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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

FRIDAY, DECEMBER 8, 2023, 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. Mary McConnell
Ms. Sharon Murphy
Mr. John Olivieri, Jr.
Mr. Tiago Prado
Mr. Thomas Skelly, Jr.
Mr. Barry Tagen
Mr. Mark Winiker
Mr. David Zawilinski
Mr. Jesse Zimmerman

The Hanover Insurance Company
Safety Insurance Company
Acadia Insurance Company
J.K. Olivieri Insurance Agency, Inc.
BRZ Insurance, LLC
Deland, Gibson Insurance Associates, Inc.
Pilgrim Insurance Company
A-Affordable Insurance Agency, Inc.
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 October 27, 2023 should be read and approved.

CAC

23.03 CAR Conflict of Interest Policy

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

CAC

23.04 Eligibility of Peer-to-Peer Vehicle Sharing Programs

At its last meeting, the Committee continued discussing peer-to-peer vehicle sharing program eligibility to the MA commercial residual market. Committee discussion produced several questions, comments, and suggestions for further discussion, including:

- Status of availability of coverage in other states' residual markets
- Opportunity to survey Member Companies to evaluate voluntary coverage availability and market need
- Commercial versus personal registration requirements
- The role of the residual market in bridging coverage gaps
- Prudence of waiting for legislative action to define insurance requirements and parameters
- Clarification of the eligibility definitions in the private passenger and commercial residual markets with respect to incidental personal use versus real commercial entities
- Eligibility of private passenger type vehicles and other commercial vehicle types
- Excess coverage versus coverage gaps
- Parameters for driver evaluation and vehicle use
- Further evaluation of pending legislation

In order to enable continued discussion, the Committee has suggested further review of other states' residual market policies in this regard as well as a survey of member companies with respect to voluntary programs, and a review of commercial versus personal registration requirements. Staff will provide a status report at the meeting regarding plans to address these activities.

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 III – Trucks, Tractors, and Trailers, Section IV – Private Passenger Types and Section VII – Special Types and Operations of the Commercial Automobile Insurance Manual are attached for the Committee's consideration (Docket #CAC23.06, Exhibit #2).

CAC

23.08 Default Radius Standardization

Chapter X of CAR's Manual of Administrative Procedures defines Standards for Determining and Validating Radius Class and Geographic Classification of Trucks, Tractors and Trailers and Public Automobiles. In instances where an applicant is unable to provide credible permanent records to validate an automobile's principal garaging, the Servicing Carrier is directed to determine radius and geographic class as follows:

- Radius Class – Intermediate
- Zone Combination – Not Applicable
- Rating Territory = 10

Servicing Carriers have reported that the default standards often result in a lower premium determination and therefore risks are incented to withhold documentation. The Committee will begin discussion to evaluate appropriate alternative default standards.

CAC

23.09 Consistency in Determining Classification

At the last meeting, the Committee agreed to prioritize an issue relating to reported inconsistencies among Servicing Carriers in determining bus classifications. The differences appear to relate to the availability of contracts and other documentation, where some risks are classified as School Buses while others are classified as Bus NOC. Furthermore, it can be difficult to determine classification in mixed-use scenarios, which may include social services and various public classifications. The Committee should begin discussion by focusing on the bus classification procedures including potential modifications to define more specificity to improve consistent procedures among Servicing Carriers.

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
November 21, 2023



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**Commercial Automobile Committee
Proposed Modifications to the Commercial Automobile Insurance Manual**

Section III – Trucks, Tractors and Trailers

Rule 51 – Eligibility

Section A.3 is modified to change gross vehicle of 10,000 pounds or less to 16,000 pounds or less.

Rule 52 – Trucks, Tractors and Trailers Classifications

Section B.2. Size Class – Trailers is modified to change the load capacity of 2,000 pounds to gross vehicle weight rating of 3,000 pounds to be consistent with language in the Business Auto Policy.

Rule 53 – Premium Development – Specified CAR Basis – Other Than Zone Rated Automobiles

Section A – Updates the word “Schedule” to “Definitions” when referring to Territory.

Section C. Premium Computation – Section 3 is added for Towing and Labor Coverage as directed by the Committee.

Rule 55 – Premium Development Options for Truckers

Section C – Bobtail Operations is modified to reference Motor Carriers – Insurance for Non-Trucking Use - Massachusetts (MM 23 07).

Section D – Trailer Interchange Agreement adds language to reference both the Motor Carrier Endorsement CA 23 30 and Trailer Interchange – Fire and Fire and Theft Coverage Endorsement (CA 23 13) for Comprehensive coverage.

Section D also adds language to reference Truckers – Uniform Intermodal Interchange Endorsement CA 23 17.

Endorsements:

Staff recommends withdrawing the Truckers – Excess Coverage for The Named Insured and Named Lessors for Leased Autos Endorsement CA 23 08 and the Truckers – Named Lessee as Insured Endorsement CA 23 12. The two endorsements must be in accordance with a written

hold harmless agreement, which is not applicable in the residual market, nor does CAR currently have rates nor rules for these endorsements.

Section IV – Private Passenger Types

Rule 63 – Premium Development

Section A.2 is modified to refer to Territory Definitions rather than Territory Schedule.

Section VII – Special Types and Operations

Rule 111 – Premium Development

Section C is modified to change the word “Schedule” to “Definitions” when referring to Territory.

Rule 115 – Automobile Body Manufacturers and Installers

Changes reference of “garage dealers” to “auto dealers”.

Rule 120 – Leasing or Rental Concerns

Section C – Premium Determination is modified to change the word “Schedule” to “Definitions” when referring to Territory.

Section C.1.b – Contingent Coverage is removed, and staff suggests withdrawing the Leasing or Rental Concerns - Contingent Coverage Endorsement (CA 20 09). There is no rate and a review of historical data indicates that this type of coverage has not been written in the residual market.

Section C.2 – Specified Car Basis (Short Term) is modified to add reference to Leasing or Rental Concerns – Rent-It-There/Leave-It-Here Autos Endorsement (CA 20 12).

Section D – Conversion, Embezzlement or Secretion Coverage is modified to include an additional reference to Leasing or Rental Concerns – Conversion, Embezzlement or Secretion Coverage Endorsement (CA 20 10) in section one.

Section E – Exclusion of Certain Leased Autos is added to reference Leasing or Rental Concerns – Exclusion of Certain Leased Autos Endorsement (CA 20 11).

Section F – Schedule of Limits for Owned Autos is added to reference Leasing or Rental Concerns – Schedule of Limits for Owned Autos Endorsement (CA 20 13).

Rule 122 – Motorcycles and Similar Vehicles

Section D is added to reference Guest Occupants Exclusion Endorsement (MM 20 06)

Rule 124 – Registration Plates Not Issued for a Specific Automobile

Section B – Farmer’s Special Plates is modified to add reference to the class code, consistent with other rules.

Section C and D are modified to replace Garage Dealers with Auto Dealers.

Section F.1 adds the word “class code” in front of each class code number referenced, consistent with other rules.

Section F.2 – is modified to replace Garage Dealers with Auto Dealers.

Rule 125 – Special or Mobile Equipment

Section B is modified to add reference to Farm Tractors and Farm Tractors Equipment Endorsement (CA 20 08).

Endorsements:

Staff recommends withdrawing the Leasing or Rental Concerns – Second Level Coverage Endorsement CA 20 14. There is currently no rule that references this endorsement nor is there a rate applicable to it.

