



LOSS COSTS – IMPLEMENTATION

AUGUST 14, 2020

COMMERCIAL AUTOMOBILE

LI-CA-2020-369

## MARYLAND REVISED UNINSURED MOTORISTS COVERAGE (INCLUDES UNDERINSURED MOTORISTS COVERAGE) LOSS COSTS TO BE IMPLEMENTED

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### KEY MESSAGE

Loss costs filing [CA-2020-RUMLC](#) to be implemented.

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### BACKGROUND

In circular [LI-CA-2020-148](#), we announced that we had filed revisions to Maryland Uninsured (Includes Underinsured) Motorists Coverage loss costs to more closely align with the provisions of Maryland Insurance Code § 19-509.

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### ISO ACTION

We are implementing revisions contained in ISO Filing [CA-2020-RUMLC](#).

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### 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.

This effective date applies only to those insurers who have filed their Commercial Auto loss cost adjustments to be automatically applicable to future ISO loss cost revisions.

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### IMPACT ON THE STATISTICAL REPORTING OF LOSS COST MULTIPLIER

For the purpose of reporting your company Loss Cost Multiplier under the CSP, as of January 1, 2021, the multiplier must be based on the relationship between your gross rates and the ISO advisory prospective loss costs contained in referenced circular [LI-CA-2020-342](#).

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### COMPANY ACTION

You must independently determine the final rates you will use. The action, if any, you must take in response to this filing is dependent upon how you filed to have your loss cost adjustments apply to subsequent revisions of ISO loss costs. Any submission you make with respect to this revision must comply with applicable regulatory filing requirements.

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 Reference Filing Number [CA-2020-RUMLC](#), NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for COMMERCIAL AUTO in Maryland. In determining whether or not to revise your rates, you should consider the application of your loss cost adjustments to any loss costs not included in this revision.

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## RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- The current Uninsured Motorists Coverage loss costs are being revised.

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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 1-21 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

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## RELATED FORMS REVISION

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

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## REFERENCE(S)

- [LI-CA-2020-368](#) (08/14/2020) Maryland Revised Uninsured Motorists Coverage Endorsement Approved; Effective Date Revised
- [LI-CA-2020-342](#) (08/03/2020) Maryland Revised Commercial Auto Advisory Prospective Loss Costs To Be Implemented
- [LI-CA-2020-148](#) (03/12/2020) Maryland Revised Uninsured Motorists Coverage (Includes Underinsured Motorists Coverage) Loss Costs Filed
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing

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## ACKNOWLEDGMENT OF ACTUARIAL QUALIFICATIONS

The American Academy of Actuaries' "Qualifications Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" requires that an actuary issuing a Statement of Actuarial Opinion should include an acknowledgment with the opinion that he/she has met the qualification standards of the AAA. ISO considers this loss cost filing a Statement of Actuarial Opinion; therefore, we are including the following acknowledgment:

I, Rebecca Gordon, am an Actuarial Associate for ISO and I, James Davidson, am an Actuarial Director for Commercial Auto for ISO. We are jointly responsible for the content of this Statement of Actuarial Opinion and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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## CONTACT INFORMATION

If you have any questions concerning:

- The actuarial content of this circular, please contact:  
Rebecca Gordon  
Actuarial Operations  
201-469-2623  
[autoactuarial@verisk.com](mailto:autoactuarial@verisk.com)  
[Rebecca.Gordon@verisk.com](mailto:Rebecca.Gordon@verisk.com)
- The non-actuarial content of this circular, please contact:  
John Papa  
Compliance And Product Services - Auto  
201-469-2909  
[auto@verisk.com](mailto:auto@verisk.com)  
[John.Papa@verisk.com](mailto:John.Papa@verisk.com)
- Other issues for this circular, please contact Customer Support:  
E-mail: [info@verisk.com](mailto:info@verisk.com)  
Phone: 800-888-4476

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