

LOSS COSTS – IMPLEMENTATION

JUNE 3, 2024

COMMERCIAL AUTOMOBILE

LI-CA-2024-158

TENNESSEE REVISED LOSS COSTS FOR THE COMMERCIAL AUTO 2022 LOSS COST FILING PROVIDED AND TO BE IMPLEMENTED

KEY MESSAGE

We are implementing loss cost filing [CA-2022-RLC2](#) in Tennessee.

BACKGROUND

In filing CA-2022-RLC1, we introduced loss cost rule changes for Division One - Automobile of the Commercial Lines Manual to implement our new class plan.

ISO ACTION

In Rule **249.**, we are reverting the 1,001-1,500 Miles, \$500 deductible loss cost that was inadvertently changed in the \$0-7,500 row of Table 249.M.2.(LC).

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 December 1, 2024.

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.

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.

WE WILL SUBMIT OUR REFERENCE FILING TO THE INSURANCE DEPARTMENT ON NOVEMBER 1, 2024. ANY SUBMISSION YOU MAY MAKE WITH THE INSURANCE DEPARTMENT WITH RESPECT TO THIS FILING SHOULD NOT BE SUBMITTED PRIOR TO THIS DATE.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Number [CA-2022-RLC2](#) and SERFF Tracking Number [ISOF-G134121009](#), NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for Commercial Auto in this state. 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 12-24 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

[LI-CL-2024-016](#) (03/12/2024) Commercial Lines Revised Lead Time Requirements Listing

FILES AVAILABLE FOR DOWNLOAD

To download all files associated with this circular, including attachments in the full circular PDF and/or any additional files not included in the PDF, search for the circular number on [ISOnet Circulars](#). Then click the Word/Excel link under the Full Circular column on the Search Results screen.

Please note that in some instances, not all files listed in the Attachment(s) block (if applicable) are included in the PDF.

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 Consultant 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:

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Tennessee Revised Loss Cost For The Commercial Auto 2022 Loss Costs Filing

About This Filing

This filing revises a loss cost table.

Revised Loss Costs

We are revising one loss cost in Rule 249 that was inadvertently changed.

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

Background

In filing CA-2022-RLC1, we introduced loss cost rule changes for Division One - Automobile of the Commercial Lines Manual to implement our new class plan.

Explanation of Changes

In Rule 249, we are reverting the 1,001-1,500 Miles, \$500 deductible loss cost that was inadvertently changed in the \$0-7,500 row of Table 249.M.2.(LC).

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249. AUTO DEALERS – PREMIUM DEVELOPMENT FOR COMMON COVERAGES

Acts, Errors Or Omissions Base Loss Cost
\$ 26

Table 249.F.2.a.(LC) Acts, Errors Or Omissions Liability Coverages Loss Cost

Tables **249.M.1.(LC)** and **249.M.2.(LC)** are replaced by the following:

Individual Coverage Drive-away Collision Per Car, Per Trip												
Price New At Factory To Dealer	Loss Costs For Mileage And Deductible – All Territories, Types, Makes And Age Groups											
	0 – 500 Miles			501 – 1,000 Miles			1,001 – 1,500 Miles			Over 1,500 Miles		
	\$100	\$250	\$500	\$100	\$250	\$500	\$100	\$250	\$500	\$100	\$250	\$500
\$ 0 – 7,500	\$ 3.52	\$ 2.10	\$ 1.58	\$ 5.85	\$ 3.52	\$ 2.63	\$ 7.78	\$ 4.66	\$ 3.51	\$ 9.75	\$ 5.85	\$ 4.39
7,501 – 15,000	5.07	3.18	2.29	8.43	5.04	3.78	11.23	6.73	5.05	14.04	8.43	6.31
15,001 – 25,000	7.07	4.22	3.18	11.70	7.04	5.27	15.60	9.37	7.02	19.48	11.70	8.77
25,001 – 40,000	8.56	5.14	3.85	14.25	8.56	6.40	18.94	11.36	8.53	23.68	14.21	10.66
40,001 – 65,000	11.98	7.17	5.39	19.92	11.94	8.97	26.52	15.90	11.94	33.15	19.89	14.92
Over \$65,000	14.98	9.00	6.74	24.93	14.95	11.22	33.15	19.89	14.92	41.44	24.86	18.65

Table 249.M.1.(LC) Individual Coverage Drive-away Collision Loss Costs

Blanket Coverage Drive-away Collision Per Car, Per Trip												
Price New At Factory To Dealer	Loss Costs For Mileage And Deductible – All Territories, Types, Makes And Age Groups											
	51 – 500 Miles			501 – 1,000 Miles			1,001 – 1,500 Miles			Over 1,500 Miles		
	\$100	\$250	\$500	\$100	\$250	\$500	\$100	\$250	\$500	\$100	\$250	\$500
\$ 0 – 7,500	\$ 1.79	\$ 1.08	\$ 0.80	\$ 2.95	\$ 1.76	\$ 1.33	\$ 3.93	\$ 2.37	\$ 1.25 77	\$ 4.87	\$ 2.90	\$ 2.19
7,501 – 15,000	2.54	1.52	1.14	4.22	2.54	1.90	5.61	3.39	2.53	7.04	4.22	3.17
15,001 – 25,000	3.52	2.10	1.58	5.89	3.52	2.65	7.78	4.66	3.51	9.75	5.85	4.39
25,001 – 40,000	4.30	2.57	1.94	7.14	4.30	3.21	9.47	5.69	4.26	11.84	7.11	5.34
40,001 – 65,000	6.02	3.62	2.72	9.98	5.98	4.49	13.26	7.95	5.96	16.58	9.94	7.46
Over \$65,000	7.51	4.50	3.39	12.49	7.48	5.61	16.58	9.94	7.46	20.74	12.45	9.33

Table 249.M.2.(LC) Blanket Coverage Drive-away Collision Loss Costs