

**TITLE 570. STATE BOARD FOR PROPERTY & CASUALTY RATES  
CHAPTER 10. FILING PROCEDURES, INTERPRETATIONS  
AND ADDITIONAL BOARD RULES**

**570:10-1-1. Purpose**

The purpose of this Chapter is to set forth the procedures for filing rates, rating plans, schedules, manuals with the State Board for Property and Casualty Rates.

**570:10-1-2. Definitions**

The following words or terms, when used in this Chapter, shall have the following meaning, unless the context clearly indicates otherwise:

"**Act**" means the Oklahoma Insurance Rating Act.

"**Advisory organization**" means every group, association or other organization of insurers, whether located inside or outside this State, which makes no filings but assists insurers who make their own filings, by collecting and furnishing of loss expense statistics and other data.

"**Appeal**" means the process of obtaining judicial review of any Order or decision of the Board. Appeals from the Board are to the Supreme Court of Oklahoma and may be brought upon completion of all Board Proceedings.

"**Attorney**" means any person licensed and/or authorized to engage in the practice of law by the Rules and Orders of the Supreme Court of Oklahoma.

"**Automatic rate revisions**" means rate adjustments as provided in the rules of this Chapter which permit an insurer, upon proper notice, to use a rate up to 15% above or any amount below their last filed rate.

"**Board**" means the State Board for Property and Casualty Rates of Oklahoma.

"**Board action**" means any action taken, within the powers of the Board, by majority vote of the members.

"**Board Proceedings**" shall be conducted in accordance with the applicable provisions of the Insurance Code (Title 36, Oklahoma Statutes) and the Administrative Procedures Act (Title 75, Oklahoma Statutes, Section 301 et seq).

"**Certification**" means the certification of a filing as complete when used in this Chapter.

"**Commissioner**" means the Insurance Commissioner of the State of Oklahoma or his designee.

"**Department**" means the Insurance Department of the State of Oklahoma.

"**Deviations**" means adjustments upward or downward in the approved rating organization rate or loss cost level or rule. Such deviations require Board approval as provided under the rules of this Chapter.

"**Excessive rate**" means any rate which is unreasonably high for the insurance provided, or is unreasonable because

(A) a reasonable degree of competition does not exist in the area with respect to the classification to which such rate is applicable and

(B) the rate is unreasonably high for the insurance provided.

"**Filed**" means recognizing a submission or filing as in compliance with the Act and the rules of this Chapter by retaining it as a permanent file, as opposed to rejecting it as not in compliance with the Act and the rules.

"**Filing factors**" means the factors set forth in the Act for the Board to consider and weigh when reviewing a filing.

"**Hearing**" means any quasi-judicial proceeding conducted by the Board for a specific purpose or purposes, with a finding of fact and a decision rendered therefrom, whether called by motion of the Board or set upon motion of a party.

"**Inadequate rate**" means any rate which

(A) is unreasonably low for the insurance provided, and the continued use of such rate endangers, or if continued would endanger, the solvency of the insurer, or

(B) is unreasonably low for the insurance provided and the continued use of such rate by the insurer has, or if continued would have, the effect of destroying competition or creating a monopoly, or

(C) is insufficient to cover projected losses, expenses and a reasonable margin for profit for the line of insurance coverage to be offered in this state by the filer.

"**Individual proceedings**" means the process employed by the Board for the formulation of an order.

"**Insurance Code**" means the provisions of Title 36, Oklahoma Statutes, as amended.

"**Insurance Commissioner**" means the duly qualified, serving and acting Constitutional officer of the Executive branch of the State Government charged with the duties and powers created in the Insurance Code (Title 36, Oklahoma Statutes) not reserved to the State Board for Property and Casualty Rates. The Commissioner serves as Chairman of the Board.

"**Insurance Commissioner's Designee**" means any member of the Insurance Commissioner's staff temporarily designated by him to act in his place and under his direction, in order to fulfill his duties as a member of the Board. The Designee shall preside over Board meetings when appearing and acting for the Commissioner.

"**Insurance Department**" means that department of State Government created by the laws of Oklahoma to enforce the Insurance Code and shall consist of the Insurance Commissioner and the State Board for Property and Casualty Rates.

