

RULES – IMPLEMENTATION

SEPTEMBER 1, 2022

GENERAL LIABILITY

LI-GL-2022-212

UTAH GENERAL LIABILITY GOVERNMENTAL UNITS/POLITICAL SUBDIVISIONS INCREASED LIMITS RULE REVISION TO BE IMPLEMENTED

KEY MESSAGE

We are announcing implementation of a revision to CLM Division Six Rule 56.B.8.

BACKGROUND

UTAH CODE ANN. Section 63G-7-604 limits the liability of the State of Utah and its political subdivisions. The limitation on awards for liability is adjusted by the State of Utah Risk Manager each even-numbered year in accordance with calculations set forth in the statute. The liability limits have been revised as follows, pursuant to amended Utah Administrative Rule R37-4-2, for incidents occurring on or after July 1, 2022.

The limit for personal injury sustained by one person as the result of any one occurrence was increased to \$827,000, the limit for property damage arising out of any one occurrence was increased to \$326,200 and the aggregate limit for all individual claims arising out of any one occurrence was increased to \$3,329,100. As a result of the changes in limits, the increased limit factors are being revised.

ISO ACTION

We are implementing Utah GL-2022-IGOV1, which revises the limits and Premises/Operations (Subline Code 334) increased limit factors for governmental units/political subdivisions in CLM Division Six Rule 56.B.8.

We are also restoring to the Commercial Lines Manual the previously implemented Rule 56.B.7. that was inadvertently removed earlier this year.

Refer to the attachment for complete details.

EFFECTIVE DATE

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

These changes are applicable to all policies written on or after January 1, 2023.

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 NOVEMBER 23, 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 GL-2022-IGOV1 and SERFF Tracking Number ISOF-133379072, 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 1-23 (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 GL-2022-IGOV1

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 acknowledgment with the opinion that he/she has met the qualification standards of the AAA. ISO considers this rules filing a Statement of Actuarial Opinion; therefore, we are including the following acknowledgment:

I, Stuart Gelbwasser, am a Senior Manager and Actuary for ISO, and I, James Davidson, am a Senior Director of Commercial Lines Actuarial Products, including Increased Limits 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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Utah Governmental Units/Political Subdivisions Increased Limits Rule Revised

About This Filing

This filing revises the policy limits and increased limit factors in the Utah exception to the Premises/Operations increased limits rule for governmental units/political subdivisions.

Revised Rules

We are revising the following rule:

- ◆ Division Six - General Liability
 - Rule **56**. Increased Limits Tables

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

Background

UTAH CODE ANN. Section 63G-7-604 limits the liability of the State of Utah and its political subdivisions. The limitation on awards for liability is adjusted by the State of Utah Risk Manager each even-numbered year in accordance with calculations set forth in the statute.

The liability limits have been revised as follows, pursuant to amended Utah Administrative Rule R37-4-2, for incidents occurring on or after July 1, 2022:

The limit for personal injury sustained by one person as the result of any one occurrence was increased to \$827,000, the limit for property damage arising out of any one occurrence was increased to \$326,200 and the aggregate limit for all individual claims arising out of any one occurrence was increased to \$3,329,100. As a result of the changes in limits, the increased limit factors are being revised.

Explanation of Changes

In the Premises/Operations (Subline Code 334) Governmental Units Rule **56.B.8.**, we are revising the policy limits in **Table 56.B.8.** for per person other than Property Damage, Property Damage and per occurrence as described in the Background section. We also are updating the table to display those limits in combination with three separate per policy aggregate limits: \$4,000,000, \$5,000,000 and \$10,000,000. The revised factors in the table reflect the updated limits and are based on the review underlying the current factors implemented in filing GL-2018-IALL1.

The limits in the table are shown in thousands for ease of display. The revised factors contemplate the actual, not rounded, values of the limits.

We in addition are restoring previously implemented Rule **56.B.7.** and Table **56.B.7.**, containing Railroad Protective Liability increased limit factors, to the state exception pages in the Commercial Lines Manual (CLM). While the table is still displayed in ISO's Print Ready Manuals product, it was inadvertently omitted from the CLM earlier this year. The manual page revisions in this filing reflect the re-inclusion of the table in the CLM.

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UTAH
GENERAL LIABILITY INCREASED LIMIT FACTORS

MANUAL PAGES

REVISED INCREASED LIMIT FACTORS

(Limits are in thousands)

**RULE 56.
INCREASED LIMITS TABLES**

7. Railroad Protective Liability (Subline Code 335) – \$100/300 Basic Limit

These factors MUST be referred to company before using.

Per Occurrence/ Aggregate	Factors			
	Classification Code			
	40011	40012	40013	40014
\$ 25/75	0.63	0.63	0.63	0.69
50/150	0.85	0.85	0.85	0.86
100/300	1.00	1.00	1.00	1.00
150/500	1.12	1.12	1.12	1.10
300/1,000	1.33	1.33	1.33	1.26
500/1,500	1.54	1.54	1.54	1.40
1,000/3,000	1.96	1.96	1.96	1.68
1,500/5,000	2.34	2.34	2.34	1.95
2,000/6,000	2.68	2.68	2.68	2.21

Table 56.B.7. Railroad Protective Liability (Subline Code 335) – \$100/300 Basic Limit

8. Governmental Units Premises/Operations (Subline Code 334) – \$100/200 Basic Limit

The following increased limit factors are provided for policies covering governmental units or political subdivisions in compliance with Utah Section 63G-7-604.

Limit Per Person Other Than PD/Property Damage/Property Damage Per Occurrence PD/Per Occurrence/Aggregate*	Factors
746827/295327/2,5523,330/2,5004,000	1.341.35
746827/295327/2,5523,330/5,000	1.351.36
827/327/3,330/10,000	1.37
* The per person other than property damage, property damage per occurrence and per occurrence policy limits in the table have been rounded from \$827,000, \$326,200 and \$3,329,100, respectively, for ease of display.	

Table 56.B.8. Governmental Units Premises/Operations (Subline Code 334) – \$100/200 Basic Limit

NOTE: Utah Section 63G-7-604 provides that the limitations shall be adjusted each even-numbered year after 2004 in accordance with the consumer price index.