

LOSS COSTS – IMPLEMENTATION

AUGUST 12, 2021

COMMERCIAL AUTOMOBILE

LI-CA-2021-286

VIRGINIA REVISED UNINSURED MOTORISTS INSURANCE RULE 97. LOSS COSTS TO BE IMPLEMENTED

KEY MESSAGE

The Virginia State Corporation Commission Bureau of Insurance (BOI) has acknowledged loss costs filing [CA-2021-RLC1](#).

UPGRADE TO WORD AND EXCEL DOCUMENTS

As previously noted, ISO is implementing changes to our authoring and delivery systems so that **newly created** documents will be delivered in Office 365 .docx/.xlsx format to be phased in by product/service. In addition to **form** documents, we are pleased to announce that during the third quarter 2021, you will be receiving **circular cover letter** and **Notice To Manualholders (NTM)** documents in .docx format delivered/accessed via Circulars, CLM, EFD, ERC, Filings, FIRST, Forms Library, PRM and Suite +. Changes continue for other document types to be phased in by product/service. 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 +.

BACKGROUND

In circular [LI-CA-2021-249](#), we announced that we had filed revisions to the Uninsured (includes Underinsured) Motorists Bodily Injury loss costs in response to 2020 Va. Acts ch. 273 (former S.B. 1182) with the Virginia BOI.

INSURANCE DEPARTMENT ACTION

The Virginia BOI has acknowledged filing [CA-2021-RLC1](#).

EFFECTIVE DATE

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

These changes are applicable to all policies written on or after January 1, 2022.

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

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, 2022, 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-2021-249](#).

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-2021-RLC1, NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for Commercial Auto in Virginia. 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.

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-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.

REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of 1-22 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

RELATED RULES REVISION

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

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.

REFERENCES

- [LI-CA-2021-287](#) (08/12/2021) Virginia Revised Rule 100. Increased Liability Limits To Be Implemented
- [LI-CA-2021-285](#) (08/12/2021) Virginia Revised Changes In Coverage Forms Endorsements Approved
- [LI-CA-2021-249](#) (07/07/2021) Virginia Revised Uninsured Motorists Insurance Rule 97. Loss Costs Filed
- [LI-CL-2021-004](#) (02/17/2021) Revised Lead Time Requirements Listing

CONTACT INFORMATION

If you have any questions concerning:

- The actuarial content of this circular, please contact:
Gary Kilb
Actuarial Operations
201-469-2630
Gary.Kilb@verisk.com
- The non-actuarial content of this circular, please contact:
Xue Er (Cher) Lee
Auto, Compliance and Product Services
201-469-2788
auto@verisk.com
XueEr.Lee@verisk.com
- Other issues for this circular, please contact Customer Support:
E-mail: info@verisk.com
Phone: 800-888-4476

Callers outside the United States, Canada, and the Caribbean may contact us using our global toll-free number (International Access Code + 800 48977489). For information on all ISO products, visit us at www.verisk.com/iso. To keep abreast of the latest Insurance Lines Services updates, view www.verisk.com/ils.