



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

COMMERCIAL AUTOMOBILE COMMITTEE – AUGUST 1, 2024

Members Present

Mr. Thomas DePaulo – Chair	Cabot Risk Strategies, LLC
Ms. Annmarie Castonguay	The Hanover Insurance Company
Ms. Sheila Doherty	Doherty Insurance Agency, Inc.
Mr. Andrew Lajzer	Safety Insurance Company
Ms. Sharon Murphy	Acadia Insurance Company
Mr. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Mr. Tiago Prado	BRZ Insurance, LLC
Mr. Thomas Skelly, Jr.	Deland, Gibson Insurance Associates, Inc.
Mr. Barry Tagen	Pilgrim Insurance Company
Mr. David Zawilinski	Arbella Insurance Group
Mr. Jesse Zimmerman	MAPFRE U.S.A. Corporation

Not in Attendance:
N/A

24.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Commercial Automobile Committee meeting of May 23, 2024. The Records have been distributed and are on file.

CAC

23.04 Eligibility of Peer-to-Peer Vehicle Sharing Programs

The Committee continued its discussion on peer-to-peer vehicle coverage. The staff brought back information which demonstrated that, while limited, there is access to coverage in the voluntary market. The Chair advised of his intent to keep this item open but to table further discussion while continuing to monitor legislative activity related to the insurance obligations of vehicle sharing programs.

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, particularly vehicles owned and operated by daycare centers. The Committee had previously determined that these vehicles should be classified as Bus NOC. Similar transportation for adults was also considered in the discussion with the intent to ensure that there were no conflicts with the Social Service definition and associated rule language.

Mr. Timothy Galligan referred the committee members to the attachments included as additional information in which CAR Staff had drafted alternative language for the Bus NOC class to address the concern raised by Mr. Barry Tagen regarding buses owned by transportation companies that provide services to day care centers. Specifically, Mr. Galligan noted the addition of language to include buses operated for daycare centers that do not meet the definition of the social services class in Rule 72.B.1. Mr. Galligan also noted that Mr. Tagen raised concern with staff's elimination of the reference to shuttle buses from the description on the supplemental application.

Mr. Tagen opened the Committee discussion with a suggestion to add shuttle bus back into the Bus NOC description in the supplemental application and to consider adding this example into the manual rule definition. He cited examples such as those buses that provide transportation to and from train stations and to places of work as well as those that operate on campuses or hospitals as shuttle buses that would qualify for the NOC class but do not fit the current description in the manual rule.

Committee members expressed agreement with Mr. Tagen's point and suggestions were offered to select language that would appropriately and clearly describe the bus NOC classification. The Committee ultimately concurred on the following definition:

“This classification includes buses that do not meet any of the prior definitions including, but not limited to, automobiles such as country club buses, cemetery buses, real estate development buses, courtesy buses, shuttle buses, and buses owned by or operated for day care centers.”

After discussion, the Committee voted unanimously to recommend Governing Committee approval of the proposed amendments, replacing the entirety of the Bus NOC classification definition included in the supplemental application and the manual rule with the agreed language (Docket #CAC23.09, Exhibit 11).

Following the approval of these amendments, the Committee moved forward with the second topic regarding the determination of rating territory for non-zone rated vehicles and the definition of the term “operates” in Rule 72.C.2. At the last meeting, the Committee reviewed other state's residual markets to gain insight into how this determination of rating territory is defined, and it was the Committee's consensus to use similar language from the New Jersey state rating manual.

Ms. Katy Proctor presented relevant exhibits with updated language to Rule 72.C.2 to determine the rating territory based on the highest rated territory where the public automobile operates from the pick-up to drop-off of passengers, based upon the language found in New Jersey's state rating manual.

The Committee voted unanimously to recommend Governing Committee approval of the proposed amendments to Rule 72.C.2. in the Rating Manual.

CAC

24.05 2024 Annual Evaluation of Market Need for ERP Appointments

Mr. Richard Dalton noted that Rule 14 – Exclusive Representative Producer Requirements requires that the Committee undertake an annual assessment to determine if a market need exists for ERP appointments for producers without a voluntary contract. He referred to an exhibit attached to the Notice of Meeting intended to assist the Committee in evaluating accessibility to the residual market throughout the Commonwealth.

Mr. Dalton informed the Committee that during the past year, there have been 12 new ERP appointments made to producers with a voluntary contract in place, and one request from a producer without a voluntary contract that was not approved. There are currently two requests pending. The Committee observed that the current data reflects results similar to the prior year. The Committee concluded that there continues to exist ample access to the residual market through qualified producers throughout the Commonwealth with experience servicing complex commercial risks.

Accordingly, the Committee unanimously voted to recommend to the Governing Committee that a market need does not exist for the appointment of new non-voluntary contracted ERPs at this time.

