

LOSS COSTS/RULES/FORMS – IMPLEMENTATION

NOVEMBER 12, 2019

GENERAL LIABILITY

LI-GL-2019-240

GENERAL LIABILITY MULTISTATE NEW AND REVISED OPTIONAL ENDORSEMENTS, MANUAL RULES AND LOSS COSTS REVISION TO BE IMPLEMENTED IN VIRGINIA

KEY MESSAGE

We are implementing new and revised optional multistate and state-specific endorsements, rules and loss costs as part of the Commercial General Liability Program in Virginia.

Effective Date: 3/1/2020

Filing IDs: GL-2018-OFR18 (Forms), GL-2018-RRU18 (Rules) and GL-2018-RLC18 (Loss Costs)

BACKGROUND

In circular:

- [LI-GL-2018-135](#), we announced the submission of forms filing GL-2018-OFR18, which introduced a variety of new and revised multistate optional endorsements for use with the General Liability program.
- [LI-GL-2018-136](#), we announced the submission of rules filing GL-2018-RRU18, which revised multistate rules in Division Six – General Liability of the Commercial Lines Manual to reflect, in part, changes made in companion forms filing GL-2018-OFR18.
- [LI-GL-2018-137](#), we announced the submission of loss costs filing GL-2018-RLC18, which introduced advisory prospective loss costs and associated rating factors for the optional Unmanned Aircraft Endorsements written under the ISO General Liability policy.

In subsequent circulars, which are listed in the attached multistate status report, we provided state supplements to the multistate forms and rules filings in Virginia.

INSURANCE DEPARTMENT ACTION

We have received all necessary approvals or acknowledgements, as required by state laws and regulations, from the Virginia Bureau of Insurance.

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

EFFECTIVE DATE**GL-2018-OFR18 (Forms) and GL-2018-RRU18 (Rules):**

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

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

GL-2018-RLC18 (Loss Costs):

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

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

This effective date applies only to those insurers who have filed their General Liability loss cost adjustments to be automatically applicable to future ISO loss cost revisions.

COMPANY ACTION**GL-2018-OFR18 (Forms):**

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Virginia Bureau of Insurance.
- 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 Virginia Bureau of Insurance.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Virginia Bureau of Insurance on this revision, you should refer to ISO Filing Designation Number GL-2018-OFR18, 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.

GL-2018-RRU18 (Rules):

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Virginia Bureau of Insurance.
- 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 Virginia Bureau of Insurance.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Virginia Bureau of Insurance on this revision, you should refer to ISO Filing Designation Number GL-2018-RRU18, 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.

GL-2018-RLC18 (Loss Costs):

You must independently determine the final rates you will use. The action, if any, you must take in response to this filing is dependent upon how you filed to have your loss cost adjustments apply to subsequent revisions of ISO loss costs. Any submission you make with respect to this revision must comply with applicable regulatory filing requirements.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Virginia Bureau of Insurance on this revision, you should refer to ISO Filing Designation Number GL-2018-RLC18, NOT this circular number

CAUTION: This reference filing revises only certain advisory prospective loss costs for General Liability in Virginia. In determining whether or not to revise your rates, you should consider the application of your loss cost adjustments to any loss costs not included in this revision.

RATING SOFTWARE IMPACT

Refer to the circulars in the Reference(s) block for the impact of the multistate filings.

IMPACT ON STATISTICAL REPORTING

Circular [SP-GL-2019-002](#), dated May 8, 2019, establishes the statistical coding for the General Liability Unmanned Aircraft (Drones) program. Coding includes the introduction of new Subline Code 370, new Type of Loss Codes as well as the collection of Policy Limits and Premium amounts. In addition, we have introduced several new data elements such as Primary Place of Operation, Ownership and Operation and Level of Certification. Please refer to the statistical circular for specifics.

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.

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**GL-2018-OFR18 (Forms):**

We will issue a Notice to Portfolioholders with an edition date of 3-20 (or the earliest possible subsequent date), along with any new and/or revised forms.

GL-2018-RRU18 (Rules) and GL-2018-RLC18 (Loss Costs):

We will issue a Notice to Manualholders with an edition date of 3-20 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

- [SP-GL-2019-002](#) (05/08/2019) Unmanned Aircraft (Drones) Coding Expanded For General Liability
- [LI-GL-2018-137](#) (12/21/2018) General Liability Multistate Loss Costs Revision Being Filed
- [LI-GL-2018-136](#) (12/21/2018) General Liability Multistate Manual Rules Revision Being Filed
- [LI-GL-2018-135](#) (12/21/2018) New And Revised General Liability Multistate Optional Endorsements Being Filed
- [LI-CL-2018-044](#) (11/27/2018) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Status Report

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DATA QUALITY

Statistical plan data reported to ISO is first processed through a system of rigorous automated data verification procedures so that only valid data would be used for ratemaking. Subsequent to this initial data submission review, additional analyses on the statistical plan data involving an even more customized data review for this line were performed by staff. During these processes, various data records were excluded from the review. The ISO staff responsible for this circular also reviewed the data for reasonableness.

