



**CARROLL FISHER**  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

## **BULLETIN NO. PC 2003-03**

**TO:** ALL PROPERTY AND CASUALTY INSURERS LICENSED IN OKLAHOMA  
ATTENTION: STATE FILING DIVISION  
**FROM:** CARROLL FISHER, INSURANCE COMMISSIONER  
**RE:** PROPERTY AND CASUALTY FILING TRANSMITTAL AND EXHIBIT FORMS  
**DATE:** September 18, 2003

### **PURPOSE OF THIS BULLETIN**

This Bulletin is to advise you of the new **Interactive** Filing Transmittal forms developed by the National Association of Insurance Commissioners (NAIC). The Oklahoma Insurance Department is committed to the National Association of Insurance Commissioner's Speed to Market process. As such, Oklahoma has adopted the NAIC's standardized transmittal forms. The filing forms unique to Oklahoma have also been converted to an **Interactive** format. You may access these forms on our website, [www.oid.state.ok.us](http://www.oid.state.ok.us). Select the Insurer option, and then select the Property and Casualty option and scroll down to Forms. It is a good idea to check the website periodically for any revisions to the forms. The transmittal forms are also available on the NAIC website, [www.naic.org](http://www.naic.org)

**It is very important that all portions of the required forms be completed. Incomplete forms delay the Department's review and derail the Speed to Market process. The Speed to Market process will not work, if property and casualty insurers do not submit a complete filing. \*\*\*Don't forget to include the previous Oklahoma filing number. This is the most frequently asked question by the staff of the Property and Casualty Division. By initially providing completed Filing Transmittal forms and Oklahoma filing forms, action on your filing will not be postponed.\*\*\***

### **ARE THE FORMS MANDATORY?**

We suggest insurers start using the revised forms immediately. Effective November 1, 2003 the forms will be mandatory. Filings received on or after November 1, 2003 that do not include the appropriate Filing Transmittal Forms may be rejected.

## **ARE THE FORMS REQUIRED FOR ALL FILINGS SUBMITTED TO THE PROPERTY AND CASUALTY DIVISION OF THE OKLAHOMA INSURANCE DEPARTMENT?**

No. The forms are not required for consent-to-rate filings, individual risk submissions, changing the effective date for bureau or advisory organization filings by members or subscribers, additional information, advising the effective date for an approved filing, final printed manual pages, final printed forms, or informational filings. However, these forms are always accepted as a helpful addition to any filing for clarification purposes.

## **WHAT FORMS ARE REQUIRED WITH THE VARIOUS TYPES OF FILINGS?**

**Form Only Filings:** Property and Casualty Transmittal Document (PC TD-1, page 1 and 2)  
Property and Casualty Form Filing Transmittal (PC FFS-1)

**Rate Filings:** Property and Casualty Transmittal Document (PC TD-1, page 1 and 2)  
Property and Casualty Rate/Rule Transmittal (PC RRFS-1)  
Oklahoma Rate Exhibit Form A-2 Revised  
Oklahoma/Countrywide 5-year Experience and Expense Exhibit

**Rule Filings:** Property and Casualty Transmittal Document (PC TD-1, page 1 and 2)  
Property and Casualty Rate/Rule Transmittal (If the rule filing has a rate or premium effect, the filing must include the forms listed for a rate filing.)  
(PC RRFS-1)

**Loss Cost Filings:** Property and Casualty Transmittal Document (PC TD-1, page 1 and 2)  
Property and Casualty Rate/Rule Transmittal (PC RRFS-1)  
Oklahoma Loss Cost Rate Exhibit Form OKLCF-A-2  
Oklahoma/Countrywide 5-year Experience and Expense Exhibit  
Reference Filing Adoption Form OKLCF-1, Page 1  
Calculation of Company Loss Cost Multiplier Form OKLCF-1, Page 2  
Expense Constant Supplement Form OKLCF-1, Page 3  
Reference Filing Adoption Form OKWCLCF-2, Page 1  
Calculation of Company Loss Cost Multiplier Form OKWCLCF-2, Page 2  
Expense Constant Supplement Form OKWCLCF-2, Page 3

Any questions should be directed by e-mail to [kathiestepp@insurance.state.ok.us](mailto:kathiestepp@insurance.state.ok.us) or the Oklahoma Insurance Department, Property and Casualty Division, P. O. Box 53408, Oklahoma City, OK 73152-3408.

