

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

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

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.

The comment period will end July 31, 2020.

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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%