



## MISSISSIPPI STATE RATING BUREAU

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### BULLETIN 17-03

Date: November 28, 2017

To All Member Companies and Their Authorized  
Mississippi Agents  
To Whom it May Concern:

Mississippi Commercial Fire & Allied  
Lines EQ – Loss Cost Filing  
CF-2016-REQLC and Rules Filing  
CF-2016-REQRU  
SERFF #MSSR-131186154

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On behalf of member companies, the Mississippi State Rating Bureau filed CF-2016-REQRU and CF-2016-REQLC Earthquake changes with the Mississippi Department of Insurance. This filing is now approved by the Mississippi Department of Insurance with a new and renewal effective date of 3-1-2018, but will be amended to an effective date of 4-1-2018 to allow more time for implementation.

The SERFF tracking number is provided above to allow any member company access to the filing materials via the NAIC SERFF filing system. If needed, MSRB staff can provide copies of the filing materials on request. Copies of the related ISO explanatory memorandums are attached. Included with the new territory page section is a current map of the new (proposed) EQ zones.

Mississippi State Rating Bureau Member companies can file through the Mississippi Department of Insurance to adopt this approved change. Member companies can also file to non-adopt this change, or file for approval of some amended version (rules, loss costs, or effective date).

If there are any questions, please call the Mississippi State Rating Bureau (phone 601-981-2915) and ask for a management representative (Assistant Managers Brad Little, Tony Parker, or Manager Joe Shumaker).

***Mississippi State Rating Bureau Management***



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# **Earthquake Zip-Code Based Territory Section, Earthquake Sub-Limit Coverage and Deductible Option Rating Factors Introduced**

## **About This Filing**

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This filing updates the Mississippi State Rating Bureau (MSRB)'s commercial earthquake program manual rules to align them with those that ISO has filed in most other states. References in this filing to "multistate" material relate to changes that were introduced by ISO in other states and were/are being introduced in Mississippi by the MSRB.

In the companion loss cost filing, we are replacing Earthquake rating zones with territories which are defined by ZIP code. As a result, we are introducing a Territory Section which assigns earthquake rating territories based on zip-code.

In addition, this filing introduces methodologies for rating Earthquake sub-limit coverage, including countrywide sub-limit factors based on the AIR Worldwide Earthquake Model for the United States (version 13). In addition, a procedure for interpolating sub-limit factors and a methodology for Earthquake sub-limit blanket rating for property damage coverage and time element coverage are introduced.

For Earthquake coverage, this filing also introduces deductible option rating factors, also based on the AIR Worldwide Earthquake model.

Finally, for Earthquake - Sprinkler Leakage Only coverage, we are introducing coinsurance modification rating factors for additional coinsurance percentages.

## **Revised Rules**

In CLM Division Five - Fire and Allied Lines, we are revising:

- ◆ Additional Rule A1. Building Code Effectiveness Grading
- ◆ The state exception to Rule 73. Cause of Loss - Earthquake Form
- ◆ Multistate Rule 74. Other Causes Of Loss Forms
- ◆ The state exception to Rule 74. Other Causes Of Loss Forms
- ◆ Multistate Rule 75. Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form)

- ♦ The state exception to Rule 75, Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form)

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

## New Rule

- ♦ Multistate Rule 29, Unmanned Aircraft
- ♦ Multistate Rule 54.F, Off-premises Interruption Of Business - Vehicles And Mobile Equipment

We are introducing a rating example for Multistate Rule 75, Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form)

## New Territory Section

We are introducing:

- ♦ A Territory Section which assigns zip code based territory assignments for earthquake rating.

## Withdrawn Rules

We are eliminating the following additional rule and state exception and the corresponding multistate rules will now apply:

- ♦ Additional Rule A12, Unmanned Aircraft
- ♦ Rule 54.F, Off-premises Interruption Of Business - Vehicles And Mobile Equipment

## Earthquake Rating Changes

### Earthquake Rating Territories Introduced

The companion loss cost filing introduces Earthquake rating territories defined by ZIP code based on an analysis of the AIR Worldwide Earthquake Model. In this rule filing, we are incorporating the Earthquake territory definitions into a new Territory Section (CF-T pages) in the state manual. The impact of this change in Earthquake rating is addressed in the related loss cost filing. Since the multistate earthquake rating instructions which are based on territories will now apply, references to Earthquake zones are removed, thereby eliminating the current exceptions to Rule 73.D.3., and 73.E.1.a.(1)(b).

