

STATE FARM FIRE AND CASUALTY COMPANY  
Commercial Multi-Peril Program  
Mississippi  
Filing Memorandum  
Effective Dates: 10/01/2020 New Business  
12/01/2020 Renewal Business

Our Commercial Multi-Peril (CMP) line of business consists of several risk types, including Business, Contractors, Apartment, Residential Condominium, and Religious Organization. The Business Risk Types consist of the Builders' Risk (BR), Institutional (IN), Industrial & Processing (IP), Professional Office & Banks (OF), Retail, Wholesale, & Service (R1), and Business Other (R2) Risk Types.

**Liability Exposure Adjustment Factor**

This rule applies to all Business risk types and the Religious Organization risk type.

COVID-19 has resulted in changes in liability exposure levels, which has reduced reported claims for small business and religious organization policies. We expect an ongoing reduction in reported claims as customers continue to be subject to shelter in place orders and social distancing practices. We also expect, however, that reported claim frequency levels will be increasing as those orders are lifted and commercial activities return to pre-COVID-19 levels. We will continue monitoring frequency and loss experience as the economy recovers and economic activities resume and appropriately modify the adjustment to reflect changes in expected liability exposures.

As a result, we are introducing a Liability Exposure Adjustment Factor of 0.6 for Business and Religious Organization Risk Types. This adjustment

1. Reduces liability exposure amounts for all policies, except those currently at the minimum premium or already at a minimal exposure level.
2. Affects premiums for both new and renewal customers. For renewals, customers will see the adjustment upon their renewal date.
3. Only applies to the liability portion of the premium.

**Vacancy Coverage Adjustment Factor**

This rule applies to all CMP risk types.

COVID-19 has caused an increase in the number of buildings being left vacant for over 60 days. Policyholders can extend their policy limits coverage to a building that has been vacant for over 60 days by purchasing Vacancy coverage for an additional premium.

To accommodate policyholders who have ceased operations due to the pandemic and have left their buildings vacant, we are introducing an adjustment factor of 0.5 to apply to the Vacancy coverage premium. This adjustment

1. Reduces the premium charged for Vacancy coverage for all Risk Types.
2. Applies to both new and renewal customers. For renewals that currently have this coverage, customers will see the adjustment upon their renewal date.

We expect increasing numbers of policyholders will be able to return to their operations and buildings as shelter in place orders are lifted and social distancing practices need not be

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maintained. We will continue to monitor the situation and appropriately modify the adjustment in the future as commercial activities resume and return to pre-COVID-19 levels.

Please reference the attached manual pages for more information.