

FORMS – IMPLEMENTATION

NOVEMBER 17, 2021

COMMERCIAL INLAND MARINE	LI-CM-2021-026
CRIME AND FIDELITY	LI-CR-2021-117
EQUIPMENT BREAKDOWN	LI-EB-2021-015
FARM	LI-FR-2021-091
CAPITAL ASSETS PROGRAM (OUTPUT POLICY)	LI-OP-2021-028

LOUISIANA ACTUAL CASH VALUE ENDORSEMENT TO BE IMPLEMENTED

KEY MESSAGE

New Louisiana Changes – Actual Cash Value Endorsement in response to 2021 La. Acts ____ (former Louisiana H.B. 591) to be implemented.

Filing ID: CL-2021-OVC1

Distribution Date: 5/22

Applicable Lines: CM, CR, EB, FR, OP

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-CM-2021-024](#), et al., we announced that in response to LA. REV. STAT. ANN. § 22:1892 B.(6)(a)(ii), we were introducing endorsement IL 01 31, Louisiana Changes – Actual Cash Value, to expressly address depreciation and include a description of depreciation.

NOTE: With respect to Commercial Property, we recommended this filing to the Property Insurance Association of Louisiana (PIAL) for filing action. ISO does not release Commercial Property circulars in Louisiana. Refer to the PIAL's Advance Planning Notice for additional information regarding this filing.

With respect to Farm, this filing was submitted jointly with the PIAL to the Louisiana Department of Insurance.

INSURANCE DEPARTMENT ACTION

The Louisiana Department of Insurance has approved our revision as filed.

EFFECTIVE DATE

For the lines which ISO has filing authorization:

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

These changes are applicable to all policies effective on or after May 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 Designation Number CL-2021-OVC1, 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

New attributes being introduced with this revision:

- A new form is being introduced.

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 Portfolioholders with an edition date of 5-22 (or the earliest possible subsequent date), along with any new and/or revised forms.

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-CM-2021-027/LI-CR-2021-118/LI-EB-2021-016/LI-FR-2021-092/LI-OP-2021-029](#)
(11/17/2021) Revised Louisiana State Exceptions To Be Implemented
- [LI-CM-2021-024/LI-CR-2021-113/LI-EB-2021-013/LI-FR-2021-089/LI-OP-2021-026](#)
(11/03/2021) Louisiana Actual Cash Value Endorsement Introduced In Response To Louisiana Former H.B. 591
- [LI-CL-2021-004](#) (02/17/2021) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Final copy of [IL 01 31 03 22](#)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

The following is added to any **Valuation** Condition which provides for valuation at actual cash value:

In our determination of the actual cash value of Covered Property at the time of loss or damage, we will take into account factors such as depreciation, deterioration and obsolescence. The term depreciation includes, but is not limited to, the cost of goods, material, labor and services necessary to replace, repair or rebuild damaged property.