

RULES – IMPLEMENTATION

APRIL 29, 2022

COMMERCIAL PROPERTY

LI-CF-2022-047

KENTUCKY 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-2022-030](#), 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

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

These changes are applicable to all policies written on or after January 1, 2023.

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 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.

EFFECT OF ISO REVISION ON FLEX RATING

We have identified with an asterisk (*) any ISO supplementary rating information that is increasing or decreasing more than 25% for any classification of risks within any territory. Refer to page 1 in the rules filing attached to circular [LI-CF-2022-030](#).

A company that decides to revise its supplementary rating information should determine the overall rate level impact of its revision and any other revision that it has implemented over the preceding 12 months. ISO has made the following revision(s) of supplementary rating information for Commercial Property over the preceding 12 months which result in percent indications different than those contained in the attached filing:

Filing CF-2022-REWR5: Revision of Enhanced Wind Rating Program Capping

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-2022-030](#) (04/06/2022) Kentucky 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:

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