

LOSS COSTS/RULES/FORMS – IMPLEMENTATION

NOVEMBER 1, 2019

BUSINESSOWNERS

LI-BP-2019-153

NEW MICRO-BUSINESSOWNERS MULTISTATE FORMS, RULES AND LOSS COSTS REVISIONS TO BE IMPLEMENTED

KEY MESSAGE

We are implementing new Micro-Businessowners multistate forms and endorsements rules and loss costs in 24 jurisdictions. This includes state specific supplements in all jurisdictions.

Effective Date: 4/1/2020

Filing IDs: BP-2019-OFR19 (Forms), BP-2019-RRU19 (Rules) and BP-2019-RLC19 (Loss Costs)

JURISDICTIONS

- | | | | |
|------------|------------|------------------|------------------|
| • Alabama | • Indiana | • Nebraska | • South Carolina |
| • Arizona | • Iowa | • Nevada | • South Dakota |
| • Arkansas | • Maine | • New Hampshire | • Tennessee |
| • Colorado | • Maryland | • New Jersey | • West Virginia |
| • Guam* | • Michigan | • New Mexico | • Wisconsin |
| • Idaho | • Montana | • North Carolina | • Wyoming |

*Forms filing BP-2019-OFR19 only.

BACKGROUND

In circular:

- [LI-BP-2019-099](#), we announced the submission of multistate loss costs filing BP-2019-RLC19, which adds a new section within Division Ten – Businessowners of the Commercial Lines Manual, to provide loss costs for ISO's new Micro-Businessowners Program.
- [LI-BP-2019-098](#), we announced the submission of multistate rules filing BP-2019-RRU19, which adds a new multistate rules section within Division Ten – Businessowners of the Commercial Lines Manual, to provide instruction on ISO's new Micro-Businessowners Program.
- [LI-BP-2019-097](#), we announced the submission of multistate forms filing BP-2019-OFR19, which announced the filing of a new Micro-Businessowners Coverage Form and endorsements to address the unique property and liability needs of micro-businesses.
- [LI-BP-2019-154](#), we are providing you with final copies of the multistate forms and endorsements included in forms filing BP-2019-OFR19.

In subsequent circulars, which are listed in the attached multistate status report, we provided state-specific forms, rules and loss costs supplements to these filings in certain jurisdictions. In addition, amendment filings were submitted in certain states.

INSURANCE DEPARTMENT ACTION

We have received all necessary approvals or acknowledgements, as required by state laws and regulations, from the insurance departments in the jurisdictions listed in the Jurisdictions block.

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

EFFECTIVE DATE

Forms Filing BP-2019-OFR19

Alabama, Arizona, Arkansas, Idaho, Indiana, Iowa, Maine, Michigan, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, South Dakota, Tennessee, West Virginia, Wisconsin and Wyoming

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies written on or after April 1, 2020.

Maryland and North Carolina

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies effective on or after April 1, 2020.

Colorado, Guam and South Carolina

We do not establish an effective date for Businessowners rule revisions in these states. Each insurer that elects to utilize this revision in these jurisdictions is responsible for determining its own effective date.

Rules Filing BP-2019-RRU19

Alabama, Arizona, Idaho, Indiana, Iowa, Maine, Michigan, Montana, Nebraska, New Hampshire, New Jersey, South Dakota, Tennessee, West Virginia and Wisconsin

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies written on or after April 1, 2020.

Maryland and North Carolina

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies effective on or after April 1, 2020.

Arkansas, Colorado, Nevada, New Mexico, South Carolina and Wyoming

We do not establish an effective date for Businessowners rule revisions in these states. Each insurer that elects to utilize this revision in these jurisdictions is responsible for determining its own effective date.

Loss Costs Filing BP-2019-RLC19

We are not establishing an effective date for the introduction of Micro-Businessowners loss costs. Each insurer that elects to utilize these loss costs is responsible for determining its own effective date. Future revisions of ISO's Micro-Businessowners loss costs will be filed with an effective date and will apply to those insurers that elect to leave their loss cost multipliers on file to automatically apply to subsequent ISO loss costs revisions of the Micro-Businessowners Program.

COMPANY ACTION

Refer to the Summary of Company Action Requirements attached.

FUTURE ISO ACTION

In future circulars, we will:

- Update the status of this revision. This status report will be updated periodically to provide you with the latest status. For interim updates, please check the Insurance Lines Services web site (www.verisk.com/ils). In addition to other information, this web site contains copies of major multistate filing status reports that are updated approximately every two weeks.
- Provide an updated multistate status report summarizing filing activity.
- Provide a sample advisory policyholder notice which will provide a general overview of the new Micro-Businessowners Program

RATING SOFTWARE IMPACT

BP-2019-OFR19

Refer to circular [LI-BP-2019-097](#) for the impact of the multistate filing.

