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ADDITIONAL INFORMATION

TO MEMBERS OF THE COMMERCIAL AUTOMOBILE COMMITTEE

FOR THE MEETING OF:

Thursday, February 1, 2024, at 10:00 a.m.

CAC

23.04 Eligibility of Peer-to-Peer Vehicle Sharing

Staff will provide an update on issues relative to Peer-to-Peer Vehicle Sharing programs, including potential topics for an industry survey. (Docket #CAC23.04, Exhibit #6) The Committee should be prepared to continue its discussions at the meeting.

CAC

23.06 Implementation of Commercial Policy Coverage and Endorsement Forms

Sections I through VII of the Commercial Automobile Insurance Manual have been updated and are attached for the Committee's consideration. (Docket #CAC23.06, Exhibit #6)

WENDY BROWNE
Vice President – Business Operations

Attachments

Boston, Massachusetts
January 24, 2024

Commercial Automobile Committee
Peer-to-Peer Vehicle Sharing
Industry Survey Topics

Possible Recipients:

- Voluntary Commercial Companies
 - All or,
 - Volume (in MA) – at least \$1million/\$10 million, or
 - Book of Business Profile – all classes, certain classes
- Voluntary Private Passenger Companies
 - All companies with an approved rate filing

Possible Survey Questions:

- Do you currently provide coverage for peer-to-peer vehicle sharing?
 - In what capacity - complete vs certain activities (sharing time period, idle, personal use, excess over platform)?
 - Is there a restriction on use – Casual/Incidental v Professional/Full time?
 - Do you have any differentiation between peer-to-peer vehicle sharing vs rental, such as eligibility definitions, coverage, and/or rating?
 - Does the number of vehicles have an impact – non fleet (less than 5 vehicles) v fleet (5 or more)?
 - How is the coverage provided - specialty policy, endorsement, or through underwriting/classification?
 - Is there a restriction on the type of vehicle or classification?
 - Are there any other restrictions?
- If you do not currently provide this coverage, do you intend to offer this coverage within the next 18 months?
- Any other comments

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Auto Dealers Coverage

<u>Auto Dealers Coverage Form</u>	<u>CA 00 25</u>
<u>Auto Dealers Declarations - MA</u>	<u>MM 25 02</u>
<u>Common Policy Conditions</u>	<u>IL 00 17</u>
<u>Nuclear Energy Liability Exclusion</u>	<u>IL 00 21</u>
<u>Exclusion of Terrorism Above Min Limits</u>	<u>CA 23 86</u>

~~The appropriate Massachusetts forms must be used with the Business Auto Coverage Form and The following endorsements Massachusetts Mandatory Endorsement MM 99 11 must be issued~~ when insuring risks subject to the Compulsory Automobile Insurance Law:

<u>Massachusetts Mandatory Endorsement</u>	<u>MM 99 11</u>
<u>or</u>	
<u>Auto Dealers MA Mandatory Endorsement</u>	<u>MM 25 01</u>

When insuring risks not subject to the Compulsory Automobile Insurance Law, the following endorsements must be issued:

<u>Personal Injury Protection Coverage – MA</u>	<u>MM 99 35</u>
<u>Massachusetts Changes Endorsement</u>	<u>MM 99 67</u>
<u>Business Auto Declarations</u>	<u>CA DS 03</u>

~~Refer to Chapter V Premium of CAR's Manual of Administrative Procedures for a complete listing of cedeable policy forms and endorsements.~~

Coverage for policies written on the Business Auto Coverage Form is restricted to vehicles specifically described on the policy declarations and designated with Covered Auto Designation Symbols 7, 8, or 9 only.

~~Risks not subject to the compulsory law must be endorsed to afford Personal Injury Protection and Personal Injury Protection Coverage Endorsement MM 99 35 must be issued.~~

CB.Compulsory Coverages

The compulsory coverages that must be afforded to risks subject to the Massachusetts Compulsory Automobile Insurance Law are:

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Compulsory Bodily Injury Liability at limits of \$20,000 per person, \$40,000 per accident.

Personal Injury Protection at \$8,000 each person.

Property Damage Liability at \$5,000 basic limits. Increased limits are available.

Protection Against Uninsured Motorists at basic limits of \$20,000 per person, \$40,000 per accident. Increased limits are available.

DC.Mandatory Offer

Rule 6 – Coverages of CAR’s Rules of Operation requires that the Servicing Carrier providing compulsory coverages offer additional coverages consisting of:

Taxicab Risks

Optional Bodily Injury limits not to exceed \$250,000 per person, \$500,000 per accident.

Protection Against Uninsured Motorists Limits not to exceed \$250,000 per person, \$500,000 per accident.

Protection Against Underinsured Motorists Limits not to exceed \$250,00 per person, \$500,000 per accident.

Medical Payments Limits may not exceed \$5,000 for any one accident.

Property Damage Liability may not exceed \$50,000 for any one accident.

