

LOSS COSTS/RULES – IMPLEMENTATION

JUNE 12, 2023

COMMERCIAL PROPERTY

LI-CF-2023-068

## COMMERCIAL PROPERTY MULTISTATE EARTHQUAKE RULES AND LOSS COSTS REVISION TO BE IMPLEMENTED IN SOUTH DAKOTA

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### KEY MESSAGE

We are implementing multistate and state-specific earthquake rules and loss costs revisions in South Dakota.

**Effective Date:** 06/01/2024

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

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### 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.

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### INSURANCE DEPARTMENT ACTION

We have received all necessary approvals or acknowledgements, as required by state laws and regulations, from the South Dakota Division of 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.

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### 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 June 1, 2024.

#### **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 June 1, 2024.

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.

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**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 South Dakota Division of Insurance.
- 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 South Dakota Division of Insurance.

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

WE WILL SUBMIT THIS REVISION TO THE SOUTH DAKOTA DIVISION OF INSURANCE ON APRIL 16, 2024. 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 South Dakota Division of Insurance on this revision, you should refer to ISO Filing Number CF-2022-REQRU and SERFF Tracking Number ISOF-133688519, 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.

WE WILL SUBMIT THIS REVISION TO THE SOUTH DAKOTA DIVISION OF INSURANCE ON APRIL 16, 2024. 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 South Dakota Division of Insurance on this revision, you should refer to ISO Filing Number CF-2022-REQLC and SERFF Tracking Number ISOF-133688570, 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.

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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.

*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.*

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## **REVISION DISTRIBUTION**

We will issue a Notice to Manualholders with an edition date of 6-24 (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)**

Status Report

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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 and status of this filing, please contact:

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- Other issues for this circular, please contact Customer Support:

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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>
<b>DELAWARE</b>		<a href="#">LI-CF-2023-059</a>	<a href="#">LI-CF-2023-060</a>	
DIST. OF COLUMBIA	8/1/2023	<a href="#">LI-CF-2022-090</a>	<a href="#">LI-CF-2022-091</a>	<a href="#">LI-CF-2023-013</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	8/1/2023	<a href="#">LI-CF-2022-078</a>	<a href="#">LI-CF-2022-079</a>	<a href="#">LI-CF-2022-159</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	8/1/2023	<a href="#">LI-CF-2022-137</a>	<a href="#">LI-CF-2022-138</a>	<a href="#">LI-CF-2023-013</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	8/1/2023	<a href="#">LI-CF-2022-102</a>	<a href="#">LI-CF-2022-103</a>	<a href="#">LI-CF-2023-023</a>
NEW MEXICO	8/1/2023	<a href="#">LI-CF-2022-145</a>	<a href="#">LI-CF-2022-146</a>	
NEW YORK		(A)	(A)	
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				
<b>SOUTH DAKOTA</b>	<b>6/1/2024</b>	<a href="#">LI-CF-2023-061</a>	<a href="#">LI-CF-2023-062</a>	<a href="#">LI-CF-2023-068</a>
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	8/1/2023	<a href="#">LI-CF-2022-132</a>	<a href="#">LI-CF-2022-133</a>	<a href="#">LI-CF-2022-155</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.**

(A) Filed and Implementation circular

(B) Not Applicable