BP-2019-RRU19

Refer to circular [LI-BP-2019-098](#) for the impact of the multistate filing.

BP-2019-RLC19

Refer to circular [LI-BP-2019-099](#) for the impact of the multistate filing.

IMPACT ON STATISTICAL REPORTING

Statistical Plan Holders circular [SP-BP-2019-005](#), entitled "Micro-Businessowners Program Introduced", was issued on September 19, 2019 announcing the establishment of statistical coding in the Businessowners module in support of Micro-Businessowners Program (Micro-BOP) for CSP, CSP Plus and CSP-i.

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-2018-044](#) 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.

REVISION DISTRIBUTION

Rules/Loss Costs

We will issue a Notice to Manualholders with an edition date of 4-20 (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 4-20 (or the earliest possible subsequent date), along with any new and/or revised forms.

REFERENCE(S)

- [LI-BP-2019-154](#) (11/01/2019) New Micro-Businessowners Multistate Forms And Endorsements (Edition 04 20) Available
- [SP-BP-2019-005](#) (09/19/2019) Micro-Businessowners Program Introduced
- [LI-BP-2019-099](#) (09/13/2019) New Micro-Businessowners Multistate Loss Costs Being Submitted
- [LI-BP-2019-098](#) (09/13/2019) New Micro-Businessowners Multistate Rules Being Submitted
- [LI-BP-2019-097](#) (09/13/2019) New Micro-Businessowners Multistate Forms Program Being Submitted
- [LI-CL-2018-044](#) (11/27/2018) Revised Lead Time Requirements Listing

ATTACHMENT(S)

- Summary Of Company Action Requirements
- Status Report

COPYRIGHT EXPLANATION

The material distributed by Insurance Services Office, Inc. is copyrighted. All rights reserved. Possession of these pages does not confer the right to print, reprint, publish, copy, sell, file, or use same in any manner without the written permission of the copyright owner. Permission is hereby granted to members, subscribers, and service purchasers to reprint, copy, or otherwise use the enclosed material for purposes of their own business use relating to that territory or line or kind of insurance, or subdivision thereof, for which they participate, provided that:

- (A) Where ISO copyrighted material is reprinted, copied, or otherwise used **as a whole**, it must reflect the copyright notice actually shown on such material.
- (B) Where ISO copyrighted material is reprinted, copied, or otherwise used **in part**, the following credit legend must appear at the bottom of each page so used:
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

CONTACT INFORMATION

If you have any questions concerning:

- The forms and rules content of this circular, please contact:
Daniel Holt
Property, Compliance and Product Services
201-469-2557
Daniel.Holt@verisk.com
property@verisk.com
- The loss costs content of this circular, please contact:
Hanna Komlos
Commercial Lines Actuarial Products
201-469-2354
Hanna.Komlos@verisk.com
propertyactuarial@verisk.com
- The status of these filings, please contact:
Daniel Holt
Property, Compliance and Product Services
201-469-2557
Daniel.Holt@verisk.com
property@verisk.com
- Other issues for this circular, please contact Customer Support:
E-mail: info@verisk.com
Phone: 800-888-4476

Callers outside the United States, Canada, and the Caribbean may contact us using our global toll-free number (International Access Code + 800 48977489). For information on all ISO products, visit us at www.verisk.com/iso. To keep abreast of the latest Insurance Lines Services updates, view www.verisk.com/ils.

