

COMMERCIAL PROPERTY RATING

Rule 85.

Use this powerful tool to determine if a commercial building is eligible for class rating or if it must be specifically rated.

Located in Division 5 of the Commercial Lines Manual (CLM), Rule 85 also provides Basic Group I (BGI) loss costs for properties that are eligible for class rating.

Class Rating - Most businesses can be rated on a class basis.

- Similar businesses have similar exposure to loss and similar probabilities of sustaining damage.
- Exposures and probabilities are statistically analyzed and loss costs are produced that reflect the chance of loss for a typical business in each class (CSP codes).
- Class loss costs contemplate average conditions of occupancy and maintenance and typical construction.

Specific Rating - For risks that are not eligible for class rating.

- If a risk is not eligible for class rating, it must be physically inspected and a specific Basic Group I loss cost developed.
- Usually larger businesses or those involving more hazardous operations are specifically rated.