

Carroll Fisher, Chairman
Ash Gockel, Member
John Marshall, Member
Trace Morgan, Member

STATE BOARD FOR PROPERTY AND CASUALTY RATES
STATE OF OKLAHOMA

NOTICE OF REGULAR MEETING

The regularly scheduled meeting of the State Board for Property and Casualty Rates will be held at 9:30 a.m., Thursday, August 5, 2004 in the Commissioner's Conference Room of the Oklahoma Insurance Department, at 2401 Northwest 23rd Street, Suite 28, Oklahoma City, Oklahoma 73107.

A copy of this notice of meeting and agenda was posted at the main entrance of the Oklahoma Insurance Department at 2401 NW 23, Suite 28, Oklahoma City, OK on July 28, 2004 at 9:00 a.m. A copy of this agenda is available on the Oklahoma Insurance Department website at www.oid.state.ok.us. Copies of the agenda were delivered or mailed to the Members of the Board on July 28, 2004.

AGENDA

1. Call to Order
2. Reading and Approval of the Minutes for the July 15, 2004 meeting.
3. Discussion and Possible Action Regarding National Council on Compensation Insurance's Workers' Compensation Loss Cost Hearing Proposed Scheduling Order
4. Agenda Items (1 through 23) for Final Consideration and Action by the Board Are Continued Through Page 11.
5. New Business
Review, discussion and possible approval of any other new business, if any, which has arisen since the posting of the agenda, which could not have been reasonably foreseen prior to time of posting.
6. Adjournment

Filings before the Board for final consideration which include rates, rating plans, classifications, class rates, rating schedules and manuals.

INDEPENDENT - Filings by insurers either not members of a rating organization for the line of insurance involved; or filing on an independent basis filings made on their behalf by a Bureau.

1. AIU INSURANCE COMPANY

- AMERICAN HOME ASSURANCE COMPANY
- AMERICAN INTERNATIONAL PACIFIC INSURANCE COMPANY
- AMERICAN INTERNATIONAL SOUTH INSURANCE COMPANY
- BIRMINGHAM FIRE INSURANCE COMPANY OF PENNSYLVANIA
- COMMERCE & INDUSTRY INSURANCE COMPANY
- GRANITE STATE INSURANCE COMPANY
- ILLINOIS NATIONAL INSURANCE CO
- NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA
- NEW HAMPSHIRE INSURANCE COMPANY
- INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA, THE

Re: INDEPENDENT FILING - WORKERS' COMPENSATION

Companies are filing a revision to their Rules applicable to independent owner-operators in the Trucking Industry to specify how the premium will be determined for uninsured subcontractors.

Certification is not required.

Received: June 29, 2004 Filing: 2004-2435C

Motion made: APPROVED.

Motion made by: TRACE MORGAN

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

2. AMERICAN COMMERCE INSURANCE COMPANY

Re: INDEPENDENT FILING - PRIVATE PASSENGER AUTO

Company is filing several revisions to its Private Passenger Auto program resulting in an overall effect of +1.23%/+\$158,523. They estimate 16 policyholders will experience a +25% increase. The revisions include base rate adjustments, revised and new discounts and a revision to their At Fault Accident Merit Rate surcharge that will only be applicable to new business. The filing was amended to revise Rule 47, Preferred New Business Discount to eliminate the requirement of previous BI limits of 50/100 and in its place require 3 years of continuous coverage with the prior insurer. This discount was revised from 10% for up to 10 years to 5% for up to 5 years. The policy dislocation is as follows:

Dislocation	Polices	% Dist.	Dislocation	Policies	% Dist.
-20.0% to -24.9%	1	0.0%	0.1% to 4.9%	2189	22.3%
-15.0% to -19.9%	24	0.2%	5.0% to 9.9%	3068	31.2%
-10.0% to -14.9%	206	2.1%	10.0% to 14.9%	857	8.7%
- 5.0% to - 9.9%	933	9.5%	15.0% to 19.9%	279	2.8%
- 0.1% to - 4.9%	1361	13.8%	20.0% to 25.0%	87	0.9%
Zero	830	8.4%	Greater than 25%	0	0.0%

Rate filing history for past 2 years: +5.9% 1/15/03 & 3.5% 7/25/03 Flex FILING HAS BEEN CERTIFIED

Received: June 21, 2004 Filing: 2004-0477P

Motion made: APPROVED As Amended.

