

LOSS COSTS/RULES/FORMS – IMPLEMENTATION

DECEMBER 6, 2019

BUSINESSOWNERS

LI-BP-2019-181

## NEW MICRO-BUSINESSOWNERS MULTISTATE FORMS, RULES AND LOSS COSTS REVISIONS TO BE IMPLEMENTED IN ADDITIONAL JURISDICTIONS

### KEY MESSAGE

We are implementing new Micro-Businessowners multistate forms and endorsements rules and loss costs in 8 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

- Delaware
- Illinois
- Kansas
- Louisiana\*
- North Dakota
- Oklahoma
- Pennsylvania
- Utah

\*With respect to filing BP-2019-RLC19, ISO does not release Businessowners rate circulars in Louisiana. Refer to the PIAL's website for the Advance Planning Notice which will provide additional information regarding the implementation of this filing.

### BACKGROUND

In circular:

- [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-2019-098](#), 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-2019-099](#), 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-2019-153](#), we announced the initial implementation of forms filing BP-2019-OFR19, BP-2019-RRU19 and BP-2019-RLC19 in various jurisdictions.

- [LI-BP-2019-154](#), we provided you with final copies of the multistate endorsements included in forms filing BP-2019-OFR19.
- [LI-BP-2019-167](#), we furnished a sample advisory policyholder notice which provided a general overview of the new Micro-Businessowners Program

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 and any amendment filings.

## **EFFECTIVE DATE**

### **Forms Filing BP-2019-OFR19**

#### **Delaware, Illinois, Kansas, North Dakota, Oklahoma, Pennsylvania, Utah**

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.

#### **Louisiana**

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.

### **Rules Filing BP-2019-RRU19**

#### **Delaware, Kansas, North Dakota, Oklahoma, Pennsylvania, Utah**

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.

#### **Louisiana**

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.

#### **Illinois**

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.

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## COMPANY ACTION

Refer to the Summary of Company Action Requirements attached.

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## 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](http://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.

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## 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.

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## 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.

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## 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.

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## 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.

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## REFERENCE(S)

- [LI-BP-2019-167](#) (11/12/2019) Advisory Sample Notice To Policyholders For New Micro-Businessowners Multistate Forms Program Furnished
  - [LI-BP-2019-154](#) (11/01/2019) New Micro-Businessowners Multistate Forms And Endorsements (Edition 04 20) Available
  - [LI-BP-2019-153](#) (11/01/2019) New Micro-Businessowners Multistate Forms, Rules And Loss Costs Revisions To Be Implemented
  - [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
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## ATTACHMENT(S)

- Summary Of Company Action Requirements
  - Status Report
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## CONTACT INFORMATION

If you have any questions concerning:

- The forms, rules content and status of these filings, please contact:

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- Other issues for this circular, please contact Customer Support:

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## **SUMMARY OF COMPANY ACTION REQUIREMENTS**

### **FORMS filing: BP-2019-OFR19**

Delaware  
Illinois  
Kansas  
Louisiana  
North Dakota  
Oklahoma  
Pennsylvania  
Utah

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 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.

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 Filing Designation Number BP-2019-OFR19, 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:

- **Kansas**, refer to ISO Filing Designation Number BP-2019-OFR19(A)
- **Oklahoma**, refer to:

Type of Insurance Code (TOI) 05.0 CMP Liability and Non-Liability and Sub-TOI 05.0002 Businessowners, the Oklahoma File Number ISOF-132060467 and the approval date October 28, 2019; and

Type of Insurance Code (TOI) 35.0 Interline Filings and Terrorism-related Endorsements, Sub-TOI 35.0002 Commercial Interline Filings, the Oklahoma File Number ISOF-132080041 and the approval date October 18, 2019.

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### **RULES filing: BP-2019-RRU19**

Delaware  
Kansas  
Louisiana  
North Dakota  
Oklahoma  
Pennsylvania  
Utah

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 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.

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 Filing 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. In addition, for:

- **Kansas**, refer to ISO Filing Designation Number BP-2019-RRU19(A)
- **Oklahoma**, refer to:

Type of Insurance Code (TOI) 05.0 CMP Liability and Non-Liability and Sub-TOI 05.0002 Businessowners, the Oklahoma File Number ISOF-132060509 and the approval date October 28, 2019; and

Type of Insurance Code (TOI) 35.0 Interline Filings and Terrorism-related Rule, Sub-TOI 35.0002 Commercial Interline Filings, the Oklahoma File Number ISOF-132080184 and the approval date October 18, 2019.

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## **SUMMARY OF COMPANY ACTION REQUIREMENTS**

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**Illinois**

ISO has not filed this revision.

You must independently determine what revision to make and when to make any revision effective. You are NOT required to file anything with the Illinois Insurance Department and 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.

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## **LOSS COSTS filing: BP-2019-RLC19**

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**Delaware  
Illinois  
Kansas  
North Dakota  
Oklahoma  
Pennsylvania  
Utah**

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:

- **Oklahoma**, refer to:  
Type of Insurance Code (TOI) 05.0 CMP Liability and Non-Liability and Sub-TOI 05.0002 Businessowners, the Oklahoma File Number ISOF-132060566 and the approval date October 28, 2019; and
  - Type of Insurance Code (TOI) 35.0 Interline Filings and Terrorism-related Rule, Sub-TOI 35.0002 Commercial Interline Filings, the Oklahoma File Number ISOF-132080335 and the approval date October 18, 2019.
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**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	<a href="#">LI-BP-2019-100</a>	<a href="#">LI-BP-2019-153</a>
ALASKA		<a href="#">LI-BP-2019-101</a>	
ARIZONA	4/1/2020	<a href="#">LI-BP-2019-102</a>	<a href="#">LI-BP-2019-153</a>
ARKANSAS	4/1/2020	<a href="#">LI-BP-2019-103</a>	<a href="#">LI-BP-2019-153</a>
CALIFORNIA		<a href="#">LI-BP-2019-104</a>	
COLORADO	4/1/2020	<a href="#">LI-BP-2019-105</a>	<a href="#">LI-BP-2019-153</a>
CONNECTICUT			
DELAWARE		<a href="#">LI-BP-2019-106</a>	<a href="#">LI-BP-2019-181</a>
DIST. OF COLUMBIA		<a href="#">LI-BP-2019-107</a>	
FLORIDA			
GEORGIA			
GUAM*	4/1/2020	<a href="#">LI-BP-2019-141</a>	<a href="#">LI-BP-2019-153</a>
HAWAII			
IDAHO	4/1/2020	<a href="#">LI-BP-2019-108</a>	<a href="#">LI-BP-2019-153</a>
ILLINOIS		<a href="#">LI-BP-2019-109/LI-BP-2019-158</a>	<a href="#">LI-BP-2019-181</a>
INDIANA	4/1/2020	<a href="#">LI-BP-2019-110</a>	<a href="#">LI-BP-2019-153</a>
IOWA	4/1/2020	<a href="#">LI-BP-2019-111</a>	<a href="#">LI-BP-2019-153</a>
KANSAS		<a href="#">LI-BP-2019-112/LI-BP-2019-161</a>	<a href="#">LI-BP-2019-181</a>
KENTUCKY		<a href="#">LI-BP-2019-147/LI-BP-2019-166</a>	
LOUISIANA**		<a href="#">LI-BP-2019-113/LI-BP-2019-159</a>	<a href="#">LI-BP-2019-181</a>
MAINE	4/1/2020	<a href="#">LI-BP-2019-114</a>	<a href="#">LI-BP-2019-153</a>
MARYLAND	4/1/2020	<a href="#">LI-BP-2019-115</a>	<a href="#">LI-BP-2019-153</a>
MASSACHUSETTS		<a href="#">LI-BP-2019-116</a>	
MICHIGAN	4/1/2020	<a href="#">LI-BP-2019-117/LI-BP-2019-152</a>	<a href="#">LI-BP-2019-153</a>
MINNESOTA		<a href="#">LI-BP-2019-118</a>	
MISSISSIPPI**		<a href="#">LI-BP-2019-171</a>	
MISSOURI		<a href="#">LI-BP-2019-119</a>	
MONTANA	4/1/2020	<a href="#">LI-BP-2019-120</a>	<a href="#">LI-BP-2019-153</a>
NEBRASKA	4/1/2020	<a href="#">LI-BP-2019-121</a>	<a href="#">LI-BP-2019-153</a>
NEVADA	4/1/2020	<a href="#">LI-BP-2019-122</a>	<a href="#">LI-BP-2019-153</a>
NEW HAMPSHIRE	4/1/2020	<a href="#">LI-BP-2019-123</a>	<a href="#">LI-BP-2019-153</a>
NEW JERSEY	4/1/2020	<a href="#">LI-BP-2019-124</a>	<a href="#">LI-BP-2019-153</a>
NEW MEXICO	4/1/2020	<a href="#">LI-BP-2019-125</a>	<a href="#">LI-BP-2019-153</a>
NEW YORK			
NORTH CAROLINA	4/1/2020	<a href="#">LI-BP-2019-126</a>	<a href="#">LI-BP-2019-153</a>
NORTH DAKOTA	4/1/2020	<a href="#">LI-BP-2019-155/LI-BP-2019-156</a>	<a href="#">LI-BP-2019-181</a>
OHIO		<a href="#">LI-BP-2019-127</a>	
OKLAHOMA		<a href="#">LI-BP-2019-128</a>	<a href="#">LI-BP-2019-181</a>
OREGON		<a href="#">LI-BP-2019-129</a>	
PENNSYLVANIA		<a href="#">LI-BP-2019-130/LI-BP-2019-160</a>	<a href="#">LI-BP-2019-181</a>
PUERTO RICO		<a href="#">LI-BP-2019-148</a>	
RHODE ISLAND		<a href="#">LI-BP-2019-131</a>	
SOUTH CAROLINA	4/1/2020	<a href="#">LI-BP-2019-132</a>	<a href="#">LI-BP-2019-153</a>
SOUTH DAKOTA	4/1/2020	<a href="#">LI-BP-2019-133</a>	<a href="#">LI-BP-2019-153</a>
TENNESSEE	4/1/2020	<a href="#">LI-BP-2019-134</a>	<a href="#">LI-BP-2019-153</a>
TEXAS		<a href="#">LI-BP-2019-135/LI-BP-2019-173</a>	
U.S. VIRGIN ISLANDS*		<a href="#">LI-BP-2019-144</a>	
UTAH		<a href="#">LI-BP-2019-136</a>	<a href="#">LI-BP-2019-181</a>
VERMONT			
VIRGINIA		<a href="#">LI-BP-2019-137</a>	
WASHINGTON**		<a href="#">LI-BP-2019-138</a>	
WEST VIRGINIA	4/1/2020	<a href="#">LI-BP-2019-142</a>	<a href="#">LI-BP-2019-153</a>
WISCONSIN	4/1/2020	<a href="#">LI-BP-2019-145</a>	<a href="#">LI-BP-2019-153</a>
WYOMING	4/1/2020	<a href="#">LI-BP-2019-143</a>	<a href="#">LI-BP-2019-153</a>

\* ISO has no jurisdiction for rules/loss costs.

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

FORMS	RULES	LOSS COSTS
<a href="#">LI-BP-2019-097</a>	<a href="#">LI-BP-2019-098</a>	<a href="#">LI-BP-2019-099</a>