

**TITLE 365. INSURANCE DEPARTMENT
CHAPTER 15. PROPERTY AND CASUALTY**

INTENDED RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 7. Regulation	Property and Casualty Competitive Loss Cost Rating
365:15-7-3 [AMENDED]	Property and casualty rate, loss cost and manual rule filings
365: 15-7-30	Special Commercial Risks [AMENDED]

SUMMARY:

365:15-7-3 is amended to update the address of the Oklahoma Insurance Commissioner. 365: 15-7-30 requires a renumbering of paragraphs to be consistent with the amendment to 36 O.S. § 997, effective November 1, 2010.

AUTHORITY:

Insurance Commissioner, 36 O.S. §§ 307.1, 907 and 986.

COMMENT PERIOD:

Written or oral comments regarding the proposed rule amendment shall be received on or before March 2, 2012. Comments shall be directed to Julie Meaders, Assistant General Counsel, Oklahoma Insurance Department, Five Corporate Plaza, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112.

PUBLIC HEARING:

A public hearing regarding the proposed rule amendment will be held March 7, 2012, at 9:30 a.m. at the Oklahoma Insurance Department, Five Corporate Plaza, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112.

REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:

Business entities are requested to provide any increase in costs expected to be incurred due to compliance with the proposed rules. The comments shall be submitted to Julie Meaders, Assistant General Counsel, Oklahoma Insurance Department, at the mailing address above on or before March 2, 2012.

COPIES OF PROPOSED RULES:

Copies of the proposed rule amendments may be inspected at the Oklahoma Insurance Department at the physical address listed above. Office hours are from 8:00 a.m. through 5:00 p.m., Monday through Friday. Additional copies of the rules may also be obtained at the Oklahoma Insurance Department.

RULE IMPACT STATEMENT:

A rule impact statement will be available on and after February 1, 2012, in accordance with 75 O.S. § 303(D). A copy of the statement may be obtained at the physical address above.

CONTACT PERSON:

Julie Meaders, Assistant General Counsel, (405) 521-2746.

**TITLE 365. INSURANCE DEPARTMENT
CHAPTER 15. PROPERTY AND CASUALTY**

RULEMAKING ACTION:

Proposed PERMANENT rules

PROPOSED RULES:

Subchapter 7. Property and Casualty Competitive Loss Cost Rating Regulation
365:15-7-3 Property and casualty rate, loss cost and manual rule filings

[AMENDED]

365: 15-7-30 Special Commercial Risks [AMENDED]

AUTHORITY:

Insurance Commissioner, 36 O.S. §§ 307.1, 907 and 986.

ANALYSIS: 365:15-7-3 is amended to update the address of the Oklahoma Insurance Commissioner. 365: 15-7-30 requires a renumbering of paragraphs to be consistent with the amendment to 36 O.S. § 997, effective November 1, 2010.

**SUBCHAPTER 7. PROPERTY AND CASUALTY COMPETITIVE LOSS COST
RATING REGULATION**

365:15-7-3. Property and casualty rate, loss cost and manual rule filings

(a) **Purpose.** The purpose of this section is to specify the procedures for submitting rate, loss cost and manual rule filings to the Insurance Commissioner as required by 36 O.S. § 981 et seq.

(b) **Procedures.** Rate, loss cost and manual rules and revisions thereto by insurance companies and advisory organizations licensed in Oklahoma shall be submitted in compliance with this section, or shall be rejected for filing, and the entity that made such submission shall be so notified.

(1) **Filing requirements.** The Insurance Code, 36 O.S. § 981 et seq., requires that each insurer shall make its rate, loss cost and manual rule filings by line of business directly with the Insurance Commissioner. Companies may satisfy their obligation to make such filings, where authorized by law, by becoming a member or subscriber to an Oklahoma licensed advisory organization which makes such filings.

(2) **Filing fees.**

(A) Rate, loss cost and manual rule filings shall be accompanied by the proper fees as specified in the Insurance Code. Fees shall not be paid in cash.

(B) Filings for groups of insurers shall be accompanied by the specified fee for each transaction regardless of the number of members or subscribers.

