



March 08, 2016

## **COMMERICAL PROPERTY PROGRAM REVISED IN NY MAKING SPECIFIC RATING OPTIONAL**

- BACKGROUND** MSO® has revised the Commercial Property Program making specific rating optional and providing alternative rating methods.
- MSO ACTION** MSO filed the revised program in DE, MD, NJ, NY, PA and VA. The DE, NJ, NY and PA Departments of Insurance have approved the changes.
- CHANGES**
- A company now has a choice of using either specific rates or class rates.
- If a Company chooses not to use specific rating, class rates (formerly referred to as transitional rates) may be used. MSO has developed a set of supplemental credits/debits for several of the usual risk characteristics that can be applied to the class rates based on known conditions of the property.
- MSO also changed the terminology of “perpetual rates” to “incidental property rates” for clarity purposes.
- There are no rate level changes being made with this revision.
- MANUAL REVISIONS**
- The following pages were revised in the Commercial Property Manual: CS18, CS19, CS27, GENERAL INDEX 3-5, CP 1, 7, 8, 9, 12, 13, 22, 23, 24, 25, 26, 27, 42, 53, 54, and 62.
- The following terms were changed throughout the state pages:  
“Transitional Rates” was changed to “Class Rates” and  
“Perpetual Rates” was changed to “Incidental Property Rates”.
- In addition to these changes, MSO created a new Commercial Property Manual Supplement, CRS 001, making available several supplemental credits/debits that can be applicable with verified documentation for risks that are not inspected.
- COMPANY ACTION** A Company can still choose to request an inspection of the premises. MSO will then promulgate the specific rates after the inspection of the premises.

**EFFECTIVE DATE**            April 1, 2016

**DISTRIBUTION**            The revised manual for New York will be added to the CD-ROM. Affiliated companies will be able to access this through our website: <http://www.msonet.com>.

**QUESTIONS**            Contact Trish Riggio, at (800) 935-6900.