



MISSISSIPPI STATE RATING BUREAU

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BULLETIN 21-07

Date: 11-1-2021

To All Member Companies and Their Authorized
Mississippi Agents
To Whom it May Concern:

Mississippi Builders Risk and Vacancy
Revisions – CF-2021-RLC1 and
CF-2021-RRU1
SERFF filing # - MSSR-13309956

The Mississippi State Rating Bureau (MSRB) received Mississippi Department of Insurance approval for the above Mississippi Exception Commercial Property Revisions. CF-2021-RLC1 and CF-2021-RRU1 add builder's risk loss costs applicable to risks with public protection classes 1 and 2 (previously not published). A new Vacant Building CSP class code 1180 was added to Rule 85 Basic Group 1 Class Rate table for Mississippi matching the ISO multistate vacant building CSP code and additive loss cost factor. These revisions were filed on behalf of all MSRB member companies and approved for new and renewal policies issued effective 3-1-2022 and subsequent.

See the attached Explanatory Information for additional detail.

MSRB members have the option of accepting this change filed on their behalf with the **3-1-2022** effective date, individually filing for an alternative effective date, or individually filing to non-adopt or amend this change.

ISONet™ pages will be updated to reflect these changes. Copies of the filing package materials are available using the MSSR tracking numbers (NAIC SERFF System). The filing package can also be requested from MSRB personnel (Brad Little, Tony Parker, or Joe Shumaker) phone 601-981-2915.

Mississippi State Rating Bureau Management

Mississippi Builder Risk and Vacancy Loss Cost Revisions

About This Filing

With this filing, we are adding Builders' risk loss costs for additional Public Protection Classifications and adding a new CSP class code **1180** – Vacant buildings.

Revised Loss Costs

We are revising the following loss costs:

- ◆ Rule **40**. Builders' Risk Coverage Form (Class Code **1150**)
- ◆ Rule **85**. Basic Group I Class Rates

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

Related Filing(s)

The following companion filing is being filed with a concurrent effective date:

- ◆ CF-2021-RRU1

Background and Explanation of Changes

Based on a request from the Mississippi Department of Insurance, builders' risk loss costs applicable to risks with PPC classes 01 and 02 are being added to Rule **40**. Builders' Risk Coverage Form.

In addition CSP class code 1180 – Vacant buildings is being added to Rule **85**. Basic Group I Class Rates in the Commercial Property Mississippi Class Rate pages. These Vacant Buildings are rated using the starting point of the previous or intended occupancy with a new additive loss cost. In the companion filing state exception Rule **85.B.3.g** is added which provides rating instruction.

Actuarial Support

Rule **40**. – Class 1150:

The loss costs for PPC 1 and PPC 2 for Builders' risks were selected by multiplying the current PPC 3 loss costs by the differential between ISO multistate PPC relativities for PPC 3 and PPCs 1 & 2. Mississippi has loss costs

by PPC and construction code, and the relativities between PPCs vary by class, so we selected the multistate factors.

Rule 85. Basic Group I Class Rates

CSP class code **1180** – Vacant buildings is being added to this rule. This rule matches the ISO multistate rule for Vacant Buildings and has the same additive loss cost amount.

Mississippi Rule 85 Exception Revised

About This Filing

This filing revises the state exception to Rule 85 based on the introduction of a new class code for Vacant Buildings.

Revised Rules

We are revising the following state exception:

- **Rule 85.** Basic Group I Class Rates

Related Filing(s)

The following companion filing is being filed with a concurrent effective date:

- ♦ CF-2021-RLC1

Background

Based on a request from the Mississippi Department of Insurance, CSP class code 1180 – Vacant buildings is being added to the Commercial Property Mississippi Basic Group I Class Rate pages in the companion filing.

Explanation of Changes

To complement the introduction of class code 1180(Vacant Buildings), we are revising the state exception to Rue 85.B.3. to add subparagraph g, which instructs to use rates for the CSP class code associated with the previous or intended occupancy.

