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| RULES – implementation | october 12, 2021 | |
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| General Liability | | LI-GL-2021-326 |

Minnesota General Liability Increased Limit factors to be implemented

Key Message

The revised increased limit factors represent a combined change of +2.4% from the increased limit factors currently in effect.

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-GL-2021-116](http://www3.iso.com/textsys/textdoc.dll?prodid=94&type=1&name=LI-GL-2021-116), we provided you with information about the General Liability increased limit experience review.

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 effects on increased limit factors. Therefore, ISO is not making any explicit adjustment to the increased limit factors referenced in this filing due to COVID-19.

ISO Action

We are implementing GL-2021-IALL1, which revises the increased limits for Premises/Operations Liability (subline code 334) and Products/Completed Operations Liability (subline code 336) class tables in Rule 56. of Division Six of the Commercial Lines Manual.

Refer to the attached explanatory material for complete details about the filing.

Important note on risk load reflection

The increased limit factors in this document incorporate a procedure for reflecting the increased risk or variation in experience associated with higher limit policies in the increased limits ratemaking formula. For all General and Commercial Automobile Liability tables, this procedure generates increased limit factors that are on average (across all state groups) 6.0% higher than the factors would be if calculated without risk load. For the state group that includes this jurisdiction, the indicated increased limit factors are on average 4.2% higher for Premises/Operations and 10.2% higher for Products/Completed Operations Liability than such factors would be if calculated without risk load.

The inclusion of risk load in increased limit factors may have implications on basic limit loss cost multipliers. Specifically, assuming industrywide averages and the ISO increased limit factors in this document, the inclusion of risk load may result in additional revenue of 4.2% for Premises/Operations Liability and 10.2% for Products/Completed Operations Liability. All sources of revenue, including the revenue resulting from the risk load in these increased limit factors, should be kept in mind when determining loss cost multipliers.

Effective Date

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

Company Action

ISO has not filed this revision on behalf of insurers.

You must independently determine what revision to make and when to make any revision effective. If you decide to use all or any part of our revision, 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 Filing Number   
GL-2021-IALL1, 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](http://www3.iso.com/textsys/textdoc.dll?prodid=94&type=1&name=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 4-22 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

Reference(s)

* [LI-GL-2021-116](http://www3.iso.com/textsys/textdoc.dll?prodid=94&type=1&name=LI-GL-2021-116) (03/11/2021) 2021 General Liability Increased Limits Experience Reviewed By Staff
* [LI-CL-2021-004](http://www3.iso.com/textsys/textdoc.dll?prodid=94&type=1&name=LI-CL-2021-004) (02/17/2021) Revised Lead Time Requirements Listing

[Attachment(s)](http://www3.iso.com/textsys/textdoc.dll?prodid=94&type=2&name=LI-GL-2021-326)

Filing GL-2021-IALL1

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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

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 rules filing a Statement of Actuarial Opinion; therefore, we are including the following acknowledgment:

I, Stuart Gelbwasser, am a Senior Manager and Actuary for ISO, and I, James Davidson, am a Senior Director of Commercial Lines Actuarial Products, including Increased Limits for ISO. We are jointly responsible for the content of this Statement of Actuarial Opinion. We are both members of the American Academy of Actuaries and we 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 actuarial content of this circular, please contact:

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