

RULES – IMPLEMENTATION

MARCH 9, 2021

COMMERCIAL AUTOMOBILE

LI-CA-2021-057

## NORTH CAROLINA COMMERCIAL AUTO TERRITORY DEFINITIONS REVISION TO BE IMPLEMENTED

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### KEY MESSAGE

New territory definitions defined in terms of ZIP codes and revised territory rule for the Commercial Lines Manual, Division One – Automobile in North Carolina are acknowledged.

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### UPGRADE TO WORD AND EXCEL DOCUMENTS

ISO is currently implementing changes to our authoring and delivery systems so that **newly created** documents will be delivered in Office 365 .docx/.xlsx format. These changes will be phased in by product/service tentatively beginning in second quarter 2021. We are providing advance notification so that you may prepare your internal systems. Products impacted include, but are not limited to, documents delivered/accessed via Circulars, CLM, EFD, ERC, Filings, FIRST, Forms Library (including PolicyWriting Support Forms Instructional Supplement), PRM, Statistical Plans and Suite +.

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### BACKGROUND

In circular [LI-CA-2020-394](#), we advised you that we submitted filing CA-2020-RTER1 to the Insurance Department.

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### INSURANCE DEPARTMENT ACTION

The Insurance Department has acknowledged this revision as filed.

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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 December 1, 2021.

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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 December 1, 2021, if your company has implemented the Optional Class Plan, 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-2020-394](#).

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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-2020-RTER1 and SERFF Tracking Number ISO-132517173, 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

No new attributes are being introduced with this revision.

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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-2021-004 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 12-21 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

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## REFERENCE(S)

- LI-CL-2021-004 (02/17/2021) Revised Lead Time Requirements Listing
- LI-CA-2020-394 (09/18/2020) North Carolina Commercial Auto Territory Definitions Revision Submitted

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## OPTIONAL CLASS PLAN INFORMATION

For the latest updates on the Optional Class Plan, visit <https://www.verisk.com/insurance/products/new-commercial-auto-class-plan>.

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## CONTACT INFORMATION

If you have any questions concerning:

- The actuarial content of this circular, please contact:  
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