

RULES – IMPLEMENTATION

AUGUST 19, 2022

COMMERCIAL AUTOMOBILE

LI-CA-2022-207

COMMERCIAL AUTO 2022 MULTISTATE RULES FILING AMENDED AND TO BE IMPLEMENTED IN MONTANA

KEY MESSAGE

Rules filing CA-2022-RCP1 has been amended and is being implemented in Montana.

Effective Date: 07/01/2023

BACKGROUND

In circulars:

- [LI-CA-2022-113](#), we announced the filing of multistate rules filing CA-2022-RCP1 and advised that we would be submitting state-specific rules supplements in all ISO jurisdictions.
- [LI-CA-2022-189](#), we provided a rules supplement to filing CA-2022-RCP1 in Montana, which complements the multistate rules filing.

ISO ACTION

In response to correspondence received from the Montana Department of Insurance, we have amended rules filing CA-2022-RCP1 in Montana.

INSURANCE DEPARTMENT ACTION

We have received all necessary approvals or acknowledgements, as required by state laws and regulations, from the insurance department in Montana.

Note: The announcement of implementation in a particular jurisdiction includes the implementation of the multistate filings and any state supplement and/or amendment 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 July 1, 2023.

IMPACT ON STATISTICAL REPORTING

ISO has reviewed the statistical reporting impact of this filing. A Statistical Plan Holders circular, [SP-CA-2022-001](#) entitled 2022 COMMERCIAL AUTOMOBILE MULTISTATE CODING ESTABLISHED was released on May 9, 2022. Revisions to statistical reporting include numerous changes and the establishment of a new field, Financial Responsibility Surcharge Indicator Code. For statistical reporting purposes, all the changes in this circular will be effective for transactions with inception dates of October 1, 2023 and subsequent on a mandatory basis.

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.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number [CA-2022-RCP1](#) and SERFF Tracking Number [ISOF-133216534](#), 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

Refer to circular [LI-CA-2022-113](#) for impact of the rules multistate filing.

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 7-23 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

RELATED LOSS COSTS REVISION

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

REFERENCE(S)

- [LI-CA-2022-206](#) (08/19/2022) Commercial Auto 2022 Multistate Loss Costs Filing To Be Implemented In Montana
- [LI-CA-2022-189](#) (07/28/2022) Montana Supplement To The Commercial Auto 2022 Multistate Rules Filing Provided
- [SP-CA-2022-001](#) (05/09/2022) 2022 Commercial Automobile Multistate Coding Established
- [LI-CA-2022-113](#) (04/25/2022) 2022 Commercial Auto Multistate Rules Revision Being Submitted
- [LI-CL-2022-006](#) (02/22/2022) Revised Lead Time Requirements Listing

ATTACHMENT(S)

- Montana Amendment to Filing CA-2022-RCP1
 - Status Report
-

DATA QUALITY

Statistical plan data reported to ISO is first processed through a system of rigorous automated data verification procedures so that only valid data would be used for ratemaking. Subsequent to this initial data submission review, additional analyses on the statistical plan data involving an even more customized data review for this line were performed by staff. During these processes, various data records were excluded from the review. The ISO staff responsible for this circular also reviewed the data for reasonableness.

ACKNOWLEDGMENT OF ACTUARIAL QUALIFICATIONS

The American Academy of Actuaries' "Qualifications Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" requires that an actuary issuing a Statement of Actuarial Opinion should include an acknowledgement with the opinion that he/she has met the qualification standards of the AAA. ISO considers this loss cost filing a Statement of Actuarial Opinion; therefore, we are including the following acknowledgment:

I, Daniel Traverso, am an Actuarial Associate for ISO, and I, Kevin Hughes, am an Actuarial Director for Commercial Auto for ISO. We are jointly responsible for the content of this Statement of Actuarial Opinion. We are both members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular and status of this filing, please contact:

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- Other issues for this circular, please contact Customer Support:

E-mail: info@verisk.com

Phone: 800-888-4476

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Montana Amendment To The 2022 Commercial Auto Multistate Rules Revision

About This Filing

This amendment is being made in response to correspondence received from the Montana Department of Insurance.

