

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

OKLAHOMA INSURANCE DEPARTMENT	INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS REFERENCE FILING ADOPTION FORM
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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 This authorization is effective until disapproved by the Commissioner/Board, or amended or withdrawn by the insurer.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	%
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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					%
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