

FORMS – APPROVED

AUGUST 7, 2020

COMMERCIAL AUTOMOBILE

LI-CA-2020-356

LOUISIANA AMENDMENT OF SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY ENDORSEMENTS FILED AND APPROVED

KEY MESSAGE

The Louisiana Department of Insurance has approved ISO Forms Filing [CA-2020-OCAN1](#) as filed.

BACKGROUND

In circular [LI-CA-2020-277](#), we advised, in part, that, based on our initial review of 2020 La. Acts ____ (former H.B. 296), we anticipate revising Commercial Auto endorsements.

ISO ACTION

In response to 2020 La. Acts ____ (former H.B. 296), we have:

- Revised the Cancellation provisions of CA 26 16, Louisiana Amendment Of Single Interest Automobile Physical Damage Insurance Policy, and CA 26 17, Louisiana Amendment Of Single Interest Automobile Physical Damage Insurance Policy, to remove the option to surrender the policy and remove the requirement that written notice of cancellation by the insured be mailed.
- Filed these revisions under ISO Filing Designation [CA-2020-OCAN1](#).

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

INSURANCE DEPARTMENT ACTION

The Louisiana Department of Insurance has approved ISO Forms Filing [CA-2020-OCAN1](#) as filed.

EFFECTIVE DATE

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

These changes are applicable to all policies effective on or after January 1, 2021.

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 Designation Number [CA-2020-OCAN1](#), 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

New attributes being introduced with this revision:

- New edition dates of existing form numbers are being introduced.

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 Portfolioholders with an edition date of 01-21 (or the earliest possible subsequent date), along with any new and/or revised forms.

REFERENCE(S)

- [LI-CA-2020-277](#) (06/24/2020) Louisiana Former H.B. 296 Regarding Cancellation Under Review
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing

ATTACHMENT(S)

- Filing CA-2020-OCAN1
- Final copies of [CA 26 16 01 21](#) and [CA 26 17 01 21](#)

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Revisions To Louisiana Single Interest Automobile Physical Damage Endorsements

About This Filing

This filing is being made in response to 2020 La. Acts ____ (former H.B. 296).

Revised Forms

We are revising the following forms:

- ♦ CA 26 16 03 12, Louisiana Amendment Of Single Interest Automobile Physical Damage Insurance Policy
- ♦ CA 26 17 03 12, Louisiana Amendment Of Single Interest Automobile Physical Damage Insurance Policy

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the 01 21 editions. Concurrent with implementation, the 01 21 editions will supersede the prior editions.

Background

2020 La. Acts ____ (former H.B. 296), effective January 1, 2021, revises, in part, LA. REV. STAT. ANN. § 22:885, to:

- ♦ Require written notice of cancellation by the insured and remove the option for an insured to *surrender* a policy.
- ♦ Define "written" as "the insured's intentional recording of words in a visual form, whether in the form of handwriting, printing, typewriting, electronic communication, or any other tangible form."

Currently, the Cancellation provisions of CA 26 16 and CA 26 17, provide, in part, the following:

"This policy may be cancelled by the **named insured** *by surrender thereof to the company or by mailing* to the company written notice stating when thereafter the cancellation shall be effective." (italicized language emphasized)

...

" The time of *surrender* or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the **named insured** or by the company *shall be equivalent to mailing.*"
(italicized language emphasized)

Explanation of Changes

In response to 2020 La. Acts ____ (former H.B. 296), we are revising the Cancellation provisions of CA 26 16 and CA 26 17 to remove the option to surrender the policy and remove the requirement that written notice of cancellation by the insured be mailed.

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Important Note

Insurance Services Office, Inc. (ISO) makes available advisory services to property/casualty insurers. ISO has no adherence requirements. ISO policy forms and explanatory materials are intended solely for the information and use of ISO's participating insurers and their representatives, and insurance regulators. Neither ISO's general explanations of policy intent nor opinions expressed by ISO's staff necessarily reflect every insurer's view or control any insurer's determination of coverage for a specific claim. ISO does not intercede in coverage disputes arising from insurance policies. If there is any conflict between a form and any other part of the attached material, the provisions of the form apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LOUISIANA AMENDMENT OF SINGLE INTEREST
AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY**
(Individual Policy Form)

BLANK FIRE INSURANCE COMPANY

This endorsement modifies insurance provided under the following:

SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY (INDIVIDUAL POLICY FORM)

- A. Paragraph 4. **Action Against Company** of the **Conditions** is replaced by the following:

4. Action Against Company

A person or organization may bring a **suit** against the company including, but not limited to, a **suit** to recover on an agreed settlement or on a final judgment against a **named insured**; but the company will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the company, the **named insured** and the claimant or the claimant's legal representative.

