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ADDITIONAL INFORMATION

TO MEMBERS OF THE COMMERCIAL AUTOMOBILE COMMITTEE

FOR THE MEETING OF:

Friday, November 1, 2024, at 10:30 a.m.

CAC

24.07 Proposed Amendments to CAR Rules and Manuals for New Coverage Forms

As part of its ongoing effort to implement the new policy coverage and endorsement forms, staff is proposing amendments to Rule 6 – Coverages in CAR’s Rules of Operations to reflect the transition to more current policy coverage and endorsement forms. In addition, Rule 6 has been restructured to ensure consistency across CAR manuals and to better organize and describe the coverages and corresponding limits. (Docket #CAC24.07, Exhibit #1)

CAC

24.09 Assignment Procedures for Affiliated Producers

Attached is a summary of Staff’s research relating to various types of agency affiliations and networks to assist the Committee in its discussion relative to the producer assignment procedures for affiliated agencies. (Docket #CAC24.09, Exhibit #1)

CAC

24.10 Pollution Coverage

Summary exhibits of staff’s review and recommendations in relation to the application of pollution coverage are attached. (Docket #CAC24.10, Exhibits #1 and #2)

TIMOTHY GALLIGAN
Actuarial Statistical Services Director

Attachments

Boston, Massachusetts
October 28, 2024

CAR Rules of Operations

Rule 6 - Coverages

Memorandum of Changes

The following amendments are proposed to Rule 6 – Coverages to reflect the transition to more current policy coverage and endorsement forms. In addition, Rule 6 has been restructured to ensure consistency across CAR manuals and to better organize and describe the coverages and corresponding limits:

- The Rule has been restructured to prioritize common coverages first, followed by the exceptions. Accordingly, coverage for Commercial Motor Vehicle Insurance appears first, followed by Taxicab Coverage and Garage/Auto Dealers Insurance Coverage.
- Commercial Motor Vehicle Insurance Coverage
 - The limit for Medical Payments coverage has been updated from \$25,000 each person to indicate that the limit varies by vehicle type.
 - Towing and Labor coverage has been eliminated from the list of coverages as it is an optional coverage and is not available to all vehicle types.
 - Substitute Transportation has been eliminated from the list of coverages as it is an optional coverage and is not available to all vehicle types.
- Taxicab Coverage
 - The coverages are identified separately for improved clarity.
- Garage/Auto Dealers Insurance Coverage
 - The heading has been updated to reflect that there are now two sections within this coverage to reflect that one of two different policy coverage forms will be applicable dependent upon the policy effective date.
 - Policies effective prior to January 1, 2027 are written on the Garage Coverage Form.
 - There are no other changes to this section.
 - Policies effective January 1, 2027 and subsequent are written on the Auto Dealers Coverage Form.
 - The coverages are identified separately for improved clarity.
 - Medical Payments coverage has been added to this section.
 - “Coverage for Other Than Covered Auto Exposure” in the Garage Coverage Form has been replaced by “General Liability Coverages for Bodily Injury and Property Damage” in the Auto Dealers Coverage Form.
 - The reference to Endorsement CA 25 36 (which is the Pollution Exclusion with a Building Heating, Cooling and Dehumidifying Equipment and Hostile Fire Exception) has been eliminated as it is an optional coverage, and the Massachusetts Mandatory Endorsements provide the statutory required minimum pollution coverage.

- Garagekeepers Coverage has been updated to indicate that it is included in Auto Dealers Physical Damage Coverage (rather than by endorsement). However, an additional sentence has been added to indicate that Garagekeepers Coverage may be provided to certain risks written on a Business Auto Coverage Form through endorsement.
- Dealers Collision Coverage has been included in this section.

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A. Commercial Motor Vehicle Insurance Coverage:

Policies of an Eligible Risk as defined in Rule 2 and written by a Servicing Carrier shall, upon request, provide coverage for commercial classifications as defined in CAR's Commercial Automobile Insurance Manual as follows, except as otherwise specified in Sections B, C, and D of this Rule.

1. Liability

Coverage for policies written on the Business Auto Coverage Form is restricted to only those vehicles specifically described in the policy declarations, or as otherwise allowed in Section A.1.h.

