

RULES – IMPLEMENTATION

APRIL 2, 2020

COMMERCIAL AUTOMOBILE

LI-CA-2020-167

WISCONSIN REVISED RULE 92. MEDICAL PAYMENTS TO BECOME EFFECTIVE

KEY MESSAGE

We have revised Rule 92. Medical Payments in response to changes made in previous Wisconsin Commercial Auto advisory prospective loss cost filing [CA-2019-BRLA1](#).

BACKGROUND

In previous ISO filing [CA-2019-BRLA1](#), we included, in part, a revision of the Non-ownership Liability advisory prospective loss costs contained in Rule 89.C.1.a.(1). Subsequently, corresponding changes were needed for Rule 92. Medical Payments, paragraph B.3., specifically with regards to the "total number of employees from Table 89.C.1.a.(1)(LC)".

ISO ACTION

We have revised Rule 92. Medical Payments, paragraph B.3. accordingly.

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

EFFECTIVE DATE

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

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

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.

WE WILL SUBMIT THIS REVISION TO THE INSURANCE DEPARTMENT ON AUGUST 21, 2020. IF STATE FILING REQUIREMENTS DICTATE THAT YOU MAKE A SUBMISSION WITH THE INSURANCE DEPARTMENT, DO NOT SUBMIT IT PRIOR TO THIS DATE.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number [CA-2020-OMP1](#), 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.

RATING SOFTWARE IMPACT

No new attributes are being introduced with this revision.

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.

REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of 9-20 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

[LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Filing [CA-2020-OMP1](#)

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Revision to Wisconsin Rule 92. Medical Payments

About This Filing

This filing is being made in response to changes made in Wisconsin Commercial Auto advisory prospective loss cost filing CA-2019-BRLA1.

Revised Rule

We are revising Rule 92. Medical Payments.

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

Background

In ISO filing CA-2019-BRLA1 which presents a review of Commercial Auto loss cost experience, we included, in part, a revision of the Non-ownership Liability advisory prospective loss costs contained in Rule 89.C.1.a.(1).

Corresponding changes are needed to Rule 92. Medical Payments, paragraph B.3., specifically with regards to the "total number of employees from Table 89.C.1.a.(1)(LC)".

...

3. For policies covering non-owned autos, compute the non-ownership auto medical payments premium by multiplying the liability loss costs applicable to 0-25 total number of employees from Table 89.C.1.a.(1)(LC) by the following factor:

Limit	Factor
\$ 1,000	.036
2,000	.050
5,000	.064
10,000	.071

Table 92.B.3. Non-owned Auto Medical Payments Factor

Explanation of Changes

In response to changes made in filing CA-2019-BRLA1 with respect to Rule 89.C.1.a.(1), we are revising Rule 92. Medical Payments, paragraph B.3. as follows:

3. For policies covering non-owned autos, compute the non-ownership auto medical payments premium by multiplying the liability loss costs applicable to ~~0-925~~ total number of employees from Table 89.C.1.a.(1)(LC) by the following factor:

(emphasis supplied)

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92. MEDICAL PAYMENTS

B. Premium Development

1. The premiums for trucks, tractors, trailers, public autos and private passenger types are in the state company rates/ISO loss costs.
2. For zone-rated risks, multiply the \$100,000 liability premium shown in the state company rates/ISO loss costs by the following factors:

Limit	Factor
\$ 1,000	.055
2,000	.076
5,000	.110
10,000	.137

Table 92.B.2. Zone-rated Medical Payments Factors

3. For policies covering non-owned autos, compute the non-ownership auto medical payments premium by multiplying the liability loss costs applicable to 0-~~25~~ total number of employees from Table 89.C.1.a.(1)(LC) by the following factors:

Limit	Factor
\$ 1,000	.036
2,000	.050
5,000	.064
10,000	.071

Table 92.B.3. Non-owned Auto Medical Payments Factors

4. For policies covering hired autos, compute the hired auto medical payments premium by first computing the \$100,000 liability loss cost in accordance with the instructions in Rule 90., based on the estimated annual cost of hire for all autos in Wisconsin. Then, multiply the result by the following factors:

Limit	Factor
\$ 1,000	.053
2,000	.073
5,000	.106
10,000	.131

Table 92.B.4. Hired Auto Medical Payments Factors

5. For all other classes, refer to the section rules.