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>     	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: f. State Filing #: g. SERFF Filing #:
---	---

<b>3. Group Name</b>	<b>Group NAIC #</b>

4. Company Name(s)	Domicile	NAIC #	FEIN #

<b>5. Company Tracking Number</b>	
-----------------------------------	--

**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
7.	Signature of authorized filer				
8.	Please print name of authorized filer				

**Filing information** (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	
10.	Sub-Type of Insurance (Sub-TOI)	
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12.	Company Program Title (Marketing title)	
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: _____ Renewal: _____
15.	Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	
17.	Reference Organization # & Title	
18.	Company's Date of Filing	
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

## Property & Casualty Transmittal Document—

20.	<b>This filing transmittal is part of Company Tracking #</b>	
21.	<b>Filing Description</b> [This area should be similar to the body of a cover letter and is free-form text]	

22.	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p><b>Check #:</b> <b>Amount:</b></p>          <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>	

\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

## FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms)

(Do **not** refer to the body of the filing for the forms listing.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>				
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)				
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01			[ ] Replacement [ ] Withdrawn [ ] Neither		
02			[ ] Replacement [ ] Withdrawn [ ] Neither		
03			[ ] Replacement [ ] Withdrawn [ ] Neither		
04			[ ] Replacement [ ] Withdrawn [ ] Neither		
05			[ ] Replacement [ ] Withdrawn [ ] Neither		
06			[ ] Replacement [ ] Withdrawn [ ] Neither		
07			[ ] Replacement [ ] Withdrawn [ ] Neither		
08			[ ] Replacement [ ] Withdrawn [ ] Neither		
09			[ ] Replacement [ ] Withdrawn [ ] Neither		
10			[ ] Replacement [ ] Withdrawn [ ] Neither		

To be complete, a form filing must include the following:

1. A completed Form Filing Schedule Document (PC FFS-1) (**Do not refer to the body of the filing for the forms listing.**) and,
2. A completed Property & Casualty Transmittal Document (PC TD-1), and
3. One copy of each form to be reviewed for the reviewer's records, and
4. One copy of any other components/exhibits submitted with the filing, and
5. The appropriate state Review Requirements, if required, and
6. The appropriate filing fees, if required, and
7. A postage-paid, self-addressed envelope large enough to accommodate the return.
8. You should refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

## RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

**(Do not refer to the body of the filing for the component/exhibit listing.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>			
<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)			
<input type="checkbox"/> Rate Increase <input type="checkbox"/> Rate Decrease <input type="checkbox"/> Rate Neutral (0%)				
<b>3.</b>	<b>Overall percentage rate impact for this filing</b>			
<b>4.</b>	<b>Effect of Rate Filing – Written premium change for this program</b>			
<b>5.</b>	<b>Effect of Rate Filing – Number of policyholders</b>			
<b>6.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>			
<b>7.</b>	<b>Rate Change by Company</b>			
	<b>Company Name</b>	<b>Percentage Change</b>	<b>Effect of Rate Filing</b>	
			<b># of policyholders for this program</b>	
			<b>Written premium change for this program</b>	
<b>8.</b>	<b>Overall percentage of last rate revision</b>			
<b>9.</b>	<b>Effective Date of last rate revision</b>			
<b>10.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>			
<b>11.</b>	<b>Exhibit Name/Description /Synopsis</b>	<b>Rule # or Page #</b>	<b>Replacement or withdrawn?</b>	<b>Previous state filing number, if required by state</b>
01			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
02			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
03			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
04			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
05			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	

To be complete, a rate/rule filing must include the following:

1. A completed Rate/Rule Filing Transmittal document (PC RRFS-1) (Do not refer to the body of the filing for the component/exhibit listing.) and,
2. A completed Property & Casualty Transmittal Document (PC TD-1) and,
3. One copy of all rate/rule components/exhibits submitted with the filing, and
4. The appropriate state review requirements, if required, and
5. The appropriate filing fees, if required, and
6. A postage-paid, self-addressed envelope large enough to accommodate the return
7. You should refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)



**OKLAHOMA RATE EXHIBIT**  
Explanatory Remarks/Instructions for Form A-2

In General: This exhibit is intended for use as an overall synopsis and extract of the filing and factors to be considered by the Board and Commissioner. This exhibit must be completed for each insurance company separately plus an additional one for the group of companies. Instructions are provided for each column/section.

