

LOSS COSTS/RULES – IMPLEMENTATION

FEBRUARY 24, 2023

COMMERCIAL PROPERTY

LI-CF-2023-023

COMMERCIAL PROPERTY MULTISTATE EARTHQUAKE RULES AND LOSS COSTS REVISION TO BE IMPLEMENTED IN NEW JERSEY

KEY MESSAGE

We are implementing multistate and state-specific earthquake rules and loss costs revisions in New Jersey.

Effective Date: 08/01/2023

Filing IDs: [CF-2022-REQRU](#) (Rules) & [CF-2022-REQLC](#) (Loss Costs)

BACKGROUND

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

In subsequent circulars, which are listed in the attached status report, 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 New Jersey Department of Banking & Insurance.

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

EFFECTIVE DATE

CF-2022-REQRU

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.

CF-2022-REQLC

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.

COMPANY ACTION

CF-2022-REQRU

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 New Jersey Department of Banking & Insurance on this revision, you should refer to ISO Filing Number CF-2022-REQRU, the New Jersey Dept. File Number 22-1217 and SERFF Tracking Number ISOF-133339608, 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.

CF-2022-REQLC

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 New Jersey Department of Banking & Insurance on this revision, you should refer to ISO Filing Number CF-2022-REQLC, the New Jersey Dept. File Number 22-1216 and SERFF Tracking Number ISOF-133339684, 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.

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.

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.

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). 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.

For more information on the status of filings in a particular state, including filed and approved documents, associated circulars and links to Print Ready Manuals and Commercial Lines Manual, please feel free to access our [Filings](#) feature within the ISOnet Circulars product.

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.

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

[ATTACHMENT\(S\)](#)

Status Report

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CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular and status of this filing, please contact:
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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	LI-CF-2022-076	LI-CF-2022-077	LI-CF-2022-143
ALASKA				
ARIZONA	8/1/2023	LI-CF-2022-086	LI-CF-2022-087	LI-CF-2022-143
ARKANSAS	8/2023	LI-CF-2022-119	LI-CF-2022-120	LI-CF-2022-143
CALIFORNIA				
COLORADO	8/1/2023	LI-CF-2022-121	LI-CF-2022-122	LI-CF-2022-143
CONNECTICUT	8/1/2023	LI-CF-2022-088	LI-CF-2022-089	LI-CF-2022-143
DELAWARE				
DIST. OF COLUMBIA	8/1/2023	LI-CF-2022-090	LI-CF-2022-091	LI-CF-2023-013
FLORIDA				
GEORGIA				
GUAM (B)				
HAWAII				
IDAHO				
ILLINOIS	8/2023	LI-CF-2022-123	LI-CF-2022-124	LI-CF-2022-143
INDIANA	8/1/2023	LI-CF-2022-126	LI-CF-2022-127	LI-CF-2022-143
IOWA	8/1/2023	LI-CF-2022-078	LI-CF-2022-079	LI-CF-2022-159
KANSAS				
KENTUCKY				
LOUISIANA				
MAINE	8/1/2023	LI-CF-2022-082	LI-CF-2022-083	LI-CF-2022-143
MARYLAND	8/1/2023	LI-CF-2022-080	LI-CF-2022-081	LI-CF-2022-143
MASSACHUSETTS				
MICHIGAN	8/1/2023	LI-CF-2022-084	LI-CF-2022-085	LI-CF-2022-143
MINNESOTA	8/2023	LI-CF-2022-092	LI-CF-2022-093	LI-CF-2022-143
MISSISSIPPI				
MISSOURI	8/1/2023	LI-CF-2022-137	LI-CF-2022-138	LI-CF-2023-013
MONTANA				
NEBRASKA	8/1/2023	LI-CF-2022-098	LI-CF-2022-099	LI-CF-2022-143
NEVADA	8/2023	LI-CF-2022-139	LI-CF-2022-140	LI-CF-2022-143
NEW HAMPSHIRE	8/1/2023	LI-CF-2022-100	LI-CF-2022-101	LI-CF-2022-143
NEW JERSEY	8/1/2023	LI-CF-2022-102	LI-CF-2022-103	LI-CF-2023-023
NEW MEXICO	8/1/2023	LI-CF-2022-145 (A)	LI-CF-2022-146 (A)	
NEW YORK				
NORTH CAROLINA	8/1/2023	LI-CF-2022-094	LI-CF-2022-095	LI-CF-2022-143
NORTH DAKOTA	8/1/2023	LI-CF-2022-096	LI-CF-2022-097	LI-CF-2022-143
OHIO	8/1/2023	LI-CF-2022-104	LI-CF-2022-105	LI-CF-2022-143
OKLAHOMA	8/1/2023	LI-CF-2022-106	LI-CF-2022-107	LI-CF-2022-143
OREGON	8/1/2023	LI-CF-2022-128	LI-CF-2022-129	LI-CF-2022-143
PENNSYLVANIA	8/1/2023	LI-CF-2022-108	LI-CF-2022-109	LI-CF-2022-143
PUERTO RICO (B)				
RHODE ISLAND	8/1/2023	LI-CF-2022-110	LI-CF-2022-111	LI-CF-2022-143
SOUTH CAROLINA				
SOUTH DAKOTA				
TENNESSEE	8/1/2023	LI-CF-2022-130	LI-CF-2022-131	LI-CF-2022-143
TEXAS				
U.S. VIRGIN ISLANDS (B)				
UTAH	8/1/2023	LI-CF-2022-132	LI-CF-2022-133	LI-CF-2022-155
VERMONT				
VIRGINIA	8/1/2023	LI-CF-2022-112	LI-CF-2022-113	LI-CF-2022-143
WASHINGTON				
WEST VIRGINIA	8/1/2023	LI-CF-2022-116	LI-CF-2022-117	LI-CF-2022-143
WISCONSIN	8/1/2023	LI-CF-2022-114	LI-CF-2022-115	LI-CF-2022-143
WYOMING	8/2023	LI-CF-2022-134	LI-CF-2022-135	LI-CF-2022-143

Bold Indicates Changes.

(A) Filed and Implementation

(B) Not Applicable