The revised Territory Section is provided in the attachments. Refer to the Actuarial Support for Exhibit C which provides a glossary of the various types of ZIP codes and Exhibit D which shows the possible types of ZIP code changes and how they would be reflected in the territory definitions.

### **Territory Assignment Rule**

The state exception to Rule 73.G, is deleted so that multistate Rule 73.G, which addresses territory assignments of new ZIP codes prior to reflection in the manual, and refers to the ISO ZIP Code Maintenance Procedure concerning future ZIP code changes, will now apply.

### **Introduction of Building Code Effectiveness Grading Factors for Earthquake Coverage**

Rule A1. Building Code Effectiveness Grading (BCEG) includes a table for rate modification factors that provide credits in recognition of earthquake loss mitigation potential. We are introducing Earthquake rate modification factors on a statewide basis at this time.

BCEG Grade	State wide
	Credit
1-3	10%
4-7	6%
8-9	2%
10	—

The statewide credits of 10%, 6% and 2% are expressed as rate modification factors of .90, .94 and .98, respectively.

An explanation in support of the revised credits is provided in the attached Exhibit E.

### **Earthquake Deductible Options**

Rule 73. Causes of Loss - Earthquake Form pertains to writing coverage for loss by earthquake and volcanic eruption, explosion or effusion. Multistate Rule 73.D.2.a. provides that all rates for property damage coverage are based on a mandatory deductible shown in the state rates. At present, the mandatory deductible is five or ten percent, depending on the construction class of the building. The state exception to Rule 73.D.2.d. provides that higher deductibles may be written subject to credits which reduce the rates for each percent of deductible in excess of the mandatory percent. At this time, we are replacing this method with the Earthquake Deductible Options in Table 73.D.2.d. in the state exceptions. Refer to Exhibit A in the Actuarial Support for details on the development of these factors. We are also revising the state exception to Rule

73.D.2.d. to provide that deductibles for building and contents may be increased to a maximum of forty percent by multiplying the base rate by the appropriate factor in Table 73.D.2.d. Earthquake Deductible Options.

### **Introduction of Rating Factors For Sprinklered Buildings**

The related loss cost filing provides Earthquake loss costs for non-sprinklered buildings and for personal property in such buildings. In this rule filing, we are introducing a rating factor recognizing sprinklered risks.

The factor for sprinklered risks (1.06) is added as Rule 73.D.7. This factor applies to the building and contents rates. The derivation of this factor and its impact on rating are addressed in the related loss cost filing.

## **Earthquake Sub-limit Coverage**

Rule 75. Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form) pertains to writing Earthquake coverage at a limit of insurance lower than the limit for other causes of loss, subject to an annual aggregate limit.

We are introducing a method for rating Earthquake sub-limit coverage in Rule 75. As a consequence, we are eliminating the existing exception to Paragraph C.4.b. and revising the exception to Paragraph C.6. which states that the rating procedure for sub-limit coverage is on a Refer to Company basis.

Multistate Rule 75.C.6., and the revised state exception, provide rating procedures for property damage and time element coverages written on a sub-limit basis. Rating provisions that apply to both coverages appear in Paragraph a. Paragraphs b. and c. present provisions specific to property damage and time element coverages, respectively. The Increased Annual Aggregate Limit Option, addressed in Paragraph e., will continue to be company-rated.

Property damage rating involves the application of a sub-limit factor to the Earthquake rate (building, contents) developed under Rule 73. Countrywide sub-limit factors, which range from one to seventy five percent, and vary by territory, construction, sub-limit percentage and deductible percentage, are being introduced for the first time in this state. They are located in tables in the state exceptions under Paragraph 75.C.6.a. Refer to Exhibit B in the Actuarial Support for details on the development of these factors. In addition, a state exception to Rule 75.C.6.a.(5) is being introduced to instruct the manual user on interpolation procedures for sub-limit percentages not shown in Table 75.C.6.a.(5). A rating example is included under Rule 75.C.6.a.(5).

The rating algorithm for property damage also recognizes building height, sprinklered risks, a masonry veneer exclusion option and a roof tank hazard, when such variables apply.

The rating algorithm for time element coverages utilizes the Earthquake building rate adjusted by .999, and further adjusted by application of an existing time element factor. The latter is selected based on insurance-to-value level, thus recognizing the sub-limit. The .999 factor was judgmentally selected and accounts for the reduction in protection that is inherent in the use of an annual aggregate for sub-limit coverage.