- a. Bodily Injury Liability: Total policy limits of \$1,000,000 each person, \$1,000,000 each accident;
- b. Personal Injury Protection: \$8,000 per person, per accident;
- c. Property Damage Liability: Total policy limits of \$500,000 each accident;
- d. Medical Payments: varies by vehicle type;
- e. Uninsured Motorists: \$500,000 each person, \$500,000 each accident for bodily injury;
- f. Underinsured Motorists: \$500,000 each person, \$500,000 each accident for bodily injury;
- g. Combined Single Limits for Bodily Injury and Property Damage Liability: \$1,000,000 each accident;
- h. Non-Ownership and Hired Car, liability coverage only may be written by a Servicing Carrier either as a separate policy or in conjunction with a statutory Massachusetts Motor Vehicle Insurance Policy.
- i. Coverages requested by the applicant which are required by any state or federal regulation or financial responsibility law as specified in the definition of Eligible Risk contained in Rule 2.

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2. Physical Damage

Physical damage coverage may only be written for an Eligible Risk in conjunction with liability coverage for the same vehicle.

a. Physical Damage Insurance shall mean: 1) collision coverage or limited collision coverage, 2) fire, theft and combined additional coverage, or 3) comprehensive coverage, as defined in the Massachusetts Motor Vehicle Insurance policy. The Servicing Carrier may refuse to issue collision, fire, theft or comprehensive coverage under the following circumstances:

(1) Comprehensive, fire and theft or collision coverage on a vehicle customarily driven by or owned by an individual convicted within the most recent five-year period of any category of vehicular homicide, auto insurance related fraud or motor vehicle theft;

(2) Comprehensive, fire and theft or collision coverage on a vehicle customarily driven by or owned by an individual who has, within the most recent five-year period, made an intentional and material misrepresentation in making a claim under such coverages;

(3) Collision coverage on a vehicle customarily driven by or owned by an individual who has been involved in four or more accidents in which such person has been deemed to be at fault in excess of 50% within the three years immediately preceding the effective date of the policy;

(4) Comprehensive or fire and theft coverage on a vehicle customarily driven by or owned by an individual who has had two or more total theft or fire claims within the three years immediately preceding the effective date of the policy;

(5) Comprehensive, fire and theft or collision coverage on a vehicle customarily driven by or owned by an individual convicted one time within the most recent three-year period of any category of driving while under the influence of alcohol or drugs;

(6) Comprehensive, fire and theft or collision coverage on any motor vehicle for which a salvage title has been issued by the

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Registrar of Motor Vehicles unless a new certificate of title has been issued pursuant to G.L. c. 90D, § 20D;

(7) Comprehensive, fire and theft or collision coverage on a high-theft vehicle which does not have at least a minimum anti-theft or auto recovery device as prescribed by the Commissioner of Insurance. The Commissioner may designate as a high-theft vehicle any vehicle, classified according to make, model and year of manufacturer, which has both above-average incidence of theft and above-average original sales price, and may prescribe appropriate anti-theft or auto recovery devices for such vehicles;

b. A Servicing Carrier may waive the deductible amount applicable to a payment under comprehensive coverage for glass damage and be reimbursed when the insured has elected to repair rather than replace damaged glass when permitted by law and where satisfactory proof of the repair has been presented to the Servicing Carrier;

c. Physical Damage coverage for damage to trailers under a trailer interchange contract may be written by a Servicing Carrier only when written in conjunction with motor vehicle liability coverage.

d. Physical Damage coverage on repossessed motor vehicles shall not be written by a Servicing Carrier.

The term "accident" as used in this Rule shall mean "occurrence" when the coverage is written on such basis.

B. Taxicab Coverage

Taxicab coverage may be written by Servicing Carriers with the same coverages and limits described in Section A, except as follows:

1. Liability

a. Bodily Injury Liability: Not to exceed \$250,000 each person, \$500,000 each accident;

b. Property Damage Liability: Not to exceed \$50,000 for any one accident;

c. Medical Payments: Not to exceed \$5,000 for any one accident

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e. Uninsured Motorists: Not to exceed \$250,000 each person, \$500,000 each accident for bodily injury;

e. Underinsured Motorists: Not to exceed \$250,000 each person, \$500,000 each accident for bodily injury;

C. Garage/Auto Dealers Insurance Coverage

Garage/Auto Dealer coverage may be written by Servicing Carriers with the same coverages and limits described in Section A, except as follows:

For Policies Effective prior to January 1, 2027

1. Garage coverage may be written by Servicing Carriers with Bodily Injury Liability and Uninsured and Underinsured Motorists limits not to exceed \$1,000,000 per person, \$1,000,000 per accident. Property Damage Liability limits may not exceed \$500,000 for any one accident;
2. Coverage for Other Than Covered Auto Exposure, provided that this coverage is eligible for cession only when written in conjunction with statutory coverages. Endorsement CA 25 36 must be attached to the policy;
3. Automobile Dealers Physical Damage Supplement as defined in the Garage Liability Policy up to a limit not to exceed \$1,000,000 per named location;
4. Garagekeepers' Legal Liability coverage as defined within the endorsement on a legal liability or direct primary basis up to a limit not to exceed \$1,000,000; and
5. Drive-Away-Collision coverage as defined within the endorsement to the Garage Liability Policy.

D. Auto Dealers Insurance Coverage

For Policies Effective January 1, 2027 and Subsequent

1. Liability Coverage for Covered Autos may be written by Servicing Carriers with:

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- a. Bodily Injury Liability limits not to exceed \$1,000,000 per accident
 - b. Property Damage limits may not exceed \$500,000 for any one accident.
 - c. Medical Payments: Not to exceed \$5,000 for any one accident
 - d. Uninsured Motorist limits not to exceed \$1,000,000 per accident
 - e. Underinsured Motorists limits not to exceed \$1,000,000 per accident.
2. General Liability Coverages for Bodily Injury and Property Damage Liability is available when written in conjunction with Liability Limits for Covered Autos.
 3. Physical Damage Coverage up to a limit not to exceed \$1,000,000 per named location.
 - a. Garagekeepers Coverage is included in Auto Dealers Physical Damage Coverage. Garagekeepers Coverage may be provided to certain risks written on a Business Auto Coverage form through endorsement.
 - b. Dealers Collision Coverage may be provided as defined within the endorsement
 - c. Dealers Drive-Away Collision Coverage may be provided as defined within the endorsement

~~Policies of an Eligible Risk as defined in Rule 2 and written by a Servicing Carrier shall, upon request, provide coverage for commercial classifications as defined in CAR's Commercial Automobile Insurance Manual as follows:~~

~~**A. Garage Insurance Coverage**~~

- ~~1. Garage coverage may be written by Servicing Carriers with Bodily Injury Liability and Uninsured and Underinsured Motorists limits not to~~

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~~exceed \$1,000,000 per person, \$1,000,000 per accident. Property Damage Liability limits may not exceed \$500,000 for any one accident;~~

- ~~2. Coverage for Other Than Covered Auto Exposure, provided that this coverage is eligible for cession only when written in conjunction with statutory coverages. Endorsement CA 25 36 must be attached to the policy;~~
- ~~3. Automobile Dealers Physical Damage Supplement as defined in the Garage Liability Policy up to a limit not to exceed \$1,000,000 per named location;~~
- ~~4. Garagekeepers' Legal Liability coverage as defined within the endorsement on a legal liability or direct primary basis up to a limit not to exceed \$1,000,000; and~~
- ~~5. Drive-Away Collision coverage as defined within the endorsement to the Garage Liability Policy.~~

B. Taxicab Coverage

~~Taxicab coverage may be written by Servicing Carriers with Bodily Injury Liability and Uninsured and Underinsured Motorists limits not to exceed \$250,000 per person, \$500,000 per accident. Property Damage Liability limits may not exceed \$50,000 for any one accident. Medical Payments limits may not exceed \$5,000 for any one accident.~~

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C. ~~All Other Commercial Motor Vehicle Insurance Coverage~~

1. ~~Liability~~

~~Coverage for policies written on the Business Auto Coverage Form is restricted to only those vehicles specifically described in the policy declarations, or as otherwise allowed in Section C.1.h.~~

~~a. Bodily Injury Liability: Total policy limits of \$1,000,000 each person, \$1,000,000 each accident;~~

~~b. Personal Injury Protection: \$8,000 per person, per accident;~~

~~c. Property Damage Liability: Total policy limits of \$500,000 each accident;~~

~~d. Medical Payments: \$25,000 each person;~~

~~e. Uninsured Motorists: \$500,000 each person, \$500,000 each accident for bodily injury;~~

~~f. Underinsured Motorists: \$500,000 each person, \$500,000 each accident for bodily injury;~~