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **1 of 21**

RULE 51. ELIGIBILITY

- A. This section applies to all trucks, including pick-up, panel and van types, truck-tractors, trailers and semitrailers except for the following:
1. Automobiles used for public transportation. Refer to Section V – Public Transportation of this Manual.
 2. Automobiles leased or rented to others by leasing or rental concerns. Refer to Rule 120 – Leasing or Rental Concerns in Section VII – Special Types and Operations of this Manual.
 3. Individually owned pick-ups, panel trucks or vans that are owned or leased under a contract for at least twelve months and that have a gross vehicle weight of ~~160~~,000 pounds or less and not used for the delivery or transportation of goods or materials unless such use is incidental to the insured's business of installing, maintaining, or repairing furnishings or equipment.
 4. Self-propelled automobiles with the following types of permanently attached equipment. Refer to Rule 125 – Special or Mobile Equipment in Section VII – Special Types and Operations of this Manual.
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or road resurfacing;
 - (3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on an automobile or truck chassis and used to raise or lower workers;
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- B. Unique rating procedures apply to trucking risks. A trucker is defined as a person, firm or corporation in the business of exclusively or occasionally transporting goods, material or commodities for another, including automobiles used in moving operations. A risk qualifies for the truckers classifications even if it calls itself or advertises as a contractor, building contractor, building material dealer, sand and gravel hauler, or

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **2 of 21**

some other similar name. Refer to Rule 55 – Premium Development Options for Truckers for premium determination.

RULE 52. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS

The following classification procedures apply for the purpose of determining premiums.

A. Fleet and Non-Fleet Classifications

1. Fleet Classification

Any risk that has five or more self-propelled automobiles of any type that are under one ownership. For the purpose of assigning this classification, do not include:

- a. automobiles owned by allied or subsidiary interests unless the insured holds a majority financial interest.
- b. mobile equipment insured on a General Liability Policy.
- c. trailers, but apply the fleet classification to the trailers if the risk otherwise is classified as a fleet.

2. Non-Fleet Classification

Automobiles for risks that do not qualify for a fleet classification.

Do not change the fleet or non-fleet classification because of mid-term changes in the number of owned automobiles except at the request of the insured. The policy must be cancelled in accordance with Rule 9 – Cancellation in Section I – General Rules of this Manual and rewritten as of the effective date of the cancellation.

B. Primary Classifications

The primary classification criteria are the automobile's size, business use and travel radius. These criteria are reflected in the Trucks, Tractors and Trailers Primary Classifications Rating Factors and Statistical Codes tables in the Rate Section.

1. Size Class - Automobiles

An automobile's size class is determined based on the vehicle's gross vehicle weight (GVW) or gross combination weight (GCW).

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **3 of 21**

GVW is the maximum loaded weight for which a single automobile is designed, as specified by the manufacturer.

GCW is the maximum loaded weight for a combination truck-tractor and semitrailer or trailer for which the truck-tractor is designed, as specified by the manufacturer.

a. Light Trucks –

- (1) trucks that have a gross vehicle weight (GVW) of 10,000 pounds or less, or
- (2) buses that have a seating capacity of 1-8 that is determined in accordance with Rule 72.D. – Public Automobile Classifications in Section V – Public Transportation of this Manual

b. Medium Trucks –

- (1) trucks that have a gross vehicle weight (GVW) of 10,001-20,000 pounds, or
- (2) crawler-type trucks, or
- (3) buses that have a seating capacity of 9-20 that is determined in accordance with Rule 72.D. – Public Automobile Classifications in Section V – Public Transportation of this Manual.

c. Heavy Trucks –

- (1) trucks that have a gross vehicle weight (GVW) of 20,001-45,000 pounds, or
- (2) buses that have a seating capacity of 21-60 that is determined in accordance with Rule 72.D. – Public Automobile Classifications in Section V – Public Transportation of this Manual.

d. Extra-Heavy Trucks –

- (1) trucks that have a gross vehicle weight (GVW) over 45,000 pounds, or

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **4 of 21**

(2) buses that have a seating capacity of 61 or more that is determined in accordance with Rule 72.D. – Public Automobile Classifications in Section V – Public Transportation of this Manual, that do not otherwise qualify as a public vehicle.

e. Truck-Tractors – a truck-tractor is a motorized automobile with or without body for carrying commodities or materials, equipped with fifth wheel coupling device for semitrailers.

(1) Heavy Truck-Tractors – truck-tractors that have a gross combination weight (GCW) of 45,000 pounds or less.

(2) Extra-Heavy Truck-Tractors – truck-tractors that have a gross combination weight (GCW) over 45,000 pounds.

2. Size Class – Trailers

a. Semitrailers – a semitrailer is a trailer equipped with fifth wheel coupling device for use with a truck-tractor, with gross vehicle weight rating (GVWR) load capacity over ~~3,000~~2,000 pounds. This includes bogies used to convert containers into semitrailers.

b. Trailers – any trailer with gross vehicle weight rating (GVWR) load capacity over ~~3,000~~2,000 pounds, other than a semitrailer.

c. Service or Utility Trailer – any trailer or semitrailer with gross vehicle weight rating (GVWR) load capacity of ~~3,000~~2,000 pounds or less.

3. Business Use Class

If a truck, tractor, or trailer has more than one use, use the classification with the highest use factor for BI and PD from the Primary Classifications Rating Factors and Statistical Codes table in the Rate Section unless 80% or more of the use is in a single lower rated activity. In that case, use the lower rated classification.

a. Service Use – automobiles used for transporting the insured's personnel, tools, equipment, and incidental supplies to or from a job location. This classification is confined to automobiles principally parked at job locations for the majority of the working day or used to transport supervisory personnel between job locations.

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **5 of 21**

- b. Retail Use – automobiles used to pick up property from, or deliver property to individual households.
- c. Commercial Use – automobiles used for transporting property other than those automobiles defined as service or retail.

4. Radius Class

Determine radius on a straight line from the street address of the automobile's principal garaging. For vehicles that are not eligible for zone rating as described in Section D. of this Rule, classify the risk using the longest radius class unless 80% or more of the automobile's operation is in a single shorter radius class.

- a. Local – up to 50 miles – the automobile is not operated beyond a radius of 50 miles from the street address where such automobile is principally garaged.
- b. Intermediate – 51 to 200 miles – the automobile is operated beyond a radius of 50 miles but not beyond a radius of 200 miles from the street address where such automobile is principally garaged.
- c. Long distance – over 200 miles – the automobile is operated beyond a 200 mile radius from the street address where such automobile is principally garaged.

C. Secondary Classification

Secondary classifications apply to the following special industry classes, but do not affect the premiums for zone rated policies or premiums for light trucks and trailers used with light trucks. Where more than one secondary rating factor applies, classify the automobile using the secondary classification with the largest secondary adjustment unless 80% or more of the use is in a single secondary classification with a lower secondary adjustment. In that case, classify the automobile using the secondary classification associated with the smaller adjustment.

There are ten general categories for secondary classifications:

- 1. Manufacturers – Automobiles used to transport raw materials and finished or unfinished goods manufactured, processed or constructed by the insured, except food manufacturers.

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **2023.12.012027.01.01**
Page | **6 of 21**

2. Truckers – Automobiles used to haul or transport goods, materials, or commodities for another, other than automobiles used in moving operations.
3. Food Delivery – Automobiles used by food manufacturers to transport raw and finished products or used in wholesale distribution of food.
4. Specialized Delivery – Automobiles used in deliveries subject to time and similar constraints.
5. Waste Disposal – Automobiles transporting salvage and waste material for disposal or resale.
6. Farmers – Automobiles owned by a farmer, used in connection with the operation of his own farm occasionally used to haul commodities for other farmers.
7. Dump and Transit Mix Trucks and Trailers
8. Contractors (Other than Dump Trucks)
9. Logging and Lumbering
10. Petroleum Business – Automobiles used to transport petroleum and petroleum products such as gasoline and fuel oil.

Refer to the Secondary Classification table in the Rate Section to determine rating factors and statistical codes.

