

State: District of Columbia **First Filing Company:** TNUS Insurance Company, ...
TOI/Sub-TOI: 20.0 Commercial Auto/20.0000 Commercial Auto Combinations
Product Name: Commercial Automobile
Project Name/Number: Commercial Automobile/16-DC-3-CA-28-18

Filing at a Glance

Companies: TNUS Insurance Company
Trans Pacific Insurance Company
Tokio Marine America Insurance Company

Product Name: Commercial Automobile
State: District of Columbia
TOI: 20.0 Commercial Auto
Sub-TOI: 20.0000 Commercial Auto Combinations
Filing Type: Form
Date Submitted: 11/21/2016
SERFF Tr Num: WESA-130816039
SERFF Status: Submitted to State
State Tr Num:
State Status:
Co Tr Num: 16-DC-3-CA-28-18

Effective Date 01/01/2017
Requested (New):
Effective Date 01/01/2017
Requested (Renewal):
Author(s): Wesley Pohler
Reviewer(s):
Disposition Date:
Disposition Status:
Effective Date (New):
Effective Date (Renewal):

State: District of Columbia **First Filing Company:** TNUS Insurance Company, ...
TOI/Sub-TOI: 20.0 Commercial Auto/20.0000 Commercial Auto Combinations
Product Name: Commercial Automobile
Project Name/Number: Commercial Automobile/16-DC-3-CA-28-18

General Information

Project Name: Commercial Automobile	Status of Filing in Domicile: Pending
Project Number: 16-DC-3-CA-28-18	Domicile Status Comments:
Reference Organization: N/A	Reference Number: N/A
Reference Title: N/A	Advisory Org. Circular: N/A
Filing Status Changed: 11/21/2016	
State Status Changed:	Deemer Date:
Created By: Wesley Pohler	Submitted By: Wesley Pohler
Corresponding Filing Tracking Number: 16-DC-2-CA-29-18	

Filing Description:

Enclosed please find the Companies' Commercial Automobile form submission. Letters permitting Westmont Associates, Inc. to submit this filing on the Companies' behalf are enclosed.

In this filing, the Companies are introducing two new multistate deductible liability endorsements. The purpose of the proposed deductible liability endorsements is to offer current and prospective policyholders with optional features that are not available under the ISO deductible liability insurance product.

The corresponding rules have been submitted separately.

Please refer to the enclosed explanatory memoranda for additional details regarding this filing.

The Companies are requesting an effective date of January 1, 2017.

Your approval and/or acknowledgement of this submission is respectfully requested, with the earliest permissible effective date. Thank you for your attention to this matter.

Company and Contact

Filing Contact Information

Sherri Penn, Senior Analyst	sherri@westmontlaw.com
1763 Marlton Pike East	856-216-0220 [Phone]
Suite 200	856-216-0303 [FAX]
Cherry Hill, NJ 08003	

State: District of Columbia **First Filing Company:** TNUS Insurance Company, ...
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Product Name: Commercial Automobile
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Filing Company Information

(This filing was made by a third party - westmontassociatesinc)

TNUS Insurance Company	CoCode: 32301	State of Domicile: New York
230 Park Avenue	Group Code: 3098	Company Type:
New York, NY 10169	Group Name: Tokio Marine Group	State ID Number:
(212) 297-6600 ext. [Phone]	FEIN Number: 20-0940754	

Trans Pacific Insurance Company	CoCode: 41238	State of Domicile: New York
230 Park Avenue	Group Code: 3098	Company Type:
New York, NY 10169	Group Name: Tokio Marine Group	State ID Number:
(212) 297-6600 ext. [Phone]	FEIN Number: 13-3118700	

Tokio Marine America Insurance Company	CoCode: 10945	State of Domicile: New York
230 Park Avenue	Group Code: 3098	Company Type:
New York, NY 10169	Group Name: Millea Group	State ID Number:
(212) 297-6600 ext. [Phone]	FEIN Number: 13-4032666	

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

State: District of Columbia

First Filing Company: TNUS Insurance Company, ...

