

LOSS COSTS/RULES – IMPLEMENTATION

OCTOBER 6, 2022

COMMERCIAL PROPERTY

LI-CF-2022-143

## COMMERCIAL PROPERTY MULTISTATE RULES AND LOSS COSTS REVISION TO BE IMPLEMENTED IN VARIOUS JURISDICTIONS

### KEY MESSAGE

We are implementing multistate and state-specific rules and loss costs revisions in **26** jurisdictions.

**Effective Date:** 08/01/2023

**Filing IDs:** CF-2022-REQRU (Rules) & CF-2022-REQLC (Loss Costs)

### JURISDICTIONS

- |               |                  |                 |
|---------------|------------------|-----------------|
| • Alabama     | • Michigan       | • Oregon        |
| • Arkansas    | • Minnesota      | • Pennsylvania  |
| • Arizona     | • North Carolina | • Rhode Island  |
| • Colorado    | • North Dakota   | • Tennessee     |
| • Connecticut | • Nebraska       | • Virginia      |
| • Illinois    | • New Hampshire  | • Wisconsin     |
| • Indiana     | • Nevada         | • West Virginia |
| • Maryland    | • Ohio           | • Wyoming       |
| • Maine       | • Oklahoma       |                 |

### BACKGROUND

In referenced circular [LI-CF-2022-074](#), we announced the submission of multistate rules revisions in Division 5 – Commercial Property of the Commercial Lines Manual (CLM).

In subsequent circulars, we provided state-specific rules supplements and loss costs revisions to these filings in certain jurisdictions.

### INSURANCE DEPARTMENT ACTION

We have received all necessary approvals or acknowledgements, as required by state laws and regulations, from the insurance departments for the above jurisdictions.

**Note:** The announcement of implementation in a particular jurisdiction includes the implementation of the multistate filings and any state supplement and/or amendment filing.

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**EFFECTIVE DATE****CF-2022-REQRU**

**Alabama, Arizona, Indiana, Maine, Michigan, North Dakota, Nebraska, New Hampshire, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Virginia, Wisconsin, West Virginia**

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

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

**Connecticut, Maryland, North Carolina**

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

These changes are applicable to all policies effective on or after August 1, 2023.

**Arkansas, Colorado, Illinois, Minnesota, Nevada, Wyoming**

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.

**CF-2022-REQLC**

**Alabama, Arizona, Colorado, Indiana, Maine, Michigan, North Dakota, Nebraska, New Hampshire, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Virginia, Wisconsin, West Virginia**

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

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

This effective date applies only to those insurers who have filed their Commercial Property loss cost adjustments to be automatically applicable to future ISO loss cost revisions.

**Connecticut, Maryland, North Carolina**

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

These changes are applicable to all policies effective on or after August 1, 2023.

This effective date applies only to those insurers who have filed their Commercial Property loss cost adjustments to be automatically applicable to future ISO loss cost revisions.

**Arkansas, Illinois, Minnesota, Nevada, Wyoming**

We do not establish an effective date for Commercial Property loss costs revisions in this state. Each insurer that elects to utilize this revision is responsible for determining its own effective date.

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**COMPANY ACTION**

Refer to the Summary of Company Action Requirements attached.

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**RATING SOFTWARE IMPACT****CF-2022-REQRU**

Refer to circular [LI-CF-2022-074](#) for the impact of the multistate filing.

**CF-2022-REQLC**

New attributes being introduced with this revision:

- Additional information will be required from the policyholder to complete a rating calculation.
- A new code is being introduced.
- Current loss costs are being withdrawn.
- Current factors are being withdrawn.
- A new calculation is being introduced.
- An existing rating formula is being rewritten.

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**IMPACT ON STATISTICAL REPORTING**

Statistical Plan Holders circular [SP-EQ-2022-001](#), entitled "Earthquake Coding Established", dated August 16, 2022, announced the establishment of Earthquake (EQ) Revised Building Classifications and Construction Codes as well as the establishment of a Soft Story Indicator in the Earthquake module of the CSP and CSP-i.

