

# MASSACHUSETTS PROPERTY INSURANCE UNDERWRITING ASSOCIATION

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Underwriting Division  
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November 27, 2000

TO: All Massachusetts Producers

## COMMERCIAL BASIC GROUP I AND GROUP II RATE REVISION EFFECTIVE DECEMBER 31, 2000

The Massachusetts Property Insurance Underwriting Association (MPIUA) has filed and the Division of Insurance has approved a revision to the Basic Group I and Group II rates to be effective for all new and renewal policies with an inception date of December 31, 2000 or later.

Revised Loss Cost Multipliers (LCM) are as follows:

	Boston	Rest of the State
LCM applicable to Basic Gr I Loss Costs	4.293	3.899
LCM applicable to Basic Gr II Loss Costs	2.734	2.734

For class rated risks, the above LCMs are to be used in conjunction with Basic Group I and Basic Group II loss costs contained in ISO's Commercial Lines Manual Notice CF-MA-2000-LC-002.

For specifically rated risks, the above LCMs are to be used in conjunction with Basic Group I and Group II loss costs contained in ISO's microfiche publication of April 5, 2000.

Concurrent with this rate revision, MPIUA will also adopt ISO's rule revisions contained in Notice CF-MA-2000-RU-001 and CF-MA-2000-RU-002. These revisions introduce Basic Group II rating territories by zip codes.

To assist you with these changes the following attachments are provided:

- I. Commercial Property Premium Computation Worksheet  
The worksheet provides step by step application of rating factors. Also shown on the worksheet are tentative rates that may be used for all immediate coverage submissions. The Association following an acceptable inspection will determine the final rates and issue an appropriate endorsement.
- II. Rating Examples
- III. MPIUA manual page CF-CWR-1. This page displays minimum premiums.

Following review of this material, should you have any questions, please consult the text of ISO's Commercial Lines Manual – Division Five - Fire and Allied Lines (Multistate and Massachusetts Rules and Loss Costs) distributed by the insurance Services Office or contact our Consumer Services or Underwriting Departments.

Very truly yours,

James H. Pappas  
Vice President/Underwriting

JHP:ed

Enclosures