"**License**" means the whole or part of any Board permit, certificate, approval, registration, charter or similar form of permission required by law.

"**Licensing**" means the Board process respecting the grant, denial, renewal, revocation, suspension, annulment, withdrawal or amendment of a license.

"**Meetings**" means all other sessions of the Board whether regularly scheduled or specially called in accordance with the rules of this Chapter.

"**Order**" means all or part of the final or intermediate decision (whether affirmative, negative, injunctive, or declaratory in form) by the Board in any matter other than rulemaking, or rulings on motions or objections made during the course of a hearing, or the exceptions made during the course of a hearing or the exclusions described in subparagraphs (C) and (D) under the definition of RULE in this Section.

"**Party**" means a person (or entity named and participating or properly seeking and entitled by law to participate, in an individual proceeding.

"**Person**" means any individual, partnership, corporation, association, governmental subdivision, or public or private organization of any character other than an agency.

"**Prohibited expenses**" means expenses prohibited by the Act and Board Rules from inclusion in the factors to be given due consideration by the Board in reviewing a filing. [See 570:10-1-22 and 36 O.S. § 902.2.]

"**Quorum**" means a majority (three members) of the duly constituted Board and is the number of members required to conduct the official business of the Board.

**"Rating organization"** means a corporation, an unincorporated association, a partnership or an individual, whether located within or without the state, organized and licensed for the purpose of making rates, lost costs, rating plans or rating systems. No insurer shall be deemed to be a rating organization.

**"Rule"** means any Board statement of general applicability and future effect that implements, interprets or prescribes substantive law or policy, or prescribes the procedure or practice requirements of the Board. The term includes the amendment or repeal of a prior rule but does not include:

- (A) the issuance, renewal or denial of licenses;
- (B) the approval or disapproval of rates;
- (C) statements concerning only the internal management of any agency and not affecting private rights or procedures available to the public;
- (D) interagency memoranda; or
- (E) declaratory rulings issued pursuant to these Rules.

**"Rule making"** means the process employed by the Board for formulation of a rule.

**"State Board for Property and Casualty Rates of Oklahoma"** is composed of the Insurance Commissioner, who is Chairman and four (4) Board Members who are appointed to the Board by the Governor with the advice and consent of the Senate.

**"Stay"** means the suspension of the execution or decision of the Board.

**"Technicians"** means the independent consultant the Commissioner or Board retains to review rate filings.

**"Unfairly discriminatory rate"** means:

- (A) A rate is not unfairly discriminatory because it is based in part upon the establishment or modification of classifications of risks based upon:
  - (i) the size of the risk,
  - (ii) the expense or difficulty in management of the risk,
  - (iii) the individual experience of the risk,
  - (iv) the location or dispersion of the risk, or
  - (v) any other reasonable consideration attributable to the risk.
- (B) A rate is not unfairly discriminatory in relation to another in the same class of business if it reflects equitably the differences in expected losses and expenses. Rates are not unfairly discriminatory because different premiums result for policyholders with like loss exposures, if the rates reflect the differences with reasonable accuracy.
- (C) A rate shall be deemed unfairly discriminatory as to a risk or group of risks if the application of premium discounts, credits, or surcharges among such risks do not bear a reasonable relationship to the expected loss and expense experience among the various risks.
- (D) A rate shall never be based upon race, color, creed or national origin.

[Source: Amended at 19 Ok Reg 1802, eff 7-14-02; Amended at 21 Ok Reg 2463, eff 7-14-04]

### **570:10-1-3. Filing procedure for rates, loss costs, rating plans, schedules, manuals, and revisions thereto**

(a) **Filings submitted or rejected.** In order to implement the filing requirements of 36 O.S., Article 9, rates, loss costs, rating plans, schedules, manuals and revisions thereto by insurance companies and rating organizations licensed in Oklahoma, shall be submitted in compliance with the rules of

this Chapter or shall be rejected for filing with the Board by the Insurance Commissioner, subject to a hearing thereon, and the entity which made such submission shall be so notified.