ACKNOWLEDGMENT OF ACTUARIAL QUALIFICATIONS (GL-2018-RLC18-LOSS COSTS)

The American Academy of Actuaries' "Qualifications 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 he/she has met the qualification standards of the AAA. ISO considers this loss cost filing a Statement of Actuarial Opinion; therefore we are including the following acknowledgment:

I, Timothy J. McCarthy, am a Manager and Actuary for ISO. I am responsible for the content of this Statement of Actuarial Opinion. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

CONTACT INFORMATION

If you have any questions concerning:

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**Status of General Liability Multistate Filings
Forms (GL-2018-OFR18), Rules (GL-2018-RRU18) and Loss Costs (GL-2018-RLC18)**

| STATE | EFFECTIVE OR DISTRIBUTION DATE | STATE-SPECIFIC FILING/SUPPLEMENT/AMENDMENT CIRCULARS | | IMPLEMENTATION CIRCULARS |
|----------------------|--------------------------------|--|--|--------------------------------|
| | | FORMS | RULES | |
| ALABAMA | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| ALASKA | 3/1/2020 | LI-GL-2019-068 LI-GL-2019-218 (A) | LI-GL-2019-069 LI-GL-2019-219 (A) | LI-GL-2019-231 |
| ARIZONA | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| ARKANSAS | 12/1/2019 | LI-GL-2019-109 | LI-GL-2019-110 | LI-GL-2019-138 |
| CALIFORNIA | 12/1/2019 | ** | LI-GL-2019-051 | LI-GL-2019-138 |
| COLORADO | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| CONNECTICUT | 12/1/2019 | LI-GL-2019-111 | LI-GL-2019-112 | LI-GL-2019-138 |
| DELAWARE | 12/1/2019 | ** | LI-GL-2019-052 | LI-GL-2019-138 |
| DIST. OF COLUMBIA | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| FLORIDA | | | | |
| GEORGIA | | ** | ** | |
| GUAM* | 12/1/2019 | ** | | LI-GL-2019-138 |
| HAWAII | | | | |
| IDAHO | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| ILLINOIS | 12/1/2019 | LI-GL-2019-195 | LI-GL-2019-196 | LI-GL-2019-138 |
| INDIANA | 12/1/2019 | ** | LI-GL-2019-040 | LI-GL-2019-138 |
| IOWA | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| KANSAS | 12/1/2019 | LI-GL-2019-042 | ** | LI-GL-2019-138 |
| KENTUCKY | | ** | LI-GL-2019-036 | |
| LOUISIANA | 12/1/2019 | LI-GL-2019-070 | LI-GL-2019-071 | LI-GL-2019-138 |
| MAINE | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| MARYLAND | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| MASSACHUSETTS | | LI-GL-2019-120 | LI-GL-2019-121 | |
| MICHIGAN | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| MINNESOTA | 12/1/2019 | LI-GL-2019-077 | LI-GL-2019-078 | LI-GL-2019-138 |
| MISSISSIPPI | 12/1/2019 | ** | LI-GL-2019-053 | LI-GL-2019-138 |
| MISSOURI | 12/1/2019 | LI-GL-2019-083 | LI-GL-2019-084 | LI-GL-2019-138 |
| MONTANA | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| NEBRASKA | 12/1/2019 | ** | LI-GL-2019-041 | LI-GL-2019-138 |
| NEVADA | 12/1/2019 | ** | LI-GL-2019-081 | LI-GL-2019-138 |
| NEW HAMPSHIRE | 12/1/2019 | LI-GL-2019-113 | LI-GL-2019-114 | LI-GL-2019-138 |
| NEW JERSEY | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| NEW MEXICO | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| NEW YORK | | | | |
| NORTH CAROLINA | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| NORTH DAKOTA | 12/1/2019 | LI-GL-2019-043 | LI-GL-2019-044 | LI-GL-2019-138 |
| OHIO | 12/1/2019 | LI-GL-2019-117 | LI-GL-2019-118 | LI-GL-2019-138 |
| OKLAHOMA | 12/1/2019 | LI-GL-2019-047 | LI-GL-2019-048 | LI-GL-2019-138 |
| OREGON | 12/1/2019 | LI-GL-2019-032 | LI-GL-2019-033 | LI-GL-2019-138 |
| PENNSYLVANIA | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| PUERTO RICO | | LI-GL-2019-079 | LI-GL-2019-080 | |
| RHODE ISLAND | 12/1/2019 | ** | LI-GL-2019-054 | LI-GL-2019-138 |
| SOUTH CAROLINA | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| SOUTH DAKOTA | 12/1/2019 | ** | LI-GL-2019-035 | LI-GL-2019-138 |
| TENNESSEE | 12/1/2019 | ** | LI-GL-2019-055 | LI-GL-2019-138 |
| TEXAS | | LI-GL-2019-092 LI-GL-2019-232 (A) | LI-GL-2019-093 LI-GL-2019-233 (A) | |
| U.S. VIRGIN ISLANDS* | | LI-GL-2019-045 | | |
| UTAH | 12/1/2019 | LI-GL-2019-085 | LI-GL-2019-086 | LI-GL-2019-138 |
| VERMONT | 4/1/2020 | LI-GL-2019-115 LI-GL-2019-223 (A) | LI-GL-2019-116 LI-GL-2019-224 (A) | LI-GL-2019-237 |
| VIRGINIA | 3/1/2020 | LI-GL-2019-145 | LI-GL-2019-146 | LI-GL-2019-240 |
| WASHINGTON | | LI-GL-2019-124 | LI-GL-2019-125 | |
| WEST VIRGINIA | 12/1/2019 | ** | ** | LI-GL-2019-138 |
| WISCONSIN | 12/1/2019 | ** | LI-GL-2019-039 | LI-GL-2019-138 |
| WYOMING | 12/1/2019 | LI-GL-2019-049 | LI-GL-2019-050 | LI-GL-2019-138 |

* ISO has no jurisdiction for rules/loss costs.

** There is NO state supplement.

Bold indicates change.

(A) Filing(s) amended.