Motion made by: JOHN MARSHALL

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

3. AMERICAN FAMILY HOME INSURANCE COMPANY

Re: INDEPENDENT FILING - RECREATIONAL VEHICLE

Company is filing several revisions to their Recreational Vehicle program that has been in effect since 6/03. The overall effect is +11.3% /+\$69,292. They have 1 insured that will experience a 206% /\$145 increase. The deductibles and replacement cost coverage are being changed from flat dollar to percentage charges as well as other revisions. The rate filing history is as follows:

+9.9% Flex 6/13/03

+9.9% Prior Approval 5/5/04

FILING HAS BEEN CERTIFIED.

Received: May 13, 2004 Filing: 2004-0369P

Motion made: APPROVED.

Motion made by: JOHN MARSHALL

Second: TRACE MORGAN

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	___	<u>X</u>			

4. AMEX ASSURANCE COMPANY

Re: INDEPENDENT FILING - PRIVATE PASSENGER AUTO

Company is filing updated symbol pages applicable to their Private Passenger Auto program.

Certification is not required.

Received: July 8, 2004 Filing: 2004-0517P

Motion made: APPROVED.

Motion made by: TRACE MORGAN

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

5. FARMERS ALLIANCE MUTUAL INSURANCE COMPANY

Re: INDEPENDENT FILING - PRIVATE PASSENGER AUTO

Company is filing to adopt ISO filing designations PP-2003-BRLA1, PP-2001-BRTD1, PP-2001-OD1S1, PP-2003-RELI and PP-2003-IRLA1 which they previously deferred or non-adopted. They are maintaining their currently approved loss cost multiplier. The overall effect is -2.9% /-\$28,451. The filing includes revised model year relativity table. Several company rule exceptions are withdrawn to follow straight ISO rules. This filing will replace the current rates approved in Oklahoma file #99-1991P. This filing will not be effective until 1/1/05. There have been no rate filings in the past 2 years.

FILING HAS BEEN CERTIFIED.

Received: June 28, 2004 Filing: 2004-0488P

Motion made: APPROVED.

Motion made by: TRACE MORGAN

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

6. FOREMOST INSURANCE COMPANY

Re: INDEPENDENT FILING - MOTORCYCLE

Company is filing several revisions to their Motorcycle program including changes to base rates, medical payment increased limits factors and other rule and factor revisions. The filing originally resulted in +9.9% /+\$25,700 overall effect but was amended to result in +3.2% /+\$8,300. This program originated in April 2002 and there have been no rate revisions since that time.

FILING HAS BEEN CERTIFIED.

Received: May 10, 2004 Filing: 2004-0358P

Motion made: APPROVED.

Motion made by: TRACE MORGAN

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

7. GREENWICH INSURANCE COMPANY

XL SPECIALTY INSURANCE COMPANY

Re: INDEPENDENT FILING - WORKERS' COMPENSATION

Companies are filing a new rule applicable to terrorism coverage to allow risks subject to Retrospective Rating, Loss Reimbursement and Large Deductible Plans to determine premium by a mutual agreement between the carrier and the insured.

Certification is not required.

Received: June 15, 2004 Filing: 2004-2365C

Motion made: APPROVED.

Motion made by: TRACE MORGAN

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

8. GUIDEONE MUTUAL INSURANCE COMPANY
 GUIDEONE SPECIALTY MUTUAL INSURANCE COMPANY
 GUIDEONE ELITE INSURANCE COMPANY
 GUIDEONE AMERICA INSURANCE COMPANY

Re: INDEPENDENT FILING - PRIVATE PASSENGER AUTO

Companies are filing revised general rules, base rates, class factors and territory definitions. The overall effect is +0.4% /+\$58,525. The rate filing history for the past 2 years is as follows:

8/01/02 +6.9%
 2/01/03 +3.8% Flex
 5/15/03 +8.4%
 8/01/03 0.0% Flex

FILING HAS BEEN CERTIFIED.

Received: May 28, 2004 Filing: 2004-0428P

Motion made: APPROVED.

Motion made by: TRACE MORGAN

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

9. HORACE MANN INSURANCE COMPANY
 TEACHERS INSURANCE COMPANY
 HORACE MANN PROPERTY & CASUALTY INSURANCE COMPANY

Re: INDEPENDENT FILING - PRIVATE PASSENGER AUTO

Companies are filing revised rules applicable to their Private Passenger Auto program so that cars added during the policy term will receive the Driver Quality Discount as long as all the other vehicles in the household has the discount. Certification is not required.

