

A. Standards for Validating the “Nerve Center” Principal Place of Business

1. Determination of Eligibility

In determining whether a risk is eligible for placement in the commercial automobile residual market, Servicing Carriers and Exclusive Representative Producers (ERPs) are required to validate whether or not the risk’s declared principal place of business meets the “nerve center” test.

Operations taking place in the corporation’s “nerve center” may include, but are not limited to:

- a. Computer/monitoring systems that track the location of the vehicles
- b. Scheduling systems for vehicle operations and corresponding routes
- c. Systems for responding to vehicles requiring roadside or emergency assistance
- d. Payroll systems
- e. Depending upon the business operation, commensurate hours of operation
- f. Telephone systems to handle customer service, driver assistance, maintenance and repair, vendor and/or employee communications
- g. Treasury management systems for disbursing and collecting funds
- h. Administrative activities to support business operations

Note that a mail drop box, a bare office with a computer, or a location where executives only occasionally meet, does not qualify as Principal Place of Business for the purpose of determining a risk’s eligibility for cession to the Massachusetts commercial automobile residual market.

2. Principal Place of Business Certification Form

a. Servicing Carrier Responsibilities

Servicing Carriers will require their ERPs to submit a signed Principal Place of Business Certification Form attesting to the information submitted on the application on all risks for insurance pursuant to the insured’s principal place of business.

b. Exclusive Representative Producer Responsibilities

ERPs must provide a signed Principal Place of Business Certification Form on all risks to their Servicing Carrier attesting to the information submitted on the application for insurance. The certification must be signed and dated by the insured and writing producer to confirm that the risk meets the definition of Principal Place of Business as specified in Rule 2 – Definitions of CAR’s Rules of Operation.

The form is located on the Reports page of CAR’s website under the Commercial Only Forms, Manuals link. Refer to Exhibit X-A-1.

3. Underwriting Tools and Opportunities

a. Servicing Carrier Underwriting Tools and Opportunities

1) Proof of Principal Place of Business

Servicing Carriers should take advantage of, but are not limited to, the following options in determining risk eligibility relative to the principal place of business and “nerve center”:

a) The Secretary of Commonwealth’s Corporations Division website should be used to determine:

- i. If the risk and/or the risk’s Federal Employer Identification Number (FEIN) is registered with the Corporations Division
- ii. The date of origination
- iii. The identity of the risk’s officers, directors, partners and/or managers
- iv. The location of the risk’s principal office in Massachusetts;
- v. The state in which the risk was organized
- vi. The individual(s) who signed the organizational documents for the risk

b) An Internet search engine should be used to determine if the risk has a website for Massachusetts and/or other state operations and to verify office location(s) or if information is available relative to any of the corporate officers.

- c) The Registry of Motor Vehicles (RMV) systems should be used to determine if the risk's officers, directors, partners and/or managers have a Massachusetts address/operator's license and to determine if the risk previously was insured with a Massachusetts carrier.
 - d) Loss runs, if available, should be reviewed to determine if the risk's operations are in Massachusetts.
 - e) Federal Motor Carrier Safety Administration (FMCSA) filings, if applicable, should be reviewed to verify address on the risk's new business application.
- 2) Additional Information that May be Requested by the Servicing Carrier to Validate Principal Place of Business

The Servicing Carrier may request the risk and/or ERP to provide additional information, including, but not limited to, those items listed in Section A.3.b. of this Chapter. An SIU investigation may also be requested. As part of the underwriting process and/or SIU investigation, the risk's principal/owner will be required to corroborate information collected by the writing ERP.

3) Principal Place of Business Audits

Pursuant to Rule 10 – Claims of CAR's Rules of Operation, Servicing Carriers are required to conduct audits on representative samples of policies to verify garaging and policy facts.

However, market conditions may warrant increased awareness and focus on specific classifications of business due to suspected fraud, increased loss experience, or other negative impacts on the commercial automobile residual market during the Servicing Carrier contract period. If such occasions occur, the specific classifications will be identified through CAR's committee process, and Servicing Carriers will be required to engage their SIUs to conduct mandatory investigations involving the principal place of business.

