

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

Rule Modifications – January 1, 2027

The following describes amendments to the Commercial Automobile Insurance Manual to incorporate references to the new coverage forms as well as relevant endorsement forms. It also introduces the addition of Appendix I – Policy Forms and Endorsements.

Section I – General Rules

Rule 1 – Application of This Manual

Section B has been modified to replace Garage Dealers with Auto Dealers

Rule 3 – Policies and Coverages

A new section B – Commercial Automobile Residual Market Insurance Program is added to set forth the policy coverage forms and endorsements required for use when writing business auto, truckers/motor carrier, and auto dealers coverage. Language relative to risks not subject to the compulsory law is restructured to include required endorsements.

The remaining sections of this rule are renumbered accordingly.

Section D – Mandatory Offer includes a new section to identify limits available under CAR’s taxi program pursuant to Rule 6 of CAR’s Rules of Operation. Furthermore, reference is added to note that Servicing Carriers are responsible to attach all forms or endorsements required by law or regulation to afford coverage pursuant to financial responsibility laws.

Rule 4 – Standard Procedures

Section A.4 – Renewals is modified to include an additional reason for cancellation for failure to demonstrate risk eligibility for placement in the residual market.

Rule 7 – Premium Computation

Language is added to reflect the process for recalculating premium if the rates that are in effect when the policy is prepared differ from the rates that will apply at policy inception, referencing the use of MM 99 68 - Premium Adjustment and Coverage Endorsement - Massachusetts

Section II – Common Coverages and Rating Procedures

Rule 20 - How to Classify Automobiles

Section E is modified to replace Garage Dealers with Auto Dealers.

Rule 26 – Drive Other Car Coverage

Section A.1 is modified to reference Individual Named Insured Endorsement (CA 99 17).

Section A.2 is modified to include the spouse of an individual insured written under the Auto Dealers form.

Section B is modified to reference Drive Other Car Coverage Endorsement (MM 99 22).

Rule 27 – Non-Ownership Liability

Rule 27 and Rule 32 are combined to address non-ownership liability requirements under a single rule. Modifications broaden the definition of volunteer, provide coverage for Partners and LLCs, and remove the Social Service Volunteer definition. References to Liability Coverage for Volunteers Endorsement (CA 05 24) and Partners or Members As Insureds Endorsement (CA 05 25) are also added.

Rule 28 – Hired Automobiles

Section A.1.b is modified to reference Lessor – Additional Insured and Loss Payee Endorsement (MM 20 26) and Additional Insured – Owner of Leased Vehicle Endorsement (MM 20 25).

Section A.3 is added to reference Employee As Lessor Endorsement (CA 99 47).

Section B – Cost of Hire – Liability Coverages, B.1 is modified to add reference to Motor Carriers and B.3 is added to provide details regarding Volunteer Hired Autos Endorsement (CA 04 39).

Rule 30 – Medical Payments

Section C is modified to replace garage references with auto dealer.

Rule 31 – Operator Exclusion Form

This rule is modified to eliminate the version number of the Operator Exclusion Form. All form version numbers are referenced in the appendix to ensure efficient updates as needed.

Rule 32 – Reserved For Future

The current rule (Partnership as the Named Insured Non-Ownership Liability) is eliminated and combined with Rule 27 – Non-Ownership Liability.

Rule 33 – Rental Reimbursement (Coverage Code 083)

Section B is added to reference Loss of Use/Rental Reimbursement Coverage Endorsement (MM 99 39).

Rule 34 – Individual As The Named Insured

Section A.3 is added to reference Individual Named Insured Endorsement (CA 99 17).

Section B is modified to include the spouse to be in sync with Rule 26.

Rule 35 – Uninsured Motorist Insurance

This rule is modified to add details regarding Uninsured Motorist Coverage Endorsement (MM 99 28).

Rule 36 – Underinsured Motorist Insurance

This rule is modified to reference Underinsured Motorist Coverage Endorsement (MM 99 54).