(b) **Filing requirements.** The Insurance Code, Article 9, requires that each company shall make its own filings by line of business directly with the Board except that companies may satisfy their obligation to make such filings where authorized by law by becoming a member or subscriber to an Oklahoma licensed rating organization which makes such filings.

(1) Each filing, that includes a change in rates and or manual rule, received in our office after September 1, 1991 shall include the identifying filing number of the filing containing the manual rule and/or rate to be replaced as assigned by the Insurance Department. This number is displayed in the upper right corner of the Department's "A-1" form or notice of approval. The filing letter will state that the previous filing is being superseded by the current one. This would not be required on new programs being filed for the first time.

(2) Every overall rate change filing will require one complete copy of the revised manual for each company included in the filing.

(c) **Filing fees.**

(1) Rate filing requests must be accompanied by the proper fees. Checks should be made payable to the Oklahoma Insurance Department. Filings by groups must include the proper fee for each individual insurer for which the filing is applicable.

(2) Filings by rating organizations must include a statement or list as to the number of members or subscribers if less than the maximum fee is tendered. The maximum filing fee for a rating organization is specified in the Insurance Code.

(3) Filing fees are not required for filings that are not rate request filings including but not limited to the following:

(A) Consent-to-rate filings.

(B) Individual risk submissions.

(C) Individual risk filings for excess workers' compensation.

(D) Changing the effective date for Bureau filings by Members or Subscribers.

(E) Additional information.

(F) Advising effective date for approved filing and/or submitting final printed materials.

(G) Dividend plans.

(H) Error corrections.

(I) Informational filings (not required to be filed).

(J) Amendments to pending filings.

(K) Withdrawal of obsolete filings having no impact on Oklahoma policyholders.

(L) Nonadoption of Bureau filings that would be duplication of a filing in effect for the filer.

(d) **Address requirements.** All filings shall be addressed to: State Board for Property and Casualty Rates, P.O. Box 53408, Oklahoma City, Oklahoma 73152.

(e) **Number of copies.** All filings, including the cover letter, all exhibits, rate sheets, and additional information submitted to the Board shall be submitted with two (2) legible collated copies (sets) of all material. Such filings and exhibits shall be typewritten or printed. Companies that file as a group listing all companies on the transmittal letter may accomplish this requirement by submitting two copies plus one additional copy of the completed transmittal forms only for each additional company.

(f) **Effective date of filings.** The effective date of rate and rule filings and the dates of required action by the Board are governed by the applicable provisions of the Insurance Code.

(g) **Notice of Board action.** The Board shall indicate action taken by use of "Notice Form A-1", one (1) copy of which shall be attached to the official file copy and one (1) copy transmitted to the filing entity, or its action may be indicated by stamp, with the individual stamping same placing his initial thereunder. The Form A-1 shall also be used to request information or to question any part of the filing or its exhibits. Responses to Board questions must be submitted in writing with two legible copies of all material. Nothing in the rules of this Chapter shall preclude the Board from the use of other forms of communication to secure information from the filing entity.

(h) **Life, accident and health insurance.** No filings shall be made with the Board for those forms of insurance coverages set forth in Article 9 of the Insurance Code as exempt from the Oklahoma Insurance Rating Act.

(i) **Postage requirements.** No submissions shall be accepted which arrive at the Board offices with postage due. No submissions will be returned unless the necessary postage accompanies the same.

(j) **Withdrawal of pending filings.** Pending filings may be withdrawn by the filing entity upon notice to the Insurance Commissioner prior to the approval or disapproval thereof.

(k) **Filing form and content.** All filings shall include the following:

(A) The name of the filing entity and complete mailing address to which correspondence shall be sent.

(B) A "RE" or "caption" briefly describing the content and context of the filing.

(C) A list or index of the manual pages filed in the filing letter or attached thereto including the page numbers and edition date, if applicable.

(D) A complete description and full explanation of the changes made by the filing including, reasoning therefor, illustrative examples, including "John Doe" specimen examples, and a comparison of currently approved and proposed materials (side by side comparison).

(E) A concise statement to identify the manual pages (rate and/or rule) to be replaced by the filing including the approval date in this jurisdiction and the identifying Oklahoma Insurance Department's assigned filing number of the filing containing the documents to be replaced .

