



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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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

WEDNESDAY, AUGUST 27, 2025, AT 10:30 A.M.

If you plan to attend this meeting 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. Sheila Doherty
Mr. Andrew Lajzer
Ms. Sharon Murphy
Mr. John Olivieri, Jr.
Mr. Tiago Prado
Ms. Allison Ratliff
Mr. Thomas Skelly, Jr.
Mr. Barry Tagen
Mr. David Zawilinski

The Hanover Insurance Company
Doherty Insurance Agency, Inc.
Safety Insurance Company
Acadia Insurance Company
J.K. Olivieri Insurance Agency, Inc.
BRZ Insurance, LLC
MAPFRE U.S.A. Corporation
Deland, Gibson Insurance Associates, Inc.
Pilgrim Insurance Company
Arbella Insurance Group

AGENDA

CAC

25.01 Records of Previous Meeting

The Records of the Commercial Automobile Committee meeting of July 18, 2025 should be read and approved.

CAC

25.03 CAR Conflict of Interest Policy

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

CAC

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

At the previous meeting, the Commercial Automobile Committee voted to adopt three endorsements excluding certain hazards under the auto portion of the Auto Dealers Coverage form. However, it has come to CAR's attention that the Committee may also want to consider similar endorsements associated with the non-auto coverage. Accordingly, CAR has prepared a summary of exclusionary endorsements for the Committee's review (Docket #CAC24.07, Exhibit #4).

CAC

25.06 Adoption of Non-Fleet PPT Certification for Other Classes

Some Servicing Carriers have suggested that the Committee review the requirements for the Non-Fleet - PPT certification as stated in Chapter X of the Manual of Administrative Procedures and consider expanding the use of this certification to other classifications such as Fleet - PPT- risks. The current NF-PPT Certification Form and Manual of Administrative Procedures standards for validation are attached (Docket #CAC25.06, Exhibit #1 and #2).

CAC

25.07 Prioritization of Objectives

Attached is an exhibit outlining potential topics identified for Committee discussion to improve commercial residual market results and enhance consistent procedures among Servicing Carriers. The list is compiled from prior committee discussions, recent Servicing Carrier annual reports, and other items brought to staff's attention. Members should review the list and be prepared to provide input relative to the priority of objectives for the upcoming year (Docket #CAC25.07, Exhibit #1).

CAC

25.08 Policy Issuance Transition Procedures - Agency Reassignments

With the realignment of residual market books of business for policies effective March 1, 2025 and later, the Committee has been asked to consider potential enhancements to policy issuance transition procedures, including but not limited to:

- Requirements of data provided to the new Servicing Carrier including a list of ceded policies, effective dates, annual premiums, and DEC pages for all policies from the reassigned agent.
- Continuity of required federal filings including the BMC-91 and MCS-90.

A copy of CAR's agency reassignment procedures is attached for the Committee's reference (Docket #CAC25.08, Exhibit #1).

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 Statistical Services Director

Attachments

Boston, Massachusetts
August 14, 2025

Review of Exclusionary Endorsements

At the previous meeting, the Committee voted to adopt 3 additional Exclusions for use in the residual market. It has been brought to CAR's attention that there are similar exclusions that have not been considered. Accordingly, below is a list of exclusionary endorsements and their current status as well as any relevant prior committee activity. The Committee should consider whether any additional action is warranted.