All Other Commercial Risks

Optional Bodily Injury at limits up to \$1,000,000 per person, \$1,000,000 per accident.

Protection Against Uninsured Motorists at limits up to \$500,000 per person, \$500,000 per accident and may not exceed the Optional Bodily Injury limits of the policy.

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Protection Against Underinsured Motorists at limits up to \$500,000 each person, \$500,000 each accident and may not exceed the Optional Bodily Injury limits of the policy.

Medical Payments at a \$5,000 limit. Refer to the Rate Section for other available limits.

Increased Property Damage Liability up to a limit of \$500,000.

A Combined Single Limit for Bodily Injury and Property Damage Liability up to a limit of \$1,000,000 per accident.

Coverages requested by the applicant which are required by any financial responsibility law or State or Federal regulation as specified in the definition of Eligible Risk which is contained in Rule 2 – Definitions of CAR’s Rules of Operation. Any associated forms or endorsements as required by law or regulation must be attached to the policy.

Specified Causes of Loss or Comprehensive Coverages

Collision and Limited Collision Coverages

Waiver of Deductible

Loss of Use - Rental Reimbursement

Servicing Carriers may refuse physical damage coverages under certain circumstances. Refer to Rule 6 – Coverages of CAR’s Rules of Operation.

RULE 4. STANDARD PROCEDURES

A. Renewals

1. The Servicing Carrier may elect to include a renewal application or questionnaire with the renewal policy.
2. The application or questionnaire may be accompanied by a letter indicating that coverage will be continued or renewed only upon

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receipt of the completed form and payment of premium based on the latest classification information.

3. The letter may indicate that failure to furnish the necessary items may result in cancellation of the policy.
4. The specific reason for cancellation under this rule shall be:
 - a. Failure to furnish renewal application or questionnaire, or
 - b. Failure to demonstrate risk eligibility for placement in residual market, or
 - cb. Non-payment of renewal premium.

The cancellation notice must also contain the following statement:

"If the insured furnishes the necessary item(s) prior to the effective date of the cancellation, the cancellation shall be rescinded."

B. Transfer of Insurer

1. The producer of record must provide the Servicing Carrier with information required by the Registry of Motor Vehicles for each automobile insured.

In addition to reporting the necessary information to the Servicing Carrier, the producer shall prepare a Registration and Title Application (RTA), accompanied by the appropriate fee, for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.

2. At the same time the transfer information is released to the new carrier, the producer of record must immediately issue a Notice of Transfer of Insurer to the former producer of record, if known, or if not known to the former carrier.

The notice must be signed by the producer of record and certified by affixing the company stamp of the new carrier.

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3. Upon receipt of the Notice of Transfer of Insurer, coverage shall be discontinued as of the date shown on the form. No notice of cancellation is required.

C. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.
2. Immediately upon the intended effective date of the cancellation, notification must be sent to the Registry of Motor Vehicles in a format as prescribed by the Registrar.
3. In the event that a policy has been terminated by –
 - a. sale or transfer of the automobile, or
 - b. surrender of the registration plates by the owner of the automobile to the Registry,a plate return receipt from the Registry of Motor Vehicles must be furnished to the Servicing Carrier.
4. If a policy has been cancelled by a Servicing Carrier, and such policy is later reinstated by the Board of Appeals or by the Superior Court or Municipal Court of the City of Boston, the premium charge for the unexpired term of the policy shall be calculated pro rata on the premium applicable to the policy when originally issued.
5. If a Servicing Carrier determines, at any time during the policy term, that a ceded policy is to be retained on a voluntary basis, such policy is to be cancelled pro rata and rewritten as a voluntary policy using the Servicing Carrier's voluntary filed rate.
6. No policy in effect prior to a rate level revision shall be endorsed or cancelled and rewritten to take advantage of such a revision, or to avoid the application of such a revision.
7. Refer to Rule 9 – Cancellation.

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RULE 5. POLICY TERM

The Servicing Carrier must issue to an insured an annual automobile policy providing compulsory coverages, or at the option of the insured, a short-term policy containing an expiration date as elected by the insured.

RULE 6. ROUNDING RULE

A. Rates, Factors, Multipliers

Round rates, factors, and multipliers after the final calculation to three decimal places. Five-tenths or more of a mill shall be considered one mill e.g., .1245 = .125.

B. Premium

Round the premium for each peril, coverage, and exposure for which a separate premium is calculated, to the nearest whole dollar. Round a premium involving \$.50 or over to the next higher whole dollar e.g., \$100.50 = \$101.00 but \$100.49 = \$100.00.

C. Minimum Premium

Charge a premium of at least \$1 for each instance where a separate premium is calculated.

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RULE 7. PREMIUM COMPUTATION

For an annual policy, compute the premium at the rates in effect at policy inception.

If the premium is calculated using rates that are in effect when the policy is prepared and that differs from the rates that will apply at policy inception, the premium should be recalculated as of the effective date. Use Premium Adjustment and Coverage Endorsement – Massachusetts MM 99 68.

