

LOSS COSTS/RULES/FORMS – IMPLEMENTATION

SEPTEMBER 25, 2020

GENERAL LIABILITY

LI-GL-2020-172

GENERAL LIABILITY MULTISTATE NEW AND REVISED OPTIONAL ENDORSEMENTS, MANUAL RULES AND LOSS COSTS REVISION TO BE IMPLEMENTED IN KENTUCKY

KEY MESSAGE

We are implementing new and revised optional multistate and state-specific endorsements, rules and loss costs as part of the Commercial General Liability Program in Kentucky.

Effective Date: 2/1/2021

Filing IDs: GL-2018-OFR18 (Forms), GL-2018-RRU18 (Rules) and GL-2018-RLC18 (Loss Costs)

BACKGROUND

In circular:

- [LI-GL-2018-135](#), we announced the submission of forms filing GL-2018-OFR18, which introduced a variety of new and revised multistate optional endorsements for use with the General Liability program.
- [LI-GL-2018-136](#), we announced the submission of rules filing GL-2018-RRU18, which revised multistate rules in Division Six – General Liability of the Commercial Lines Manual to reflect, in part, changes made in companion forms filing GL-2018-OFR18.
- [LI-GL-2018-137](#), we announced the submission of loss costs filing GL-2018-RLC18, which introduced advisory prospective loss costs and associated rating factors for the optional Unmanned Aircraft Endorsements written under the ISO General Liability policy.

In subsequent circulars, which are listed in the attached multistate status report, we provided state supplements and amendments to the multistate forms and rules filings in Kentucky.

INSURANCE DEPARTMENT ACTION

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

Note: The announcement of implementation in a particular jurisdiction includes the implementation of the multistate filings and any state supplement and/or amendment filing.

EFFECTIVE DATE

GL-2018-OFR18 (Forms) and GL-2018-RRU18 (Rules):

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

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

GL-2018-RLC18 (Loss Costs):

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

COMPANY ACTION

GL-2018-OFR18 (Forms):

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 Kentucky Department of Insurance.
- 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 Kentucky Department of Insurance.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Kentucky Department of Insurance on this revision, you should refer to ISO Filing Designation Number GL-2018-OFR18, 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.

GL-2018-RRU18 (Rules):

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 Kentucky Department of Insurance.
- 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 Kentucky Department of Insurance.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Kentucky Department of Insurance on this revision, you should refer to ISO Filing Designation Number GL-2018-RRU18, 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.

GL-2018-RLC18 (Loss Costs):

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 Kentucky Department of Insurance.

You must document your files in case the Kentucky Department of Insurance wishes to review the information at a later date. In all correspondence on this revision, you should refer to ISO Filing Number GL-2018-RLC18, NOT this circular number.

EFFECT OF ISO REVISION ON FLEX RATING (GL-2018-RRU18)

This revision does not result in any change which would increase or decrease supplementary rating information for any classification of risks within any territory more than 25%.

A company that decides to revise its supplementary rating information should determine the overall rate level impact of its revision and any other revision that it has implemented over the preceding 12 months. ISO has made the following revision(s) of supplementary rating information for General Liability over the preceding 12 months which result in percent indications different than those contained in the attached filing:

- **GL-2020-IALL1:** Revision of **+2.4%**
- **GL-2019-IPOP1:** Revision of **+1.6%**

RATING SOFTWARE IMPACT

Refer to the circulars in the Reference(s) block for the impact of the multistate filings.

IMPACT ON STATISTICAL REPORTING

Circular [SP-GL-2019-002](#), dated May 8, 2019, establishes the statistical coding for the General Liability Unmanned Aircraft (Drones) program. Coding includes the introduction of new Subline Code 370, new Type of Loss Codes as well as the collection of Policy Limits and Premium amounts. In addition, we have introduced several new data elements such as Primary Place of Operation, Ownership and Operation and Level of Certification. Please refer to the statistical circular for specifics.

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.

FUTURE ISO ACTION

In future circulars, we will:

- Inform you of implementation status of these filings in additional jurisdictions.
- Provide an updated multistate status report summarizing filing activity.

REVISION DISTRIBUTION

GL-2018-OFR18 (Forms):

We will issue a Notice to Portfolioholders with an edition date of 2-21 (or the earliest possible subsequent date), along with any new and/or revised forms.

