

RULES – IMPLEMENTATION

FEBRUARY 20, 2020

COMMERCIAL AUTOMOBILE

LI-CA-2020-126

## ARIZONA INCREASED LIABILITY LIMITS RULE REVISION SUBMITTED AND TO BE IMPLEMENTED

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### KEY MESSAGE

We have submitted revisions to Rule **100**. Increased Liability Limits of the Arizona CLM exception pages and are implementing these revisions.

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### BACKGROUND

In circular [LI-CA-2019-155](#), we announced that we would be making changes to various Commercial Auto rules in response to 2019 Ariz. Sess. Laws \_\_\_ (former S.B. 1087).

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### ISO ACTION

In response to 2019 Ariz. Sess. Laws \_\_\_ (former S.B. 1087), we revised Rule **100**. Increased Liability Limits of the Arizona CLM exception pages and submitted these revisions to the Arizona Department of Insurance under filing designation CA-2019-RIL1. We are now implementing these revisions.

Refer to the attached explanatory material for complete details about the filing.

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### EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies written on or after July 1, 2020.

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### COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Number CA-2019-RIL1 and SERFF Tracking Number ISOF-132225303, NOT this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

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## **RATING SOFTWARE IMPACT**

New attributes being introduced with this revision:

- New, additional factors are being introduced.
- Current factors are being withdrawn.

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## **POLICYHOLDER NOTIFICATION**

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2019-057](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

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## **REVISION DISTRIBUTION**

We will issue a Notice to Manualholders with an edition date of 7-20 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

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## **RELATED LOSS COSTS REVISION**

We are announcing in a separate circular the implementation of a corresponding loss costs revision. Please refer to the Reference(s) block for identification of that circular.

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## **REFERENCE(S)**

- [LI-CA-2020-125](#) (02/20/2020) Arizona Loss Costs Revisions Submitted And To Be Implemented
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing
- [LI-CA-2019-155](#) (06/26/2019) Arizona Former S.B. 1087 Relating To Financial Responsibility Under Review; Filings On Hold

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## **ATTACHMENT(S)**

Filing CA-2019-RIL1

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# Revision to Rule 100. Increased Liability Limits of the Arizona CLM Exception Pages

## About This Filing

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This filing is being made in response to 2019 Ariz. Sess. Laws \_\_\_ (Former S.B. 1087).

## Revised Rules

- ◆ We are revising Rule **100**. Increased Liability Limits of the Arizona CLM exception pages.

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)

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The following companion filings are being filed with a concurrent effective date:

- ◆ CA-2019-RLC1

## Background

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2019 Ariz. Sess. Laws \_\_\_ (Former S.B. 1087), which became effective August 27, 2019 and applies to automobile liability or motor vehicle liability policies issued, reinstated or renewed on or after July 1, 2020, revises, in part, the minimum motor vehicle financial responsibility requirements from \$15,000/30,000 to \$25,000/50,000 for bodily injury and from \$10,000 to \$15,000 for property damage.

## Explanation of Changes

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In response to 2019 Ariz. Sess. Laws \_\_\_ (Former S.B. 1087), we are revising Rule **100**. to reflect the Increased Liability Limits resultant from the revised financial responsibility requirements.

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**100. INCREASED LIABILITY LIMITS**

Paragraph **B.** is replaced by the following:

Combined Single Limit Of Liability (000's)	1.  Light And Medium Trucks	2.  Heavy Trucks And Truck- tractors	3.  Extra- heavy Trucks And Truck- tractors	4.  Trucks, Tractors, And Trailers Zone-rated	5.  All Other Risks
25	0.69	0.69	0.66	0.66	0.69
<del>6540</del>	<del>0.900.79</del>	<del>0.890.78</del>	<del>0.880.77</del>	<del>0.880.76</del>	<del>0.900.79</del>
100	1.00	1.00	1.00	1.00	1.00
125	1.05	1.06	1.07	1.07	1.06
150	1.10	1.11	1.12	1.12	1.10
200	1.17	1.19	1.22	1.22	1.18
250	1.23	1.25	1.31	1.30	1.24
300	1.28	1.30	1.38	1.37	1.30
350	1.32	1.35	1.45	1.43	1.35
400	1.36	1.39	1.52	1.49	1.39
500	1.43	1.47	1.63	1.59	1.46
600	1.49	1.53	1.73	1.67	1.52
750	1.56	1.61	1.86	1.78	1.60
1,000	1.66	1.72	2.04	1.92	1.69
1,500	1.79	1.87	2.31	2.11	1.82
2,000	1.89	1.99	2.51	2.25	1.92
2,500	1.98	2.09	2.67	2.36	1.99
3,000	2.05	2.17	2.80	2.46	2.06
5,000	2.26	2.43	3.20	2.75	2.26
7,500	2.46	2.69	3.57	3.02	2.45
10,000	2.63	2.91	3.87	3.25	2.61

**Table 100.B. Increased Liability Limits**