For policies written with terms less than one year, pro rate the annual premium using rates in effect at policy inception. Refer to the Rate Section for pro rata and short rate tables.

RULE 8. PREMIUM CHANGES

A. Premium Determination

Pro rate all changes requiring adjustment of the policy premium at the rate used to calculate the policy premium at inception.

B. Waiver of Premium

Waive additional or return premium of \$5.00 or less. Grant any return premium due if requested by the insured. This waiver applies to any cash exchange due on an endorsement effective date.

RULE 9. CANCELLATION

Evidence supporting the request for cancellation shall be sent to the Servicing Carrier.

A. Pro Rata Cancellation

The return premium shall be computed pro rata and rounded to the next higher whole dollar if:

1. The policy is cancelled at the request of the company.
2. The policy is cancelled, at the request of the insured, within 30 days of its effective date or within 30 days of the insured's receipt of the policy, whichever is later.

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3. The insured automobile is stolen or is a constructive total loss, and the insured requests cancellation within 30 days following the date the automobile is stolen or becomes a constructive total loss.
4. The return premium shall be computed on a pro rata basis if at any time during the policy term the insured requests such cancellation in order to obtain coverage in the voluntary market.

B. Short Rate Cancellation

The return premium shall be computed on a short rate basis if, at the request of the insured, the policy is cancelled 31 or more days after its effective date or 31 or more days after receipt of the policy, whichever is later and the provisions of Section A.4. of this Rule are not applicable.

C. Pro Rata and Short Rate Tables

Refer to the Rate Section for appropriate pro rata and short rate tables.

RULE 10. FACTORS OR MULTIPLIERS

Whenever applicable, factors or multipliers are to be applied consecutively and not added together except where rules in this Manual specifically call for factors to be added to or subtracted from other factors.

RULES 11 THROUGH 19 RESERVED FOR FUTURE USE.

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RULE 20. HOW TO CLASSIFY AUTOMOBILES

- A. If an automobile has more than one use, use the highest rated classification, unless 80% or more of the use is in a lower rated activity. In that case, use the lower rated classification.
- B. Classify and rate automobiles of the truck type that transport property or are used in business according to Section III – Trucks, Tractors and Trailers of this Manual.
- C. Classify and rate automobiles of the private passenger type according to Section IV – Private Passenger Types of this Manual.
- D. Classify and rate buses, taxicabs and other automobiles that are used as public livery or conveyance, including automobiles engaging in public livery and on-demand delivery services through a transportation network or delivery network services company, according to Section V – Public Transportation of this Manual.
- E. Classify and rate new and used automobile dealers according to Section VI – ~~Auto Dealers~~Garage Dealers of this Manual.
- F. Classify and rate automobiles that do not fit into these categories according to Section VII – Special Types and Operations of this Manual.
- G. Upon request, the applicant shall be required to substantiate with permanent records (such as logbooks, revenue books, etc.) that the automobile is being used as set forth in the application or renewal questionnaire.

RULE 21. RESIDENCE AND LOCATION

The proper rate schedules and rules are those effective in the city or town where the automobile is principally garaged except as otherwise provided in this Manual. Automobiles used by salesmen or solicitors, or those with similar duties, requiring the operation of the automobile in more than one rating territory in Massachusetts, shall be assigned to the territory determined by the place of principal garaging, or, if there is no specific city or town of principal garaging, then, by the residential address of the operator or, if the residential address of the operator cannot be determined then, by the Massachusetts business address of the operator. No adjustment of the premium shall be made by reason of a change in the place of principal garaging during the policy period unless such change is permanent.

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Massachusetts registration is required of non-residents in accordance with reciprocal agreements with the various states as determined by the Registrar of Motor Vehicles.

Any automobile owned by a non-resident of Massachusetts for which Massachusetts registration is required, regularly garaged inside the Commonwealth, shall be charged the rate for the territory in which the automobile is principally garaged by such non-resident during the period of Massachusetts registration.

RULE 22. OUT-OF-STATE GARAGING

Any automobile owned or leased by an eligible risk which has its Principal Place of Business within the Commonwealth of Massachusetts and garaged outside of Massachusetts shall be written at liability limits at least equal to the financial responsibility requirements of the state of garaging.

A. OTHER THAN ZONE RATED AUTOMOBILES

For other than zone rated automobiles, use the premiums for the highest rated territory as contained in the Rate Section of this Manual. The highest rated territory is determined based upon manual rates at basic limits (coverages A-1 and B basic limits of \$20,000 per person, \$40,000 per accident Bodily Injury and \$5,000 Property Damage) for the classification of the automobile to be rated.

B. ZONE RATED AUTOMOBILES

For zone rated automobile premium determination, refer to Rule 54 for TTT's, and Rule 74 for Publics.

C. CLASSIFICATION AND REPORTING

Automobiles rated in accordance with this rule shall be classified and premium town reported in accordance with the applicable classification code and out-of-state town code contained in the Massachusetts Commercial Automobile Statistical Plan.

