

# Commercial Property & Casualty Rate and Form Options and Exemptions Manual

## June 2008 Edition

The June 2008 edition of the Manual includes all previously distributed state page updates, as well as the revisions that were distributed with the previous edition of **January 2008**. The updates to the Manual for January 2008 were as follows:

- **Connecticut** – Connecticut has enacted a pilot program of selective rate and form deregulation as a possible preliminary step towards the enactment of permanent reform. The pilot program is effective for a one year period beginning February 1, 2008. Manual users should note that the pilot program impacts a very limited range of risks; requires full rate and/or form filings; and subjects such “informational” filings to random audit by the Department. The revised Manual page for Connecticut provides a link to Bulletin PC-63 (January 7, 2008) with complete information.
- **District of Columbia** – The information concerning exempt commercial risks has been updated to include the *Certification of Exempt Commercial Risk* form and the record-keeping rules for large risks. The certification form must be completed annually for an exempt risk and must be maintained in underwriting files. The guidelines for manuscript forms have been updated as well.
- **Kansas** – Effective January 18, 2008, Kansas has revised its consent to rate provisions by amending the notification language insurers are required to use on application or policy forms, pursuant to K.A.R. 40-3-25. The revisions are minor, with the exception of a new notice requirement for health care professionals.
  - Policies that are issued to medical providers and rated on a consent-to-rate basis must now include the following statement: “I understand that I may be able to obtain adequate basic professional liability coverage through the Kansas health care provider insurance availability plan.” Please note that this statement may be added either to the application form or the policy form.
- **Massachusetts** – We have added clarifications concerning the notification requirements for large risks in response to questions from the field. In particular, underwriters should note that Massachusetts requires (2) notices for exempt commercial policyholders – a disclosure notice, which must be delivered prior to policy receipt, and a separate certification form, both requiring the signature of the insured.
- **Washington** – In May 2006, Washington enacted form deregulation for large commercial risks to complement its existing rate exemptions. As part of the process, the certification form used to qualify commercial policyholders was revised. The certification form has been revised again, as the result of further minor amendments to W.A.C. 284-24-120, *Suspension of Rate Filing Requirements – Large Commercial Accounts*. The Manual has been updated with the revised form.

## June 2008 Revisions

The revisions to the Manual for **June 2008** are as follows:

- **California** – The general exemption from rate filing that applies to reinsurance, ocean marine and mortgage insurance, pursuant to Ins. Code § 1851, has been added to the California page.
- **Florida** – The filing exemption for manuscript forms has been clarified. New language has been added to clarify that manuscript forms and endorsements used with individually rated risks, (A) rated risks or large commercial risks may be used only once without filing for prior approval.
- **Massachusetts** – An updated consent-to-rate application has been issued by the Department, effective May 2008. Pursuant to Bulletin 08-08 (5-20-08), the new application, SCR-CR (2008), *Consent to Rate and Restriction of Coverage Form*, may be used immediately.
- **Nevada** – Nevada rule N.A.C. 680B.040 has been amended to clarify that a consent-to-rate filing is required when a deviation from an insurer’s filed rates is for either a higher or lower rate. Note: The current consent-to-rate application form includes reference to this information.
- **Oregon** – Due to the withdrawal of Oregon Bulletin 86-3, we have removed the specific procedures for filing (A) rates and individual risk rates which were required by the withdrawn bulletin. According to the Department, (A) rate and individual risk rate filings must simply be submitted on or before the policy’s effective date.

- **South Carolina** – New language has been added to the South Carolina pages concerning “consent-to-form” procedures, pursuant to Ins. Code § 38-73-1060(B). Consent-to-form may be used at the written request of an insured on any risk, with the exception of workers’ compensation, employers’ liability and certain other coverages, to replace the use of a filed form which would otherwise be applicable. Please note that the insurer is responsible for creating the consent-to-form application, which outlines the policyholder eligibility requirements that an applicant must meet.

## INTRODUCTION

This Manual provides rate and form options available (other than the filed rates and forms) for property and casualty risks written on admitted paper. These options are as follows:

- Commercial Deregulation/Exemption (which may apply to rates and/or policy forms)
- (A) Rates
- Individual Risk Rates
- Consent to Rate
- Manuscript Endorsements

Definitions are on the next page.

This Manual is set up in alphabetical order by state. Each state section addresses each of the above options, listing the lines that the option applies to and whether the option applies to policy rates and/or forms. In some instances, the states' laws do not address the various options. Therefore, recommendations were made from ISO Manuals when applicable. Specific state filing requirements for the various rate options are also provided along with necessary forms (i.e., consent to rate forms).

This Manual gives recommendations for properly maintaining files when using the above options. As a general rule, all underwriting files should include documentation of how an excess (or lower) rate was determined and include any required forms or authorizations. It is important to note that a risk that is exempt from rate and/or form filing requirements must generally comply with all other areas of the insurance law. For example, rates that are not filed must still not be inadequate, excessive or discriminatory and must be actuarially justified.

