

LOSS COSTS – IMPLEMENTATION

JANUARY 28, 2021

BUSINESSOWNERS

LI-BP-2021-006

---

## KENTUCKY BUSINESSOWNERS ADVISORY PROSPECTIVE LOSS COST REVISION TO BE IMPLEMENTED

---

### KEY MESSAGE

Revised loss costs representing a combined +2.3% statewide change are acknowledged.

---

### UPGRADE TO WORD AND EXCEL DOCUMENTS

ISO is currently implementing changes to our authoring and delivery systems so that **newly created** documents will be delivered in Office 365 .docx/.xlsx format. These changes will be phased in by product/service tentatively beginning in second quarter 2021. We are providing advance notification so that you may prepare your internal systems. Products impacted include, but are not limited to, documents delivered/accessed via Circulars, CLM, EFD, ERC, Filings, FIRST, Forms Library (including PolicyWriting Support Forms Instructional Supplement), IntegRater, PRM, Statistical Plans and Suite +.

---

### BACKGROUND

In circular [LI-BP-2021-004](#), 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 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 7-21 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

---

## RELATED RULES REVISION

We are announcing in a separate circular the implementation of a corresponding rules revision. Please refer to the Reference(s) block for identification of that circular.

---

## REFERENCE(S)

- [LI-BP-2021-007](#) (01/28/2021) Kentucky Businessowners Rule 23. Revision To Be Implemented
- [LI-BP-2021-004](#) (01/22/2021) Kentucky Businessowners Advisory Prospective Loss Cost Revision Filed; Exhibits Presented In Excel
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing

---

## CONTACT INFORMATION

If you have any questions concerning:

- The actuarial content of this circular, please contact:

Lukas Cechura  
Actuarial Operations, Property  
201-469-3480  
[Lukas.Cechura@verisk.com](mailto:Lukas.Cechura@verisk.com)  
[propertyactuarial@verisk.com](mailto:propertyactuarial@verisk.com)

- The non-actuarial content of this circular, please contact:  
Evan Dattolo  
Production Operations, Compliance and Product Services  
201-469-2895  
[productionoperations@verisk.com](mailto:productionoperations@verisk.com)
- Other issues for this circular, please contact Customer Support:  
E-mail: [info@verisk.com](mailto:info@verisk.com)  
Phone: 800-888-4476

Callers outside the United States, Canada, and the Caribbean may contact us using our global toll-free number (International Access Code + 800 48977489). For information on all ISO products, visit us at [www.verisk.com/iso](http://www.verisk.com/iso). To keep abreast of the latest Insurance Lines Services updates, view [www.verisk.com/ils](http://www.verisk.com/ils).