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RULE 23. DEPOSIT PREMIUM RULE

The Servicing Carrier, its agent or any broker may require deposit premium prior to the issuance of a policy provided the per vehicle deposit does not exceed 30% of the applicable annual premium for the insurance requested. If the applicant has been in default in the payment of any premium during the preceding 24 months, the entire policy premium charges are payable in advance.

RULE 24. REGISTRY CERTIFICATION

- A. The Servicing Carrier shall certify, on behalf of the insured, the registration form required by the Massachusetts Registry of Motor Vehicles for all Massachusetts automobiles subject to the Massachusetts Motor Vehicle Law.
- B. No form of certificate shall be used other than that which is a part of the application for automobile registration.
- C. The certificate must be executed in the name of the Servicing Carrier and signed by an officer, employee or agent authorized by the Servicing Carrier on an approved form filed with the Commissioner of Insurance.
- D. A policy must be issued with the same effective date covering all automobiles for which a registration certification has been executed.

RULE 25. COMBINATION OF INTEREST

More than one interest may be named on a policy and rated as a single risk if one interest owns more than 50% of another. All the interests that are combined must be named on the policy.

RULE 26. DRIVE OTHER CAR COVERAGE (CODE 90200)

- A. Drive Other Car Coverage is provided for no additional charge in the following cases:
 - 1. An individual named insured who owns a private passenger automobile. Refer to Rule 34 – Individual as Named Insured. [Use Individual Named Insured Endorsement CA 99 17.](#)

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2. The spouse of~~A~~an individual named insured written under an Auto Dealers Coverage Form if a resident of the same household. Massachusetts Garage Insurance Policy.

Refer to policies for appropriate coverages.

- B. In all other cases, refer to the Rate Section for additional charges. Use Drive Other Car Coverage Endorsement MM 99 22.
- C. In all cases, Drive Other Car Coverage includes coverage for the spouse for no additional charge.

RULE 27. NON-OWNERSHIP LIABILITY

A. This rule does not apply to risks written ~~under on~~ an Auto Dealers Coverage Form. Massachusetts Garage Insurance Policy.

B. When non-ownership liability coverage is afforded, the Business Auto Coverage Form provides coverage to the named insured for the use of covered non-owned autos in connection with the named insured's business.

1. For all risks other than auto service operations, partnerships or LLCs refer to Rate Section for premium development.

2. Auto Service operations coverage is provided solely for the operation of non-owned autos by auto repair shops, service stations, storage garages and public parking places, or tow truck operators. Refer to Rate Section for premium development.

For auto service operations that are also partnership or LLC, refer to the Rate Section for premium development.

3. For partnerships or LLCs as the Names Insured, refer to Rate Section for premium development.

4. To extend Non-Ownership Liability Coverage to cover the individual liability of:

- a. Employees (including employees of auto service operations) while using their automobiles, and other covered non-owned autos in connection with the employer's business, refer to the Rate Section for premium determination. Use Employees As Insureds Endorsement CA 99 33.

- b. Volunteers while using their autos and other covered non-owned autos, or partners and LLC members while using autos owned by

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them or members of their household, in connection with the named insured's business, refer to the Rate Section for premium determination. Use the following endorsements: Non-ownership Liability Coverage for Volunteers Endorsement CA 05 24; or Partners Or Members As Insureds Endorsement CA 05 25.

C. Unless there is a substantial change in exposure during the policy period, the advance premium is the earned premium.

~~B. To extend Non-Ownership Liability Coverage to cover the individual liability of employees while using their automobiles in the employer's business, refer to the Rate Section for premium determination.~~

~~C. Social Service Agency Risks~~

~~To extend Non-Ownership Coverage to cover the individual liability of agency employees or to extend coverage to cover the blanket individual liability of volunteers who use their own automobiles in the agency's social service programs, refer to the Rate Section for premium determination.~~

~~D. Unless there is a substantial change in exposure during the policy period, the advance premium is the earned premium.~~

RULE 28. HIRED AUTOMOBILES

A. For automobiles hired, loaned, leased, or furnished:

1. If the insured is providing the primary insurance covering the automobile and the term of the lease is six months or more:

a. Rate as though owned by the insured; and

b. if the policy is extended to cover the owner of the automobile as an additional insured, multiply the otherwise applicable bodily injury liability and property damage liability rates by 1.04. Use Lessor – Additional Insured and Loss Payee Endorsement MM 20 26, and, if applicable Additional – Owner of Leased Vehicle MM 20 25. Use the appropriate endorsement for including the owner or lessor as an additional insured.

2. If the owner of the automobile is providing the primary insurance, refer to the Rate Section.

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3. If a lessor is an employee of the insured, use Employee As Lessor Endorsement CA 99 47.

B. Cost of Hire Basis — Liability Coverages (Class Code 66110, Minimum Premium Class Code 66190)

1. For automobiles used in trucking or motor carrier operations, refer to Rule 55 – Premium Development Options for Truckers/Motor Carriers in Section III – Trucks, Tractors and Trailers of this Manual.