This survey does not address rates for the following: surplus lines; reinsurance, other than joint reinsurance, life insurance; annuities; health insurance; ocean marine, as distinguished from inland marine insurance policies; aviation liability (other than workers' compensation and employers' liability) and aircraft hull or title insurance.

At the beginning of this Manual, you will find a quick reference chart for all states. This is meant only for your convenience and does not include much of the information that you will need to properly use this Manual. You must refer to the state pages for accurate information.

**Please note that the material in this document is here to serve as a guide only. Please consult with your attorney and have him or her check the law. This material is only updated through the date which appears on this page and is subject to change.**

### **Definitions:**

1. **Commercial Deregulation/Exemption:**

This exemption is a method of deregulating rates and forms that pertain to either: (i) certain lines of business, because the line of business is competitive enough to be self-regulating, or (ii) large commercial policyholders, because the insured is assumed to have a high level of insurance knowledge. Generally, a large commercial policyholder is exempt when it meets certain criteria (e.g., a minimum net worth, a minimum amount of insurance premium per year, a minimum amount of employees, etc.).

These deregulated risks or policyholders may also be exempt from requirements, other than rate and form filing (see **Commercial Deregulation – Additional Exemptions** section in the state pages), but are generally subject to all other insurance law requirements.

2. **(A) Rates:**

(A) Rates apply where there is a unique and unusual risk for which a manual rate cannot be used. There is generally no experience typical for that risk, and generally, such risks are not backed by loss experience

statistics. An underwriter would utilize (A) rating for classifying and rating any risk, which presents unique or unusual conditions, exposures, or hazards for which a commercial lines manual classification or rate is not appropriate. There are generally three types of situations that require (A) rates. These three instances are as follows: (1) for a class in which the risks are so different from each other that no single manual rate could be representative of all of them; (2) where a class does not develop enough experience to warrant any credibility for ratemaking purposes; or (3) risks that involve a new product or coverage for which there is no past experience nor appropriate analogy to similar exposures.

Why are they called (A) Rates? Insurance Services Office which is a rating organization that provides loss costs formerly provided rates. They would file with the State Insurance Department and insurers would use the rates that were approved. These were broken down by classification and other factors and contained in the Commercial Lines Manual (CLM). There were some classifications for which there was no credible experience and rates could not be determined. Instead of having a number next to the classification, ISO inserted the symbol (A). Hence the term (A) rates. These are also commonly known as “refer to company” rates.

3. **Individual Risk Rating:**

An individual risk rate filing is required for insurance written in a line or class of insurance for which you have not previously filed rates nor have you designated such lines or classes with (A) or "refer to company" or where the manual filed rates do not adequately represent the exposure of a particular risk. It may also include a method by which a risk is rated by experience rating, schedule rating, or a combination of both rating practices. Ex.: A large risk that is so large that its own experience dictates its rate.

Experience Rating:

A method of adjusting the premium for a risk based on past loss experience for that risk compared to loss experience for an average risk.

Schedule Rating:

Applying debits or credits within established ranges for various characteristics of a risk, which are either below or above average according to an established schedule of items.

4. **Consent to Rate:**

A rate in excess of that filed by a company or rating organization that may be charged on a specific risk, because the risk actuarially warrants a higher rate to which the insured and insurer have consented in writing.

5. **Manuscript Endorsements:**

A written or printed form attached to the policy which alters provisions of the contract. It includes specific coverages or conditions not provided for in the standard policy. In those cases in which manuscript endorsements are exempt from filing, such endorsements are to be used only for a specific commercial risk and only on a one time, exceptional basis. (There are certain state exceptions, however, such as Massachusetts and Pennsylvania, which permit more than a single use of the same manuscripted form.) Manuscript forms must be compliant with all other state insurance laws, such as the rules for proper cancellation and non-renewal.

Manuscript forms and endorsements issued to an Exempt Commercial Policyholder:

- Manuscript forms issued to a large commercial policyholder are exempt from filing, if the state's commercial deregulation statute permits a form filing exemption for large commercial risks.
- If the state's commercial deregulation rule excludes policy forms, then the rules concerning manuscript forms will apply.

