

CAR Commercial Rate – Effective March 1, 2026
Implementation Procedures and Summary of Changes

Below is a description of procedures used to develop rates effective March 1, 2026 including a summary of the changes implemented this year.

The following changes have been incorporated and approved since the original filing:

- **Updates to A-1 and B rates for Limo, Car Service and Buses**
- **Updates to Increased Limit Factors for Van Pools and Buses, and Zone Rated TTTs and Buses**
- **Updates to Rates for Underinsured Motorist Coverage for Motorcycles**

1. 7/1/2025 and subsequent Compulsory Limits

Please note that the BI and PDL base rates included in the schedule 107 are displayed at \$20,000/\$40,000/\$5,000 limits. The rates and rating factors in the schedule 107 can be used to calculate rates at the new minimum compulsory limits and increased limits as described in the Special Rating Instructions in Appendix II of the Manual Rules. The rate pages included in the manual reflect the new minimum compulsory limits and increased limits and may be used by companies to verify their system calculations.

Also note that references to the Compulsory Coverages or related minimum premium amounts within certain rules have been updated to reflect the new minimum limits, where applicable. However, premium development instructions for zone-rated automobiles contained within Rules 54, 55, and 74 continue to refer to the base rates reflected on the rate pages. Servicing Carriers should also use the Special Rating Instructions to bring the base rates up to the new minimum limits.

2. Commission Schedule

For all classes, commissions will be 8.34 % of premiums written.

3. CAR Commercial Automobile Insurance Manual – Manual Rules

Rule 22: The limits of Bodily Injury and Property Damage are updated to reflect the new compulsory limits in effect July 1, 2025.

Rule 40: The limits of Bodily Injury and Property Damage for Other Than Zone Rated automobiles are updated to reflect the new compulsory limits in effect July 1, 2025.

Rule 41: Single limit sample calculation is updated to reflect proposed rates and ILFs.

Rule 55: Trailer interchange premium calculation example is updated to reflect proposed rates.

Rule 63: The limits of Bodily Injury and Property Damage are updated to reflect the new compulsory limits in effect July 1, 2025.

4. CAR Commercial Automobile Policy Forms and Endorsements

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

5. 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. Finally, note that CAR's Experience Rating Plan will continue to determine experience modifications using the basic limits of \$20,000/\$40,000/\$5,000 at this time, until rating methodologies are updated in the AIB's systems.

Specific changes to the experience rating plan include the following:

Liability

- a. Updates to Premium De-Trend Factors
- b. Loss Development Factors for immature years have been updated.
- c. Updates to Table C – Credibility, Adjusted Expected Loss Ratio, and Maximum Single Loss
- d. Examples have been updated.

6. 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)

ILF's for the non-zone rated Bodily Injury (A-1 and B), Property Damage Liability, U-1 (Uninsured), and U-2 (Underinsured) have been updated.

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. Age-Symbol Relativities

Age-Symbol Relativities have been updated.

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

7. Zone Rates

This filing updates base rates, age/symbol factors, and increased limit factors. Age rate symbol factors are now calculated separately.

a. Base Rates

The updated liability and physical damage zone rates can be found in the rate pages.

b. State Rating Factor

CAR maintains a 20% rating differential for vehicles garaged outside of MA, NH, VT, and ME.

c. Zone Rated Primary Rating Factors

The primary rating factors for zone rated buses are unchanged.

d. Increased Limit Factors

Separate BI ILF tables for the zone-rated classifications in this filing have been updated.

e. Trailer Interchange Agreement Physical Damage Premium Calculation

The zone rating factors used to calculate the physical damage premiums for coverage afforded with a trailer interchange agreement are unchanged.

8. Schedule 107 and Rates

a. 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 1.50 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 \$4 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.

b. 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.

c. 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 6 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.

d. 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 1.129 to the rates effective December 1, 2023. 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.

e. **Special Types**

The factors and rating procedures for special types remain unchanged. Special Types premium are developed by applying a factor of 1.035 to the rates effective December 1, 2023.

f. **Motorcycles**

The motorcycle rates have been updated, including the base rates, increased limit factors, and the deductibles.