

LOSS COSTS – IMPLEMENTATION

FEBRUARY 11, 2022

COMMERCIAL AUTOMOBILE

LI-CA-2022-052

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## KANSAS REVISED COMMERCIAL AUTO OPTIONAL CLASS PLAN LOSS COSTS TO BE IMPLEMENTED

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### KEY MESSAGE

Loss costs representing an overall statewide level change of 1.8% are acknowledged.

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### BACKGROUND

In circular [LI-CA-2021-341](#), we advised you that we submitted filing CA-2021-BRLB1 to the Insurance Department.

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### IMPORTANT NOTE

These loss costs are intended for use by insurers that have implemented the Optional Class Plan (OCP).

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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 written on or after June 1, 2022.

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 June 1, 2022, 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-2021-341](#).

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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 whether you filed to adopt the Optional Class Plan and how you filed to have your loss cost adjustments apply to subsequent revisions of ISO Optional Class Plan 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-BRLB1, NOT this circular number.

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

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 6-22 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

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## REFERENCE(S)

- LI-CA-2021-341 (11/05/2021) Kansas Revised Commercial Auto Optional Class Plan Loss Costs Filed
- LI-CL-2021-004 (02/17/2021) Revised Lead Time Requirements Listing

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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:  
Rebecca Gordon  
Actuarial Operations  
(201) 469-2623  
[Rebecca.Gordon@verisk.com](mailto:Rebecca.Gordon@verisk.com)  
[autoactuarial@verisk.com](mailto:autoactuarial@verisk.com)
- The non-actuarial content of this circular, please contact:  
Flavio Vento  
Production Operations, Compliance and Product Services  
(201) 469-2190  
[prodops@verisk.com](mailto:prodops@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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