



STATISTICAL PLAN HOLDERS

AUGUST 24, 2018

COMMERCIAL AUTOMOBILE

SP-CA-2018-006

## ISO COMMERCIAL AUTOMOBILE NEW OPTIONAL CLASSIFICATION PLAN STATISTICAL CODING – CLARIFICATIONS

### KEY MESSAGE

This circular announces clarifications to coding instructions in support of ISO's new Optional Commercial Automobile Classification Plan (OCP) for Trucks, Tractors and Trailers and Private Passenger Types to all statistical reporters as stated in previously released circulars.

### INTRODUCTION

Statistical Plan Holders circular [SP-CA-2015-001](#), entitled "ISO Commercial Automobile Optional Classification Plan Rating Introduced; New Physical Damage Type Of Loss Codes Required," dated November 12, 2015, announced coding modifications in support of ISO's optional Commercial Automobile Classification Plan rating for Trucks, Tractors and Trailers and Private Passenger Types, and also introduced new Type of Loss Codes for all Physical Damage. On November 22, 2017, follow-up circular [SP-CA-2017-003](#), entitled "ISO Commercial Automobile New Optional Classification Plan Statistical Coding Extended To All Statistical Reporters," announced that ISO will be requiring all statistical reporting companies to report the new – currently optional – rating variables in support of the effort to return to a single class plan regardless of whether the OCP has been adopted or not, effective July 1, 2019. Subsequent to this circular, we have received company questions asking for clarifications in regard to Liability reporting for the new OCP fields. In order to make the OCP requirements clearer, we are making necessary changes to the Commercial Statistical Plan (CSP) and Commercial Statistical Plan – Intermediate (CSP-i).

### ISO ACTION

As a result, we are introducing a general rule in the CSP and CSP-i Statistical Plans.

NOTE: Companies who are utilizing a similar rating structure may not utilize all of the new data elements that are utilized in the ISO Commercial Automobile new OCP rating. Thus, while we will require all statistical reporting companies to report the new rating variables, we recognize that, in some cases, this information may not be readily available. In these situations, please contact ISO for reporting instructions.

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## COMMENTS

These changes:

- Apply to the CSP, CSP+ and CSP-i.
- Apply to Trucks, Tractors and Trailers and Private Passenger Type Vehicles as they apply to Combined Single Limit Liability, Collision, Comprehensive and Specified Cause of Loss. (Since OCP rating does not apply to UM/UIM and Medical Payments, statistical reporting of these new fields is not required for these coverages, but is optional).
- Apply to Voluntary Liability, No-fault\* and Physical Damage business.
- Do not apply to Assigned Risk business.
- Do not apply to the Commercial Statistical Agent Plan (CSAP).
- Do not apply to Zone-rated Risk business\*.

\* NOTE: Although the ISO Commercial Automobile New OCP rating does not apply to No-fault or Zone-rated Risk business, companies may optionally report some or all of the additional data elements.

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## STATISTICAL REPORTING EFFECTIVE DATES

For statistical reporting purposes, these changes are effective immediately on an optional basis and with inception dates of July 1, 2019 and subsequent on a mandatory basis.

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## FUTURE ISO ACTION

We will include these changes in the:

- 4th Quarter 2018 releases of the CSP and CSP-i plan revisions.
- 1st Quarter 2019 release of the Company Edit Package (CEP).

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## IMPORTANT NOTE(S)

Companies implementing these changes before they are reflected in the Company Edit Package (CEP) and/or Receipt and Acceptance edits may:

- Use the "Accept Feature" of the CEP for records flagged in error after all other errors are corrected; and/or
- Request the "Accept Option" to reprocess records flagged in error by ISO due to the use of new codes.

Please retain the revised statistical plan page attached to this circular, and keep it readily accessible, as this page will not be incorporated into the plan until the **4th Quarter 2018** release of updated CSP, CSP+ and CSP-i pages.

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## REFERENCE(S)

- [SP-CA-2017-003](#) (11/22/2017) ISO Commercial Automobile New Optional Classification Plan Statistical Coding Extended To All Statistical Reporters
- [SP-CA-2015-001](#) (11/12/2015) ISO Commercial Automobile Optional Classification Plan Rating Introduced; New Physical Damage Type Of Loss Codes Required

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**ATTACHMENT(S)**

- Revised CSP Page CA-GR-4.1
- Revised CSP-i Page CA-GR-4.1

**Note: The pages attached hereto as "revised pages" reflect all revisions to the current statistical plan pages associated with the change announced by this circular. These pages may not reflect changes announced in other circulars that affect the same page. However, all changes will be cumulatively assimilated in the 4th Quarter 2018 release of revised CSP, CSP+ and CSP-i pages.**

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ISO is excited to announce new eLearning courses, designed to provide you with an introduction and overview of statistical reporting and essential concepts for data quality.

These interactive 15-20 minute courses are now available via a link on the [ISOnet®](#) homepage to ISO Education eLearning.

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**CONTACT INFORMATION**

If you have any questions concerning:

- The content of this circular, please contact:  
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**13. TOWING AND LABOR COVERAGE****Underlying Physical Damage Other Than Collision (OTC) Coverage Policy**

On Commercial Automobile premium and loss records, indicate whether Towing And Labor coverage is included or excluded in the underlying OTC coverage by reporting the appropriate Coverage Code. Refer to the Coding Section for further reporting instructions.