## QUICK REFERENCE CHART

**\*\*\*This chart is only a quick guide to give the options available in each state. This does not provide the lines of business the options apply to or the various filing requirements. Many options do not apply to all lines and various lines have different filing requirements. In order to properly use this Manual, you must review the relevant state pages to determine the applicability to your line of business and the filing requirements for each specific line. \*\*\***

State	Commercial Deregulation/ Exemption	(A) Rate and Individual Risk Rate	Consent to Rate	Manuscript Endorsements
<a href="#">ALABAMA</a>	<ul style="list-style-type: none"> <li>Yes for Forms for inland marine and surety.</li> <li>Yes for Rates for inland marine.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt from filing.
<a href="#">ALASKA</a>	<ul style="list-style-type: none"> <li>Yes for Rates and Forms for Exempt Commercial Policyholders, with an informational filing.</li> <li>Yes for Rates for inland marine.</li> <li>Yes for Forms for inland marine and surety.</li> </ul>	Yes. Manual page must be filed.	Yes. File for approval.	Exempt from filing.
<a href="#">ARIZONA</a>	Yes for Rates & Forms for most commercial lines and Industrial Insureds.	Yes. Exempt from filing.	Yes. Most lines exempt from filing.	Must file.
<a href="#">ARKANSAS</a>	<ul style="list-style-type: none"> <li>Yes for Rates for most commercial lines.</li> <li>Yes for Forms for Large Commercial Risks and certain specified lines.</li> </ul>	Yes. Exempt from filing.	Yes. Most lines exempt from filing.	Exempt from filing.
<a href="#">CALIFORNIA</a>	Yes for Rates for ocean marine and mortgage insurance.	No (A) rates. Individual risk rates may be allowed, but require prior approval.	Yes for workers' compensation, only. File for approval.	Must file.
<a href="#">COLORADO</a>	<ul style="list-style-type: none"> <li>Yes for Rates and Forms for Exempt Commercial Policyholders.</li> <li>Yes for Forms for most commercial lines.</li> </ul>	Yes. Exempt from filing.	Yes for Type I (pure NCCI workers' comp and assigned risk auto). File for prior approval.	Exempt from filing, with exceptions.
<a href="#">CONNECTICUT</a>	<ul style="list-style-type: none"> <li>Yes for Rates and Forms for inland marine.</li> <li>Yes for Forms for fidelity, surety, and guaranty.</li> <li>Yes for Forms and Rates for certain lines eligible for Pilot Program, effective 2-1-08 to 2-1-09. Informational filing required.</li> </ul>	Yes. Exempt from filing.	Yes. For No-Fault Auto only. File for approval.	Exempt from filing, with conditions, under Pilot Program, effective 2-1-08 to 2-1-09.
<a href="#">DELAWARE</a>	<ul style="list-style-type: none"> <li>Yes for Rates for Large Risks.</li> <li>Yes for Rates &amp; Forms for inland marine.</li> <li>Yes for Forms for surety.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt from filing.
<a href="#">DISTRICT OF COLUMBIA</a>	Yes for Rates and Forms for Exempt Commercial Risks and Inland Marine.	(A) rates – file for prior approval. Individual risk – file after effective date.	Yes. File for approval.	Must file.

<b>State</b>	<b>Commercial Deregulation/ Exemption</b>	<b>(A) Rate and Individual Risk Rate</b>	<b>Consent to Rate</b>	<b>Manuscript Endorsements</b>
<a href="#">FLORIDA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for Large Commercial Risks.</li> <li>• Yes for Rates &amp; Forms for inland marine.</li> <li>• Yes for Forms for surety.</li> </ul>	Yes. Exempt from filing. Quarterly report must be filed.	Yes. Exempt from filing. Quarterly report must be filed.	Exempt with conditions.
<a href="#">GEORGIA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for Large Commercial Risks.</li> <li>• Yes for Forms for inland marine and surety.</li> </ul>	Yes. File after effective date.	Yes. File prior to effective date.	Exempt from filing.
<a href="#">HAWAII</a>	<ul style="list-style-type: none"> <li>• Forms are generally not filed.</li> <li>• Yes for Rates for inland marine.</li> </ul>	Yes. File for prior approval.	Yes. File for approval.	Exempt from filing.
<a href="#">IDAHO</a>	Yes for Forms for inland marine and surety.	Yes. Exempt from filing.	Yes for workers' comp only. File for approval.	Exempt from filing.
<a href="#">ILLINOIS</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for most lines.</li> <li>• Yes for Forms for fidelity and surety and for Industrial Insureds excluding Worker's Compensation.</li> </ul>	Yes. Exempt from filing.	Yes. Exempt from filing.	Exempt from filing.
<a href="#">INDIANA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for inland marine.</li> <li>• Informational filing only, for Rates and Forms for most commercial lines.</li> </ul>	(A) rate – file for approval. Individual risk – only file if rate deviates +- 50% from filed rate.	Yes. Exempt from filing.	Must file.
<a href="#">IOWA</a>	<ul style="list-style-type: none"> <li>• Yes for Forms for certain lines.</li> <li>• Yes for Rates for inland marine.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt with conditions.
<a href="#">KANSAS</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for Special Risks.</li> <li>• Yes for Rates &amp; Forms for Large Risks.</li> <li>• Yes for Forms for surety, marine and inland marine.</li> <li>• Yes for Rates for most inland marine.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Must file with exceptions.
<a href="#">KENTUCKY</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for most commercial lines.</li> <li>• Yes for Rates &amp; Forms for Industrial Insureds, Govt. Entity Insureds, and Exempt Commercial Policyholders.</li> <li>• Yes for Forms for surety and inland marine.</li> </ul>	Yes. File KY application form.	Yes. File KY application form signed by insured.	Exempt from filing.

