

RULES – IMPLEMENTATION

DECEMBER 18, 2023

COMMERCIAL AUTOMOBILE

LI-CA-2023-383

UTAH NEW MANUAL RULE FOR THE COMMERCIAL AUTO 2022 RULES FILING PROVIDED AND TO BE IMPLEMENTED

KEY MESSAGE

We are implementing rules filing [CA-2022-RCP2](#) in Utah.

BACKGROUND

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

In circular [LI-CA-2023-179](#), we provided and announced implementation of filing CA-2022-RCP1 in Utah.

ISO ACTION

We are creating a state exception for Rule **292** in the Utah CLM.

Refer to the attached explanatory material for complete details about the filing.

For more information on the status of filings in a particular state, including filed and approved documents, associated circulars and links to Print Ready Manuals and Commercial Lines Manual, please feel free to access our [Filings](#) feature within the ISOnet Circulars product.

EFFECTIVE DATE

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

These changes are applicable to all policies written on or after April 1, 2024.

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 FEBRUARY 26, 2024. 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 Number [CA-2022-RCP2](#) and SERFF Tracking Number [ISOF-133912921](#), 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-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 4-24 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

- [LI-CA-2023-384](#) (12/18/2023) Utah Revised Commercial Auto Loss Costs Revision To Be Implemented
 - [LI-CA-2023-179](#) (06/06/2023) Utah Supplement To The Commercial Auto 2022 Multistate Rules Filing Provided And To Be Implemented
 - [LI-CL-2023-005](#) (02/21/2023) Commercial Lines Revised Lead Time Requirements Listing
-

ATTACHMENT(S)

Filing CA-2022-RCP2

RELATED RULES REVISION

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

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.

COPYRIGHT EXPLANATION

The material distributed by Insurance Services Office, Inc. is copyrighted. All rights reserved. Possession of these pages does not confer the right to print, reprint, publish, copy, sell, file or use same in any manner without the written permission of the copyright owner. Permission is hereby granted to members, subscribers and service purchasers to reprint, copy or otherwise use the enclosed material for purposes of their own business use relating to that territory or line or kind of insurance, or subdivision thereof, for which they participate, provided that:

- (A) Where ISO copyrighted material is reprinted, copied, or otherwise used **as a whole**, it must reflect the copyright notice actually shown on such material.
- (B) Where ISO copyrighted material is reprinted, copied, or otherwise used **in part**, the following credit legend must appear at the bottom of each page so used:
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

IMPORTANT NOTICE FOR USERS OF ISO PRODUCTS AND SERVICES

Please make sure that your company has authorized your use of this product and has complied with the requirements applicable in the jurisdiction where you plan to use it.

We distribute both state-specific and multistate products and services. We do not distribute all the multistate products and services for use in every jurisdiction due to corporate policy, regulatory preference, or variations or lack of clarity in state laws.

We provide participating insurers with information concerning the jurisdictions for which our products and services are distributed. Even in those jurisdictions, each insurer must determine what filing requirements, if any, apply and whether those requirements have been satisfied.

Now, as in the past, all of our products and services are advisory, and are made available for optional use by participating insurers as a matter of individual choice. Your company must decide for itself which, if any, ISO products or services are needed or useful to its operation and how those selected for use should be applied. We urge that you be guided by the advice of your attorneys on the legal requirements.

CONTACT INFORMATION

If you have any questions concerning:

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

Daniel Traverso ACAS MAAA
ISOCL Actuarial
201-469-2738
Daniel.Traverso@verisk.com

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

E-mail: info@verisk.com
Phone: 800-888-4476

Callers outside the United States, Canada, and the Caribbean may contact us using our global toll-free number (International Access Code + 800 48977489). For information on all ISO products, visit us at www.verisk.com/iso. To keep abreast of the latest Insurance Lines Services updates, view www.verisk.com/ils.

Utah New Manual Rule For The Commercial Auto 2022 Rules Filing

About This Filing

This filing introduces a state exception for Utah Rule 292.

New Rule

We are creating a state exception for Rule 292 in the Utah CLM.

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

Background

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

Explanation of Changes

Filing CA-2022-RCP1 introduced Medical Payments Limit Factors in Rule 292 for the purpose of calculating Medical Payments premiums at various limits, using the \$5000 limit base loss cost as a starting point. This filing introduces language to reinforce that, consistent with earlier versions of our advisory material, insurers should not provide a \$5000 limit for Medical Payments for risks that are classified as Trucks, Tractors and Trailers, although they should use the \$5000 limit base loss cost to calculate premium amounts for the lower limits.

Copyright Explanation

The material distributed by Insurance Services Office, Inc. is copyrighted. All rights reserved. Possession of these pages does not confer the right to print, reprint, publish, copy, sell, file or use same in any manner without the written permission of the copyright owner.

Important Note

Insurance Services Office, Inc. (ISO) makes available advisory services to property/casualty insurers. ISO has no adherence requirements. ISO rules and explanatory materials are intended solely for the information and use of ISO's participating insurers and their representatives, and insurance regulators. Neither ISO's general explanations of rules intent nor opinions expressed by members of ISO's staff necessarily reflect every insurer's view or control any insurer's application of manual rules.

292. MEDICAL PAYMENTS

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

Medical Payments Limits \$5,000 and above should not be used for risks that are classified as Trucks, Tractors and Trailers. For these vehicles, the \$5,000 Limit Base Loss Cost should only be used to calculate the premium amounts for the lower limits.