



AAIS Bulletin

Member Focused Advisory Solutions

February 23, 2018

Bulletin:	State:	Line(s) of Insurance:
18-0097	Oklahoma	Commercial Output Program

Wind Loss Mitigation Rule and Factors Available

Reference Bulletins: [17-0233](#) and [17-0484](#)

The new state-specific manual rule addressing Wind Loss Mitigation Factors that enables companies to comply with Oklahoma House Bill 1720 is available, effective April 1, 2018. This bulletin provides the company action needed to adopt the filing.

BACKGROUND

As communicated in Reference Bulletin 17-0484, House Bill 1720 requires insurance companies to provide a premium discount, rate reduction, or other adjustment to property owners who construct, locate, or retrofit insurable property in the state to resist loss due to a tornado or other catastrophic windstorm events. The law became effective on November 1, 2017 but will only apply to new policies written, or existing policies renewed, on or after April 1, 2018.

To address this legislation, Step 11, Wind Loss Mitigation Factors was added under Rule 4.1, Calculation of Property Premium to enable companies to provide premium credits for one-family dwellings that are constructed in accordance with Appendix Y of the 2015 Oklahoma Uniform Building Code or the FORTIFIED Home™ - High Wind and Hail Standards adopted by the Institute for Business and Home Safety® (IBHS) and one family dwellings retrofitted in accordance with the FORTIFIED Home™ - High Wind and Hail Standards adopted by the IBHS.

CHANGES

The revision number on state exception pages Oklahoma - 1 through Oklahoma - 3, which set forth Step 11 of Rule 4.1, has been changed from Rev 3.1 to Rev 3.3.

EFFECTIVE DATE AND FILING NUMBERS

The material described in this bulletin is available effective April 1, 2018. Refer to the following filing numbers in all correspondence directed to the insurance department:

AAIS Number: AAIS-2017-54COPR and State/SERFF Tracking Number: AMAX-131301499

COMPANY ACTION

The Company Action sections prepared for the AAIS bulletins issued to announce the approval of a filing or the availability of the materials have recently been expanded to provide specific instructions for a broader range of variables.

The action needed to adopt or not adopt each filing depends on the company's specific intent, as well as other possible variables. The Company Action information that follows should be reviewed carefully with respect to the action needed to adopt or not adopt the new or revised materials that are the subject of this bulletin.

The AAIS filing submitted in this state advised the insurance department that the materials may be provided to affiliated companies in an electronic format. The department was informed that due to differences in printer configurations or other hardware or software differences, the cosmetic appearance of the material may be altered slightly when produced by another system without affecting the content.

- Companies that have granted filing authority to AAIS for rules for this line of insurance:
 - can adopt an AAIS rules filing, without modifications, on the effective date designated by AAIS without notifying the Oklahoma Insurance Department (OID);
 - can adopt an AAIS rules filing on an earlier effective date by establishing an effective date and notifying the OID within 30 days after their chosen effective date;
 - can adopt an AAIS rules filing on a later effective date by establishing an effective date and notifying the OID within 30 days after the effective date designated by AAIS;
 - can modify an AAIS rules filing by establishing an effective date and submitting their modifications along with a reference filing to the OID within 30 days after the effective date designated by AAIS; or
 - can choose not to adopt an AAIS rules filing by notifying the OID on or before the effective date designated by AAIS.
- Companies that have not granted filing authority to AAIS for rules for this line of insurance:
 - can adopt an AAIS rules filing by establishing an effective date and making a reference filing with the OID within 30 days after their chosen effective date; or
 - can choose not to adopt an AAIS rules filing without notifying the OID.

A reference filing should contain only the filing reference numbers. Copies of AAIS filed and approved materials should **not** be included in a reference filing.

Include the AAIS and state file numbers in all correspondence with the OID.

AAISdirect

AAISdirect subscribers can access the approved materials described in this bulletin via *AAISdirect*.

LINK

-- [Commercial Output Program Manual, State Exception Pages Oklahoma - 1 through Oklahoma - 3, Rev 3.3](#)

DIRECT QUESTIONS TO:

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