Rule 38 – Financial Responsibility Laws – Certification

Section B – Premium Calculation, 1.a is updated to reflect “Auto Dealer.”

Rule 42 – Physical Damage Coverage Rating Procedures

Section B is modified to reference Waiver of Deductible – Massachusetts Endorsement (MM 99 17).

Section D – Stated Amount, under Section 2 – Determination of Premium, section d is added to reference Stated Amount Insurance Endorsement (MM 99 56).

Section E – Agreed Value Basis, #3 is added to reference Agreed Value Coverage Endorsement (MM 99 66).

Rule 44 – Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion Endorsement

This rule is modified to reflect the current version of the Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion Form (CA 23 45).

Rule 45 – Audio, Visual And Data Electronic Equipment

Section B is modified to reference Sound Receiving Equipment Coverage – Fire, Police and Emergency Vehicles Endorsement (CA 20 02).

Section D is added to provide details regarding Physical Damage Coverage using Audio, Visual and Data Electronic Equipment Coverage Added Limits Endorsement (CA 99 06).

Rule 46 – Pollution Liability

Sections A and B of this rule are modified to eliminate reference to the Truckers Coverage Form and replace Massachusetts Garage Insurance Policy with Auto Dealers Coverage Form. Reference to Auto Dealers MA Mandatory Endorsement MM 25 01 is also added.

Section C is modified to instruct carriers to attach the Auto Dealers Total Pollution Exclusion (CA 25 36) to the Auto Dealers Coverage Form to address pollution coverage for non-covered auto coverage. Reference is added to this Rule rather than in Auto Dealers section to address all pollution coverage issues in one Rule.

The remaining sections in this rule are renumbered accordingly.

Section E.1 eliminates Truckers Coverage Form

Section E.2 changes Garage Policies to Auto Dealers

Rule 47 – Leased Workers Coverage

This rule is added to provide details regarding the Coverage For Injury to Leased Workers Endorsement CA (23 25).

Rule 48 – Abuse or Molestation Exclusion

Section A is added to provide details regarding the Abuse Or Molestation For Covered Autos Liability Exposure Endorsement (CA 28 03).

Section B is added to provide details regarding the Abuse Or Molestation For General Liability And Acts, Errors Or Omissions Liability Coverages Endorsement (CA 27 21).

Rule 50 – Terrorism Exclusion

This rule is added to provide details regarding the Exclusion of Terrorism Above Minimum Statutory Limits Endorsement (CA 23 86).

Section III – Trucks, Tractors and Trailers

Rule 51 – Eligibility

Section A.3 is modified to change gross vehicle of 10,000 pounds or less to 16,000 pounds or less.

Rule 52 – Trucks, Tractors and Trailers Classifications

Section B.2. Size Class – Trailers is modified to change the load capacity of 2,000 pounds to gross vehicle weight rating of 3,000 pounds to be consistent with language in the Business Auto Policy.

Rule 53 – Premium Development – Specified CAR Basis – Other Than Zone Rated Automobiles

Section A – Updates the word “Schedule” to “Definitions” when referring to Territory.

Section C. Premium Computation – Section 3 is added for Towing and Labor Coverage as directed by the Committee.

Rule 55 – Premium Development Options for Truckers

Section C – Bobtail Operations is modified to reference Motor Carriers – Insurance for Non-Trucking Use - Massachusetts (MM 23 07).

Section D – Trailer Interchange Agreement adds language to reference both the Motor Carrier Endorsement CA 23 30 and Trailer Interchange – Fire and Fire and Theft Coverage Endorsement (CA 23 13) for Comprehensive coverage.

Section D also adds language to reference Truckers – Uniform Intermodal Interchange Endorsement CA 23 17.