2. For public transportation automobiles, (other than social service agencies), moving van associations and freight forwarding operations, the cost of hire rate is determined by applying a factor of .0033 to the specified car rate determined in accordance with the appropriate manual rule for the applicable automobile.

3. If a volunteer rents or hires an auto in a volunteer’s name for the purposes of performing duties related to the insured’s business, use Volunteer Hired Autos Endorsement CA 04 39.

RULE 29. RESERVED FOR FUTURE USE

RULE 30. MEDICAL PAYMENTS

A. The premiums for trucks, tractors, trailers, public automobiles, private passenger types and miscellaneous private passenger types are on the rate pages.

B. For zone rated risks, refer to Zone Rating Tables.

C. For auto dealergarage risks, refer to Rule 89 – Medical Payments Insurance in Section VI – Auto DealersGarage-Dealers of this Manual.

No charge shall be made for service or utility trailers.

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RULE 31. OPERATOR EXCLUSION FORM

The Servicing Carrier will attach the Operator Exclusion Form, CR 99 01 ~~08-18~~, to the policy in regard to any owner of the business who is not listed as an operator on the application and does not have a valid license, or in other circumstances as requested by the insured. A separate endorsement should be completed for each excluded operator.

RULE 32. ~~RESERVED FOR FUTURE USE. PARTNERSHIP AS THE NAMED INSURED - NON OWNERSHIP LIABILITY (CLASS CODE 70000)~~

~~A. When Non-Ownership Liability is afforded, the Business Auto Coverage Form provides coverage to a partnership for the use of automobiles owned by individual partners which are used in the business of the partnership.~~

~~B. Multiply the private passenger type rates by .10 for each active or inactive partner for the territory in which the partnership is located. Apply this rating base regardless of the type of automobile being used.~~

RULE 33. RENTAL REIMBURSEMENT (COVERAGE CODE 083)

A. Do not write Rental Reimbursement Coverage for less than 30 days or for a limit of less than \$15 per vehicle per day.

B. Use Loss of Use/Rental Reimbursement Coverage Endorsement MM 99 39.

CB.—Refer to the Rate Section for premium development.

RULE 34. INDIVIDUAL AS THE NAMED INSURED

Endorse a Business Auto Coverage Form covering an individually owned private passenger automobile with the appropriate individual named insured endorsement.

A. Drive Other Car Coverage is provided at no additional charge if the policy covers:

1. A private passenger automobile not used for public transportation or rented to others without a driver.

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2. A pick-up, panel truck or van that is not customarily used in the business of the insured other than for farming or ranching.

3. Use Individual Named Insured Endorsement CA 99 17.

B. Drive Other Car Coverage is provided for a named insured's spouse at no additional charge if the policy covers an individual named insured automobile dealer garage risk.

RULE 35. UNINSURED MOTORIST INSURANCE

All automobiles subject to the Massachusetts Compulsory Law must be insured for protection against uninsured motorists.

A policy which insures autos registered in Massachusetts, but not subject to the Massachusetts Compulsory Law, must be endorsed to afford Uninsured Motorist Insurance. Use Uninsured Motorist Coverage Endorsement MM 99 28.

Basic limits are \$20,000 per person and \$40,000 per accident. Increased limits are available. This coverage is excess over Personal Injury Protection benefits. The coverage limits may not exceed the bodily injury liability limits of the policy.

The premium shall not be subject to modification under the provisions of any rating plan or subject to the rating procedures of any other manual rule.

No charge shall be made for service or utility trailers.

RULE 36. UNDERINSURED MOTORIST INSURANCE

This coverage is optional. Basic limits are \$20,000 per person and \$40,000 per accident. Increased limits are available. The coverage limits may not exceed the bodily injury liability limits of the policy.

The premium shall not be subject to modification under the provisions of any rating plan or subject to the rating procedures of any other manual rule.

No charge shall be made for service or utility trailers.

Use Underinsured Motorists Coverage Endorsement MM 99 54.

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RULE 37. ADDITIONAL INSURED ENDORSEMENT – MASSACHUSETTS

The Servicing Carrier will attach Additional Insured endorsement form CR 99 02 to the policy, to identify as an insured the person or organization named in the endorsement for whom the risk is performing operations. A written contract or agreement that states that the person or organization be added as an additional insured on the policy must exist between the risk and such person or organization. For coverage to be afforded, the loss must occur after the signing and execution of the contract or agreement, while the contract or agreement is in effect, while operations are ongoing, and prior to the end of the policy period.