D. Geographic Classification

An automobile classified under this rule is subject to zone rating if the automobile is regularly operated beyond a 200 mile radius from the street address of principal garaging. Any risk that does not satisfy the conditions for zone rating, including all risks comprised of light trucks and trailers used with light trucks, are not subject to zone rating.

1. Non-Zone Rated Automobiles – Determination of Rating Territory

For risks that are not subject to zone rating, rating territory is determined based upon the street address of principal garaging, in accordance with Rule 21 – Residence and Location of Section II – Common Coverages of this Manual.

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **7 of 21**

2. Zone Rated Automobiles – Determination of Zone, Zone of Principal Garaging, Zone Combination, and Zone Combination Code

For risks that are subject to zone rating, determine the zone, zone of principal garaging, zone combination, and zone combination code for each automobile as follows:

a. Zone

Use the Long Distance Zone Definitions tables in the Rate Section to identify the metropolitan and/or regional zones that will be used for determining zone combination as described in Section D.2.c. of this Rule and zone combination code as described in Section D.2.d. of this Rule.

b. Zone of Principal Garaging

- 1) If the automobile is principally garaged in any of the metropolitan zones identified in the Long Distance Zone Definitions table (either zone 03 (Boston) or any other metropolitan zone outside of Massachusetts), assign zone 03 as the zone of the automobile's principal garaging.
- 2) If the automobile is principally garaged in any of the regional zones identified in the Long Distance Zone Definitions table (either zone 49 (New England) or any other regional zone), assign zone 49 as the zone of the automobile's principal garaging.

c. Zone Combination

- 1) When an automobile is principally garaged in a regional zone and operates from terminals in that zone and in one or more metropolitan zones, the zone combination is the regional zone and the metropolitan zone that is farthest away from the automobile's principal garaging.
- 2) In all other situations, the zone combination is the zone of principal garaging and the zone of the terminal included in the automobile's operations that is farthest away from the automobile's principal garaging.

A terminal is any point at which an automobile regularly loads or unloads. It is not limited to a terminal facility which the insured owns and operates.

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **8 of 21**

d. Zone Combination Code

To identify the zone combination code that will be used for statistical reporting purposes, refer to the applicable Zone Rating Table in the Rate Section based upon whether the automobile's zone of principal garaging, as determined in Section D.2.b., is zone 03 (zone combination codes 2XX) or zone 49 (zone combination codes 9XX). The tables provide liability base premiums and physical damage factors for each zone combination and identify the applicable zone combination codes.

Refer to the following examples for determining zone combination and zone combination code:

Examples:

1. The automobile is principally garaged in Worcester, Massachusetts (regional zone 49 – New England) and its operations include terminals in Utica, New York (regional zone 48 – Eastern) and Hartford, Connecticut (metropolitan zone 12 – Hartford). In accordance with Sections D.2.b.2) and D.2.c.1) of this Rule, the proper zone combination is 49 (the automobile is principally garaged in a regional zone) and 12 (the metropolitan zone that is farthest from the automobile's principal garaging).

To identify the zone combination code, refer to the Zone Rating Table (Zone of Principal Garaging is Zone 49 (New England) or Other Regional Zones). According to this table and based upon the determined zone combination, the zone combination to be used for statistical reporting purposes is 912.

2. The automobile is principally garaged in Albany, New York (regional zone 48 – Eastern) and its operations include terminals in Boston, Massachusetts (metropolitan zone 03 – Boston) and Hartford, Connecticut (metropolitan zone 12 – Hartford). In accordance with Sections D.2.b.2) and D.2.c.1) of this Rule, the proper zone combination is 49 (the automobile is principally garaged in a regional zone) and 03 (the metropolitan zone that is farthest from the automobile's principal garaging).

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **9 of 21**

To identify the zone combination code, refer to the Zone Rating Table (Zone of Principal Garaging is Zone 49). According to this table and based upon the determined zone combination, the zone combination to be used for statistical reporting purposes is 903.

3. The automobile is principally garaged in Springfield, Massachusetts (regional zone 49 – New England) and its operations include a terminal in Bangor, Maine (regional zone 49 – New England). In accordance with Sections D.2.b.2) and D.2.c.2) of this Rule, the proper zone combination is 49 (the zone in which the automobile is principally garaged is a regional zone) and 49 (the zone of the terminal included in the automobile’s operations that is farthest from the automobile’s principal garaging).

To identify the zone combination code, refer to the Zone Rating Table (Zone of Principal Garaging is Zone 49 (New England) or Other Regional Zone). According to this table and based upon the determined zone combination, the zone combination code to be used for statistical reporting purposes is 949.

4. The automobile is principally garaged in Boston, Massachusetts (metropolitan zone 03 – Boston) and its operations include terminals in New York City (metropolitan zone 26 – New York City) and Utica, New York (regional zone 48 – Eastern). In accordance with Sections D.2.b.1) and D.2.c.2) of this Rule, the proper zone combination is 03 (the zone in which the automobile is principally garaged is a metropolitan zone) and 48 (the zone of the terminal included in the automobile’s operations that is farthest from the automobile’s principal garaging).

To identify the zone combination code, refer to the Zone Rating Table (Zone of Principal Garaging is Zone 03 (Boston) or Other Metropolitan Zone). According to this table and based upon the determined zone combination, the zone combination code to be used for statistical reporting purposes is 248.

5. The automobile is principally garaged in New York City (metropolitan zone 26 – New York City) and operates in Atlanta, Georgia (metropolitan zone 01 – Atlanta) and in Tallahassee, Florida (regional zone 47 – Southeast). In

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **10 of 21**

accordance with Sections D.2.b.1) and D.2.c.2) of this Rule, the proper zone combination is 03 (the zone in which the automobile is principally garaged is a metropolitan zone) and 47 (the zone of the terminal included in the automobile's operations that is farthest from the automobile's principal garaging).

To determine the zone combination code, refer to the Zone Rating Table (Zone of Principal Garaging is in a Metropolitan Zone). According to this table and based upon the established zone combination, the zone combination code to be used for statistical reporting purposes is 247.

E. Special Provisions for Certain Risks

1. Truckers. If the business of the insured involves transporting materials or commodities for another, Rule 55 – Premium Development Options for Truckers also applies.
2. Transporters of Liquid Products. A policy that covers an automobile used for the bulk transportation of liquid products must exclude accidents resulting from the erroneous delivery of one liquid product for another, or the delivery of any liquid product into the wrong receptacle if the accident occurs after the operations have been completed. Use Wrong Delivery of Liquid Products Endorsement CA 23 05.
3. Amusement Devices. A policy written to cover a commercial automobile, trailer or semitrailer on which an amusement device has been mounted does not provide coverage for the operation of the amusement device. Refer to the General Liability Manual for operations coverage. Use Commercial Automobiles Equipped with Amusement Devices Endorsement MM 23 03.
4. Transporters of Explosives. A policy that covers an automobile used for transporting explosives must exclude coverage for the explosion hazard. Use Explosives Endorsement MM 23 04.
5. Rolling Stores. A policy that covers automobiles including canteens, display rooms and automobiles used for selling products must exclude product liability. Use Rolling Stores Endorsement CA 23 04.
6. Trailers or Semitrailers Used as Showrooms (Class Code 04520)

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **11 of 21**

- a. To provide liability coverage for trailers or semitrailers used as showrooms or salesrooms, multiply the trailer or semitrailer rating factor by 2.00. The minimum premium per trailer or semitrailer is \$30 for \$20,000 per person, \$40,000 per accident bodily injury and \$5 for \$5,000 property damage. The policy must exclude product liability.
- b. For medical payments coverage, multiply the private passenger type Medical Payments premium for the territory in which the risk is located by 3.00.
- c. For physical damage coverages, use the physical damage rates for the trailers or semitrailers respectively.
- d. Use Rolling Stores Endorsement CA 23 04.

