



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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## RECORDS OF MEETING

### COMMERCIAL AUTOMOBILE COMMITTEE – FEBRUARY 1, 2024

#### Members Present

Mr. Thomas DePaulo – Chair	Cabot Risk Strategies, LLC
Mr. Michael Brady <sup>(1)</sup>	Pilgrim Insurance Company
Ms. Annmarie Castonguay	The Hanover Insurance Company
Ms. Shelia Doherty	Doherty Insurance Agency, Inc.
Ms. Mary McConnell	Safety Insurance Company
Ms. Sharon Murphy	Acadia Insurance Company
Mr. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Mr. Thomas Skelly, Jr.	Deland, Gibson Insurance Associates, Inc.
Mr. David Zawilinski	Arbella Insurance Group
Mr. Jesse Zimmerman	MAPFRE U.S.A. Corporation

Substituted for:

<sup>(1)</sup>Mr. Barry Tagen

Not in Attendance:

Mr. Tiago Prado, BRZ Insurance, LLC

#### 24.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Commercial Automobile Committee meeting of January 10, 2024. The Records have been distributed and are on file.

#### 23.04 Eligibility of Peer-to-Peer Vehicle Sharing Programs

The Committee continued discussion regarding the eligibility for cession of risks engaged in peer-to-peer vehicle sharing programs. Ms. Wendy Browne opened the discussion by presenting the information gathered in Staff's research regarding requirements for vehicle registration at the request of the Committee. Ms. Browne stated the Registry of Motor Vehicles (RMV) indicated that commercial companies that rent cars, trucks, and campers as their primary business would register their vehicles as passenger vehicles, commercial vehicles, and campers, respectively. Thus, a peer-to-peer vehicle is properly registered so long as it has a registration type that is appropriate for the vehicle type. Furthermore, there is no difference between personal and commercial ride sharing from a registration perspective, nor does the RMV differentiate between the registration of traditional rental vehicles and vehicles engaged in a peer-to-peer

ride sharing program. This confirms that there is nothing distinctive about peer-to-peer ride sharing from a registration perspective.

Next, Ms. Browne updated the Committee on the status of Staff's research into other state's residual markets, noting that the research has begun but has not yet been completed. The information gathered from this study shall be provided at the next meeting.

Lastly, Ms. Browne reviewed an outline of potential industry survey topics that was attached to the additional information sent out January 24, 2024, for the Committee's review. The survey questions, which are intended for both commercial and private passenger writing companies, will inquire about the approach companies take regarding insuring peer-to-peer ride sharing vehicles. Among the topics addressed were the capacity of coverage for said vehicles (full vs. occasional), the restrictions for use and/or vehicle type, how the coverage is provided (specialty policy, endorsement, etc.), and the differences between underwriting for risks engaged in peer-to-peer ride sharing versus leasing or rental concerns.

Mr. David Zawilinski commented that it would be useful to know the coverage limits these companies provide for peer-to-peer ride sharing vehicles. Mr. Thomas DePaulo added that, in regard to policy restrictions, it would be beneficial to know if companies have any particular exclusions for these coverages as well. After a brief discussion, staff resolved to draft the survey, including the suggestions offered at the meeting.

### **23.06 Implementation of Commercial Policy Coverage and Endorsement Forms**

The Committee finalized its review of the Commercial Automobile Insurance Manual rule amendments related to the implementation of new policy coverage and endorsement forms already approved by the Committee. Ms. Katy Proctor started discussions reviewing the updates to Section II – Common Coverage and Rating Procedures and Section VI – Auto Dealers as discussed at prior meetings as a result of prior input from the Committee.

Ms. Proctor first reviewed the updates to Section II, noting the addition of two new rules, Leased Workers Coverage and Abuse and Molestation Exclusion, the addition of references to specific endorsements, as well as the elimination of reference to Endorsement CA 99 16 – Hired Autos Specified As Covered Autos You Own after determining it was not needed in the residual market. At this time the Committee had no additional comments.

Ms. Proctor next reviewed the amendments to Section VI – Auto Dealers, highlighting the additional language added for when to apply On-Hook coverage to the Business Auto Policy. She noted that while in the process of reviewing AIB's most recent filing there was a garage reference that was updated to dealers, and recommended CAR also make this change. The Committee was in agreement. Ms. Proctor also informed the Committee that as staff continues its review of AIB's most recent filing, they will inform the Committee of any amendments the Committee may want to consider in the future.