(F) Completed transmittal forms and exhibits.

[Source: Amended at 9 Ok Reg 3337, eff 7-27-92; Amended at 11 Ok Reg 1879, eff 5-15-94; Amended at 14 Ok Reg 2665, eff 7-1-97; Amended at 19 Ok Reg 1802, 7-14-02; Amended at 21 Ok Reg 2463, eff 7-14-04]

#### **570:10-1-4. Certification**

(a) **Certified complete.** A filing must be certified as complete by the Insurance Commissioner or the Board in order for it to be set for hearing or deemed approved pursuant to Section 903 of the Act.

(b) **Letter notifying of incomplete filing.** Notice that a filing is incomplete will be in letter form to the filer, specifying the materials necessary to complete the filing, and signed by the individual staff member reviewing the filing.

(c) **Certification form.** Certification that a filing is complete will be on a form signed by the individual staff member reviewing the filing. Notice will be given in compliance with law and these Rules and the filing will be scheduled on the next regularly scheduled meeting of the Board permitted by compliance with notice requirements and other applicable provisions of the law.

(d) **Disputes on agenda.** Certification disputes will be placed on the agenda of the Board for the next possible scheduled meeting of the Board for its review and decision.

(e) **When certification is not required.** Certification is not required for filings that do not require approval, are not rate filing requests or are by the rules of this Chapter or Board Order exempt, including but not limited to the following:

- (1) Excess Consent Rate Filings
- (2) Individual risk submissions
- (3) Change in effective date of filings
- (4) Filings made on a recognized information basis for unregulated kinds of insurance
- (5) Error corrections
- (6) Filings to withdraw currently approved filings
- (7) Installment payment plans
- (8) Filings adopting federal programs
- (9) Refilings of an approved program on a direct rather than an indirect basis
- (10) Automatic rate reductions and Automatic rate revisions or direct deviations
- (11) Reference filings pursuant to Rules of the Board
- (12) Rules filings, including miscellaneous filings that would affect underwriting procedures by rule or classification change for a group of insureds within a single line of insurance, but would not impact all classifications, rates, rating values, or rating plans within the specific line of insurance.
- (13) Nonadoption of Bureau filings that would be a duplication of a filing in effect for the filer.

[Source: Amended at 19 Ok Reg 1802, eff 7-14-02; Amended at 22 Ok Reg 2175, eff 7-14-05]

#### **570:10-1-5. Bureau deviations**

Every member of, or subscriber, to a licensed rating organization may adhere to any filings made on its behalf by its Rating Organization, except that any such member or subscriber may deviate from such filings as authorized by the rules of this Chapter if it has filed with the Rating Organization and with the Board, the deviation to be applied and information necessary to justify the deviation. The Board shall approve any such deviation requiring Board action unless the deviation would not be uniform in its application or is inconsistent with the provisions of the Insurance Code.

[Source: Amended at 9 Ok Reg 1653, eff 7-27-92; Amended at 19 Ok Reg 1802, eff 7-14-02; Amended at 22 Ok Reg 2175, eff 7-14-05]

#### **570:10-1-6. Automatic rate reductions [REVOKED]**

[Source: Revoked at 19 Ok Reg 1802, eff 7-14-02]

#### **570:10-1-7. Automatic rate revisions**

(a) **Definitions.** Automatic Rate Revisions apply to rate revisions made pursuant to Section 902.1 of the Insurance Code and the rules of this Chapter.

(b) **Adoption of new loss costs.** When a company adopts new loss costs either automatically or by reference, a new filed rate is established. The old filed rate is eliminated as is the flex filing based on those old rates. If a company with an already in place flex filing elects to:

- (1) adopt the loss cost change, the flex based on old filed rates is eliminated and, if flex is desired, a new flex filing off current filed rates is required;

