

RULES – IMPLEMENTATION

SEPTEMBER 27, 2024

COMMERCIAL AUTOMOBILE

LI-CA-2024-265

UTAH REVISED UNINSURED MOTORISTS INSURANCE RULE TO BE IMPLEMENTED

KEY MESSAGE

We are implementing revisions made in Commercial Automobile rules filing [CA-2024-RUM2](#).

BACKGROUND

In circular [LI-CA-2023-116](#), we informed you, in part, that, in response to 2023 Utah Laws ____ (former H.B. 113), we anticipated revisions to various Commercial Auto rules to reflect the new minimum limits for financial responsibility.

ISO ACTION

In response to 2023 Utah Laws ____ (former H.B. 113), we have revised the per person limit reference for public autos from \$25,000 to \$30,000.

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 January 1, 2025.

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 27, 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-2024-RUM2](#) and SERFF Tracking Number [ISOFG134256263](#), 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-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 LOSS COSTS REVISION

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

REFERENCE(S)

- [LI-CA-2024-266](#) (09/27/2024) Utah Revised Uninsured Motorists Public Auto Loss Costs To Be Implemented
- [LI-CL-2024-016](#) (03/12/2024) Commercial Lines Revised Lead Time Requirements Listing
- [LI-CA-2023-116](#) (03/31/2023) Utah Former H.B. 113 Regarding Financial Responsibility Under Review

ATTACHMENT(S)

Filing [CA-2024-RUM2](#)

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Revisions to Rule 297. Uninsured Motorists Insurance

About This Filing

This filing is being made in response to 2023 Utah Laws ____ (former H.B. 113).

Revised Rules

We are revising the Utah exception to Rule 297. Uninsured Motorists Insurance.

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

Related Filing(s)

- ◆ CA-2024-RLC2 (Loss Costs)

Background

2023 Utah Laws ____ (former H.B. 113), which became effective May 3, 2023, in part, amends the minimum motor vehicle financial responsibility requirements contained in UTAH CODE ANN. § 31A-22-304 as follows:

- ◆ For split limit policies issued or renewed on or after January 1, 2025, the limits are increased from \$25,000 to \$30,000 because of liability for bodily injury to or death of one person, arising out of the use of a motor vehicle in any one accident, and from \$15,000 to \$25,000 because of liability for injury to, or destruction of, property of others arising out of the use of a motor vehicle in any one accident.
- ◆ For single limit policies issued or renewed on or after January 1, 2025, the limits are increased from \$80,000 to \$90,000 in any one accident whether arising from bodily injury to or the death of others, or from destruction of, or damage to, the property of others.

Currently, Paragraphs A.1.e. and B.3.a.(5) of Rule 297. Uninsured Motorists Insurance, in part, include references to split bodily injury limits of \$25,000 per person and \$500,000 per accident, for public autos.

Explanation of Changes

In response to 2023 Utah Laws ____ (former H.B. 113), we are revising the per person limit reference for public autos from \$25,000 to \$30,000 in Paragraphs A.1.e. and B.3.a.(5) of Rule 297.

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297. UNINSURED MOTORISTS INSURANCE

The following is added to Rule 297.:

A. Application

Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided.

1. Uninsured Motorists Coverage – Bodily Injury

Use Utah Uninsured Motorists Coverage Endorsement **CA 21 62**. For split limits, also use Split Bodily Injury Uninsured Motorists Coverage Limits Endorsement **CA 21 02**.

- a. Uninsured Motorists Bodily Injury Coverage shall be provided at limits equal to the lesser of the limits of the named insured's bodily injury liability limits or the maximum uninsured motorists coverage limits made available by the insurer.
- b. A named insured may reject Uninsured Motorists Bodily Injury Coverage or select lower limits of this coverage, but not less than financial responsibility limits, in writing on a form provided by the insurer that includes a reasonable explanation of the purpose of this coverage and discloses the additional premiums required to purchase this coverage equal to the lesser of the limits of the named insured's bodily injury liability limits or the maximum Uninsured Motorists Bodily Injury Coverage limits made available by the insurer.
- c. The rejection of Uninsured Motorists Bodily Injury Coverage or selection of lower limits continues unless there is a change to an existing policy that results in a named insured being added or deleted from the policy or a change in the limits of the named insured's motor vehicle liability coverage, in which case, refer to Paragraphs **A.1.a.** and **A.1.b.** (such changes do not include the addition of vehicle(s) to an existing policy).
- d. The insurer is not required to provide the rejected coverage or higher limits on subsequent renewals or reinstatements, unless the named insured requests such coverage in writing.
- e. Section 31A-22-305(5)(b)(i) of the Utah Code provides that all persons, including governmental entities, engaged in the business of, or that accept payment for, transporting natural persons by motor vehicle, and all school districts that provide transportation services for their students, shall provide coverage for vehicles used for that purpose, by purchase of a policy of insurance or self-insurance, Uninsured Motorists Bodily Injury Coverage in limits of at least \$2530,000 per person and \$500,000 per accident.

2. Underinsured Motorists Coverage – Bodily Injury

Use Utah Underinsured Motorists Coverage Endorsement **CA 31 06**. For split limits, also use Split Bodily Injury Underinsured Motorists Coverage Limits Endorsement **CA 21 51**.

