



January 28, 2013

COMMERCIAL AUTO PROGRAM REVISIONS APPROVED IN INDIANA

BACKGROUND

To enhance the competitive position of the MSO® Commercial Auto program, we are introducing updated versions of the coverage form and manual rules.

FORMS CHANGES

The revision introduces the 06 12 version of MCA 010 as well as the 12 12 version of the Indiana mandatory endorsement MCA 835.

The revision highlights include the following:

- Revised the first exception to Who Is An Insured for Liability in response to an Ohio Supreme Court decision which determined that insured status under the defendant's Commercial Auto policy should be granted to the employee of a transportation company contracted for by the defendant. As this significant extension of coverage was never the intent of the Commercial Auto policy, nor was it ever anticipated in the rates, we are amending the Who Is An Insured exception to clearly state that insured status is not granted to the agents or employees of the owner or anyone else from whom the policyholder borrows or hires a covered auto.

Also added wording to the exception in paragraph f in the Who Is An Insured for Liability provision to clarify that these persons are not insureds.

- Expanded the Certain Electronic Equipment Coverage under Physical Damage to apply to video and GPS systems.
- Increased the Transportation Expense Coverage limits under Physical Damage from \$15 per day/ \$450 maximum to \$20 per day/\$600 maximum.
- Added a new supplemental coverage under Physical Damage for Hired Auto Loss of Use with limits of \$20 per day/\$600 maximum.
- Revised the Wear and Tear Exclusion under Physical Damage to include the wording that is currently included in the state mandatory endorsement. The state mandatory endorsement is revised accordingly to delete this provision.

**FORMS CHANGES -
Continued**

- Clarified the Concealment/Misrepresentation/Fraud Common Condition to include reference to accidents.

We are also introducing endorsement MCA 115 - Broadened Pollution Liability Coverage to provide an option to extend this coverage. This option is commonly used for certain classifications such as waste haulers.

MANUAL CHANGES

The revisions to the manual include the following:

- Introduced a specific reference to SUVs throughout the manual as types of vehicles included within the definition of private passenger type vehicles wherever these are referenced.
- Introduced fleet factors and coding for the Trucks, Tractors and Trailers classes. This tracks with the rating differentiation that is part of the standard industry rating mechanism.
- Introduced classifications for Extra-heavy Trucks, Truck Tractors and Semi-trailers.
- Added a reference to limited liability companies in the Private Passenger Types eligibility. Also added a class code for vehicles owned by the clergy.
- Moved the premium change for additional insureds to the state pages.

**EFFECTIVE
DATE**

Immediately in Indiana.

DISTRIBUTION

The revised forms and manual pages will be added to the CD-ROM. Affiliated companies will be able to access this through our website: <http://www.msonet.com>.

QUESTIONS

Contact Jan Kozlowski at (800) 935-6900.