

LOSS COSTS/RULES/FORMS – IMPLEMENTATION

AUGUST 17, 2023

COMMERCIAL PROPERTY

LI-CF-2023-103

2021 COMMERCIAL PROPERTY MULTISTATE OPTIONAL ENDORSEMENT, MANUAL RULES AND LOSS COSTS MAPPINGS ADDRESSING CANNABIS TO BE IMPLEMENTED IN VERMONT

KEY MESSAGE

We are implementing a new optional multistate endorsement, manual rules and loss costs mappings as part of the Commercial Property program in Vermont.

Effective Date: 12/1/2023

Filing IDs: [CF-2021-OCCFR](#) (Forms), [CF-2021-RCCRU](#) (Rules) and [CF-2021-RCCLC](#) (Loss Costs)

BACKGROUND

In circular:

- [LI-CF-2021-053](#), we announced the filing of multistate forms filing CF-2021-OCCFR, which introduces an optional multistate endorsement addressing cannabis coverage for Commercial Property.
- [LI-CF-2021-054](#), we announced the filing of multistate rules filing CF-2021-RCCRU, which revises multistate rules for the Commercial Property program to reference a new endorsement and introduce new classifications specifically tailored for commercial entities that operate in whole or in part in the cannabis industry.
- [LI-CF-2021-055](#), we announced the filing of multistate loss costs filing CF-2021-RCCLC, which announced the submission of a Commercial Property multistate loss costs filing to address cannabis.
- [LI-CF-2021-074](#), we provided you with the final copy of the multistate endorsement included in forms filing CF-2021-OCCFR.

INSURANCE DEPARTMENT ACTION

We have received all necessary approvals or acknowledgements as required by state laws and regulations from the insurance department in Vermont.

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

Forms:

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

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

Rules:

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

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

Loss Costs:

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

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

For loss costs, this effective date applies only to those insurers who have filed their Commercial Fire and Allied Lines loss cost adjustments to be automatically applicable to future ISO loss cost revisions.

COMPANY ACTION

Forms:

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-2021-OCCFR and SERFF Tracking Number ISOF-133709236, 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.

Rules:

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 OCTOBER 31, 2023. 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-2021-RCCRU and SERFF Tracking Number ISOF-133709217, 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.

Loss Costs:

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 OCTOBER 31, 2023. 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-2021-RCCLC](#) and SERFF Tracking Number [ISOF-133709237](#), NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for Commercial Fire and Allied Lines 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**Forms:**

Refer to circular [LI-CF-2021-053](#) for the impact of multistate filing CF-2021-OCCFR.

Rules:

Refer to circular [LI-CF-2021-054](#) for the impact of multistate filing CF-2021-RCCRU.

Loss Costs:

Refer to circular [LI-CF-2021-055](#) for the impact of multistate filing CF-2021-RCCLC.

IMPACT ON STATISTICAL REPORTING

For the purpose of reporting your company Loss Cost Multiplier under the CSP, the multiplier must be based on the relationship between your gross rates and the ISO advisory prospective loss costs contained in referenced circular [SP-CF-2021-002](#).

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-2023-005](#) 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.

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

Forms:

We will issue a Notice to Portfolioholders with an edition date of 12-23 (or the earliest possible subsequent date), along with any new and/or revised forms.

Rules/Loss Costs:

We will issue a Notice to Manualholders with an edition date of 12-23 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

- [LI-CL-2023-005](#) (02/21/2023) Commercial Lines Revised Lead Time Requirements Listing
 - [LI-CF-2021-074](#) (12/10/2021) Commercial Property Multistate Cannabis Coverage Endorsement (Edition 10 21) Available
 - [SP-CF-2021-002](#) (11/10/2021) Commercial Fire And Allied Lines Cannabis Coding Introduced
 - [LI-CF-2021-055](#) (11/04/2021) 2021 Commercial Property Multistate Loss Costs Mappings Addressing Cannabis Is Being Submitted
 - [LI-CF-2021-054](#) (11/04/2021) 2021 Commercial Property Multistate Rules And Related Classification Revision Addressing Cannabis Coverage Is Being Submitted
 - [LI-CF-2021-053](#) (11/04/2021) 2021 Commercial Property Multistate Optional Endorsement Addressing Cannabis Coverage Is Being Submitted
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ATTACHMENT(S)

Status Report

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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.

DATA QUALITY

Statistical plan data reported to ISO is first processed through a system of rigorous automated data verification procedures so that only valid data would be used for ratemaking. Subsequent to this initial data submission review, additional analyses on the statistical plan data involving an even more customized data review for this line were performed by staff. During these processes, various data records were excluded from the review. The ISO staff responsible for this circular also reviewed the data for reasonableness.

ACKNOWLEDGMENT OF ACTUARIAL QUALIFICATIONS

The American Academy of Actuaries' "Qualifications Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" requires that an actuary issuing a Statement of Actuarial Opinion should include an acknowledgment with the opinion that he/she has met the qualification standards of the AAA. ISO considers this loss cost [filing/document] a Statement of Actuarial Opinion; therefore we are including the following acknowledgment:

I, Eliezer Blum, am an Actuarial Consultant and Actuary for ISO. I am responsible for the content of this Statement of Actuarial Opinion. I am a member of the Casualty Actuarial Society and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

CONTACT INFORMATION

If you have any questions concerning:

- The forms and rules content of this circular, please contact:
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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.

