



NOTICE OF EFFECTIVE FILING

TO: ISO Distribution List
DATE: December 21, 2016
FROM: Walter Murphy
PHONE: (718) 250-1735

PROGRAM: GENERAL LIABILITY LOSS COST REVISION

ISO CIRCULAR NUMBER: LI-GL-2016-068

ISO REFERENCE FILING NO.: GL-2016-BGL1

CONTENTS: Adoption of ISO's General Liability Advisory Prospective
Loss Cost Revision

STATE: FLORIDA

EFFECTIVE DATE: April 1, 2017

MODIFICATIONS: None

RULE OF APPLICATION: These changes are applicable to all policies written on or after
April 1, 2017.

COMPANY(IES) EFFECTIVE:

- ☒ AIG ASSURANCE COMPANY
- ☒ AIG PROPERTY CASUALTY COMPANY
- ☐ AIU INSURANCE COMPANY
- ☒ AMERICAN HOME ASSURANCE COMPANY
- ☒ COMMERCE AND INDUSTRY INSURANCE COMPANY
- ☒ GRANITE STATE INSURANCE COMPANY
- ☒ ILLINOIS NATIONAL INSURANCE CO.
- ☒ NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
- ☒ NEW HAMPSHIRE INSURANCE COMPANY
- ☒ THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

FILING NUMBER: ISO-FL-16-GL-02

ACKNOWLEDGED

Date Received: 12/19/2016 Date Of Action: 12/20/2016

**AMERICAN INTERNATIONAL GROUP
Commercial General Liability
Florida**

FL OFFICE OF INSURANCE REGULATION

Company Exception Page

To calculate Commercial General Liability rates by company, multiply loss costs by the appropriate factor as listed below:

| | LOSS COST MULTIPLIERS | |
|--|-----------------------------------|---|
| | <u>Premises/Operations</u> | <u>Products/Completed Operations</u> |
| American Home Assurance Company | 2.325 | 1.535 |
| AIG Assurance Company | 2.325 | 1.535 |
| AIG Property Casualty Company | 2.325 | 1.535 |
| Commerce and Industry Insurance Company | 2.325 | 1.535 |
| Granite State Insurance Company | 2.325 | 1.535 |
| National Union Fire Insurance Company of Pittsburgh, Pa. | 2.325 | 1.535 |
| New Hampshire Insurance Company | 2.325 | 1.535 |
| Illinois National Insurance Company | 2.674 | 1.765 |
| The Insurance Company of the State of Pennsylvania | 2.325 | 1.535 |

ACKNOWLEDGED

Date Received: 12/19/2016 Date Of Action: 12/20/2016

**AMERICAN INTERNATIONAL GROUP
Commercial General Liability
Florida**

FL OFFICE OF INSURANCE REGULATION

Company Exception Page

Our Expected Loss Ratios are as follows:

Line of Business: Commercial General Liability

| | |
|-------------------------------|-------|
| Premises/Operations | 0.603 |
| Products/Completed Operations | 0.603 |
| Factor to remove ULAE: | 1.110 |

ELR excluding ULAE/LAE

| | |
|-------------------------------|-------|
| Premises/Operations | 0.543 |
| Products/Completed Operations | 0.543 |
| Tax Multiplier * | 1.024 |

These loss ratios apply to the following rating plans:

Experience & Schedule Rating Plan +
Composite Rating Plan
Retrospective Rating Plan *

+ Schedule Debits & Credits are added together to determine the final Schedule Modification. The calculated Experience Modification (Credit or Debit) & the Schedule Modification (Credit or Debit) are multiplied together to develop the final Experience & Schedule Rating Plan Modification.

ACKNOWLEDGED

Date Received: 12/19/2016 Date Of Action: 12/20/2016

FL OFFICE OF INSURANCE REGULATION

**AIG Assurance Company
AIG Property Casualty Company
American Home Assurance Company
Commerce & Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Co.
National Union Fire Insurance Company of Pittsburgh, Pa.
New Hampshire Insurance Company
The Insurance Company of the State of Pennsylvania**

Florida

COMMERCIAL LINE MANUAL – DIVISION SIX

GENERAL LIABILITY

COMPANY EXCEPTION PAGE

GENERAL LIABILITY RATE DEVIATION (ISO Class Code 11138 – Clubs-country or golf)

A. Risks that fall within the following classes of business and use ISO class code 11138 – Clubs – country or golf will be eligible for a 38% downward rate deviation.

- 1 Private Equity-Member Clubs
- 2 Private – Privately Owned Clubs
- 3 Private Clubs – Non-Equity or
- 4 Semi-Private clubs.

B. The 38% downward rate deviation will be exclusive to the club program.

C. General Liability Loss Cost Rate Calculation:

The GL rate deviation will be applied to the state ISO Loss Cost factor as follows:

1. The ISO Loss Cost factor for class code 11138 – Clubs – country or golf risk will be multiplied by the 38% downward GL Rate Deviation (.62 rate factor).
2. The Deviated ISO Loss Cost factor will then be subject to the:
 - i. Company Loss Cost Multipliers;
 - ii. ISO Increased Limits factors;
 - iii. Filed and approved ISO Experience and Schedule Rating Plans;
 - iv. Filed and approved AIG company deviations or package modifications
3. The final adjusted rate will then be applied to the Exposure base for the ISO Class code 11138 – Clubs – country or golf risk (Revenue) to obtain the final premium.



ACKNOWLEDGED
Date Received: 12/19/2016 Date Of Action: 12/20/2016
FL OFFICE OF INSURANCE REGULATION

AIG Property
Casualty
12 Metrotech Center
27th Floor
Brooklyn, NY 11201
www.aig.com

Walter Murphy
Senior Filings Analyst
T 718 250 1735
F 718 250 1779
walter.murphy@aig.com

December 19, 2016

Honorable David Altmaier
Commissioner of Insurance
Office of Insurance Regulation
Property & Casualty Product Review
200 East Gaines Street
Tallahassee, Florida 32399-0330

RE: AIG ASSURANCE COMPANY
NAIC #012-40258 FEIN #02-6008643
AIG PROPERTY CASUALTY COMPANY
NAIC #012-19402 FEIN #25-1118791
AMERICAN HOME ASSURANCE COMPANY
NAIC #012-19380 FEIN #13-5124990
COMMERCE AND INDUSTRY INSURANCE COMPANY
NAIC #012-19410 FEIN #13-1938623
GRANITE STATE INSURANCE COMPANY
NAIC #012-23809 FEIN #02-0140690
ILLINOIS NATIONAL INSURANCE CO.
NAIC #012-23817 FEIN #37-0344310
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
NAIC #012-19445 FEIN #25-0687550
NEW HAMPSHIRE INSURANCE COMPANY
NAIC #012-23841 FEIN #02-0172170
THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
NAIC #012-19429 FEIN #13-5540698
ISO General Liability Lost Cost Revision
File Number: ISO-FL-16-GL-02

Dear Commissioner Altmaier:

The referenced companies (the "Companies") are adopting the latest ISO Advisory loss costs as acknowledged in Florida OIR No. 16-19454. The Companies also are filing to change their Loss Cost Multipliers for Premises/Operations from 1.896 to 2.325 due to a 13.7% expense change and 7.8% modification change and for Products/Completed Operations from 1.459 to 1.535 due to a 13.7% expense change and -7.4% modification change.

The overall rate impact is 15.0% for Commercial General Liability.

Your favorable consideration and approval are respectfully requested.

Sincerely,

Walter Murphy