(C) Filings by advisory organizations shall be accompanied by the specified fee for each transaction regardless of the number of members or subscribers.

(3) **Address requirements.** All filings shall be addressed as follows: Oklahoma Insurance Commissioner, P.O. Box 53408, Oklahoma City, ~~OK 73152-3408~~. 3625 NW 56th Street, Suite 100, Oklahoma City, Oklahoma 73112.

(4) **Number of copies.** All filings except those exempted shall be submitted through the System for Electronic Rate and Form Filing (SERFF) pursuant to the SERFF General Instructions. All paper filings including the cover letter, all exhibits, rate sheets and additional information submitted to the Insurance Commissioner shall be typewritten or printed and submitted with one

(1) legible copy of all material. Companies that file as a group listing all companies on the

transmittal letter may accomplish this requirement by submitting one (1) typewritten or printed legible copy of all material.

(5) **Effective date of filings.** The effective date of rate, loss cost and manual rule filings and the dates of required action by the Insurance Commissioner are governed by the applicable provisions of the Insurance Code.

(6) **Notice of Insurance Commissioner action.** The Insurance Commissioner shall indicate action taken through the System for Electronic Rate and Form Filing (SERFF). Nothing in this section shall preclude the Insurance Commissioner from the use of other forms of communication to secure information from the filing entity.

(7) **Life, accident and health insurance.** This section does not apply to life, accident and health insurance. Life, accident and health insurance filings shall be made in accordance with the applicable provisions of the Insurance Code and Rules of the Insurance Commissioner.

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

(9) **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. The notice shall include the reason for the withdrawal.

(10) **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 therefore, illustrative examples, including "John Doe" specimen examples, and a comparison of currently approved and proposed materials (side by side comparison or marked copy).

(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.

(11) **Advisory organization deviations.** Every member of, or subscriber to, a licensed advisory organization may adhere to any filings made on its behalf by its advisory organization, except that any such member or subscriber may deviate from such filings as authorized by this section if it has filed with the advisory organization and with the Insurance Commissioner, the deviation to be applied and information necessary to justify the deviation. If such deviation is approved, it shall remain in force until such approval is withdrawn by the insurer with approval of the Insurance Commissioner.

365:15-7-30. Special Commercial Risks

To qualify for the exemption under 36 O.S. § 997(A)(~~3~~) (2), the commercial lines insurance risks shall be separate and distinct policies, with a minimum annual premium of more than Ten Thousand Dollars (\$10,000.00) per policy.

RULE IMPACT STATEMENT

1. RULE:

Proposed PERMANENT rules:

Subchapter 7.	Property and Casualty Competitive Loss Cost Rating Regulation
365:15-7-3	Property and casualty rate, loss cost and manual rule filings
[AMENDED]	
365: 15-7-30	Special Commercial Risks [AMENDED]

2. PURPOSE:

365:15-7-3 is amended to update the address of the Oklahoma Insurance Commissioner. 365:15-7-30 requires a renumbering of paragraphs to be consistent with the amendment to 36 O.S. § 997, effective November 1, 2010.

3. CLASSES AFFECTED:

- A. Property and casualty insurers
- B. Advisory organizations

4. COST IMPACTS ON PRIVATE OR PUBLIC ENTITIES:

No information

5. CLASSES BENEFITTED:

- A. Property and casualty insurers
- B. Advisory organizations

6. ECONOMIC IMPACT:

Unknown

7. PROBABLE COST TO AGENCY AND EFFECT ON STATE REVENUES:

None Anticipated

8. SOURCE OF REVENUE:

Normal yearly budgeted funds

9. MEASURES TAKEN TO MINIMIZE COMPLIANCE COSTS:

None

10. EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT:

Unknown

11. LESS COSTLY/LESS INTRUSIVE METHODS:

Unknown

12. EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF RULE NOT IMPLEMENTED:

Unknown

13. EFFECT ON SMALL BUSINESS

Implementation of the proposed rule will not have an adverse effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.

14. DATE PREPARED:

February 1, 2012