

RULES – IMPLEMENTATION

APRIL 4, 2022

COMMERCIAL AUTOMOBILE

LI-CA-2022-094

SOUTH CAROLINA REVISED RULE 98. DEDUCTIBLE INSURANCE TO BE IMPLEMENTED

KEY MESSAGE

This circular announces the submission and acknowledgement of ISO Filing [CA-2022-ORU1](#), which revises Rule 98. Deductible Insurance of the South Carolina Exception Pages to Division One – Automobile of the Commercial Line Manual (CLM).

ISO ACTION

We have revised Paragraph **B.1.3.** of Rule 98. Deductible Insurance of the South Carolina Exception Pages to include reference to CA 03 04, South Carolina Fire And Theft, Fire, Theft And Windstorm, Limited Specified Causes Of Loss And Specific Causes Of Loss Coverage Deductibles. These revisions were submitted to the South Carolina Insurance Department under ISO Filing designation CA-2022-ORU1.

INSURANCE DEPARTMENT ACTION

The South Carolina Insurance Department has acknowledged this revision as submitted.

EFFECTIVE DATE

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

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-2022-ORU1, 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

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-2022-006](#) 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 8-22 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

[LI-CL-2022-006](#) (02/22/2022) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Filing [CA-2022-ORU1](#)

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South Carolina Rule 98. Deductible Insurance Revised

About This Filing

This filing is being made to revise Paragraph **B.1.(3)**, Physical Damage Coverages, Specified Causes of Loss found in Rule 98. Deductible Insurance of the South Carolina Exception Pages to Division one - Automobile of the Commercial Line Manual (CLM).

Revised Rule

We are revising **Rule 98**. Deductible Insurance of the South Carolina Exception Pages to Division One – Automobile of the Commercial Lines Manual (CLM).

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

Background

It has come into our attention that Paragraph **B.1.3.** of Rule 98. Deductible Insurance of the South Carolina Exception Pages does not expressly reference endorsement CA 03 04, South Carolina Fire And Theft, Fire, Theft And Windstorm, Limited Specified Causes Of Loss And Specified Causes Of Loss Coverage Deductibles.

Explanation of Changes

We are revising Paragraph **B.1.3.** of Rule 98. Deductible Insurance of the South Carolina Exception Pages to include reference to CA 03 04, South Carolina Fire And Theft, Fire, Theft And Windstorm, Limited Specified Causes Of Loss And Specific Causes Of Loss Coverage Deductibles.

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98. DEDUCTIBLE INSURANCE

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Paragraph **B.** is replaced by the following:**B. Physical Damage Coverages**

Compute the premiums as follows. If a deductible applicable to only Theft, Mischief Or Vandalism is selected for Specified Causes Of Loss Coverage, refer to company. For stated amount rating, refer to Rule **101**.

1. Private Passenger Types, Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks**a. Computation Procedures**

- (1) Determine the base loss cost.
- (2) Use Rule **101**. to determine the factor for the age group of the auto being rated. For exposures rated on a stated amount basis, the Age Group factor is always 1.00.
- (3) Multiply the base loss cost by the Age Group factor.
- (4) Use Rule **101**. to determine the factor for the original cost new of the auto being rated.
- (5) Subtract the applicable factor for the deductible desired from the Original Cost New factor.
- (6) Multiply the result of Paragraph **B.1.a.(3)** by the result of Paragraph **B.1.a.(5)**. Alternatively, the following equation will give the appropriate loss cost for every desired deductible:

$$\text{Base loss cost} \times \text{Age Group factor from Rule } 101. \times (\text{Original Cost New factor} - \text{deductible factor from Rule } 98.).$$
- (7) If the deductible factor is greater than the Original Cost New factor, refer to company.
- (8) For autos of any type, Comprehensive and Collision deductibles do not apply to auto safety glass.

b. Deductible Factors**(1) Comprehensive Coverage With Full Safety Glass Coverage****(a) Private Passenger Types – All Perils With Full Safety Glass Coverage**

Deductible	Factor
\$ Full	-0.138
50	-0.121
100	-0.103
200	-0.072
250	-0.057
500	0.004
1,000	0.109
2,000	0.276
3,000	0.436
5,000	0.669

Table 98.B.1.b.(1)(a)(v.2) Private Passenger Types Comprehensive Coverage Deductible Factors – All Perils With Full Safety Glass Coverage**(b) Private Passenger Types – Theft, Mischief Or Vandalism With Full Safety Glass Coverage**

Deductible	Factor
\$ Full	-0.138
50	-0.137
100	-0.136
200	-0.135
250	-0.134
500	-0.133
1,000	-0.132
2,000	-0.131

3,000	-0.130
5,000	-0.129

Table 98.B.1.b.(1)(b)(v.2) Private Passenger Types Comprehensive Coverage Deductible Factors – Theft, Mischief Or Vandalism With Full Safety Glass Coverage

(c) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks – All Perils With Full Safety Glass Coverage

Deductible	Factor
\$ Full	-0.126
50	-0.109
100	-0.093
200	-0.064
250	-0.049
500	0.005
1,000	0.099
2,000	0.265
3,000	0.410
5,000	0.620

Table 98.B.1.b.(1)(c) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Comprehensive Coverage Deductible Factors – All Perils With Full Safety Glass Coverage

(d) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks – Theft, Mischief Or Vandalism With Full Safety Glass Coverage

Deductible	Factor
\$ Full	-0.126
50	-0.125
100	-0.124
200	-0.123
250	-0.122
500	-0.121
1,000	-0.120
2,000	-0.119
3,000	-0.118
5,000	-0.117

Table 98.B.1.b.(1)(d) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Comprehensive Coverage Deductible Factors – Theft, Mischief Or Vandalism With Full Safety Glass Coverage

(2) Collision Coverage

(a) Private Passenger Types

Deductible	Factor
\$ 50	-0.130
100	-0.110
200	-0.080
250	-0.070
500	0.000
1,000	0.110
2,000	0.260
3,000	0.390
5,000	0.560

Table 98.B.1.b.(2)(a) Private Passenger Types Collision Coverage Deductible Factors

(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks

Deductible	Factor
\$ 50	-0.120
100	-0.110
200	-0.080
250	-0.065
500	0.000
1,000	0.120
2,000	0.320
3,000	0.450
5,000	0.570

Table 98.B.1.b.(2)(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Collision Coverage Deductible Factors

(3) Specified Causes Of Loss

In South Carolina, the following coverages can be written with deductibles: specified causes of loss; limited specified causes of loss; fire; fire and theft; and fire, theft and windstorm. Use South Carolina Fire And Theft, Fire, Theft And Windstorm, Limited Specified Causes Of Loss And Specific Causes Of Loss Coverage Deductibles Endorsement CA 03 04.

(a) Private Passenger Types

Deductible	Factor
\$ Full	0.000
50	0.007
100	0.014
200	0.027
250	0.034
500	0.063
1,000	0.124
2,000	0.236
3,000	0.354
5,000	0.536

Table 98.B.1.b.(3)(a) Private Passenger Types Specified Causes Of Loss Deductible Factors

(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks

Deductible	Factor
\$ Full	0.000
50	0.006
100	0.012
200	0.025
250	0.031
500	0.059
1,000	0.121
2,000	0.253
3,000	0.372
5,000	0.551

Table 98.B.1.b.(3)(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Specified Causes Of Loss Deductible Factors

**** * * The remainder of this rule is unchanged * * ****