

CAR Commercial Rate – Effective February 1, 2018
Implementation Procedures and Summary of Changes

Below is a description of procedures used to develop rates effective February 1, 2018, including a summary of the changes implemented this year.

1. Commission Schedule

Commissions to be paid in conjunction with the CAR Commercial Rate are as follows:

<u>Classification</u>	<u>Percent of Written Premium</u>
Taxi	8.26%
Limousine	4.02%
Car Service	2.95%
All Other	9.39%

2. CAR Commercial Automobile Insurance Manual – Manual Rules

No Rule changes and no statistical coding changes are included with this rate filing. Specific rates and relativities referenced in the Rules would change where applicable.

3. CAR Commercial Automobile Policy Forms and Endorsements

No Policy Form or Endorsement changes are included with rate filing.

4. Experience Rating Plan

The CAR Experience Rating Plan has been updated to reflect factors and components resulting from the proposed rate changes. The Experience Rating Plan will be posted to CAR's website upon approval. Policies eligible for experience rating issued prior to distribution of the Experience Rating Plan should include endorsement MM 99 23 – Rate Modification.

5. Rate Implementation

a. Territory Schedule

The territory definitions to be used for policies effective with this filing are unchanged. Territory relativities have been updated.

b. Increased Limit Factors (ILF)

The Property Damage Liability and Uninsured/Underinsured Motorists increased limit factors have been updated. The Bodily Injury increased limit factors remain unchanged.

Refer to Schedule 107 for complete tables of increased limit factors.

c. Deductible Relativities

Physical Damage Deductible Rate Relativities were updated.

Refer to Schedule 107 for Deductible Relativities.

d. **Zone Rates**

Base rates for Zone Rated rates have been updated. Specifically, Zone Rates, Trailer Interchange, and Long Distance Physical Damage are developed by applying a factor of 1.072 times the 6-01-16 rates.

Note the primary classification liability rating factors for zone rated buses for the following fleet and non-fleet classes have been updated back to 1.00 from CAR's original filing:

Vehicle Classification	Class Code	Original Filing Liability Rating Factor	Current Filing Liability Rating Factor
Airport	5209/5279	1.10	1.00
Inter-City	5309/5379	1.45	1.00
Charter	5409/5479	1.45	1.00
Sightseeing	5509/5579	1.45	1.00

e. **Age-Symbol Relativities**

Age-Symbol Relativities have been updated.

Refer to Schedule 107 for complete tables of Age-Symbol Relativities.

f. **Schedule 107 and Rates**

i. **Trucks, Tractors, and Trailers**

Schedule 107-1 contains the information necessary for the calculation of rates for vehicles classified as truck, tractor, or trailer. The methodology for the calculation of these rates is unchanged. The following should be noted:

- Non zone-rated Collision premiums for truck-tractors and vehicles used in dumping operations are developed by applying a factor of 1.25 times the corresponding truck collision premium. Zone Rated vehicles used in dumping operations are developed by applying a factor of 1.5 times the corresponding truck collision premium.
- Fire, theft, and CAC premiums for the \$500 deductible level are developed by applying a factor of 0.64 times the corresponding \$500 deductible comprehensive premium.
- Calculation of the \$300 deductible fire, theft, and CAC premium follows the same procedure, including a minimum \$5 buyback charge.
- Use TTT medical payments rates for zone rated classifications.
- Physical damage rates for zone rated, trailer interchange, and long distance classes have been updated and are developed by applying a factor of **1.072** times the 06-01-16 rates.

ii. **Private Passenger Types**

Schedule 107-2 contains information necessary for the calculation of rates for vehicles classified as private passenger fleet, and those miscellaneous vehicle classifications with base rates derived from the private passenger non-fleet type. Private passenger non-fleet vehicles (classification code 739100) will continue to be rated using the Servicing Carrier's voluntary filed rate. The methodology for the calculation of these rates for both liability and physical damage remains unchanged.

iii. **Public Vehicle Types**

- **Taxi**

Schedule 107-3 contains the information necessary for the calculation of taxi liability rates. The methodology for the calculation of these rates remains unchanged. For collision and limited collision rates, charge 5 times the private passenger type collision or limited collision rate. For comprehensive rates, charge six times the private passenger type rate.

- **Limousine**

Schedule 107-4 contains the information necessary for the calculation of the limousine liability rates. The methodology for the calculation of these rates remains unchanged. The physical damage rates are developed by applying a factor of 1.5 times the private passenger type rate.

- **Car Service**

Schedule 107-5 contains the information necessary for the calculation of the car service liability rates. The methodology for the calculation of these rates remains unchanged. The physical damage rates are developed by applying a factor of 1.5 times the private passenger type rate.

- **Public Buses**

Schedule 107-6 contains the information necessary for the calculation of the public bus liability rates. The methodology for the calculation of these rates remains unchanged. The physical damage rates are developed by applying a factor of 1.25 times the TTT rate.

- **Van Pools**

Schedule 107-7 contains the information necessary for the calculation of the van pool rates. The methodology for the calculation of these rates remains unchanged.

iv. **Garages**

Schedule 107-8 contains the information necessary for the calculation for garage risks on a per plate basis. The methodology for the calculation of these rates remains unchanged. Garagekeepers premium and dealers physical damage premium are developed by applying a factor of 1.086 to the rates effective June 1, 2016. For garage operations other than covered autos, the calculation of premium on a combined single limit, aggregate basis for compulsory garage risks, and for those garage risks for which a dealer or repair plate has not been issued, will be contained in the Rate Section of the Commercial Automobile Manual.

v. **Special Types**

The factors and rating procedures for special types remain unchanged.

vi. **Motorcycles**

Motorcycle rates have not been updated. Please refer to Motorcycle Rates and ILF's from the 6/1/2016 rates.