

LOSS COSTS – INFORMATION

MAY 1, 2020

GENERAL LIABILITY

LI-GL-2020-087

NEW JERSEY PREMISES/OPERATIONS AND PRODUCTS/COMPLETED OPERATIONS ADVISORY PROSPECTIVE LOSS COST REVISION TO BE IMPLEMENTED; EFFECTIVE DATE AND COMPANY ACTION INFORMATION UPDATED

KEY MESSAGE

This circular announces an update to the Effective Date and Company Action blocks for New Jersey Premises/Operations and Products/Completed Operations Advisory Prospective Loss Cost Revision filings GL-2020-BPOP1 and GL-2020-BPRD1.

BACKGROUND

In circular [LI-GL-2020-021](#), we announced the implementation of filings GL-2020-BPOP1 and GL-2020-BPRD1 in New Jersey.

As a result of COVID-19, the New Jersey Department of Banking and Insurance (DOBI) requested ISO to defer previously announced loss cost and rule filings from the July 1, 2020 implementation effective date to January 1, 2021.

EFFECTIVE DATE

PREMISES/OPERATIONS (GL-2020-BPOP1)

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

These changes are applicable to all policies written on or after January 1, 2021.

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

PRODUCTS/COMPLETED OPERATIONS (GL-2020-BPRD1)

We do not establish an effective date for Products/Completed Operations loss cost revisions in this state. Each insurer that elects to utilize this revision is responsible for determining its own effective date.

IMPACT ON THE STATISTICAL REPORTING OF LOSS COST MULTIPLIER

For the purpose of reporting your company Loss Cost Multiplier under the CSP, as of January 1, 2021, the multiplier must be based on the relationship between your gross rates and the ISO advisory prospective loss costs contained in referenced circular [LI-GL-2020-021](#).

COMPANY ACTION

PREMISES/OPERATIONS (GL-2020-BPOP1)

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 DECEMBER 1, 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 GL-2020-BPOP1, NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for Commercial General Liability in this state. 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.

PRODUCTS/COMPLETED OPERATIONS (GL-2020-BPRD1)

You must independently determine the final rates you will use and the effective date of any rate change. If you decide to use our prospective loss costs to revise your rates, 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 Revision Designation Number GL-2020-BPRD1, NOT this circular number.

RATING SOFTWARE IMPACT

No new attributes are being introduced with this revision.

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 1-21 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

- [LI-GL-2020-021](#) (01/23/2020) New Jersey Premises/Operations And Products/Completed Operations Advisory Prospective Loss Cost Revisions To Be Implemented
 - [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing
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CONTACT INFORMATION

If you have any questions concerning:

- The actuarial content of this circular, please contact:
Connie Kang
Actuarial Operations, Casualty
201-469-2759
Connie.Kang@verisk.com
casualtyactuarial@verisk.com
- The non-actuarial content of this circular, please contact:
Flavio Vento
Production Operations, Compliance and Product Services
201-469-2190
productionoperations@verisk.com
- Other issues for this circular, please contact Customer Support:
E-mail: info@verisk.com
Phone: 800-888-4476

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