

LOSS COSTS – IMPLEMENTATION

OCTOBER 13, 2020

BUSINESSOWNERS

LI-BP-2020-113

**MASSACHUSETTS BUSINESSOWNERS ADVISORY
PROSPECTIVE LOSS COST REVISION TO BE IMPLEMENTED**

KEY MESSAGE

Revised loss costs representing a combined -4.2% statewide change are acknowledged.

BACKGROUND

In circular [LI-BP-2020-098](#), we advised you that we submitted filing BP-2020-RLA1 to the Insurance Department.

CONSIDERATION OF COVID-19

While there will almost certainly be 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 negligible and/or offsetting effects on prospective loss costs for Businessowners. Therefore, ISO is not making any explicit adjustment to the prospective loss costs referenced in this filing due to COVID-19. Additionally, the loss costs referenced in this filing 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 acknowledged 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 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 Reference Filing Number [BP-2020-RLA1](#), NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for Businessowners in this state. In determining whether or not to revise your rates, you should consider the application of your loss cost adjustments to any loss costs not included in this revision.

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 4-21 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

- [LI-BP-2020-098](#) (08/27/2020) Massachusetts 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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