- a. Underinsured Motorists Bodily Injury Coverage shall be provided at limits equal to the lesser of the limits of the named insured's bodily injury liability limits or the maximum Underinsured Motorists Bodily Injury Coverage limits made available by the insurer.
- b. A named insured may reject or select lower limits of this coverage, but not less than a \$20,000 combined single limit for bodily injury, in writing on a form provided by the insurer that includes a reasonable explanation of the purpose of this coverage and discloses the additional premiums required to purchase this coverage equal to the lesser of the limits of the named insured's bodily injury liability limits or the maximum Underinsured Motorists Bodily Injury Coverage limits made available by the insurer.
- c. The rejection of Underinsured Motorists Bodily Injury Coverage or selection of lower limits continues unless there is a change to an existing policy that results in a named insured being added or deleted from the policy or a change in the limits of the named insured's motor vehicle liability coverage, in which case, refer to Paragraphs **297.A.2.a.** and **297.A.2.b.** (such changes do not include the addition of vehicle(s) to an existing policy).
- d. The insurer is not required to provide the rejected coverage or higher limits on subsequent renewals or reinstatements, unless the named insured requests such coverage in writing.
- e. If Liability Coverage also applies to hired or non-owned automobiles, Underinsured Motorists Bodily Injury Coverage must be provided for those autos.

3. Uninsured Motorists Coverage – Property Damage

Uninsured Motorists Property Damage Coverage must be made available, at the request of the named insured, at a limit equal to the actual cash value of the covered auto or \$3,500, whichever is less, and subject to a \$250 deductible. Use Utah Uninsured Motorists Coverage – Property Damage Endorsement **CA 21 36**.

- a. This coverage will only apply to motor vehicles insured on the policy that are not insured for Collision Coverage.
- b. The insurer may make available to the insured higher property damage limits and higher deductibles applicable to such limits.
- c. Uninsured Motorists Property Damage Coverage does not provide coverage for damage caused by underinsured motorists.

B. Premium Computation

1. Identify the exposures in this jurisdiction for which coverage applies and for which a premium will be charged. Exposures include owned self-propelled vehicles and sets of registration plates not issued to a specific auto (including dealer and transporter plates).
 - a. For Underinsured Motorists Coverage only, exposures also include employees (for non-owned autos) and the cost of hire (for hired autos), but only if Liability Coverage applies to hired and/or non-owned autos. For Uninsured Motorists Coverage, do not charge a premium for hired and non-owned autos.
 - b. For Uninsured and Underinsured Motorists Coverage, do not charge a premium for the following:
 - (1) Trailers;
 - (2) Owned vehicles which have not been assigned registration plates (such as Auto Dealers' inventory); or
 - (3) Registration plates used to transport non-owned autos (such as drive-away contractors rated under Rule 269.).
2. Determine the exposure type (Private Passenger Type or Other Than Private Passenger Type). For the purposes of this premium development, Private Passenger Types include exposures which are classified under Section III of Division One or are explicitly described as Private Passenger Types elsewhere in Division One. Unless instructed otherwise, all other exposures are considered to be Other Than Private Passenger Types, even when rating for other coverages is based on Private Passenger Types.
3. For some autos, the Uninsured And Underinsured Motorists Coverage Premium Formula is given in the section for that auto. For all other autos to which the coverage applies, the following premium formula applies for each auto. Note that the additional premium in Paragraph B.4. may apply in either case.



Premium = Loss Cost

- a. Select the appropriate loss costs table as follows:
 - (1) For Single Limits Uninsured Motorists Bodily Injury Coverage, refer to state loss costs Table 297.B.3.a.(1)(LC).
 - (2) For Single Limits Underinsured Motorists Bodily Injury Coverage, refer to state loss costs Table 297.B.3.a.(2)(LC).
 - (3) For Split Limits Uninsured Motorists Bodily Injury Coverage, refer to state loss costs Table 297.B.3.a.(3)(LC). The initial limits provided are the minimum financial responsibility limits required in Utah.
 - (4) For Split Limits Underinsured Motorists Bodily Injury Coverage, refer to state loss costs Table 297.B.3.a.(4)(LC).
 - (5) For split bodily injury limits of \$2530,000/\$500,000 for Public Autos Uninsured Motorists Bodily Injury Coverage, refer to state loss costs Table 297.B.3.a.(5)(LC). For higher limits, use Other Than Private Passenger Type loss costs.
 - (6) For Uninsured Motorists Property Damage Coverage, refer to state loss costs Table 297.B.3.a.(6)(LC).
4. For policies (other than Auto Dealers) issued to individual named insureds, charge an additional premium once for the policy.



Additional Premium = Loss Cost * Individual Named Insureds Coverage Factor

- a. Use the same Loss Cost from Paragraph B.3.a. which was used to rate Bodily Injury Coverage for the auto with the highest limit.
- b. Individual Named Insureds Coverage Factor

Factor
0.05

Table 297.B.4.b. Individual Named Insureds Coverage Factor

5. For policies (other than Auto Dealers) issued to individual named insureds, also charge an additional premium once for each exposure. Do not charge the additional premium a second time for any vehicle for either Uninsured Motorists Property Damage Coverage or Underinsured Motorists Bodily Injury Coverage.



Additional Premium = Loss Cost

- a. Loss Cost in state loss costs Table 297.B.5.a.(LC).