
Addendum: for use with New York Property & Casualty online ExamFX course and study guides version 22907en per exam content outline updates effective 03/13/2020.

*The following are **content additions** to supplement your existing text:*

Auto Policy

B. Commercial Auto

2. Commercial Auto Coverage Forms

Truckers

Businesses that use their vehicles to haul goods for others require specialized coverage that is not available through the business auto or garage coverage forms. Some of these additional coverages are required because of the very nature of the job. Others are required because of governmental regulations. The **truckers coverage form** was developed to handle the special insurance needs of these businesses.

Businesses that transport goods for others are called **truckers** or **carriers for hire**. There are 2 classes of carriers for hire, both of which are eligible for coverage under the truckers coverage form:

- Common carriers who transport goods for anyone; and
- Contract carriers who have written contracts with other companies to haul their merchandise

Businesses that use their vehicles to carry their own goods are called **private carriers** and cannot be covered under the truckers coverage form. Private carriers can be insured under the business auto coverage form or the motor carrier coverage form.

The format of the truckers coverage form is the same as the business auto coverage form and the garage coverage form. A separate declarations page is required as well as the nuclear energy liability exclusion (broad form). The truckers coverage form includes 2 new definitions not found in the business auto coverage form and one expanded definition:

Private passenger type — Includes a private passenger or station wagon type auto, including a pickup or van if not used in business.

Trucker — Any person or organization engaged in the business of transporting property for hire.

Trailer — This definition is expanded from the business auto coverage form and includes semi-trailer or a dolly used to convert a semi-trailer into a trailer; for trailer interchange coverage, trailer also includes a container.

NOTE: The difference between a trailer and a semi-trailer is that a trailer has both front and rear wheels, while a semi-trailer requires the attachment of a dolly (fifth wheel

coupling device) that becomes the semi-trailer's front wheels. A service or utility trailer can be either a semi-trailer or a trailer, but is limited to a load capacity of 2,000 pounds or less.

Section I

Section I — **Covered Autos** of the truckers form has specific auto **designation symbols** that define the type of autos that can be covered under the policy. The descriptions for these symbols are similar to those found in the business auto coverage form, but the designation numbers are different. The designation for owned private passenger vehicles only is not found in the truckers coverage form.

Section II

Section II — **Liability Coverage** provides the same coverage, extensions, exclusions, and limit of insurance as the business auto coverage form. However, there is a slight difference in the definition of an insured. The truckers coverage form provides liability coverage for employees and partners if they lend the insured a vehicle, other than a private passenger vehicle. Under the business auto coverage form, there is no liability coverage for any auto borrowed from employees or partners.

In addition, hired or borrowed trailers do not need to be attached to an owned covered auto (as in the business auto coverage form) in order for the trailer owner to be considered an insured for liability. The trailer may be attached to any vehicle that is considered a power unit, which includes nonowned and hired vehicles if so designated in the declarations.

Section III

Section III — **Trailer Interchange Coverage** is unique to truckers and motor carrier insurance because these types of businesses frequently hire or borrow trailers from others with a written trailer interchange agreement. The insurer will pay all sums the insured legally must pay as damages because of loss to a trailer they don't own or its equipment under 3 types of coverage:

1. Comprehensive (from any cause except the trailer's collision with another object or the trailer's overturn);
2. Specified Causes of Loss; or
3. Collision Coverage (caused by trailer's collision with another object or the trailer's overturn).

The trailer interchange coverage will also provide the same supplemental payments as the business auto policy except the cost of bail bonds.

However, the following are **exclusions** that apply to the trailer interchange coverage:

1. Nuclear hazard;
2. War or military action;
3. Loss of use; and
4. Wear and tear, freezing, mechanical breakdown, or road damage to tires.

Limits of Insurance:

The most the insurer will pay for any one trailer is the least of the following, minus any deductible:

- The actual cash value of the damaged or stolen property at the time of loss;
- The cost to repair or replace with like kind and quality; or
- The limit of insurance shown in the Declarations.

Section IV

Section IV — Physical Damage provides the same coverage as discussed for the business auto coverage form. However, there is one additional exclusion in the truckers physical damage coverage that is not found in the business auto physical damage coverage section. This additional exclusion states that there is no coverage for a covered auto while in anyone else's possession under a written trailer interchange agreement. This coverage must be specifically selected by the insured.

