

RULES – IMPLEMENTATION

AUGUST 24, 2021

BUSINESSOWNERS

LI-BP-2021-094

NORTH CAROLINA BUSINESSOWNERS RULE 23. REVISION TO BE IMPLEMENTED

KEY MESSAGE

Businessowners revised annual individual payroll amounts specific to North Carolina have been acknowledged.

UPGRADE TO WORD AND EXCEL DOCUMENTS

As previously noted, ISO is implementing changes to our authoring and delivery systems so that **newly created** documents will be delivered in Office 365 .docx/.xlsx format to be phased in by product/service. In addition to **form** documents, we are pleased to announce that during the third quarter 2021, you will be receiving **circular cover letter** and **Notice To Manualholders (NTM)** documents in .docx format delivered/accessed via Circulars, CLM, EFD, ERC, Filings, FIRST, Forms Library, PRM and Suite +. Changes continue for other document types to be phased in by product/service. 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), PRM, Statistical Plans and Suite +.

BACKGROUND

In circular [LI-BP-2021-055](#), we advised you that we submitted filing BP-2020-RPAY 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. In this filing, we have accounted for the impact that the COVID-19 pandemic had on the March-June 2020 data by adjusting the yearly weights used in the calculation of the statewide loss cost level indications for all Liability risks so that experience year 2020 receives less weight.

While there is still great uncertainty around COVID-19, the above referenced adjustment does 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

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

These changes are applicable to all policies effective on or after January 1, 2022.

COMPANY ACTION

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-2020-RPAY](#) and SERFF Tracking Number [ISOF-132826425](#), 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.

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-2021-004](#) 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 1-22 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

RELATED LOSS COSTS REVISION

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

REFERENCE(S)

- [LI-BP-2021-093](#) (08/24/2021) North Carolina Businessowners Advisory Prospective Loss Cost Revision To Be Implemented
- [LI-BP-2021-055](#) (05/12/2021) North Carolina Businessowners Rule 23. Revision Filed
- [LI-CL-2021-004](#) (02/17/2021) Revised Lead Time Requirements Listing

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