~~g. Combined Single Limit for Bodily Injury and Property Damage Liability: \$1,000,000 each accident;~~

~~h. Non-Ownership and Hired Car, liability coverage only, may be written by a Servicing Carrier either as a separate policy or in conjunction with a statutory Massachusetts Motor Vehicle Insurance Policy.~~

~~i. Coverages requested by the applicant which are required by any state or federal regulation or financial responsibility law as specified in the definition of Eligible Risk contained in Rule 2.~~

2. ~~Physical Damage~~

~~Physical damage coverage may only be written for an Eligible Risk in conjunction with liability coverage for the same vehicle.~~

~~a. Physical Damage Insurance shall mean: 1) collision coverage or limited collision coverage, 2) fire, theft and combined additional~~

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~~coverage, or 3) comprehensive coverage, as defined in the Massachusetts Motor Vehicle Insurance policy. The Servicing Carrier may refuse to issue collision, fire, theft or comprehensive coverage under the following circumstances:~~

- ~~(1) Comprehensive, fire and theft or collision coverage on a vehicle customarily driven by or owned by an individual convicted within the most recent five year period of any category of vehicular homicide, auto insurance related fraud or motor vehicle theft;~~
- ~~(2) Comprehensive, fire and theft or collision coverage on a vehicle customarily driven by or owned by an individual who has, within the most recent five year period, made an intentional and material misrepresentation in making a claim under such coverages;~~
- ~~(3) Collision coverage on a vehicle customarily driven by or owned by an individual who has been involved in four or more accidents in which such person has been deemed to be at fault in excess of 50% within the three years immediately preceding the effective date of the policy;~~
- ~~(4) Comprehensive or fire and theft coverage on a vehicle customarily driven by or owned by an individual who has had two or more total theft or fire claims within the three years immediately preceding the effective date of the policy;~~
- ~~(5) Comprehensive, fire and theft or collision coverage on a vehicle customarily driven, or owned by an individual convicted one time within the most recent three year period of any category of driving while under the influence of alcohol or drugs;~~
- ~~(6) Comprehensive, fire and theft or collision coverage on any motor vehicle for which a salvage title has been issued by the Registrar of Motor Vehicles unless a new certificate of title has been issued pursuant to G.L. c. 90D, § 20D;~~
- ~~(7) Comprehensive, fire and theft or collision coverage on a high-theft vehicle which does not have at least a minimum anti-theft or auto-recovery device as prescribed by the Commissioner of Insurance. The Commissioner may designate as a high-theft vehicle any vehicle, classified according to make, model and~~

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~~year of manufacturer, which has both above average incidence of theft and above average original sales price, and may prescribe appropriate anti-theft or auto recovery devices for such vehicles;~~

~~b. A Servicing Carrier may waive the deductible amount applicable to a payment under comprehensive coverage for glass damage and be reimbursed when the insured has elected to repair rather than replace damaged glass when permitted by law and where satisfactory proof of the repair has been presented to the Servicing Carrier;~~

~~c. Towing and Labor: \$100.00 per disablement;~~

~~d. Substitute Transportation: \$100.00 per day, 30 day maximum.~~

~~e. Physical Damage coverage for damage to trailers under a trailer interchange contract may be written by a Servicing Carrier only when written in conjunction with motor vehicle liability coverage.~~

~~f. Physical Damage coverage on repossessed motor vehicles shall not be written by a Servicing Carrier.~~

~~The term "accident" as used in this Rule shall mean "occurrence" when the coverage is written on such basis.~~

Commercial Automobile Committee – November 1, 2024

Assignment Procedures for Affiliated Producers

The Commercial Program Oversight Committee has discussed the current market environment of increasing agency network participation and merger and acquisition activity, and the resulting limitations on the ability to minimize market disruption during redistribution of residual market books of business performed to maintain equity among Servicing Carriers. As part of its efforts to minimize disruption for producers and ceded risks, the Committee expressed interest in evaluating the feasibility of changes to producer assignment procedures required under CAR Rule of Operation 14.A.2.a. addressing affiliated agencies. This issue has been referred to the Commercial Automobile Committee for review and to evaluate alternative procedures.

A review of the current types of producer affiliations in the Massachusetts residual market is outlined below.