Under multistate Rule 75., paragraph C.2.c. provides that a blanket sub-limit may encompass all property, locations and coverages, including time element coverage. Currently, there is no rating methodology under Rule 75. for combining property damage and time element coverages under one limit of insurance.

Multistate Rule 75.C.6.d. is revised to instruct the manual user on blanket rating of Earthquake sub-limit coverage for property damage combined with time element. An example of this rating procedure is added to the Multistate Rating Examples Appendix.

## **Earthquake – Sprinkler Leakage Only**

Rule 74.F provides instruction on the Earthquake - Sprinkler Leakage Only (EQSL) coverage. EQSL is a limited form of Earthquake coverage, which can be written under Earthquake And Volcanic Eruption Endorsement CP 10 40 or Earthquake And Volcanic Eruption Endorsement (Sub-limit Form) CP 10 45.

We are updating the coinsurance modification factors in Multistate Rule 74., paragraph F.4.c. Property rates for Form CP 10 10 (Causes of Loss - Basic Form) contemplate 80% coinsurance. When Endorsement CP 10 40 is used with Form CP 10 10, coinsurance modification factors may be used to convert the 80% coinsurance rate to less than 80% coinsurance. The coinsurance modification factor adjusts rates to the appropriate level when properties are insured at coinsurance percentages other than 80%. The coinsurance modification factors may also be used when Endorsement CP 10 45 is used with the Basic, Broad or Special Causes of Loss Forms. These modification factors were judgmentally selected.

Multistate Rule 74.F.4.c. is also revised to instruct the manual user on interpolation procedures for coinsurance percentages not shown in Table 74.F.4.c.(1)(a). A rating example is included under 74.F.4.c.(1)(b).

We are eliminating the state exception to 74.F.5.b. and c. because zip code-based territories not zones will now apply to earthquake rating.

## **Additional Miscellaneous Changes**

In addition to the changes described above, we are including several unrelated changes so that the 12-16 edition of the multistate rules will now apply in Mississippi.

### **Rule A12. Unmanned Aircraft**

Under filing CL-2016-ODNPR, we introduced multistate Rule 29. Unmanned Aircraft to provide information concerning Endorsement CP 04 14, an optional endorsement which provides limited coverage for certain unmanned aircraft exposures. Because Mississippi was not on the 9-14 version of the multistate rules revised under CL-2016-ODNPR at the time we submitted this filing, we introduced Additional Rule A12. Unmanned Aircraft in the state exception pages. The content of the Additional Rule is identical to the approved multistate rule. We are taking this opportunity to eliminate A12. and as a result multistate Rule 29 will now apply.

### **Rule 54. Off-premises Interruption of Business -Vehicles And Mobile Equipment**

Under multistate rules filing CF-2013-RBIRU, we introduced multistate Rule 54.F. to provide instruction on optional Off-premises Interruption Of Business - Vehicles And Mobile Equipment Endorsement CP 15 06 Introduced under multistate forms filing CF-2013-OBIFR. Because Mississippi was not on the latest version of the multistate rules revised under CF-2013-RBIRU at the time we submitted this filing, we implemented the changes via a Mississippi state exception to Rule 54.F. The state exception is identical to the approved multistate rule. We are taking this opportunity to eliminate the exception to Rule 54.F. and as a result multistate Rule 54.F. will now apply.

## **Impact**

The rating impact of the implementation of the new deductible factors on earthquake coverage premium is -1.8 %.

The rating impact of the implementation of the new deductible factors on total commercial property coverage premium is 0.0 %.