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**FUTURE ISO ACTION**

In future circulars, we will:

- Update the status of this revision. This status report will be updated periodically to provide you with the latest status. For interim updates, please check the Insurance Lines Services web site ([www.verisk.com/ils](http://www.verisk.com/ils)). In addition to other information, this web site contains copies of major multistate filing status reports that are updated approximately every two weeks.
- Inform you of implementation status of these filings in additional jurisdictions.
- Provide an updated multistate status report summarizing filing activity.

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**REVISION DISTRIBUTION**

We will issue a Notice to Manualholders with an edition date of 8-23 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

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**REFERENCE(S)**

- [SP-EQ-2022-001](#) (08/16/2022) Earthquake Coding Established
- [LI-CF-2022-074](#) (08/10/2022) Commercial Property Multistate Rules Revision Being Submitted

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**ATTACHMENT(S)**

- Summary Of Company Action Requirements
- Status Report

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## IMPORTANT NOTICE FOR USERS OF ISO PRODUCTS AND SERVICES

Please make sure that your company has authorized your use of this product and has complied with the requirements applicable in the jurisdiction where you plan to use it.

We distribute both state-specific and multistate products and services. We do not distribute all the multistate products and services for use in every jurisdiction due to corporate policy, regulatory preference, or variations or lack of clarity in state laws.

We provide participating insurers with information concerning the jurisdictions for which our products and services are distributed. Even in those jurisdictions, each insurer must determine what filing requirements, if any, apply and whether those requirements have been satisfied.

Now, as in the past, all of our products and services are advisory, and are made available for optional use by participating insurers as a matter of individual choice. Your company must decide for itself which, if any, ISO products or services are needed or useful to its operation and how those selected for use should be applied. We urge that you be guided by the advice of your attorneys on the legal requirements.

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## CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:  
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- Other issues for this circular, please contact Customer Support:  
E-mail: [info@verisk.com](mailto:info@verisk.com)  
Phone: 800-888-4476

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## **SUMMARY OF COMPANY ACTION REQUIREMENTS**

### **RULES filing: CF-2022-REQRU**

**Indiana**  
**Maine**  
**Michigan**  
**North Carolina**  
**Nebraska**  
**Ohio**  
**Oklahoma**  
**Oregon**  
**Pennsylvania**  
**Rhode Island**  
**Tennessee**  
**Virginia**  
**West Virginia**

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 Number CF-2022-REQRU, NOT this circular number.

In addition:

- Please see below for SERFF Tracking Numbers by state:

<b>Indiana</b> , ISOF-133339598	<b>Oregon</b> , ISOF-133339614
<b>Maine</b> , ISOF-133339600	<b>Pennsylvania</b> , ISOF-133339615
<b>Michigan</b> , ISOF-133339602	<b>Rhode Island</b> , ISOF-133339616
<b>North Carolina</b> , ISOF-133339610	<b>Tennessee</b> , ISOF-133339617
<b>Nebraska</b> , ISOF-133339605	<b>Virginia</b> , ISOF-133339619
<b>Ohio</b> , ISOF-133339612	<b>West Virginia</b> , ISOF-133339620

- For **Oklahoma**, refer to Type of Insurance Code (TOI) 01.0 Property and Sub-TOI 01.0001 Commercial Property (Fire and Allied Lines), the State File Number ISOF-133339613, SERFF Tracking Number ISOF-133339613, and the approval date September 14, 2022, 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.

**Alabama**  
**Arizona**  
**Connecticut**  
**Maryland**  
**North Dakota**  
**New Hampshire**  
**Wisconsin**

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.

WE WILL SUBMIT THIS REVISION TO THE INSURANCE DEPARTMENT ON:

JULY 6, 2023 (ALABAMA)	JULY 21, 2023 (NORTH DAKOTA)
JUNE 29, 2023 (ARIZONA)	JUNE 29, 2023 (NEW HAMPSHIRE)
JUNE 29, 2023 (CONNECTICUT)	JULY 21, 2023 (WISCONSIN)
JUNE 29, 2023 (MARYLAND)	

IF STATE FILING REQUIREMENTS DICTATE THAT YOU MAKE A SUBMISSION WITH THE INSURANCE DEPARTMENT, DO NOT SUBMIT IT PRIOR TO THIS DATE.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Number CF-2022-REQRU, NOT this circular number.

