



LOSS COSTS – APPROVED

OCTOBER 2, 2020

BUSINESSOWNERS

LI-BP-2020-111

SOUTH CAROLINA BUSINESSOWNERS ADVISORY PROSPECTIVE LOSS COST REVISION APPROVED

KEY MESSAGE

Revised loss costs representing a combined -2.5% statewide change are approved.

BACKGROUND

In circular [LI-BP-2020-063](#), we advised you that we submitted filing BP-2020-RLA1 to the Insurance Department.

CONSIDERATION OF COVID-19

In anticipation of long-term behavioral, social and economic changes as a result of COVID-19, we expect, based on the information currently available, that those changes will have a modest but material impact on prospective loss costs for certain risks, and in this filing we have adjusted loss costs to reflect these changes by applying a factor of 0.98 to loss costs for Liability Lessors and Occupants.

While there is still great uncertainty around COVID-19, the above referenced adjustments do not contemplate the possibility of widespread viral resurgence or the renewal of stay-at-home orders during the period in which the newly filed loss costs will be in effect. We have assumed that any recurrence of such extreme and unpredictable circumstances would generally be addressed, as appropriate, by individual carriers.

INSURANCE DEPARTMENT ACTION

The Insurance Department has approved this revision as filed.

EFFECTIVE DATE

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

COMPANY ACTION

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 Insurance Department.

You must document your files in case the Insurance Department wishes to review the information at a later date. In all internal correspondence on this revision, you should refer to ISO Revision Designation Number [BP-2020-RLA1](#), NOT this circular number.

RATING SOFTWARE IMPACT

No new attributes are being introduced with this revision.

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

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-BP-2020-063](#) (07/08/2020) South Carolina Businessowners Advisory Prospective Loss Cost Revision Filed; Exhibits Newly Presented In Excel
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing

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