**New Programs:** Please complete column 6 and the Projected Policy Count / Avg. Premium, Schedule Rating On File and Rate Factors On File and the Expense Exhibit Summary.

**Line of Insurance:** List each coverage that is separately rated or which has a separate loss cost multiplier, for example Auto BI, Auto PD, Med Pay, Uninsured Motorists, Comprehensive and Collision. Use additional forms and/or additional pages as necessary.

1 **Requested % Rate Level Change:** Enter the percentage change for each coverage. Show the overall total at the bottom of the column.

2 **Written Premium Latest Year.** Enter the dollar amount of actual written premiums by coverage for the most recent year in the experience period. Show the overall total at the bottom of the column.

3 **Estimated Annual Income Effect.** Enter the estimated annual rate change effect by coverage based on column (2) written premium. Show the overall total at bottom of column.

4 **Rate Change History:** Enter the Oklahoma File Number, the effective date and percentage amount of past rate changes during the experience period under review and subsequent thereto. Also, enter any previous changes that affect writing during the experience period.

4a Provide rate changes sanctioned by this Board or the Commissioner.

4b Provide rate changes made during the experience period that were implemented under 36 s 902.1.

5 **Experience Period:** Enter the experience period under review and used as a basis for the indicated and proposed rates. Pursuant to 36 O.S. 902.2 A. 16, five years of experience is required for fire insurance business.

6 **Expected Loss and LAE Ratio:** Enter the expected loss ratio. The figure(s) should match the one(s) at the bottom of the exhibit.

7 **Actual Experience Period Loss and LAE Ratio:** Enter the actual (prior to ratemaking adjustments) earned premium to incurred loss and LAE ratio for the experience period.

8 **Adjusted Loss and LAE Ratio:** In column (a) provide the adjusted loss and LAE ratio developed from your underlying ratemaking exhibits. The adjusted loss and LAE ratio should be an actuarially sound, prospective loss and LAE ratio. Column (b) should be the indicated change based on the prospective loss and LAE ratio of column (a).

**To Any Oklahoma Insured:** Provide your best estimate of the maximum percentage premium increase and the maximum percentage premium decrease to an insured due to all changes in this filing. This should include any rule change that will produce a change in the premium charged.

Provide an explanation as to what types of risks are receiving the maximum increase and/or decrease. Also, provide the number of policyholders receiving the maximum increase and/or decrease.

For any proposed increases over 25%, provide a market comparison using several John Doe examples.

**Policy Count/Average Premium:** Enter the policy count and the average premium for the past 4 years and projected for the current year.

**Rate Factors:**

If applicable, enter the overall average Schedule Rating modification used in Oklahoma for each of the last 5 years. Show the maximum Schedule Rating credit/ debit modification possible. This should reflect the amounts shown in the corresponding manual rule.

Show the minimum and maximum factors possible that can be applied to the base rates for this line of business. (Combine package credits, size of risk, deductibles, expense modifiers, deviations, etc.)

**Expense Exhibit Summary:** Enter expense percentages based on the IEE, but use Oklahoma specific expenses when possible i.e., commissions or taxes. The profit and contingency provision must reflect expected investment income. Supporting exhibits detailing method and calculations must be provided for both the investment income and profit. LAE can be entered as a % of Losses or premiums but specify which was used. All entries here should coincide with the expected loss and LAE ratio developed and used to calculate indications.

Insurer Name \_\_\_\_\_

**OKLAHOMA LOSS COST RATE EXHIBIT**

Exhibits Must Be Furnished to Support Each Entry

NAIC Number \_\_\_\_\_

Adopting (Bureau) \_\_\_\_\_ Loss Cost

Reference Filing # \_\_\_\_\_ Filing Date \_\_\_\_\_

Form OKLCF-A-2 Revised (04/2003)

LINE OF INSURANCE By Coverage	(1) Requested % Rate Level Change	(2) Written Premium Latest Year	(3) Estimated Annual Income Effect	(4) Rate Change History		(5) Experience Period	(6) Expected Loss & LAE Ratio	(7) Loss Cost Modification Factor	(8) Company Formula Loss Cost Multiplier	(9) Company Selected Loss Cost Multiplier	(10) Expense Constant		(11) Company Current Loss Cost Multiplier	(12) Investment Income Percentage
				(a)	(b)						(a)	(b)		
				Prior Approval	Flex (902.1)						Formula	Selected		
<b>Total Overall Effect (include all rate and rule revisions)</b>														

Specify any changes in underwriting practice made or contemplated.