SUMMARY OF COMPANY ACTION REQUIREMENTS

FORMS filing: BP-2019-OFR19

Alabama	Nevada	<p>If you have authorized us to file on your behalf and decide:</p> <ul style="list-style-type: none"> to use our revision and effective date, you are not required to file anything with the Insurance Department. to use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department. <p>For guidance on submission requirements, consult the ISO State Filing Handbook.</p> <p>In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number <u>BP-2019-OFR19</u>, 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. In addition, for:</p> <ul style="list-style-type: none"> Maine, refer to SERFF Tracking Number <u>ISOF-132060451</u> North Carolina, refer to SERFF Tracking Number <u>ISOF-132060464</u>
Arizona	New Hampshire	
Arkansas	New Mexico	
Idaho	North Carolina	
Indiana	South Dakota	
Iowa	Tennessee	
Maine	West Virginia	
Maryland	Wisconsin	
Michigan	Wyoming	
Montana		
Nebraska		
Guam		<p>You must independently determine what forms and endorsements you will use and when to make them effective. If you decide to use all or any part of ISO's filing, you must make an appropriate submission with the Department of Revenue and Taxation.</p> <p>The Department of Revenue and Taxation has approved ISO Reference Filing Number <u>BP-2019-OFR19</u> and ISO participating insurers may now file by reference to adopt this filing. To adopt this filing you must:</p> <ul style="list-style-type: none"> make an appropriate submission in accordance with applicable statutes and regulatory filing requirements; include a statement in your filing with the Department identifying that you are a participating insurer of ISO for <u>Businessowners</u> and that you wish to adopt, as your own filing, the forms and endorsements in ISO's Reference Filing Number <u>BP-2019-OFR19</u>; include with your filing, as appropriate, any modification you are making to the ISO filing as well as the reason for the modification; request approval of the modification; select an effective date; include the appropriate filing fee for each form being adopted; and advise your production forces of your decisions. <p>If you decide to utilize ISO's submission to support your filing, you need only reference it. You do NOT have to attach it to your filing.</p> <p>In all correspondence on this revision with the Department of Revenue and Taxation, you should refer to ISO Reference Filing Number <u>BP-2019-OFR19</u>, 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.</p>

SUMMARY OF COMPANY ACTION REQUIREMENTS

FORMS filing: BP-2019-OFR19 (Cont'd)

New Jersey	<p>If you have authorized us to file on your behalf and decide:</p> <ul style="list-style-type: none"> to use our revision and effective date, you are not required to file anything with the Insurance Department. to use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department. <p>For guidance on submission requirements, consult the ISO State Filing Handbook.</p> <p>In all correspondence with the New Jersey Department of Banking & Insurance on this revision, you should refer to ISO Filing Designation Number <u>BP-2019-OFR19</u>, and the New Jersey Dept. File No. <u>19-1662</u>, 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.</p>
Colorado	ISO has not filed this revision on behalf of insurers.
South Carolina	<p>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.</p> <p>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 <u>BP-2019-OFR19</u>, 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.</p>

RULES filing: BP-2019-RRU19

Alabama Arizona Idaho Indiana Iowa Maine Maryland Michigan Montana Nebraska	New Hampshire New Jersey North Carolina South Dakota Tennessee West Virginia Wisconsin	<p>If you have authorized us to file on your behalf and decide:</p> <ul style="list-style-type: none"> to use our revision and effective date, you are not required to file anything with the Insurance Department. to use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department. <p>For guidance on submission requirements, consult the ISO State Filing Handbook.</p> <p>In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number <u>BP-2019-RRU19</u>, 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. In addition, for:</p> <ul style="list-style-type: none"> Maine, refer to SERFF Tracking Number <u>ISOF-132060493</u> North Carolina, refer to SERFF Tracking Number <u>ISOF-132060506</u>
Colorado		<p>ISO has not filed this revision on behalf of insurers.</p> <p>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 ISO's revision to revise your rules, you must make an appropriate submission with the Insurance Department.</p> <p>For guidance on submission requirements, consult the ISO State Filing Handbook.</p> <p>In all correspondence with the Insurance Department on this revision, you should refer to ISO Reference Filing Number <u>BP-2019-RRU19</u>, 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.</p>

SUMMARY OF COMPANY ACTION REQUIREMENTS

RULES filing: BP-2019-RRU19 (Cont'd)

**Arkansas
Nevada
New Mexico
South Carolina
Wyoming**

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 BP-2019-RRU19, 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 filing: BP-2019-RLC19

**Alabama
Arkansas
Arizona
Colorado
Idaho
Indiana
Iowa
Maine
Maryland
Michigan
Montana
Nebraska**

**New Hampshire
New Jersey
New Mexico
Nevada
North Carolina
South Carolina
South Dakota
Tennessee
West Virginia
Wisconsin
Wyoming**

You must independently determine the final rates you will use and the effective date of any rate change. If you decide to use ISO's advisory prospective loss costs you must:

- Determine what modification, if any, to these advisory prospective loss costs are appropriate for your company;
- Determine the expense and profit components to include in your rates;
- Determine your minimum and waiver premium amounts;
- Select your effective date;
- File in accordance with applicable regulatory filing requirements; and
- Advise your production forces of your decisions. If you decide NOT to use our advisory prospective loss costs, you need take no action.