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## **Attachments**

- ♦ Rules Exhibit
- ♦ Territory Section

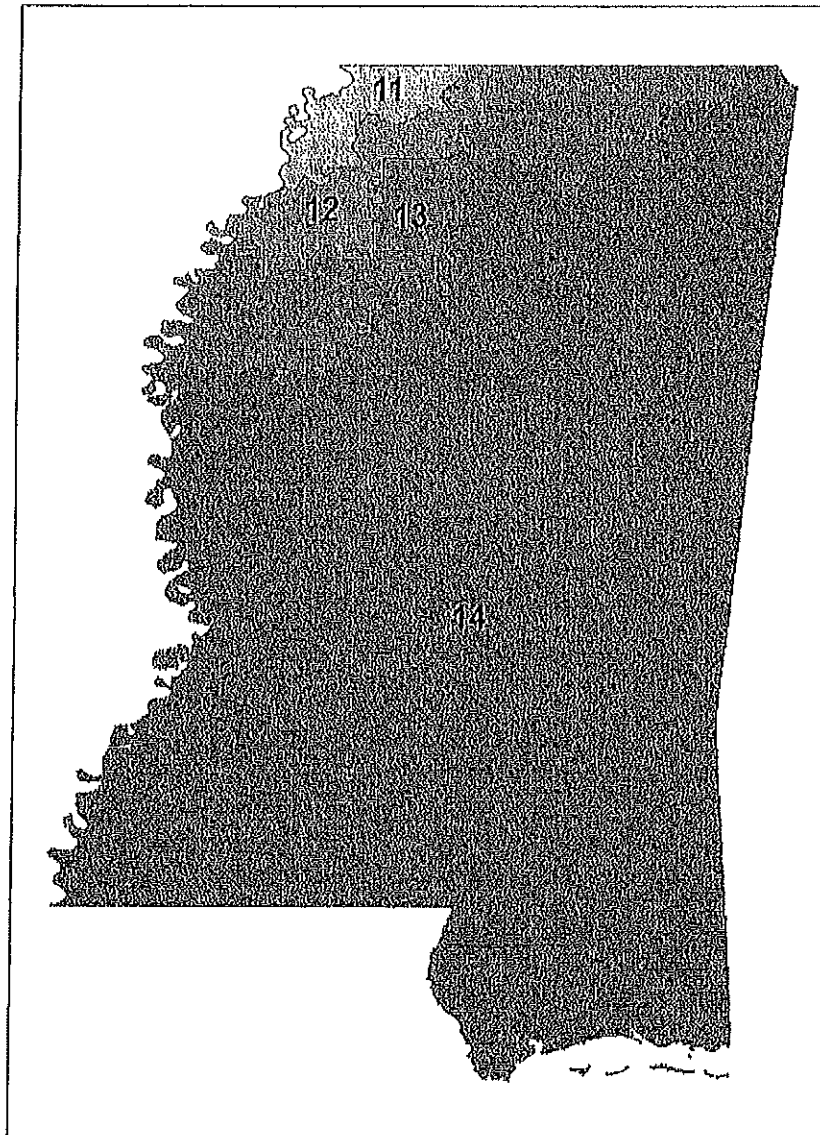


Actuarial Support Including:

- ◆ Exhibit A – Commercial Earthquake Deductible Factors
- ◆ Exhibit B – Commercial Earthquake Sub-limit Factors
- ◆ Exhibit C - Types of ZIP Codes
- ◆ Exhibit D - ZIP Code Changes: Effect on Territory Definitions
- ◆ Exhibit E – Development Of BCEG Credits For Earthquake

Table 4

Mississippi  
Proposed Earthquake Territories



ZIP CODES 38601 – 38737

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
38601	ABBEVILLE	14	38654	OLIVE BRANCH	11
38602	ARKABUTLA	12	38655	OXFORD	14
38603	ASHLAND	13	38658	POPE	13
38606	BATESVILLE	13	38659	POTTS CAMP	13
38609	MARKS	12	38661	RED BANKS	13
38610	BLUE MOUNTAIN	13	38663	RIPLEY	13
38611	BYHALIA	12	38664	ROBINSONVILLE	11
38614	CLARKSDALE	12	38665	SARAH	12
38617	COAHOMA	12	38666	SARDIS	13
38618	COLDWATER	12	38668	SENATOBIA	12
38619	COMO	13	38669	SHERARD	12
38620	COURTLAND	13	38670	SLEDGE	12
38621	CRENSHAW	12	38671	SOUTHAVEN	11
38622	CROWDER	12	38672	SOUTHAVEN	11
38623	DARLING	12	38673	TAYLOR	14
38625	DUMAS	13	38674	TIPLERSVILLE	13
38626	DUNDEE	11	38675	OXFORD	14
38627	ETTA	13	38676	TUNICA	11
38628	SLEDGE	12	38677	UNIVERSITY	14
38629	FALKNER	13	38679	VICTORIA	12
38630	FARRELL	12	38680	WALLS	11
38631	FRIARS POINT	12	38683	WALNUT	13
38632	HERNANDO	11	38685	WATERFORD	13
38633	HICKORY FLAT	13	38686	WALLS	11
38634	HOLLY SPRINGS	13	38701	GREENVILLE	14
38635	HOLLY SPRINGS	13	38702	GREENVILLE	14
38637	HORN LAKE	11	38703	GREENVILLE	14
38638	INDEPENDENCE	12	38704	GREENVILLE	14
38639	JONESTOWN	12	38720	ALLIGATOR	13
38641	LAKE CORMORANT	11	38721	ANGUILLA	14
38642	LAMAR	13	38722	ARCOLA	14
38643	LAMBERT	12	38723	AVON	14
38644	LULA	11	38725	BENOIT	13
38645	LYON	12	38726	BEULAH	13
38646	MARKS	12	38730	BOYLE	13
38647	MICHIGAN CITY	13	38731	CHATHAM	14
38649	MOUNT PLEASANT	13	38732	CLEVELAND	13
38650	MYRTLE	13	38733	CLEVELAND	13
38651	NESBIT	11	38736	DODDSVILLE	13
38652	NEW ALBANY	14	38737	DREW	13