State	Commercial Deregulation/ Exemption	(A) Rate and Individual Risk Rate	Consent to Rate	Manuscript Endorsements
<a href="#">LOUISIANA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for Exempt Commercial Policyholders. Informational filing for Rates.</li> <li>• Yes for Forms for surety.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt from filing.
<a href="#">MAINE</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for Large Commercial Policyholders.</li> <li>• Yes for Forms for surety.</li> <li>• Yes for Rates and Forms for inland marine.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt from filing.
<a href="#">MARYLAND</a>	<ul style="list-style-type: none"> <li>• Yes for Forms for Exempt Commercial Policyholders.</li> <li>• Yes for Rates for inland marine.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Must file.
<a href="#">MASSACHUSETTS</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for Large Commercial Insureds.</li> <li>• Yes for Rates for inland marine.</li> </ul>	Yes. Exempt from filing.	Yes. File for prior approval.	Exempt with conditions.
<a href="#">MICHIGAN</a>	<ul style="list-style-type: none"> <li>• Yes for most Forms.</li> <li>• Yes for Rates and Forms for Exempt Commercial Policyholders and inland marine..</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt from filing.
<a href="#">MINNESOTA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for most commercial lines.</li> </ul>	Yes. Exempt from filing.	Yes. Exempt from filing.	Exempt with conditions.
<a href="#">MISSISSIPPI</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for inland marine.</li> </ul>	Yes. File rate, company manual or schedule of rates.	Yes. Exempt from filing.	Must file.
<a href="#">MISSOURI</a>	<ul style="list-style-type: none"> <li>• Informational filing only, for Rates for most commercial lines.</li> <li>• Yes for Rates and Forms for inland marine.</li> </ul>	Yes. File (A) rate or schedule of rates. File Individual Risks.	Yes. File for approval.	Must file.
<a href="#">MONTANA</a>	<ul style="list-style-type: none"> <li>• Yes for Forms for surety.</li> </ul>	Yes. File (A) rate or schedule of rates. File Individual Risks.	Yes for workers' comp only. File for approval.	Exempt from filing.
<a href="#">NEBRASKA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and/or Forms depending on class of Exempt Commercial Policyholder.</li> <li>• Yes for Rates and Forms for surety, financial guaranty, warranties/ service contracts, reinsurance and ocean marine. <ul style="list-style-type: none"> <li>• Yes for Rates for certain inland marine classes, aircraft and umbrella/ excess.</li> </ul> </li> </ul>	Yes. File for approval.	Yes. File for approval.	Exempt with conditions.
<a href="#">NEVADA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for most commercial lines.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Must file.

<b>State</b>	<b>Commercial Deregulation/ Exemption</b>	<b>(A) Rate and Individual Risk Rate</b>	<b>Consent to Rate</b>	<b>Manuscript Endorsements</b>
<a href="#">NEW HAMPSHIRE</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for Large Scale Commercial Insureds.</li> <li>• Yes for Rates for inland marine.</li> </ul>	Yes. File for approval.	Yes. File for approval.	Must file.
<a href="#">NEW JERSEY</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for Special Risks.</li> <li>• Yes for Forms for some Special Risks</li> </ul>	Yes. Exempt from filing except legal liability and medical malpractice.	Yes. File applicable NJ form for approval.	Must file unless a Special Risk.
<a href="#">NEW MEXICO</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for most commercial lines in a competitive market.</li> </ul>	Yes. Exempt from filing.	Yes. File for prior approval.	Exempt from filing.
<a href="#">NEW YORK</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for Special Risks (Free Trade Zone).</li> <li>• Yes for Rates for inland marine.</li> </ul>	Yes. Exempt from filing with certain exceptions.	Yes. File for approval.	Exempt from filing.
<a href="#">NORTH CAROLINA</a>	<ul style="list-style-type: none"> <li>• Yes for Forms for inland marine only.</li> </ul>	Yes. File for approval unless a schedule of rates is filed.	Yes. Filing only required for workers' comp or if rate increase of 250-550%.	Must file.
<a href="#">NORTH DAKOTA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for inland marine.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Must file.
<a href="#">OHIO</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for inland marine only.</li> </ul>	Yes. Exempt from filing.	Yes. Exempt from filing.	Exempt with conditions.
<a href="#">OKLAHOMA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for Commercial Special Risks.</li> <li>• Yes for Forms for surety.</li> <li>• Yes for Rates for inland marine.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt from filing.
<a href="#">OREGON</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for inland marine only.</li> </ul>	Yes. File for approval.	Yes. File for approval.	Exempt with conditions.
<a href="#">PENNSYLVANIA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for Large Commercial Risks.</li> <li>• Yes for Forms for certain commercial lines.</li> </ul>	File (A) rate or schedule of rates. File Individual Risks if deviate +-25% from filed rates.	Yes. File for approval.	Exempt with conditions.
<a href="#">RHODE ISLAND</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for Commercial Special Risks.</li> <li>• Yes for Rates for inland marine.</li> </ul>	(A) rates exempt from filing. File Individual Risks if deviate +-25% from filed rates.	Yes. File for approval.	Must file.
<a href="#">SOUTH CAROLINA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for Exempt Commercial Policies.</li> <li>• Yes for Forms for surety and fidelity. <ul style="list-style-type: none"> <li>• Yes for Rates for inland marine.</li> </ul> </li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt from filing.
<a href="#">SOUTH DAKOTA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for Exempt Commercial Policyholders.</li> <li>• Yes for Forms for surety and inland marine, only.</li> </ul>	Yes. File for approval.	Yes. File for prior approval.	Exempt from filing.
<a href="#">TENNESSEE</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for inland marine only.</li> </ul>	Yes. Exempt from filing.	Yes. Exempt from filing.	Exempt from filing.