No action shall lie against the company until 30 days after proof of **loss** is filed and the amount of **loss** is determined as provided in this policy.

- B. Paragraph 9. **Subrogation** of the **Conditions** is replaced by the following:

9. Subrogation

In the event of any payment under this policy, the company shall be subrogated up to the limit the company paid, to all the **named insured's** rights of recovery, therefor against any person or organization and the **named insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **named insured** shall do nothing after **loss** to prejudice such **rights**.

The company waives the right of subrogation against the **retail purchaser** with respect to any claim paid under this policy.

- C. Paragraph 11. **Cancellation** of the **Conditions** is replaced by the following:

11. Cancellation

a. Cancellation Of Policies In Effect For Less Than 60 Days

If the policy has been in effect for less than 60 days, the company may cancel this policy by mailing to the first **named insured** written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if cancelling for nonpayment of premium; or
- (2) 60 days before the effective date of cancellation if cancelling for any other reason.

b. Cancellation Of Policies In Effect 60 Days Or More

If the policy has been in effect for 60 days or more, the company may cancel this policy only for nonpayment of premium and reasons (2)(a) through (f) that follow. Written notice of cancellation will be mailed to the first **named insured** at least:

- (1) 10 days before the effective date of cancellation if cancelling for nonpayment of premium; or

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(2) 30 days before the effective date of cancellation if cancelling for any of the following:

- (a) Fraud or material misrepresentation made by or with the knowledge of the **named insured** in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- (b) Activities or omissions on the part of the **named insured** which change or increase any hazard insured against, including a failure to comply with **loss** control recommendations;
- (c) Change in the risk which increases the risk of **loss** after insurance coverage has been issued or renewed, including an increase in exposure due to regulation, legislation or court decision;
- (d) Determination by the Commissioner of Insurance that the continuation of the policy would jeopardize a company's solvency or would place the insurer in violation of the insurance laws of this state or any other state;
- (e) Violation or breach by the insured of any policy terms or conditions;
- (f) Such other reasons that are approved by the Commissioner of Insurance.

This policy may be cancelled by the **named insured** by ~~surrender thereof to the company or by mailing giving to the company written notice stating when thereafter the cancellation shall be effective.~~ The policy may be cancelled by the company by mailing to the **named insured** at the address shown in the policy written notice stating when not less than 10 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice.

~~The time of surrender or~~ The effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice ~~either by the named insured or by the company~~ shall be equivalent to mailing.

Upon cancellation by the **named insured**, the unearned premium shall be computed short rate in accordance with the Single Interest Short Rate and Pro Rata Table filed with and approved by the Commissioner of Insurance.

Upon cancellation by the company, the unearned premium shall be computed pro rata in accordance with the Single Interest Short Rate and Pro Rata Table filed with and approved by the Commissioner of Insurance.

The company will return any unearned premium to the **named insured** within 30 days of cancellation by the **named insured**.

D. The following is added to the **Conditions**:

Nonrenewal

If the company decides not to renew or continue this policy, a written notice will be mailed to the **named insured** at the address shown in the policy, at least 60 days before the end of the policy period. Such notice to the **insured** shall include the insured's **loss** run information for the period the policy has been in force within, but not to exceed, the last three years of coverage.

E. Paragraph 12. **Declarations** is replaced by the following:

12. Declarations

The **named insured** agrees that the statements in the Declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the company or any of its agents relating to this policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LOUISIANA AMENDMENT OF SINGLE INTEREST
AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY**
(Finance Master Policy Form)

BLANK FIRE INSURANCE COMPANY

This endorsement modifies insurance provided under the following:

SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY (FINANCE MASTER
POLICY FORM)

- A. Paragraph 4. **Action Against Company** of the **Conditions** is replaced by the following:

4. Action Against Company

A person or organization may bring a **suit** against the company including, but not limited to, a **suit** to recover on an agreed settlement or on a final judgment against a **named insured**; but the company will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the company, the **named insured** and the claimant or the claimant's legal representative.

No action shall lie against the company until 30 days after proof of **loss** is filed and the amount of **loss** is determined as provided in this policy.

