

**PROGRAM DIVISION
BULLETIN**

2004-09

February 04, 2004

**Important Information Regarding
Commercial Automobile Territory Classifications**

Insurance Services Office, Inc. (ISO) recently began the process of filing with each state insurance department a new commercial automobile territory plan which is defined in terms of ZIP codes. Territory boundaries may be re-aligned such that each ZIP code will now correspond to one territory code. In the past, it was possible for a ZIP code to encompass more than one commercial automobile territory code. This filing is in response to ISO's member companies request to simplify the commercial automobile rating process. Additionally, ISO will be submitting a companion loss cost filing that will be implemented for the newly defined territories in each state.

ISO has advised that it is expected to take several years until the majority of jurisdictions approve the ZIP code defined territory plan. As of this distribution, ISO has filed this proposed revision with the following states:

Alabama	Kentucky	Oklahoma
Arizona*	Maryland*	South Carolina
Arkansas	Nebraska*	Utah*
Colorado	Nevada	Vermont*
Florida*	North Dakota	

*To date, the following states have given their approval to this new methodology of utilizing ZIP codes in lieu of territory codes for rating commercial auto policies. See effective dates below:

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Arizona - 11/01/2003
Florida – 10/01/2004
Maryland – 3/01/2004

Nebraska – 2/01/2004
Utah – 12/01/2003
Vermont – 2/01/2004

PLEASE NOTE – Acord 127 (2001/08) Business Auto Section application, and Acord 129 (2001/08) Vehicle Schedule application (as well as the various other state specific Acord Business Auto applications) all currently provide a data entry field for ZIP code.

Agents and brokers should begin to make this information part of a complete submission and should include a ZIP code for each vehicle. This should be included in your standard procedures going forward so as to insure a smooth transition and facilitate accurate rating when this revision is ultimately implemented in our systems.

ZIP codes for each vehicle that is garaged in any state where the ISO filing has been approved thus far should be provided, therefore, procedures should be in place as this information will be required to be in your underwriting files.

Those administrators who do NOT use the CoverAll issuance system should anticipate making the appropriate changes in order to be in compliance.

If you have any questions regarding this notice, please contact your Program Manager.

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