Received: July 13, 2004 Filing: 2004-0525P

Motion made: APPROVED.

Motion made by: TRACE MORGAN

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

10. ILLINOIS NATIONAL INSURANCE CO

Re: INDEPENDENT FILING - PERSONAL INLAND MARINE

Company is filing initial rates for the ESCO Hearing Instrument Insurance Policy for use in their Personal Inland Marine Program. Filing is amended to withdraw Declarations Page 83901 (1/04).

FILING HAS BEEN CERTIFIED.

Received: June 3, 2004 Filing: 2004-0435P

Motion made: APPROVED As Amended.

Motion made by: JOHN MARSHALL		Second: ASH GOCKEL			
	Yea Nay		Yea Nay		Yea Nay
Fisher	<u>X</u> ___	Marshall	<u>X</u> ___	Cawthon	___ ___
Morgan	<u>X</u> ___	Gockel	<u>X</u> ___		

11. NEW HAMPSHIRE INDEMNITY COMPANY, INC.

Re: INDEPENDENT FILING - MOTORCYCLE

Company is filing its initial rate/rule filing for a motorcycle program.

FILING HAS BEEN CERTIFIED.

Received: June 29, 2004 Filing: 2004-0494P

Motion made: APPROVED.

Motion made by: TRACE MORGAN		Second: ASH GOCKEL			
	Yea Nay		Yea Nay		Yea Nay
Fisher	<u>X</u> ___	Marshall	<u>X</u> ___	Cawthon	___ ___
Morgan	<u>X</u> ___	Gockel	<u>X</u> ___		

12. SHELTER GENERAL INSURANCE COMPANY

Re: INDEPENDENT FILING - PRIVATE PASSENGER AUTO

Company is filing revised manual pages applicable to their Personal Auto program to introduce Loan or Lease GAP coverage. Also, editorial changes have been made to the general rules and rates pages.

FILING HAS BEEN CERTIFIED.

Received: May 13, 2004 Filing: 2004-0374P

Motion made: APPROVED.

Motion made by: TRACE MORGAN		Second: ASH GOCKEL			
	Yea Nay		Yea Nay		Yea Nay
Fisher	<u>X</u> ___	Marshall	<u>X</u> ___	Cawthon	___ ___
Morgan	<u>X</u> ___	Gockel	<u>X</u> ___		

13. SHELTER MUTUAL INSURANCE COMPANY

Re: INDEPENDENT FILING - PRIVATE PASSENGER AUTO

Company is filing revised manual pages applicable to their Personal Auto program to introduce Loan or Lease GAP coverage. Also, editorial changes have been made to the general rules and rate pages.

FILING HAS BEEN CERTIFIED.

Received: May 13, 2004 Filing: 2004-0375P

Motion made: APPROVED.

Motion made by: TRACE MORGAN

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

14. STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

STATE FARM FIRE AND CASUALTY COMPANY

Re: INDEPENDENT FILING - PRIVATE PASSENGER AUTO

Companies are filing revised manual pages applicable to Private Passenger Auto to update the Insurance Rating Group (IRG) and Vehicle Safety Discount (VSD) to include 2004 and 2005 models.

Certification is not required.

Received: July 6, 2004 Filing: 2004-0508P

Motion made: APPROVED.

Motion made by: TRACE MORGAN

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

DEVIATION - Filings by insurers, which are members of rating organizations, for adjustment upward or downward of rates previously approved other than Homeowner and Fidelity and Surety lines.

15. GRAIN DEALERS MUTUAL INSURANCE COMPANY

Re: DEVIATION FILING - PRIVATE PASSENGER AUTO

Company is filing to non-adopt the Insurance Services Office's filing designation PP-2003-RCPI applicable to the Class Plan in Private Passenger Auto.

Certification is not required.

Received: July 19, 2004 Filing: 2004-0536P

Motion made: APPROVED.

Motion made by: JOHN MARSHALL

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

16. SENTRY INSURANCE A MUTUAL COMPANY

Re: DEVIATION FILING - PERSONAL INLAND MARINE

Company is filing to non-adopt Insurance Services Office (ISO) loss costs for Personal Inland Marine contained in filing designation PM-2004-RLA1 (OK File #04-0409P).

Certification is not required.

Received: July 15, 2004 Filing: 2004-0531P

Motion made: APPROVED.

