



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

www.commauto.com

617-338-4000

RECORDS OF MEETING

COMMERCIAL AUTOMOBILE COMMITTEE – MAY 23, 2024

Members Present

Mr. Thomas DePaulo – Chair	Cabot Risk Strategies, LLC
Mr. Andrew Denton ⁽¹⁾	Deland, Gibson Insurance Associates, Inc.
Ms. Sheila Doherty	Doherty Insurance Agency, Inc.
Ms. Lily Galarneau ⁽²⁾	The Hanover Insurance Company
Ms. Mary McConnell	Safety Insurance Company
Ms. Sharon Murphy	Acadia Insurance Company
Mr. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Mr. Barry Tagen	Pilgrim Insurance Company
Mr. David Zawilinski	Arbella Insurance Group
Mr. Jesse Zimmerman	MAPFRE U.S.A. Corporation

Substituted for:

⁽¹⁾Mr. Thomas Skelly, Jr.

⁽²⁾Ms. Annmarie Castonguay

Not in Attendance:

Mr. Tiago Prado, BRZ Insurance, LLC

24.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Commercial Automobile Committee meeting of March 28, 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 provided the Committee with an update on the results of the survey CAR had distributed to various companies at the request of the Committee to assess how the voluntary market currently approaches coverage for vehicle sharing programs. Twenty-nine respondents answered the survey, with 21 respondents reporting that they do not provide any coverage under any circumstances for peer-to-peer vehicle sharing. Six companies in the Private Passenger marketplace provide coverage for the insured's personal use of vehicles that engage in vehicle sharing, although coverage is excluded when the

vehicle is engaged in vehicle sharing. Two companies in the commercial marketplace reported having endorsements for peer-to-peer vehicle sharing as a commercial risk. Ms. Browne noted that while it is not widely available, coverage is available in the voluntary market to address concerns raised by the Committee. In response to a request to identify those carriers providing coverage, Ms. Browne noted that survey participants were assured that the results of the survey would remain confidential. She commented that she would reach out to those carriers providing coverage, and, if they are so inclined, she will forward that information as requested.

Ms. Browne also updated the Committee regarding the status of filed legislation addressing peer-to-peer vehicle sharing programs. She advised that bills this year do not appear to be moving forward and would have to be reintroduced at a later date to be addressed by the state legislature.

Recognizing that coverage is available in the voluntary market, the Committee considered whether further discussion of this issue should be tabled until there is a compelling reason to do so, such as the legislature addressing insurance requirements. However, members indicated their preference to better understand the coverage afforded in the voluntary market, particularly for vehicles while engaged in vehicle sharing, to ensure that the needs of the motoring public are being met. Others noted difficulty experienced in getting cooperation from the vehicle sharing platforms to coordinate coverage when a loss has occurred. To that end, staff was asked to solicit the master coverage forms.

23.09 Consistency in Determining Classification

The Committee continued its discussion on issues relating to reported inconsistencies among Servicing Carriers in determining the classification of certain public vehicle risks.

Ms. Lynne Rosenberg presented a draft of the amendments to Chapter X of the Manual of Administrative Procedures reflecting the Committee recommendation to assign the bus NOC classification when supporting documentation is not available at policy inception. She noted that the standard further requires reclassification and rerating under certain circumstances when documentation is later available.

Mr. Antonio Rea, representing Center Insurance Agency, raised concerns with the significant difference in pricing of the bus NOC class and the impact to new school bus or social service operations bidding to secure contracts. He further noted the inconsistency among Service Carriers in classifying this business and the impact to his agency in losing an opportunity to write this new business. He asked the Committee to consider the rigorous process required to obtain a SPN plate to support the use of the school bus classification for these vehicles.