TOI/Sub-TOI: 20.0 Commercial Auto/20.0000 Commercial Auto Combinations

Product Name: Commercial Automobile

Project Name/Number: Commercial Automobile/16-DC-3-CA-28-18

Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		DEDUCTIBLE LIABILITY ENDORSEMENT (INCLUDING COSTS AND EXPENSES WITH THE DEDUCTIBLE NOT REDUCING THE LIMITS OF INSURANCE)	CA9 03 025	01 17	END	New			CA9 03 025 01 17.pdf
2		DEDUCTIBLE LIABILITY ENDORSEMENT (INCLUDING COSTS AND EXPENSES WITH THE DEDUCTIBLE REDUCING THE LIMITS OF INSURANCE - PROPORTIONAL BASIS)	CA9 03 026	01 17	END	New			CA9 03 026 01 17.pdf

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate
CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

COMMERCIAL AUTOMOBILE

This endorsement changes policy _____ to which it is attached and is effective
 at 12:01 a.m. standard time at the Insured's mailing address.

Issued to:

Issued by:

Producer:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DEDUCTIBLE LIABILITY ENDORSEMENT
 (INCLUDING COSTS AND EXPENSES WITH
 THE DEDUCTIBLE NOT REDUCING
 THE LIMITS OF INSURANCE)**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SCHEDULE

Item Number and Description		Amount and Basis of Deductible
		PER ACCIDENT
1.	Deductible Liability	\$
This deductible applies or does not apply to these coverages as indicated here:		
2.	Covered Autos Liability:	___ Applies
3.	Auto Medical Payments:	___ Applies
4.	Personal Injury Protection	___ Applies
5.	Added Personal Injury Protection	___ Applies
6.	Uninsured Motorist	___ Applies
7.	Underinsured Motorist	___ Applies

8.	Adjustable Deductible Aggregate Amount		
A	Deductible Aggregate Rate:	Per:	of:
B	Deductible Aggregate Estimated Basis:	\$	
C	Minimum Deductible Aggregate Amount:	\$	

APPLICATION OF ENDORSEMENT: (Enter **below** any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to all operations of the insured.)

A. HOW THE DEDUCTIBLE APPLIES TO LIABILITY COVERAGE

1. For each coverage indicated in Items 2. through 7. of the Schedule above, our obligation:
 - (a) Under **Section II - COVERED AUTOS LIABILITY** to pay damages, "covered pollution cost or expense" and "costs and expenses" on behalf of any "insured";
 - (b) Under any Medical Payments or similar endorsement, to pay reasonable expenses to any "insured";
 - (c) Under any No Fault, Personal Injury Protection or similar endorsement, to pay or reimburse any eligible insured person for benefits, loss, costs or medical expenses; and
 - (d) Under any Uninsured or Underinsured Motorist Liability or similar endorsement, to pay all sums the "insured" is legally entitled to recover as compensatory damages

The damages and "costs and expenses" resulting from any one "accident" that would otherwise be payable under LIABILITY COVERAGE will be reduced by the "Liability Deductible shown in the Schedule above prior to the application of the Limits of Insurance provision.

B. DEDUCTIBLE AGGREGATE AMOUNT

1. If a Deductible Aggregate Rate is stated in Item 8.A. of the Schedule above, the most you will pay for the sum of damages, medical expenses and "costs and expenses" for all claims under this endorsement will be computed as follows:
 - a. The Deductible Aggregate Rate stated in Item **8.A** of the Schedule above shall be multiplied by
 - b. The Deductible Aggregate Estimated Basis stated in Item **8.B.** of the Schedule above.

This deductible aggregate Amount is an estimated amount only. At the close of each audit period we will recompute the deductible aggregate limit for that period based upon the actual basis. However, in no event should this recomputed amount be less than the Minimum Deductible Aggregate Amount stated in Item **8.C.** of the Schedule above.

2. If a Deductible Aggregate Rate is not stated in Item **8.A.** of the Schedule above but a Minimum Deductible Aggregate Amount is stated in Item **8.C.** of the Schedule above, the most you will pay for the sum of damages, medical expenses and "costs and expenses" for all claims under this endorsement will be the Minimum Deductible Aggregate Amount stated in Item **8.C.**

Your obligation under this endorsement to pay damages, medical expenses and "costs and expenses" ends when the deductible aggregate Amount is used up in the payment of judgments, settlements or expenses.

C. The Terms Of This Endorsement

The terms of this insurance, including those with respect to:

1. Our right and duty to defend the "insured" against any "suit" seeking those damages to which this insurance applies; and
2. Your duties in the event of an accident, claim or "suit", apply irrespective of the application of the deductible amount.