Table #1(T) ZIP Codes 38601 – 38737

ZIP CODES 38738 – 38880

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
38738	PARCHMAN	13	38828	BLUE SPRINGS	14
38739	DUBLIN	13	38829	BOONEVILLE	14
38740	DUNCAN	13	38833	BURNSVILLE	14
38744	GLEN ALLAN	14	38834	CORINTH	13
38745	GRACE	14	38835	CORINTH	13
38748	GUNNISON	13	38838	DENNIS	14
38748	HOLLANDALE	14	38839	DERMA	14
38749	INDIANOLA	14	38841	ECRU	14
38751	INDIANOLA	14	38843	FULTON	14
38753	INVERNESS	14	38844	GATTMAN	14
38754	ISOLA	14	38846	GLEN	14
38756	LELAND	14	38847	GOLDEN	14
38759	MERIGOLD	13	38848	GREENWOOD SPRINGS	14
38760	METCALFE	14	38849	GUNTOWN	14
38761	MOORHEAD	14	38850	HOULKA	14
38762	MOUND BAYOU	13	38851	HOUSTON	14
38764	PACE	13	38852	IUKA	14
38765	PANTHER BURN	14	38855	MANTACHIE	14
38767	RENA LARA	13	38856	MARIETTA	14
38768	ROME	13	38857	MOOREVILLE	14
38769	ROSEDALE	13	38858	NETTLETON	14
38771	RULEVILLE	13	38859	NEW SITE	14
38772	SCOTT	13	38860	OKOLONA	14
38773	SHAW	13	38862	PLANTERSVILLE	14
38774	SHELBY	13	38863	PONTOTOC	14
38776	STONEVILLE	14	38864	RANDOLPH	14
38778	SUNFLOWER	13	38865	RIENZI	14
38780	WAYSIDE	14	38866	SALTILLO	14
38781	WINSTONVILLE	13	38868	SHANNON	14
38782	WINTERVILLE	14	38869	SHERMAN	14
38801	TUPELO	14	38870	SMITHVILLE	14
38802	TUPELO	14	38871	THAXTON	14
38803	TUPELO	14	38873	TISHOMINGO	14
38804	TUPELO	14	38874	TOCCOPOLA	14
38820	ALGOMA	14	38875	TREBLOC	14
38821	AMORY	14	38876	TREMONT	14
38824	BALDWYN	14	38877	VAN VLEET	14
38825	BECKER	14	38878	VARDAMAN	14
38826	BELDEN	14	38879	VERONA	14
38827	BELMONT	14	38880	WHEELER	14