7. Trucks, Trailers and Semitrailers Used in Dumping Operations

- a. Rate automobiles used in dumping operations including ready-mix and mix-in transit cement trucks at the Vehicles Used in Dumping Operations Collision rates from the Trucks, Tractors and Trailers physical damage rate pages in the Rate Section.
 - b. Use those rates regardless of the secondary classification used. The Dump and Transit Mix Trucks and Trailers rating classification applies to hopper-type transporters of dry commodities, which unload through the bottom by gravity and is only used when no other secondary classification applies.
8. Operations coverage may not be afforded under the auto policy for special or mobile equipment. Refer to Rule 125 – Special or Mobile Equipment in Section VII – Special Types and Operations of this Manual.

RULE 53. PREMIUM DEVELOPMENT – SPECIFIED CAR BASIS – OTHER THAN ZONE RATED AUTOMOBILES

- A. Determine the rating territory code from the Territory Definitions Schedule in the Rate Section in accordance with the provisions of Rule 52.D.1. – Trucks, Tractors and Trailers Classifications.
- B. Determine the Combined Rating Factor

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **12 of 21**

Determine the classification code and the combined rating factor as follows:

1. Determine whether the risk is classified as fleet or non-fleet according to Rule 52 – Trucks, Tractors and Trailers Classifications.
2. Determine the primary rating factor from the applicable Trucks, Tractors and Trailers Primary Classifications Rating Factors and Statistical Codes table in the Rate Section based on size class, business use class and radius class in accordance with Rule 52 – Trucks, Tractors and Trailers Classifications.
3. Determine the secondary rating factor from the Secondary Classification Table in the Rate Section based on the special industry classification.
4. Determine the combined rating factor by adding the secondary rating factor to the primary rating factor.

C. Premium Computation

1. Liability and Personal Injury Coverages

Use the fleet or non-fleet designation and size class as determined according to Rule 52 – Trucks, Tractors and Trailers Classifications and the applicable rating territory to determine the rate for the applicable coverage level from the Trucks, Tractors and Trailers liability rate pages in the Rate Section. Multiply these rates by the combined rating factor determined in accordance with Section B. of this Rule to compute the final premium.

<u>Coverage</u>	<u>Rate Pages to Be Used</u>				
Compulsory BI (A-1)	Trucks, Tractors and Trailers Liability	X	Combined Rating Factor (from Rule 53.B.)	=	Premium
PIP (A-2)					
Property Damage (PDL)					
Optional BI (B)					
Medical Payments					
Uninsured Motorist (U-1)			N/A		

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **13 of 21**

Underinsured Motorist (U-2)				
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2. Physical Damage Coverages

The premiums for physical damage coverage reflected in the Rate Section are on an actual cash value basis. For coverage on a stated amount or agreed value basis, refer to Rule 42.D. and E. – Physical Damage Coverage Rating Procedures in Section II – Common Coverages and Rating Procedures of this Manual.

Determine the fleet or non-fleet designation according to Rule 52.A. – Trucks, Tractors and Trailers Classifications, the original cost new and age of the automobile to be insured according to Rule 42.C. – Physical Damage Rating Procedures in Section II – Common Coverages and Rating Procedures of this Manual and the applicable rating territory as determined according to Rule 21 – Residence and Location in Section II – Common Coverages and Rating Procedures of this Manual.

For collision coverage, use the fleet or non-fleet designation, original cost new, age and rating territory to determine the rate for collision coverage from the Trucks, Tractors and Trailers physical damage rate pages in the Rate Section. The rates for collision coverage are based upon whether the automobile is a truck, truck-tractor or automobile used in dumping operations. Use the truck rates for trailers or semitrailers unless the automobile is used in dumping operations.

For comprehensive coverage, use the fleet or non-fleet designation, original cost new, age and rating territory to determine the \$300 or \$500 deductible rate for other than collision coverage from the Trucks, Tractors and Trailers physical damage rate pages in the Rate Section.

If a higher other than collision deductible is desired, determine the \$500 deductible rate from the Trucks, Tractors and Trailers rate pages and charge the indicated percentage for the deductible desired.

To compute the final physical damage premium, multiply the collision and comprehensive rates by the combined rating factor determined in accordance with Section B. of this Rule. If collision – waiver of deductible coverage exists, add the premium associated with the applicable deductible level to the final collision premium.

Coverage	Rate Pages
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CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date 2023.12.012027.01.01
Page **14 of 21**

	to be Used					
Collision	Trucks Tractors and Trailers Physical Damage	X	N/A	X	= Premium	
Collision – Waiver of Deductible						N/A
Comprehensive						Percentage for >\$500 Deductible Option (from Physical Damage Rate Pages)

The premium for limited collision coverage is determined by multiplying the percentage displayed on the Trucks, Tractors and Trailers physical damage rate pages by the final collision premium. Rating procedures for additional limited collision coverage options are also indicated on the Trucks, Tractors and Trailers physical damage rate pages in the Rate Section.

3. Towing and Labor Coverage

a. Eligible vehicle classes are Light and Medium Trucks

b. Refer to the Rate Section for premium.

c. This coverage may be written at limits of \$50 or \$100 for each disablement.

d. The premium is for the period of coverage and not subject to any return.

RULE 54. PREMIUM DEVELOPMENT – ZONE RATED AUTOMOBILES

A. Determine Combined Rating Factor

1. Determine the classification code and the primary rating factor in accordance with Rule 53.B. – Premium Development – Specified Car Basis – Other than Zone Rated Automobiles.

2. Determine the State Rating Factor

Refer to the Zone Rating Tables section of the rate pages to determine the state rating factor.

3. Determine the combined rating factor by multiplying

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **15 of 21**

the primary rating factor determined in A.1. by the state rating factor determined in A.2.

B. Premium Computation

1. Liability, Personal Injury and Property Damage Coverages

- a. Use the zone or zone combination as determined according to Rule 52.D.2. – Trucks, Tractors and Trailers Classifications to determine the Bodily Injury (\$20,000 per person, \$40,000 per accident) and \$5,000 Property Damage liability premium from the applicable Zone Rating Table in the Rate Section. Apply the indicated factors to the premium obtained from the applicable Zone Rating Table to compute the base rate.
- b. Multiply the base rate from B.1.a. by the Combined Rating Factor as determined in A.3 to obtain the final premium.

Coverage	Rate Pages to be Used						
Compulsory BI	\$20,000/\$40,000 Bodily Injury (from the Zone Rating Table)		0.86		Combined Rating Factor** (from Rule 54.A.3.)	=	Premium
PIP	\$20,000/\$40,000 Bodily Injury (from the Zone Rating Table)		0.04				
Property Damage	\$5,000 Property Damage (from the Zone Rating Table)	X	N/A	X			
Optional BI*	\$20,000/\$40,000 Bodily Injury (from the Zone Rating Table)		0.10				
Medical Payments	Trucks, Tractors and Trailers Liability				N/A		
Uninsured Motorist			N/A				
Underinsured Motorist							

*Refer to Rule 40 – Increased Liability Limits in Section II – Common Coverages and Rating Procedures for determining increased limits.

**Secondary rating factors do not apply, however, report secondary statistical codes from the Secondary Classification table in the Rate Section.

2. Physical Damage Coverages

- a. The premiums for physical damage coverage reflected in the Rate Section are on an actual cash value basis. For coverage on a stated amount or agreed value basis, refer to Rule 42.D. and E. – Physical Damage Coverage Rating Procedures in Section II – Common Coverages and Rating Procedures of this Manual.