CAC

24.06 Producer Checklist for Residual Market Forms

Ms. Lynne Rosenberg advised the Committee that a Servicing Carrier suggested to CAR that it may be beneficial to the residual market if producers had access to a list of required forms when writing a new business policy. She noted that staff contacted the four Servicing Carriers to gather information on what documentation they currently require on new business submissions. Accordingly, staff developed an underwriting checklist to assist producers in submitting a complete packet of information about new business risks written in the residual market. Ms. Rosenberg emphasized that the underwriting checklist would not be a requirement but rather a guide for producers to use and would be made available on CAR's website if the Committee agreed it would be beneficial.

The Committee agreed that a checklist would be helpful, especially for new producers. Discussion then focused on more specific items on the list for consideration; verification that the applicant has not been cancelled for non-payment in preceding 24 months or in default of payment of premium in preceding 12 months. Some members suggested that the item is redundant and should be removed stating that the new business application has similar language, and the applicant certifies that they have not been cancelled when signing the application. Other members stated that this language is also in Rule 14 – ERP Requirements of the Rules of Operations and already required. Members considered that verification through the Registry of Motor Vehicles would be best practice. Ms. Browne proposed amending the language to indicate that no owed premium was verified through the Registry of Motor Vehicles. The members agreed with the revision in concept. It was also suggested that loss runs are added to the checklist along with some revisions to further clarify some of the current items listed.

After discussion, the Committee resolved to have staff revise the underwriting checklist for consideration at the next meeting.

TIMOTHY GALLIGAN
Actuarial and Statistical Services Director

Boston, Massachusetts
September 4, 2024

ATTACHMENT LISTING

Docket #CAC23.09, Exhibit #11

Bus NOC Definition

Docket #CAC24.02, Exhibit #5

Attendance Listing

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- (1) is hired on a prearranged hourly basis for weddings, funerals, religious ceremonies or other non-business social functions,
 - (2) is hired on an exclusive, dedicated basis for the duration of the event, not for drop-off and pick-up,
 - (3) is operated by the named insured, an employee, or an independent contractor of the named insured, in attendance as a chauffeur at the beginning and ending of the function.
- c. *Car Service* – an unmarked for hire automobile with a seating capacity of eight or less which
- (1) is hired on a prearranged basis,
 - (2) does not pick up hail fares on the street,
 - (3) does not contain a rate meter, and does not charge for services based upon miles traveled if the trip is less than 25 miles,
 - (4) operates on a scheduled business day, and is returned to the automobile's base of operation for a continuous period of at least four hours in each 24-hour period,
 - (5) is operated by the named insured, an employee, or an independent contractor of the named insured, in attendance as a chauffeur,
 - (6) operates from a base with two-way communication,
 - (7) primary payment method is by billing or credit card,
 - (8) may be under contract with a regional transit authority where transportation services are paid for by the individual requesting the services. For services contracted and paid for by a social service agency, classify the automobile in accordance with Section B.1.f.(7) of this Rule.
 - (9) may be under contract with a transportation network or delivery network services company.
- d. *School Bus* – an automobile that carries students or other persons to and from school, or in any school activity including games,

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outings and similar school trips. There are two types of school buses for rating purposes:

1. School buses owned by political subdivisions or school districts.
2. All others including independent contractors, private schools and church owned buses.

The collision premium on a policy written on an annual term may be prorated to reflect the actual school term. However, credit shall not be given for Saturdays, Sundays or holidays or for any other periods of lay-up during the school term.

- e. *Church Bus* – an automobile used by a church to transport persons to or from services and other church related activities. This classification does not apply to public automobiles used primarily for daily school activities.
- f. Other Buses
 - (1) *Inter-City Bus* – an automobile that picks up and transports passengers on a published schedule of stops between stations located in two or more towns or cities.
 - (2) *Urban Bus* – an automobile that picks up, transports and discharges passengers at frequent local stops along a prescribed route. This classification applies only to automobiles operated principally within the limits of a city or town, and communities contiguous to such city or town, and includes scheduled express service between points on that route.
 - (3) *Airport Bus or Airport Limousine* – an automobile for hire that transports passengers between airports and other passenger stations, or motels. Automobiles used to transport passengers from their home or place of employment to or from an airport should be classified according to Sections B.1.a.– c. of this Rule, as appropriate.
 - (4) *Charter Bus* – an automobile chartered for special trips, touring, picnics, outings, games, and similar uses.
 - (5) *Sightseeing Bus* – an automobile accepting individual passengers for a fare for sightseeing or guided tours, making

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occasional stops at certain points of interest and returning the passengers to the point of origin.

(6) *Transportation of Athletes and Entertainers* – an automobile owned by a group, firm or organization that transports its own professional athletes, musicians, or other entertainers.

(a) If it is used to transport other professional athletes or entertainers, rate as a Charter Bus.

(b) An automobile owned by a group, firm or organization to transport its own non-professional athletes, musicians or entertainers, rate as Bus Not Otherwise Classified.

(7) *Social Service Agency Automobile* – an automobile used by a government entity, civic, charitable or social service organization to provide transportation to clients incidental to the social services sponsored by the organization, including special trips and outings.

This classification includes, for example, automobiles used to transport

(a) senior citizens or other clients to meal centers, medical facilities, social functions, shopping centers,

(b) handicapped persons to work or rehabilitative programs,

(c) children to day care center, Head Start programs; and

(d) Boy Scout or Girl Scout groups planned activities.