D. Our Payment And Your Reimbursement

We may, or shall if required by law, pay:

Any part or all of the deductible amount to effect settlement of any claim or "suit" and upon notification of the action taken, you shall promptly reimburse us for such portion of the deductible amount as has been paid by us.

E. Additional Definitions To This Endorsement

The following definition is added to the **Definitions Section**:

"Costs and expenses" mean those costs and expenses allocated to a specific claim or "suit" and include but are not limited to:

- (a) All amounts described in, **SUPPLEMENTARY PAYMENTS** in **SECTION II – COVERED AUTOS LIABILITY COVERAGE**;
- (b) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured"
- (c) Costs of all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, costs of any public records, alternative dispute resolution; prejudgment interest; post judgment interest; investigative services, non-employee adjusters, medical examinations, expert medical or other testimony, autopsies, medical cost containment; subrogation; and
- (d) Any other costs or expenses reasonably chargeable for the investigation, negotiation, settlement or defense of a claim or "suit" under the policy.

"Costs and expenses" shall not include the fees, charges, or costs of a claims servicing organization engaged to provide claim service or related service.

COMMERCIAL AUTOMOBILE

This endorsement changes policy _____ to which it is attached and is effective
 at 12:01 a.m. standard time at the Insured's mailing address.

Issued to:

Issued by:

Producer:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DEDUCTIBLE LIABILITY ENDORSEMENT
 (INCLUDING COSTS AND EXPENSES WITH THE
 DEDUCTIBLE REDUCING THE
 LIMITS OF INSURANCE – PROPORTIONAL BASIS)**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SCHEDULE

Item Number and Description		Amount and Basis of Deductible
		PER ACCIDENT
1.	Deductible Liability	\$
This deductible applies or does not apply to these coverages as indicated here:		
2.	Covered Autos Liability:	___ Applies
3.	Auto Medical Payments:	___ Applies
4.	Personal Injury Protection	___ Applies
5.	Added Personal Injury Protection	___ Applies
6.	Uninsured Motorist	___ Applies
7.	Underinsured Motorist	___ Applies

8.	Adjustable Deductible Aggregate Amount		
A	Deductible Aggregate Rate:	Per:	of:
B	Deductible Aggregate Estimated Basis:	\$	
C	Minimum Deductible Aggregate Amount:	\$	

APPLICATION OF ENDORSEMENT: (Enter **below** any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to all operations of the insured.)

A. How The Deductible Applies To This Policy

1. For each coverage indicated in Items 2. through 7. of the Schedule above, our obligation:

- (a) Under **Section II - COVERED AUTOS LIABILITY** to pay damages, "covered pollution cost or expense" and "costs and expenses" on behalf of any "insured";
- (b) Under any Medical Payments or similar endorsement, to pay reasonable expenses to any "insured";
- (c) Under any No Fault, Personal Injury Protection or similar endorsement, to pay or reimburse any eligible insured person for benefits, loss, costs or medical expenses; and
- (d) Under any Uninsured or Underinsured Motorist Liability or similar endorsement, to pay all sums the "insured" is legally entitled to recover as compensatory damages

applies only to the amount of damages, benefits, loss, costs and medical expenses in any combination, in excess of the deductible amount stated in Item 1. of the Schedule above, and our share of "costs and expenses" (as described below).

Our share of "costs and expenses" is based on the proportion that damages benefits, loss, costs and medical expenses in excess of the deductible bears to the total amount of all damages, benefits, loss, costs plus medical expenses arising out of the same "accident".

The amount of damages, benefits, loss, costs, medical expenses and "costs and expenses" paid under such deductible will reduce the limits of insurance, except any aggregate limit., as described in **SECTION III – LIMITS OF INSURANCE**

2. The deductible amount applies to all damages, benefits, loss, costs, medical expenses and "costs and expenses" because of:

- (1) "Bodily injury";
- (2) "Property damage";
- (3) "Covered pollution cost or expense"; or
- (4) "Bodily injury", "property damage" and "covered pollution cost or expense" in any combination

as the result of any one "accident", regardless of the number of persons or organizations who claim damages benefits, loss, costs or expenses because of that "accident".

With respect to "property damage" and a "covered pollution cost or expense", person includes an organization.

