

FORMS – IMPLEMENTATION

OCTOBER 12, 2021

COMMERCIAL AUTOMOBILE

LI-CA-2021-332

WISCONSIN REVISED CHANGES ENDORSEMENT TO BE IMPLEMENTED

KEY MESSAGE

Wisconsin forms filing CA-2021-OCH1, which revised **CA 01 17** – Wisconsin Changes, has been acknowledged by the Wisconsin Office of the Commissioner of Insurance.

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

For policies issued to anyone other than a motor vehicle handler, WIS. STAT. § 632.32(5)(b) permits insurers to limit coverage afforded to motor vehicle handlers (or their officers, agents or employees) to the state's financial responsibility limits under WIS. STAT. § 344.01(2)(d).

Motor vehicle handlers are generally defined in the aforementioned statute to include motor vehicle dealers, lessors, rental companies, repair shops, service stations, storage garages and public parking places.

ISO ACTION

To more closely align with the text of WIS. STAT. § 632.32(5)(b), we have revised Paragraphs **A.1.** and **A.2.** of **CA 01 17** – Wisconsin Changes.

INSURANCE DEPARTMENT ACTION

The Wisconsin Office of the Commissioner of Insurance has acknowledged this filing.

EFFECTIVE DATE

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

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

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.

WE WILL SUBMIT THIS REVISION TO THE INSURANCE DEPARTMENT ON MARCH 1, 2022. IF STATE FILING REQUIREMENTS DICTATE THAT YOU MAKE A SUBMISSION WITH THE INSURANCE DEPARTMENT, DO NOT SUBMIT IT PRIOR TO THIS DATE.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number CA-2021-OCH1, 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 attribute being introduced with this revision:

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

REFERENCE(S)

[LI-CL-2021-004](#) (02/17/2021) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Filing [CA-2021-OCH1](#)

Final copy of [CA 01 17 04 22](#)

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Wisconsin Changes Endorsement Revised

About This Filing

We are revising **CA 01 17** – Wisconsin Changes to more closely align with WIS. STAT. § 632.32(5)(b).

Revised Form

We are revising the following form:

- ◆ CA 01 17 10 13 – Wisconsin Changes

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 04 22 editions. Concurrent with implementation, the 04 22 editions will supersede the prior editions.

Background

For policies issued to anyone other than a motor vehicle handler, WIS. STAT. § 632.32(5)(b) permits insurers to limit coverage afforded to motor vehicle handlers (or their officers, agents or employees) to the state's financial responsibility limits under WIS. STAT. § 344.01(2)(d).

Motor vehicle handlers are generally defined in the aforementioned statute to include motor vehicle dealers, lessors, rental companies, repair shops, service stations, storage garages, and public parking places.

Explanation of Changes

We have revised Paragraphs **A.1.** and **A.2.** to more closely align with the text of WIS. STAT. § 632.32(5)(b).

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WISCONSIN CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Wisconsin, 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. If your business is other than renting, leasing, selling, servicing, repairing or parking "autos", **Who Is An Insured** is changed to include an officer, agent or "employee" working in the business of renting, leasing, selling, servicing, repairing or parking "autos" of such business while using a covered "auto". However, that person is an "insured" only if he or she has no other valid and collectible insurance with at least the applicable minimum limit specified in WIS. STAT. ch. 344. In this event, coverage will be provided only up to the applicable minimum limit specified in WIS. STAT. ch. 344. The applicable minimum limit is:
 - a. \$60,000 for each "accident" for "bodily injury" and "property damage", if the limit of liability is a single limit that applies for each "accident"; or
 - b. \$25,000 for each person/\$50,000 for each "accident" for "bodily injury"/\$10,000 for "property damage", if the limit of liability is indicated as a split limit.
2. If your business is renting, leasing, selling, servicing, repairing or parking "autos", **Who Is An Insured** is changed to include anyone other than an officer, agent or "employee" of such business while using a covered "auto". However, that person is an "insured" only if he or she has no other valid and collectible insurance with at least the applicable minimum limit specified in WIS. STAT. ch. 344. In this event, coverage will be provided only up to the applicable minimum limit specified in WIS. STAT. ch. 344. The applicable minimum limit is:
 - a. \$60,000 for each "accident" for "bodily injury" and "property damage", if the limit of liability is a single limit that applies for each "accident"; or
 - b. \$25,000 for each person/\$50,000 for each "accident" for "bodily injury"/\$10,000 for "property damage", if the limit of liability is indicated as a split limit.
3. The following is added to **Who Is An Insured**:

