

LOSS COSTS/RULES/FORMS – IMPLEMENTATION

NOVEMBER 15, 2018

COMMERCIAL PROPERTY

LI-CF-2018-126

SOUTH CAROLINA COMMERCIAL PROPERTY MULTISTATE FLOOD-RELATED FORMS REVISION AND FLOOD RULES AND LOSS COSTS TO BE IMPLEMENTED

KEY MESSAGE

We are implementing revised and new multistate rules and new state-specific loss costs, which introduce flood rating information for Commercial Property in South Carolina. We are also implementing incidental revisions to multistate endorsements.

Distribution Date: 4/2019

Filing IDs: CF-2017-OFLFR (Forms), CF-2017-RFLRU (Rules) and CF-2017-RFLLC (Loss Costs)

BACKGROUND

In circular(s):

- [LI-CF-2017-077](#), [LI-CF-2017-121](#) and [LI-CF-2018-005](#), we announced the submission of forms filing CF-2017-OFLFR, which revised multistate endorsements CP 03 20 Multiple Deductible Form (Fixed Dollar Deductibles) and CP 03 29 Deductibles By Location to explicitly state that these endorsements do not apply to Flood Coverage.
- [LI-CF-2017-078](#), [LI-CF-2017-122](#), and [LI-CF-2018-006](#), we announced the submission of rules filing CF-2017-RFLRU, which revised Commercial Lines Manual Division Five – Fire And Allied Lines to introduce rating information for the existing Flood Coverage Endorsement CP 10 65.
- [LI-CF-2017-157](#), we provided you with final copies of multistate forms and endorsements included in forms filing CF-2017-OFLFR.
- [LI-CF-2017-158](#), we provided a sample Advisory Notice to Policyholders which outlined the changes in multistate forms filing CF-2017-OFLFR.

In a subsequent circular, which is listed in the attached multistate status report, we provided a state-specific loss costs filing for South Carolina.

INSURANCE DEPARTMENT ACTION

We have received all necessary approvals or acknowledgements, as required by state laws and regulations, from the insurance department in South Carolina.

Note: The announcement of implementation in a particular jurisdiction includes the implementation of the multistate filings and any state filing, supplement and/or amendment filing.

EFFECTIVE DATE**Forms/Rules/Loss Costs:**

We do not establish an effective date for Commercial Property Forms/Rules/Loss Costs revisions in this state. Each insurer that elects to utilize this revision is responsible for determining its own effective date.

COMPANY ACTION**Forms:**

ISO has not filed this revision on behalf of insurers.

You must independently determine what revision to make and when to make any revision effective. If you decide to use all or any part of our revision, you are NOT required to file anything with the Insurance Department.

You must document your files in case the Insurance Department wishes to review the information at a later date. In all internal correspondence on this revision, you should refer to ISO Revision Designation Number CF-2017-OFLFR, 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.

Rules:

ISO has not filed this revision on behalf of insurers.

You must independently determine what revision to make and when to make any revision effective. If you decide to use all or any part of our revision, you are NOT required to file anything with the Insurance Department.

You must document your files in case the Insurance Department wishes to review the information at a later date. In all internal correspondence on this revision, you should refer to ISO Revision Designation Number CF-2017-RFLRU, 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.

Loss Costs:

You must independently determine the final rates you will use and the effective date of any rate change. If you decide to use our prospective loss costs to revise your rates, you are NOT required to file anything with the Insurance Department.

You must document your files in case the Insurance Department wishes to review the information at a later date. In all internal correspondence on this revision, you should refer to ISO Revision Designation Number CF-2017-RFLLC, NOT this circular number.

RATING SOFTWARE IMPACT

CF-2017-OFLFR:

New attributes being introduced with this revision:

- New edition dates of an existing form number are being introduced.

CF-2017-RFLRU:

New attributes being introduced with this revision:

- Additional information will be required from the policyholder to complete a rating calculation.
- A new code is being introduced.
- New, additional factors are being introduced.
- A new calculation is being introduced.

CF-2017-RFLLC:

New attributes being introduced with this revision:

- New, additional loss costs are being introduced.
- New, additional factors are being introduced.
- A new calculation is being introduced.