- (2) delay adoption of loss cost change to a future day, furnish the Board notice and new implementation date and refile a flex filing when the change is adopted.
- (c) **Revisions within 15%.** Nothing in the rules of this Chapter shall prevent an insurer from revising and using a base rate level which is either reduced by any amount or increased by no more than fifteen percent (15%) by line and by coverage of the last filed rate. The insurer shall, however, file on or before the effective date of such automatic rate revision a notice with the Board of such percentage revision in the rate, setting forth the effective date of the filed rate upon which its Automatic Rate Revision is to be applied and the percentage by which the rate level is revised. The insurer shall file with the Board one copy of the manual page in effect at the time of request for the Automatic Rate Revision.
- (d) **Scope.** The scope of the review by the Board will not include a review by it, the Commissioner or staff to determine if the rates are inadequate or excessive.
- [Source: Amended at 19 Ok Reg 1802, eff 7-14-02; Amended at 21 Ok Reg 2463, eff 7-1-04]

**570:10-1-8. Duration of filings**

- Filed rates shall be effective until amended or withdrawn by the insurer.
- [Source: Amended at 15 Ok Reg 3274, eff 7-13-98; Amended at 19 Ok Reg 1802, eff 7-14-02]

**570:10-1-9. Excess consent rate filings**

- (a) In order to be filed, excess consent rate applications must be submitted prior to or within a reasonable time after the effective date of the policy and contain the information necessary to establish compliance with the Oklahoma Insurance Rating Act.
- (b) The requirements may be satisfied by submitting in duplicate the form furnished by the Board or its equivalent. (See Appendix A).

**570:10-1-10. Fidelity and surety filings [REVOKED]**

- [Source: Amended at 19 Ok Reg 1802, eff 7-14-02; Revoked at 21 Ok Reg 2463, eff 7-14-04]

**570:10-1-11. Forms governed by Article 36**

- Policy forms, endorsements, and other forms used must be filed in compliance with the applicable provisions of Article 36 of the Insurance Code separately with the Insurance Commissioner.

**570:10-1-12. Group filings**

- Where filings are made on behalf of more than one insurer, a designation must list the insurer or insurers by individual name and not by Company group.

**570:10-1-13. Homeowners filings [REVOKED]**

- [Source: Revoked at 22 Ok Reg 2175, eff 7-15-05]

**570:10-1-14. Independent filings; not a member or subscriber of a Bureau for the kind and line of insurance involved**

- (a) Independent filers shall file Rates, Rating Plans or Rating Systems, Schedules, Manuals, and other materials, with the Board and designate them as "Independent Filings".
- (b) Independent filers shall file data and experience in support of each filing in accordance with these Rules.

(c) Independent filers shall file rate revisions with the Board.

[Source: Amended at 9 Ok Reg 1653, eff 7-27-92]

### **570:10-1-15. Reference filings**

#### **(a) Rating Organization filings.**

(1) **Filings permitted without reference filing agreements.** Rating Organization Manuals and material used in whole or in part may be adopted by "Reference Filings" subject to the approval of the Board. When making such type filing, a Filing Memorandum shall be submitted, identifying the Manuals or Rules used. Rate departures and rule exceptions, if any, must be accompanied by the necessary supporting data. Such adoption will apply only to current filings and will have no automatic effect as to future filings. Each rating organization filing must be separately and specifically adopted.

(2) **Filings permitted with reference filing agreement.** Approved Rating Organization manuals and material may be adopted by filing a "Reference Filing Agreement" with the Board identifying the manuals and material to be used. Such adoption will apply from the date it is filed with the Board to filings in effect on that date and to all applicable future filings. It will remain in effect until such time as the agreement is withdrawn.

(3) If filings are by "Reference Filing", DO NOT file manuals.

(b) **Other than Rating Organization filings; initial program.** A company may adopt another company's approved filing by filing rates and rules on filing company's format, and by advising the Board of the name(s) of the company whose program was being copied and the date(s) the program was approved for that company. Unless an exception is granted by the Board, this procedure applies only for the initial filing of the program for the "adopting" company and is subject to the approval of the Board.

[Source: Amended at 19 Ok Reg 1802, eff 7-14-02]

### **570:10-1-16. Members of or subscribers to a licensed rating organization**

(a) **Filings.** A licensed rating organization may make filings on behalf of its members and subscribers except deviation filings.

(b) **Adherence to filings.** Every member of or subscriber to a licensed rating organization may adhere to the filings made on its behalf by such organization except that any such member or subscriber may deviate from such filings upon compliance with the rules of this Chapter and approval of the Board where required by the Insurance Code.