<b>State</b>	<b>Commercial Deregulation/ Exemption</b>	<b>(A) Rate and Individual Risk Rate</b>	<b>Consent to Rate</b>	<b>Manuscript Endorsements</b>
<a href="#">TEXAS</a>	<ul style="list-style-type: none"> <li>• Yes for Forms for Large Risks.</li> <li>• Yes for Rates and Forms for some professional liability and inland marine lines.</li> </ul>	No (A) rates, except for workers' compensation. No individual risk rates. Schedule and experience rating allowed with filing.	No for all lines.	Must file.
<a href="#">UTAH</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for commercial excess and umbrella liability.</li> <li>• Yes for Rates and Forms for inland marine. <ul style="list-style-type: none"> <li>• Yes for Forms for certain lines.</li> </ul> </li> </ul>	Yes. Exempt from filing unless rate deviates >25% from last premium.	Yes. File for approval.	Must file.
<a href="#">VERMONT</a>	<ul style="list-style-type: none"> <li>• Yes for Forms for surety and inland marine.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt with conditions.
<a href="#">VIRGINIA</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for Large Commercial Risks.</li> <li>• Yes for Rates for Workers' Comp Retro. Plans and certain exempt lines.</li> <li>• Yes for Forms for certain exempt lines, including workers' compensation.</li> </ul>	Yes. (A) rates with very limited use. Individual risk rates allowed and must be filed.	Yes. File for prior approval.	Must file with exceptions.
<a href="#">WASHINGTON</a>	<ul style="list-style-type: none"> <li>• Yes for Rates and Forms for Large Commercial Accounts.</li> <li>• Yes for Forms for surety.</li> </ul>	Yes. File an (A) rate schedule of rates. Individual risks exempt from filing unless deviate >25% from filed rate.	Yes. File for approval.	Exempt from filing.
<a href="#">WEST VIRGINIA</a>	<ul style="list-style-type: none"> <li>• Yes for Forms for surety.</li> <li>• Yes for Rates for inland marine.</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt from filing.
<a href="#">WISCONSIN</a>	No.	Yes. Exempt from filing with exceptions.	Yes. Exempt from filing with exceptions.	Exempt with conditions.
<a href="#">WYOMING</a>	<ul style="list-style-type: none"> <li>• Yes for Rates for most commercial lines.</li> <li>• Yes for Forms for certain Exempt Lines.</li> <li>• Yes for Forms for surety and inland marine</li> </ul>	Yes. Exempt from filing.	Yes. File for approval.	Exempt from filing.

**ALABAMA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds and specially rated inland marine risks are exempt from form filing. [Ala. Ins. Code § 27-14 – 8]
- Inland marine is also exempt from rate filing. [Ala. Ins. Code §27-13-22(1)]
- There are no other forms of commercial deregulation in Alabama.

**II. (A) Rates and Individual Risk Rates**

There is no statutory provision for (A) rates and individual risk rates. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates are exempt from filing. [ISO Manual]
- When an insurer uses (A) rates and individual risk rates, it must maintain complete underwriting files on how it determined the rate for the individual risk and make these files available to the insurance department upon request.

**III. Consent to Rate**

- Consent to rates are allowed for all property & casualty lines, including workers' compensation. [Ala. Ins. Code §§ 27-13-33, 27-13-61 (WC), 27-13-72]
- This does not apply to reinsurance, aviation or accident and health. [Ala. Ins. Code § 27-13-61]

**Filing and Record Keeping Requirements**

- An application (*see attached Consent to Rate Form*) must be filed in duplicate with an explanatory cover letter and approved by the Commissioner.
- The application shall be maintained in the underwriting files.