RULE 38. FINANCIAL RESPONSIBILITY LAWS – CERTIFICATION

- A. If the named insured or any person covered by the policy is required to certify that the policy complies with a financial responsibility law, an additional charge is required for each filing.
- B. Premium Calculation
1. To compute the additional premium, determine the premiums to be charged for Bodily Injury Liability, Property Damage Liability and any No-Fault Coverage as follows:
 - a. ~~Auto Dealer~~**Garage** Risks – multiply the premiums for a private passenger type automobile by 2.00 for the highest rated territory in which the named insured does business.
 - b. For all other risk types, determine the premiums for the highest rated automobile owned by the insured.
 2. Multiply these premiums by the following factors and add this amount to the policy premium.
 - a. 0.50 for the first three years following a conviction for driving while intoxicated, hit and run, homicide or assault with an automobile.
 - b. 0.25 for the first three years following a conviction for speeding or reckless driving that causes injury to a person or damage to property.

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- c. 0.05 applies after the third year following a conviction described in B.2.a. or B.2.b. of this Rule.
- d. 0.05 for any other reason requiring a filing.

RULE 39. EMPLOYERS SUBJECT TO MASSACHUSETTS WORKERS' COMPENSATION ACT

An automobile owned by an employer subject to the Massachusetts Worker's Compensation Law not used at any time to transport persons other than employees of the named insured shall be eligible for a 25% reduction in the personal injury protection premium otherwise applicable. The policy covering an automobile to which this reduction applies must be accompanied by the endorsement titled Restriction of Personal Injury Protection for Employers Subject to the Massachusetts Workers' Compensation Act Endorsement MM 99 20.

RULE 40. INCREASED LIABILITY LIMITS

- A. The premiums on the rate pages are for coverages A-1 and B basic limits of \$20,000 per person, \$40,000 per accident Bodily Injury and \$5,000 Property Damage.
- B. Most limits are displayed on the rate pages. For limits not shown, refer to the Rate Section for Increased Limit Factors Tables. To develop Bodily Injury increased limits, refer to the Rate Section for rating procedures.

RULE 41. COMBINED SINGLE LIMIT LIABILITY COVERAGE

- A. Optional Bodily Injury and Property Damage Liability Coverages are available on a combined single limit basis at the option of the insured.
- B. The premium for a combined single limit shall be calculated as follows:
 - 1. Using normal rating procedures, determine the bodily injury and property damage rate at split limits equal to the desired single limit.

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- Determine the discount factor from the Single Limit Discount Table.

SINGLE LIMIT DISCOUNT TABLE

Single Limit	Discount Factor
\$ 45,000 - \$49,000	.896
\$ 50,000 - \$99,000	.900
\$100,000 or over	.910

- Apply the discount factor to the total bodily injury or property damage premium whichever is lower, and add the discounted premium to the higher premium.
- All premium adjustments made during a policy period because of additions and deletions of exposure shall be calculated by applying the discount to the bodily injury or property damage rate, whichever was lower at inception of policy.

EXAMPLE (TTT Light)

SINGLE LIMIT \$500,000

Coverage	Basic Limits Premium	Factors for *\$500,000/\$500,000 B.I. \$500,000 P.D.	Total Limits Premium for Separate Limits	Application of Discount	Single Limit Premium
B.I.	\$ 710	3.89	\$ 2,762		\$ 2,762
P.D.	860	1.721	1,480	x .91	<u>1,347</u>
					\$4,109

Cov. A-1, \$ 618 and Cov. B Basic, \$ 92 = \$ 710
PDL Basic, \$ 860

*Refer to the Increased Limit Factors Tables contained in the Rate Section for the appropriate factors by automobile type.

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RULE 42. PHYSICAL DAMAGE COVERAGE RATING PROCEDURES

Physical damage coverages are on an actual cash value, stated amount or agreed value basis.

- A. Massachusetts law sets a standard \$500 deductible which may be reduced to a minimum of \$300, subject to underwriting requirements established by the Servicing Carrier, as permitted by law.

The cost to reduce the deductible from \$500 is subject to primary and secondary rating factors. If a rate is a percentage or factor of another rate, the same percentage or factor shall apply to the cost to reduce the deductible.

- B. Waiver of Deductible is available at the option of the insured. Use Waiver of Deductible – Massachusetts Endorsement MM 99 17.

Unless otherwise specified, the charge for Waiver of Deductible is not subject to primary or secondary rating factors, percentages or factors.

- C. Actual Cash Value Premiums.

Most automobiles rated in this Manual are insured on an actual cash value basis.

1. Actual cash value premiums are based on original cost new and age group of the automobile.

2. Original Cost New

- a. Original cost new is the retail cost the original purchaser paid for the automobile and its equipment. This includes the value of any trade-in automobile and any federal, state, and local sales taxes or any other taxes charged in place of sales taxes.

- b. If the original cost new is not known, multiply the original cost new of the chassis by 1.33.

3. Age Group

- a. Age Group
and Code All automobiles of the:

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- 1 current model year
- 2 first preceding model year
- 3 second preceding model year
- 4 third preceding model year
- 5 fourth preceding model year
- 6 fifth preceding model year
- 7 sixth preceding model year
- 8 seventh preceding model year
- 9 All other automobiles.