(c) **Individual company filings.** Members and subscribers shall not file individual manuals that have been filed on their behalf by the appropriate rating organization.

(d) **Filing requirements; Bureau rate deviations (other than automatic rate reductions).** When Bureau rate deviations other than direct deviations are proposed, the filing memorandum shall indicate the applicable Rating Organization filing and state the percentage (%) of deviation, subject matter Deviation which applies to by Manual name and page number, with supporting data in accordance with the rules of this Chapter. Copies of all such information must be furnished to the appropriate rating organization.

(e) **Filing requirements, Bureau rule deviations.** If rule deviations are proposed, file rule pages including supporting data with the Board and furnish copies to the appropriate rating organization.

(f) **Agency filings.** "Agency Filings" by a Rating Organization on behalf of its members or subscribers shall be accepted by the Board in instances where the rating organization does not have a filing in effect for the coverage involved.

**570:10-1-17. Procedure for resubmittal of disapproved filings**

Resubmittal after time for hearing has elapsed.

(1) Resubmitted filings will not be considered by the Board until the thirty (30) day period for requesting a hearing on the original filing has elapsed.

(2) All resubmitted filings must be presented to the Board in the same manner required by the rules of this Chapter for an original filing. In addition the cover letter or filing memorandum addressed to the Board shall state the full and complete history of the filing, the reason for disapproval, and the factors which distinguish the resubmittal so that it warrants Board reconsideration.

**570:10-1-18. Retroactive filings**

The Board has no authority to and will not approve filings proposing a retroactive effective date except in cases of a filing correcting an error in a previously approved filing and in cases where required or necessitated by Statute.

**570:10-1-19. Delivery of policy to insured**

In any instance whereby a policy of insurance is effected the insured must be furnished with either:

(1) The original policy.

(2) A copy of the original policy or a duplicate policy printed with ten point or larger type.

(3) A certificate including provisions and condition of the original policy printed with ten point or larger type.

[Source: Amended at 19 Ok Reg 1802, eff 7-14-02]

**570:10-1-20. Notice to Attorney General**

(a) **Notice of rate filing.** Notice of rate filings and certification of completion of filings will be given to the Attorney General by forwarding a copy of the weekly log or list of filings received and certified as complete, a copy of the filing, filing memorandum or certification form.

(b) **Notice of Board meeting.** Notice of Board meetings will be given by forwarding a copy of the meeting agenda or a notice of the meeting at least ten (10) days in advance of the meeting.

(c) **Notice of hearing.** Notice of hearings conducted by the Board will be given by forwarding a copy of the notice of hearing/show cause order at least ten (10) days in advance of the meeting.

**570:10-1-21. Persons requesting notice of rate filings**

(a) **List of persons to receive notification.** The Insurance Commissioner shall maintain a list of persons who annually request to be notified of rate filings in accordance with this section.

(b) **Request in writing.** The request must be in writing and specify the line of insurance or specific individual filings to which it applies.

(c) **Requests effective one year.** The request will be stamped received and will be effective for one (1) year from that date. At the expiration of one (1) year, unless a new request and annual period is established, the name of the person will be stricken or removed from the list.

(d) **Change of address notification.** Communication of any address or other change must be in writing to the Board or Commissioner.

(e) **Notice satisfied by regular mail.** Required notice to the person of a filing or meeting to set a hearing, or of a hearing, will be satisfied by regular mail to the address on file by a letter, a copy of a computer printing of filings add(s) with the pertinent filing(s) noted by check-mark or highlighted, by copy of the agenda including the pertinent filing(s) or by copy of a notice of hearing on the pertinent filing.

#### **570:10-1-22. Prohibited expenses**

(a) **Prohibited expenses; 902.2.** Past or prospective expenses included in a rate filing must be shown not to include prohibited expenses as defined in the Oklahoma Insurance Rating Act, 36 O.S. 902.2 (Supp.1988).

(b) **Expense exhibit.** An expense exhibit must be included in each filing that separately lists those items that would include prohibited advertising expenses and prohibited membership expenses in organizations other than rating or statistical organizations.