To any Oklahoman Insured:  
 Maximum % of Rate Increase \_\_\_\_\_  
 Maximum % of Rate Decrease \_\_\_\_\_

RATE FACTORS		
Year	Sch Rating Avg	Schedule Rating
1998		Max. Debit
1999		Max. Credit
2000		Rate Factors
2001		Min. Factor
2002		Max. Factor

Year	Policy Count /	Exposures
1998		
1999		
2000		
2001		
2002		

**EXPENSE EXHIBIT SUMMARY**

Commissions \_\_\_\_\_  
 Other Acquisitions \_\_\_\_\_  
 General Expenses \_\_\_\_\_  
 Taxes, Licenses and Fees \_\_\_\_\_  
 Profit (Reflecting Investment Income) \_\_\_\_\_  
 Total \_\_\_\_\_  
 Expected Loss and LAE Ratio \_\_\_\_\_

Year	Avg. Premium /	Avg. Loss Costs
1998		
1999		
2000		
2001		
2002		

Comments (cite applicable column above)

NOTE: The Schedule Rating and Rate Factors sections of the above box refer to what is available in the program, whether being changed with this filing or not.

**\*\*SEE INSTRUCTIONS FOR EACH COLUMN – PROVIDING AN ACCURATE AND COMPLETE EXHIBIT ELIMINATES DELAY.\*\***

**OKLAHOMA LOSS COST RATE FILING EXHIBIT**  
Explanatory Remarks/Instructions for Form OKLCF-A-2

In General: This exhibit is intended for use as an overall synopsis and extract of the filing and factors to be considered by the Board and Commissioner. This exhibit must be completed for each insurance company separately plus an additional one for the group of companies. Instructions are provided for each column/section.

**New Programs:** Please complete columns 6, 7, 8, 9 and the Schedule Rating available and Rate Factors available, Projected Policy Count / Exposure, Projected Average Premium/Average Loss Costs and the Expense Exhibit Summary.

**Line of Insurance:** List each coverage that is separately rated or which has a separate loss cost multiplier, for example Auto BI, Auto PD, Med Pay, Uninsured Motorists, Comprehensive and Collision. Use additional forms and/or additional pages as necessary.

- 1 **Requested % Rate Level Change:** Enter the percentage change for each coverage (shown on Form OKLCF-1, Page 2, Result # 7, or on Form OKLCF-1, Page 3, Result # 7). Show the overall total at the bottom of the column.
- 2 **Written Premium Latest Year.** Enter the dollar amount of actual written premiums by coverage for the most recent year in the experience period. Show the overall total at the bottom of the column.
- 3 **Estimated Annual Income Effect.** Enter the estimated annual rate change effect by coverage based on column (2) written premium. Show the overall total at bottom of column.
- 4 **Rate Change History:** Enter the Oklahoma File Number, the effective date and percentage amount of past rate changes during the experience period under review and subsequent thereto. Also, enter any previous changes that affect writing during the experience period.
  - 4a Provide rate changes sanctioned by this Board or the Commissioner.
  - 4b Provide rate changes made during the experience period that were implemented under 36 s 902.1.
- 5 **Experience Period:** Enter the experience period under review and used as a basis for the indicated and proposed rates. Pursuant to 36 O.S. 902.2 A. 16, five years of experience is required for fire insurance business.
- 6 **Expected Loss and LAE Ratio:** Enter the expected loss ratio shown on Form OKLCF-1 or OKWCLCF-2, Page 2, Result # 4B, or on Form OKLCF-1, Page 3, Result # 4D.
- 7 **Loss Cost Modification Factor:** Enter the loss cost modification factor shown on Form OKLCF-1, Page 2, Result # 2B.
- 8 **Company Formula Loss Cost Multiplier:** Enter the company formula loss cost multiplier shown on Form OKLCF-1, Page 2, Result # 5, or on Form OKLCF-1, Page 3, Result # 5.
- 9 **Company Selected Loss Cost Multiplier:** Enter company selected loss cost multiplier shown on Form OKLCF-1, Page 2, Result # 6, or on OKLCF-1, Page 3, Result # 6. Selected LCM should not differ from the

formula LCM, except for rounding and unusual circumstances.