**IV. Manuscript Endorsements**

Policies, riders, endorsements or forms of unique character designed for use upon a particular subject are exempt from filing. [Ala. Ins. Code §27-14-8]

Consent to Rate Form

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**ALASKA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation/ Exemption**

- Surety bonds and specially rated inland marine risks are exempt from form filing. [AK Ins. Code § 21.42.120]
- Inland marine is also exempt from rate filing. [AK Ins. Code § 21-39-040]
- Alaska has a modified version of commercial deregulation for rates and forms that applies to Exempt Commercial Policyholders. The Alaska rules in 3 ACC 29.500, et seq., are modeled after the NAIC P&C Model Rate and Policy Form Act, and require insurers to file informational filings for rates and forms used for an exempt commercial insured within (30) days after their proposed effective dates. The exemption does not apply to workers' compensation, aviation and wet marine insurance, or residual market or surplus lines insureds. An "informational filing" means a filing that the Director does not approve before its use and that meets the format and content requirements of regulations adopted by the Director.

An **Exempt Commercial Policyholder** is an entity that has sufficient insurance buying expertise to negotiate with insurers in a largely unregulated environment and that meets any two (2) of the following criteria [3 AAC 29.545]:

1. has a net worth of over \$30 million;
2. has net revenues or sales of over \$75 million;
3. employs more than 300 employees per individual company or 800 employees per holding company aggregate;
4. procures its insurance through the use of a risk manager, employed or retained;
5. produces annual aggregate premiums of over \$250,000;
6. is a not-for-profit or public entity with an annual budget or assets of at least \$30 million;
7. is a municipality with a population of over 25,000.

The insurer must calculate annual aggregate premium by using filed commercial insurance manual rates or rating systems. The annual aggregate premium must include objective discounts and surcharges, but must exclude all discretionary or subjective discounts, surcharges or rating plans. [3AAC 29.515 (a)]

A **Risk Manager** is an individual whose primary economic activity consists of identifying and analyzing loss exposures; selecting the techniques to handle such exposures to loss; implementing the selected techniques; monitoring the results; and who has at least one of the following credentials [ 3 AAC 29.550]:

1. a Bachelor's degree or higher in risk management from an accredited college or university;
2. a designation as a Chartered Property and Casualty Underwriter ("CPCU") issued by the American Institute for CPCU and the Insurance Institute of America;
3. a designation as an Associate in Risk Management ("ARM") issued by the American Institute for CPCU and the Insurance Institute of America;
4. a designation as a Certified Risk Manager ("CRM") issued by the National Alliance for Insurance Education and Research;
5. a designation as a Fellow in Risk Management issued by the Global Risk Management Institute/Risk Insurance Management.

**Filing and Record Keeping Requirements for Exempt Commercial Policyholders**

- Rates and forms for an Exempt Commercial Policyholder are subject to an informational rate and/or form filing which must be filed with the director within 30 days after the proposed effective date of the filing. [3 AAC 29.505 and 3 AAC 29.525] The informational filing must meet the standards of 3 ACC 29.510 (for rates) and 3 AAC 29.530 (for forms). [Bulletin B 05-06, 8-12-05]
- At the time of solicitation, the insurer or its producer must disclose that a rate may be quoted or a policy form used that is not subject to prior approval by the division of insurance. The disclosure must be made to the Exempt Commercial Policyholder and the policyholder's risk manager. [3 AAC 29.535 (a)]
- The insurer must obtain a signed certification from the risk manager and a senior officer/manager certifying that: i) the policyholder meets the eligibility requirements for exempt commercial policyholder status; and

ii) the policyholder has the necessary expertise to negotiate its own policy language in compliance with state law. [3 ACC 29.535(b)]

- Each insurance policy issued to an Exempt Commercial Policyholder must include a disclosure notice on the policy declarations page stating that the rates, rating plans, resulting premiums, and policy forms are exempt from the prior approval filing requirements under the laws of the state of Alaska. [3 AAC 29.535 (c)]
- Insurers must maintain all records pertaining to an Exempt Commercial Policyholder, including the policyholder certification, for at least 5 years. All records and data must be available, upon request, for examination by the director at any time. [3 AAC 29.540]
- For purposes of statistical data collection, insurers must maintain the following information in electronic or written form: i) how policy premium was determined, including discounts and surcharges; ii) annual experience data, including written premium, paid losses and loss adjustment expenses; iii) outstanding losses and LAE; iv) underwriting expenses; v) underwriting profits; vi) profits from contingencies; and vii) complaint information, including the complainant's name, nature of the complaint and complaint resolution. [3 AAC 29.520]

## II. (A) Rates and Individual Risk Rates

(A) Rates and individual risk rates are allowed as follows [contact State Filings for AIG (A) rate filings or see ISO Manual]:

- (A) Rate, defined as a rate determined individually for a specific risk and based upon underwriting judgment, is permitted [Order R-94-2] if the following qualifications are met:
  1. Neither a rating organization nor the insurer has established a manual rate for the risk or class of risks; or
  2. The risk involves unique or unusual circumstances for which the applicable manual rate does not adequately reflect the exposure represented by the risk.
- Flexible rating is available for all business lines except workers' compensation, medical malpractice and assigned risk rates. [AS 21.39.210, effective 11-2-05; Bulletin B 05-09, October 20, 2005]
  1. To qualify, the cumulative rate level change, calculated from the effective date to twelve (12) months before the effective date, may not be greater than +/- 10%.
  2. An insurer may make multiple flexible rate filings during any 12-month period, if the cumulative rate change is within the 10% limit. For an insurer adopting prospective loss costs, the cumulative rate change includes the rating organization's prospective loss cost and the insurer's loss cost adjustment.