B. Deductible Aggregate Amount

If a Deductible Aggregate Rate is stated in Item 8.A. of the Schedule above, the most you will pay for the sum of damages and medical expenses for all claims under this endorsement will be computed as follows:

- a. The Deductible Aggregate Rate stated in Item 8.A of the Schedule above shall be multiplied by
- b. The Deductible Aggregate Estimated Basis stated in Item 8.B. of the Schedule above.

This deductible aggregate Amount is an estimated amount only. At the close of each audit period we will recompute the deductible aggregate limit for that period based upon the actual basis. However, in no event should this recomputed amount be less than the Minimum Deductible Aggregate Amount stated in Item 8.C. of the Schedule above.

2. If a Deductible Aggregate Rate is not stated in Item **8.A.** of the Schedule above but a Minimum Deductible Aggregate Amount is stated in Item **8.C.** of the Schedule above, the most you will pay for the sum of damages and medical expenses for all claims under this endorsement will be the Minimum Deductible Aggregate Amount stated in Item **8.C.**

Your obligation under this endorsement to pay damages and medical expenses end when the deductible aggregate Amount is used up in the payment of judgments, settlements or expenses.

C. The Terms Of This Endorsement

The terms of this insurance, including those with respect to:

1. Our right and duty to defend the "insured" against any "suit" seeking those damages to which this insurance applies; and
2. Your duties in the event of an "accident"., claim or "suit", apply irrespective of the application of the deductible amount.

D. Our Payment And Your Reimbursement

We may, or shall if required by law, pay:

1. Any part or all of the deductible amount to effect settlement of any claim or "suit"; and
2. Your share of "costs and expenses" as described in Paragraph **A.1.** above

and, upon notification of the action taken, you shall promptly reimburse us for such portion of the deductible amount and your share of "costs and expenses" as has been paid by us.

E. Additional Definition To This Endorsement

The following definition is added to the **Definitions Section**:

"Costs and expenses" mean those costs and expenses allocated to a specific claim or "suit" and include but are not limited to:

- (a) All amounts described in, **SUPPLEMENTARY PAYMENTS** in **SECTION II – COVERED AUTOS LIABILITY COVERAGE**;
- (b) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured";

(c) Costs of all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, costs of any public records, alternative dispute resolution; prejudgment interest; post judgment interest; investigative services, non-employee adjusters, medical examinations, expert medical or other testimony, autopsies, medical cost containment; subrogation; and

(d) Any other costs or expenses reasonably chargeable for the investigation, negotiation, settlement or defense of a claim or "suit" under the policy.

"Costs and expenses" shall not include the fees, charges, or costs of a claims servicing organization engaged to provide claim service or related service.

State: District of Columbia
TOI/Sub-TOI: 20.0 Commercial Auto/20.0000 Commercial Auto Combinations
Product Name: Commercial Automobile
Project Name/Number: Commercial Automobile/16-DC-3-CA-28-18
First Filing Company: TNUS Insurance Company, ...

Supporting Document Schedules

Bypassed - Item:	Readability Certificate
Bypass Reason:	This requirement does not apply.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Consulting Authorization
Comments:	Please refer to the documents attached below.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Copy of Trust Agreement
Bypass Reason:	This requirement does not apply.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Cover Letter
Comments:	
Attachment(s):	DC letter - F.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Explanatory Memoranda
Comments:	
Attachment(s):	Forms Explanatory memo.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Letters of Authorization
Comments:	
Attachment(s):	TMAIC Letter of Authorization.pdf TNUS Letter of Authorization.pdf TPI Letter of Authorization.pdf

SERFF Tracking #:

WESA-130816039

State Tracking #:

Company Tracking #:

16-DC-3-CA-28-18

State:

District of Columbia

First Filing Company:

TNUS Insurance Company, ...

TOI/Sub-TOI:

20.0 Commercial Auto/20.0000 Commercial Auto Combinations

Product Name:

Commercial Automobile

Project Name/Number:

Commercial Automobile/16-DC-3-CA-28-18

Item Status:	
Status Date:	



November 16, 2016

The Honorable William P. White
Commissioner of Insurance
Department of Insurance, Securities and Banking
810 First Street, NE, Room 701
Washington, DC 20002

**RE: Tokio Marine America Insurance Company - NAIC #3098-10945: FEIN #13-4032666
Trans Pacific Insurance Company – NAIC #: 3098-41238/FEIN #: 13-3118700
TNUS Insurance Company – NAIC #: 3098-32301/FEIN #: 20-0940754
Commercial Automobile
Form Submission
Company Filing Number: 16-DC-3-CA-28-18
Effective Date: January 1, 2017**

Dear Commissioner White:

Enclosed please find the Companies' Commercial Automobile form submission. Letters permitting Westmont Associates, Inc. to submit this filing on the Companies' behalf are enclosed.