- 10a **Expense Constant:** Enter the formula expense constant shown on Form OKLCF-1, Page 3, Result # 5.
- 10b **Expense Constant:** Enter the Selected expense constant shown on Form OKLCF-1, Page 3, Result # 6.
- 11 **Company Current Loss Cost Multiplier:** Enter the current loss cost multiplier for each coverage.
- 12 **Investment Income Percentage:** Enter the Investment income calculated as a percentage of earned premiums. Supporting exhibits should be provided.

**To Any Oklahoma Insured:** Provide your best estimate of the maximum percentage premium increase and the maximum percentage premium decrease to an insured due to all changes in this filing. This should include any rule change that will produce a change in the premium charged.

Provide an explanation as to what types of risks are receiving the maximum increase and/or decrease. Also, provide the number of policyholders receiving the maximum increase and/or decrease.

For any proposed increases over 25%, provide a market comparison using several John Doe examples.

**Rate Factors:**

If applicable, enter the overall average Schedule Rating modification used in Oklahoma for each of the last 5 years. Show the maximum Schedule Rating credit/ debit modification possible. This should reflect the amounts shown in the corresponding manual rule. Show minimum and maximum factors possible that can be applied to the base rates for this line of business. (Combine package credits, size of risk, deductibles, expense modifiers, deviations, etc.)

**Policy Count/Exposures:** Enter the policy count and exposure base for the past 4 years and projected for the current year.

**Average Premium/Average Loss Costs:** Enter the average premium per policy per annual period of written premium. Enter the average loss cost per policy, averaged across all policy limits, deductibles, territories, classifications, etc.

**Expense Exhibit Summary:** Enter expense percentages based on the IEE, but use Oklahoma specific expenses when possible i.e., commissions or taxes. The profit and contingency provision must reflect expected investment income. Supporting exhibits detailing method and calculations must be provided for both the investment income and profit. LAE can be entered as a % of Losses or premiums but specify which was used. All entries here should coincide with the expected loss and LAE ratio developed and used to calculate indications.

**OKLAHOMA/COUNTRYWIDE 5YEAR EXPERIENCE & EXPENSE EXHIBIT**

(Revised 04/2003)

EXPERIENCE FOR \_\_\_\_\_

(Statistics should be identical to Page 15 (Statutory Page 14 Data) of the Annual Statement, Insurance Expense Exhibit)

OKLAHOMA	1998		1999		2000		2001		2002		All Years	
	Amount	%	Amount	%								
1. Direct Premiums Earned		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%
2. Direct Losses Incurred												
3. Direct Defense and Cost Containment Expense Incurred												
4. Direct Loss & Loss Expenses Incurred (2 & 3)												
5. Direct Premiums Written		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%
6. Direct Commission & Brokerage Incurred												
7. Direct Other Acquisition, Field Supervision & Collection Expenses Incurred												
8. Direct General Expenses Incurred												
9. Direct Taxes, Licenses & Fees Incurred												
10. Total Expenses Incurred (6, 7, 8, 9)												
<b>COUNTRYWIDE</b>												
1. Direct Premiums Earned		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%
2. Direct Losses Incurred												
3. Direct Defense and Cost Containment Expense Incurred												
4. Direct Loss & Loss Expenses Incurred (2 & 3)												
5. Direct Premiums Written		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%
6. Direct Commission & Brokerage Incurred												
7. Direct Other Acquisition, Field Supervision & Collection Expenses Incurred												
8. Direct General Expenses Incurred												
9. Direct Taxes, Licenses & Fees Incurred												
10. Total Expenses Incurred (6, 7, 8, 9)												

NOTES: % of Lines 2, 3, & 4 to Line 1 - % of Lines 6, 7, 8, 9, & 10 to Line 5

Date: \_\_\_\_\_

OKLAHOMA INSURANCE DEPARTMENT	INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS REFERENCE FILING ADOPTION FORM
----------------------------------	--

1. INSURER NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PERSON RESPONSIBLE FOR FILING \_\_\_\_\_

TITLE \_\_\_\_\_ TELEPHONE # \_\_\_\_\_

2. INSURER NAIC # \_\_\_\_\_

3. LINE OF INSURANCE \_\_\_\_\_

4. ADVISORY ORGANIZATION \_\_\_\_\_

5. ADVISORY ORGANIZATION REFERENCE FILING # \_\_\_\_\_

6. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files to be deemed to have independently submitted, as its own filing, the prospective loss costs in the captioned Reference Filing.