### Filing and Record Keeping Requirements

- (A) rates and individual risk rates do not have to be filed.
- However, before an (A) rate is used, the following must be filed and approved by the Department:
  - Each insurer must file a manual page, which contains the insurer's rule for when a given class of risks will be (A) rated, or providing conditions under which (A) rating will be used. A risk may not be (A) rated until the filing is approved.
  - Guide (A) rates must be filed as well.
    - 1) When an insurer uses (A) rates and individual risk rates, it must maintain complete underwriting files on how it determined the rate for the individual risk and make these files available to the insurance department upon request. The file must document why the risk was (A) rated or individually rated, how the (A) or individual rate was developed and include: specific loss potential characteristics;
    - 2) Reference to similar exposures;
    - 3) Available loss frequency and severity data; and
    - 4) Any other relevant documentation.
- For flexible rating, all manuals, rules, rating schedules, experience rating plans and any similar information must be filed under the "file and use" method. The filing may not become effective earlier than the date it is received by the Division of Insurance. [Bulletin B 05-09, October 20, 2005]

## III. Consent to Rate

- Consent to rate is permitted for all property and casualty lines, including workers' compensation. This

procedure may be used to file for a rate greater than, or less than, the filed manual rate. [AK Ins. Code § 21.39.040(g)]

- Consent to rate does not apply to reinsurance, health, ocean marine and aircraft hull and aviation. [AK Ins. Code 21.39.020]

#### **Filing and Record Keeping Requirements**

- The insurer must file a consent to rate form with documentation indicating the insured's unique or unusual characteristics, with support for the proposed rate, as a rate filing under the file-and-use or prior approval procedures. [Bull. B 06-18 (1-26-07)] (*See the attached Consent to Rate Form.*)
- Revisions to forms that may be required to provide the proposed coverage are not permitted as part of the consent to rate filing. These require a separate form filing.
- The type of insurance and hazards to be insured should be illustrated on line (6) of the consent form with an example, such as, "fire and extended coverage on a large warehouse." If the address of the risk is other than the mailing address of the insured, it must be indicated on this line. [Bull. B 06-18 (1-26-07)]
- The reason for the deviant rate must be specific. The Department will not accept catch-all explanations, such as, "unable to place in standard market," "unique characteristics" or "high exposure." Suggested examples of acceptable reasons are: (a) high value in an unprotected area -- no fire department; (b) utilizing innovative technology that reduces excavation hazard; (c) operator participates in racing events that are normally excluded from coverage. [Bull. B 06-18 (1-26-07)]
- The premium statement field on line (9) of the consent form must indicate the proposed deviation from the manual premium as a percentage of the standard premium. Example: A proposed surcharge of 20%+ is indicated as 120%. [Bull. B 06-18 (1-26-07)]
- Corporate insureds must have an officer sign the consent to rate form.
- The application must be maintained in underwriting files.

#### **IV. Manuscript Endorsements**

Policies, riders, endorsements, or forms of unique character designed for use upon a particular subject are exempt from filing. [AK Ins. Code § 21.42.120]

**ALASKA CERTIFICATION OF EXEMPT COMMERCIAL POLICYHOLDER STATUS**

The undersigned, \_\_\_\_\_, the Insured, and the Insured's Risk Manager, \_\_\_\_\_, by signing below, certify that the Insured is an Exempt Commercial Policyholder operating as a business, not-for-profit organization, or public entity and that the Insured has the necessary expertise to negotiate its own policyholder language with an insurer that is in compliance with the laws of the state of Alaska.

The undersigned, \_\_\_\_\_, the Insured, and the Insured's Risk Manager, \_\_\_\_\_, by signing below, certify that the Insured meets at least two of the following criteria in order to qualify as an Exempt Commercial Policyholder, as defined in 3 AAC 29.545. (Check all that apply.)

- Has a net worth of over \$30 million;
- Has net revenues or sales of over \$75 million;
- Employs more than 300 employees per individual company or 800 employees per holding company or 800 employees per holding company aggregate;
- Procures its insurance through the use of a risk manager, employed or retained;
- Has annual aggregate premium of over \$250,000, excluding workers' compensation, aviation and wet marine insurance premiums;
- Is a not-for profit or public entity with an annual budget or assets of at least \$30 million;
- Is a municipality with a population of over 25,000.