Status of Commercial Property Multistate Filings Forms (CF-2021-OCCFR), Rules (CF-2021-RCCRU) and Loss Costs (CF-2021-RCCLC)

STATE	EFFECTIVE OR DISTRIBUTION DATE	STATE-SPECIFIC FILING/SUPPLEMENT/AMENDMENT CIRCULAR			IMPLEMENTATION CIRCULAR
		FORMS	RULES	LOSS COSTS	
ALABAMA	10/1/2022	**	**	**	LI-CF-2021-073
ALASKA	6/1/2023	LI-CF-2023-015	LI-CF-2022-164 / LI-CF-2023-016	**	LI-CF-2023-018
ARIZONA	10/1/2022	**	**	**	LI-CF-2021-073
ARKANSAS	10/1/2022	**	**	**	LI-CF-2021-073
CALIFORNIA	7/1/2023	**	LI-CF-2022-165	**	LI-CF-2023-040
COLORADO	10/1/2022	**	**	**	LI-CF-2021-073
CONNECTICUT	10/1/2022	**	**	**	LI-CF-2022-021
DELAWARE	3/1/2023	**	**	**	LI-CF-2022-136
DIST. OF COLUMBIA	10/1/2022	**	**	**	LI-CF-2022-023
FLORIDA					
GEORGIA					
GUAM*	10/1/2022	**		**	LI-CF-2021-073
HAWAII	BUREAU				
IDAHO	BUREAU				
ILLINOIS	10/1/2022	**	**	**	LI-CF-2021-073
INDIANA	10/1/2022	**	**	**	LI-CF-2021-073
IOWA	10/1/2022	**	**	**	LI-CF-2022-028
KANSAS					
KENTUCKY					
LOUISIANA	BUREAU				
MAINE	10/1/2022	**	**	**	LI-CF-2021-073
MARYLAND	10/1/2022	**	**	**	LI-CF-2021-073
MASSACHUSETTS	6/1/2023	**	LI-CF-2022-166	**	LI-CF-2023-018
MICHIGAN	10/1/2022	**	**	**	LI-CF-2021-073
MINNESOTA	10/1/2022	**	**	**	LI-CF-2021-073
MISSISSIPPI	BUREAU				
MISSOURI	10/1/2022	**	**	**	LI-CF-2021-073
MONTANA	6/1/2023		LI-CF-2022-167	**	LI-CF-2023-031
NEBRASKA	10/1/2022	**	**	**	LI-CF-2021-073
NEVADA	10/1/2022	**	**	**	LI-CF-2021-073
NEW HAMPSHIRE	10/1/2022	**	**	**	LI-CF-2021-073
NEW JERSEY	10/1/2022	**	**	**	LI-CF-2022-021
NEW MEXICO	10/1/2022	**	**	**	LI-CF-2021-073
NEW YORK					
NORTH CAROLINA	10/1/2022	**	**	**	LI-CF-2021-073
NORTH DAKOTA	10/1/2022	**	**	**	LI-CF-2021-073
OHIO	10/1/2022	**	**	**	LI-CF-2021-073
OKLAHOMA	10/1/2022	**	**	**	LI-CF-2021-073
OREGON	10/1/2022	**	**	**	LI-CF-2021-073
PENNSYLVANIA	10/1/2022	**	**	**	LI-CF-2021-073
PUERTO RICO		LI-CF-2023-064	LI-CF-2023-065	LI-CF-2023-066	
RHODE ISLAND	10/1/2022	**	**	**	LI-CF-2021-073
SOUTH CAROLINA	6/1/2023	**	LI-CF-2022-168	**	LI-CF-2023-011 / LI-CF-2023-014
SOUTH DAKOTA	1/1/2023	**	**	**	LI-CF-2022-073
TENNESSEE	10/1/2022	**	**	**	LI-CF-2021-073
TEXAS	6/1/2023	**	LI-CF-2022-169	**	LI-CF-2023-033
U.S. VIRGIN ISLANDS*					
UTAH	10/1/2022	**	**	**	LI-CF-2021-073
VERMONT	12/1/2023	LI-CF-2023-087	LI-CF-2023-088	**	LI-CF-2023-103
VIRGINIA	10/1/2022	**	**	**	LI-CF-2021-073
WASHINGTON	BUREAU				
WEST VIRGINIA	10/1/2022	**	**	**	LI-CF-2021-073
WISCONSIN	10/1/2022	**	**	**	LI-CF-2021-073
WYOMING	10/1/2022	**	**	**	LI-CF-2021-073

BOLD INDICATES CHANGES.

* ISO has no jurisdiction for rules/loss costs.

** There is no state supplement.

MULTISTATE FILED CIRCULAR		
FORMS	RULES	LOSS COSTS
LI-CF-2021-053	LI-CF-2021-054	LI-CF-2021-055