

An endorsement is a written agreement that is attached to an insurance policy. Endorsements can either add or subtract coverage, and once attached always take precedence over the original provisions of the policy. In this section, we will look at some endorsements that are available to Commercial Auto policyholders in New York.

New York Mandatory Personal Injury Protection Endorsement

This endorsement is mandatory in New York and provides coverage to first party claimants in the event of injury or death caused by an accident arising out of the operation or use of a motor vehicle during the policy period, within the United States and Canada. Refer to the Lesson on New York Automobile Laws & Endorsements for further information, if needed.

Additional Personal Injury Protection

Policyholders in New York can purchase additional personal injury protection for an increased premium. This additional coverage reimburses first party claimants for extended economic loss due to injuries sustained by an eligible person and caused by an accident arising out of the use or operation of a motor vehicle during the policy period, and within the United States and Canada. Policyholders can set Total Additional Personal Injury Protection Limits and increase the benefit amounts for monthly work loss, other expenses, and death benefits.

New York Mandatory Personal Injury Protection – Motorcycles

Another mandatory endorsement in New York is Personal Injury Protection – Motorcycles. This endorsement provides first-party benefits to reimburse for basic economic loss sustained by an eligible injured person on account of an accident arising out of the use or operation of an insured motorcycle.

This coverage applies only to accidents that occur during the policy period within the State of New York. The benefit maximums are: \$50,000 total per eligible injured person for medical expenses, work loss, and other expenses. \$2,000 maximum a week for work loss up to three years. \$25 a day for up to one year for other expenses. \$2,000 death benefit.

New York Exclusion of Medical Expense from Mandatory Personal Injury Protection

If a New York commercial auto policyholder already has medical expense coverage under another policy, he does not need to pay for it again in his Mandatory Personal Injury Protection. So, for a reduction in premium, the policyholder agrees that his PIP will not include medical expenses. This also means that the maximum total of \$50,000 will be reduced. This endorsement will be in effect as long as the other medical expense coverage remains (as long as there are not any provisions in the declarations page of this policy to the contrary), and in the event that this endorsement is no longer in effect, the premium will be adjusted accordingly.

New York Optional Basic Economic Loss Coverage

In this endorsement, the definition of Basic Economic Loss used in the Mandatory Personal Injury Protection or the Mandatory Personal Injury Protection – Motorcycles is replaced with: Basic Economic Loss consists of medical expense, work loss, other expense and, when death occurs, a death benefit.

Basic economic loss of each eligible injured person shall not exceed \$75,000, the last \$25,000 of which represents optional basic economic loss (OBEL) coverage, payable after the first \$50,000 has been used. This can be applied to one of the following four options:

- 1) Basic economic loss;
- 2) Loss of work;
- 3) Psychiatric, physical, or occupational therapy;
- 4) A combination of options 2 and 3.

Commercial Carrier Regulations

The Motor Carrier Act of 1980 - The Motor Carrier Act of 1980 is a U.S. federal law prohibiting rating bureaus from interfering with a carrier's right to set its own rates. This law also eliminated most restrictions on what truckers can carry and deregulated the routes and regions that motor carriers can serve. The law makes it possible for truckers to set prices freely, allowing them to increase or decrease rates by 15 percent without challenge, and make independent rate filings with larger price changes. This flexibility has made it possible for manufacturers to move their products quickly and be more responsive to customers. Consumers benefit from the efficient, lower-cost transport of goods.

Endorsement for Motor Carrier Policies of Insurance for Public Liability - This endorsement can be added to motor carrier policies for the purpose of adding coverage for public liability. For an increased premium the insurer agrees to pay, within the limits of liability selected, any final judgment recovered against the insured for public liability resulting from negligence in the operation, maintenance, or use of motor vehicles subject to the financial responsibility requirements of Sections 29 and 30 of the Motor Carrier Act of 1980. This coverage is in force whether or not the motor vehicle is specifically listed in the policy and whether or not the negligence occurs on a route or territory authorized to be served by the insured, or occurs somewhere else. The limits of liability available range from \$750,000 to \$5,000,000.