

FORMS – IMPLEMENTATION

OCTOBER 13, 2021

COMMERCIAL AUTOMOBILE

LI-CA-2021-333

## SOUTH CAROLINA REVISED CHANGES ENDORSEMENT TO BE IMPLEMENTED

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### KEY MESSAGE

Forms filing [CA-2021-OAPP1](#) to be implemented.

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### 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 +.

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### BACKGROUND

In circular [LI-CA-2021-331](#), we announced, in part, that we had:

- Revised CA 01 50, South Carolina Changes, in response to *Neumayer v. Philadelphia Indem. Ins. Co.*, 427 S.C. 261, 831 S.E.2d 406 (2019); and
- Filed this revision with the South Carolina Department of Insurance under ISO Filing Designation Number [CA-2021-OAPP1](#).

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### INSURANCE DEPARTMENT ACTION

The South Carolina Department of Insurance has acknowledged this filing.

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### EFFECTIVE DATE

We do not establish an effective date for Commercial Auto revisions in this state. Each insurer that elects to utilize this revision is responsible for determining its own effective date.

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## COMPANY ACTION

ISO has not filed this revision on behalf of insurers.

You must independently determine what revision to make and when to make any revision effective. If you decide to use all or any part of our revision, you are NOT required to file anything with the Insurance Department.

You must document your files in case the Insurance Department wishes to review the information at a later date. In all internal correspondence on this revision, you should refer to ISO Filing Number [CA-2021-OAPP1](#), 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

New attributes being introduced with this revision:

- A new edition date of an existing form number is being introduced.

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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 Portfolioholders with an edition date of 4-22 (or the earliest possible subsequent date), along with any new and/or revised forms.

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## REFERENCE(S)

- [LI-CA-2021-331](#) (10/06/2021) South Carolina Revised Changes Endorsement Filed
- [LI-CL-2021-004](#) (02/17/2021) Revised Lead Time Requirements Listing

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## ATTACHMENT(S)

Final copy of [CA 01 50 04 22](#)

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SOUTH CAROLINA CHANGES**

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, South Carolina, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Changes In Covered Autos Liability Coverage**

1. Paragraph **2.b.(4)** of the **Who Is An Insured** provision in the Auto Dealers Coverage Form is replaced by the following:

(4) Your customers. However, those customers are "insureds" up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.

2. The **Expected Or Intended Injury** Exclusion is replaced by the following:

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". However, this exclusion does not apply for amounts up to the limits of liability required by the South Carolina Motor Vehicle Financial Responsibility Act.

3. The **Limit Of Insurance** provision under the Business Auto and Motor Carrier Coverage Forms is replaced by the following:

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

4. The **Limit Of Insurance – Covered Autos Liability** provision under the Auto Dealers Coverage Form is replaced by the following:

For "accidents" resulting from the ownership, maintenance or use of covered "autos", the following applies:

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" involving a covered "auto" is the Limit Of Insurance for Covered "Autos" Liability Coverage shown in the Declarations.

Damages and "covered pollution cost or expense" payable under the Limit of Insurance for Covered "Autos" Liability Coverage are not payable under any applicable Limits of Insurance under Section II – General Liability Coverages or Section III – Acts, Errors Or Omissions Liability Coverage.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

**B. Changes In Physical Damage Coverage**

No deductible applies to auto safety glass. All other **Physical Damage Coverage** provisions will apply.

**C. Changes In Acts, Errors Or Omissions Liability Coverages**

The **Noncompensatory Damages** Exclusion under the Auto Dealers Coverage Form is replaced by the following:

Criminal fines or penalties imposed by law or regulation or demands for injunctive or equitable relief.

**D. Changes In Conditions**

1. In **Duties In The Event Of Accident, Claim, Suit Or Loss** under the Business Auto Coverage Form and Motor Carrier Coverage Form and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** under the Auto Dealers Coverage Form:

- a. The lead-in sentence is replaced by the following:

We have no duty to provide coverage under this Policy unless there has been full compliance with the following duties, except as provided in Paragraph **d.**:

- b. The following provision is added:

- d. Failure to give notice to us as required under this Policy within the time specified shall not invalidate any claim by a person seeking Covered Autos Liability Coverage with respect to coverage up to the minimum limits of liability required by the South Carolina Motor Vehicle Financial Responsibility Act.

2. The **Concealment, Misrepresentation Or Fraud** Condition does not apply to **Covered Autos Liability Coverage**.