

LOSS COSTS/RULES/FORMS – IMPLEMENTATION

JULY 14, 2020

BUSINESSOWNERS

LI-BP-2020-067

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

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### KEY MESSAGE

We are implementing new Micro-Businessowners multistate forms and endorsements, rules and loss costs revisions in Massachusetts.

**Effective Date:** 12/1/2020

**Filing IDs:** BP-2019-OFR19 (Forms), BP-2019-RRU19 (Rules) and BP-2019-RLC19 (Loss Costs)

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### 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 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.

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## **INSURANCE DEPARTMENT ACTION**

We have received approval or acknowledgement of these filings including the forms/rules/loss costs supplement from the Massachusetts Department of Insurance. Therefore, we are implementing these filings in Massachusetts in accordance with the provisions in the Company Action block.

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### **EFFECTIVE DATE**

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

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

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

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

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

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

#### **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**

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

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 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.

**Rules Filing BP-2019-RRU19**

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 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.

**Loss Costs Filing BP-2019-RLC19**

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.

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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. Circular [SP-BP-2019-007](#) announced a revision to the location on the record layout of the ZIP Code fields for the Micro-Businessowners Program in the Businessowners module.

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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****Rules/Loss Costs**

We will issue a Notice to Manualholders with an edition date of 12-20 (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 12-20 (or the earliest possible subsequent date), along with any new and/or revised forms.

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**REFERENCE(S)**

- [SP-BP-2019-007](#) (12/17/2019) Micro-Businessowners Program Revision
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing
- [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

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**ATTACHMENT(S)**

Status Report

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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	6/1/2020	<a href="#">LI-BP-2019-101</a>	<a href="#">LI-BP-2020-006</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	6/1/2020	<a href="#">LI-BP-2019-104</a>	<a href="#">LI-BP-2020-007</a>
COLORADO	4/1/2020	<a href="#">LI-BP-2019-105</a>	<a href="#">LI-BP-2019-153</a>
CONNECTICUT	12/1/2020	<a href="#">LI-BP-2020-009</a>	<a href="#">LI-BP-2020-057</a>
DELAWARE	4/1/2020	<a href="#">LI-BP-2019-106</a>	<a href="#">LI-BP-2019-181</a>
DIST. OF COLUMBIA	7/1/2020	<a href="#">LI-BP-2019-107</a>	<a href="#">LI-BP-2020-031</a>
FLORIDA			
GEORGIA			
GUAM*	4/1/2020	<a href="#">LI-BP-2019-141</a>	<a href="#">LI-BP-2019-153</a>
HAWAII	BUREAU		
IDAHO	4/1/2020	<a href="#">LI-BP-2019-108</a>	<a href="#">LI-BP-2019-153</a>
ILLINOIS	4/1/2020	<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	4/1/2020	<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**	4/1/2020	<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>
<b>MASSACHUSETTS</b>	<b>12/1/2020</b>	<a href="#">LI-BP-2019-116</a>	<a href="#">LI-BP-2020-067</a>
MICHIGAN	4/1/2020	<a href="#">LI-BP-2019-117/LI-BP-2019-152</a>	<a href="#">LI-BP-2019-153</a>
MINNESOTA	6/1/2020	<a href="#">LI-BP-2019-118/LI-BP-2019-191</a>	<a href="#">LI-BP-2020-007</a>
MISSISSIPPI**	5/1/2020	<a href="#">LI-BP-2019-171</a>	<a href="#">LI-BP-2019-192/LI-BP-2019-197</a>
MISSOURI	5/1/2020	<a href="#">LI-BP-2019-119</a>	<a href="#">LI-BP-2019-196/LI-BP-2019-197</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	6/1/2020	<a href="#">LI-BP-2019-127/LI-BP-2020-003</a>	<a href="#">LI-BP-2020-008</a>
OKLAHOMA	4/1/2020	<a href="#">LI-BP-2019-128</a>	<a href="#">LI-BP-2019-181</a>
OREGON		<a href="#">LI-BP-2019-129</a>	
PENNSYLVANIA	4/1/2020	<a href="#">LI-BP-2019-130/LI-BP-2019-160</a>	<a href="#">LI-BP-2019-181</a>
PUERTO RICO	11/1/2020	<a href="#">LI-BP-2019-148</a>	<a href="#">LI-BP-2020-058</a>
RHODE ISLAND	6/1/2020	<a href="#">LI-BP-2019-131/LI-BP-2019-195</a>	<a href="#">LI-BP-2020-007</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	4/1/2020	<a href="#">LI-BP-2019-136</a>	<a href="#">LI-BP-2019-181</a>
VERMONT	11/1/2020	<a href="#">LI-BP-2020-040</a>	
VIRGINIA	8/1/2020	<a href="#">LI-BP-2019-137</a>	<a href="#">LI-BP-2020-025</a>
WASHINGTON**	BUREAU	<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>