



CARROLL FISHER
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

BULLETIN NO. PC 2004-01

**TO: ALL PROPERTY AND CASUALTY INSURERS LICENSED IN OKLAHOMA
ATTENTION: STATE FILING DIVISION**
FROM: CARROLL FISHER, INSURANCE COMMISSIONER
RE: ANNUAL RATE REVIEW
DATE: APRIL 9, 2004

PURPOSE OF THIS BULLETIN

A recent trend among insurers has come to the attention of Insurance Commissioner Carroll Fisher and the State Board for Property and Casualty Rates. It appears that some insurers are not reviewing the Oklahoma statistics annually for each of the products being marketed to Oklahomans. This comment is based on the increasing number of filings received by the Department and the State Board that request sizeable rate increases. An in-depth review of these filings shows a length of time between rate filings well in excess of one or even two years, with double digit rate increases. In some instances, Oklahoma consumers received increases greater than one hundred percent.

The result of this action is a large number of consumer inquiries to the Insurance Commissioner in addition to the Oklahoma Insurance Department's Property and Casualty Division and Consumer Assistance Division. To assist the Department, as well as provide stability to Oklahoma consumers, Insurance Commissioner Carroll Fisher and the State Board suggest that insurers review the Oklahoma statistics annually or at a minimum of every eighteen months.

The State Board reminds insurers of Oklahoma's "flex" rating law, located at Section 902.1 of the Insurance Code. This statutory provision is applicable to workers' compensation and personal lines insurance coverages, only. While the law places a 15% cap on the "flex" filing amount of a rate increase, a recent legislative change removed the lower limit for a decrease from a **filed base rate**.

Several smaller increases over time are easier on many Oklahoma consumers than a large increase at once. With the help of the industry, the Department and the State Board will continue to act in accordance with their mission of serving and protecting the insurance buying public.

BULLETIN NO. PC 2004-01
Page Two

Any questions should be directed to kathiestepp@insurance.state.ok.us of the Property and Casualty Division or robertnoll@insurance.state.ok.us of the Legal Division of the Oklahoma Insurance Department, P. O. Box 53408, Oklahoma City, OK 73152-3408.

The Oklahoma Insurance Department encourages readers of this bulletin to periodically check the Department's web site (www.oid.state.ok.us) for news and updates to Bulletins, Board Position Letters, Board meeting dates, and other relevant material.