

LOSS COSTS – IMPLEMENTATION

DECEMBER 13, 2019

BUSINESSOWNERS

LI-BP-2019-187

MISSOURI BUSINESSOWNERS OPTIONAL CYBER INSURANCE ENDORSEMENTS MULTISTATE LOSS COSTS TO BE IMPLEMENTED

KEY MESSAGE

We are announcing the implementation of advisory loss costs for new optional cyber insurance endorsements in Missouri.

Filing ID: BP-2014-RISLC

Effective Date: 6/1/2020

BACKGROUND

In circular:

- [LI-BP-2014-095](#), we announced the submission of filing BP-2014-RISLC, which introduced advisory loss costs for the new optional cyber insurance endorsements in various jurisdictions, not including Missouri.
- [LI-BP-2014-190](#), we announced the implementation of advisory loss costs for the new optional cyber insurance endorsements in various jurisdictions.

ISO ACTION

Loss costs filing BP-2014-RISLC:

- Introduces advisory loss costs for the new optional cyber insurance endorsements;
- Explains the methodologies used to derive these advisory loss costs; and
- Introduces optional rating factors and risk characteristics factors for use with the new optional cyber insurance endorsements.

Refer to circular [LI-BP-2014-095](#) for the filing.

EFFECTIVE DATE

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

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

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

IMPACT ON THE STATISTICAL REPORTING OF LOSS COST MULTIPLIER

ISO does not require Rate Departure Factors or company Loss Cost Multiplier information for the Businessowners Policy. Therefore, there is no impact on statistical reporting for the Businessowners line of insurance.

COMPANY ACTION

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.

WE WILL SUBMIT OUR REFERENCE FILING TO THE INSURANCE DEPARTMENT ON MAY 12, 2020. ANY SUBMISSION YOU MAY MAKE WITH THE INSURANCE DEPARTMENT WITH RESPECT TO THIS FILING SHOULD NOT BE SUBMITTED PRIOR TO THIS DATE.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Reference Filing Number BP-2014-RISLC, NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for BUSINESSOWNERS in Missouri. 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

New attributes being introduced with this revision:

- New, additional loss costs are being introduced.

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-2019-057](#) 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

We will issue a Notice to Manualholders with an edition date of 6-20 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

RELATED RULES REVISION

We are announcing in a separate circular the implementation of a corresponding rules revision. Please refer to the Reference(s) block for identification of that circular.

RELATED FORMS REVISION

We are announcing in a separate circular the implementation of a corresponding forms revision. Please refer to the Reference(s) block for identification of that circular.

REFERENCE(S)

- [LI-BP-2019-186](#) (12/13/2019) Missouri Businessowners Manual Rules Revision To Be Implemented
- [LI-BP-2019-185](#) (12/13/2019) Missouri Businessowners Forms Revision To Be Implemented
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing
- [LI-BP-2014-190](#) (08/29/2014) Businessowners Optional Cyber Insurance Endorsements Loss Costs To Be Implemented In Various Jurisdictions
- [LI-BP-2014-095](#) (07/03/2014) Businessowners Optional Cyber Insurance Endorsements Multistate Loss Costs Filed; Implementation Pending

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

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 review 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, Michael Doyle, am an Actuarial Product Director for Specialty Lines 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

If you have any questions concerning:

- The content of this circular, please contact:
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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.

**Businessowners Multistate Optional Cyber Insurance Endorsements
Forms, Rules And Loss Costs Revisions
BP-2014-OISFR, BP-2014-OISRU And BP-2014-RISLC**