In this filing, the Companies are introducing two new multistate deductible liability endorsements. The purpose of the proposed deductible liability endorsements is to offer current and prospective policyholders with optional features that are not available under the ISO deductible liability insurance product.

The corresponding rules have been submitted separately.

Please refer to the enclosed explanatory memoranda for additional details regarding this filing.

The Companies are requesting an effective date of January 1, 2017.

Your approval and/or acknowledgement of this submission is respectfully requested, with the earliest permissible effective date. Thank you for your attention to this matter.

Respectfully Submitted,

Sherri Penn

Sherri Penn
Project Manager
sherri@westmontlaw.com

Enclosures

cc: J. Loughran
R. Blackman

COMMERCIAL AUTOMOBILE

Explanatory Memorandum – Forms

Introduction of Multistate Commercial Automobile Deductible Endorsements

Applicable Line(s) of Business

This filing applies to the following:

- ◆ Commercial Automobile

About This Filing

In this filing, we are introducing:

Two multistate deductible liability endorsements.

These endorsements modify insurance provided under the Commercial Automobile Liability Coverage Form.

APPENDIX A – FORMS INDEX of this Explanatory Memorandum lists the form numbers, edition dates and titles of the proposed endorsements.

Purpose of the Endorsements

The purpose of the proposed endorsements is to offer current and prospective policyholders with optional features that are not available under the ISO deductible liability insurance product.

Method Of Formatting

We are not using the common format of ~~striking-through~~ deletions and underlining additions, as all material is new.

Background

We utilize the automobile liability forms portfolio and the Automobile Commercial Lines Manual of the Insurance Services Office, Inc. (ISO).

The portfolio includes the Commercial Automobile Coverage Form.

The portfolio also includes an optional endorsement, Deductible Liability Insurance, to modify the Auto Coverage Form. As a summary of the major features, this endorsement:

- ◆ Applies on a per accident basis as denoted in the Schedule of the endorsement.
- ◆ Applies to either bodily injury only, property damage only or bodily injury and property damage combined, as denoted in the Schedule of the endorsement.

COMMERCIAL AUTOMOBILE

Explanatory Memorandum – Forms

- ◆ Does not apply to certain costs and expenses, such as those included in Supplementary Payments.
- ◆ Does not reduce the policy's limits of insurance

The Automobile Liability Commercial Lines Manual includes Rule 15 (Deductibles). In part, this rule:

- ◆ Establishes a minimum deductible amount (\$250) and a maximum deductible amount (\$100,000).
- ◆ Provides a credit for each of the deductible amounts stated in the aforementioned minimum and maximum range.

In general, small to medium size policyholders (who are not sophisticated insurance buyers) are satisfied with the ISO deductible endorsement, deductible amount range and amount of the deductible credit.

However, large size policyholders (who are sophisticated insurance buyers) are not satisfied with the ISO deductible product because:

- ◆ The deductible endorsement does not offer all of the features desired by those policyholders.
- ◆ The rule does not offer the options, including deductible amounts in excess of \$100,000, desired by these policyholders.
- ◆ The credit factors are fixed and do not adjust with the policyholder's own historical loss experience.

Introduction

Many large size policyholders (who are sophisticated insurance buyers), retain frequent losses rather than purchase insurance to cover those losses.

- ◆ The Duty To Defend

Under the deductible method, the insurance company has the duty to defend the policyholder for losses equal to and below the deductible amount (as well as any part of the loss above the deductible amount).

- ◆ Payment Of Damages

Under the deductible method, the insurance company pays on behalf of the policyholder those loss amounts equal to and below the deductible amount (as well as any part of the loss above the deductible amount).

Explanation of Changes - Forms

In response to the requests of current and prospective large policyholders (who are sophisticated insurance buyers) and their insurance producers, we are introducing two multistate deductible liability endorsements.

These endorsements address the aforementioned common features. An entry in the Schedule of the endorsement activates most of the features. However, individual endorsements are needed to address the remaining features.

