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CHANGES

This filing revises rating Rule 85. Basic Group 1 Class Rates in the Commercial Fire and Allied Lines Manual in response to H.B. 392

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

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- To use our revision with a different effective date, to use our revision with modification, or to NOT use our revision, you must make an appropriate submission with the Louisiana Department of Insurance.

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Louisiana Rating Rule Revised

About This Filing

This filing revises rating Rule **85**. Basic Group I Class Rates in the Commercial Fire And Allied Lines Manual in response to 2017 La. Sess. Laws __ (former H.B. 392).

Revised Rating Rule

- ◆ Division Five – Fire And Allied Lines
 - Rule 85. Basic Group I Class Rates

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

Background

2017 La. Sess. Laws __ (former H.B. 392), which becomes effective August 1, 2017, in part, provides that: "No insurance company shall combine a higher classified public fire protection area with a lower classified public fire protection area for the purpose of determining the fire insurance rate for the combined public fire protection areas

Explanation of Changes

We are revising the state exception to rating Rule **85**. to reflect the requirements in 2017 La. Sess. Laws __ (former H.B. 392).

Actuarial Support

In response to 2017 La. Sess. Laws __ (former H.B. 392), we have revised the rating procedure for Rule **85.L.3** Basic Group I Special Class, which had combined rates for a higher classified PPC with a lower classified PPC. The new rule uses the current PPC 5 rate as a base rate and applies the appropriate PPC factor from table 85.I based on applicable Protection Class. This same rating procedure is used for Basic Group I class rating for classes other than those in the Special Class table.

Overall Impact

Due to the low premium volume of Special Class risks, the impact the program has on the overall rate level by territory is small. We will not be adjusting any of the base rates due to these changes.



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LOSS COSTS/RATES

85. BASIC GROUP I CLASS RATES

DEVELOPMENT OF BASIC GROUP I CLASS RATES

1. To calculate applicable Basic Group I Class Rate, multiply the "Base" Rate selected according to CSP Class Code and construction from Item **2.** below by the Public Protection Class Factor from **Table I.** Property must be located within the boundaries of a graded area: Municipality, Fire District, or Fire Protected Territory and located within seven road miles from a responding fire station and located within 1,000 feet of a standard fire hydrant. Hydrant distance requirement is waived when the protection classification includes credit for water hauling capabilities. Properties not meeting these requirements use Public Protection class Factor Rate Group 10. Basic Group I Special Class rates from Rule **85.L.3.** are subject to Public Protection Class Factors. All rates are subject to Territorial Multipliers that appear in this rating rule after the Basic Group I class rates.