(c) **Advertising expenses; exceptions.** Unless the total prohibited expenses are documented and excluded from the overall expenses, the total of all advertising and membership expenses must be excluded from the overall past or prospective expense provisions.

#### **570:10-1-23. Statistical plans**

(a) The Board may approve a statistical plan or any modification thereto submitted by an insurer, rating organization or advisory organization adapted to the applicable rating system which shall be used thereafter for the recording of loss and expense experience.

(b) The Board may approve a rating organization or advisory organization as its statistical agent to gather, record, compile and report experience in such manner, form and detail as determined by it to be necessary to determine whether rating systems comply with the standards of the Oklahoma Insurance Rating Act.

#### **570:10-1-24. Suspension or modification of filing requirements**

(a) **Approval of rates prior to use.** The Board in its review of a filing may approve for the filer the use of rates without being filed for the kind of insurance or classes of risks for which it determines that rates cannot be practically filed before they are used.

(b) **Rates submitted on individual risk basis.** The approval will be subject to the election by the filer to submit such rates on an individual risk basis or to maintain records for such future examination as the Board deems advisable.

(c) **Loss and expense experience report.** The filer must maintain loss and expense experience for annual reporting to the Board or to its designated statistical agent in such form and detail necessary to determine compliance with the standards set forth in the Oklahoma Insurance Rating Act.

#### **570:10-1-25. Technicians**

(a) **List of technicians.** The Commissioner shall maintain a list of technicians, including actuaries, statisticians, accountants, attorneys, auditors, investigators or any other, as the Commissioner may deem necessary or beneficial, to examine any filings for rate revision made by insurers or rating organizations. The list shall be compiled on a yearly basis and be comprised for the current calendar year of those that submit a written request to the Commissioner by December 15 of the preceding

year. Any technician on the list may be removed for cause. The Commissioner may deviate from the list when employing technicians for loss cost filings pursuant to Section 901.5 of Title 36. The Commissioner may pursue technicians not on the list when needed.

(b) **Technicians must be accredited and/or licensed.** Technicians as defined in (a) of this Section shall be fully accredited and/or licensed, as appropriate, in their field of expertise. Technicians may be employees of corporations, partnerships or individuals duly qualified to provide required services.

(c) **Hiring technicians.** The Commissioner, on behalf of the Board, shall have the authority to hire technicians defined in (a) of this Section as the Commissioner may deem necessary or beneficial to examine any filings for rate revision made by insurers or rate organizations.

(d) **Actuary.** The Commissioner will employ an actuary on a filing upon request of the Board or on a filing deemed necessary or beneficial based on criteria as follows:

- (1) Significant premium and/or percentage effect.
- (2) Significant market share as determined from market share report.
- (3) Staff unfamiliar with actuarial methodology.
- (4) Filing establishes a bench mark.
- (5) Actuarial review necessitated by filer's inability to comply with filing requirements.

(e) **Consultant.** When a filing is referred to a consultant for review, an engagement letter shall be presented to the consultant specifying the scope of the review and the filer will be accordingly notified of the review.

(f) **Expenses paid by insurer.** All reasonable expenses incurred in such filing review shall be paid by the insurer or rating organization making the filing.

(g) **Actuary's opinion.** The Board shall consider the opinion of the consulting actuary and weigh it in light of any other evidence submitted in support of the filing and shall accept or reject the consulting actuary's opinion in whole or in part based on such other evidence.

[Source: Amended at 19 Ok Reg 1802, eff 7-14-02]

#### **570:10-1-26. Deferred Premium Payment Plans**

Deferred Premium Payment Plans used on policy periods in excess of one year must have a sufficient initial premium paid to cover a short rate cancellation return premium. If the insurance company or other form of association fails to collect the prescribed initial premium then it shall be deemed to have waived application of the short rate cancellation table where such policy is canceled by the insured at the first anniversary date.

#### **570:10-1-27. Deviations for certain package policies [REVOKED]**

[Source: Revoked at 19 Ok Reg 1802, eff 7-14-02]

#### **570:10-1-28. Uniform application of deviations**

Deviations to filings of rating organizations must be uniform in their application in that they be uniformly applied to all risks encompassed by the deviation.