COMMERCIAL AUTOMOBILE

Explanatory Memorandum – Forms

Presented below is an explanation by paragraph of the deductible endorsements.

APPENDIX B - FORMS CONTRASTED of this Explanatory Memorandum summarizes these differences between the individual endorsements.

The Inside-Outside Deductible Endorsement

Presented below is a summary of each schedule and paragraph contained in the deductible endorsement.

◆ **The schedule entitled “Schedule”**

The use of this schedule is mandatory. However, an entry is not required in every item, as explained below.

- ◆ Item 1.: A dollar amount, which is the deductible amount mutually agreed upon by the policyholder and us, must be entered. The dollar amount is entered under the word Per Accident”
- ◆ Items 2. through 7.: An entry in each Item is required to denote whether the endorsement applies or does not apply to each of the coverages.

◆ **The schedule entitled “Application of Endorsement”**

This will reference any limitations on the application of the endorsement.

◆ **Paragraph A (How The Deductible Applies)**

This first paragraph describes how the deductible applies to each coverage on the schedule. Next, this paragraph states that the deductible will be reduced by the Liability Deductible shown in the schedule and prior to the application of limits of Insurance provision.

The second paragraph indicates The damages and “costs and expenses” resulting from any one “accident” that would otherwise be payable under LIABILITY COVERAGE will be reduced by the “Liability Deductible shown in the Schedule above prior to the application of the Limits of Insurance provision. The ALAE erodes the Deductible but is in addition to Policy limits.

The last paragraph will indicate the deductible amount which is applicable to all damages, benefits, loss, costs, medical expenses and “costs and expenses” because of Bodily injury, Property damage, covered pollution cost or expense.

◆ **Paragraph B (Deductible Aggregate Amount)**

The Deductible Aggregate stated in the Schedule is the most the policyholder will pay for the sum of damages, medical expenses and “cost and expenses” in accordance with the terms and conditions of the Deductible Liability Insurance endorsement that we pay on your behalf during each policy period indicated in the Declarations of this Coverage Part.

The policyholder’s obligation under the endorsement to pay damages, medical expenses and “costs and expenses” end when they have used up the applicable

COMMERCIAL AUTOMOBILE

Explanatory Memorandum – Forms

deductible aggregate amount in the payment of judgments, settlements or expenses.

◆ **Paragraph C (The Terms Of This Endorsement)**

This paragraph reaffirms the applicability of two conditions in the applicable coverage form:

- ◆ Our right and duty to defend the policyholder against any suit seeking damages to which this insurance applies; and
- ◆ The duties of any insured in the event of an accident, claim or “suit,” apply irrespective of the application of the deductible amount.

◆ **Paragraph D (Our Payment And Your Reimbursement)**

This paragraph describes the policyholder’s responsibility to reimburse us for any part or all of the deductible amount we paid to effect settlement of any claim or suit.

◆ **Paragraph E (Additional Definitions To This Endorsement)**

This paragraph introduces a new definition, which is unique to these endorsements. The new definition is “costs and expenses” allocated to a specific claim or “suit.”

Reaffirms our right to defend any insured against any "suit" seeking damages to which the insurance applies; and include but not limited to:

- ◆ a) All amounts described in, SUPPLEMENTARY PAYMENTS in SECTION II – COVERED AUTOS LIABILITY COVERAGE;
- ◆ (b) All court costs, fees and expenses;
- ◆ (c) Costs of all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, costs of any public records, alternative dispute resolution; interest; investigative services, non-employee adjusters, medical examinations, expert medical or other testimony, autopsies, medical cost containment; subrogation; and
- ◆ (d) Any other costs or expenses reasonably chargeable for the investigation, negotiation, settlement or defense of a claim or “suit” under the policy.
- ◆ "Costs and expenses" shall not include the fees, charges, or costs of a claims servicing organization engaged to provide claim service or related service.

The Pro-Rata Reimbursement Deductible Endorsement

Presented below is a summary of each schedule and paragraph contained in the deductible endorsement

◆ **The schedule entitled “Schedule”**

This schedule is identical to that of the Inside-Outside deductible endorsement

◆ **The schedule entitled “Application of Endorsement”**

COMMERCIAL AUTOMOBILE

Explanatory Memorandum – Forms

This schedule is identical to that of the Inside-Outside deductible endorsement

◆ **Paragraph A (How The Deductible Applies)**

This first paragraph is identical to that of the inside-Outside deductible endorsement..

