Taxi are shown in Schedule 107-3. Limousine/Car Service liability rates are found in Schedule 107-4 page 1, and are developed by multiplying the 10-01-02 rates by the factors displayed for A1, A2, B, and PDL coverages.

U1 and U2 premiums are fixed amounts as shown in Schedules 107-3 and 107-4 by classification, with additional limits and premiums for U1 and U2 coverage found in the Increased Limits Tables of the Rate Section.

Separate Medical Payments Tables are shown in the Rate Section for Taxi and Limousine / Car Service.

The methodology for the calculation of Physical Damage premium remains unchanged from 10-01-02.

b. Public Buses and Van Pools

Schedules 107-5 and 107-6 and the Rate Section contain all the information necessary for the calculation of rates for vehicles classified as Public Buses or Van Pools. Base rates for Public Buses and Van Pools are shown in Schedules 107-5 and 107-6 and are developed by multiplying the 10-01-02 rates by the factors displayed for A1, A2, B, and PDL coverages. There are no changes to primary or secondary rating factors.

U1 and U2 premiums are fixed amounts as shown in Schedules 107-5 and 107-6 for Public Buses and Van Pools respectively. Additional limits and premiums for U1 and U2 are found in the Increased Limits Section of the Rate section. Medical Payments premiums are fixed amounts found in the Rate section.

The calculation of physical damage premiums for Public Buses remains unchanged from the 10-01-02 methodology. Van Pool physical damage rates are shown in the Rate Section and are developed by applying a factor of 1.0800 to the 10-01-02 Collision rates and a factor of 1.4750 to the 10-01-02 Comprehensive rates. The \$300 deductible for Fire, Theft, CAC and Comprehensive coverages is subject to a \$7.00 minimum buyback charge.

4. Garage

a. Rates per Plate

Schedule 107-7 and the Garage Rate Section contain all of the information for the calculation of rates on a per plate basis for garage risks. Formulas used for the calculation of liability rates remain unchanged from the 10-01-02 methodology.

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Garage con't.

U1 and U2 premiums are fixed amounts as shown in Schedule 107-7. Additional limits and premiums for U1 and U2 are found in the Increased Limits Section of the Rate section.

Medical Payments premium is calculated in accordance with the procedure shown in the Rate Section.

Garagekeepers premiums and Dealer's Physical Damage premiums are shown in the Rate Section, and are developed by applying a factor of 1.222 to the 10-01-02 premiums.

b. Garage Operations Other Than Covered Autos

The calculation of premium on a Combined Single Limit, Aggregate basis for compulsory garage risks and for those garage risks for which a dealer or repair plate has not been issued, is contained in the Rate Section.

5. Special Types

The factors and rating procedures for Special Types remain unchanged and are found in the Rate Section.