The following automobiles are eligible for this classification:

(a) Automobiles owned, or leased for one year or more, by the social service agency.

(b) Automobiles donated to the social service agency, without a driver.

(c) Automobiles hired under contract by the social service agency.

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There are two types of Social Services Bus for rating purposes:

(a) Employee-Operated Automobiles

Automobiles operated by employees of the social service agency. If a social service automobile is also operated by volunteer drivers or other non-agency employees, do not classify the automobile as Employee-Operated unless 80% of the use is by agency employees.

(b) All Other

Automobiles which do not meet the employee-operated automobile classification requirements.

Excess Liability Coverage may be provided to cover automobiles not owned or licensed by the agency while being used in its social service transportation activities. This coverage may be extended to cover the agency's liability only or the liability of both the agency and, on a blanket basis, the individual liability of agency employees or volunteer donors or owners of the automobiles. For automobiles hired, loaned, leased or furnished refer to Rule 28 – Hired Automobiles of Section II – Common Coverages and Rating Procedures of this Manual. For all other non-owned automobiles, refer to Rule 27 – Non-Ownership Liability of Section II – Common Coverages and Rating Procedures of this Manual.

(8) *Bus Not Otherwise Classified* – this classification includes buses that do not meet any of the prior definitions including, but ~~is~~ not limited to, automobiles such as country club buses, cemetery buses, real estate development buses, ~~and~~ courtesy buses, shuttle buses, and buses owned by or operated for day care centers run by hotels.

- g. *Van Pools* – an automobile of the station wagon, van, truck or bus type used to provide prearranged commuter transportation for employees to and from work and is not otherwise used to transport passengers for a charge.

(1) Employer Furnished Transportation

CAR | **Manual of Administrative Procedures**
Chapter III | **Servicing Carrier Responsibilities**
Revision Date **2023.04.Draft 2024.08.01**
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EXHIBIT III-B-2

Supplemental Application
Public Automobile Information Addendum

Applicant Name: _____

Agent Name: _____

1. Please describe your transportation operation: _____

2. For each of the following categories, indicate the percentage of usage and the number of units used for each class:

Vehicle Category		Usage Description	Percentage of Use	Number of Units
Charter Bus		An automobile chartered for special trips, touring, picnics, outings, games and similar uses.	%	
Bus	Not Otherwise Classified	This classification includes buses that do not meet any of the other definitions including, s, but is not limited to, automobiles such as country club buses, cemetery buses, real estate development buses, shuttle buses, courtesy buses, shuttle buses, and buses owned by or operated for day care centers. run by hotels, and buses that operate city to city or point to point and is not to a transportation facility on a regular scheduled basis.	%	
Inter-City Bus		An automobile that picks up and transports passengers on a published schedule of stops between stations located in two or more towns or cities.	%	
School Bus		An automobile that carries students or other persons to and from school, or in any school activity including games, outings and similar school trips. This includes vehicles owned by or contracted with a school or school district.	%	
Sightseeing Bus		An automobile accepting individual passengers for a fare for sightseeing or guided tours, making occasional stops at certain points of interest and returning the passengers to the point of origin.	%	
Airport Bus or Limousine (Shuttle)		An automobile for hire that transports passengers between airports and other passenger stations, or motels.	%	
Urban Bus (Transit)		An automobile that picks up, transports and discharges passengers at frequent local stops along a prescribed route and operated principally within the limits of a city or town, and communities contiguous to such city or town, and includes scheduled express service between points on that route.	%	
Social Service Agency Automobile		An automobile used by a government entity, civic, charitable or social service organization to provide transportation to clients incidental to the social services sponsored by the organization, including special trips and outings.	%	
Church Bus		An automobile used by a church to transport persons to or from services and other church related activities.	%	
Transportation of Athletes & Entertainers		An automobile owned by a group, firm or organization that transports its own professional athletes, musicians or other entertainers.	%	
Van Pools		An automobile used to provide prearranged commuter transportation for employees to and from work and is not otherwise used to transport passengers for a charge.	%	

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

Individual's Name

Company / Agency

PLEASE PRINT

Thomas DePaulo	Cabot Risk Strategies, LLC
Annmarie Castonguay	The Hanover Insurance Company
Sheila Doherty	Doherty Insurance Agency, Inc.
Andrew Lajzer	Safety Insurance Company
Sharon Murphy	Acadia Insurance Company
John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
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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
Roberta Fitzpatrick	Arbella Insurance Group
Kate Morrison	Arbella Insurance Group
Michael Brady	Pilgrim Insurance Company
Kathy Cormier	MAIA
Mary Ellen Thompson	Division of Insurance
Benjamin Hincks	TSH & D – CAR Counsel
Steven Torres	TSH & D – CAR Counsel
Monique Miller	AIB
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Richard Dalton	CAR Staff

**COMMERCIAL AUTOMOBILE COMMITTEE MEETING
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AUGUST 1, 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