

LOSS COSTS – IMPLEMENTATION

MARCH 22, 2023

COMMERCIAL AUTOMOBILE

LI-CA-2023-095

VIRGINIA REVISED UNINSURED MOTORISTS INSURANCE RULE 97. LOSS COSTS TO BE IMPLEMENTED

KEY MESSAGE

The Virginia State Corporation Commission Bureau of Insurance (BOI) has acknowledged loss costs filing [CA-2023-RUMLC](#).

BACKGROUND

In circular [LI-CA-2023-079](#), we announced that, in response to 2022 Va. Acts ch. 308 (former S.B. 754), we had:

- Revised the Virginia advisory prospective loss costs for Uninsured (includes Underinsured) Motorists Coverage.
- Provided advisory prospective loss costs for the Uninsured (includes Underinsured) Motorists Coverage (Alternative Coverage) option.
- Filed these revisions with the Virginia Bureau of Insurance under ISO Filing Designation Number [CA-2023-RUMLC](#).

INSURANCE DEPARTMENT ACTION

The Virginia BOI has acknowledged loss costs filing CA-2023-RUMLC.

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.

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.

IMPACT ON THE STATISTICAL REPORTING OF LOSS COST MULTIPLIER

For the purpose of reporting your company Loss Cost Multiplier under the CSP, as of July 1, 2023, 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-2023-079](#).

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 how you filed to have your loss cost adjustments apply to subsequent revisions of ISO 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-2023-RUMLC](#) and SERFF Tracking Number [ISOF-133594604](#), NOT this circular number.

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

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- New, additional loss costs are 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-2023-005](#) 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 RULES REVISION

In circular [LI-CA-2023-094](#), we are announcing the implementation of corresponding rules revision CA-2023-RUM1.

RELATED FORMS REVISION

In circular [LI-CA-2023-077](#), we announced the approval of corresponding forms revision CA-2023-OUM1.

REFERENCE(S)

- [LI-CA-2023-094](#) (03/22/2023) Virginia Revised Rule 97. Uninsured Motorists Insurance To Be Implemented
 - [LI-CA-2023-093](#) (03/21/2023) Virginia Important Notice Regarding Uninsured Motorists Coverage And Selection Form Regarding Uninsured Motorists Coverage Available For Use
 - [LI-CA-2023-079](#) (03/14/2023) Virginia Revised Uninsured Motorists Insurance Rule 97. Loss Costs Filed
 - [LI-CA-2023-077](#) (03/09/2023) Virginia Revised And New Uninsured Motorists Coverage Endorsements Approved
 - [LI-CL-2023-005](#) (02/21/2023) Commercial Lines Revised Lead Time Requirements Listing
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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 loss cost filing a Statement of Actuarial Opinion; therefore, we are including the following acknowledgment:

I, Rebecca Gordon, am a Senior 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.

CONTACT INFORMATION

If you have any questions concerning:

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