Endorsements:

The Committee is recommending the withdrawal of the Truckers – Excess Coverage for The Named Insured and Named Lessors for Leased Autos Endorsement CA 23 08 and the Truckers – Named Lessee as Insured Endorsement CA 23 12. The two endorsements must be in accordance with a written hold harmless agreement, which is not applicable in the residual market, nor does CAR currently have rates nor rules for these endorsements.

Section IV – Private Passenger Types

Rule 63 – Premium Development

Section A.2 is modified to refer to Territory Definitions rather than Territory Schedule.

Section V – Public Transportation

Rule 71 – Eligibility

This rule is modified to add reference to Public Transportation Autos Endorsement (CA 24 02).

Rule 72 – Public Automobile Classification

Section A.1.c adds language to clarify fleet classification and rating for trailers.

Section C.2 is modified to change the word “Schedule” to “Definitions” when referring to Territory.

Rule 73 – Premium Development – Other Than Zone Rated Automobiles

Section A is modified to change the word “Schedule” to “Definitions” when referring to Territory.

Rule 74 – Premium Development – Zone Rated Automobiles

Section B.2.e is modified to clarify territory rating for vehicles garaged out of state.

Section VI – Auto Dealers

I. Risks Subject to the Massachusetts Compulsory Law

Rule 86 – Eligibility

Section A is modified to eliminate references to the Massachusetts Garage Insurance Policy, which are replaced by references to the Auto Dealers Coverage Form (CA 00 25) and Auto Dealers MA Mandatory Endorsement (MM 25 01).

A new section B is added to reference the Covered Auto Designation Symbol Endorsement (CA 99 54) to provide coverage for covered autos while used with a dealer or repair plate issued by the MA RMV.

Section C – Classification and Codes outlining is updated due to the addition of Section B and table headings are updated to be consistent with Rule 87 – Liability Coverage.

Rule 87 – Liability Coverage

Throughout the Rule, references to “Limited Liability Coverage for Customers” are replaced with “Without Full Covered Auto Liability Limit for Customers Coverage” and references to “Unlimited Liability Coverage” are replaced with “Full Covered Auto Liability Limit for Customers”.

Section B.2 is also modified to replace the reference of “Garages” with “Auto Dealers”.

Rule 88 – Premium Development

This rule is retitled for clarification.

Updates the word “Schedule” to “Definitions” when referring to Territory.
References to “Limited” and “Unlimited” customer coverage are updated as described above.

References to “Other Than Covered Auto Liability” are replaced with “General Liability” to be consistent with the Auto Dealers Coverage Form.

Rule 89 – Medical Payments Insurance

This rule is modified to be consistent with the Auto Dealers Coverage Form.

Section A notes that Auto Dealers Locations and Operations Medical Payment Coverage is included in the Auto Dealers Coverage Form. Also, a reference to the Exclusion – Locations and Operations Medical Payments Endorsement (CA 25 52) has been added.

Section B provides a reference to the Automobile Medical Payments Coverage Endorsement (MM 99 13).

The remaining sections are renumbered due to the additions of Sections A and B.

Reference to “Garage” is also replaced with “Auto Dealers”.

Rule 90 – Additional Provisions

This rule is updated to include the words “Auto Dealers.”

Section B is modified to change the layout to be consistent with Rule 90.A.

Rule 91 – General Liability Exclusionary Endorsements

This rule is added to include all the Auto Dealers General Liability Exclusions adopted by CAR. Language is added to indicate that all endorsements must be attached to the Auto Dealers Coverage Form.

Section A adds reference to Locations and Operations Not Covered Endorsement (CA 25 07).

Section B adds reference to Cannabis Exclusion for General Liability Coverages Endorsement (CA 27 12).

Section C adds reference to Unmanned Aircraft Exclusion for General Liability Coverages (Bodily Injury and Physical Damage only) Endorsement (CA 27 06).

Section D adds reference to Exclusion – Cross Suits Liability for General Liability Coverages Endorsement (CA 27 16).