- B. Paragraph 9. **Subrogation** of the **Conditions** is replaced by the following:

9. Subrogation

In the event of any payment under this policy, the company shall be subrogated up to the limit the company paid, to all the **named insured's** rights of recovery, therefor against any person or organization and the **named insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **named insured** shall do nothing after **loss** to prejudice such rights.

The company waives the right of subrogation against the **retail purchaser** with respect to any claim paid under this policy.

- C. Paragraph 11. **Cancellation** of the **Conditions** is replaced by the following:

11. Cancellation

a. Cancellation Of Policies In Effect For Less Than 60 Days

If the policy has been in effect for less than 60 days, the company may cancel this policy by mailing to the first **named insured** written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if cancelling for nonpayment of premium; or
- (2) 60 days before the effective date of cancellation if cancelling for any other reason.

b. Cancellation Of Policies In Effect 60 Days Or More

If the policy has been in effect for 60 days or more, the company may cancel this policy only for nonpayment of premium and reasons (2)(a) through (f) that follow. Written notice of cancellation will be mailed to the first **named insured** at least:

- (1) 10 days before the effective date of cancellation if cancelling for nonpayment of premium; or

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(2) 30 days before the effective date of cancellation if cancelling for any of the following:

- (a) Fraud or material misrepresentation made by or with the knowledge of the **named insured** in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- (b) Activities or omissions on the part of the **named insured** which change or increase any hazard insured against, including a failure to comply with **loss** control recommendations;
- (c) Change in the risk which increases the risk of **loss** after insurance coverage has been issued or renewed, including an increase in exposure due to regulation, legislation or court decision;
- (d) Determination by the Commissioner of Insurance that the continuation of the policy would jeopardize a company's solvency or would place the insurer in violation of the insurance laws of this state or any other state;
- (e) Violation or breach by the insured of any policy terms or conditions;
- (f) Such other reasons that are approved by the Commissioner of Insurance.

Master Policy

This master policy may be cancelled by the **named insured** ~~by surrender thereof to the company or by mailing giving~~ to the company written notice stating when thereafter such cancellation shall be effective. This master policy may be cancelled by the company by mailing to the **named insured** written notice stating when not less than 10 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. Cancellation of this master policy by either the **named insured** or the company shall not prejudice such insurance as may still be in effect for any **automobile** at the time of such cancellation.

When the insurance on each **automobile** has expired in concurrence with the satisfaction of the **named insured's** interest therein or when such insurance has otherwise been terminated, this master policy shall be returned to the company for cancellation.

Individual Automobiles

The **named insured** may cancel the insurance afforded for any individual **automobile** by ~~mailing giving~~ to the company written notice stating when thereafter such cancellation shall be effective. The company may cancel the insurance afforded for any such individual **automobile** by mailing to the **named insured** and the **retail purchaser** written notice stating when not less than 10 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice.

~~The time of surrender or t~~The effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice ~~either by the named insured or by the company~~ shall be equivalent to mailing.

Upon cancellation by the **named insured**, the unearned premium shall be computed short rate in accordance with the Single Interest Short Rate and Pro Rata Table filed with and approved by the Commissioner of Insurance. Upon cancellation by the company, the unearned premium shall be computed pro rata in accordance with the Single Interest Short Rate and Pro Rata Table filed with and approved by the Commissioner of Insurance.

The company will return any unearned premium to the **named insured** within 30 days of cancellation by the **named insured**.

D. The following is added to the **Conditions**:

12. Nonrenewal

If the company decides not to renew or continue this policy, a written notice will be mailed to the **named insured** at the address shown in the policy, at least 60 days before the end of the policy period. Such notice to the **insured** shall include the insured's **loss** run information for the period the policy has been in force within, but not to exceed, the last three years of coverage.

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LOUISIANA AMENDMENT OF SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY (Individual Policy Form)

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4. Action Against Company

A person or organization may bring a **suit** against the company including, but not limited to, a **suit** to recover on an agreed settlement or on a final judgment against a **named insured**; but the company will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the company, the **named insured** and the claimant or the claimant's legal representative.

No action shall lie against the company until 30 days after proof of **loss** is filed and the amount of **loss** is determined as provided in this policy.

- B. Paragraph 9. **Subrogation** of the **Conditions** is replaced by the following:

9. Subrogation

In the event of any payment under this policy, the company shall be subrogated up to the limit the company paid, to all the **named insured's** rights of recovery, therefor against any person or organization and the **named insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **named insured** shall do nothing after **loss** to prejudice such **rights**.