The industry will be notified, via a CAR Bulletin, of those classifications for which enhanced focus on validating principal place of business is required.

b. Exclusive Representative Producer Underwriting Tools and Responsibilities

1) Proof of Principal Place of Business

ERPs should ascertain the following in determining risk eligibility relative to the principal place of business and "nerve center" prior to

submitting a risk to their Servicing Carrier for placement in the commercial auto residual market:

- a) Whether the company is headquartered in Massachusetts and meets the definition of Principal Place of Business as specified in Rule 2 – Definitions of CAR’s Rules of Operation
- b) Whether company reports, documentation and financial records originate in the Massachusetts office
- c) How long the company has been at the Massachusetts location
- d) Whether the company has officers, directors, partners and/or managers residing in other states, and, if so, where
- e) Whether business/corporate decisions and orders solely emanate from the Massachusetts principal place of business of the company, and if not, describe corporate communications
- f) Whether the principal owner, officers, directors, partners and/or managers all reside in Massachusetts and if not, describe the residency of each
- g) The number of employees working out of the Massachusetts principal place of business and how many are in Massachusetts versus out of state
- h) Identify the registration of all vehicles and if they are registered in Massachusetts versus other states
- i) Identify the operators/drivers for the company that are licensed/hired in Massachusetts
- j) How often the principal/owner of the company is in the company’s Massachusetts headquarter office
- k) Whether the payroll for the company is handled through the Massachusetts principal place of business location
- l) The business hours of the Massachusetts principal place of business location of the company

- 2) Additional Information that ERPs Will be Required to Provide to the Servicing Carrier

At the Servicing Carrier's request, the ERP/risk will also be required to provide information including, but not limited to, the following:

- a) Pictures of the Massachusetts location and garaging locations if different from a Massachusetts mailing address
- b) Name and location of shop providing repair and maintenance on the vehicles
- c) Percentage of revenue derived from Massachusetts operations versus other states
- d) Tax returns
- e) A copy of the risk's lease and/or other documents pursuant to the establishment of an operational office location in Massachusetts (utility bills, bank statements, tax documents, payroll records, workers comp. policy, etc.)
- f) A list of any other address locations from which the business operates and what type of activities occur at those locations

EXHIBIT X-A-1

CR 00 01 08 18

PRINCIPAL PLACE OF BUSINESS CERTIFICATION FORM

*** TO BE CERTIFIED BY ALL APPLICANTS PRIOR TO PLACEMENT IN THE COMMERCIAL
AUTOMOBILE INSURANCE RESIDUAL MARKET (CAR) ***

By submitting this application, I represent that the applicant's principal place of business is located in Massachusetts. Principal Place of Business, as it applies to the definition of an Eligible Risk, is defined as the chief or usual place of business. It is the corporation's nerve center, its center of direction, control, and coordination, the place where the principal officers generally transact business and the place to which reports are made and from which orders emanate. It is the place where the majority of executive and administrative functions are performed*. I understand that I am required to cooperate with and notify the insuring carrier of any change to information presented in the application, including information pertinent to the identified principal place of business, during the policy period. **I also understand that, if found responsible for fraud or material misrepresentation in the application or any extension or renewal of the policy, the insurance company can cancel or rescind all or part of the insurance and/or deny coverage of a claim pursuant to the provisions of the policy and applicable law.** By signing below, I hereby certify that all information provided herein and all other information submitted with the company's application is true and accurate.

Name of Business: _____

Address of Principal Place of Business: _____

Printed Name of Applicant's Authorized Representative: _____

Signature of Applicant's Authorized Representative: _____

Title: _____

Date: _____

Witness to the Signator and Signing above:

Signature of Producer: _____

Printed Name of Producer: _____

Agency Name: _____

Date: _____

MA Fraud Warning: "Any person who knowingly and with the intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any material false information, or conceals for the purpose of misleading information concerning any fact material thereto, may be committing a fraudulent insurance act, which may be a crime and may subject the person to criminal and civil penalties."

---Documentation to be submitted to the insuring Servicing Carrier, copy to be retained by Producer---

* Commonwealth Automobile Reinsurers Rules of Operation, Chapter 2 – Definitions
(ed. 08-18)

B. Standards for Validating Non-Fleet Private Passenger Type Classifications

1. Determination of Eligibility

In determining whether a non-fleet private passenger type risk is eligible for placement in the commercial automobile residual market, Servicing Carriers are required to validate the information provided by the risk and writing producer. If the application asserts/suggests a business entity/operation, the Servicing Carrier must validate that a commercial automobile business entity/operation exists. Risks not meeting the defined eligibility criteria are not eligible to be placed in the commercial automobile residual market.