Section E adds reference to Exclusion – Acts, Errors or Omissions Liability Coverages Endorsement (CA 25 63).

Section F adds reference to Exclusion – Personal and Advertising Injury Liability Coverages Endorsement (CA 25 54).

Section G adds reference to Exclusion – Damage to Rented Premises Endorsement (CA 25 50).

II. Garagekeepers Insurance

Rule 95 - Eligibility

Section A was added to clarify that the Garagekeepers Coverage Endorsement (CA 99 37) is attached when using the Business Auto Policy (CA 00 01), and not with the Auto Dealers Coverage Form (CA 00 25). That is, the endorsement is used to provide garagekeepers coverage for risks classified pursuant to Rule 124.F.

Section B is added to reference the use of the On-Hook Coverage Endorsement (CA 04 52) to provide the option for On-Hook Coverage under the Business Auto Policy when garagekeepers coverage is not applicable or the towing operation includes transporting between locations other than the insured's specified locations.

Section C is renamed due to the additions of Section A and B.

III – Garage Physical Damage Coverage

This section is retitled to replace “Garage” with “Auto Dealers.”

Rule 100 – Specified Car Basis

Section A changes the reference of “Garage” to “Dealers”

Rule 105 – Dealers Drive-Away Collision Coverage

This rule is modified to add reference to Dealers Driveaway Collision Coverage Endorsement (CA 25 02).

Endorsements:

The Committee is recommending the withdrawal of the Additional Insured – Lessor of Leased Equipment Endorsement (CA 20 47) and Franchised Products Endorsement (MM 25 97). There are currently no rules that reference these endorsements nor are there rates applicable to them.

Section VII – Special Types and Operations

Rule 111 – Premium Development

Section C is modified to change the word “Schedule” to “Definitions” when referring to Territory.

Rule 115 – Automobile Body Manufacturers and Installers

Changes reference of “garage dealers” to “auto dealers”.

Rule 120 – Leasing or Rental Concerns

Section C – Premium Determination is modified to change the word “Schedule” to “Definitions” when referring to Territory.

Section C.2 – Specified Car Basis (Short Term) is modified to add reference to Leasing or Rental Concerns – Rent-It-There/Leave-It-Here Autos Endorsement (CA 20 12).

Section D – Conversion, Embezzlement or Secretion Coverage is modified to include an additional reference to Leasing or Rental Concerns – Conversion, Embezzlement or Secretion Coverage Endorsement (CA 20 10) in section one.

Section E – Exclusion of Certain Leased Autos is added to reference Leasing or Rental Concerns – Exclusion of Certain Leased Autos Endorsement (CA 20 11).

Section F – Schedule of Limits for Owned Autos is added to reference Leasing or Rental Concerns – Schedule of Limits for Owned Autos Endorsement (CA 20 13).

Rule 122 – Motorcycles and Similar Vehicles

Section D is added to reference Guest Occupants Exclusion Endorsement (MM 20 06).

Rule 124 – Registration Plates Not Issued for a Specific Automobile

Section B – Farmer’s Special Plates is modified to add reference to the class code, consistent with other rules.

Section C and D are modified to replace Garage Dealers with Auto Dealers.

Section F.1 adds the word “class code” in front of each class code number referenced, consistent with other rules.

Section F.2 – is modified to replace Garage Dealers with Auto Dealers.

Rule 125 – Special or Mobile Equipment

Section B is modified to add reference to Farm Tractors and Farm Tractors Equipment Endorsement (CA 20 08).

Endorsements:

The Committee is recommending the withdrawal of the Leasing or Rental Concerns – Contingent Coverage Endorsement CA 20 09 and the Leasing or Rental Concerns – Second Level Coverage Endorsement CA 20 14. There are no applicable rates for these endorsements.

Note that future additional amendments to CAR’s Manual Rules that may be approved through January 1, 2027 will also be incorporated into the January 1, 2027 Manual Rules as directed by the Division of Insurance.