In addition:

- Please see below for SERFF Tracking Numbers by state:

<b>Alabama</b> , ISOF-133339592	<b>North Dakota</b> , ISOF-133339611
<b>Arizona</b> , ISOF-133339593	<b>New Hampshire</b> , ISOF-133339607
<b>Connecticut</b> , ISOF-133339596	<b>Wisconsin</b> , ISOF-133339621
<b>Maryland</b> , ISOF-133339601	

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.

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## **SUMMARY OF COMPANY ACTION REQUIREMENTS**

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### **RULES filing: CF-2022-REQRU (Cont'd)**

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**Arkansas**

ISO has not filed this revision on behalf of insurers.

**Minnesota**

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-REQRU, NOT this circular number.

In addition:

- Please see below for SERFF Tracking Numbers by state:

<b>Arkansas</b> , ISOF-133339594	<b>Minnesota</b> , ISOF-133339603
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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.

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**Colorado**

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 ISO's 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 Number CF-2022-REQRU and SERFF Tracking Number ISOF-133339595, 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.

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**Illinois**

ISO has not filed this revision.

**Nevada**

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.

**Wyoming**

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-REQRU, 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.

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## **SUMMARY OF COMPANY ACTION REQUIREMENTS**

### **LOSS COSTS filing: CF-2022-REQLC**

**Colorado**  
**Indiana**  
**Maine**  
**Michigan**  
**North Carolina**  
**Nebraska**  
**Ohio**  
**Oklahoma**  
**Oregon**  
**Pennsylvania**  
**Rhode Island**  
**Tennessee**  
**Virginia**  
**West Virginia**

You must independently determine the final rates you will use. The action, if any, you must take in response to this filing is dependent upon how you filed to have your loss cost adjustments apply to subsequent revisions of ISO loss costs. Any submission you make with respect to this revision must comply with applicable regulatory filing requirements.

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 Number CF-2022-REQLC, NOT this circular number.

In addition:

- Please see below for SERFF Tracking Numbers by state:

<b>Colorado</b> , ISOF-133339649	<b>Oregon</b> , ISOF-133339690
<b>Indiana</b> , ISOF-133339674	<b>Pennsylvania</b> , ISOF-133339691
<b>Maine</b> , ISOF-133339676	<b>Rhode Island</b> , ISOF-133339712
<b>Michigan</b> , ISOF-133339678	<b>Tennessee</b> , ISOF-133339713
<b>North Carolina</b> , ISOF-133339686	<b>Virginia</b> , ISOF-133339715
<b>Nebraska</b> , ISOF-133339681	<b>West Virginia</b> , ISOF-133339716
<b>Ohio</b> , ISOF-133339688	

- For **Oklahoma**, refer to Type of Insurance Code (TOI) 01.0 Property and Sub-TOI 01.0001 Commercial Property (Fire and Allied Lines), the State File Number ISOF-133339689, SERFF Tracking Number ISOF-133339689, and the approval date September 14, 2022, NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for Commercial Property in this state. In determining whether or not to revise your rates, you should consider the application of your loss cost adjustments to any loss costs not included in this revision.

**Alabama**  
**Arizona**  
**Connecticut**  
**Maryland**  
**North Dakota**  
**New Hampshire**  
**Wisconsin**

You must independently determine the final rates you will use. The action, if any, you must take in response to this filing is dependent upon how you filed to have your loss cost adjustments apply to subsequent revisions of ISO loss costs. Any submission you make with respect to this revision must comply with applicable regulatory filing requirements.

For guidance on submission requirements, consult the ISO State Filing Handbook.