**Towing And Labor Coverage**

In situations where Towing And Labor coverage is excluded in the underlying OTC coverage and requires an additional premium, a SEPARATE record is required to identify premiums and losses associated with this coverage using specific Towing And Labor Coverage Codes.

**Reporting Example:** An insured has Towing And Labor coverage with a per limit disablement of \$50, purchased for an additional premium, since their OTC coverage excludes towing, and a \$50 deductible with an equivalent glass deductible. In this example, the Towing And Labor premium charged along with any of the resultant losses would be reported with Coverage Code 902 (Towing And Labor – Per disablement of \$50). Premiums and losses attributable to the underlying OTC coverage, however, would be reported with a Coverage Code 003, which would show that Towing And Labor coverage is not included.

**14. BUSINESS INTERRUPTION – PHYSICAL DAMAGE ONLY**

Business Interruption coverage is available via Business Interruption Coverage Endorsement **CA 99 05** (or company equivalent). This coverage addresses the insured's business interruption resulting from direct and accidental loss or damage to scheduled property.

Individual premium records are required for each scheduled item with a separate limit of insurance (Option **A** in the endorsement's schedule). For a group of multiple items with one single limit of insurance (Option **B** in the endorsement's schedule), one single premium record is required. For premiums and losses, this coverage is identified by specific Voluntary Physical Damage Miscellaneous Classification Codes for Business Interruption (7987 and 7988), an exposure basis of Limit of Insurance, specific Coverage Codes, Extended Business Income Number of Days Code and Business Interruption Exposure Code, as well as all other applicable full coding details.

Special attention should be paid to the proper reporting of the Limit of Insurance, which identifies the actual Limit of Insurance being written on the Schedule. The Limit of Insurance must be reported in the Exposure field on all Business Interruption records.

The Limit of Insurance is not to be confused with the Business Interruption Exposure Code. This identifies the insured's estimated maximum Business Interruption exposure to loss (in thousands) when there is a single limit of insurance applicable to multiple scheduled items (Option **B**). If there is only one item of scheduled property, or a separate limit for each individual scheduled item (Option **A**), the Business Interruption Exposure Code may be left blank.

**15. NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS) CODE**

The six-digit North American Industrial Classification System (NAICS) Code is defined and updated by the Federal Government's Office of Management and Budget and classifies a company's industry. Specific information on NAICS, including codes, can be accessed online: <https://www.census.gov/eos/www/naics/index.html>. (**Note:** Questions on the specifics of this website should be sent via the contact information provided on the website.)

Companies reporting Trucks, Tractors, Trailers and Private Passenger Types (PPTs) must report the applicable six-digit NAICS Code in the Liability and Physical Damage modules, whereas it is optional in the No-fault module.

Companies who are unable to report the full NAICS Code should contact ISO for proper handling.

**16. REPORTING OF TRUCKS, TRACTORS AND TRAILERS AND PRIVATE PASSENGER TYPES FOR VOLUNTARY RISKS:**

The Optional Class Plan (OCP) introduced several new fields for Trucks, Tractors, Trailers and Private Passenger Types for Voluntary risk reporting, including:

- Number of Powered Vehicles
- Price Bracket (Original Cost New / Stated Amount)
- Age of Vehicle Codes
- Stated Amount Identifier Code
- North American Industrial Classification System (NAICS)

For the following types of business, these fields are not required but may be optionally reported:

- No-Fault
- Uninsured (UM) and Underinsured (UIM) Motorist Coverage
- Medical Payments
- Zone Rated Risks

## 12. TOWING AND LABOR COVERAGE

### Underlying Physical Damage Other Than Collision (OTC) Coverage Policy

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### Towing And Labor Coverage

In situations where Towing and Labor coverage is excluded in the underlying OTC coverage and requires an additional premium, a SEPARATE record is required to identify premiums and losses associated with this coverage using specific Towing and Labor Coverage Codes.

**Reporting Example:** An insured has Towing and Labor coverage with a per limit disablement of \$50, purchased for an additional premium, since their OTC coverage excludes towing, and a \$50 deductible with an equivalent glass deductible. In this example, the towing and labor premium charged along with any of the resultant losses would be reported with Coverage Code 902 (Towing and Labor – Per disablement of \$50). Premiums and losses attributable to the underlying OTC coverage, however, would be reported with a Coverage Code 003, which would show that Towing and Labor coverage is not included.

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Individual premium records are required for each scheduled item with a separate limit of insurance (Option A in the endorsement's Schedule). For a group of multiple items with one single limit of insurance (Option B in the endorsement's Schedule), one single premium record is required. For premiums and losses, this coverage is identified by specific Voluntary Physical Damage Miscellaneous Classification Codes for Business Interruption (7987 and 7988), an exposure basis of Limit of Insurance, specific Coverage Codes and Extended Business Income Number of Days Code, as well as all other applicable full coding details.

The Limit of Insurance, which identifies the actual limit of insurance being written on the Schedule, must be reported in the Exposure field on all Business Interruption records.

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