IMPACT ON THE STATISTICAL REPORTING OF LOSS COST MULTIPLIER (LOSS COSTS)

For Commercial Statistical Plan (CSP) full reporters, the new flood requirements include the reporting of both Loss Cost Multiplier/Rate Departure Factor and Rating Modification Factor. The effective date of our statistical change is October 1, 2018. Statistical reporting of Flood will be within our COMFAL module.

IMPACT ON STATISTICAL REPORTING (RULES, FORMS)

Statistical Plan Holders circular [SP-BP-2017-002/SP-CF-2017-002/SP-FC-2017-001](#), entitled "Commercial Flood Reporting Enhancements Announced", was issued on July 26, 2017, announcing the establishment of statistical coding in support of the Commercial Flood filings.

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-2017-074](#) 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.

FUTURE ISO ACTION

In future circulars, we will:

- Inform you of implementation status of these filings in additional jurisdictions.
- Provide an updated multistate status report summarizing filing activity.

REVISION DISTRIBUTION

Loss Costs/Rules:

We will issue a Notice to Manualholders with an edition date of 4-19 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

Forms:

We will issue a Notice to Portfolioholders with an edition date of 4-19 (or the earliest possible subsequent date), along with any new and/or revised forms.

REFERENCE(S)

- [LI-CF-2018-006](#) (01/12/2018) Commercial Property Multistate Rules Revision Introducing Flood Rating Provisions Being Filed In Additional Jurisdictions
- [LI-CF-2018-005](#) (01/12/2018) Commercial Property Multistate Flood-related Forms Revision Being Filed In Additional Jurisdictions
- [LI-CF-2017-158](#) (12/13/2017) Advisory Notice To Policyholders For Commercial Property Flood-related Multistate Forms Revision Available For Use
- [LI-CF-2017-157](#) (11/29/2017) Commercial Property Multistate Endorsements (Edition 04 18) Available
- [LI-CL-2017-074](#) (11/20/2017) Revised Lead Time Requirements Listing
- [LI-CF-2017-122](#) (10/02/2017) Commercial Property Multistate Rules Revision Introducing Flood Rating Provisions Being Filed In Additional Jurisdictions
- [LI-CF-2017-121](#) (10/02/2017) Commercial Property Multistate Flood-related Forms Revision Being Filed In Additional Jurisdictions
- [SP-BP-2017-002/SP-CF-2017-002/SP-FC-2017-001](#) (07/26/2017) Commercial Flood Reporting Enhancements Announced
- [LI-CF-2017-078](#) (07/17/2017) Commercial Property Multistate Rules Revision Introducing Flood Rating Provisions Being Filed
- [LI-CF-2017-077](#) (07/17/2017) Commercial Property Multistate Flood-related Forms Revision Being Filed

ATTACHMENT(S)

Status Report

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**Commercial Property Flood
Multistate Forms (CF-2017-OFLFR), Rules (CF-2017-RFLRU)
and Loss Costs Revisions (CF-2017-RFLLC)**