2. Non-Fleet Private Passenger Type Certification Form

a. Servicing Carrier Responsibilities

Servicing Carriers will require their Exclusive Representative Producers (ERPs) to submit a Non-Fleet Private Passenger Type Certification Form attesting to the information submitted on the application for insurance pursuant to the insured's business entity. The certification must be signed and dated by the insured and writing producer.

b. Exclusive Representative Producer Responsibilities

ERPs must obtain a completed, signed and dated Non-Fleet Private Passenger Type Certification Form for each non-fleet private passenger type risk and submit it to their Servicing Carrier for placement of the risk in the commercial automobile residual market. The ERP must advise the insured that the Non-Fleet Private Passenger Type Certification Form requires the insured's cooperation in notifying the insuring carrier of any change to information presented in the application, including information pertinent to the ownership and permissive operators of the vehicle(s) during the policy period.

The certification form may also be required for renewal business at the discretion of the Servicing Carrier.

The Non-Fleet Private Passenger Type Certification Form is located on the Reports page of CAR's website under the Commercial Only Forms, Manuals link. Refer to Exhibit X-B-1.

3. Underwriting Tools and Opportunities

a. Servicing Carrier Underwriting Tools and Opportunities

1) Proof of Business Entity

Servicing Carriers should take advantage of, but are not limited to, the following options for determining whether the business entity is eligible for placement in the commercial automobile residual market:

- a) The Secretary of Commonwealth's Corporations Division website should be used to determine:
 - i. If the risk and/or the risk's Federal Employer Identification Number (FEIN) is registered with the Corporations Division
 - ii. The date of origination and current status
 - iii. The identity of the risk's officers, directors, partners and/or managers, including ownership and address information
 - iv. The individual(s) who signed the organizational documents for the risk
- b) An Internet search engine should be used to determine if the risk has a website for its stated business entity/operation.
- c) An internet mapping site should be used to assess business address, public and street presence.
- d) The RMV systems should be used to verify whether the risk's officers, directors, partners and/or managers have a Massachusetts address/operator's license and to determine if the risk previously was insured with a Massachusetts carrier. The RMV systems should also be used to verify that the vehicle registration(s) is in the name of the business entity/operation and confirm all operator information listed on the application and Non-Fleet Private Passenger Type Certification Form.
- e) Assess whether prior insurance coverage was provided for the business entity/operation and the history of that coverage (i.e. cancellation/non-renewal reason, etc.).
- f) One or more of the following should be obtained:
 - i. Contract for services with a customer relative to the listed business entity/operation

- ii. Tax filing information for the business (Schedule C if filing an individual return)
 - iii. Workers Compensation Insurance Policy
 - iv. General Liability Insurance Policy
 - v. If there was prior insurance coverage, a copy of the declarations page
 - vi. Copies of leases and utility bills
- g) An SIU investigation should be requested, when necessary, to determine if the risk is a business entity.

2) Business Entity/Operation Eligibility Audits

Pursuant to Rule 10 – Claims of CAR’s Rules of Operation, Servicing Carriers are required to conduct audits on representative samples of policies to verify garaging and policy facts.

However, market conditions may warrant increased awareness and focus on specific classifications of business due to suspected fraud, increased loss experience, or other negative impacts on the commercial automobile residual market during the Servicing Carrier contract period. If such occasions occur, the specific classifications will be identified through CAR’s committee process, and Servicing Carriers will be required to engage their SIUs to conduct mandatory investigations involving the eligibility of the business entity/operation.

The industry will be notified, via a CAR Bulletin, of the specific classifications for which enhanced focus on validating the eligibility of the business entity/operation is required.

b. Exclusive Representative Producer Responsibilities

1) Proof of Business Entity

The ERP will also be responsible for assisting in the verification and confirmation of information regarding the risk’s eligibility for commercial automobile residual market coverage including, but not limited to:

- a) Corporate Documentation: From the Secretary of Commonwealth’s Corporations Division website, obtain validation of the risk and/or the risk’s Federal Employer Identification Number (FEIN) being registered with the Corporations Division and includes, the Date of Origination, Current Status, the identity of the risk’s officers,

directors, partners and/or managers – ownership and address information and who signed the organizational documents for the risk.

