

LOSS COSTS – IMPLEMENTATION

SEPTEMBER 30, 2024

COMMERCIAL PROPERTY

LI-CF-2024-132

## RHODE ISLAND COMMERCIAL FIRE AND ALLIED LINES ADVISORY PROSPECTIVE LOSS COST REVISION TO BE IMPLEMENTED

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### KEY MESSAGE

Revised advisory prospective loss costs reflecting a statewide loss cost level change of **+1.2%** have been acknowledged.

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### BACKGROUND

In circular [LI-CF-2024-103](#), we advised you that we submitted filing [CF-2024-RLA1](#) to the Insurance Department.

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### INSURANCE DEPARTMENT ACTION

The Insurance Department has acknowledged this revision as filed.

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### EFFECTIVE DATE

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

These changes are applicable to all policies written on or after February 1, 2025.

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.

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### IMPACT ON THE STATISTICAL REPORTING OF LOSS COST MULTIPLIER

For the purpose of reporting your company Loss Cost Multiplier under the CSP, as of February 1, 2025, the multiplier must be based on the relationship between your gross rates and the ISO advisory prospective loss costs contained in referenced circular [LI-CF-2024-103](#).

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### COMPANY ACTION

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-2024-RLA1](#) and SERFF Tracking Number [ISOF-G134209701](#), 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

No new attributes are being introduced with this revision.

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## 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-2024-016](#) 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.

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## REVISION DISTRIBUTION INFORMATION

- **Manual And ISO Suite**

We will issue a Notice to Manualholders with an edition date of 2-25 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

- **ProMetrix**

Revised loss costs for specifically rated and class-rated properties contained in ProMetrix will be displayed as "Pending" beginning on November 4, 2024. On February 1, 2025, these loss costs will move to "Current" status. The previous "Current" becomes the most recent "Prior" and joins all previously displayed "Priors". With each subsequent loss cost revision, we will make an additional "Prior" available.

- **Toll-free Telephone Service**

Revised loss costs for specifically rated and class-rated properties will be available by calling toll-free 1-800-444-4554 and requesting "Pending" from November 4, 2024 to February 1, 2025. On February 1, 2025, these loss costs will move to "Current" status. The previous "Current" becomes the most recent "Prior" and joins all previously displayed "Priors".

**NOTE:** Specific property information is provided for Basic Group I and Basic Group II in this state. However, the eligibility criteria for Basic Group I and Basic Group II are independent and, therefore, an individual property may be eligible for Basic Group I and/or Basic Group II specific rating.

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## RELATED RULES REVISION

We are announcing in separate circulars the implementation of corresponding rules revisions. Please refer to the Reference(s) block for identification of those circulars.

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## REFERENCE(S)

- [LI-CF-2024-131](#) (09/30/2024) Rhode Island Revision And Expansion Of Deductible Insurance Plan – Rule 81. And Windstorm Or Hail Percentage Deductible – Rule 82. To Be Implemented
- [LI-CF-2024-103](#) (08/23/2024) Rhode Island Commercial Fire And Allied Lines Advisory Prospective Loss Cost Revision Filed
- [LI-CL-2024-016](#) (03/12/2024) Commercial Lines Revised Lead Time Requirements Listing

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