- Non-affiliated agencies: Stand alone, independent producers
- Affiliated agencies: All producers in the group are licensed with one controlling agency
- Agency Networks: Provides independent agents with access to a commercial Servicing Carrier and may also offer billing services. Some networks have their own agency to write commercial auto policies while other networks only provide access to the Servicing Carrier.

Although not currently identified in the MA residual market, the Committee may want to consider additional types of agency groups in its discussion. These include different types of franchises such as Goosehead and Brightway, clusters, and aggregators. To assist the Committee in reviewing the current procedures relative to a re-distribution of the agency books of business, the information below summarizes the current reassignment guidelines and provides more detailed information relative to the number of non-affiliated agencies, and affiliated agency and network groups including the volume of ceded premium for each.

Current Reassignment Guidelines:

- Agencies with identified affiliations will be placed with the same carrier to avoid adverse selection, pursuant to Rule 14.
- No producer will be moved more than once in a three-year period, unless the reassignment is unavoidable.
- To the extent possible, assign an agency to a carrier with which it has an existing voluntary relationship. If multiple relationships exist, preference will be to assign the producer to the Servicing Carrier with the highest premium volume with that producer.
- To the extent possible, maintain an equitable distribution among the Servicing Carriers of premium volume and loss ratio by class type group.
- Overall, minimize the number of impacted agencies and the volume of reassigned ceded business to the extent possible.

The table below provides information summarizing the producer ceded books of business in the current MA residual market.

Non Affiliated Agencies				
<u>Premium Volume</u>	<u># of Agencies</u>	<u>Percent of Total</u>	<u>Ceded Only</u> <u>Written Premium</u>	<u>Average Premium</u>
\$1-\$100,000	427	76%	12,329,196	28,874
\$100,001-\$200,000	51	9%	7,350,573	144,129
\$200,001-\$300,000	33	6%	7,888,434	239,043
\$300,001-\$400,000	8	1%	2,698,412	337,302
\$400,001-\$500,000	9	2%	4,039,609	448,845
\$500,001-\$1,000,000	11	2%	7,495,565	681,415
\$1,000,001-\$2,000,000	10	2%	13,975,416	1,397,542
\$2,000,001-\$3,500,000	5	1%	12,845,249	2,569,050
> \$3,500,001	5	1%	21,349,141	4,269,828
Non Affiliated Total	559		89,971,595	
Ceded Total	1,048		200,792,295	
Affiliated Agencies and Agency Networks				
<u># of Agencies</u> <u>in the Affiliation</u>	<u># of Groups</u> <u>with that # of</u> <u>Agencies</u>	<u># of Agencies in the</u> <u>Affiliation with</u> <u>Ceded Business</u>	<u># of Groups</u> <u>with that # of agencies</u> <u>with ceded business</u>	<u>Ceded Only</u> <u>Written Premium</u>
		1	46	11,275,014
2	51	2	33	27,667,395
3	20	3	7	1,634,687
4 to 5	13	4 to 5	7	6,378,403
6 to 10	14	6 to 10	11	12,647,362
11 to 15	2	11 to 15	2	4,742,010
16 - 20	3	16 - 20	1	3,954,295
21-49	5	21-49	2	19,860,550
50-100	2	50-100	2	22,660,984
100+	1	100+	0	
	111		111	110,820,700

Commercial Automobile Committee

Review of Pollution Coverage

In response to concerns raised over a potential inconstancy in the application of pollution coverage among Servicing Carriers, and as part of CAR's transition to the new policy coverage and endorsement forms, staff completed a review of pollution coverage and related issues to ensure that the requirements in the residual market are accurate and up to date. A summary of our review is presented below:

Policy Coverage and Endorsement Forms with pollution references:

- Business Auto Coverage Form (CA00 01 11 20)
- Auto Dealers Coverage Form (CA00 25 11 20)
- Massachusetts Mandatory Endorsement (MM99 11 03 24)
- Auto Dealers Massachusetts Mandatory Endorsement (MM25 01 03 24)
- Auto Dealers Coverage Form – General Liability Coverages – Total Pollution Exclusion with a Building Heating, Cooling and Dehumidifying Equipment and a Hostile Fire Exception (CA25 36 10 13)
- Pollution Liability – Broadened Coverage for Covered Autos – Business Auto and Motor Carrier Coverage Forms – Massachusetts (99 55 10 13)
- Pollution Liability Broadened Coverage for Covered Autos – Auto Dealers Form – Massachusetts (MM25 96 10 13)