- | | |
|---|-------------------|
| • CA 28 03 – Abuse or Molestation Exclusion for Covered Autos Liability Exposure | Adopted |
| • CA 27 21 – Abuse or Molestation Exclusion for General Liability and Acts/Errors/Omissions | Adopted |
| • CA 27 22/CA 27 23/CA 27 24 – Sexual Abuse/Molestation Exclusions (The CAC determined that the Abuse/Molestation Exclusions were sufficient) | Not Adopted |
| • CA 27 12 – Cannabis Exclusion for General Liability Coverages | Adopted |
| • CA 27 13/CA 27 24 – Cannabis Exclusion with Hemp Exclusions (The CAC determined that the Cannabis Exclusion was sufficient) | Not Adopted |
| • CA 04 55 – Communicable Disease Exclusion for Covered Autos | Proposed Adoption |
| • CA 25 57 – Communicable Disease Exclusion for General Liability Coverages | No Action |
| • CA 25 37 – Fungi or Bacterial Exclusion – General Liability Coverage (Note that in June 2007, the CAC considered a similar Fungi exclusion for the Garage Policy and did not take any action because of potential rate impacts) | No Action |
| • CA 27 19 – Perfluoroalkyl and Polyfluoroalkyl Substances Exclusion for General Liability | Proposed Adoption |
| • CA 23 94 – Silica or Silica-Related Dust Exclusion for Covered Autos | Proposed Adoption |
| • CA 25 39 – Silica or Silica-Related Dust Exclusion for General Liability Coverages (Note that in June 2007, the CAC considered a similar Silica exclusion for the Garage Policy and did not take any action because of potential rate impacts) | No Action |
| • CA 27 06 – Unmanned Aircraft Exclusion for General Liability Coverages (BI and PD) | Adopted |
| • CA 27 05 – Unmanned Aircraft Exclusion for General Liability Coverages (This was determined to be unnecessary because it differs only in that it includes a section for Coverage B – Personal and Advertising Injury Liability which CAR has already excluded) | Not Adopted |

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NON-FLEET PRIVATE PASSENGER TYPE (NF-PPT) CERTIFICATION FORM

*****TO BE CERTIFIED BY ALL NF-PPT APPLICANTS PRIOR TO PLACEMENT IN THE
COMMERCIAL AUTOMOBILE INSURANCE RESIDUAL MARKET (CAR)*****

NAME OF BUSINESS: _____

DESCRIPTION OF BUSINESS: _____

Submit a copy of ***at least one*** or, at the request of the Servicing Carrier, more of the following documentation with the application:

1. Contract for services with a customer relative to the listed business entity/operation
2. Tax filing information for the business (Schedule C if filing an individual return)
3. Workers Compensation Insurance Policy
4. General Liability Insurance Policy
5. If prior insurance coverage, copy of declarations page
6. Copies of leases and utility bills

If documents are not available, please explain:

VEHICLE USAGE:

How are vehicles used in your business?

VEHICLE OPERATORS:

Number of employees: Full Time: _____ Part Time: _____

**ALL EMPLOYEES, FAMILY MEMBERS AND ANY OTHERS WHO HAVE PERMISSION TO DRIVE
ONE OR MORE OF THE VEHICLES MUST BE LISTED ON, OR INCLUDED WITH THE
APPLICATION FOR INSURANCE (A LICENSE NUMBER, STATE OR COUNTRY OF ISSUANCE
MUST BE INCLUDED FOR EACH).**

**FOR ANY OPERATOR LISTED ON THE APPLICATION WITH A VALID LICENSE FROM A COUNTRY
OR TERRITORY APPROVED BY THE MASSACHUSETTS RMV, THE FOLLOWING MUST
ALSO BE COMPLETED:**

1.) OPERATOR NAME: _____

LICENSE #: _____ STATE/COUNTRY: _____

DATE OF ARRIVAL IN THE U.S. _____

2.) OPERATOR NAME: _____

LICENSE #: _____ STATE/COUNTRY: _____

DATE OF ARRIVAL IN THE U.S.: _____

For additional operators that meet this criteria, attach information listing the above information

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NON-FLEET PRIVATE PASSENGER TYPE (NF-PPT) CERTIFICATION FORM

OWNER(S) NOT LISTED AS AN OPERATOR(S) OR NOT LICENSED

If the owner(s) of the business does not have a valid driver's license and is/are not listed on the application as an operator(s), a Driver Exclusion Form must be signed and submitted with the application. In addition, the/those owner(s) will sign the following:

I have voluntarily chosen not to list myself as a driver on the application. I understand and agree that if an unlisted owner is involved in a claim, there may be no coverage under my policy because of the Material Misrepresentation provision of the policy. Owner(s) Signature(s): _____

SIGNED CERTIFICATION OF BUSINESS ENTITY AND VEHICLE USAGE

The application I submitted herewith represents that my vehicles are used to further my business objectives. I understand and agree that the Company is entitled to examine books and records as they relate to the premium for this policy at any time during the policy period. This may include verification of actual business use of the vehicles. I certify that I have listed on the application all my employees, family members and others who have permission to drive one or more of the vehicles listed in my application. I understand that I am required to cooperate with and notify the insuring carrier of any change to information presented in the application, including information pertinent to the ownership and permissive operators of the vehicle(s), during the policy period. **I understand that, if found responsible for fraud or material misrepresentation in the application or any extension or renewal of the policy, the insurance company can cancel or rescind all or part of the insurance and/or deny coverage of a claim pursuant to the provisions of the policy and applicable law.** By signing below, I hereby certify that all information provided herein and all other information submitted with the company's application is true and accurate.