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **2023.12.01 2027.01.01**
Page | **16 of 21**

- b. Determine \$500 deductible physical damage premium from the applicable Zone Rating Table in the Rate Section for the appropriate zone combination.
- c. Determine Combined Rating Factor
 - 1) Determine the classification code and the primary rating factor in accordance with Rule 53.B. – Premium Development – Specified Car Basis – Other than Zone Rated Automobiles.
 - 2) Determine the State Rating Factor

Refer to the Zone Rating Tables section of the rate pages to determine the state rating factor.
 - 3) Determine the combined rating factor by multiplying the primary rating factor from 2.c.(1) by the state rating factor determined in 2.c.(2).
- d. Determine the original cost new and age of the automobile to be insured according to Rule 42.C. – Physical Damage Coverage Rating Procedures in Section II – Common Coverages and Rating Procedures of this Manual.
- e. Multiply the physical damage premium from 2.b. by the original cost new (OCN)/age group relativities, deductible relativities, and combined rating factor. Refer to the Zone Rating Tables – Physical Damage in Rate Section for the OCN/Age Group and deductible relativities.
- f. For collision rates for truck-tractors and vehicles used in dumping operations, refer to the Premium Development in the Zone Rating Tables – Physical Damage section.
- g. Add the premium for collision waiver of deductible, if applicable. Use the collision waiver of deductible for trucks, tractors and trailers with the applicable deductible level. For vehicles principally garage outside of Massachusetts, use the highest rated territory as shown on the trucks, tractors, and trailers physical damage rate pages in the Rate Section.

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **2023.12.01 2027.01.01**
Page | **17 of 21**

- h. The premium for limited collision coverage is determined by multiplying the percentage displayed on the trucks, tractors, and trailers physical damage rate pages in the Rate Section by the final collision premium.

<u>Coverage</u>	<u>Rate Pages to be Used</u>					
Collision	\$500 Deductible Premium (from Zone Rating Table)	X	Collision Relativity (OCN/Age Group Relativity X Deductible Relativity)	X	Combined Rating Factor* (from Rule 54.B.2.c.)	= Premium
Comprehensive			Comprehensive Relativity (OCN/Age Group Relativity X Deductible Relativity)			

* Secondary rating factors do not apply, however, report secondary statistical codes from the Secondary Classification table in the Rate Section.

RULE 55. PREMIUM DEVELOPMENT OPTIONS FOR TRUCKERS

Rate automobiles transporting exclusively for one concern on the same basis as though owned by such concern for both territory and classification.

A. Specified Car Basis

Truckers may be written on a specified car basis with premiums calculated according to Rule 53 – Premium Development – Specified Car Basis – Other than Zone Rated Automobiles or Rule 54 – Premium Development – Zone Rated Automobiles.

In addition to rating on a specified car basis, a trucker may also be rated on the following bases provided it meets the coverage and risk criteria.

B. Cost of Hire Basis (Class Code 66130, Minimum Premium Class Code 66190)

A trucking risk may be written on the cost of hire basis to cover its liability because of a contract involving the hire of trucks, tractors and trailers. Coverage written on a cost of hire basis is subject to audit.

- 1. Determine the total cost of hiring the automobiles. If automobiles are hired without operators, include the wages of the operators of such automobiles subject to an average weekly maximum of \$100 per operator.

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **18 of 21**

2. Determine the average specified car rate by:
 - (1) Computing the premium for all automobiles, including trailers or semitrailers owned and leased by the insured that are used in trucking operations according to Rule 53 – Premium Development – Specified Car Basis – Other than Zone Rated Automobiles or Rule 54 – Premium Development – Zone Rated Automobiles.
 - (2) Dividing this by the number of trucks and truck-tractors owned and leased by the insured.
3. The cost of hire rate is determined by multiplying the average specified car rate by .0033.
4. Compute the advance premium by multiplying each \$100 of the total amount estimated for the cost of hire during the policy period by the cost of hire rate.
5. Compute the earned premium at the rates in force at the inception of the policy, in the same manner as the advance premium.
6. If the Servicing Carrier which insures the owned automobiles of the risk also insures the hired automobiles of the risk, the minimum premium shall be \$17 for \$20,000 per person, \$40,000 per accident bodily injury and \$4 for \$5,000 property damage. Otherwise the minimum premium shall be the average applicable specified car rate.

C. Bobtail Operations (Class Code 74890)

Liability and no-fault coverages may be limited to non-trucking use when the automobiles are not rented, nor used for business purposes to carry property or to haul someone else's trailers. Use Motor Carriers – Insurance for Non-Trucking Use MM 23 07.

1. Liability, Personal Injury and Property Damage Coverages
 - a. For non-zone rated bobtails, use the size class determined according to Rule 52.B. – Trucks, Tractors and Trailers Classifications and the applicable rating territory to determine the non-fleet rate for the desired coverage level from the Trucks, Tractors and Trailers liability rate pages in the Rate Section.

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **19 of 21**

- b. For zone rated bobtails, compute the premiums for these coverages in accordance with Rule 52 – Trucks, Tractors and Trailers Classifications and Rule 54 – Premium Development – Zone Rated Automobiles, as appropriate. Refer to Zone Rating Tables section.

2. Physical Damage Coverages

Compute the premiums for these coverages in accordance with Rule 52 – Trucks, Tractors and Trailers Classifications, Rule 53 – Premium Development – Specified Car Basis – Other than Zone Rated Automobiles, and Rule 54 – Premium Development – Zone Rated Automobiles, as appropriate.

D. Trailer Interchange Agreement (Class Code 99320)

Coverage may be provided for the insured's legal liability for physical damage to trailers not owned by ~~them~~ but in ~~their~~ possession under a trailer interchange agreement.

For trailer interchange agreements involving Uniform Intermodal Interchange and Facilities Access (UIIA) Agreements attach Truckers - Uniform Intermodal Interchange Endorsement CA 23 17.

The Motor Carrier Endorsement CA 23 30 provides Comprehensive, Collision and Specified Causes of Loss Coverage. To provide only Fire and Fire and Theft Coverage use Trailer Interchange – Fire and Fire and Theft Coverage Endorsement CA 23 13.

1. Premium Determination

- a. If there is an even interchange of non-owned trailers and owned trailers with insurance ceasing when the owned trailers are in the possession of others, there is no additional premium charge as the company's total liability remains constant.
- b. If the insurance on owned trailers remains in force when in the possession of others, the premiums for coverage for non-owned trailers are determined as follows and subject to a \$25.00 minimum premium charge:
 - (1) Determine the trailer's radius class while in the possession of the insured according to Rule 52 – Trucks, Tractors and Trailers Classifications.

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **20 of 21**

- (2) Use the radius class to determine the daily per trailer base rate for the selected limit of liability coverage from the Trailer Interchange Agreement Rates Table in the Rate Section.
- (3) For liability limits over \$20,000, multiply the additional charge displayed on the Trailer Interchange Agreement Rates Table by the number of each \$1,000 or fraction of \$1,000 of coverage over \$20,000. Add this amount to the rate for the \$20,000 limit of liability shown in the table.
- (4) Multiply the daily per trailer rates by the physical damage factors determined from the Zone Rating Factors table for calculating Trailer Interchange Agreement Premium as follows:
 - (a) Local and intermediate radius – use the Zone Rating Factors table for where the risk is principally garaged and the zone combination for that zone. For example, the factors for a risk principally garaged in Boston are those shown in the Boston row on the Zone 03 (Metropolitan) Zone Rating Factors table.
 - (b) Long Distance – determine the factors according to Rule 54 – Premium Development – Zone Rated Automobiles.
- (5) Multiply this amount by the number of days for which insurance is provided.
- (6) The following is an example of the premium calculation for an intermediate radius risk principally garaged in Boston insuring 10 trailers for \$500 deductible Comprehensive Coverage, \$12,000 limit of liability, for 20 days.
 - (a) Daily per trailer base rate – \$ 0.048
 - (b) Rating factor for Comprehensive from Zone Rating Factors table, as determined in Section D.1.b.(4) of this Rule – 1.58
 - (c) Rate per day – ($\$ 0.048 \times 1.58$) = \$ 0.076
 - (d) Total premium – ($\$ 0.076 \times 10 \text{ trailers} \times 20 \text{ days}$) = \$15.20

c. e.—If the insured leases from others more trailers than leased to others with the insurance on the owned trailers ceasing when in

CAR | **Commercial Automobile Insurance Manual**
Section III | **Trucks, Tractors and Trailers**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **21 of 21**

the possession of others, the premiums are calculated on the difference between the number of non-owned and owned trailers.

