

**CAR Commercial Automobile Insurance Manual
Memorandum of Changes**

Rule Modifications – September 1, 2018

On July 24, 2018, modifications to Rule 6 – Coverages of CAR's Rules of Operation were approved by the Division of Insurance. Consistent with these modifications, updates have been made to the following Rules in the Commercial Automobile Insurance Manual. Specifically, residual market coverage for policies written on the Business Auto Coverage Form is restricted to only those vehicles that are specifically described on the policy declarations and designated with an ISO Covered Auto Designation Symbol of 7 (specifically described autos), 8 (hired autos) or 9 (non-owned autos). Policies written on the Business Auto Coverage Form with designated ISO symbol codes of 1 (any auto) are no longer be cedeable to CAR. Accordingly, Servicing Carriers will no longer be able to employ composite, gross receipts, or mileage based rating options for ceded policies written on the Business Auto Policy.

Section I – General Rules

Rule 3. Policies and Coverages

Section A. has been updated to reflect that coverage for policies written on the Business Auto Coverage Form is restricted to vehicles specifically described on the policy declarations and designated with Covered Auto Designation Symbols 7, 8, or 9 only.

Section III – Trucks, Tractors and Trailers

Rule 55. Premium Development Options for Truckers

Section C. has been eliminated as a trucking risk written on a gross receipts rating basis is not cedeable to CAR.

Section V – Public Transportation

Rule 75. Gross Receipts of Mileage Basis

This Rule has been eliminated as a public transportation risk written on a gross receipts or mileage basis is not cedeable to CAR.

Section VII – Special Types and Operations

Rule 126. Composite Rating

This Rule has been eliminated as policies rated on a composite rating basis are not cedeable to CAR.

Rule Modifications – September 1, 2018

Section II – Common Coverages and Rating Procedures

Rule 31. Operator Exclusion Form

This Rule has been added to provide guidance relative to the usage of the Operator Exclusion Form (CR 99 01 08 18)

Rule Modifications – February 1, 2018

Section II – Common Coverages and Rating Procedures

Rule 41. Combined Single Limit Liability Coverage

In Section B.2., the Single Limit Discount Table has been clarified. Additionally, the single limit premium calculation example provided has been updated to reflect filed rates and increased limit factors.

Section III – Trucks, Tractors and Trailers

Rule 54. Premium Development – Zone Rated Automobiles

The heading for Section B. – Premium Computation, has been clarified to include property damage coverage.

Rule 55. Premium Development Options for Truckers

In Section C. – Gross Receipts Basis, the factor to be applied in determining medical payments premium for risks written on a gross receipts basis has been updated to reflect filed rates. The heading for Section D.1. – Bobtail Operations has been clarified to include property damage coverage. Also in Section D., the premium calculation example contained in Section D.1. has been modified to reflect the updated rating factor, as filed. In Section E. – Trailer Interchange Agreement, the premium calculation example in Section E.1.b.(6) has been updated to reflect filed rates and factors.