

ALASKA DIVISION OF INSURANCE FILING CHECKLIST
Property & Casualty Rates

Section I – Provisions Applicable to all Filings

	COMPLIANCE ISSUE	REFERENCE	COMMENTS	PAGE #
<input type="checkbox"/>	Applicability	AS 21.39.020 AS 21.39.040	All manuals, minimum class rates, rating schedules, rating plans, rating rules, and each modification of these must be filed with the director.	
<input type="checkbox"/>	Filing Requirements	AS.21.39.040 3 AAC 31.210 3 AAC 31.225 Bulletin 19-10	Rate filings must be submitted separately from form filings. A related form filing must be cross referenced on the cover letter. The cover letter for the filing must include the proposed effective date, character, and extent of coverage contemplated, and overall effect of the rate level change requested.	
<input type="checkbox"/>	Ratemaking Standards	AS 21.39.030 3 AAC 29.250(c) AS 21.36.090(c) AS 21.36.460(c)	Rates shall not be excessive, inadequate, or unfairly discriminatory. Rate filing must be consistent with the estimate of future costs of a risk transfer as established in the Casualty Actuarial Society’s Statement of Principles Regarding Property and Casualty Ratemaking, adopted May 1988. The costs must include estimated future losses, loss adjustment expenses, and other expenses. Risk characteristics utilized in class ratemaking and applicable rating rules must allow for periodic reevaluation of insured’s risk characteristics.	
		Bulletin 15-12	Judgmental adjustments to a rate may not be based on non-risk related policyholder characteristics.	

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<input type="checkbox"/>	Supporting Documentation	AS 21.39.040 (d) 3 AAC 31.230	Information upon which insurer supports filing should be included, as applicable. Support must be specific to the subject proposal: <ul style="list-style-type: none"> • Premium and loss experience, both nationwide and for Alaska; • Expense information, both nationwide and for Alaska, in at least as much detail as the expense groups shown on Part II of the Insurance Expense Exhibit; • If loss adjustment expenses are included in the loss experience, that fact must be clearly explained; <ul style="list-style-type: none"> • An explanation of how investment income was considered; • An explanation of the actuarial methodology used; <ul style="list-style-type: none"> • Support for any deviation in the filing, whether between companies or from a rating organization filing. 	
		3 AAC 29.250 (e)	If an insurer relies upon the loss costs of a rating organization to support its rates, the insurer must use the approved prospective loss costs of the rating organization in effect at the time of use.	
<input type="checkbox"/>	Unfair Discrimination	AS 21.39.030 AS 21.36.090 AS 21.36.120 (c) Bulletin 15-12	Premium or rates may not cause arbitrary or unfair discrimination between insureds or property having like insuring or risk characteristics. Risk characteristics must allow for periodic reevaluation to ensure class assignments and rates accurately reflect insured's risk characteristics and avoid such discrimination.	

Section II – Check any Provisions that Apply

	COMPLIANCE ISSUE	REFERENCE	COMMENTS	PAGE #
<input type="checkbox"/>	Adoption of Rating Organization Loss Costs and Insurer's Loss Cost Multiplier Filings	3 AAC 29.220 (a)(2) 3 AAC 29.240 3 AAC 31.240	Loss Cost Multiplier (LCM) filings must include a "Calculation of Company Loss Cost Multiplier" form and a "Reference Filing Adoption Form". LCM filings must apply the insurer's LCM to the approved prospective loss costs of the rating organization in effect at the time of use. Filings to implement a loss cost filing after the date when that filing is no longer effective will be disapproved.	
<input type="checkbox"/>	Adoption of Rating Organization Rules	3 AAC 29.220 (d)(2) AS 21.39.040 (a), (h)	Before utilizing any rules or rating material approved for a rating organization that include "refer to company" references or that utilize values supplied by the insurer (e.g. expense ratios), the applicable values must be filed and approved by the member or subscriber insurer.	
<input type="checkbox"/>	Alaska Rule of Civil Procedure 82	3 AAC 26.500 - .550 AS 21.39.040 (a) Bulletin 96-04	If an insurer limits coverage for attorney fees under Alaska Rule of Civil Procedure 82, insurers must file a rule describing the notice requirement of 3 AAC 26.550 . The rule should clearly identify the applicable notice(s), either by title or form number.	
<input type="checkbox"/>	Cancellation Fee	AS 21.36.255 AS 21.36.220 AS 21.39.040 (a)	A cancellation fee: <ul style="list-style-type: none">• may only be charged if cancellation is initiated by the insured;• may not exceed 7.5% of the unearned premium;• may not be charged unless:<ul style="list-style-type: none">○ the fee is clearly stated in the policy;○ a rule has been filed which clearly specifies how the fee is computed. Cancellation for non-payment of premium is cancellation by the insurer, not the insured. If a table is used to compute unearned premium, or if earned premium is calculated other than uniformly over the policy period, the applicable table or formula must be submitted to demonstrate compliance with AS 21.36.255 or AS 21.39.030 , respectively. A statement that the cancellation fee will not exceed 7.5% does not satisfy the requirement to clearly state or specify the cancellation fee.	

