

ISRB CIRCULAR

IDAHO COMMERCIAL FIRE & ALLIED LINES LOSS COST CHANGES PLANNED

July 2, 2020
2020-CF-5

Loss Costs

ADVANCE PLANNING	This information is intended exclusively for Idaho Surveying and Rating Bureau, Inc. affiliated companies.																														
BACKGROUND	The Bureau has received a loss cost experience review for monoline commercial property basic Group I, Group II, and Special Causes of Loss. This review is based on data ending March 31, 2019. Based on the Bureau's evaluation of this review, the Bureau plans to implement the following changes in loss cost levels.																														
CHANGES	<table><tr><th>COVERAGE</th><th>INDICATED</th><th>SELECTED</th><th>AGGREGATE LOSS COST</th></tr><tr><td>Basic Group I</td><td>.8%</td><td>0.0%</td><td>\$6,430,209</td></tr><tr><td>Class Rated Risks</td><td>.8%</td><td>0.0%</td><td>\$2,787,348</td></tr><tr><td>Specifically Rated Risks</td><td>.8%</td><td>0.0%</td><td>\$3,593,384</td></tr><tr><td>Basic Group II</td><td>4.0%</td><td>0.0%</td><td>\$1,549,575</td></tr><tr><td>Special Causes of Loss</td><td>1.3%</td><td>0.0%</td><td>\$3,510,460</td></tr><tr><td>Overall</td><td>1.4%</td><td>0.0%</td><td>\$11,490,244</td></tr></table>			COVERAGE	INDICATED	SELECTED	AGGREGATE LOSS COST	Basic Group I	.8%	0.0%	\$6,430,209	Class Rated Risks	.8%	0.0%	\$2,787,348	Specifically Rated Risks	.8%	0.0%	\$3,593,384	Basic Group II	4.0%	0.0%	\$1,549,575	Special Causes of Loss	1.3%	0.0%	\$3,510,460	Overall	1.4%	0.0%	\$11,490,244
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EFFECTIVE DATE	The effective date for these changes is planned for March 1, 2021. Following a 30-day comment period, the Bureau will coordinate with the Insurance Services Office, Inc., to establish a publication time schedule.																														
PERSON TO CONTACT	The comment period will end July 31, 2020. Corey R. Ries 208-343-5483 x18 crries@isrb.com																														

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"Basic Group I Rate Groups"	Class Rated Indicated	Class Rated Selected	Aggregate Loss Cost		Specifically Rated Indicated	Specifically Rated Selected	Aggregate Loss Cost
1. Apartments	-4.0%	0.0%	\$564,379		-4.0%	0.0%	\$234,299
2. Other Habitational	+2.8%	0.0%	\$78,477		+2.8%	0.0%	\$90,246
3. Restaurants & Bars	+0.1%	0.0%	\$120,267		+0.1%	0.0%	\$109,123
4. Other Mercantile	+0.2%	0.0%	\$608,340		+0.2%	0.0%	\$856,106
5. Public Buildings	+3.4%	0.0%	Included in 14		+3.4%	0.0%	\$0
6. Churches	+2.7%	0.0%	\$42,049		+2.7%	0.0%	\$51,093
7. Schools	+1.7%	0.0%	\$57,865		+1.7%	0.0%	\$37,736
8. Offices & Banks	+1.4%	0.0%	\$194,275		+1.4%	0.0%	\$204,117
9. Recreational	+4.3%	0.0%	\$255,426		+4.3%	0.0%	\$134,459
10. Hotel & Motels	+1.8%	0.0%	\$91,124		+1.8%	0.0%	\$255,452
11. Hospitals & Nursing Homes	+2.0%	0.0%	\$0		+2.0%	0.0%	\$86,444
12. Building in COC	+3.4%	0.0%	Included in 14		+3.4%	0.0%	\$0
13. Motor Vehicle	+4.8%	0.0%	\$314,193		+4.8%	0.0%	\$201,460
14. Other Non-Manufacturing	+3.4%	0.0%	\$180,647		+3.4%	0.0%	\$85,261
15. Storage	-0.1%	0.0%	\$231,756		-0.1%	0.0%	\$62,059
17. Food Manufacturing	+1.3%	0.0%	\$17,679		+1.3%	0.0%	\$389,229
18. Wood Manufacturing	+0.6%	0.0%	\$9,471		+0.6%	0.0%	\$217,072
19. Wearing Apparel	+0.7%	0.0%	Included in 22		+0.7%	0.0%	\$0
20. Chemical Manufacturing	+0.6%	0.0%	Included in 22		+0.7%	0.0%	\$0
21. Metal Manufacturing	+1.5%	0.0%	\$0		+1.5%	0.0%	\$402,653

The following factors have been used in this review to load incurred losses for loss adjustment expenses:

Group II State Excess Multiplier 1.239

Special Causes of Loss Excess Multiplier 1.400

SPECIAL CAUSE OF LOSS		Indicated	Selected
01 BUILDINGS		1.0%	0.0%
02 APARTMENT CONTENTS		0.2%	0.0%
03 OFFICE CONTENTS		1.3%	0.0%
04 MERC- HIGH CONTENTS		2.8%	0.0%
05 MERC MEDIUM CONTENTS		-2.1%	0.0%
06 MERC- LOW CONTENTS		1.9%	0.0%
07 MOTELS AND HOTELS CONTENTS		2.1%	0.0%
08 INSTITUTIONAL - HIGH CONTENTS		3.1%	0.0%
09 INSTITUTIONAL - LOW CONTENTS		3.1%	0.0%
10 INDUSTRIAL-PROC - HIGH CONTENTS		2.9%	0.0%
11 INDUSTRIAL-PROC - LOW CONTENTS		3.0%	0.0%
12 SERVICE - HIGH CONTENTS		0.5%	0.0%
13 SERVICE - LOW CONTENTS		1.1%	0.0%
14 CONTRACTORS CONTENTS		2.8%	0.0%