

CALIFORNIA AUTOMOBILE ASSIGNED RISK PLAN
(Struck-out matter—deleted; Underlined matter—new)

Rule 5. Certified Risks—Financial Responsibility
Laws

This Rule is amended as follows:

The bodily injury and property damage total policy premium shall be increased \$15 for a risk ~~on which~~ when a certificate of insurance is filed to comply with any financial responsibility requirement of the California Department of Motor Vehicles provided the risk is not subject to the surcharge in the Additional Charges rules.

In no event shall the \$15 charge apply to a named nonowner policy classified as N1-FR through N8-FR.

Rule 122. HIRED AND NONOWNED AUTO
COVERAGE FOR MESSENGER/
COURIER OPERATIONS—EXCESS
COVERAGE ONLY

New paragraph B.4 is added, reading as follows:

B. Proof of Underlying Coverage

4. All driver changes may be reported on a quarterly basis for risks with 25 or more drivers. The quarterly report shall list each

(1) new driver and their starting date;

(2) driver no longer employed and their termination date.

Certificates of Insurance are still required to be on file for all new drivers indicating that they were secured within 60 days of hire. These certificates will be verified at audit.

After the servicing carrier receives the quarterly report, the servicing carrier will bill any additional premium or return any unearned premium based on driver surcharges.

Rule 124. EMPLOYERS NONOWNERSHIP
LIABILITY

Paragraph A is replaced in its entirety with the following:

A. Prepared Food Delivery Operations

1. Eligibility

This paragraph applies to prepared food delivery operations using nonowned autos operated by employees or independent contractors.

2. Premium Development

- a. Compute the advance premium by multiplying \$9.58 times the estimated total delivery sales for the policy period divided by \$1,000.
- b. Compute the earned premium by multiplying \$9.58 times the audited total delivery sales developed during the policy period divided by \$1,000
- c. The minimum coverage premium for prepared food delivery operations at basic limits shall be \$500 per location.
- d. The insured must keep records for delivery sales separate from all other sales in the prepared food operation. Failure to comply with this recordkeeping requirement will result in the premium being based on the gross sales for the entire prepared food operation.

Paragraph B is amended as follows:

B. All Others

- 1. Determine the total number of employees of the insured at all locations and select the premium from the following table:

| Total Number of Employees | \$15,000/30,000 | \$5,000 |
|---------------------------|-----------------|---------|
| | BI | PD |
| 0 | \$ 90 | \$ 60 |
| 01-5 | \$ 227 | \$ 29 |
| 6-10 | 262 | 59 |
| 11-15 | 298 | 88 |
| 16-20 | 333 | 118 |
| 21-25 | 368 | 147 |
| 26-50 | 545 | 294 |
| 51-75 | 721 | 441 |
| 76-100 | 898 | 441 |
| 101-500 | 1,251 | 441 |
| 501-1,000 | 1,396 | 519 |
| Over 1,000 | 2,147 | 792 |

- 2. If more than 50% of the insured's employees regularly operate their automobiles in the insured's business, charge 200% of the rates developed in accordance with paragraph B.1.
- ~~3. The minimum premium is the 0-5 total number of employees rates as displayed in paragraph B.1.~~

California **Exhibit B**
Rule 124 Employers Nonownership Liability - Fast Food Delivery