#### **570:10-1-29. Package discount [REVOKED]**

[Source: Revoked at 19 Ok Reg 1802, eff 7-14-02]

#### **570:10-1-30. Individual risk rating plans**

Individual risk rating plans must comply with the following requirements:

- (1) Each such plan must be filed with the Board for approval and must specify the kind of insurance or subdivision or combination thereof to which the plan applies.
- (2) Each such plan must establish standards which bear a relationship to the variation in hazard and/or expense to be measured.
- (3) Any such plan must be applied by company representatives responsible for underwriting the risk(s) involved.
- (4) Each company utilizing such plans must obtain all information necessary to determine the proper applications of such plans to any particular risk. Such supporting information shall be retained by the company for three (3) years and made available to the Insurance Department upon its request.

**570:10-1-31. Premium Adjustment Plan**

The State Board for Property and Casualty Rates hereby adopts and incorporates by reference the "Oklahoma Contracting Classification Premium Adjustment Program" adopted by the State Board for Property and Casualty Rates on December 21, 1995. Copies of this premium adjustment program are available to the public at the State Board for Property and Casualty Rates at the offices of the Insurance Commissioner during regular business hours.

[Source: Added at 14 Ok Reg 2667, eff 7-1-97]

**570:10-1-32. Weather related claims [REVOKED]**

[Source: Added at 19 Ok Reg 1802, eff 7-14-02; Revoked at 22 Ok Reg 2175, eff 7-15-05]

**570:10-1-33. Workers' compensation insurance**

All schedule rating plans shall cap the maximum debits/credits applied at twenty-five percent (25%) unless an exception is approved by the Board.

[Source: Added at 19 Ok Reg 1802, eff 7-14-02]

**570:10-1-34. Credit related policies [REVOKED]**

[Source: Added at 19 Ok Reg 1802, eff 7-14-02; Revoked at 22 Ok Reg 2175, eff 7-15-04]

**570:10-1-35. Property and casualty policies [REVOKED]**

[Source: Added at 19 Ok Reg 1802, eff 7-14-02; Revoked at 22 Ok Reg 2175, eff 7-15-05]

**570:10-1-36. Use of lack of prior insurance in underwriting or rating [REVOKED]**

[Source: Added at 20 Ok Reg 2473, eff 7-14-03; Revoked at 22 Ok Reg 2175, eff 7-15-05]

**570:10-1-37. Use of auto accidents in underwriting or rating [REVOKED]**

[Source: Added at 20 Ok Reg 2473, eff 7-14-03; Revoked at 22 Ok Reg 2175, eff 7-14-05]

**570:10-1-38. Waiver of Premium**

Insurers may waive additional premium due from an insured. An insurer may also waive return premium due to an insured. However, any return premium shall be returned to the insured upon request. The amount to be waived for both the additional premium and the return premiums shall be shown on a manual rule page and filed with the Insurance Commissioner.

[Source: Added at 21 Ok Reg 2463, eff 7-14-04]

**570:10-1-39. Multi Tiering**

Eligibility requirements for each tier must be submitted. The tier eligibility requirements must be specific and mutually exclusive, so that no insured would be eligible for more than one tier. Justification must be provided for the rate differential for each tier.

[Source: Added at 21 Ok Reg 2463, eff 7-14-04]

**570:10-1-40. Resubmittal of rejected filings.**

All resubmitted filings shall be presented to the Board in the same manner required by this subchapter for an original filing. In addition the completed transmittal form shall state the full and complete history of the filing, the reason for rejection, and the factors that distinguish the resubmittal to warrant reconsideration.

[Source: Added at 21 Ok Reg 2463, eff 7-14-04]

**570:10-1-41. Workers' compensation excess insurance**

Applicable to the rates, loss costs, loss cost multipliers or manual rules for any workers' compensation excess insurance product, as required for example for an individual self-insured or group self-insurance association, as described by 85 O.S. § 61(A)(4)(a)(2) and 85 O.S. § 61(A)(4)(b)(2), shall require approval of the Board prior to use. The review and approval process shall be the same as other lines of insurance under the jurisdiction and authority of the Board.

[Source: Added at 22 Ok Reg 2175, eff 7-14-05]