

LOSS COSTS/RULES/FORMS – IMPLEMENTATION

AUGUST 13, 2020

BUSINESSOWNERS

LI-BP-2020-081

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

KEY MESSAGE

We are implementing new Micro-Businessowners multistate forms and endorsements, rules and loss costs revisions in Vermont. This includes state-specific supplements and amendments.

Effective Date: 1/1/2021

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

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.

INSURANCE DEPARTMENT ACTION

We have received all necessary approvals or acknowledgements, as required by state laws and regulations, from the Vermont Department of Insurance.

Note: The announcement of implementation includes the implementation of the multistate filings, state supplement filings and any amendment filings.

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 January 1, 2021.

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 January 1, 2021.

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.

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.

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). 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.

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.

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.

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

Rules/Loss Costs

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.

Forms

We will issue a Notice to Portfolioholders with an edition date of 1-21 (or the earliest possible subsequent date), along with any new and/or revised forms.

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	LI-BP-2019-100	LI-BP-2019-153
ALASKA	6/1/2020	LI-BP-2019-101	LI-BP-2020-006
ARIZONA	4/1/2020	LI-BP-2019-102	LI-BP-2019-153
ARKANSAS	4/1/2020	LI-BP-2019-103	LI-BP-2019-153
CALIFORNIA	6/1/2020	LI-BP-2019-104	LI-BP-2020-007
COLORADO	4/1/2020	LI-BP-2019-105	LI-BP-2019-153
CONNECTICUT	12/1/2020	LI-BP-2020-009	LI-BP-2020-057
DELAWARE	4/1/2020	LI-BP-2019-106	LI-BP-2019-181
DIST. OF COLUMBIA	7/1/2020	LI-BP-2019-107	LI-BP-2020-031
FLORIDA			
GEORGIA			
GUAM*	4/1/2020	LI-BP-2019-141	LI-BP-2019-153
HAWAII	BUREAU		
IDAHO	4/1/2020	LI-BP-2019-108	LI-BP-2019-153
ILLINOIS	4/1/2020	LI-BP-2019-109/LI-BP-2019-158	LI-BP-2019-181
INDIANA	4/1/2020	LI-BP-2019-110	LI-BP-2019-153
IOWA	4/1/2020	LI-BP-2019-111	LI-BP-2019-153
KANSAS	4/1/2020	LI-BP-2019-112/LI-BP-2019-161	LI-BP-2019-181
KENTUCKY		LI-BP-2019-147/LI-BP-2019-166	
LOUISIANA**	4/1/2020	LI-BP-2019-113/LI-BP-2019-159	LI-BP-2019-181
MAINE	4/1/2020	LI-BP-2019-114	LI-BP-2019-153
MARYLAND	4/1/2020	LI-BP-2019-115	LI-BP-2019-153
MASSACHUSETTS	12/1/2020	LI-BP-2019-116	LI-BP-2020-067
MICHIGAN	4/1/2020	LI-BP-2019-117/LI-BP-2019-152	LI-BP-2019-153
MINNESOTA	6/1/2020	LI-BP-2019-118/LI-BP-2019-191	LI-BP-2020-007
MISSISSIPPI**	5/1/2020	LI-BP-2019-171	LI-BP-2019-192/LI-BP-2019-197
MISSOURI	5/1/2020	LI-BP-2019-119	LI-BP-2019-196/LI-BP-2019-197
MONTANA	4/1/2020	LI-BP-2019-120	LI-BP-2019-153
NEBRASKA	4/1/2020	LI-BP-2019-121	LI-BP-2019-153
NEVADA	4/1/2020	LI-BP-2019-122	LI-BP-2019-153
NEW HAMPSHIRE	4/1/2020	LI-BP-2019-123	LI-BP-2019-153
NEW JERSEY	4/1/2020	LI-BP-2019-124	LI-BP-2019-153
NEW MEXICO	4/1/2020	LI-BP-2019-125	LI-BP-2019-153
NEW YORK			
NORTH CAROLINA	4/1/2020	LI-BP-2019-126	LI-BP-2019-153
NORTH DAKOTA	4/1/2020	LI-BP-2019-155/LI-BP-2019-156	LI-BP-2019-181
OHIO	6/1/2020	LI-BP-2019-127/LI-BP-2020-003	LI-BP-2020-008
OKLAHOMA	4/1/2020	LI-BP-2019-128	LI-BP-2019-181
OREGON		LI-BP-2019-129	
PENNSYLVANIA	4/1/2020	LI-BP-2019-130/LI-BP-2019-160	LI-BP-2019-181
PUERTO RICO	11/1/2020	LI-BP-2019-148	LI-BP-2020-058
RHODE ISLAND	6/1/2020	LI-BP-2019-131/LI-BP-2019-195	LI-BP-2020-007
SOUTH CAROLINA	4/1/2020	LI-BP-2019-132	LI-BP-2019-153
SOUTH DAKOTA	4/1/2020	LI-BP-2019-133	LI-BP-2019-153
TENNESSEE	4/1/2020	LI-BP-2019-134	LI-BP-2019-153
TEXAS		LI-BP-2019-135/LI-BP-2019-173	
U.S. VIRGIN ISLANDS*		LI-BP-2019-144	
UTAH	4/1/2020	LI-BP-2019-136	LI-BP-2019-181
VERMONT	1/1/2021	LI-BP-2020-040	LI-BP-2020-081
VIRGINIA	8/1/2020	LI-BP-2019-137	LI-BP-2020-025
WASHINGTON**	BUREAU	LI-BP-2019-138	
WEST VIRGINIA	4/1/2020	LI-BP-2019-142	LI-BP-2019-153
WISCONSIN	4/1/2020	LI-BP-2019-145	LI-BP-2019-153
WYOMING	4/1/2020	LI-BP-2019-143	LI-BP-2019-153

* ISO has no jurisdiction for rules/loss costs.

** LA, MS – Joint jurisdiction (FO, RU, LC). WA – Under jurisdiction of WSRB.

FORMS	RULES	LOSS COSTS
LI-BP-2019-097	LI-BP-2019-098	LI-BP-2019-099