Lastly, Ms. Proctor informed the Committee that the Appendix was modified for 11 endorsements to reflect the version numbers that are expected to be placed on file by the AIB with its March 1, 2024 filing.

Ms. Mary McConnell inquired whether the endorsements that are recommended to be withdrawn are coverages that are known to not be written in the residual market. Ms. Wendy Browne responded that most of the endorsements do not have specific codes so are usually reported under the all other class or coverage codes, therefore, it would be up to the Servicing Carriers to identify if those coverages are afforded in the residual market. The Committee had no further comments.

**Accordingly, on a roll call vote, the Committee unanimously voted to recommend to the Governing Committee the proposed amendments to the Commercial Automobile Insurance Manual with an effective date of January 1, 2027.**

### **23.08 Default Radius Standardization**

To assist the Commercial Auto Committee in reviewing the default procedures for determining radius and geographic classification in the absence of valid documentation, staff performed a base rate liability comparison of six different classes using an intermediate radius and three different possible zone rating combinations.

Ms. Browne presented a summary of staff's findings, noting that results were too varied to determine which scenario would yield a higher premium consistently. Thus, it was proposed by staff that in the absence of credible documentation for geographic classification, the risk should be evaluated in two different geographical scenarios: an intermediate radius of use with Boston territories, and a long-distance radius of use with a zone-rated class and a Boston to New York zone combination. The default geographical classification would become the scenario that yields a higher premium.

This proposed solution would prevent potential issues in which the higher premium calculations differ and accommodate for any future rating combination changes where the default rate does not provide the intended results. Ms. Browne elaborated further that if the Committee approves of this proposal, CAR will update the Manual of Administrative Procedures and provide those proposed changes to the Committee for consideration, along with a potential implementation date.

Mr. Brady raised concern from a claims' perspective over the potential selection of long-distance radius of Boston to New York. He noted the potential for a claims examiner reviewing a claim of a risk that travels as far as Los Angeles having difficulty in processing the claims given the classification based on a default radius of Boston to New York. Thus, Mr. Brady suggested utilizing a default long-distance radius of Boston to Los Angeles to avoid any such difficulty in processing claims for these risks.

Ms. Browne questioned whether underwriting comments on policies to denote a default geographical class assignment could resolve such difficulties in the claims process but deferred to the Committee for further input on the matter. After discussion, the Committee resolved to have CAR further investigate the matter and compare the base rate premium calculations of the proposed long distance default radius of Boston to New York to the suggested long distance default radius of Boston to Los Angeles for the next meeting.

KATY PROCTOR  
Actuarial/Statistical Analyst

Boston, Massachusetts  
February 6, 2024

**ATTACHMENT LISTING**

Docket #CAC24.02, Exhibit #2

Attendance Listing

**COMMERCIAL AUTOMOBILE COMMITTEE MEETING  
 MEETING ATTENDEES  
 FEBRUARY 1, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

Thomas DePaulo	Cabot Risk Strategies, LLC
Michael Brady	Pilgrim Insurance Company
Annmarie Castonguay	The Hanover Insurance Company
Sheila Doherty	Doherty Insurance Agency, Inc.
Mary McConnell	Safety Insurance Company
Sharon Murphy	Acadia Insurance Company
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David Zawilinski	Arbella Insurance Group
Jesse Zimmerman	MAPFRE U.S.A. Corporation
Peter Barton	Safety Insurance Company
Linda Zarella	Arbella Insurance Group
John Magadieu	Arbella Insurance Group
Beth Poplawski	MAPFRE U.S.A. Corporation
Mary Ellen Thompson	Division of Insurance
Benjamin Hincks	TSH & D – CAR Counsel
Steven Torres	TSH & D – CAR Counsel
Kathy Cormier	MAIA
Laura Poulin	MAIA
Monique Miller	AIB
Mark Alves	CAR Staff
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Adrienne Donovan	CAR Staff

**COMMERCIAL AUTOMOBILE COMMITTEE MEETING  
MEETING ATTENDEES  
FEBRUARY 1, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

Matthew Hirsh	CAR Staff
Natalie Hubley	CAR Staff
Cheryl Kopas	CAR Staff
Katy Proctor	CAR Staff
Tiffany Manning	CAR Staff
James Robery	CAR Staff
Alison Ruggiero	CAR Staff
Evan Ross	CAR Staff
Robin Tigges	CAR Staff