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<input type="checkbox"/>	Consent to Rate	AS 21.39.040(g) Bulletin 06-18	For a specific risk, an insurer may submit a written application for a rate other than the filed rate. Bulletin 06-18 provides specific criteria needed for submission.	
<input type="checkbox"/>	Delay Adoption of Rating Organization Loss Costs and Rules	AS 21.39.070(a) AS 21.39.040(a) , (b)	Subscribers and members must adhere to the filings made on their behalf by their rating organization and must implement on the effective date of the applicable rating organization filings, except to the extent a deviation has been filed by and approved for the member or subscriber insurer.	
		3 AAC 29.220(a)(2)	Loss cost adoption may not be delayed past the date the loss costs are no longer in effect for the rating organization.	
		AS 21.39.030(a)(1) AS 21.39.040(d)	A request to not adopt a rating organization filing made on an insurer's behalf or to significantly delay such a filing should be accompanied by independent support to demonstrate compliance with Alaska laws. This includes requests to have an LCM not apply to future revisions of the rating organization's prospective loss costs.	
<input type="checkbox"/>	Deviations from Rating Organization Rates	AS 21.39.070(a) 3 AAC 29.220 3 AAC 31.230(5)	Members or subscribers to rating organizations may file a deviation to rating organization filings. Insurer must provide support for a requested deviation in the filing.	
<input type="checkbox"/>	Exempt Commercial Policy	3 AAC 29.505-.510 3 AAC 29.545 Bulletin 05-06	An exempt commercial policyholder must meet the standards in 3 AAC 29.545 . An informational filing must be submitted no later than 30 days after the proposed effective date, and must comply with the applicable requirements of 3 AAC 29.500 - 550.	
<input type="checkbox"/>	Expense Modification Plan	AS 21.39.030 AS 21.36.120(a)	An insurer may not give a discount or rebate as an inducement to purchase insurance. Expense modification plans must clearly describe the circumstances under which the standard expenses will be altered and how much they will be altered. Allowing a producer to select a commission level to bring the policy premium to the desired amount is considered a rebate.	

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<input type="checkbox"/>	Extended Reporting/Tail Period	AS 21.39.030 AS 21.39.040	Irrespective of whatever other supplemental discovery or extended reporting periods (ERP) may be offered, the insured must be offered one ERP option of at least sixty months duration. Unless specific support is provided, the charge for an unlimited ERP exceeding 200% of the expiring premium will be considered excessive. The charge for limited ERP coverage should be less than 200%.	
<input type="checkbox"/>	Fully Earned or Minimum Earned Premium	AS 21.36.255 (b)(2) AS 21.42.160 (a)(5)	A rating rule must be included in the rating manual for minimum earned premiums and the premium must be stated in the policy.	
		AS 21.39.030 (a)(1) AS 21.36.090 (c)	A rate or rule for a fully earned or minimum earned premium must not result in excessive premiums nor be unfairly discriminatory.	
<input type="checkbox"/>	Group marketing	3 AAC 29.320 AS 21.39.030 (a)(1)	Premium rates must comply with AS 21.39. Regulations 3 AAC 29.305-.369 outline additional requirements applicable to group marketed P&C insurance.	
<input type="checkbox"/>	Judgment Rating	AS 21.39.030 AS 21.36.090 (c) AS 21.36.120 (c) AS 21.39.040 (a)	A person may not make or permit unfair discrimination between insureds with like characteristics in the rates charged for an insurance policy, or in the selection of it, or in any terms and conditions of the insurance. Criteria considered in selecting a specific rate from a range of rates must be provided.	

