

RULES – IMPLEMENTATION

MARCH 24, 2020

COMMERCIAL PROPERTY

LI-CF-2020-029

## MINNESOTA COMMERCIAL PROPERTY ENHANCED WIND RATING PROGRAM CAPPING UPDATE REVISION TO BE IMPLEMENTED

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### 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 acknowledged.

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### BACKGROUND

In circular [LI-CF-2019-098](#), we advised you that we submitted filing CF-2019-REWR5 to the Insurance Department.

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### INSURANCE DEPARTMENT ACTION

The Insurance Department has acknowledged this revision as filed.

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### EFFECTIVE DATE

We do not establish an effective date for Commercial Property rules revisions in this state. Each insurer that elects to utilize this revision is responsible for determining its own effective date.

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### COMPANY ACTION

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 Filing 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.

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## RATING SOFTWARE IMPACT

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.

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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-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.

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## 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 September 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 on September 1, 2020.

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## REFERENCE(S)

- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing
- [LI-CF-2019-098](#) (11/07/2019) Minnesota Commercial Property Enhanced Wind Rating Program Capping Update Revision Filed

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