- b. The current model year changes October 1, regardless of the actual date the models are introduced.
- c. For rebuilt or structurally altered automobiles, the age of the chassis determines the age of the automobile.

D. Stated Amount Rating Procedures

- 1. The following procedures are applicable for developing stated amount rates for all physical damage coverages:
 - a. Determine the actual cash value premium for age group 1 for the automobile, original cost new and deductible in the appropriate territory.
 - b. Divide the actual cash value premium by the stated amount divisor and round the determined figure to the nearest cent.

STATED AMOUNT DIVISORS

Original Cost New	Divisor
\$ 0 - 4,500	22.5
4,501 - 6,000	52.5
6,001 - 8,000	70.0
8,001 - 10,000	90.0
10,001 - 15,000	125.0
15,001 - 20,000	175.0
20,001 - 25,000	225.0
25,001 - 40,000	325.0
40,001 - 65,000	525.0
65,001 - 90,000	775.0
90,001 - and over	1080.0

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2. Determination of Premium

a. Trucks, Tractors and Trailers

Determine the value of the automobile and divide by \$100. Apply the stated amount rate to this value to determine the base premium. The base premium must be modified by the appropriate primary rating factor and, when applicable, by the secondary rating factor.

b. Van Pools

Determine the value of the automobile and divide by \$100. Apply the stated amount rate to this value to determine the base premium. This base premium must be modified by the applicable van pool rating factor.

c. Private Passenger Types

Determine the value of the automobile and divide by \$100. Apply the stated amount rate to this value to determine the stated amount premium.

d. Use Stated Amount Insurance Endorsement MM 99 56.

E. Agreed Value Basis

Physical Damage Coverages may be written on an agreed value basis which provides that in determining the actual cash value of an automobile to be insured, no deduction shall be made to reduce the value of the automobile to less than the agreed value in the event of a loss. Agreed value means the value of the automobile as determined by agreement between the insurer and the policyholder. As a condition to this coverage, the insurer shall be permitted to inspect the automobile at the time of application. The following procedures apply when rating this coverage:

1. An appraisal is to be made to establish the current market value of the automobile. The cost of said appraisal shall be borne by the policyholder.

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2. Multiply the stated amount premium obtained by a factor of 110%.

~~2.~~ 3. Use Agreed Value Coverage Endorsement MM 99 66.

RULE 43. VEHICLE SHARING PROGRAM EXCLUSION ENDORSEMENT

The Servicing Carrier will attach the Vehicle Sharing Program Exclusion endorsement form CR 99 05 to all policies. A vehicle sharing program means an online-enabled application or digital network used to connect owners of commercially insured vehicles with business entities or others seeking to rent those vehicles.

RULE 44. PUBLIC OR LIVERY PASSENGER CONVEYANCE AND ON-DEMAND DELIVERY SERVICES EXCLUSION ENDORSEMENT

The Servicing Carrier will attach the Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion Form CA 23 45~~CR 99 06~~ to all policies, except those policies providing coverage for public automobiles classified in accordance with Section V – Public Transportation of this Manual.

RULE 45. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT

A. This rule does not apply to equipment permanently installed in the opening of the dash or console of the automobile normally used by the manufacturer for the installation of a radio.

B. Use Audio, Visual And Data Electronic Equipment – Fire, Police and Emergency Vehicles Endorsement CA 20 02~~the appropriate endorsement~~ to remove without charge the exclusion relating to audio, visual and data electronic equipment when the policy insures:

1. police department automobiles,
2. fire department automobiles,
3. emergency automobiles owned by local, state, or federal governments or by volunteer fire departments, rescue squads or ambulance corps operations.

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C. In all other cases, coverage for loss of or damage to audio, visual and data electronic equipment is available if the equipment is permanently installed in the owned automobile.

D. Physical Damage Coverage may be increased using Audio, Visual And Data Electric Equipment Coverage Added Limits Endorsement CA 99 60. The limit of insurance in this endorsement is in addition to the sublimit for each equipment contained in the Coverage Form.

ED. Refer to the Common Coverages rate pages in the Rate Section for premium development.

RULE 46. POLLUTION LIABILITY

A. Coverage for bodily injury or property damage arising out of the discharge of pollutants that are being transported or towed by, loaded onto, or unloaded from or, with the exception of certain fuels, stored, disposed of, treated or processed in or upon a covered automobile is excluded under the Business Auto ~~and Truckers Coverage Forms~~ and ~~the Auto Dealers Coverage Forms~~ Massachusetts Garage Insurance Policy. Massachusetts Mandatory Endorsement MM 99 11 and Auto Dealers MA Mandatory Endorsement MM 25 01 ~~modify~~ ies this exclusion by applying the exclusion to damages payable for bodily injury or property damage that exceed limits of \$35,000 per person, \$80,000 per accident for Bodily Injury and \$5,000 for Property Damage.