RULES 56-60 RESERVED FOR FUTURE USE.

CAR | **Commercial Automobile Insurance Manual**
Section IV | **Private Passenger Types**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **1 of 4**

RULE 61. ELIGIBILITY

- A. Automobiles of the private passenger, SUV, or station wagon type that are owned or leased under contract for a continuous period of at least twelve months by (1) partnerships, (2) corporations, (3) unincorporated business associations, or (4) other legal business entities with a federal employer identification number. This section does not apply to:
1. Automobiles that are used as a public livery or conveyance. Refer to Section V – Public Transportation of this Manual.
 2. Automobiles that are rented to others without a driver. Refer to Rule 120 – Leasing or Rental Concerns in Section VII – Special Types and Operations of this Manual.

RULE 62. PRIVATE PASSENGER TYPES CLASSIFICATIONS

A. Fleet and Non-Fleet Classifications

1. Classify as fleet (class codes 73980 or 19980) any risk that has five or more self-propelled automobiles of any type that are under one ownership. For the purposes of assigning this classification, do not include:
 - a. automobiles owned by allied or subsidiary interests unless the insured holds a majority financial interest
 - b. mobile equipment insured on a General Liability Policy
 - c. trailers
2. Classify as non-fleet (class code 73910) automobiles of any other risk.

Do not change the fleet or non-fleet classification because of mid-term changes in the number of owned automobiles except at the request of the insured. The policy must be cancelled in accordance with Rule 9 – Cancellation in Section I – General Rules of this Manual and rewritten as of the effective date of the cancellation.

B. Geographic Classification

Determine the principal place of garaging in accordance with Rule 21 – Residence and Location in Section II – Common Coverages and Rating Procedures of this Manual.

CAR | **Commercial Automobile Insurance Manual**
Section IV | **Private Passenger Types**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **2 of 4**

- C. Leased automobiles that qualify as private passenger types under the provisions of Rule 61 – Eligibility should be classified and rated based on the use of the vehicle by the lessee regardless of whether coverage is provided by the owner or the lessee of the vehicle.

RULE 63. PREMIUM DEVELOPMENT

- A. Determine the classification code as follows:

1. Determine whether the risk is classified as fleet or non-fleet according to Rule 62.A. – Private Passenger Types Classifications.

Refer to the Servicing Carrier for determining the premium for risks classified as non-fleet.

2. Determine the rating territory from the Territory DefinitionsSchedule in the Rate Section.

- B. Liability and Personal Injury Coverages

For risks classified as fleet, as determined in Section A., refer to the Rate Section for the following coverages for each private passenger type automobile:

1. Compulsory Bodily Injury Liability
2. Personal Injury Protection
3. Property Damage Liability
4. Optional Bodily Injury Liability
5. Medical Payments
6. Uninsured Motorists Insurance
7. Underinsured Motorists Insurance

- C. Physical Damage

1. Determine the original cost new and age of each automobile to be insured according to Rule 42.C. – Physical Damage Coverage and Rating Procedures of Section II – Common Coverages and Rating Procedures of this Manual and use the automobile’s fleet or non-fleet designation and rating territory from Section A. to obtain the actual cash value premiums for comprehensive, collision and limited

CAR | **Commercial Automobile Insurance Manual**
Section IV | **Private Passenger Types**
Effective Date | **2023.12.01 2027.01.01**
Page | **3 of 4**

collision coverage from the Private Passenger Types rate pages in the Rate Section.

2. The premium for fire, theft, and combined additional coverage is obtained by multiplying the applicable percentage shown on the Private Passenger Types physical damage rate pages in the Rate Section by the comprehensive premium as determined in Section C.1.
3. Premiums for towing and labor coverage are shown on the Private Passenger Types rate pages in the Rate Section.

D. Premiums for Coverage Limits or Deductibles Not Shown on the Rate Pages

To determine premiums for coverage limits or deductibles not shown on the Private Passenger Types rate pages, apply the appropriate limit factor or deductible factor to the premiums from the Private Passenger Types rate pages in the Rate Section.

<u>Coverage</u>	<u>Rate Pages to be Used</u>		<u>Factor to be Applied</u>		
Compulsory BI (20/40)	Private Passenger Types Liability	X	N/A	=	Premium
⁽¹⁾ Optional BI (20/40)			Increased Limit Factor from Private Passenger Types Rate Pages		
Property Damage (\$5,000)			Increased Limit Factor from Private Passenger Types Rate Pages		
⁽²⁾ Collision (\$500 Deductible)	Higher Deductible Factor				
⁽²⁾ Comprehensive (\$500 Deductible)	Private Passenger Types Physical Damage	Higher Deductible Factor			

⁽¹⁾ Refer to Rule 40 – Increased Liability Limits in Section II – Common Coverages and Rating Procedures of this Manual for determining Increased Limits

⁽²⁾ For collision, limited collision or comprehensive deductibles lower than \$500, add the amounts indicated on the Private Passenger Types rate pages in the Rate Section to the otherwise applicable \$500 premium.

RULE 64. PREMIUMS FOR STATED AMOUNT OR AGREED AMOUNT COVERAGE

To determine comprehensive or collision premiums for coverage provided on a stated amount or agreed amount basis, refer to Rule 42 – Physical Damage Coverage Rating Procedures in Section II – Common Coverages and Rating Procedures of this Manual.

CAR | **Commercial Automobile Insurance Manual**
Section IV | **Private Passenger Types**
Effective Date | **~~2023.12.01~~2027.01.01**
Page | **4 of 4**

RULE 65. TOWING AND LABOR COST

The annual premium shown on the Private Passenger Type rate pages in the Rate Section is applicable regardless of the period of coverage or term of the policy.

RULES 66 - 70 RESERVED FOR FUTURE USE.

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **1 of 14**

RULE 110. ELIGIBILITY

This section applies to all automobiles that are not classified or defined in other sections.

RULE 111. PREMIUM DEVELOPMENT

A. Unless specifically described in the Rule, rating procedures for automobiles defined in Rules 112 through 126 are found on the Special Types Rating Procedures pages in the Rate Section.

1. Base rates for truck, tractor, and trailer type automobiles are found on the Trucks, Tractors and Trailers rate pages in the Rate Section based on the size of the automobile as defined in Rule 52.B.1. and Rule 52.B.2. – Trucks, Tractors and Trailers Classifications in Section III – Trucks, Tractors and Trailers of this Manual. Primary and secondary rating factors as defined in Rule 52.B.3. and Rule 52.B.4. and Rule 52 C. – Trucks, Tractors and Trailers Classifications in Section III – Trucks, Tractors and Trailers of this Manual do not apply.

2. Base rates for private passenger type automobiles are found on the Private Passenger Types rate pages in the Rate Section.

B. Determine if the risk is fleet or non-fleet as defined in Rule 52.A. – Trucks, Tractors and Trailers Classifications in Section III – Trucks, Tractors and Trailers of this Manual or Rule 62.A. – Private Passenger Types Classifications in Section IV – Private Passenger Types of this Manual.

C. Determine the rating territory from the Territory Schedule-Definitions in the Rate Section based on the street address of principal garaging. Place of principal garaging is described in Rule 21 – Residence and Location of Section II – Common Coverages of this Manual.

D. Liability, No-Fault and Physical Damage

Specific rating instructions are provided in the Rate Section for each classification.