The second paragraph refers to Our share of "costs and expenses" is based on the proportion that damages benefits, loss, costs and medical expenses in excess of the deductible bears to the total amount of all damages, benefits, loss, costs plus medical expenses arising out of the same "accident". The ALAE is split proportionately between the policyholder and insurer based upon their respective responsibilities factoring in total damages, deductible size and policy limit.

◆ **Paragraph B (Deductible Aggregate Amount)**

This paragraph is identical to that of the Inside-Outside deductible endorsement.

◆ **Paragraph C (The Terms Of This Endorsement)**

This paragraph is identical to that of the Inside-Outside deductible endorsement.

◆ **Paragraph D (Our Payment And Your Reimbursement)**

This paragraph is similar to that of Inside-Outside deductible except

Your share of "costs and expenses" as described in Paragraph **A.1.** of the endorsement and, upon notification of the action taken, the policyholder shall promptly reimburse us for such portion of the deductible amount and their share of "costs and expenses" as has been paid by us.

◆ **Paragraph E (Additional Definitions To This Endorsement)**

This paragraph is identical to that of the Inside-Outside deductible endorsement.

Related Filing(s)

There is a **rules** filing.

Attachment(s)

This Filing includes:

- ◆ A **final** version of each endorsement, as listed in **APPENDIX A – FORMS INDEX** of this Explanatory Memorandum.

COMMERCIAL AUTOMOBILE

Explanatory Memorandum – Forms

APPENDIX A - FORMS INDEX

Type Of Form	Form Number	Edition Date	Title Of The Endorsement
New	CA9 03 025	01 17	DEDUCTIBLE LIABILITY ENDORSEMENT (INCLUDING COSTS AND EXPENSES WITH THE DEDUCTIBLE NOT REDUCING THE LIMITS OF INSURANCE)
NEW	CA9 03 026	01 17	DEDUCTIBLE LIABILITY ENDORSEMENT (INCLUDING COSTS AND EXPENSES WITH THE DEDUCTIBLE REDUCING THE LIMITS OF INSURANCE – PROPORTIONAL BASIS)

APPENDIX B - FORMS CONTRASTED

Form Number	The Policy's Limits Of Insurance: Reduces Or Does Not Reduce By The Amount of Deductible	Our Share Of Costs & Expenses: Proportional Basis With The Policyholder Or Our Sole Responsibility
CA9 03 025 01 17	Reduced by the Liability Deductible	
CA9 03 026 01 17		Proportional with Policyholder



TOKIO MARINE

Tokio Marine Management
& Insurance Companies

February 2, 2016

RE: Tokio Marine America Insurance Company
NAIC # 3098-10945
FEIN#: 13-4032666
Letter of Authorization
Filing of Forms, Rates and Rules

In accordance with the applicable statutes and regulations of your state, Nancy Stepanski, Wesley Pohler, Jennifer Waldron, Sherri Penn and Westmont Associates, Inc. are hereby authorized to file form, rate and rule filings on behalf of the Company.

Sincerely,

Chip Adams
Vice President Corporate Underwriting
P&C Product Management



TOKIO MARINE

Tokio Marine Management
& Insurance Companies

February 2, 2016

RE: TNUS Insurance Company
NAIC # 3098-32301
FEIN#: 20-0940754
Letter of Authorization
Filing of Forms, Rates and Rules

In accordance with the applicable statutes and regulations of your state, Nancy Stepanski, Wesley Pohler, Jennifer Waldron, Sherri Penn and Westmont Associates, Inc. are hereby authorized to file form, rate and rule filings on behalf of the Company.

Sincerely,

Chip Adams
Vice President Corporate Underwriting
P&C Product Management



TOKIO MARINE

Tokio Marine Management
& Insurance Companies

February 2, 2016

RE: Trans Pacific Insurance Company
NAIC # 3098-41238
FEIN#: 13-3118700
Letter of Authorization
Filing of Forms, Rates and Rules

In accordance with the applicable statutes and regulations of your state, Nancy Stepanski, Wesley Pohler, Jennifer Waldron, Sherri Penn and Westmont Associates, Inc. are hereby authorized to file form, rate and rule filings on behalf of the Company.

Sincerely,

Chip Adams
Vice President Corporate Underwriting
P&C Product Management