Signature of Owner/Applicant's Authorized Representative: _____

Printed Name of Owner/Applicant's Authorized Representative: _____

Title: _____

Date: _____

Witness to the Signator and Signing above:

Signature of Producer: _____

Printed Name of Producer: _____

Agency Name: _____

Date: _____

MA Fraud Warning: "Any person who knowingly and with the intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any material false information, or conceals for the purpose of misleading information concerning any fact material thereto, may be committing a fraudulent insurance act, which may be a crime and may subject the person to criminal and civil penalties."

---Documentation to be submitted to the insuring Servicing Carrier, copy to be retained by Producer---

| | |
|----------------------|---|
| CAR | Manual of Administrative Procedures |
| Chapter X | Servicing Carrier and Exclusive Representative |
| | Producer Standards and Forms |
| Revision Date | 2024.06.18 |
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B. Standards for Validating Non-Fleet Private Passenger Type Classifications

1. Determination of Eligibility

In determining whether a non-fleet private passenger type risk is eligible for placement in the commercial automobile residual market, Servicing Carriers are required to validate the information provided by the risk and writing producer. If the application asserts/suggests a business entity/operation, the Servicing Carrier must validate that a commercial automobile business entity/operation exists. Risks not meeting the defined eligibility criteria are not eligible to be placed in the commercial automobile residual market.

2. Non-Fleet Private Passenger Type Certification Form

a. Servicing Carrier Responsibilities

Servicing Carriers will require their Exclusive Representative Producers (ERPs) to submit a Non-Fleet Private Passenger Type Certification Form attesting to the information submitted on the application for insurance pursuant to the insured's business entity. The certification must be signed and dated by the insured and writing producer.

b. Exclusive Representative Producer Responsibilities

ERPs must obtain a completed, signed and dated Non-Fleet Private Passenger Type Certification Form for each non-fleet private passenger type risk and submit it to their Servicing Carrier for placement of the risk in the commercial automobile residual market. The ERP must advise the insured that the Non-Fleet Private Passenger Type Certification Form requires the insured's cooperation in notifying the insuring carrier of any change to information presented in the application, including information pertinent to the ownership and permissive operators of the vehicle(s) during the policy period.

The certification form may also be required for renewal business at the discretion of the Servicing Carrier.

The Non-Fleet Private Passenger Type Certification Form is located on the Reports page of CAR's website under the Commercial Only Forms, Manuals link. Refer to Exhibit X-B-1.



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Below is a list of topics that includes new recommendations from the current Servicing Carrier annual reports, carry-over recommendations from the prior reports, and other issues that have been brought to staff's attention. The Committee is requested to review this list to identify priority items for discussion at upcoming meetings.

Eligibility

Business Entity:

- Clarify the definitions of private passenger Business Use Class (30) as compared to commercial eligibility, especially in light of expanded GVW of vehicles to 16,000 lbs.
- Clarify the eligibility of entities that have been dissolved with the Secretary of State.

Determination of Classification

Mixed Use Operations – social service, school bus, car service, and garages:

- Develop a new class code that encompasses any public auto operations that transports individuals.
- School buses used for other purposes (non-school related transportation) should be rated as BUS NOC.
- Trip logs should be required to have specificity to verify operations. Otherwise, policyholders should provide clear proof that the lower rated classification represents 80% of the usage.
- Provide better instructions for determining classification in order to improve the consistency of underwriting among the Servicing Carriers with respect to (2023 SC Recommendation):
 - Bus Classes – Social Service, School, and Bus NOC
 - Publics – Social Service, Taxi, Car Service, and TNC
 - Garage Classes – Dealer with some repair vs Repair with some dealer

Classification Definitions:

- Personal use Trucks registered in a business name (service v commercial class).
- The Social Service Agency Automobile classification should specify non-profit day care centers, such as Head Start. The BUS NOC should be clarified to include for-profit day care centers.
- Clarify definitions for “non-emergency medical transportations” operations.
- Clarify the definition of light trucks and trailers used by landscapers under individual names (Rule 51) versus business class type 30 as defined in the private passenger automobile manual.
- Clarify Golfmobiles, (946000), Low Speed Vehicles, Short Term Rentals (721400, 721600).
- Develop a class code for Bus Rentals.
- Clarify Towing vs Auto Hauling – consider adding secondary classification to distinguish between the various types of towing operations, including general towing as compared to auto hauling.
- Towing needs a secondary classification to distinguish the different usages.
- Develop a separate class code for delivery/conveyance, as PPTs engaged in delivery are currently classified as car service as compared to the TTT classification for cargo vans engaged in delivery.
- Clarify how minivans should be classified (Light Truck vs PPT vs Rate Class 30)

- Review Garagekeepers Coverage in order to determine if there are aspects that need better definition in order to ensure consistent application among the Servicing Carriers. Also, review the coverage in conjunction with On-Hook Coverage (2023 SC recommendation),
- Cost of Hire Coverage – consider whether truckers cost of hire coverage should be mandatory in instances where the owner-operator is not maintained on the policy for at least 6 months (2023 SC recommendation).

Class/Rating Questions:

- Rules 51 and 52 should be reviewed and possibly clarified to ensure that autos used in moving operations are rated accurately and consistently
- Rule 55 – Clarify how to rate Cost of Hire (which is based on the number of vehicles and trailers) on a Hired/Non Owned risk with no actual vehicles
- Clarify eligibility of spouses as Named Insured, especially as it relates to combination of interest and experience rating.

Form Improvements/Clarifications

Taxi/Limousine/Car Service Underwriting Inspection Form:

- A new question should be added to capture the percentage of operations derived from each segment.
- A new question should be added to determine if the risk engages in any ride sharing, vehicle sharing or delivery services.
- Because all the vehicles may not be available for inspection at the same time, it is challenging to add photos to the form at different times.
- Replace SSN with driver's license number.

Adoption of Endorsements:

- Consider adopting an exclusion or additional deductible for unlisted and unlicensed operators.
- Consider creating an endorsement or exclusion for vehicle customization.
- Consider whether a terrorism exclusion endorsement should be developed for policies that do not have compulsory coverages (examples – stand alone non-owned/hired risks or risks that are not subject to the compulsory coverages)
- Consider creating an endorsement to exclude payment for punitive or exemplary damages to ensure that this type of loss would not be covered.
- Auto Hacking – some CAC members thought this warranted further discussion
- Auto Dealers Locations and Operations Not Covered (CA 25 07) indicates that coverage does not apply to locations and operations described in the schedule in the endorsement. Should instructions be developed for this process – otherwise, does the endorsement invalidate coverage for all operations at any location shown in the DEC?

General Communications/Policy Processing

Producer Information:

- Producers should provide additional information to assist the company, including risk classifications, volumes of business, and loss ratios.

Policy Processing

- Allow for electronic policy issuance and electronic delivery of policy documents.

**Commonwealth Automobile Reinsurers
Commercial Program Oversight Committee
Redistribution of Residual Market Business
Agency Reassignment Procedures**

When there is a need for agencies to be reassigned, either because of a new Servicing Carrier term or due to a need to rebalance Servicing Carriers' books of business, the goal is to minimize disruption while also providing adequate controls for Servicing Carriers to fulfill their responsibilities. Accordingly, the following guidelines for the reassignment process and transition procedures are in place to minimize disruption and assist the impacted policyholders, producers and Servicing Carriers. As the Committee considers a realignment of the ceded books of business for policies effective January 1, 2025 and later, the Committee may review these procedures for confirmation or recommend modifications that it considers appropriate.

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.

Policy Issuance Transition Procedures:

- Non-renewal notices will be provided to the producer of record a minimum of 45 days prior to the expiration date for ceded policies that will be rewritten with a new Servicing Carrier.
- To assist producers in identifying, well in advance, business transferring to a new carrier, staff will distribute a listing of expirations to producers.
- For non-fleet business:
 - The expiring policy's declarations page may be submitted in place of a new business application.
 - If that declarations page is submitted to the new Servicing Carrier at least 60 days prior to the policy effective date, the deposit premium is waived.
- For fleet business:
 - Normal company application submission procedures will be followed.