The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

7. PROPOSED RATE LEVEL CHANGE \_\_\_\_\_ % EFFECTIVE DATE \_\_\_\_\_

8. PRIOR RATE LEVEL CHANGE \_\_\_\_\_ % EFFECTIVE DATE \_\_\_\_\_

9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"  
(Use a separate Summary for each insurer—selected loss cost multiplier.)

9. CHECK ONE OF THE FOLLOWING:

- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner/Board, or amended or withdrawn by the insurer.
- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

Insurer Name: \_\_\_\_\_  
 NAIC Number: \_\_\_\_\_

Date: \_\_\_\_\_

**INSURER RATE FILING  
 ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS  
 SUMMARY OF SUPPORTING INFORMATION FORM**

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

1. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:

\_\_\_\_\_

2. Loss Cost Modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:  
 (CHECK ONE)

Without modification (factor = 1.000) ENTER IN 2B.

With the following modification(s). (Cite the nature and percent modification, and any supporting data and/or rationale for the modification.) ENTER IN 2B.

\_\_\_\_\_

\_\_\_\_\_

B. Loss Cost Modification Expressed as a Factor: \_\_\_\_\_

(See examples below.)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3 - 7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions
A. Total Production Expense	%
B. General Expense	%
C. Taxes, Licenses & Fees	%
D. Underwriting Profit & Contingencies	%
E. Other (explain)	%
F. TOTAL	%

4A. Expected Loss Ratio: $ELR=100\% - 3F =$	%
---	---

4B. ELR in decimal form =	%
---------------------------	---

5. Company Formula Loss Cost Multiplier:  $(2B \div 4B) =$  \_\_\_\_\_

6. Company Selected Loss Cost Multiplier = \_\_\_\_\_  
 Explain any differences between 5 and 6:

\_\_\_\_\_

\_\_\_\_\_

7. Rate level change for the coverages to which this page applies	%
---	---

Example 1: Loss Cost modification factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss Cost modification factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

Insurer Name: \_\_\_\_\_  
 NAIC Number: \_\_\_\_\_

Date: \_\_\_\_\_

### EXPENSE CONSTANT SUPPLEMENT

#### CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

		Overall		Selected Provisions Variable	Fixed
A. Total Production Expense					
B. General Expense					
C. Taxes, Licenses & Fees					
D. Underwriting Profit & Contingencies					
E. Other (explain)					
F. TOTAL					

4. A. Expected Loss Ratio: ELR=100% - Overall 3F =					
B. ELR expressed in decimal form =					
C. Variable Expected Loss Ratio: VELR=100% - Variable 3F		=			
D. VELR in decimal form		=			
5. Formula Expense Constant: [(1.00 ÷ 4B) - (1.00 ÷ 4D)] x Average Underlying Loss Cost =					
Formula Variable Loss Cost Multiplier: (2B ÷ 4D) =					
6. Selected Expense Constant =					
Selected Variable Loss Cost Multiplier =					

7. Explain any differences between 5 and 6:

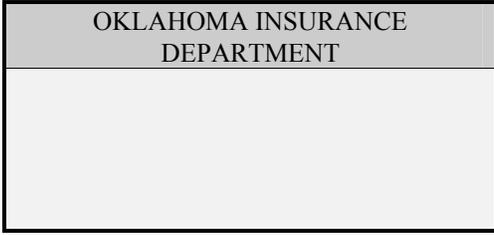
\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

8. Rate level change for the coverages to which this page applies					%
---	--	--	--	--	---

Date: \_\_\_\_\_



WORKERS' COMPENSATION
INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS
REFERENCE FILING ADOPTION FORM

1. INSURER NAME \_\_\_\_\_
ADDRESS \_\_\_\_\_

PERSON RESPONSIBLE FOR FILING \_\_\_\_\_
TITLE \_\_\_\_\_ TELEPHONE # \_\_\_\_\_

2. INSURER NAIC # \_\_\_\_\_

3. ADVISORY ORGANIZATION \_\_\_\_\_

4. ADVISORY ORGANIZATION REFERENCE FILING # \_\_\_\_\_

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files to be deemed to have independently submitted, as its own filing, the prospective loss costs in the captioned Reference Filing.