- b) An Internet search engine should be used to reflect that the risk has a website for its stated business entity/operation.
- c) Vehicle Usage: The Registry of Motor Vehicles systems should be used to determine if the registration of the vehicle(s) is consistent with the name of the business entity/operation.
- d) Vehicle Operators: All permissive operators of the vehicle(s) and associated license information should be listed on the application for insurance. If an operator listed on the application has a valid license from a country or territory approved by the Massachusetts RMV, list that information on the Non-Fleet Private Passenger Type Certification Form.

If the owner(s) of the business entity/operation does/do not have a valid driver's license and is/are not listed on the application as an operator(s), obtain a signed Operator Exclusion Form from the owner(s). The Operator Exclusion Form is located on the Reports Page of CAR's website under the Commercial Only Form, Manuals link. Refer to Exhibit X-B-2.

- e) Prior insurance coverage information for the business entity/operation and the history of that coverage (i.e. cancellation/non-renewal reason, etc.) should be obtained.
- 3) Additional Information that ERPs are Required to Provide to the Servicing Carrier

The ERP/risk will be required to provide at least one, or at the request of the Servicing Carrier, more of the following documentation with the application:

- a) Contract for services with a customer relative to the listed business entity/operation
- b) Tax filing information for the business (Schedule C if filing an individual return)
- c) Workers Compensation Insurance Policy
- d) General Liability Insurance Policy
- e) If there was prior insurance coverage, a copy of the declarations page
- f) Copies of leases and utility bills

EXHIBIT X-B-1
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NON-FLEET PRIVATE PASSENGER TYPE (NF-PPT) CERTIFICATION FORM

*****TO BE CERTIFIED BY ALL NF-PPT APPLICANTS PRIOR TO PLACEMENT IN THE COMMERCIAL AUTOMOBILE INSURANCE RESIDUAL MARKET (CAR)*****

NAME OF BUSINESS: _____

DESCRIPTION OF BUSINESS: _____

Submit a copy of ***at least one*** or, at the request of the Servicing Carrier, more of the following documentation with the application:

1. Contract for services with a customer relative to the listed business entity/operation
2. Tax filing information for the business (Schedule C if filing an individual return)
3. Workers Compensation Insurance Policy
4. General Liability Insurance Policy
5. If prior insurance coverage, copy of declarations page
6. Copies of leases and utility bills

If documents are not available, please explain: _____

VEHICLE USAGE:

How are vehicles used in your business? _____

VEHICLE OPERATORS:

Number of employees: Full Time: _____ Part Time: _____

ALL EMPLOYEES, FAMILY MEMBERS AND ANY OTHERS WHO HAVE PERMISSION TO DRIVE ONE OR MORE OF THE VEHICLES MUST BE LISTED ON, OR INCLUDED WITH THE APPLICATION FOR INSURANCE (A LICENSE NUMBER, STATE OR COUNTRY OF ISSUANCE MUST BE INCLUDED FOR EACH).

FOR ANY OPERATOR LISTED ON THE APPLICATION *WITH A VALID LICENSE FROM A COUNTRY OR TERRITORY APPROVED BY THE MASSACHUSETTS RMV, THE FOLLOWING MUST ALSO BE COMPLETED:*

1.) OPERATOR NAME: _____

LICENSE #: _____ STATE/COUNTRY: _____

DATE OF ARRIVAL IN THE U.S. _____

2.) OPERATOR NAME: _____

LICENSE #: _____ STATE/COUNTRY: _____

DATE OF ARRIVAL IN THE U.S.: _____

For additional operators that meet this criteria, attach information listing the above information

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NON-FLEET PRIVATE PASSENGER TYPE (NF-PPT) CERTIFICATION FORM

OWNER(S) NOT LISTED AS AN OPERATOR(S) OR NOT LICENSED

If the owner(s) of the business does not have a valid driver's license and is/are not listed on the application as an operator(s), a Driver Exclusion Form must be signed and submitted with the application. In addition, the/those owner(s) will sign the following:

I have voluntarily chosen not to list myself as a driver on the application. I understand and agree that if an unlisted owner is involved in a claim, there may be no coverage under my policy because of the Material Misrepresentation provision of the policy. Owner(s) Signature(s): _____