Table #2(T) ZIP Codes 38738 – 38880

ZIP CODES 38901 – 39087

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
38901	GRENADA	14	38963	TUTWILER	13
38902	GRENADA	14	38964	VANCE	13
38913	BANNER	14	38965	WATER VALLEY	14
38914	BIG CREEK	14	38966	WEBB	13
38915	BRUCE	14	38967	WINONA	14
38916	CALHOUN CITY	14	39038	BELZONI	14
38917	CARROLLTON	14	39039	BENTON	14
38920	CASCILLA	13	39040	BENTONIA	14
38921	CHARLESTON	13	39041	BOLTON	14
38922	COFFEEVILLE	14	39042	BRANDON	14
38923	COILA	14	39043	BRANDON	14
38924	CRUGER	14	39044	BRAXTON	14
38925	DUCK HILL	14	39045	CAMDEN	14
38926	ELLIOTT	14	39046	CANTON	14
38927	ENID	13	39047	BRANDON	14
38928	GLENDORA	13	39051	CARTHAGE	14
38929	GORE SPRINGS	14	39054	CARY	14
38930	GREENWOOD	14	39056	CLINTON	14
38935	GREENWOOD	14	39057	CONEHATTA	14
38940	HOLCOMB	14	39058	CLINTON	14
38941	ITTA BENA	14	39059	CRYSTAL SPRINGS	14
38943	MC CARLEY	14	39060	CLINTON	14
38944	MINTER CITY	13	39061	DELTA CITY	14
38945	GREENWOOD	14	39062	D LO	14
38946	MORGAN CITY	14	39063	DURANT	14
38947	NORTH CARROLLTON	14	39066	EDWARDS	14
38948	OAKLAND	13	39067	ETHEL	14
38949	PARIS	14	39069	FAYETTE	14
38950	PHILIPP	13	39071	FLORA	14
38951	PITTSBORO	14	39073	FLORENCE	14
38952	SCHLATER	13	39074	FOREST	14
38953	SCOBAY	14	39077	GALLMAN	14
38954	SIDON	14	39078	GEORGETOWN	14
38955	SLATE SPRING	14	39079	GOODMAN	14
38957	SUMNER	13	39080	HARPERVILLE	14
38958	SWAN LAKE	13	39081	FAYETTE	14
38959	SWIFTOWN	14	39082	HARRISVILLE	14
38960	TIE PLANT	14	39083	HAZLEHURST	14
38961	TILLATOBA	13	39086	HERMANVILLE	14
38962	TIPPO	13	39087	HILLSBORO	14

Table #3(T) ZIP Codes 38901 – 39087

ZIP CODES 39088 – 39216

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
39088	HOLLY BLUFF	14	39162	SATARTIA	14
39090	KOSCIUSKO	14	39163	SHARON	14
39092	LAKE	14	39165	SIBLEY	14
39094	LENA	14	39166	SILVER CITY	14
39095	LEXINGTON	14	39167	STAR	14
39096	LORMAN	14	39168	TAYLORSVILLE	14
39097	LOUISE	14	39169	TCHULA	14
39098	LUDLOW	14	39170	TERRY	14
39107	MC ADAMS	14	39171	THOMASTOWN	14
39108	MC COOL	14	39173	TINSLEY	14
39109	MADDEN	14	39174	TOUGALOO	14
39110	MADISON	14	39175	UTICA	14
39111	MAGEE	14	39176	VAIDEN	14
39113	MAYERSVILLE	14	39177	VALLEY PARK	14
39114	MENDENHALL	14	39179	VAUGHAN	14
39115	MIDNIGHT	14	39180	VICKSBURG	14
39116	MIZE	14	39181	VICKSBURG	14
39117	MORTON	14	39182	VICKSBURG	14
39119	MOUNT OLIVE	14	39183	VICKSBURG	14
39120	NATCHEZ	14	39189	WALNUT GROVE	14
39121	NATCHEZ	14	39190	WASHINGTON	14
39122	NATCHEZ	14	39191	WESSON	14
39130	MADISON	14	39192	WEST	14
39140	NEWHEBRON	14	39193	WHITFIELD	14
39144	PATTISON	14	39194	YAZOO CITY	14
39145	PELAHATCHIE	14	39201	JACKSON	14
39146	PICKENS	14	39202	JACKSON	14
39148	PINEY WOODS	14	39203	JACKSON	14
39149	PINOLA	14	39204	JACKSON	14
39150	PORT GIBSON	14	39205	JACKSON	14
39151	PUCKETT	14	39206	JACKSON	14
39152	PULASKI	14	39207	JACKSON	14
39153	RALEIGH	14	39208	PEARL	14
39154	RAYMOND	14	39209	JACKSON	14
39156	REDWOOD	14	39210	JACKSON	14
39157	RIDGELAND	14	39211	JACKSON	14
39158	RIDGELAND	14	39212	JACKSON	14
39159	ROLLING FORK	14	39213	JACKSON	14
39160	SALLIS	14	39215	JACKSON	14
39161	SANDHILL	14	39216	JACKSON	14

