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## BULLETIN NO. 1097

### Guidance for Servicing Carriers and Exclusive Representative Producers during the COVID-19 Public Health Crisis

On March 23, 2020, the Division of Insurance (the Division) issued Bulletin 2020-05, entitled “Flexibility in the Issuance and Administration of Insurance during COVID-19 (Coronavirus) Public Health Crisis.” On March 24, 2020, CAR issued Bulletin No. 1096 emphasizing that all Servicing Carriers that serve the commercial automobile residual market, and all MAIP Assigned Risk Companies that serve private passenger automobile assigned risks be responsive to the Division’s directive and look for “all ways to be flexible on collecting premiums and in finding ways to address what the Division hopes is a short-term disruption in the business environment.”

CAR has received several inquiries from Servicing Carriers and producers regarding various suggested or requested measures to afford commercial residual market policyholders flexibility during the Public Health Crisis. Certain inquiries involve requests of the insured to reduce or eliminate liability coverage on specified vehicles. In the interest of furthering the Division’s objective and maintaining consistent procedures among Servicing Carriers, CAR advises Servicing Carriers to consider opportunities to be flexible while employing methods permissible within the CAR Rules of Operation, Registry of Motor Vehicles requirements, and statutes under other federal, state, or local jurisdictions.

Note that CAR Rule 6.C.2. requires that physical damage coverage may only be written for an Eligible Risk in conjunction with liability coverage for that same vehicle. Therefore, liability coverage may not be eliminated. However, the requirement for liability coverage pursuant to Rule 6.C.2. would not prohibit a Servicing Carrier from reducing liability coverage limits to applicable statutory minimum requirements on a policy-wide or vehicle-specific basis if requested to do so by the insured. Be advised, however, that nothing set forth in this Bulletin relieves a policyholder from complying with any financial responsibility law under other federal, state, or local jurisdictions.

In an effort to foster consistent handling practices among Servicing Carriers, carriers are encouraged to continue to forward suggestions, questions, and concerns regarding the handling of business impacted by the current public health crisis. Additionally, CAR continually monitors the communications of the various agencies reacting to the public health crisis with additional guidance that may present further opportunities to encourage flexibility in the issuance and administration of commercial automobile residual market insurance. As such, CAR will set forth future guidance as appropriate.

Servicing Carriers may also refer to CAR’s website for responses to other frequently asked questions regarding acceptable procedures to afford flexibility within CAR’s Rules and established procedures. Further questions may be directed to John Metcalfe, CAR Director of Residual Market Services, at [jmetcalfe@commauto.com](mailto:jmetcalfe@commauto.com).

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