Designation Symbols

The following provisions found in Section I are identical (except the numerical symbols) to those in the business auto coverage form. If symbol 41, 42, 43, 44, 45, or 59 is entered for any of the coverages on the declarations page, coverage will also apply to any additional autos of the same type the insured acquires during the policy period. However, if symbol 46 is used, coverage for newly acquired vehicles is limited to 30 days, and only if all owned autos are covered or if the vehicle is a replacement vehicle. If symbol 42 or 43 is used to cover liability, coverage is also provided for nonowned trailers, including semitrailers, while connected to an owned power unit.

DESIGNATION SYMBOLS FOUND IN TRUCKERS FORM	
41=	Any auto (used only for liability coverage)
42=	Owned autos only
43=	Owned commercial autos only
44=	Owned autos subject to no-fault
45=	Owned autos subject to a compulsory uninsured motorists law
46=	Specifically described autos
47=	Hired autos only
48=	Trailers in your possession under a written trailer or equipment interchange agreement (used only for physical damage coverage)
49=	Your trailers in the possession of anyone else under a written trailer interchange agreement (used only for physical damage coverage)
50=	Nonowned autos only
59=	Mobile equipment subject to compulsory, financial responsibility, or other motor vehicle insurance law only

Liability Coverage

If liability coverage is provided, certain other types of vehicles are automatically covered for liability. This includes trailers with a load capacity of 2,000 pounds or less, mobile equipment while being transported by a covered auto, and temporary substitute nonowned vehicles used in place of an auto that is out of service.

The truckers coverage form also extends liability coverage to the owner of a borrowed vehicle (other than a trailer), or a nonowned trailer not attached to a power unit, if used exclusively in the insured's business as a trucker or according to the operating rights granted by a public authority.

The **conditions** of the truckers coverage form are the same as those found in the business auto coverage form. However, the truckers form includes one additional condition. The additional condition, Other Insurance — Primary and Excess Insurance Provision, states that the truckers liability coverage will be considered primary when

- A covered auto is an owned auto, not loaned or hired out to another;
- A covered auto is borrowed or hired by the insured for use in business as a trucker and used according to operating rights granted by a public authority;
- A covered trailer is attached to a covered auto for which this insurance is primary;
- A nonowned trailer is not connected to a power unit and is being used by the insured in the business as a trucker; or
- If liability for damage has been assumed under an insured contract.

The truckers liability coverage will be considered **excess** when

- A covered auto (not hired or borrowed) is not owned by the named insured;
- An owned covered auto is hired or borrowed from the insured by another trucker;
- A covered trailer is attached to a covered auto for which this insurance is excess; or
- A covered trailer is attached to an auto that is not covered.

The following are specifically defined as **NOT** an insured under the liability coverage section of the truckers coverage form:

- Other truckers subject to motor carrier insurance regulations who meet these requirements by means other than auto insurance;
- Other truckers whose insurance is not considered primary for owners of borrowed autos; or
- Any rail, water, or air carrier for a detached trailer transported, loaded, or unloaded by the carrier.

Workers Compensation Insurance

A. Workers Compensation Laws

2. New York Workers Compensation Law

Occupational Disease – *new section*

An **occupational disease** is the term used to describe a disease resulting from the nature of employment and contracted while performing such work for the employer. Some occupational diseases naturally result from a particular occupation. To collect workers compensation, the employee would have to demonstrate that these diseases would not develop from ordinary life experiences. For example, someone could prove that a large number of employees working in a particular field all developed a particular disease. Workers do not have to prove to 100% certainty that an injury was related to the job, only that it is more probable than not.

Claims Reporting Requirements – *addition to the existing section*

The chairman of the Board must appoint one or more physicians to examine any claimant. If it's determined an employee's disease or death was a result of silicosis or other compressed air illnesses, the employer is liable for total compensation. Additionally, any blood-borne disease contracted within 24 hours of performing the duties of a safety and security officer or treatment assistant employed by the office of mental health, court officer, clerk, reporter, or interpreter would be eligible for total compensation.

In the event a disease, other than those previously mentioned, originated from prior employment, the past employer may appeal to the Board for an apportionment of compensation among several affected employees. Compensation is proportional to the time spent as an employee. If requested by the last employer or the Board, an employee or his or her dependents must provide a listing of all previous employers for the last 12 months.