SIGNED CERTIFICATION OF BUSINESS ENTITY AND VEHICLE USAGE

The application I submitted herewith represents that my vehicles are used to further my business objectives. I understand and agree that the Company is entitled to examine books and records as they relate to the premium for this policy at any time during the policy period. This may include verification of actual business use of the vehicles. I certify that I have listed on the application all my employees, family members and others who have permission to drive one or more of the vehicles listed in my application. I understand that I am required to cooperate with and notify the insuring carrier of any change to information presented in the application, including information pertinent to the ownership and permissive operators of the vehicle(s), during the policy period. **I understand that, if found responsible for fraud or material misrepresentation in the application or any extension or renewal of the policy, the insurance company can cancel or rescind all or part of the insurance and/or deny coverage of a claim pursuant to the provisions of the policy and applicable law.** By signing below, I hereby certify that all information provided herein and all other information submitted with the company's application is true and accurate.

Signature of Owner/Applicant's Authorized Representative: _____

Printed Name of Owner/Applicant's Authorized Representative: _____

Title: _____

Date: _____

Witness to the Signator and Signing above:

Signature of Producer: _____

Printed Name of Producer: _____

Agency Name: _____

Date: _____

MA Fraud Warning: "Any person who knowingly and with the intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any material false information, or conceals for the purpose of misleading information concerning any fact material thereto, may be committing a fraudulent insurance act, which may be a crime and may subject the person to criminal and civil penalties."

---Documentation to be submitted to the insuring Servicing Carrier, copy to be retained by Producer---
(ed. 08-18)

EXHIBIT X-B-2

MASSACHUSETTS ENDORSEMENT – CR 99 01 08 18

Operator Exclusion Form

It is agreed by the insurance company, the policyholder and the person named below (the Excluded Operator), that the Excluded Operator will not operate the vehicle(s) described below, or any replacement thereof, under any circumstances whatsoever.

Named Insured: _____

Excluded Operator: _____

Vehicles (Complete Section A **OR** Section B):

A. _____ (Check if applicable) Any and All Vehicles Listed or Covered on the policy during the policy term

OR

B. Specific Vehicle(s)

Vehicle Description: _____

Vehicle Description: _____

Vehicle Description: _____

Vehicle Description: _____

The policyholder and Excluded Operator understand and agree that the insurance company will not pay under the optional insurance parts of the policy for any injury or damage arising out of the operation or use of the vehicle(s) described above, by the Excluded Operator.

The policyholder and Excluded Operator understand and agree that this Operator Exclusion Form will continue in full force and effect in any subsequent renewal or replacement of the policy until the policyholder and the insurance company withdraw this form in writing.

Date

Policyholder/Authorized Representative Signature

Date
(ed. 08-18)

Excluded Operator's Signature

C. Standards for Determining and Validating Radius Class and Geographic Classification of Trucks, Tractors and Trailers and Public Automobiles

To properly classify trucks, tractors and trailers and public automobiles, CAR's Commercial Automobile Insurance Manual directs that principal garaging and principal operation are factors used to determine radius and geographic classification as follows:

	<u>Principal Garaging</u>	<u>Principal Operation</u>
Radius Classification	TTTs and Publics	TTTs and Publics
Zone Combination	Zone Rated TTTs and Publics	Zone Rated TTTs and Publics
Rating Territory	Non-Zone Rated TTTs	Non-Zone Rated Publics

Pursuant to Rule 20 – How to Classify Automobiles of CAR's Commercial Automobile Insurance Manual, upon request of the Servicing Carrier, the applicant shall be required to substantiate with permanent records that the automobile is being used as set forth in the application or renewal questionnaire.

Servicing Carriers and Exclusive Representative Producers (ERPs) will validate an automobile's principal place of garaging and principal geographic area of operation to determine radius and geographic classification as follows:

1. Determining and Validating Principal Garaging

Principal garaging is the location at which the automobile is garaged the majority of the time that the automobile is not in regular use. Servicing Carriers and ERPs may use, but are not limited to, the following tools to verify principal garaging:

- a. Google Maps
- b. Registry of Motor Vehicles
- c. Secretary of the Commonwealth Corporations Division website
- d. The risk's website
- e. Federal Motor Carrier Services Administration (FMCSA) website

In the event that inconsistencies are identified during the course of the underwriting and/or SIU review, the applicant must provide credible

documentation, such as lease agreements or property owner certification, to validate garaging as represented on the application.

