

LOSS COSTS – IMPLEMENTATION

APRIL 8, 2024

COMMERCIAL AUTOMOBILE

LI-CA-2024-097

NORTH CAROLINA COMMERCIAL AUTOMOBILE UNDERINSURED MOTORISTS LOSS COSTS TO BE IMPLEMENTED

KEY MESSAGE

We are implementing Commercial Automobile loss cost filing [CA-2023-RUMLC](#).

BACKGROUND

In circular [LI-CA-2024-015](#), we informed you, in part, that in response to 2023 N.C. Sess. Laws 133 (former S.B. 452), we had:

- Revised the Underinsured Motorists Bodily Injury advisory prospective loss costs to reflect the new minimum motor vehicle financial responsibility requirements of \$50,000 for each person and \$100,000 for each accident with respect to bodily injury, and \$50,000 for each accident with respect to property damage. The loss costs were also updated to reflect changes in N.C. GEN. STAT. § 20-279.21(b)(4) which revises requirements concerning the payment trigger under a policy from a "limits"-based trigger to a "damages"-based trigger.
- Filed this revision with the North Carolina Department of Insurance under ISO Filing Designation [CA-2023-RUMLC](#).

INSURANCE DEPARTMENT ACTION

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

EFFECTIVE DATE

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

These changes are applicable to all policies effective on or after January 1, 2025.

This effective date applies only to those insurers who have filed their Commercial Automobile loss cost adjustments to be automatically applicable to future ISO loss cost revisions.

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-133935753](#), NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for COMMERCIAL AUTOMOBILE in NORTH CAROLINA. 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

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-2024-016](#) 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 1-25 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

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.

RELATED FORMS REVISION

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

REFERENCE(S)

- [LI-CA-2024-096](#) (04/08/2024) North Carolina Revised Commercial Automobile Rule 300. To Be Implemented
- [LI-CA-2024-095](#) (04/08/2024) North Carolina Changes And Uninsured Motorists Coverage Endorsements To Be Implemented
- [LI-CL-2024-016](#) (03/12/2024) Commercial Lines Revised Lead Time Requirements Listing
- [LI-CA-2024-015](#) (01/10/2024) North Carolina Commercial Automobile Underinsured Motorists Loss Costs Filed

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, Kevin Hughes, am a Director and Actuary for ISO. I am responsible for the content of this Statement of Actuarial Opinion. I am a member of the American Academy of Actuaries and the Casualty Actuarial Society and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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