Motion made by: JOHN MARSHALL

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

BUREAU - Filings by a licensed rating organization on behalf of its members. other than Homeowner and Fidelity and Surety lines of insurance.

17. INSURANCE SERVICES OFFICE

Re: BUREAU FILING - PRIVATE PASSENGER AUTO

Bureau is filing a multi-state Rules revision including Oklahoma specific rule exceptions applicable to Personal Auto. The filing designation is PP-2003-RRU03 and is being made in conjunction with forms and loss cost revisions. Certification is not required.

Received: May 7, 2004 Filing: 2004-0347P

Motion made: APPROVED.

Motion made by: ASH GOCKEL

Second: TRACE MORGAN

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

HOMEOWNERS - Filings for insurance which combine property and liability insurance to protect an investment in a home or contents, dwelling fire insurance, or individual fire insurance on building contents.

18. AEGIS SECURITY INSURANCE COMPANY

Re: INDEPENDENT FILING - HOMEOWNERS

Company is filing updated Modified Homeowners Program manual pages that include revising the policy fee from \$10 to \$15, correcting typographical errors to territories and deleting the minimum earned premium entry from the table of contents. Certification is not required.

Received: July 20, 2004 Filing: 2004-0537P

Motion made: FILED.

Motion made by: ASH GOCKEL

Second: JOHN MARSHALL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

19. CALIFORNIA CASUALTY INDEMNITY EXCHANGE

Re: INDEPENDENT FILING - HOMEOWNERS

Company is filing revised rates and rules for their Homeowners Multiple Peril Program that includes revised base rates, form relativities, minimum premium, persistency factors and protection class determination. The overall effect was +15.0% /+\$38,501. The filing was amended to cap increases to any insured at less than 25%. The amended overall rate effect is +14.7% /+\$37,793. The rate change history for the past two years is as follows:

OK File Number	Effective Date	Overall Effect
02-4118P	12-01-02	+15.0% /+\$5,784

Certification is not required.

Received: June 25, 2004 Filing: 2004-0483P

Motion made: FILED As Amended.

Motion made by: JOHN MARSHALL

Second: ASH GOCKEL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

20. HOMESITE INDEMNITY COMPANY

Re: INDEPENDENT FILING - HOMEOWNERS

Company is filing a premium capping rule for use in their Homeowners Policy Program that would apply when policyholders from American International Insurance Company and AIG Centennial Insurance Company are converted to a Homesite policy. The 40% cap would only apply during the first policy term. For subsequent terms all converted policies would be rated at the Homesite manual rate level.

Certification is not required.

Received: July 14, 2004 Filing: 2004-0530P

Motion made: FILED.

Motion made by: ASH GOCKEL

Second: JOHN MARSHALL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

21. HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY

Re: INDEPENDENT FILING - HOMEOWNERS

Companies are filing to adopt Insurance Services Office (ISO) updated Community Mitigation Classification Manual Pages (Public Protection Classes) for use in their Homeowners, Mobile Homeowners and Dwelling Fire programs.

Certification is not required.

Received: July 13, 2004 Filing: 2004-0526P

Motion made: FILED.

Motion made by: ASH GOCKEL

Second: JOHN MARSHALL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

22. INSURANCE SERVICES OFFICE

Re: BUREAU FILING - DWELLING FIRE

Bureau is filing revised rating factors for Ordinance or Law coverage options in the Dwelling Policy Program. The filing designation is DP-2004-RRU1.

Certification is not required.

Received: July 6, 2004 Filing: 2004-0506P

Motion made: FILED.

Motion made by: ASH GOCKEL

Second: JOHN MARSHALL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			

23. INSURANCE SERVICES OFFICE

Re: BUREAU FILING - DWELLING FIRE

Bureau is filing revised loss costs for their Dwelling Policy Program with an overall effect of +1.2%. The filing designation is DP-2004-RLA1. The rate change history for the past two years is as follows:

OK File #02-1484P, effective 09-01-02, overall effect +1.7%

OK File #03-1681P, effective 09-01-04, overall effect 0.0%

Certification is not required.

Received: July 6, 2004 Filing: 2004-0507P

Motion made: FILED.

Motion made by: ASH GOCKEL

Second: JOHN MARSHALL

	Yea	Nay		Yea	Nay		Yea	Nay
Fisher	<u>X</u>	___	Marshall	<u>X</u>	___	Cawthon	___	___
Morgan	<u>X</u>	___	Gockel	<u>X</u>	___			