



May 29, 2020

NEW COMMERCIAL AUTO MANUAL AND LOSS COSTS APPROVED IN PENNSYLVANIA

BACKGROUND

MSO[®], Inc. has developed and received approval for a new Commercial Auto classification plan, rating manual, and loss costs in Pennsylvania. This is a separate optional manual and does not replace the current filed and approved rate manual.

Highlights of the new program are:

- New Classification Plan that includes a much broader variety of commercial auto exposures.
- More detailed rating variables such as vehicle type, use, weight and radius of operation; fleet size; type of industry; and cargo.
- A simplified multiplicative rating algorithm that is the same for all vehicle types rather than different rating procedures for various vehicle types.
- A new claim frequency based experience rating plan.
- Loss costs that vary by county.

MSO ACTION

MSO, Inc. has filed and received approval for the new classification, rating system and loss costs for Commercial Auto in Pennsylvania.

Additionally, MSO, Inc. filed and received approval for new endorsement **MCA 956 • PEDESTRIAN BASIC FIRST PARTY BENEFITS – PENNSYLVANIA**. This endorsement provides Basic First Party Benefits coverage for an eligible injured pedestrian injured by a motorcycle, moped or recreational type vehicle. Motorcycles, mopeds or recreational type vehicles are not eligible under the current rate based MSO Commercial Auto program. However, they are an eligible class under the new loss cost based program.

EFFECTIVE DATE

June 1, 2020

Previously approved in Arizona, California, Georgia, Mississippi and Virginia. Currently pending in New Jersey. MSO, Inc. will be filing in additional states.

COMPANY ACTION

The new Commercial Auto manual was not filed on behalf of the member companies but as an alternative to the current rate based manual in Pennsylvania. Any company wishing to adopt this manual will need to prepare their loss cost multiplier(s) and make the appropriate filings with the Pennsylvania Department of Insurance. Companies with existing Commercial Auto business will also need to demonstrate the impact that the filing may have on their book of business. MSO staff is available to assist companies transitioning to the new program.

DISTRIBUTION

The new endorsement MCA 956 and PA Commercial Auto manual have been added to our site: <https://www.msonet.com> for affiliated company access.

QUESTIONS

Contact Pepper Treuvey at (800) 935-6900.