WE WILL SUBMIT OUR REFERENCE FILING TO THE INSURANCE DEPARTMENT ON:

JULY 6, 2023 (ALABAMA)	JULY 21, 2023 (NORTH DAKOTA)
JUNE 29, 2023 (ARIZONA)	JUNE 29, 2023 (NEW HAMPSHIRE)
JUNE 29, 2023 (CONNECTICUT)	JULY 21, 2023 (WISCONSIN)
JUNE 29, 2023 (MARYLAND)	

ANY SUBMISSION YOU MAY MAKE WITH THE INSURANCE DEPARTMENT WITH RESPECT TO THIS FILING SHOULD NOT BE SUBMITTED PRIOR TO THIS DATE.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Number CF-2022-REQLC, NOT this circular number.

In addition:

- Please see below for SERFF Tracking Numbers by state:

<b>Alabama</b> , ISOF- 133339646	<b>North Dakota</b> , ISOF-133339687
<b>Arizona</b> , ISOF-133339647	<b>New Hampshire</b> , ISOF-133339683
<b>Connecticut</b> ISOF-133339651	<b>Wisconsin</b> , ISOF-133339717
<b>Maryland</b> , ISOF-133339677	

CAUTION: This reference filing revises only certain advisory prospective loss costs for Commercial Property in this state. In determining whether or not to revise your rates, you should consider the application of your loss cost adjustments to any loss costs not included in this revision.



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## **SUMMARY OF COMPANY ACTION REQUIREMENTS**

### **LOSS COSTS filing: CF-2022-REQLC (Cont'd)**

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<b>Arkansas</b>	You must independently determine the final rates you will use and the effective date of any rate change. If you decide to use our prospective loss costs to revise your rates, you are NOT required to file anything with the Insurance Department.
<b>Illinois</b>	
<b>Minnesota</b>	
<b>Nevada</b>	You must document your files in case the Insurance Department wishes to review the information at a later date. In all correspondence on this revision, you should refer to ISO Filing Number <u>CF-2022-REQLC</u> , NOT this circular number.
<b>Wyoming</b>	

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**Status of 2022 Commercial Property Earthquake Multistate  
Rules and Loss Costs Filings CF-2022-REQRU/CF-2022-REQLC**