The company waives the right of subrogation against the **retail purchaser** with respect to any claim paid under this policy.

- C. Paragraph 11. **Cancellation** of the **Conditions** is replaced by the following:

11. Cancellation

a. Cancellation Of Policies In Effect For Less Than 60 Days

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- (1) 10 days before the effective date of cancellation if cancelling for nonpayment of premium; or
- (2) 60 days before the effective date of cancellation if cancelling for any other reason.

b. Cancellation Of Policies In Effect 60 Days Or More

If the policy has been in effect for 60 days or more, the company may cancel this policy only for nonpayment of premium and reasons **(2)(a)** through **(f)** that follow. Written notice of cancellation will be mailed to the first **named insured** at least:

- (1) 10 days before the effective date of cancellation if cancelling for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if cancelling for any of the following:

- (a) Fraud or material misrepresentation made by or with the knowledge of the **named insured** in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- (b) Activities or omissions on the part of the **named insured** which change or increase any hazard insured against, including a failure to comply with **loss** control recommendations;
- (c) Change in the risk which increases the risk of **loss** after insurance coverage has been issued or renewed, including an increase in exposure due to regulation, legislation or court decision;
- (d) Determination by the Commissioner of Insurance that the continuation of the policy would jeopardize a company's solvency or would place the insurer in violation of the insurance laws of this state or any other state;
- (e) Violation or breach by the insured of any policy terms or conditions;
- (f) Such other reasons that are approved by the Commissioner of Insurance.

This policy may be cancelled by the **named insured** by giving to the company written notice stating when thereafter the cancellation shall be effective. The policy may be cancelled by the company by mailing to the **named insured** at the address shown in the policy written notice stating when not less than 10 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice.

The effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice by the company shall be equivalent to mailing.

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No action shall lie against the company until 30 days after proof of **loss** is filed and the amount of **loss** is determined as provided in this policy.

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If the policy has been in effect for 60 days or more, the company may cancel this policy only for nonpayment of premium and reasons (2)(a) through (f) that follow. Written notice of cancellation will be mailed to the first **named insured** at least:

- (1) 10 days before the effective date of cancellation if cancelling for nonpayment of premium; or

- (2) 30 days before the effective date of cancellation if cancelling for any of the following:
- (a) Fraud or material misrepresentation made by or with the knowledge of the **named insured** in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
 - (b) Activities or omissions on the part of the **named insured** which change or increase any hazard insured against, including a failure to comply with **loss** control recommendations;
 - (c) Change in the risk which increases the risk of **loss** after insurance coverage has been issued or renewed, including an increase in exposure due to regulation, legislation or court decision;
 - (d) Determination by the Commissioner of Insurance that the continuation of the policy would jeopardize a company's solvency or would place the insurer in violation of the insurance laws of this state or any other state;
 - (e) Violation or breach by the insured of any policy terms or conditions;
 - (f) Such other reasons that are approved by the Commissioner of Insurance.

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When the insurance on each **automobile** has expired in concurrence with the satisfaction of the **named insured's** interest therein or when such insurance has otherwise been terminated, this master policy shall be returned to the company for cancellation.

Individual Automobiles

The **named insured** may cancel the insurance afforded for any individual **automobile** by giving to the company written notice stating when thereafter such cancellation shall be effective. The company may cancel the insurance afforded for any such individual **automobile** by mailing to the **named insured** and the **retail purchaser** written notice stating when not less than 10 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice.

The effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice by the company shall be equivalent to mailing.

Upon cancellation by the **named insured**, the unearned premium shall be computed short rate in accordance with the Single Interest Short Rate and Pro Rata Table filed with and approved by the Commissioner of Insurance. Upon cancellation by the company, the unearned premium shall be computed pro rata in accordance with the Single Interest Short Rate and Pro Rata Table filed with and approved by the Commissioner of Insurance.

The company will return any unearned premium to the **named insured** within 30 days of cancellation by the **named insured**.

D. The following is added to the Conditions:

12. Nonrenewal

If the company decides not to renew or continue this policy, a written notice will be mailed to the **named insured** at the address shown in the policy, at least 60 days before the end of the policy period. Such notice to the **insured** shall include the insured's **loss** run information for the period the policy has been in force within, but not to exceed, the last three years of coverage.