B. Pollution Liability – Broadened Coverage for Covered Automobiles

Business Auto and Auto Dealers~~Truckers~~ Coverage Forms ~~and Massachusetts Garage Insurance Policies~~ shall be endorsed at the option of the insured to delete that part of the pollution exclusion relating to the discharge of pollutants which are being transported or towed by, handled for movement into, onto, or from, the covered automobile, or otherwise in the course of transit by or on behalf of the insured. This extension of coverage does not apply to liability assumed under any contract or agreement. Attach endorsement MM 99 55 for Business Auto ~~Form and Truckers Coverage Forms~~, and MM 25 96 for Auto Dealers Coverage Form~~Massachusetts Garage Insurance Policies~~.

C. Auto Dealers Total Pollution Exclusion

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To exclude all pollution liability except for Bodily Injury arising out of smoke, fumes, vapor or soot from equipment used to heat, cool or dehumidify the building, or equipment used to heat water for personal use by the building occupants or their guests, and bodily injury and property damage arising out of heat, smoke or fumes from a hostile fire use Auto Dealers Coverage Form – General Liability Coverage – Total Pollution Exclusion with a Building Heating Equipment Exception and a Hostile Fire Exception CA 25 36.

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ED. Classes of Pollutants

Pollutants that are contained in any property that is being transported or towed by, or handled for movement into, onto, or from, covered automobiles are classed as follows:

1. Property (Non-Hazardous)
2. Hazardous substances as defined in 49 CFR 171.8 transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons; or in bulk Class A or B explosives, poison gas (Poison A), liquefied compressed gas or compressed gas; or highway route controlled radioactive materials as defined in 49 CFR 173.455.
3. Oil listed in 49 CFR 172.101; hazardous waste, hazardous materials and hazardous substances defined in 49 CFR 171.8 and listed in 49 CFR 172.101, but not mentioned in Section C.2. or Section C.4. of this Rule.
4. Any quantity of Class A or B explosives; any quantity of poison gas (Poison A); or highway route controlled quantity radioactive materials as defined in 49 CFR 173.455.

ED. Premium Development

1. Business Auto ~~or Truckers Coverage Forms~~
 - a. Owned Automobiles
 - (1) Charge an additional 4% of the otherwise applicable compulsory bodily injury, optional bodily injury and property damage premium at policy limits for each covered automobile transporting any substance described in Section C.1. of this Rule.
 - (2) Charge an additional 9% of the otherwise applicable compulsory bodily injury, optional bodily injury and property damage premium at policy limits for each covered automobile transporting any substance described in Section C.3. of this Rule.

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(3) Charge an additional 24% of the otherwise applicable compulsory bodily injury, optional bodily injury and property damage premium at policy limits for each covered automobile transporting any substance described in Sections C.2. or C.4. of this Rule.

(4) Where more than one class of pollutants is transported by a covered automobile, apply the charge which develops the highest premium.

b. Hired Automobiles

Charge an additional percentage of the otherwise applicable compulsory bodily injury, optional bodily injury, and property damage premium at policy limits for Hired Automobile Coverage. Such percentage is the highest one determined in accordance with Section D.1.a. of this Rule for any covered automobile. Where hired automobiles will transport more than one class of pollutants, apply the charge which develops the highest premium.

2. Auto Dealers~~Garage Policies~~

Dealers

Charge an additional 4% of the otherwise applicable compulsory bodily injury, optional bodily injury, and property damage premium at policy limits.

RULE 47. LEASED WORKERS COVERAGE

A. Eligibility

Leased worker means a person leased to the named insured by a labor leasing firm under an agreement between the named insured and the labor leasing firm, to perform duties related to the conduct of the named insured's business. A leased worker does not include a temporary worker who is furnished to the named insured to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions.

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B. Use Coverage For Injury To Leased Worker Endorsement CA 23 25 to provide coverage for bodily injury sustained by a leased worker while performing duties related to the conduct of the named insured's business.

RULE 48 – ABUSE OR MOLESTATION EXCLUSION

A. To exclude damages arising out of the actual, alleged or threatened abuse or molestation including, but not limited to, sexual abuse or sexual molestation of any person committed by anyone. Use Abuse or Molestation for Covered Autos Liability Exposure Endorsement CA 28 03.

B. To exclude damages arising out of the actual, alleged or threatened abuse or molestation, including but not limited to, sexual abuse or sexual molestation, of any person committed by anyone; or the negligent employment, investigation, supervision or retention of a person whom any insured is or ever was legally responsible and whose conduct would be subject to abuse or molestation exclusion of the endorsement use Abuse Or Molestation Exclusion For General Liability And Acts, Errors Or Omissions Liability Coverages Endorsement CA 27 21.

RULES ~~47-49~~50 RESERVED FOR FUTURE USE.

RULE 50 – TERRORISM EXCLUSION

To exclude terrorism coverage, attach Exclusion of Terrorism Above Minimum Statutory Limits Endorsement CA 23 86. However, with respect to the Massachusetts Compulsory Auto Insurance coverages described in Rule 3.C, this exclusion applies only to the extent that the limits of these coverages exceed the limits required by law.

