

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

Rule Modifications – February 1, 2022

Section II – Common Coverages and Rating Procedures

Rule 20. How to Classify Automobiles

Section D. of Rule 20 has been modified to indicate that vehicles engaging in TNC activities should be classified and rated in accordance with Section V – Public Transportation of the Manual.

Rule 43. Vehicle Sharing Program Exclusion Endorsement

This Rule has been added to specify that the Vehicle Sharing Program Exclusion Endorsement (CR 99 05) must be attached to all commercial residual market policies.

Rule 44. Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion Endorsements

This Rule has been added to specify that the Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion Endorsement (CR 99 06) must be attached to all commercial residual market policies, except those providing coverage for public automobiles.

Section V – Public Transportation

Rule 71. Eligibility

The eligibility requirements in this Rule have been modified to indicate that this Section also applies to those autos used as public livery or conveyance, including autos engaging in public or livery passenger conveyance and on-demand delivery services through a transportation network or delivery network services company.

Rule 72. Public Automobile Classifications

The definition of the car service classification has been modified to clarify that the insured may be under contract with a transportation network or delivery network services company.

Rule 75. Public or Livery Passenger Conveyance and On-Demand Delivery Services – Other Insurance Condition Endorsement

This Rule has been added to specify that the Public or Livery Passenger Conveyance and On-Demand Delivery Services – Other Insurance Condition

Endorsement (CR 99 04) must be attached to all residual market policies that provide coverage for vehicles classified as public transportation.

Rule Modifications – April 1, 2021

Section VII – Special Types and Operations

Rule 126. Specialty and Classic Automobiles and Motorcycles

This Rule has been added to the Manual, effective April 1, 2021. Rule 126 provides the definition of the Specialty and Classic Automobiles and Specialty and Classic Motorcycles classification, identifies the endorsement (CR 99 03) that must be issued with the policy and makes reference to the page in the Rate Section of the Manual for determining premium.

Rule Modifications – July 1, 2020 (Updated December 10, 2020)

Section II – Common Coverages and Rating Procedures

Rule 37. Additional Insured Endorsement – Massachusetts

The Rule has been clarified to reflect that it is the responsibility of the Servicing Carrier to issue the endorsement.

Rule Modifications – July 1, 2020

Section I – General Rules

Rule 1. Application of this Manual

Reference to Chapter VIII – Anti-Theft Standards and Discounts has been removed as this Section has been eliminated.

Section II – Common Coverages and Rating Procedures

Rule 37. Additional Insured Endorsement – Massachusetts

This Rule has been added to Section II to provide instruction on the use of endorsement CR 99 02 for commercial residual market policies.

Rule 41. Combined Single Limit Liability Coverage

The single limit premium calculation example provided has been updated to reflect filed rates and increased limit factors.

Rule 43. Anti-Theft Device Vehicle Recovery System

This Rule has been eliminated, as the anti-theft discount is no longer applicable use in the residual market.

Section III – Trucks, Tractors and Trailers

Rule 55. Premium Development Options for Truckers

In Section D. – Trailer Interchange Agreement, the premium calculation example in Section D.1.b.(6) has been updated to reflect filed rates and factors.

Section VIII – Anti-Theft Standards and Discounts

This Section has been eliminated.

Rule Modifications – September 1, 2019

On July 23, 2019, modifications to Rule 2 – Definitions of CAR's Rules of Operation were deemed approved by the Division of Insurance. The approved modifications amended the definition of Eligible Risk to specify that in order to qualify as an Eligible Risk, the applicant must establish that any person who usually drives the motor vehicle holds or is eligible to obtain a valid operator's license.

Consistent with the modification to Rule 2, an amendment has been made to the following Rule in the Commercial Automobile Insurance Manual.

Section II – Common Coverages and Rating Procedures

Rule 31. Operator Exclusion Form

The amendment requires that that Servicing Carriers should also use the Operator Exclusion Form for any listed operator on the policy who does not hold or is not eligible to obtain a valid license.

Rule Modifications – September 1, 2019

Section III – Trucks, Tractors and Trailers

Rule 52. Trucks, Tractors and Trailers Classifications

Section V – Public Automobiles

Rule 72. Public Automobiles

The amendments made to each of these Rules clarify the definition of zone and assignment of zone combination for those risks that are zone rated.

Rate Section

Zone Rating Tables/Long Distance Zone Definitions

Modifications made to the Zone Rating Tables assure that an appropriate rate is selected based upon whether the automobile's principal place of garaging is in a metropolitan or regional zone.

Rule Modifications – June 1, 2019

Modifications have been made to Rules 52 through 55 in Section III – Trucks, Tractors and Trailers and Rule 72 – Public Automobiles in Section V – Public Transportation of the Commercial Automobile Insurance Manual.

The amendments address the use of garaging location to determine radius class for public vehicles, describe how rating territory for non-zone rated public automobiles is determined and provide clarification and clean-up of existing language.

Section III – Trucks, Tractors and Trailers

Rule 52. Trucks, Tractors and Trailers Classifications

Rule 53. Premium Development – Specified Car Basis – Other than Zone Rated Automobiles

Rule 54. Premium Development – Zone Rated Automobiles

Rule 55. Premium Development Options for Truckers

Minor modifications providing clarification and clean-up of existing language have been made to each of these Rules.

Section V – Public Transportation

Rule 72. Public Automobile Classifications

Section B.2. Primary Classification – Radius Class

For non-zone rated automobiles, the Rule language has been clarified to indicate that rating territory is determined based upon the street address of principal garaging.

Section C.2. – Geographic Classification – Non-Zone Rated Automobiles – Determination of Rating Territory

For non-zone rated automobiles, this Section of the Rule has been updated to state that a rating territory other than the highest rated territory may apply if the risk is able to provide credible documentation that 80% or more of the automobile's operation is outside the highest rated territory. In that instance, the territory of the automobile's highest percentage of operation will be assigned. If the automobile's highest percentage of operation is outside of Massachusetts, the highest rated Massachusetts territory will be assigned, regardless of the automobile's Massachusetts operations.

Minor modifications providing clarification and clean-up of existing language have also been made to this Rule.

Rule Modifications – March 1, 2019

Section II – Common Coverages and Rating Procedures

Rule 28. Hired Automobiles

A rule reference contained in the Cost of Hire Basis section has been updated to identify the proper rule.

Rule 41. Combined Single Limit Liability Coverage

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 55. Premium Development Options for Truckers

In Section D. – Trailer Interchange Agreement, the premium calculation example in Section D.1.b.(6) has been updated to reflect filed rates and factors.

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.