The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

6A. PROPOSED RATE LEVEL CHANGE \_\_\_\_\_ % EFFECTIVE DATE \_\_\_\_\_

6B. PROPOSED PREMIUM LEVEL CHANGE \_\_\_\_\_ % EFFECTIVE DATE \_\_\_\_\_

7A. PRIOR RATE LEVEL CHANGE \_\_\_\_\_ % EFFECTIVE DATE \_\_\_\_\_

7B. PRIOR PREMIUM LEVEL CHANGE \_\_\_\_\_ % EFFECTIVE DATE \_\_\_\_\_

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
(Use a separate Summary for each insurer—selected loss cost multiplier.)

- 9. CHECK ONE OF THE FOLLOWING:
- [ ] The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance.
- [ ] The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

\* The premium level change is the change in the insurer's annual collectible premium.

<b>SUMMARY OF SUPPORTING INFORMATION FORM</b>		Date:
WORKERS' COMPENSATION - INSURER RATE FILING	Insurer Name:	
<b>ADOPTION OF ADVISORY ORGANIZATION</b>		
<b>PROSPECTIVE LOSS COSTS (Including LAE)</b>	NAIC #:	

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form?  Yes  No  
*If no, attach a list of affected classes.*

2. Loss Cost Modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: (CHECK ONE)

- Without modification. (factor = 1.000) ENTER IN 2B.
- With the following modification(s). (Cite the nature and percent modification to the advisory organization's loss experience. Attach supporting data and/or rationale.) ENTER IN 2B.

B. Loss Cost Modification Expressed as a Factor: (See examples below.)	
--	--

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and other supporting information.)  
*PROJECTED EXPENSES: compared to standard premium at company rates.*

A. Total Production Expense	%
B. General Expense	%
C. Taxes, Licenses & Fees	%
D. Profit & Contingencies including offset for Investment Income	%
E. Other (Explain)	%
F. TOTAL	%

4. Expected Loss & Loss Adjustment Expense (Target Cost) Ratio: <i>ELR = 1.000 - 3F (expressed in decimal form)</i>	
5. Overall impact of expense constant & minimum premiums: <i>(A 2.3% impact would be expressed as 1.023)</i>	
6. Overall impact of size-of-risk discounts plus expense gradation recognition in retrospective rating: <i>(A 8.6% avg. discount would be expressed as 0.914)</i>	
7. Company Formula Loss Cost Multiplier: $2B / [(6-3F) \times 5] =$	
8. Company Selected Loss Cost Multiplier: <i>Attach exhibit explaining any differences between 7 &amp; 8.</i>	

9. Are you amending your minimum premium formula?  Yes  No  
*If yes, attach documentation including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc.*

10. Are you changing your premium discount schedules?  Yes  No  
*If yes, attach schedules and support detailing premium or rate level change.*

Insurer Name: \_\_\_\_\_  
 NAIC Number: \_\_\_\_\_

Date: \_\_\_\_\_

EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

				Selected Provisions		
		Overall		Variable		Fixed
A.	Total Production Expense					
B.	General Expense					
C.	Taxes, Licenses & Fees					
D.	Underwriting Profit & Contingencies					
E.	Other (explain)					
F.	TOTAL					

4.	A.	Expected Loss Ratio: ELR=100% - Overall 3F =				
	B.	ELR expressed in decimal form =				
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 3F	=			
	D.	VELR in decimal form	=			
5.	Formula Expense Constant: [(1.00 ÷ 4B) - (1.00 ÷ 4D)] x Average Underlying Loss Cost =					
	Formula Variable Loss Cost Multiplier: (2B ÷ 4D) =					
6.	Selected Expense Constant =					
	Selected Variable Loss Cost Multiplier =					

7. Explain any differences between 5 and 6:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

8.	Rate level change for the coverages to which this page applies					%
----	--	--	--	--	--	---