

# May 2018 Rates and Rule Changes

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**February 27, 2018**

The Florida Office of Insurance Regulation (OIR) has approved changes to annual rates, rules and underwriting manuals. The changes apply to new and renewal policies with effective dates on or after May 1, 2018. The major changes are outlined below.

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## Rule and Rate Changes

Rates are impacted by policy type and are subject to a 10 percent cap, excluding coverage changes, A-rated risks, required surcharges and assessments and a required rapid cash-build-up provision for the Florida Hurricane Catastrophe Fund (FHCF), if applicable. Rating worksheets have been updated as needed.

For Commercial Residential Multiperil (CR-M) policies

- Group I and Group II rating factors have been amended for Buildings, Business Personal Property and Special Class items.

For Commercial Nonresidential Multiperil (CNR-M) policies

- Group I and Group II rating factors have been amended for Buildings and Business Personal Property.
- The Construction Definitions and Construction Symbol Table under Rule 113 in the *Underwriting Rates and Rating Rules* manual have been amended to introduce the wood roof Group II rating exception to classify buildings with wood roof assemblies as Ordinary for Group II rating purposes.
- The roof construction enhancement rule also was amended to clarify the Underwriters Laboratories (UL) Class 90 requirements and required documents.

For Commercial Residential Wind-Only (CR-W) policies, rating factors have been amended for Buildings and Business Personal Property coverage for condominium, auxiliary buildings, Special Class items and noncondominium (apartments, co-ops, homeowners associations, etc.) risks.

For Commercial Nonresidential Wind-Only (CNR-W) policies, rating factors have been amended for Buildings, Business Personal Property coverage (CC-D through CC-H Tables) and Special Class items.

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## FHCF Build-up Factors

The FHCF build-up factors have changed, as shown in the chart below:

Line of Business	2017 FHCF Build-up Factor	Occupancy	2018 FHCF Build-up Factor
CR-M (wind coverage included)	0.120	<ul style="list-style-type: none"> <li>• Apartment</li> <li>• Continuing-care retirement community (CCRC)</li> <li>• Fraternity</li> <li>• Sorority</li> <li>• Convent</li> <li>• Monastery</li> <li>• Homeowners association</li> </ul>	0.114
	0.121	<ul style="list-style-type: none"> <li>• Condominium association</li> </ul>	0.124
CR-W	0.0880	<ul style="list-style-type: none"> <li>• Apartment</li> <li>• CCRC</li> <li>• Fraternity</li> <li>• Sorority</li> <li>• Convent</li> <li>• Monastery</li> <li>• Homeowners association</li> </ul>	0.0860
	0.1030	<ul style="list-style-type: none"> <li>• Condominium association</li> </ul>	0.1070

Note: A-rated risks are unchanged.

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## Website Updates

Log in to the *Agents* site, select **Commercial** and select a line of business on the left for updated rating worksheets, rates and rating rules manuals, *Rate Changes by Territory* charts and policy forms.

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