Summary of Coverage:

- The Business Auto and Auto Dealers Coverage forms exclude coverage for pollution
- The Massachusetts Mandatory Endorsements add back limited coverage by modifying the exclusion to apply only after the statutory limits of \$35,000/\$80,000 for BI and \$5,000 for PD have been exceeded
- The Auto Dealers Endorsement with Building Heating, Cooling and Dehumidifying Equipment Exception and Hostile Fire Exception adds back General Liability coverage for specific causes
- The Broadened Coverage Endorsements add back Bodily Injury and Property Damage Coverage for covered autos

Manuals with Pollution-related references:

- Rules of Operations – Rule 6 – Coverages

Currently the Rule directs that CA25 36 endorsement be attached to all garage policies to add back coverage for specific causes. Staff recommends the reference be eliminated for two reasons – it is an optional coverage and the Massachusetts Mandatory Endorsements provide the statutorily required minimum pollution coverage. The change to the Rule will be addressed under a different agenda topic.

- Commercial Auto Insurance Manual – Section II – Common Coverages – Rule 46 Pollution Liability
 - Parts A, B, and C describe the coverage options and do not require any modifications
 - Part D–Classes of Pollutants - some updates are needed to improve clarity and replace out-of-date FMCSA references. The Committee should be prepared to review the proposed updates to Rule 46 (attached).
- Manual of Administrative Procedures – Chapter V–Premium
 - No specific pollution references or requirements currently exist beyond the inclusion of the pollution endorsements in the endorsement listings. However, staff is recommending adding a requirement that Servicing Carriers must comply with all FMCSA filing requirements. This change will be addressed under a different agenda topic.
- Commercial Statistical Plan/Data Review

Pollution Coverage is reported through the Pollution Liability Broadened Coverage code on the Commercial Liability Premium and Loss statistical records. The statistical codes map to the classes of pollutants described in the Commercial Automobile Insurance Manual as follows:

Class	Rule Reference	Pollution Stat Code	Rating Impact
Property (Non-Hazardous)	46.D.1	2	Additional 4% of BI & PD
Extra Hazardous	46.D.2 & 46.D.4	3	Additional 24% of BI & PD
Hazardous	46.D.3	1	Additional 9% of BI & PD
None	None	0	No additional charge

A review of the data reported by the Servicing Carriers for pollution coverage does show significant differences in the volumes of exposures and premium dollars. Statistical code values 1 and 3 (representing coverage for Hazardous and Extra Hazardous classes of pollutants) are defined by the FMCSA, and thus any differences in the volumes between the carriers should be attributed to the differences in the distribution of specific risks. However, there are also significant differences in the volume of exposures and premium dollars for statistical code value 2 (property), which could be attributed to the distribution of specific risks or could be attributed to differences in how pollution coverage requirements are determined by each Servicing Carrier.

Accordingly, it is staff's recommendation that it contact each Servicing Carrier to solicit information on procedures or policies used in determining when pollution coverage for non-hazardous property is applied. While responses will not be made public, the information will assist the Committee in determining whether differences exist among Servicing Carriers and if standards should be developed to ensure consistency in applying pollution coverage on a going forward basis.

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- B. Use 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.
- 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. 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 Massachusetts Garage Insurance Policy. Massachusetts Mandatory Endorsement MM 99 11 modifies 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 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

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Auto and Truckers Coverage Forms, and MM 25 96 for Massachusetts Garage Insurance Policies.

C. 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, hazardous materials, and radioactive materials as defined in FMCSA Title 49 CFR Parts 171.8 and 173.403 and associated appendices transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons; including:
 - a. or in bulk Class A or B explosives,
 - b. poison gas (Poison A),
 - c. liquefied compressed gas or compressed gas; or
 - d. highway route controlled radioactive/radionuclide materials as defined in 49 CFR 173.455.
3. Oil listed in FMCSA Title 49 Part CFR 172.101, and hazardous waste, hazardous materials and hazardous substances defined in FMCSA Title 49 Part CFR 171.8 and listed in Part 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/radionuclide materials as defined in FMCSA Title 49 Part CFR 173.40355.

D. Premium Development

1. Business Auto or Truckers Coverage Forms
 - a. Owned Automobiles