



**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**

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

|  | <b>LOSS COST<br/>MULTIPLIERS</b>  |   |
|--|-----------------------------------|---|
|  | <b><u>Premises/Operations</u></b> | <b><u>Products/Completed<br/>Operations</u></b> |
| 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   |

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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**

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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**  
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FL OFFICE OF INSURANCE REGULATION

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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

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**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