Revised Rules

We are revising Rule 211 and creating a new state exception for Rule 202 in the Montana CLM.

We have used a format of ~~striking-through~~ deletions and underlining additions.

Background

In pending filing CA-2022-RCP1, we introduced rule changes for Division One - Automobile of the Commercial Lines Manual to implement our new class plan.

We have added language to Rules 202 and 211 in order to reinforce compliance with Montana's legislative code.

Explanation of Changes

A Montana state exception has been created for Rule 202 to add the wording: "Each company is responsible for complying with regulatory requirements."

"For nonpayment of a premium" has been added to Paragraph A. of the Rule 211 state exception as a condition for which the insurer shall process the cancellation of a motor vehicle policy on a pro rata basis.

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202. REFERRALS TO COMPANY

The following is added to Rule **202.**:

Each company is responsible for complying with regulatory requirements.

211. POLICY CANCELLATIONS

The following is added to Paragraph **A.**:

- 5. That is a financed insurance contract. The company shall return any unearned premium to the premium finance company.
- 6. For nonpayment of a premium.

COMMERCIAL AUTO 2022 MULTISTATE LOSS COSTS (CA-2022-RLC1) AND RULES (CA-2022-RCP1) FILING STATUS REPORT

STATE	EFFECTIVE OR DISTRIBUTION DATE	STATE-SPECIFIC LOSS COSTS/ RULES SUPPLEMENT	IMPLEMENTATION CIRCULAR	
			LOSS COSTS	RULES
ALABAMA				
ALASKA	7/1/2023	LI-CA-2022-154/ LI-CA-2022-155		
ARIZONA				
ARKANSAS	7/1/2023	LI-CA-2022-174 / LI-CA-2022-173	LI-CA-2022-174	LI-CA-2022-173
CALIFORNIA				
COLORADO				
CONNECTICUT				
DELAWARE				
DIST. OF COLUMBIA				
FLORIDA				
GEORGIA				
GUAM				
HAWAII				
IDAHO	7/1/2023	LI-CA-2022-159/ LI-CA-2022-160	LI-CA-2022-159	LI-CA-2022-160
ILLINOIS				
INDIANA	4/1/2023	LI-CA-2022-122/ LI-CA-2022-123	LI-CA-2022-122	LI-CA-2022-123
IOWA				
KANSAS	6/1/2023	LI-CA-2022-138/ LI-CA-2022-137		
KENTUCKY				
LOUISIANA				
MAINE				
MARYLAND				
MASSACHUSETTS				
MICHIGAN				
MINNESOTA				
MISSISSIPPI				
MISSOURI				
MONTANA	7/1/2023	LI-CA-2022-188/ LI-CA-2022-189	LI-CA-2022-206	LI-CA-2022-207
NEBRASKA				
NEVADA				
NEW HAMPSHIRE				
NEW JERSEY				
NEW MEXICO				
NEW YORK				
NORTH CAROLINA				
NORTH DAKOTA	7/1/2023	LI-CA-2022-191 / LI-CA-2022-190	LI-CA-2022-191	LI-CA-2022-190
OHIO	4/1/2023	LI-CA-2022-124/ LI-CA-2022-125	LI-CA-2022-124	LI-CA-2022-125
OKLAHOMA				
OREGON				
PENNSYLVANIA	7/1/2023	LI-CA-2022-198/ LI-CA-2022-199		
PUERTO RICO				
RHODE ISLAND				
SOUTH CAROLINA	7/1/2023	LI-CA-2022-167/ LI-CA-2022-166		
SOUTH DAKOTA	7/1/2023	LI-CA-2022-200 / LI-CA-2022-201	LI-CA-2022-200	LI-CA-2022-201
TENNESSEE				
TEXAS	6/1/2023	LI-CA-2022-144/ LI-CA-2022-143		
U.S. VIRGIN ISLANDS				
UTAH				
VERMONT				
VIRGINIA				
WASHINGTON				
WEST VIRGINIA				
WISCONSIN				
WYOMING				

MULTISTATE CIRCULARS:

[LI-CA-2022-112](#) (Loss Costs), [LI-CA-2022-113](#) (Rules)