85. BASIC GROUP I CLASS RATES

SECTION VIII – BASIC GROUP I CLASS RATES

L.3. Special Class Rates

Item No.	SPECIAL CLASSES ● CSP Class Code 1190 applies except for: ● Billboards and Signs (Not on Buildings) (Item 7.) Class Code 1185 ● Bridges and aqueducts (Item 10.) Class Code 1200 ● Drive-in theaters (Item 14.) Class Code 0833 ● Electrical Vehicle Charging Stations (Item 16.) Class Code 1160 ● Solar Panel Arrays – Freestanding (Not on Buildings) (Item 29.) Class Code 1165 ● Wind Towers (Not on Buildings) (Item 37.) Class Code 1170 ● Use Coverage Code 1 ● Use Construction Code 0	PROTECTION CLASSES (Codes) Basic Group I Rates			Basic Group II Symbol
		1-4* (01-04)	5-8 (05-08)	9-10 (09-10)	
		1.	Apply the rates under (a), (b) and (c) to all property in the open, except for specific properties which have been provided for under Items 2. through 37. (a) Masonry or Metal or other non-combustible materials, stock or equipment such as storage or machinery (with no combustible attachments or parts), metal bars or ingots, monuments, statuary, tombstones, stone and similar non-combustible materials, with no combustible wrapping or pallets (b) Metal or other non-combustible materials with combustible wrappings, or on combustible pallets (c) Materials, stock or equipment which are combustible or part combustible079	
2.	AIRCRAFT STORED IN THE OPEN.....	.525	.674	.823	8B
3.	AIRCRAFT BEACONS, BLINKERS and other Lighting Equipment:				
	(a) Metal Supports.....	.099	.099	.099	AB
	(b) Wood Supports.....	1.021	1.021	1.021	4B
4.	AMUSEMENT EQUIPMENT IN THE OPEN (Commercial Enterprises), including rides, games, aerial trams, ski lifts, amusement piers, golf driving range equipment, miniature golf equipment and similar equipment:				
	(a) Metal or other Non-Combustible combustible Equipment.....	.525	.525	.525	B
	(b) Combustible Equipment.....	3.003	3.994	4.985	4B
5.	ARTIFICIAL TURF .....	.307	.347	.377	B
6.	AWNINGS OR CANOPIES (when insured separately):				
	(a) Entirely non-combustible, including supports.....	.099	.099	.099	8B
	(b) Other than above .....	.922	1.219	1.516	8B
7.	BILLBOARDS AND SIGNS (Not on Buildings):				
	(a) Entirely Metal, including frame and supports .....	.941	.941	.941	4B
	(b) Other than above	2.180	2.180	2.180	8B
8.	BLEACHERS.....	.922	1.219	1.516	B
9.	BOATS, DREDGES OR VESSELS ON LAND OR PERMANENTLY ANCHORED.....	.922	1.219	1.516	2B
10.	BRIDGES, AQUEDUCTS:				
	(a) Concrete, including supports and deck.....	.089	.089	.089	2A
	(b) Metal, including supports and deck.....	.277	.277	.277	3AB
	(c) Wood or part wood .....	.823	.921	1.021	4B
11.	COOLING TOWERS:				
	(a) Masonry .....	.228	.228	.228	2A
	(b) Metal.....	.525	.525	.525	3AB
	(c) Wood .....	.922	1.219	1.516	4B

12.	CORDWOOD, FELLED TIMBER, STAKES AND RAILROAD TIES in the open, not on the premises of a lumber mill or builders supply yard	2,012	2,259	2,507	4B
13.	CRANES AND OTHER HEAVY MACHINERY IN THE OPEN; .....	.228	.228	.277	3AB
14.	DRIVE-IN THEATERS (Speakers and Screens only):				
	(a) Speakers .....	.129	.129	.129	3AB
	(b) Screens:				
	(1) Concrete .....	.079	.079	.079	2A
	(2) Metal .....	.277	.277	.277	3AB
	(3) Wood.....	.922	1,219	1,516	4B
15.	ELECTRIC TRANSFORMERS in the open not owned by a public utility:				
	(a) On Concrete Pads or Steel Supports .....	.129	.129	.129	A
	(b) On Wood Supports.....	.277	.277	.277	4B
16.	ELECTRIC VEHICLE CHARGING STATIONS (Pole Mount or Pedestal; Not Wall Mounted .....	.099	.099	.099	3AB
17.	EXHIBIT STANDS AND BOOTHS IN THE OPEN:				
	(a) Entirely Metal .....	.624	.823	1,021	3AB
	(b) Wood or Part Wood.....	1,219	1,615	2,012	4B
18.	EXPLOSIVES IN THE OPEN	9,940	9,940	9,940	4B
19.	FENCES AND ARBORS:				
	(a) Metal or masonry .....	.099	.099	.099	3AB
	(b) Wood.....	1,021	1,021	1,021	4B
20.	INCINERATORS OR REFUSE BURNERS which are not part of a building:				
	(a) Masonry Construction .....	.079	.079	.079	2A
	(b) All Other Construction .....	.129	.129	.129	3AB
21.	MACHINERY AND EQUIPMENT IN THE OPEN in use for processing, manufacturing or mining operations, which is not part of a building or other structure:				
	(a) Where processing non-combustible materials only (such as rocks, sand, gravel or similar inert materials) .....	.327	.426	.525	3AB
	(b) Where processing combustible materials other than hay, straw or fibers .....	.922	1,219	1,516	3AB
	(c) Where processing hay, straw or other fibers.....	1,814	2,408	3,003	3AB
	(d) Where processing chemicals, acids or gases, make application for specific rating.				
22.	MOTION PICTURE SETS IN THE OPEN .....	.922	1,219	1,516	8B
23.	NURSERY STOCK IN THE OPEN (Trees, shrubs, plants, flowers).....	.773	.773	.773	8B
	Note: The above classification does not apply to growing crops, or to standing timber, but may apply to landscaping trees, shrubs, plants or flowers not provided for in Dwelling Policy Program or Farm Rates.				
24.	OIL DERRICKS	3,003	3,994	4,985	8AB
25.	RAFTS AND OTHER FLOATING EQUIPMENT, ALSO PORTABLE OR MOVABLE DOCKS (NOT BOATS OR DREDGES)	1,021	1,021	1,021	8B
26.	RESERVOIR ROOFS.....	9,940	9,940	9,940	8AB
27.	SAWMILLS, PORTABLE, IN THE OPEN	5,976	6,719	7,462	8B
28.	STOCK PENS, FEED PENS, FEED STORING PENS, CORRALS, where such equipment is not subject to Farm Rates.....	2,012	2,259	2,507	8B
29.	SOLAR PANEL ARRAYS – FREESTANDING (Not on Buildings), including strut support .....	.129	.129	.129	8AB
30.	STREET LIGHTING POLES, PARKING METERS, STREET SIGNS, TRAFFIC SIGNALS, FLAGPOLES, FIRE ALARM BOXES, AND SIMILAR EQUIPMENT:				
	(a) Metal .....	.099	.099	.099	3AB
	(b) Wood or part Wood.....	1,021	1,021	1,021	4B