GL-2018-RRU18 (Rules) and GL-2018-RLC18 (Loss Costs):

We will issue a Notice to Manualholders with an edition date of 2-21 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing
 - [LI-GL-2019-192](#) (08/22/2019) Advisory Sample Notices To Policyholders For 2018 Commercial Liability Umbrella And General Liability Multistate Forms Revisions Furnished
 - [SP-GL-2019-002](#) (05/08/2019) Unmanned Aircraft (Drones) Coding Expanded For General Liability
 - [LI-GL-2018-137](#) (12/21/2018) General Liability Multistate Loss Costs Revision Being Filed
 - [LI-GL-2018-136](#) (12/21/2018) General Liability Multistate Manual Rules Revision Being Filed
 - [LI-GL-2018-135](#) (12/21/2018) New And Revised General Liability Multistate Optional Endorsements Being Filed
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ATTACHMENT(S)

Status Report

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DATA QUALITY

Statistical plan data reported to ISO is first processed through a system of rigorous automated data verification procedures so that only valid data would be used for ratemaking. Subsequent to this initial data submission review, additional analyses on the statistical plan data involving an even more customized data review for this line were performed by staff. During these processes, various data records were excluded from the review. The ISO staff responsible for this circular also reviewed the data for reasonableness.

ACKNOWLEDGMENT OF ACTUARIAL QUALIFICATIONS (GL-2018-RLC18)

The American Academy of Actuaries' "Qualifications Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" requires that an actuary issuing a Statement of Actuarial Opinion should include an acknowledgment with the opinion that he/she has met the qualification standards of the AAA. ISO considers this loss cost filing a Statement of Actuarial Opinion; therefore, we are including the following acknowledgment:

I, Timothy J. McCarthy, am a Manager and Actuary for ISO. I am responsible for the content of this Statement of Actuarial Opinion. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

CONTACT INFORMATION

If you have any questions concerning:

- The forms and rules content of this circular, please contact:
Nathaniel Brown
Compliance & Product Services – Liability
(201) 469-2796
Nathaniel.Brown@verisk.com
- The loss costs content of this circular, please contact:
Alla Golonesky
ISOCL – Actuarial
(201) 469-2566
Alla.Golonesky@verisk.com
- Other issues for this circular, please contact Customer Support:
E-mail: info@verisk.com
Phone: 800-888-4476

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Status of General Liability Multistate Filings Forms (GL-2018-OFR18), Rules (GL-2018-RRU18) and Loss Costs (GL-2018-RLC18)