STATE	EFFECTIVE OR DISTRIBUTION DATE	IMPLEMENTATION CIRCULARS		
		FORMS	RULES	LOSS COSTS
ALABAMA	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
ALASKA**	MARCH 1, 2015	LI-BP-2014-240	LI-BP-2014-241	LI-BP-2014-242
ARIZONA	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
ARKANSAS#				
CALIFORNIA*+	MARCH 1, 2015	LI-BP-2014-199	LI-BP-2014-200	LI-BP-2014-201
COLORADO*+	MARCH 1, 2015	LI-BP-2014-199	LI-BP-2014-200	LI-BP-2014-201
CONNECTICUT**				
DELAWARE	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
DIST. OF COLUMBIA	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
FLORIDA#				
GEORGIA	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
GUAM*+	MARCH 1, 2015	LI-BP-2014-188	NA	NA
HAWAII**				
IDAHO♦	MARCH 1, 2016	LI-BP-2015-141	LI-BP-2015-142	LI-BP-2015-143
IDAHO***	MARCH 1, 2016		LI-BP-2015-142	
ILLINOIS**+	MAY 1, 2015	LI-BP-2014-258	LI-BP-2014-259	LI-BP-2014-260
INDIANA	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
IOWA	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
KANSAS*+	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
KENTUCKY	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
LOUISIANA#				
MAINE*+	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
MARYLAND	NOVEMBER 1, 2016	LI-BP-2016-086	LI-BP-2016-087	LI-BP-2016-088
MASSACHUSETTS*+	APRIL 1, 2015	LI-BP-2014-249	LI-BP-2014-250	LI-BP-2014-251
MICHIGAN	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
MINNESOTA*+	MARCH 1, 2015	LI-BP-2014-199	LI-BP-2014-202	LI-BP-2014-201
MISSISSIPPI**	AUGUST 1, 2015	LI-BP-2016-067	LI-BP-2016-068	LI-BP-2016-069
MISSOURI	JUNE 1, 2020	LI-BP-2019-185	LI-BP-2019-186	LI-BP-2019-187
MONTANA#				
NEBRASKA*+	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
NEVADA	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
NEW HAMPSHIRE**	APRIL 1, 2015	LI-BP-2014-254	LI-BP-2014-255	LI-BP-2014-256
NEW JERSEY**+	MARCH 1, 2015	LI-BP-2014-243	LI-BP-2014-244	LI-BP-2014-245
NEW MEXICO*	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
NEW YORK#				
NORTH CAROLINA**	MARCH 1, 2015	LI-BP-2014-246	LI-BP-2014-247	LI-BP-2014-248
NORTH DAKOTA	SEPTEMBER 1, 2015	LI-BP-2015-076	LI-BP-2015-077	LI-BP-2015-078
OHIO*+	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
OKLAHOMA*+	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
OREGON*	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
PENNSYLVANIA**+	MARCH 1, 2015	LI-BP-2014-210	LI-BP-2014-211	LI-BP-2014-212
PUERTO RICO**	MARCH 1, 2015	LI-BP-2014-206	LI-BP-2014-207	LI-BP-2014-208
RHODE ISLAND♦♦	JANUARY 8, 2018	LI-BP-2018-003	LI-BP-2018-001	LI-BP-2018-002
SOUTH CAROLINA*+	MARCH 1, 2015	LI-BP-2014-199	LI-BP-2014-200	LI-BP-2014-201
SOUTH DAKOTA#				
TENNESSEE	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
TEXAS	JUNE 1, 2019	LI-BP-2019-015	LI-BP-2019-015	LI-BP-2019-015
U.S. VIRGIN ISLANDS	MARCH 1, 2015	LI-BP-2014-188	NA	NA
UTAH*+	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
VERMONT#				
VIRGINIA	MARCH 1, 2015	LI-BP-2014-199	LI-BP-2014-200	LI-BP-2014-201
WASHINGTON**+	MAY 1, 2015	WSRB CIRC. BP-2014-05	WSRB CIRC. BP-2014-05	WSRB CIRC. BP-2014-05
WEST VIRGINIA*	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190
WISCONSIN	JUNE 1, 2015	LI-BP-2015-007	LI-BP-2015-008	LI-BP-2015-009
WYOMING*	MARCH 1, 2015	LI-BP-2014-188	LI-BP-2014-189	LI-BP-2014-190

* Indicates supplement has been submitted.

** State-specific filings BP-2014-OIFR1, BP-2014-OIRU1 and BP-2014-RILC1.

♦ Submitted under BP-2015-OIFR1, BP-2015-OIRU1 and BP-2015-RILC1.

+ BP 15 09 is available, in lieu of BP 15 08, as this jurisdiction does not permit coverage for fines and penalties.

Will not be filed.

♦♦ Submitted under BP-2017-OFR1, BP-2017-RRU1 and BP-2017-RLC1.