Committee members noted that these new operations do not always secure the contracts that they are seeking and therefore the NOC class would be appropriate. The Committee noted that the proposed standard is designed to address both concerns raised by Mr. Rea by ensuring consistency among carriers and allowing for reclassification and rerating of these new operations when contracts are secured. Furthermore, if inconsistencies in the underwriting process continue to occur once a change to the standard has been implemented, the Committee will consider additional repercussions for non-compliance. After discussion, **the Committee voted unanimously to recommend to the Governing Committee adoption of the amendments to Chapter X – Servicing Carrier and Exclusive Representative Producer Standards and Forms of the Manual of Administrative Procedures.**

Next, Mr. Timothy Galligan noted that, at the last meeting, the Committee recommended classifying vehicles owned by day care centers as bus NOC. Mr. Galligan reviewed proposed changes to the rating manual rules and Chapter III of the MAP to reflect this clarification. Mr. Barry Tagen suggested enhancing the proposed language to include “buses owned and operated by or for day care centers”. Ms.

Hubleby noted that the social services classification includes transporting children to daycare centers. She suggested that the Committee further consider the suggested change at its next meeting when the rule may be reviewed in its entirety. Ms. Poplawski suggested also considering adult day care operations in this rule as well.

Lastly, Ms. Katy Proctor noted that, at the last meeting, the Committee had asked staff to review other states' residual markets to help assist with defining the term "operates" in Rule 72.C.2. that uses the highest rated territory of operation through which or in which the public automobile operates. The Committee suggested that "operates" could apply only when the vehicle is transporting clients to define the highest rated territory, or it could be defined even when there are no clients in the vehicle on the way to or from the garaging town. Ms. Proctor reviewed a summary of the 22 states that were included in their research, noting that the results indicate a wide range on how other residual markets handle the determination of territory for other than zone rated vehicles, concluding that there was no real consensus.

Mr. Tagen suggested adopting language similar to the New Jersey plan in which operations are defined as operating from when passengers are picked up and dropped off. The Committee conceptually agreed and directed Staff to update related Rules and Procedures for consideration at the next meeting.

24.04 On Hook Towing Coverage

Ms. Proctor presented relevant excerpts from the on-hook coverage endorsement CA 04 52 that included when on-hook coverage should be applied and the definition of towing operations to assist the Committee in clarifying when coverage should be applied. Ms. Proctor then reviewed the updated proposed manual rule highlighting the addition of language to address concerns raised at the last meeting. Specifically, the language describes that risks engaged in auto hauling or trucking operations are not eligible for on-hook coverage. Ms. Proctor concluded that, if approved, modifications will be made to the Garagekeepers Insurance section in Section V – Garage Dealers of the Commercial Auto Insurance Rating Manual in conjunction with CAR's next rate filing.

The Committee voted unanimously to recommend to the Governing Committee the adoption of the On-Hook Coverage Endorsement CA 04 52 with the earlier effective date, including the proposed rule change to the Massachusetts Commercial Automobile Rating Manual.

TIMOTHY GALLIGAN
Actuarial and Statistical Services Director

Boston, Massachusetts
May 31, 2024

ATTACHMENT LISTING

Docket #CAC24.02, Exhibit #4

Attendance Listing

**COMMERCIAL AUTOMOBILE COMMITTEE MEETING
 MEETING ATTENDEES
 MAY 23, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

Thomas DePaulo	Cabot Risk Strategies, LLC
Lily Galameau	The Hanover Insurance Company
Sheila Doherty	Doherty Insurance Agency, Inc.
Mary McConnell	Safety Insurance Company
Sharon Murphy	Acadia Insurance Company
John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
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Barry Tagen	Pilgrim Insurance Company
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
Roberta Fitzpatrick	Arbella Insurance Group
Michael Brady	Pilgrim Insurance Company
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
Antonio Rea	Center Insurance Agency, Inc.
Nick Fyntrilakis	MAIA
Monique Miller	AIB
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Richard Dalton	CAR Staff

**COMMERCIAL AUTOMOBILE COMMITTEE MEETING
MEETING ATTENDEES
MAY 23, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

Adrienne Donovan	CAR Staff
Timothy Galligan	CAR Staff
Matthew Hirsh	CAR Staff
Natalie Hubley	CAR Staff
Cheryl Kopas	CAR Staff
Katy Proctor	CAR Staff
Tiffany Manning	CAR Staff
James Robery	CAR Staff
Evan Ross	CAR Staff
Lynne Rosenberg	CAR Staff
Robin Tigges	CAR Staff