E. Medical Payments, Uninsured and Underinsured Motorists Insurance

Refer to specific rules in the Rate Section. If no procedures are shown, determine premiums as follows:

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **2 of 14**

1. If liability premiums are developed from truck, tractor and trailer premiums, charge truck, tractor and trailer medical payments premiums, uninsured and underinsured motorists insurance premiums.
2. If liability premiums are developed from private passenger type premiums, charge private passenger type medical payments, uninsured and underinsured motorists insurance premiums.

RULE 112. AMBULANCE SERVICES

- A. Except for Compulsory Bodily Injury Coverage, the policy must exclude coverage for bodily injury to any volunteer worker engaged in rescue squad or ambulance corps operations. Use Emergency Services – Volunteer Firefighters’ and Workers’ Injuries Excluded CA 20 30.
- B. The policy must exclude coverage for Bodily Injury or Property Damage which results from providing or failing to provide any professional service. Use Professional Services Not Covered Endorsement CA 20 18.

RULE 113. AMPHIBIOUS EQUIPMENT

For automobiles designed to operate on both land and water, classify and rate as land automobiles according to their use.

RULE 114. RESERVED FOR FUTURE USE

**RULE 115. AUTOMOBILE BODY MANUFACTURERS AND INSTALLERS
(Class Code 79240)**

Operations which involve demonstrating, testing, driving away or delivery of automobiles manufactured, assembled, rebuilt or repaired by the insured may be insured at the rate per plate applicable to ~~garage-auto~~ dealers in Rule 88 – Premium Development in Section VI – ~~Garage-Auto~~ Dealers of this Manual.

All other automobiles and trailers, owned by the insured and operated in connection with the business of the automobile factory, shall be written on a specified car basis in accordance with manual rules and rates.

The policy shall not extend to cover the operation of any branch sales office or garage.

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **3 of 14**

RULE 116. DRIVER TRAINING PROGRAMS (EDUCATIONAL INSTITUTIONS AND COMMERCIAL DRIVING SCHOOLS) AND AUTOMOBILE REPAIR TRAINING

**A. Driver Training Programs - Educational Institutions
(Class Code 79260)**

1. Eligibility

This section applies to private passenger automobiles used for driver training as part of a school curriculum.

2. A policy covering automobiles used by schools in driver training programs may be written on an annual term for Liability and Collision Coverages with premium prorated to reflect the actual school term. However, do not give credit for Saturdays, Sundays or holidays or for any other periods of lay-up during the school term.

B. Commercial Driving Schools (Class Code 79270)

1. Eligibility

This section applies to automobiles used by driving schools to give driving instruction. Use Driving Schools Endorsement CA 20 06.

2. Refer to the Rate Section for premium computation of owned automobiles.

3. Non-Owned Automobiles

a. The policy must cover the driving instructors and their students.

b. Premium Computation

Charge the private passenger type rates for each instructor in excess of the number of owned automobiles.

C. Automobile Repair Training

For automobiles used by schools in automobile repair training, the rules and rates for owned automobiles, hired automobiles and non-ownership apply.

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **4 of 14**

RULE 117. FIRE DEPARTMENT

A. Eligibility

1. This rule applies to automobiles used for firefighting purposes.
2. The policy must exclude coverage for Bodily Injury to any volunteer fireman or volunteer worker engaged in firefighting, rescue squad or ambulance corps operations. Use Emergency Services – Volunteer Firefighters’ and Workers’ Injuries Excluded Endorsement CA 20 30.
3. The policy must exclude coverage for Bodily Injury or Property Damage which results from providing or failing to provide any professional service. Use Professional Services Not Covered Endorsement CA 20 18.

RULE 118. FUNERAL DIRECTORS

A. Eligibility

1. This rule applies to limousines, hearses or flower cars owned or used by a funeral director.
2. The policy must exclude coverage for Bodily Injury or Property Damage which results from providing or failing to provide any professional service. Use Professional Services Not Covered Endorsement CA 20 18.

B. Refer to Rule 112 – Ambulance Services for automobiles that are a combination hearse/ambulance.

RULE 119. LAW ENFORCEMENT AGENCIES

A. Eligibility

1. This rule applies to automobiles used by government law enforcement agencies or police departments.
2. The policy must exclude coverage for Bodily Injury to any volunteer worker engaged in rescue squad or ambulance corps operations. Use Emergency Services – Volunteer Firefighters’ and Workers’ Injuries Excluded Endorsement CA 20 30.
3. The policy must exclude coverage for Bodily Injury or Property Damage which results from providing or failing to provide any

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **5 of 14**

professional service. Use Professional Services Not Covered
Endorsement CA 20 18.

RULE 120. LEASING OR RENTAL CONCERNS

A. Eligibility

This rule applies to risks which lease or rent automobiles to others without drivers. For automobiles leased or rented with drivers refer to Rule 55 – Premium Development Options for Truckers in Section III – Trucks, Tractors and Trailers of this Manual or Rule 72 – Public Automobile Classifications in Section V – Public Transportation of this Manual.

B. Registration Requirements

The Massachusetts Registry of Motor Vehicles requires that motor vehicle registrations be obtained in the name of the actual owner of the automobile. When liability insurance is to be obtained by a person or organization other than the actual owner, policies must be issued as follows:

1. If the actual owner is other than the leasing company and the leasing company is obtaining the insurance, the policy must be issued to the leasing company as named insured and the Additional Insured – Owner of Leased Vehicle Endorsement MM 20 25 must be made a part of the policy.
2. If the actual owner is other than the leasing company and the ultimate lessee is obtaining the insurance, the policy must be issued to the ultimate lessee as named insured and the Additional Named Insured – Owner of Leased Vehicle Endorsement MM 20 25 and the Lessor – Additional Insured and Loss Payee Endorsement MM 20 26 must be made a part of the policy.
3. If the actual owner is the leasing company and the lessee is obtaining the insurance, the policy must be issued to the lessee as named insured and the Lessor – Additional Insured and Loss Payee Endorsement MM 20 26 must be made a part of the policy.

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **6 of 14**

C. Premium Determination

When determining the premiums, use the rating territory from the Territory ~~Schedule-Definitions~~ in the Rate Section based upon the street address where the automobile is principally garaged.

1. Specified Car Basis (Long Term)

- a. Rate automobiles leased for one year or more at the classification rates in this Manual that apply to the lessee.

~~b. Contingent Coverage (Class Code 72190)~~

~~May be provided if insurance covering the leasing concern on a primary basis is provided by the lessee. Refer to the company for premium determination. Use Leasing or Rental Concerns – Contingent Coverage Endorsement CA 20 09.~~

2. Specified Car Basis (Short Term)

- a. Refer to the Rate Section for automobiles rented by the hour, day or week.

~~b. To exclude coverage for the owner or rentee of any “rent-it-there/leave-it-here” automobile not owned by the named insured, use Leasing or Rental Concerns – Rent-It-There/Leave-It-Here Autos Endorsement CA 20 12.~~

D. Conversion, Embezzlement or Secretion Coverage

1. The policy must be endorsed using Leasing or Rental Concerns – Conversion, Embezzlement or Secretion Coverage Endorsement CA 20 10 to exclude, under Comprehensive or Theft, coverage for conversion, embezzlement or secretion.
2. To buy back this coverage, refer to the Rate Section for premium determination. Use Leasing or Rental Concerns – Conversion, Embezzlement or Secretion Coverage Endorsement CA 20 10.

E. Exclusion of Certain Leased Autos

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **7 of 14**

To exclude liability and no-fault coverages for certain leased automobiles arising out of acts or omissions of the lessee or rentee, use Leasing or Rental Concerns – Exclusion of Certain Leased Autos Endorsement CA 20 11.

