



LOSS COSTS – PRELIMINARY INDICATIONS

DECEMBER 24, 2018

BUSINESSOWNERS

LI-BP-2018-095

BUSINESSOWNERS POLICY EXPERIENCE REVIEWED BY STAFF

KEY MESSAGE

Enclosed is a summary of review indications and staff actions for the 2018 Group 4 states for Businessowners Policy (BP) experience review.

JURISDICTIONS

- | | | |
|--------------|--------------|-------------|
| • Alaska | • Iowa | • Oklahoma |
| • California | • Minnesota | • Utah |
| • Florida | • Montana | • Wisconsin |
| • Idaho | • New Mexico | • Wyoming |
| • Indiana | • Ohio | |

BACKGROUND

Chief Executive Circular [CE-AA-2017-013](#) provided ISO's 2018 Experience Review Schedule by line of insurance and indicated that the 2018 Businessowners reviews will be made in four groups, with Group 4 consisting of the 14 states listed in the Jurisdictions block.

ISO ACTION

We are enclosing a summary of 2018 Group 4 review indications, as well as staff decisions on BOP experience reviews for these state groups.

We will provide the Businessowners Policy loss costs information between 65 and 75 days after the release of this Businessowners Policy preliminary indications circular. During this period, we will release "submission", "implementation", or "informational" circulars.

CAUTION

The indications and selections are PRELIMINARY information which is being released on an expedited basis to assist in your planning activity. The indications and selections could ultimately change.

For example, indications may be updated to reflect the finalized experience review [or recent monoline and/or multiline approvals].

FUTURE ISO ACTION

In separate circulars, we will:

- Inform you of our filing submission for each prior approval jurisdiction;
- Supply the detailed actuarial support for [each jurisdiction where loss costs will be revised or implemented OR the loss cost indications]; and
- Inform you of approval or implementation for each jurisdiction where loss costs will be revised.

REFERENCE(S)

[CE-AA-2017-013](#) (10/27/2017) 2018 ISO Experience Review Schedule Announced

ATTACHMENT(S)

2018 Group 4 Businessowners Experience Review Summary

ACKNOWLEDGMENT OF ACTUARIAL QUALIFICATIONS

The American Academy of Actuaries' "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" requires that an actuary issuing a Statement of Actuarial Opinion should include an acknowledgment with the opinion that that he/she has met the qualification standards of the AAA. ISO considers this material a Statement of Actuarial Opinion; therefore we are including the following acknowledgment:

I, David Terné, am a Managing Director of Strategic Actuarial Operations for ISO and I, Erin Davidson, am a Businessowners Product Director for ISO. We are jointly responsible for the content of this Statement of Actuarial Opinion. We are both members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

CONTACT INFORMATION

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2018 BUSINESSOWNERS EXPERIENCE REVIEW SUMMARY

GROUP 4

LAST LOSS COST LEVEL CHANGE						CURRENT LOSS COST REVIEW					
	<u>Distribution or Effective Date</u>	<u>Property Change</u>	<u>Liability Change</u>	<u>Overall Change</u>	<u>Pending</u>	<u>Indicated Property Change</u>	<u>Staff Action</u>	<u>Indicated Liability Change</u>	<u>Staff Action</u>	<u>Overall Change</u>	<u>Staff Action</u>
Alaska	11/1/2018	-4.3%	-7.1%	-5.5%	--	+0.7%	+0.7%	-7.5%	-7.5%	-2.5%	-2.5%
California	10-2018	-4.2%	-4.4%	-4.3%	--	+3.6%	+3.6%	+3.7%	+3.7%	+3.6%	+3.6%
Florida	5-2016	-10.0%	+1.9%	-8.1%	--	--	(a)	--	(a)	--	(a)
Idaho	7/1/2018	0.0%	-15.8%	-5.2%	--	+0.8%	+0.8%	-8.5%	-8.5%	-1.9%	-1.9%
Indiana	7/1/2018	+2.0%	-8.5%	-0.2%	--	-2.5%	-2.5%	-6.1%	-6.1%	-3.2%	-3.2%
Iowa	8/1/2018	-6.7%	-14.3%	-8.6%	--	+5.8%	+5.8%	-10.9%	-10.9%	+1.8%	+1.8%
Minnesota	8-2018	-0.1%	-7.1%	-1.8%	--	+7.8%	+7.8%	-6.1%	-6.1%	+4.5%	+4.5%
Montana	8/1/2018	+6.1%	-7.7%	+2.2%	--	-1.5%	0.0%	-4.6%	-4.6%	-2.4%	-1.3%
New Mexico	7-2018	+4.8%	-13.2%	0.0%	--	+5.5%	+5.5%	-6.2%	-6.2%	+2.7%	+2.7%
Ohio	7/1/2018	-0.7%	+0.9%	-0.5%	--	-0.4%	-0.4%	-2.6%	-2.6%	-0.7%	-0.7%
Oklahoma	8/1/2018	-9.6%	-12.6%	-9.8%	--	+4.3%	+4.3%	-10.9%	-10.9%	+3.3%	+3.3%
Utah	8/1/2018	+11.9%	-8.2%	+5.9%	--	+6.0%	+6.0%	-3.4%	-3.4%	+3.6%	+3.6%
Wisconsin	8/1/2018	-6.3%	-9.0%	-6.8%	--	+5.6%	+5.6%	-7.1%	-7.1%	+3.7%	+3.7%
Wyoming	8-2018	+3.3%	-12.2%	-0.9%	--	+2.9%	+2.9%	-8.1%	-8.1%	0.0%	0.0%

(a) No review at this time due to the upcoming submission of a multistate filing.