2. Determining and Validating Principal Operation

To properly classify Trucks, Tractors and Trailers and public automobiles, Servicing Carriers and ERPs shall take advantage of, but not be limited to, the following options to validate an automobile's principal geographic area of operation:

- a. Form IFTA-101 – IFTA Quarterly Fuel Use Tax Schedule
- b. Individual Vehicle Mileage Reports
- c. Trip Logs
- d. Central Analysis Bureau (CAB) reports
- e. Safety and Fitness Electronic Records (SAFER)
- f. SafeStat Systems
- g. Executed service provider contracts

Based on the documentation indicating automobile operations furnished by the applicant, rating territory for the local and intermediate radius public classes will be determined using the rating territories as defined in CAR's Commercial Automobile Insurance Manual with common rate relativities.

In particular, the Boston territory is defined by the combined territories 1-10, which are combined for rating purposes, while identified in the manual individually for statistical purposes.

3. Determining Radius and Geographic Class in the Absence of Credible Verifiable Documentation

The Servicing Carrier may also request the risk and/or ERP to provide additional information to validate garaging and/or operations. An SIU investigation may also be requested. As part of the underwriting process and/or SIU investigation, the risk's principal/owner will be required to corroborate information collected by the writing ERP.

In instances where an applicant is unable to provide credible permanent records to validate an automobile's principal garaging, the Servicing Carrier will determine radius and geographic class as follows:

	<u>Default</u>
Radius Class	Intermediate Radius
Zone Combination	N/A
Rating Territory	Assign Rating Territory 10

However, if the risk has been in operation for more than one year and provides credible documentation to validate a different radius class and/or geographic classification during the policy term, apply the rating change prospectively from the date the documentation is provided.

If the risk has been in operation for less than one year and provides credible documentation to validate a different radius class and/or geographic classification at least 90 days prior to policy expiration, apply the rating change as of the effective date of the policy. However, if the documentation is provided within 90 days of the policy's expiration date, the rating change would be applied as of the effective date of the renewal policy.

4. Principal Garaging and Operation Audits

Pursuant to Rule 10 – Claims of CAR's Rules of Operation, Servicing Carriers are required to conduct audits on representative samples of policies to verify garaging and policy facts.

However, market conditions may warrant increased awareness and focus on specific classifications of business due to suspected fraud, increased loss experience, or other negative impacts on the commercial automobile residual market during the Servicing Carrier contract period. If such occasions occur, the specific classifications will be identified, through CAR's committee process, for mandatory Servicing Carrier SIU investigations involving principal garaging and operations.

The industry will be notified, via a CAR Bulletin, of the specific classifications for which enhanced focus on validating the eligibility of principal garaging and operation is required.

D. Standards for the Verification of Applicant Drivers' Licenses

In determining whether an applicant is eligible for placement in the commercial automobile residual market, Servicing Carriers and Exclusive Representative Producers are required for all new business to verify that the applicant establishes that any person who usually drives the motor vehicle(s) holds or is eligible to obtain a valid operator's license.

However, with respect to non-fleet private passenger type business, Servicing Carriers and Exclusive Representative Producers are required to verify for all new and renewal business, that the applicant establishes that any person who usually drives the motor vehicle(s) holds or is eligible to obtain a valid operator's license.

1. Driver Eligibility

a. Foreign Licensed Drivers

Foreign drivers may be eligible for placement for one year in the commercial automobile residual market with a valid foreign driver's license and, if their foreign driver's license is not in English, either a valid International Driving Permit or a completed Registry of Motor Vehicles Translation into English of a Foreign Driver License form before obtaining a Massachusetts driver's license. The year begins on the driver's most recent date of arrival in the United States.

Note that an International Driver's License is not considered a valid driver's license and will not be accepted as a valid form of license.

b. Domestic Licensed Drivers

Any person who holds a valid operator's license from a state other than Massachusetts must obtain a Massachusetts license in accordance with the standards of the Massachusetts Registry of Motor Vehicles. This requirement does not apply to anyone who usually drives a motor vehicle owned by a named insured if the applicant can establish that said person is employed by a named insured whose Principal Place of Business is located in Massachusetts but resides in another state which has issued him or her a valid license.

