

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.
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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
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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