STATE	EFFECTIVE OR DISTRIBUTION DATE	STATE-SPECIFIC SUPPLEMENT/FILED CIRCULARS		IMPLEMENTATION CIRCULAR
		RULES	LOSS COSTS	
ALABAMA	8/1/2023	<a href="#">LI-CF-2022-076</a>	<a href="#">LI-CF-2022-077</a>	<a href="#">LI-CF-2022-143</a>
ALASKA				
ARIZONA	8/1/2023	<a href="#">LI-CF-2022-086</a>	<a href="#">LI-CF-2022-087</a>	<a href="#">LI-CF-2022-143</a>
ARKANSAS	8/2023	<a href="#">LI-CF-2022-119</a>	<a href="#">LI-CF-2022-120</a>	<a href="#">LI-CF-2022-143</a>
CALIFORNIA				
COLORADO	8/1/2023	<a href="#">LI-CF-2022-121</a>	<a href="#">LI-CF-2022-122</a>	<a href="#">LI-CF-2022-143</a>
CONNECTICUT	8/1/2023	<a href="#">LI-CF-2022-088</a>	<a href="#">LI-CF-2022-089</a>	<a href="#">LI-CF-2022-143</a>
DELAWARE				
DIST. OF COLUMBIA		<a href="#">LI-CF-2022-090</a>	<a href="#">LI-CF-2022-091</a>	
FLORIDA				
GEORGIA				
GUAM (B)				
HAWAII				
IDAHO				
ILLINOIS	8/2023	<a href="#">LI-CF-2022-123</a>	<a href="#">LI-CF-2022-124</a>	<a href="#">LI-CF-2022-143</a>
INDIANA	8/1/2023	<a href="#">LI-CF-2022-126</a>	<a href="#">LI-CF-2022-127</a>	<a href="#">LI-CF-2022-143</a>
IOWA		<a href="#">LI-CF-2022-078</a>	<a href="#">LI-CF-2022-079</a>	
KANSAS				
KENTUCKY				
LOUISIANA				
MAINE	8/1/2023	<a href="#">LI-CF-2022-082</a>	<a href="#">LI-CF-2022-083</a>	<a href="#">LI-CF-2022-143</a>
MARYLAND	8/1/2023	<a href="#">LI-CF-2022-080</a>	<a href="#">LI-CF-2022-081</a>	<a href="#">LI-CF-2022-143</a>
MASSACHUSETTS				
MICHIGAN	8/1/2023	<a href="#">LI-CF-2022-084</a>	<a href="#">LI-CF-2022-085</a>	<a href="#">LI-CF-2022-143</a>
MINNESOTA	8/2023	<a href="#">LI-CF-2022-092</a>	<a href="#">LI-CF-2022-093</a>	<a href="#">LI-CF-2022-143</a>
MISSISSIPPI				
MISSOURI		<a href="#">LI-CF-2022-137</a>	<a href="#">LI-CF-2022-138</a>	
MONTANA				
NEBRASKA	8/1/2023	<a href="#">LI-CF-2022-098</a>	<a href="#">LI-CF-2022-099</a>	<a href="#">LI-CF-2022-143</a>
NEVADA	8/2023	<a href="#">LI-CF-2022-139</a>	<a href="#">LI-CF-2022-140</a>	<a href="#">LI-CF-2022-143</a>
NEW HAMPSHIRE	8/1/2023	<a href="#">LI-CF-2022-100</a>	<a href="#">LI-CF-2022-101</a>	<a href="#">LI-CF-2022-143</a>
NEW JERSEY		<a href="#">LI-CF-2022-102</a>	<a href="#">LI-CF-2022-103</a>	
NEW MEXICO				
NEW YORK				
NORTH CAROLINA	8/1/2023	<a href="#">LI-CF-2022-094</a>	<a href="#">LI-CF-2022-095</a>	<a href="#">LI-CF-2022-143</a>
NORTH DAKOTA	8/1/2023	<a href="#">LI-CF-2022-096</a>	<a href="#">LI-CF-2022-097</a>	<a href="#">LI-CF-2022-143</a>
OHIO	8/1/2023	<a href="#">LI-CF-2022-104</a>	<a href="#">LI-CF-2022-105</a>	<a href="#">LI-CF-2022-143</a>
OKLAHOMA	8/1/2023	<a href="#">LI-CF-2022-106</a>	<a href="#">LI-CF-2022-107</a>	<a href="#">LI-CF-2022-143</a>
OREGON	8/1/2023	<a href="#">LI-CF-2022-128</a>	<a href="#">LI-CF-2022-129</a>	<a href="#">LI-CF-2022-143</a>
PENNSYLVANIA	8/1/2023	<a href="#">LI-CF-2022-108</a>	<a href="#">LI-CF-2022-109</a>	<a href="#">LI-CF-2022-143</a>
PUERTO RICO (B)				
RHODE ISLAND	8/1/2023	<a href="#">LI-CF-2022-110</a>	<a href="#">LI-CF-2022-111</a>	<a href="#">LI-CF-2022-143</a>
SOUTH CAROLINA				
SOUTH DAKOTA				
TENNESSEE	8/1/2023	<a href="#">LI-CF-2022-130</a>	<a href="#">LI-CF-2022-131</a>	<a href="#">LI-CF-2022-143</a>
TEXAS				
U.S. VIRGIN ISLANDS (B)				
UTAH		<a href="#">LI-CF-2022-132</a>	<a href="#">LI-CF-2022-133</a>	
VERMONT				
VIRGINIA	8/1/2023	<a href="#">LI-CF-2022-112</a>	<a href="#">LI-CF-2022-113</a>	<a href="#">LI-CF-2022-143</a>
WASHINGTON				
WEST VIRGINIA	8/1/2023	<a href="#">LI-CF-2022-116</a>	<a href="#">LI-CF-2022-117</a>	<a href="#">LI-CF-2022-143</a>
WISCONSIN	8/1/2023	<a href="#">LI-CF-2022-114</a>	<a href="#">LI-CF-2022-115</a>	<a href="#">LI-CF-2022-143</a>
WYOMING	8/2023	<a href="#">LI-CF-2022-134</a>	<a href="#">LI-CF-2022-135</a>	<a href="#">LI-CF-2022-143</a>

**Bold Indicates Changes.**

(B) Not Applicable