2. Required Documentation

Servicing Carriers will require that the license number and state of any licensed member of the named insured's household as well as any other licensed individuals who usually drive the insured vehicle(s) and who hold a valid Massachusetts or domestic license, be listed on the application for insurance.

In addition, Servicing Carriers shall require, for any licensed member of the named insured's household and/or any other licensed individuals who usually drive the insured vehicle(s), and who lack a valid Massachusetts or domestic license, that the following documentation be provided with the application:

- a. A copy of a valid foreign driver's license,
- b. If the foreign driver's license is not in English, either a corresponding International Driving Permit or a completed Registry of Motor Vehicles Translation into English of a Foreign Driver License form, and
- c. A copy of one of the following documents:
 - 1) A valid passport from the country of origin
 - 2) A valid alien registration receipt card (green card)
 - 3) A valid employment authorization card issued by the United States Department of Homeland Security
 - 4) Valid proof of nonimmigrant classification provided by the United States Department of Homeland Security

Documentation providing proof of arrival date in the United States is required to validate eligibility for new and renewal business (i.e. passport entry date, dated airline ticket, etc.).

An application submitted without the above information and documents shall be considered incomplete and will result in cancellation or nonrenewal of the policy based on the procedures set forth in Rule 4 – Standard Procedures of CAR's Commercial Automobile Insurance Manual. The cancellation/nonrenewal notice must contain the following statement: "If the insured furnishes the necessary item(s) prior to the effective date of the cancellation, the cancellation shall be rescinded."

3. Exclusion of Listed Operators Not Holding or Not Eligible to Obtain a Valid License

Pursuant to Rule 31 – Operator Exclusion Form of CAR's Commercial Automobile Insurance Manual, Servicing Carriers will attach the Operator Exclusion Form, CR 99 01 08 18, to the policy for each operator listed on the application who does not hold or is not eligible to obtain a valid license.

The Operator Exclusion Form is available on the Reports page of CAR's website, under the Commercial Only, Forms, Manuals link. Refer to Exhibit X-B-2.

4. Servicing Carrier/Exclusive Representative Producer Validation Tools

For renewal business, the Servicing Carrier will rely on the information provided on the insured's new business application unless the insured or the Exclusive Representative Producer provides documentation updating the licensing or most recent date of arrival in the United States for operators with foreign licenses.

Servicing Carriers and Exclusive Representative Producers will utilize the appropriate resources (i.e. Massachusetts Registry of Motor Vehicles system, Non-Massachusetts driver's license reporting systems, etc.) to verify information regarding registration and/or insured/driver information to ascertain a presence in Massachusetts relative to the operation of a motor vehicle with a foreign or out-of-state license.

Servicing Carriers should utilize the CAR Ineligible Risk Database for review of previous actions taken pursuant to the cancellation of an insured's and/or operator's driver's license and/or non-renewal actions by other Servicing Carriers. Refer to Section B.4. of Chapter III – Servicing Carrier Responsibilities of this Manual for additional information relative to the Ineligible Risk Database.

5. Definition of Terms

For purposes of this standard, the following definitions shall apply:

"Foreign driver's license" is a valid driver's license obtained in a foreign country. A valid foreign driver's license may be used for up to one year after entry to the United States. Validity of a foreign driver's license is to be determined according to Appendix A of the Massachusetts Driver's Manual published by the Registry of Motor Vehicles.

"Domestic driver's license" is a driver's license issued by any state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Mariana Islands or any other territory or possession of the United States.

"Foreign driver" is an individual who holds a foreign driver's license but does not hold a valid domestic driver's license.

"International Driving Permit" is a document to be used in conjunction with a valid foreign driver's license obtained in the driver's home country. It is a translation of the foreign driver's license into various languages, including English.

“International Driver’s License” is an unofficial document purporting to be a valid driver’s license. It is usually sold on the internet or through storefronts with claims that it: 1) authorizes consumers to drive legally in the United states, even if they don’t have state-issued licenses or if their state-issued licenses have been suspended or revoked; 2) can be used to avoid points or fines affecting state-issued driver’s licenses; and 3) can be used as a photo identification in the United States.