



# AAIS Bulletin

Member Focused Advisory Solutions

February 23, 2018

Bulletin:	State:	Line(s) of Insurance:
18-0096	Oklahoma	Agricultural Output

## Wind Loss Mitigation Rule and Discount Factors Available

Reference Bulletin(s): [17-0233](#) and [17-0506](#)

The new state-specific manual rule addressing Wind Loss Mitigation Factors that enables companies to comply with Oklahoma House Bill 1720 is available without changes, effective April 1, 2018. This bulletin provides the company action needed to adopt the filing.

### BACKGROUND

As communicated in Reference Bulletin 17-0506, 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 10, Wind Loss Mitigation Factors was added under Rule 8.1, Calculation of Basic Property Charges to enable companies to provide premium credits for:

- one family dwellings 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);
- one family dwellings retrofitted in accordance with the FORTIFIED Home™ - High Wind and Hail Standards adopted by the IBHS; and
- Wind Zone III HUD Code one family manufactured homes that are installed on permanent foundations and retrofitted to the FORTIFIED Home™ - High Wind and Hail Standards adopted by the IBHS.

Copies of the manual pages OKLAHOMA - 1 through OKLAHOMA - 4, Rev 1.1 which set forth Step 10 of Rule 8.1 were provided as an attachment to Bulletin 17-0506.

### 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-2017-54AGOPR and State/SERFF Tracking Number: AMAX-131301194

## 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*.

## SUPPLIES

For an additional charge, AAIS can customize the manual pages to convert the loss cost rating information to final rates and premiums. Please provide the company multiplier, as well as any other instructions for custom manual preparation, on the manual order form at <http://www.aaisdirect.com/file/5/CMLMANOF.pdf>.

## DIRECT QUESTIONS TO:

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