| STATE | EFFECTIVE OR DISTRIBUTION DATE | FILED CIRCULARS | | | IMPLEMENTATION CIRCULARS |
|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---|
| | | FORMS | RULES | LOSS COSTS | |
| ALABAMA | 10/1/2018 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-010 | LI-CF-2018-020 |
| ALASKA | | | | | |
| ARIZONA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-129 | LI-CF-2017-155 |
| ARKANSAS | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-130 | LI-CF-2017-155 |
| CALIFORNIA | | LI-CF-2017-077 | LI-CF-2017-078 | LI-CF-2017-079 | |
| COLORADO | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-131 | LI-CF-2017-155 |
| CONNECTICUT | 4/1/2018 | LI-CF-2017-077 | LI-CF-2017-078 | LI-CF-2017-080 | LI-CF-2017-155 |
| DELAWARE | 10/1/2018 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-011 | LI-CF-2018-030 |
| DIST. OF COLUMBIA | 10/1/2018 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-012 | LI-CF-2018-030 |
| FLORIDA | | | | | |
| GEORGIA | 10/1/2018 | LI-CF-2017-077 | LI-CF-2018-041 | LI-CF-2017-081 | LI-CF-2018-050 |
| GUAM* | 7/1/2019 | LI-CF-2018-104 | | | LI-CF-2018-109 |
| HAWAII | | | | | |
| IDAHO | | | | | |
| ILLINOIS | 4/1/2018 | LI-CF-2017-077 | LI-CF-2017-078 | LI-CF-2017-086 | LI-CF-2017-155 |
| INDIANA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-125 | LI-CF-2017-155 |
| IOWA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-128 | LI-CF-2017-155 |
| KANSAS | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-132 | LI-CF-2017-155 |
| KENTUCKY | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-138 | LI-CF-2017-155 |
| LOUISIANA | | | | | |
| MAINE | 10/1/2018 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-013 | LI-CF-2018-040 |
| MARYLAND | 10/1/2018 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-014 | LI-CF-2018-020 |
| MASSACHUSETTS | | LI-CF-2017-077 | LI-CF-2017-078 | LI-CF-2017-082 | |
| MICHIGAN | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-134 | LI-CF-2017-155 |
| MINNESOTA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-135 | LI-CF-2017-155 |
| MISSISSIPPI | | | | | |
| MISSOURI | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-136 | LI-CF-2018-020 |
| MONTANA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-142 | LI-CF-2017-155 |
| NEBRASKA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-126 | LI-CF-2017-155 |
| NEVADA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-146 | LI-CF-2017-155 |
| NEW HAMPSHIRE | 10/1/2018 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-015 | LI-CF-2018-040 |
| NEW JERSEY | 4/1/2018 | LI-CF-2017-077 | LI-CF-2017-078 | LI-CF-2017-083 | LI-CF-2017-155 |
| NEW MEXICO | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-147 | LI-CF-2017-155 |
| NEW YORK | 3/1/2019 | LI-CF-2018-054 | LI-CF-2018-051 | LI-CF-2018-055 | LI-CF-2018-119 (FORMS AND LOSS COSTS) LI-CF-2018-120 (RULES) |
| NORTH CAROLINA | 4/1/2018 | LI-CF-2017-077 | LI-CF-2017-078 | LI-CF-2017-084 | LI-CF-2017-155 |
| NORTH DAKOTA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-127 | LI-CF-2017-155 |
| OHIO | 4/1/2018 | LI-CF-2017-077 | LI-CF-2017-078 | LI-CF-2017-085 | LI-CF-2017-155 |
| OKLAHOMA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-139 | LI-CF-2018-020 |
| OREGON | 10/1/2018 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-016 | LI-CF-2018-030 |
| PENNSYLVANIA | 4/1/2018 | LI-CF-2017-077 | LI-CF-2017-078 | LI-CF-2017-087 | LI-CF-2017-155 |
| PUERTO RICO | | | | | |
| RHODE ISLAND | 10/1/2018 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-009 | LI-CF-2018-030 |
| SOUTH CAROLINA | 4/1/2019 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-017 | LI-CF-2018-126 |
| SOUTH DAKOTA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-143 | LI-CF-2017-155 |
| TENNESSEE | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-144 | LI-CF-2017-155 |
| TEXAS | 12/1/2018 | LI-CF-2017-077 | LI-CF-2017-078 | LI-CF-2017-088 | LI-CF-2018-082 |
| U.S. VIRGIN ISLANDS | | | | | |
| UTAH | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-140 | LI-CF-2017-155 |
| VERMONT | 10/1/2018 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-018 | LI-CF-2018-030 |
| VIRGINIA | 10/1/2018 | LI-CF-2018-005 | LI-CF-2018-006 | LI-CF-2018-019 | LI-CF-2018-040 |
| WASHINGTON | | | | | |
| WEST VIRGINIA | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-123 | LI-CF-2017-124 | LI-CF-2017-160 |
| WISCONSIN | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-141 | LI-CF-2017-155 |
| WYOMING | 7/1/2018 | LI-CF-2017-121 | LI-CF-2017-122 | LI-CF-2017-145 | LI-CF-2017-155 |

BOLD INDICATES CHANGES.

* Filing Forms Only