

RULES – APPROVED

DECEMBER 26, 2019

COMMERCIAL PROPERTY

LI-CF-2019-111

IOWA COMMERCIAL PROPERTY ENHANCED WIND RATING PROGRAM CAPPING UPDATE REVISION APPROVED

KEY MESSAGE

Filing CF-2019-REWR5, which removes capping of the composite debit/credit factor used to rate BG II specifically rated risks and implements the full credits and debits for all risks, is approved.

BACKGROUND

In circular [LI-CF-2019-097](#), we advised you that we submitted filing CF-2019-REWR5 to the Insurance Department.

INSURANCE DEPARTMENT ACTION

The Insurance Department has approved this revision as filed.

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.

COMPANY ACTION

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 [CF-2019-REWR5](#), 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.

RATING SUPPLEMENT

On the Specific Property Information (SPI Plus) quote for an individual property, only one cap (designated as the Wind Factor Applied) can be shown and applied at a particular point in time. In SPI Plus, the expanded cap will replace the original cap on the date stated in the Revision Distribution Information block of the implementation circular. There are two scenarios in which the SPI user may need to adjust the cap and apply the adjustment to determine the BG II Enhanced (Specific) Loss Cost. The attached Rating Supplement provides descriptions of those two scenarios along with illustrations for making the adjustment.

NOTE: This Rating Supplement is not part of the filing.

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

- **ProMetrix**

The ProMetrix quote screen will reflect the revised caps in the Wind Factor Applied and the BG II Enhanced (Specified) Loss Cost beginning on June 1, 2020.

- **Toll-free Telephone Service**

The revised Wind Factor Applied and BG II Enhanced (Specified) Loss Cost will be available by calling our toll-free number 1-800-444-4554 beginning June 1, 2020.

REFERENCE(S)

- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing
- [LI-CF-2019-097](#) (11/07/2019) Iowa Commercial Property Enhanced Wind Rating Program Capping Update Revision Filed

CONTACT INFORMATION

If you have any questions concerning:

- The actuarial content of this circular, please contact:

Kentaro Makino
Commercial Lines Actuarial Products
201-469-3747
Kentaro.Makino@verisk.com
propertyactuarial@verisk.com

- The non-actuarial content of this circular, please contact:
Alexander Esau
Production Operations, Compliance and Product Services
201-469-2717
productionoperations@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.