STATE	EFFECTIVE OR DISTRIBUTION DATE	STATE-SPECIFIC FILING/SUPPLEMENT/AMENDMENT CIRCULARS		IMPLEMENTATION CIRCULARS
		FORMS	RULES	
ALABAMA	12/1/2019	**	**	LI-GL-2019-138
ALASKA	3/1/2020	LI-GL-2019-068 LI-GL-2019-218 (A)	LI-GL-2019-069 LI-GL-2019-219 (A)	LI-GL-2019-231
ARIZONA	12/1/2019	**	**	LI-GL-2019-138
ARKANSAS	12/1/2019	LI-GL-2019-109	LI-GL-2019-110	LI-GL-2019-138
CALIFORNIA	12/1/2019	**	LI-GL-2019-051	LI-GL-2019-138
COLORADO	12/1/2019	**	**	LI-GL-2019-138
CONNECTICUT	12/1/2019	LI-GL-2019-111	LI-GL-2019-112	LI-GL-2019-138
DELAWARE	12/1/2019	**	LI-GL-2019-052	LI-GL-2019-138
DIST. OF COLUMBIA	12/1/2019	**	**	LI-GL-2019-138
FLORIDA				
GEORGIA		**	**	
GUAM*	12/1/2019	**		LI-GL-2019-138
HAWAII				
IDAHO	12/1/2019	**	**	LI-GL-2019-138
ILLINOIS	12/1/2019	LI-GL-2019-195	LI-GL-2019-196	LI-GL-2019-138
INDIANA	12/1/2019	**	LI-GL-2019-040	LI-GL-2019-138
IOWA	12/1/2019	**	**	LI-GL-2019-138
KANSAS	12/1/2019	LI-GL-2019-042	**	LI-GL-2019-138
KENTUCKY	2/1/2021	LI-GL-2020-147	LI-GL-2019-036 LI-GL-2020-148 (A)	LI-GL-2020-172
LOUISIANA	12/1/2019	LI-GL-2019-070	LI-GL-2019-071	LI-GL-2019-138
MAINE	12/1/2019	**	**	LI-GL-2019-138
MARYLAND	12/1/2019	**	**	LI-GL-2019-138
MASSACHUSETTS	5/1/2020	LI-GL-2019-120	LI-GL-2019-121	LI-GL-2020-003
MICHIGAN	12/1/2019	**	**	LI-GL-2019-138
MINNESOTA	12/1/2019	LI-GL-2019-077	LI-GL-2019-078	LI-GL-2019-138
MISSISSIPPI	12/1/2019	**	LI-GL-2019-053	LI-GL-2019-138
MISSOURI	12/1/2019	LI-GL-2019-083	LI-GL-2019-084	LI-GL-2019-138
MONTANA	12/1/2019	**	**	LI-GL-2019-138
NEBRASKA	12/1/2019	**	LI-GL-2019-041	LI-GL-2019-138
NEVADA	12/1/2019	**	LI-GL-2019-081	LI-GL-2019-138
NEW HAMPSHIRE	12/1/2019	LI-GL-2019-113	LI-GL-2019-114	LI-GL-2019-138
NEW JERSEY	12/1/2019	**	**	LI-GL-2019-138
NEW MEXICO	12/1/2019	**	**	LI-GL-2019-138
NEW YORK		LI-GL-2019-171	LI-GL-2019-172	
NORTH CAROLINA	12/1/2019	**	**	LI-GL-2019-138
NORTH DAKOTA	12/1/2019	LI-GL-2019-043	LI-GL-2019-044	LI-GL-2019-138
OHIO	12/1/2019	LI-GL-2019-117	LI-GL-2019-118	LI-GL-2019-138
OKLAHOMA	12/1/2019	LI-GL-2019-047	LI-GL-2019-048	LI-GL-2019-138
OREGON	12/1/2019	LI-GL-2019-032	LI-GL-2019-033	LI-GL-2019-138
PENNSYLVANIA	12/1/2019	**	**	LI-GL-2019-138
PUERTO RICO		LI-GL-2019-079 LI-GL-2020-040 (A)	LI-GL-2019-080 LI-GL-2020-041 (A)	
RHODE ISLAND	12/1/2019	**	LI-GL-2019-054	LI-GL-2019-138
SOUTH CAROLINA	12/1/2019	**	**	LI-GL-2019-138
SOUTH DAKOTA	12/1/2019	**	LI-GL-2019-035	LI-GL-2019-138
TENNESSEE	12/1/2019	**	LI-GL-2019-055	LI-GL-2019-138
TEXAS	5/1/2020	LI-GL-2019-092 LI-GL-2019-232 (A)	LI-GL-2019-093 LI-GL-2019-233 (A)	LI-GL-2019-245
U.S. VIRGIN ISLANDS*		LI-GL-2019-045		
UTAH	12/1/2019	LI-GL-2019-085	LI-GL-2019-086	LI-GL-2019-138
VERMONT	4/1/2020	LI-GL-2019-115 LI-GL-2019-223 (A)	LI-GL-2019-116 LI-GL-2019-224 (A)	LI-GL-2019-237
VIRGINIA	3/1/2020	LI-GL-2019-145	LI-GL-2019-146	LI-GL-2019-240
WASHINGTON	8/1/2020	LI-GL-2019-124 LI-GL-2019-241 (A)	LI-GL-2019-125 LI-GL-2019-242 (A) LI-GL-2020-035 (A)	LI-GL-2020-075
WEST VIRGINIA	12/1/2019	**	**	LI-GL-2019-138
WISCONSIN	12/1/2019	**	LI-GL-2019-039	LI-GL-2019-138
WYOMING	12/1/2019	LI-GL-2019-049	LI-GL-2019-050	LI-GL-2019-138

* ISO has no jurisdiction for rules/loss costs.

Bold indicates changes.

** There is NO state supplement.

(A) Filing(s) amended.