F. Schedule of Limits for Owned Autos

To provide varying liability coverage limits for automobiles owned by a leasing or rental concern, depending on the terms of the leasing or rental agreement and type of automobile, use Leasing or Rental Concerns – Schedule of Limits For Owned Autos Endorsement CA 20 13.

RULE 121. MOBILE HOMES

Mobile homes shall be classified as follows:

- A. Trailers equipped as living quarters (Class Code 79630).
- B. Pick-up trucks used solely to transport camper bodies (Class Code 79620).
- C. Motor homes - self-propelled vehicles equipped as living quarters. Overall length not more than 22 feet (Class Code 79600) and overall length more than 22 feet (Class Code 79610).
- D. Refer to the Rate Section for premium determination. Use Mobile Homes Contents Not Covered Endorsement CA 20 17.

RULE 122. MOTORCYCLES AND SIMILAR VEHICLES

- A. This rule applies to motorcycles, motorscooters, motorbikes and other similar vehicles used for commercial purposes.
- B. Refer to the Commercial Motorcycle rate pages in the Rate Section for premium determination.
- C. The premium for Personal Injury Protection must be charged for vehicles subject to Massachusetts registration.
- D. To exclude covered auto liability coverage for a guest occupant, use Guest Occupants Exclusion Endorsement MM 20 06.

RULE 123. REPOSSESSED AUTOMOBILES (Class Code 79250)

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **8 of 14**

A. Eligibility

1. This rule does not apply to automobiles that finance companies and banks own or operate for their own business or personal purposes. Insure such automobiles according to the regular use of the automobile.
2. Automobile finance companies and banks engaged in the business of financing the purchase of or insuring automobiles which have been issued dealer's registration plates by the Registry of Motor Vehicles for use only in taking possession of such automobiles due to foreclosure or subrogation of title, shall be insured under a Business Auto Coverage Form. Use Registration Plates Not Insured for a Specific Auto Endorsement MM 20 10.

B. Premium Computation

1. Liability and No-Fault – charge the private passenger type rate for each plate issued.
2. Physical damage coverage for repossessed automobiles is not cedable to the Commonwealth Automobile Reinsurers.

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **9 of 14**

RULE 124. REGISTRATION PLATES NOT ISSUED FOR A SPECIFIC AUTOMOBILE

A. Eligibility

This rule applies to risks which have been issued an interchangeable plate other than a dealer plate. Use Registration Plates Not Issued for a Specific Auto Endorsement MM 20 10.

B. Farmer's Special Plates (Class Code 79530)

Any risk engaged primarily in the occupation of farming or raising poultry on land owned or controlled by that risk may be issued farmer's interchangeable registration plates. Such registration plates are valid only when affixed to qualifying automobiles and may not be used with private passenger automobiles.

1. Premium Computation

- a. Refer to Rate Section for liability coverage premium.
- b. Physical damage coverage is available on a specified car basis only.

C. Owner-Contractor (Class Code 07070)

Any risk other than a manufacturer, dealer or repairman and which owns or leases a fleet of 10 or more automobiles or trailers which are used exclusively in that risk's principal business, and which maintains an establishment with facilities for the repair, alteration or equipment of those automobiles or trailers may be issued Owner-Contractor interchangeable registration plates.

All automobiles -or trailers owned or leased by an owner-contractor which are in the process of being repaired, altered, equipped or transferred from one location to another and which are not being used during such time in the operation of the principal business of -the owner-contractor or, in the case of rubber-tired backhoes, front-end loaders and road graders are being used on the traveled parts of public ways for the building, repair, or maintenance thereof, shall be regarded as registered under the general distinguishing number or mark assigned by the Registrar of Motor Vehicles and shall be insured at the rate per plate applicable to Garage-Auto Dealers as -provided in the Rate Section.

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **10 of 14**

D. Transporters (Class Code 07060)

Any risk engaged in the business of transporting or delivering under its own power, automobiles not owned by that risk may be issued interchangeable registration plates.

A risk with a valid license issued by the Department of Public Utilities, whose business consists of transporting automobiles which are under the control of, but not owned by such transporter while being delivered by the risk under its own power, shall be registered under the transporter plates assigned to the risk and shall be insured at the rate per plate applicable to ~~Garage-Auto~~ Dealers as provided in the Rate Section.

E. Boat Trailers (Class Code 04560)

This classification applies to dealers of boats and boat trailers to which interchangeable boat trailers plates have been issued.

Refer to the Rate Section for premium determination.

F. Repair Plate or Dealer Plate Issued to Automobile Service Operations

1. Any risk engaged in automobile service operations such as repair shops, auto body shops (class code 78090), service stations (class code 78110), storage garages and public parking places (class code 78130).

2. Premium Determination

a. Liability

Rate according to Rule 88.A. – Premium Development in Section VI – ~~Garage-Auto~~ Dealers of this Manual.

b. Physical Damage

Any automobile specifically registered by the named insured must be rated on a specified automobile basis according to its actual exposure.

Refer to Rule 98. B.3. – Dealers Physical Damage Coverage in Section VI – ~~Garage-Auto~~ Dealers of this Manual to rate automobiles held for sale by a non-dealer and use Physical Damage Coverage – Autos Held for Sale by Non-Dealers Endorsement MM 20 27.

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **11 of 14**

RULE 125. SPECIAL OR MOBILE EQUIPMENT

A. Land Motor Vehicles Other Than Farm Equipment.

Unless indicated otherwise, operations coverage for any equipment described in this section is not provided under an automobile policy.

Eligibility

This section applies to the following categories:

1. Self-propelled automobiles which are required to be covered on an automobile policy with the following types of permanently attached equipment:

a. Equipment designed primarily for:

(1) Snow removal;

(2) Road maintenance, but not construction or resurfacing;

(3) Street cleaning.

Operations coverage for this equipment is provided under an automobile policy.

b. Cherry pickers and similar devices mounted on an automobile or truck chassis and used to raise or lower workers;

c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

2. Vehicles of the following types not covered by General Liability Insurance which may be covered under an automobile policy:

a. Bulldozers; forklifts, and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises the insured owns or rents;

c. Vehicles that travel on crawler treads;

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **12 of 14**

- d. Vehicles maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Section A.2. of this Rule that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Sections A.1. or A.2. of this Rule, maintained primarily for purposes other than the transportation of persons or cargo.
- g. For vehicles described in paragraphs 2a. through 2f. and the following paragraph B., that are not subject to a compulsory or financial responsibility law or other motor vehicle insurance law, Mobile Equipment Endorsement MM 20 11 may be used.
- h. For equipment incapable of moving under its own power (class code 79390) medical payments, uninsured motorists, and underinsured motorists, coverage does not apply.

B. Farm Equipment (Class Code 79070)

Eligibility

This rule applies to farm tractors, harvesting combines, power driven lawn mowers and other self-propelled farm equipment used for farming purposes.

Liability insurance for self-propelled farm equipment includes coverage for trailers, semitrailers, farm wagons and other farm implements while attached to the equipment. Coverage shall not extend to the operations of farm machinery or to a home, office, store of passenger trailer.

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **13 of 14**

When physical damage coverage is provided for Farm Equipment, also attach Farm Tractors and Farm Tractors Equipment Endorsement CA 2008.

CAR | **Commercial Automobile Insurance Manual**
Section VII | **Special Types and Operations**
Effective Date | **2023.12.01-2027.01.01**
Page | **14 of 14**

**RULE 126. SPECIALTY AND CLASSIC AUTOMOBILES AND
MOTORCYCLES (Class Code 963000)**

- A. This rule applies to cars or motorcycles that are twenty-five years old or less and are maintained solely for use in exhibitions, club activities, parades and other functions of public interest and are not used primarily for the transportation of passengers or goods over any way.
- B. Specialty and Classic Auto Endorsement CR 99 03 must be issued with the policy.
- C. Refer to the Special Types Rating Procedures in the Rate Section for premium determination.