



December 9, 2020

## **NEW COMMERCIAL AUTO MANUAL AND LOSS COSTS APPROVED IN NEW JERSEY**

### **BACKGROUND**

MSO<sup>®</sup>, Inc. has developed and received approval for a new Commercial Auto classification plan, rating manual, and loss costs in New Jersey. 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 New Jersey.

### **EFFECTIVE DATE**

January 1, 2021

Previously approved in Arizona, California, Georgia, Mississippi, Pennsylvania and Virginia. Currently pending in Ohio. 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 New Jersey. Any company wishing to adopt this manual will need to prepare their loss cost multiplier(s) and make the appropriate filings with the New Jersey Department of Banking and 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 Commercial Auto manual has been added to our website: <https://pm.msonet.com> for affiliated company access.

### **QUESTIONS**

Contact Pepper Treuvey at (800) 935-6900.