Table #4(T) ZIP Codes 39088 – 39216

ZIP CODES 39217 – 39442

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
39217	JACKSON	14	39342	MARION	14
39218	RICHLAND	14	39345	NEWTON	14
39225	JACKSON	14	39346	NOXAPATER	14
39232	FLOWOOD	14	39347	PACHUTA	14
39236	JACKSON	14	39348	PAULDING	14
39250	JACKSON	14	39350	PHILADELPHIA	14
39269	JACKSON	14	39352	PORTERVILLE	14
39271	JACKSON	14	39354	PRESTON	14
39272	BYRAM	14	39355	QUITMAN	14
39282	JACKSON	14	39356	ROSE HILL	14
39283	JACKSON	14	39358	SCOوبا	14
39284	JACKSON	14	39359	SEBASTOPOL	14
39286	JACKSON	14	39360	SHUBUTA	14
39288	PEARL	14	39361	SHUQUALAK	14
39289	JACKSON	14	39362	STATE LINE	14
39296	JACKSON	14	39363	STONEWALL	14
39298	JACKSON	14	39364	TOOMSUBA	14
39301	MERIDIAN	14	39365	UNION	14
39302	MERIDIAN	14	39366	VOSSBURG	14
39303	MERIDIAN	14	39367	WAYNESBORO	14
39304	MERIDIAN	14	39401	HATTIESBURG	14
39305	MERIDIAN	14	39402	HATTIESBURG	14
39307	MERIDIAN	14	39403	HATTIESBURG	14
39309	MERIDIAN	14	39404	HATTIESBURG	14
39320	BAILEY	14	39406	HATTIESBURG	14
39322	BUCKATUNNA	14	39407	HATTIESBURG	14
39323	CHUNKY	14	39421	BASSFIELD	14
39324	CLARA	14	39422	BAY SPRINGS	14
39325	COLLINSVILLE	14	39423	BEAUMONT	14
39326	DALEVILLE	14	39425	BROOKLYN	14
39327	DECATUR	14	39426	CARRIERE	14
39328	DE KALB	14	39427	CARSON	14
39330	ENTERPRISE	14	39428	COLLINS	14
39332	HICKORY	14	39429	COLUMBIA	14
39335	LAUDERDALE	14	39436	EASTABUCHIE	14
39336	LAWRENCE	14	39437	ELLISVILLE	14
39337	LITTLE ROCK	14	39439	HEIDELBERG	14
39338	LOUIN	14	39440	LAUREL	14
39339	LOUISVILLE	14	39441	LAUREL	14
39341	MACON	14	39442	LAUREL	14

Table #5(T) ZIP Codes 39217 – 39442

ZIP CODES 39443 – 39647

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
39443	LAUREL	14	39534	BILOXI	14
39451	LEAKESVILLE	14	39535	BILOXI	14
39452	LUCEDALE	14	39540	DIBERVILLE	14
39455	LUMBERTON	14	39552	ESCATAWPA	14
39456	MC LAIN	14	39553	GAUTIER	14
39457	MC NEILL	14	39555	HURLEY	14
39459	MOSELLE	14	39556	KILN	14
39460	MOSS	14	39558	LAKESHORE	14
39461	NEELY	14	39560	LONG BEACH	14
39462	NEW AUGUSTA	14	39561	MC HENRY	14
39463	NICHOLSON	14	39562	MOSS POINT	14
39464	OVETT	14	39563	MOSS POINT	14
39465	PETAL	14	39564	OCEAN SPRINGS	14
39466	PICAYUNE	14	39565	VANCLEAVE	14
39470	POPLARVILLE	14	39566	OCEAN SPRINGS	14
39474	PRENTISS	14	39567	PASCAGOULA	14
39475	PURVIS	14	39568	PASCAGOULA	14
39476	RICHTON	14	39569	PASCAGOULA	14
39477	SANDERSVILLE	14	39571	PASS CHRISTIAN	14
39478	SANDY HOOK	14	39572	PEARLINGTON	14
39479	SEMINARY	14	39573	PERKINSTON	14
39480	SOSO	14	39574	SAUCIER	14
39481	STRINGER	14	39576	WAVELAND	14
39482	SUMRALL	14	39577	WIGGINS	14
39483	FOXWORTH	14	39581	PASCAGOULA	14
39501	GULFPORT	14	39595	PASCAGOULA	14
39502	GULFPORT	14	39601	BROOKHAVEN	14
39503	GULFPORT	14	39602	BROOKHAVEN	14
39505	GULFPORT	14	39603	BROOKHAVEN	14
39506	GULFPORT	14	39629	BOGUE CHITTO	14
39507	GULFPORT	14	39630	BUDE	14
39520	BAY SAINT LOUIS	14	39631	CENTREVILLE	14
39521	BAY SAINT LOUIS	14	39632	CHATAWA	14
39522	STENNIS SPACE CENTER	14	39633	CROSBY	14
39525	DIAMONDHEAD	14	39635	FERNWOOD	14
39529	STENNIS SPACE CENTER	14	39638	GLOSTER	14
39530	BILOXI	14	39641	JAYESS	14
39531	BILOXI	14	39643	KOKOMO	14
39532	BILOXI	14	39645	LIBERTY	14
39533	BILOXI	14	39647	MC CALL CREEK	14

