

Vermont Rule 97. Uninsured Motorists Insurance Revised

About This Filing

This filing revises the Vermont exception to Rule 97. Uninsured Motorists Insurance of the Commercial Lines Manual (CLM), Division One - Commercial Automobile.

Revised Rule

We are revising the following rule:

- ◆ Rule 97. Uninsured Motorists Insurance

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

Related Filing(s)

- ◆ CL-2016-OUM1 (forms)
- ◆ CA-2016-RUMLC (loss costs)

Background

In the companion forms filing, we revised the Vermont Uninsured Motorists Coverage in response to the position of the Vermont Department of Financial Regulation that UM/UIM coverage, as required under VT. CODE ANN. tit. 23, § 941, is also required to apply to hired and non-owned vehicle coverage.

Explanation of Changes

To correspond with the introduction of uninsured and underinsured motorists coverage for hired and non-owned autos in Vermont, we have revised Rule 97. Uninsured Motorists Insurance in the CLM to:

- ◆ Provide in new paragraph A.1.d. that if liability coverage also applies to hired or non-owned automobiles, uninsured (includes underinsured) motorists bodily injury must be provided for those autos; and
- ◆ Add reference to, and premium development instruction on, hired and non-owned autos in paragraph B.2.

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97. UNINSURED MOTORISTS INSURANCE

The following is added to Rule 97.:

A. Application

Uninsured (includes underinsured) Motorists Bodily Injury and Property Damage Coverage must be provided. Use Vermont Uninsured Motorists Coverage Endorsement **CA 21 63**. For split limits, also use Vermont Split Uninsured Motorists Coverage Limits Endorsement **CA 21 65**.

1. Bodily Injury

- a. Uninsured Motorists Bodily Injury Coverage must be provided at split limits not less than \$50,000/100,000 or a single limit of \$100,000.
- b. If the bodily injury liability limits are greater than \$100,000, Uninsured Motorists Coverage must be provided at limits equal to the bodily injury liability limits.
- c. The named insured has the right to select limits lower than the policy's bodily injury liability limits, but not lower than split limits of \$50,000/100,000 or a single limit of \$100,000.
- d. If Liability Coverage also applies to hired or non-owned automobiles, Uninsured Motorists Bodily Injury Coverage must be provided for those autos.

2. Property Damage

Uninsured Motorists Property Damage Coverage is subject to a \$10,000 limit per claim and a \$150 deductible. No other limits may be provided.

B. Premium Development

1. Select the appropriate loss costs table as follows:
 - a. For single limits Bodily Injury Coverage, refer to state loss costs Table **97.B.1.a.(LC)**.
 - b. For split limits Bodily Injury Coverage, refer to state loss costs Table **97.B.1.b.(LC)**. The initial limits provided are the minimum limits required in Vermont.
 - c. For Property Damage Coverage, refer to state loss costs Table **97.B.1.c.(LC)**. The limit provided is the only limit available in Vermont.
2. Identify the exposures in this jurisdiction for which coverage applies and a premium will be charged. Exposures include owned self-propelled vehicles and sets of registration plates not issued to a specific auto (including dealer and transporter plates). Exposures also include employees (for non-owned autos) and the cost of hire (for hired autos), but only if Liability Coverage applies to hired and/or non-owned autos.
 - a. Separately determine the premium for owned self-propelled vehicles and sets of registration plates not issued to a specific auto each such exposure as follows:
 - (1) Determine the exposure type (Private Passenger Type or Other Than Private Passenger Type). For the purposes of this premium development, Private Passenger Types include exposures which are classified under Section III of this division or are explicitly described as Private Passenger Types elsewhere in this division. Unless instructed otherwise, all other exposures are considered to be Other Than Private Passenger Types, even when rating for other coverages is based on Private Passenger Types.
 - (2) Within the appropriate loss costs table (single or split limits), locate the column corresponding to the exposure type determined in Paragraph **B.2.a.(1)**.
 - (3) From within this column, determine the appropriate loss cost based on the desired limit of coverage.
 - (4) For policies (other than Auto Dealers) issued to individual named insureds, add the amount shown in state loss costs Table **97.B.2.a.(4)(LC)**.
 - (5) Refer to the rules applicable to the exposure elsewhere in this division for additional premium development instructions, if any.
 - b. Determine the premium for hired autos as follows:
 - (1) Determine the estimated cost of hire for each class of autos the insured expects to hire in this state during the policy period.
 - (2) Divide the cost of hire by 100.
 - (3) Multiply the result by the appropriate hired autos state loss cost in Rule 97. for the desired limit of coverage.
 - (4) Refer to the rules applicable to the exposure elsewhere in this division for additional premium development instructions, if any.

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c. Determine the premium for non-owned autos as follows:

(1) Determine the total number of employees of the insured at all locations within this state.

(2) Multiply this amount by the appropriate non-owned autos state loss cost in Rule 97. for the desired limit of coverage.

(3) Refer to the rules applicable to the exposure elsewhere in this division for additional premium development instructions, if any.

bd. Primary, secondary, fleet, operator experience and use rating factors do not apply.

ce. Do not charge a premium for the following:

(1) Trailers;

(2) ~~Hired and non-owned autos;~~

(32) Owned vehicles which have not been assigned registration plates (such as Auto Dealers' inventory); or

(43) Registration plates used to transport non-owned autos (such as drive-away contractors rated under Rule 69.).

df. Do not apply the charge in Table 97.B.2.a.(4)(LC) for Uninsured Motorists Property Damage Coverage.