

RULES – IMPLEMENTATION

APRIL 15, 2022

COMMERCIAL PROPERTY

LI-CF-2022-043

SOUTH CAROLINA COMMERCIAL PROPERTY ENHANCED WIND RATING PROGRAM CAPPING UPDATE REVISION TO BE IMPLEMENTED

KEY MESSAGE

Filing CF-2022-REWR5, which removes capping of the composite debit/credit factor used to rate BG II specifically rated risks and implements the full credits and debits for all risks is acknowledged.

BACKGROUND

In circular [LI-CF-2022-037](#), we advised you that we submitted filing CF-2022-REWR5 to the Insurance Department.

INSURANCE DEPARTMENT ACTION

The Insurance Department has acknowledged this revision as filed.

EFFECTIVE DATE

We do not establish an effective date for Commercial Property 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 CF-2022-REWR5, 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

The Basic Group II rating algorithm is unchanged but may temporarily be impacted by the need for adjustment to the cap. Refer to the Rating Supplement block which explains the capping issue.

There is impact on rating software, only if you decide to program the adjustment rather than handle it manually.

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-2022-006](#) 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 INFORMATION

- **ProMetrix**

The ProMetrix quote screen will reflect the revised caps in the Wind Factor Applied and the BG II Enhanced (Specified) Loss Cost beginning on January 1, 2023.

- **Toll-free Telephone Service**

The revised Wind Factor Applied and BG II Enhanced (Specified) Loss Cost will be available by calling our toll-free number 1-800-444-4554 beginning on January 1, 2023.

REFERENCE(S)

- [LI-CF-2022-037](#) (04/11/2022) South Carolina Commercial Property Enhanced Wind Rating Program Capping Update Revision Filed
 - [LI-CL-2022-006](#) (02/22/2022) Revised Lead Time Requirements Listing
-

CONTACT INFORMATION

If you have any questions concerning:

- The actuarial content of this circular, please contact:
Xuan Chen, ACAS, CPCU
Commercial Lines Actuarial Products
201-469-2691
Xuan.Chen@verisk.com
propertyactuarial@verisk.com
- The non-actuarial content of this circular, please contact:
Tony Gicas
Production Operations, Compliance and Product Services
201-469-2928
prodops@verisk.com
- Other issues for this circular, please contact Customer Support:
E-mail: 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. To keep abreast of the latest Insurance Lines Services updates, view www.verisk.com/ils.