Anyone else is an "insured" while using a covered "auto" you own with your or any adult "family member's" permission.

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4. The Auto Dealers Coverage Form is changed as follows:

a. Paragraph **2.b.(4)(a)** of the **Who Is An Insured** provision is replaced by the following:

(a) Has no other available insurance (whether primary, excess or contingent), they are an "insured" but only up to \$60,000 for each "accident", which is the minimum combined single limit of liability specified in WIS. STAT. ch. 344.

b. Paragraph **2.b.(4)(b)** of the **Who Is An Insured** provision is replaced by the following:

(b) Has other available insurance (whether primary, excess or contingent), less than the applicable minimum limit for "bodily injury" or "property damage" liability specified in WIS. STAT. ch. 344, they are an "insured" only for the amount by which the applicable minimum limit of liability exceeds the limit of their other insurance. The applicable minimum limit is:

(i) \$60,000 for each "accident" for "bodily injury" or "property damage", if the limit of liability is a single limit that applies for each "accident"; or

(ii) \$25,000 for each person/\$50,000 for each "accident" for "bodily injury"/\$10,000 for "property damage", if the limit of liability is indicated as a split limit.

5. Paragraph **1.b.(4)** of the **Who Is An Insured** provision in the Motor Carrier Coverage Form does not apply.

6. The **Fellow Employee** Exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you do not own or lease.

B. Changes In Conditions

1. The lead-in to the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition in the Business Auto and Motor Carrier Coverage Forms and the **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition in the Auto Dealers Coverage Form is replaced by the following:

We have no duty to provide coverage under this policy if failure to comply with the following duties is prejudicial to us:

2. The first sentence of Paragraph **a.** in the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition in the Business Auto and Motor Carrier Coverage Forms is replaced by the following:

a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representatives notice as soon as reasonably possible of the "accident" or "loss".

3. The first sentence of Paragraph **a.** in the **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition in the Auto Dealers Coverage Form is replaced by the following:

a. In the event of "accident", claim, "suit", offense, "loss" or "act, error or omission", you must give us or our authorized representatives notice as soon as reasonably possible of the "accident", offense, "loss" or "act, error or omission".

4. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

We shall be entitled to a recovery only after the "insured" has been fully compensated for damages.

5. The **Legal Action Against Us** Condition does not apply.

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6. The following is added to the **Concealment, Misrepresentation Or Fraud** Condition:

No oral or written statement, representation or warranty made by the "insured" or on his or her behalf in the negotiation for or procurement of this Coverage Form shall be deemed material or defeat or void this Coverage Form, unless such statement, representation or warranty was false and made with intent to deceive, or unless the matter misrepresented or made a warranty, increased the risk or contributed to the "loss". In addition, no breach of a warranty in this Coverage Form shall defeat or void this Coverage Form unless the breach of such warranty increased the risk at the time of "loss", or contributed to the "loss", or existed at the time of the "loss".

Our authorized representative's knowledge will be considered our knowledge. If our authorized representative knows before an "accident" or "loss", and if applicable, offense or "act, error or omission", something which violates a policy condition, this will not void the policy or defeat a recovery for a claim.

If we elect to rescind this policy, we will notify the "insured" of our intention within 60 days after acquiring knowledge of sufficient facts to constitute grounds for rescission.

7. The following condition is added:

Conformity To Statute Or Rule

Any provision of this Coverage Part (including endorsements which modify the Coverage Part) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under WIS. STAT. Section 227.11(2) and published in the Wisconsin Administrative Code.

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