I. Delivery Receipts Rate Derivation

A. Data Submission from Servicing Carriers A and B
 1. Earned Premium per Driver \$389

B. Delivery Receipts Data from Producer appeals files and Servicing Carrier underwriting files

| | (1) | (2) | (3) | (4) |
|----------------|-------------------|-------------------|--------------------------|------------------------------|
| | Delivery Receipts | Total Number | Delivery | Average Rate per |
| <u>Insured</u> | <u>Last Year</u> | <u>of Drivers</u> | <u>Receipts / Driver</u> | <u>\$1,000 Delivery</u> |
| | | | <u>= (1)/(2)</u> | <u>Receipts = (I.A.1.) /</u> |
| | | | | <u>[(3) / \$1,000]</u> |
| 1 | \$650,000 | 13 | \$50,000 | \$7.78 |
| 2 | \$1,275,523 | 17 | \$75,031 | \$5.18 |
| 3 | \$580,000 | 11 | \$52,727 | \$7.38 |
| 4 | \$334,927 | 7 | \$47,847 | \$8.13 |
| 5 | \$70,000 | 3 | \$23,333 | \$16.67 |
| 6 | \$472,000 | 14 | \$33,714 | \$11.54 |
| 7 | \$980,000 | 34 | \$28,824 | \$13.50 |
| 8 | \$9,500 | 1 | \$9,500 | \$40.95 |
| 9 | \$164,000 | 3 | \$54,667 | \$7.12 |
| 10 | \$284,000 | 7 | \$40,571 | \$9.59 |
| 11 | \$72,500 | 9 | \$8,056 | \$48.29 |
| 12 | \$5,000 | 2 | \$2,500 | \$155.60 |
| 13 | \$72,186 | 5 | \$14,437 | \$26.94 |

C. Current Weighted Average Rate using Delivery Receipts by Insured as Weights \$9.86

II. Minimum Premium Derivation

| | |
|--|--------------|
| A. Proposed Minimum Premium | \$500 |
| B. Total Current Primary + Excess Premium (All Carrier) | \$280,755 |
| C. Total Premium in B. adjusted for Proposed Minimum Premium in A. | \$289,094 |
| D. Rate Impact of adopting Minimum Premium = (C.) / (B.) - 1 | 3.0% |

III. Estimated Rate Impact

| | |
|--|---------------|
| A. Proposed Rate Impact of Proposed Delivery Receipts Rate and Minimum Premium | 0.0% |
| B. Proposed Rate per \$1,000 of Delivery Receipts = (I.C.) * [1 + (III.A.)] / [1 + (II.D.)] | \$9.58 |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DRIVE OTHER CAR COVERAGE-BROADENED COVERAGE
FOR NAMED INDIVIDUALS**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

| | |
|-----------------------|-----------------------------|
| Endorsement effective | Countersigned by |
| Named Insured | (Authorized Representative) |

SCHEDULE

| Name of Individual | Liability | | Auto Med. Pay | | Uninsured Motorists | |
|--------------------|-----------|---------|---------------|---------|---------------------|---------|
| | Limit | Premium | Limit | Premium | Limit | Premium |
| | | | | | | |
| | | | | | | |

A. This endorsement changes only those coverages where a premium is shown in the Schedule or in the Declarations.

B. Changes In Liability Coverage

1. Any "auto" you don't own, hire or borrow is a covered "auto" for Liability Coverage while being used by any individual named in the Schedule or in the Declarations or by his or her spouse while a resident of the same household except:

- a. Any "auto" owned by that individual or by any member of his or her household.
- b. Any "auto" used by that individual or his or her spouse while working in a business of selling, servicing, repairing or parking "autos".

2. The following is added to **Who Is An Insured**:

Any individual named in the Schedule or in the Declarations and his or her spouse, while a resident of the same household, are "insureds" while using

any covered "auto" described in paragraph B.1 of this endorsement.

C. Changes In Auto Medical Payments and Uninsured Motorists Coverages

The following is added to **Who Is An Insured**:

Any individual named in the Schedule or in the Declarations and his or her "family members" are "insureds" while "occupying" or while a pedestrian when being struck by any "auto" you don't own except:

Any "auto" owned by that individual or by any "family member".

D. Additional Definition

As used in this endorsement:

"Family member" means a person related to the individual named in the Schedule or in the Declarations by blood, adoption, marriage or registered domestic partnership under California law who is a resident of the individual's household, including a ward or foster child.

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Instructions

The provisions of this endorsement must be attached to, incorporated in, or overprinted upon every applicable policy providing such coverage under the provisions of the California Automobile Assigned Risk Plan.