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<input type="checkbox"/>	"Me Too" Filings and Using Competitor Approved Rates as Support	AS 21.39.040 (d) AS 21.39.030	<p>When proposed rates and rules are based on those approved for another insurer, the filing should include supporting documentation to:</p> <ul style="list-style-type: none"> • Identify differences in coverages, underwriting selection, target markets, special services offered, and company operating expenses versus the competitors; • Demonstrate how these differences are accounted for in the proposed rates; • Either: <ul style="list-style-type: none"> ○ Identify the filings in which the competitor material was approved in Alaska, or ○ Attach a copy of the supporting documentation that was included by the competitor within the filings that were approved in other states; • Identify and explain how trends have been accounted for since the time the material has been approved for the competitors, and any adjustments that have been made to account for differences among filing jurisdictions (if applicable). 	
<input type="checkbox"/>	Policy Fees	AS 21.39.040 Bulletin 04-14 Bulletin 16-02	Insurer must support the need for the fees, explain the purpose of the fees, and demonstrate that the fees are not included in other expense provisions.	
<input type="checkbox"/>	Refer to Company and (a) Rates	Order R94-02 AS 21.36.090 (c)	<p>Filing must demonstrate the proposed use of "refer to company" or (a) rating complies with the eligibility requirements of R94-02, items A and B.</p> <p>Applicable rules must clearly state under what conditions a given risk will be subject to "refer to company" or (a) rating, in accordance with R94-02, item C.</p> <p>Rules must include guidelines to be used in developing rates for risks that are subject to "refer to company" or (a) rating, in accordance with R94-02 items D and E. The guidelines must be in sufficient detail to ensure rates will be consistently determined by different underwriters or by the same underwriter for different risks; AS 21.36.090(c).</p>	
<input type="checkbox"/>	Reinsurance Costs	3 AAC 29.300 (3)	Reinsurance costs are not included in expenses.	

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<input type="checkbox"/>	Schedule Rating Plan	3 AAC 29.400-.469 Bulletin 98-09	<p>Each plan must include:</p> <ul style="list-style-type: none"> • The criteria that an insured must meet to be eligible for the plan • A description of each risk characteristic for which a debit or credit will apply • The range of permissible debits or credits for each risk characteristic • The maximum total debit or credit that may be assigned to the policy • If applicable, a statement that any previously approved schedule rating plan applicable to the same class of insureds is withdrawn upon the approval of the filing <p>The plan must be applied to all eligible insureds, must be applied at each policy renewal, must assign credits or debits only for risk characteristics described in the plan, and may not be applied in a way that duplicates other rating. The plan must only apply to things that effect losses and loss adjustment expenses.</p> <p>The rating plan must acknowledge an obligation to comply with 3 AAC 29.420 and 3 AAC 29.430 by including a rule that describes how these requirements are met.</p> <p>If the range of permissible debits or credits available for any risk characteristic or the plan in total is greater than 25%, supporting documentation must be provided to demonstrate compliance with AS 21.39.030(a)(1), 3 AAC 29.400(2).</p>	
<input type="checkbox"/>	Terrorism	Bulletin 08-01 AS 21.39.040(d) AS 21.39.030(a)	A premium charge for terrorism coverage that is more than one percent or that varies by application of other rating factors must be accompanied by detailed supporting documentation.	

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<input type="checkbox"/>	Tier Programs	AS 21.39.030 AS 21.36.090(c) AS 21.36.120(c) AS 21.39.040(h)	<p>A person may not make or permit unfair discrimination between insureds with like characteristics in the rates charged for an insurance policy, or in the selection of it, or in any terms and conditions of the insurance.</p> <p>The filing must clearly include criteria that describe what tier a risk will be placed in and the tier criteria must be mutually exclusive. Tier criteria and classification criteria should not duplicate each other.</p> <p>The filing must indicate that each risk will be reevaluated at specified intervals, which must be at least every two years, to see if the risk needs to be moved to a different tier.</p>	
<input type="checkbox"/>	Unearned Premium Refund - Insured Cancel	AS 21.36.255	<p>The unearned premium refund rule must require the return of any unearned premium within 45 days of receipt of a request for cancellation or the effective date of cancellation, whichever is later.</p>	
<input type="checkbox"/>	Unearned Premium Refund - Insurer Cancel	AS 21.36.220(c)	<p>The unearned premium refund rule must require that the refund be made before the effective date of cancellation except for the reasons stated in AS 21.36.220(c)(1). Then the refund must be within 45 days after the notice of cancellation.</p>	

Name (print): _____

Date: _____

Signature: _____