For guidance on submission requirements, consult the ISO State Filing Handbook. In all correspondence with the Insurance Department on this revision, you should refer to ISO Reference Filing Number BP-2019-RLC19 NOT this circular number. In addition for:

- **Maine**, refer to SERFF Tracking Number ISOF-132060550
 - **North Carolina**, refer to SERFF Tracking Number ISOF-132060563
-

Status of New Micro-Businessowners 2019 Multistate Filings
BP-2019-OFR19 (Forms), BP-2019-RRU19 (Rules), BP-2019-RLC19 (Loss Costs)

STATE	EFFECTIVE OR DISTRIBUTION DATE	STATE-SPECIFIC SUPPLEMENT/AMENDMENT CIRCULAR (FO, RU, LC)	IMPLEMENTATION CIRCULAR (FO, RU, LC)
ALABAMA	4/1/2020	LI-BP-2019-100	LI-BP-2019-153
ALASKA		LI-BP-2019-101	
ARIZONA	4/1/2020	LI-BP-2019-102	LI-BP-2019-153
ARKANSAS	4/1/2020	LI-BP-2019-103	LI-BP-2019-153
CALIFORNIA		LI-BP-2019-104	
COLORADO	4/1/2020	LI-BP-2019-105	LI-BP-2019-153
CONNECTICUT			
DELAWARE		LI-BP-2019-106	
DIST. OF COLUMBIA		LI-BP-2019-107	
FLORIDA			
GEORGIA			
GUAM*	4/1/2020	LI-BP-2019-141	LI-BP-2019-153
HAWAII			
IDAHO	4/1/2020	LI-BP-2019-108	LI-BP-2019-153
ILLINOIS		LI-BP-2019-109	
INDIANA	4/1/2020	LI-BP-2019-110	LI-BP-2019-153
IOWA	4/1/2020	LI-BP-2019-111	LI-BP-2019-153
KANSAS		LI-BP-2019-112	
KENTUCKY		LI-BP-2019-147	
LOUISIANA**		LI-BP-2019-113	
MAINE	4/1/2020	LI-BP-2019-114	LI-BP-2019-153
MARYLAND	4/1/2020	LI-BP-2019-115	LI-BP-2019-153
MASSACHUSETTS		LI-BP-2019-116	
MICHIGAN	4/1/2020	LI-BP-2019-117/LI-BP-2019-152	LI-BP-2019-153
MINNESOTA		LI-BP-2019-118	
MISSISSIPPI**			
MISSOURI		LI-BP-2019-119	
MONTANA	4/1/2020	LI-BP-2019-120	LI-BP-2019-153
NEBRASKA	4/1/2020	LI-BP-2019-121	LI-BP-2019-153
NEVADA	4/1/2020	LI-BP-2019-122	LI-BP-2019-153
NEW HAMPSHIRE	4/1/2020	LI-BP-2019-123	LI-BP-2019-153
NEW JERSEY	4/1/2020	LI-BP-2019-124	LI-BP-2019-153
NEW MEXICO	4/1/2020	LI-BP-2019-125	LI-BP-2019-153
NEW YORK			
NORTH CAROLINA	4/1/2020	LI-BP-2019-126	LI-BP-2019-153
NORTH DAKOTA			
OHIO		LI-BP-2019-127	
OKLAHOMA		LI-BP-2019-128	
OREGON		LI-BP-2019-129	
PENNSYLVANIA		LI-BP-2019-130	
PUERTO RICO		LI-BP-2019-148	
RHODE ISLAND		LI-BP-2019-131	
SOUTH CAROLINA	4/1/2020	LI-BP-2019-132	LI-BP-2019-153
SOUTH DAKOTA	4/1/2020	LI-BP-2019-133	LI-BP-2019-153
TENNESSEE	4/1/2020	LI-BP-2019-134	LI-BP-2019-153
TEXAS		LI-BP-2019-135	
U.S. VIRGIN ISLANDS*		LI-BP-2019-144	
UTAH		LI-BP-2019-136	
VERMONT			
VIRGINIA		LI-BP-2019-137	
WASHINGTON**		LI-BP-2019-138	
WEST VIRGINIA	4/1/2020	LI-BP-2019-142	LI-BP-2019-153
WISCONSIN	4/1/2020	LI-BP-2019-145	LI-BP-2019-153
WYOMING	4/1/2020	LI-BP-2019-143	LI-BP-2019-153

* ISO has no jurisdiction for rules/loss costs.

** LA, MS - Joint jurisdiction (FO, RU, LC). WA - Under jurisdiction of WSRB.

FORMS	RULES	LOSS COSTS
LI-BP-2019-097	LI-BP-2019-098	LI-BP-2019-099