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BULLETIN NO. 20-15

DATE: March 30, 2020

TO: All Property & Casualty insurers writing Private Passenger Automobile (“PPA”) Liability Coverage

RE: Commercial use exclusion in PPA policies

On March 5, 2020, Governor Lawrence J. Hogan, Jr. declared a State of Emergency for the entire State as a result of the COVID-19 virus. As a result of this event, the lives and livelihoods of Maryland residents have been adversely affected. In many cases, residents of the State have lost jobs and income streams. Some State residents have chosen to take on new jobs providing delivery services for food, medicine and other household essentials using their personal automobiles.

Private passenger automobile (“PPA”) policies typically contain language that eliminates or limits liability coverage for an insured’s commercial use of their vehicle(s). In Maryland, case law mandates that such exclusions may only apply to amounts in excess of the State’s mandatory minimum limits. One major market share PPA insurer group in Maryland has informed the Insurance Administration of its desire to temporarily waive the commercial use exclusion for the duration of the COVID-19 emergency. This will allow its insureds to be protected to the full extent of their liability coverage limits when using their vehicle(s) to deliver goods to residents of the State for pay. These citizens will be able to restore income streams without undue insurance worries.

The Insurance Administration applauds this action and strongly encourages other PPA insurers operating in Maryland to follow suit. Insurers may make an endorsement form filing that temporarily suspends the commercial use exclusionary language in their contracts. The Insurance Administration will waive the fee for such filings and will review and approve the filing, if possible within 24 hours of submission. Providing coverage in this manner may begin immediately.

Please contact the Associate Commissioner for Property & Casualty, Mr. Robert Baron (410.468.2353 / Robert.Baron@Maryland.gov) with any questions concerning this Bulletin.

ALFRED W. REDMER, JR.
Commissioner

Signature on original

By: _____

Robert Baron

Associate Commissioner, Property & Casualty

Special Note: The Maryland Insurance Administration remains fully operational during the COVID-19 emergency. If you would like to file an insurance complaint, please use our online portal:

<https://enterprise.insurance.maryland.gov/consumer/ConsumerPortalWelcomePage.aspx>

About the Maryland Insurance Administration

The Maryland Insurance Administration is an independent State agency charged with regulating Maryland's \$28.5 billion insurance industry. For more information about the Insurance Administration, please visit www.insurance.maryland.gov or follow us on Facebook at www.facebook.com/MDInsuranceAdmin, Twitter at [@MD_Insurance](https://twitter.com/MD_Insurance), LinkedIn at www.linkedin.com/company/maryland-insurance-administration or Instagram at [@marylandinsuranceadmin](https://www.instagram.com/marylandinsuranceadmin).

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