Table #6(T) ZIP Codes 39443 – 39647



ZIP CODES 39648 – 39776

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
39648	MCCOMB	14	39756	PRAIRIE	14
39649	MCCOMB	14	39759	STARKVILLE	14
39652	MAGNOLIA	14	39760	STARKVILLE	14
39653	MEADVILLE	14	39762	MISSISSIPPI STATE	14
39654	MONTICELLO	14	39766	STEENS	14
39656	OAK VALE	14	39767	STEWART	14
39657	OSYKA	14	39769	STURGIS	14
39661	ROXIE	14	39771	WALTHALL	14
39662	RUTH	14	39772	WEIR	14
39663	SILVER CREEK	14	39773	WEST POINT	14
39664	SMITHDALE	14	39776	WOODLAND	14
39665	SONTAG	14			
39666	SUMMIT	14			
39667	TYLERTOWN	14			
39668	UNION CHURCH	14			
39669	WOODVILLE	14			
39701	COLUMBUS	14			
39702	COLUMBUS	14			
39703	COLUMBUS	14			
39704	COLUMBUS	14			
39705	COLUMBUS	14			
39710	COLUMBUS	14			
39730	ABERDEEN	14			
39735	ACKERMAN	14			
39736	ARTESIA	14			
39737	BELLEFONTAINE	14			
39739	BROOKSVILLE	14			
39740	CALEDONIA	14			
39741	CEDARBLUFF	14			
39743	CRAWFORD	14			
39744	EUPORA	14			
39745	FRENCH CAMP	14			
39746	HAMILTON	14			
39747	KILMICHAEL	14			
39750	MABEN	14			
39751	MANTEE	14			
39752	MATHISTON	14			
39753	MAYHEW	14			
39754	MONTPELIER	14			
39755	PHEBA	14			

Table #7(T) ZIP Codes 39648 – 39776

# Commercial Property Earthquake Loss Costs Revised

## About This Filing

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This filing updates the Mississippi State Rating Bureau (MSRB)'s commercial earthquake loss costs.

### Revised Loss Costs

We are revising the following loss costs:

- ♦ Rule 73., Cause of Loss Earthquake Form

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

### Withdrawn Loss Costs

We are withdrawing loss costs under:

- ♦ Rule 54.F., Off-premises Interruption Of Business - Vehicles And Mobile Equipment

## Explanation of Changes

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This filing introduces Earthquake rating territories defined by ZIP code based on the analysis of the AIR Worldwide Earthquake model.

The attachments to this document detail the development of the pricing for earthquake coverage.

## Impact

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The rating impact of the updated loss costs on earthquake coverage premium is 32.2%.

The rating impact of the updated loss costs on total commercial property coverage premium is -3.0%.

## **Additional Miscellaneous Change**

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We are including an additional revision to the state loss cost pages. References to "multistate" material relate to changes that were introduced by ISO in other states and were/are being introduced in Mississippi by the MSRB.

For most states, under multistate loss cost filing CF-2013-RBILC, we introduced loss costs for Off-premises Interruption Of Business - Vehicles And Mobile Equipment Endorsement CP 15 06 under multistate loss cost Rule 54. At the time we submitted this filing, Mississippi was not on the latest version of the multistate loss costs. As a result, we introduced the identical loss costs under Rule 54.F in the state loss cost pages. In companion rules filing CF-2016-REQRU, we are eliminating the state exception to Rule 54.F, which provides instructions on the use of CP 15 06 and multistate Rule 54.F, will now apply. We are making a corresponding change to eliminate Rule 54.F. in the state loss cost pages and as a result multistate loss cost Rule 54.F, will now apply.

## **Attachments**

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Actuarial Support Including:

- ◆ Exhibit A – Summary of Earthquake Loss Cost Changes
- ◆ Exhibit B – Overview of Earthquake Model and Adjustments to the Model
- ◆ Exhibit C - Loss Costs