31.	SWIMMING POOLS IN THE OPEN:				
	(a) In Ground:				
	(1) Concrete or Metal.....	.079	.079	.079	A
	(2) Other than (1).....	.277	.277	.277	A
	(b) Above Ground:				
	(1) Concrete or Metal.....	.079	.079	.079	A
	(2) Other than (1).....	1.021	1.021	1.021	B
32.	TANKS, BINS AND SILOS, used for the storage of Non-Combustible Liquids such as Water, Non-Combustible Gases such as Nitrogen, Oxygen, or CO, and Non-Combustible Solids such as Sand or Gravel:				
	(a) Tanks below ground, covered with earth .....	.079	.079	.079	1/2A
	(b) Tanks above ground:				
	(1) Masonry tanks on the ground, or masonry tanks with masonry supports .....	.079	.079	.079	A
	(2) Steel tanks on the ground, or masonry or steel tanks on steel supports .....	.129	.129	.129	A
	(3) Wood tanks, or tanks with wood supports (including wood reservoir roofs).....	.228	.228	.228	4B
33.	TENTS AND FABRIC COVERED STRUCTURES:				
	(a) Fabric covered structures supported by structural metal members.....	3.003	3.399	3.746	8B
	(b) Air supported structures.....	3.994	4.489	4.985	8B
	(c) All other fabric covered structures	3.994	4.489	4.985	8B
34.	TOWERS:				
	(a) Broadcasting Antennas (Cell, Radio & TV).....	.129	.129	.129	8AB
	(b) Receiving Antennas (Cell, Radio & TV).....	.129	.129	.129	8B
	(c) Smokestacks or chimneys (Free Standing):				
	(1) Masonry .....	.079	.079	.079	8B
	(2) Metal .....	.129	.129	.129	8B
35.	TUNNELS AND UNDERGROUND PASSAGEWAYS, including underground conduits or pipes (excluding mine passageways):				
	(a) Masonry or Metal .....	.089	.089	.089	1/2A
	(b) Wood	1.516	1.516	1.516	1/2A
36.	WATER OR SEWAGE LIFT PUMPS, enclosed or open:				
	(a) Metal or Masonry .....	.099	.099	.099	A
	(b) Wood or part Wood.....	.277	.277	.277	B
37.	WIND TOWERS:				
	(a) Windmills and wind turbines – tower base of concrete, reinforced masonry and/or steel construction .....	.129	.129	.129	8AB
	(b) Windmills and wind turbines – other .....	.129	.129	.129	8B

* For Protection Class 1 **ONLY**, apply a factor of .976 to the applicable rate.