Signed: \_\_\_\_\_  
(Insured or Insured's Authorized Representative)

Title: \_\_\_\_\_

Printed: \_\_\_\_\_  
(Insured or Insured's Authorized Representative)

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

Signed: \_\_\_\_\_  
(Risk Manager of the Insured)

Title: \_\_\_\_\_

Printed: \_\_\_\_\_  
(Risk Manager of the Insured)

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

**ALASKA SOLICITATION DISCLOSURE FORM**

Pursuant to 3 AAC 29.535, at the time of policy solicitation, the Insurer or Insurance Producer must disclose to the Exempt Commercial Policyholder and the Exempt Commercial Policyholder's Risk Manager, that a policy form may be used or an insurance premium rate may be quoted, that is not subject to the prior approval of the Alaska Division of Insurance.

Accordingly, the Insured, \_\_\_\_\_, and the Insured's Risk Manager, \_\_\_\_\_, certify that they have received a verbal disclosure from the Insurer or the Insurance Producer that the policy form used and the insurance premium rate quoted may not be subject to the prior approval of the Alaska Division of Insurance.

Signed: \_\_\_\_\_  
(Insured or Insured's Authorized Representative)

Title: \_\_\_\_\_

Printed: \_\_\_\_\_  
(Insured or Insured's Authorized representative)

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

Signed: \_\_\_\_\_  
(Risk Manager of the Insured)

Title: \_\_\_\_\_

Printed: \_\_\_\_\_  
(Risk Manager of the Insured)

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



**ALASKA**  
**CONSENT TO RATE**

(1) Insurance Company \_\_\_\_\_ Phone Number \_\_\_\_\_

Mailing Address \_\_\_\_\_

Producer, if any, \_\_\_\_\_

Mailing Address \_\_\_\_\_

(2) Name of Insured \_\_\_\_\_

Mailing Address \_\_\_\_\_

(3) Policy Number \_\_\_\_\_

(4) Effective dates of policy:

From \_\_\_\_\_ to \_\_\_\_\_

(5) Proposed effective dates of deviant rate:

From \_\_\_\_\_ to \_\_\_\_\_

(6) Type of insurance and hazards to be insured \_\_\_\_\_

\_\_\_\_\_

(7) Limits or amount of insurance \_\_\_\_\_

(8) Reason for deviant rate \_\_\_\_\_

\_\_\_\_\_

(9) Premium \$ \_\_\_\_\_, which is \_\_\_\_\_ percent of the usual premium developed at rates filed with the Division of Insurance.

Your signature below indicates that you understand that the proposed rate deviates from the insurer's filed rate, that you understand and agree to the reason(s) for the deviation as shown above, and that you request the insurance at the rate proposed above.

(10) Applicant's Signature: \_\_\_\_\_

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

**(Bulletin B 06-18)**

## ARIZONA

[\(back to reference chart\)](#)

### **I. Commercial Deregulation / Exemption**

- Pursuant to Docket No. 05A-108-INS of October 20, 2005, the following lines are exempt from rate and form filings:
  - A. **Commercial casualty insurance**, except as noted in the exclusions below, including, but not limited to: boiler and machinery, employee benefits liability, glass, crime insurance, excess and Umbrella Insurance, family leave insurance, except if part of the credit unemployment insurance is subject to A.R.S. § 20-1609 (form filing for consumer credit coverages), products liability, directors and officers, employment practices liability, and nuclear insurance products;
  - B. **Commercial marine and transportation insurance**, including inland marine, aviation and ocean marine;
  - C. **Commercial property insurance**, including, but not limited to: fire and allied lines, business interruption and difference in conditions, flood insurance, federal crop multi-peril insurance;
  - D. **Commercial fidelity and surety insurance**, including, but not limited to, financial guaranty insurance;
  - E. **Guaranteed asset protection (GAP) insurance** and residual value filings;
  - F. Forms or rates issued by a risk retention group or by any other insurer solely to a purchasing group;
  - G. **Commercial automobile insurance**;
  - H. **Consent-to-rate risks**;
  - I. **Business owners' insurance rates**, except as noted in I. below, and forms;
  - J. Any combination of the above exempt rates and forms, unless it includes a nonexempt coverage;
  - K. **Commercial multiple peril insurance**, except as noted in J. below;
  - L. **Dwelling fire insurance**;
  - M. **Recreational vehicle**, personal watercraft, motor home and travel trailer insurance;
  - N. **Personal umbrella insurance**;
  - O. **Comprehensive personal liability insurance**;
  - P. **Mortgage guaranty insurance** as defined in A.R.S. § 20-1541(4);
  - Q. Adoption or delay of adoption of a rate service organization's loss costs, rates, rules, or forms for lines of insurance exempted by this order.
  
- Notwithstanding the exempt lines above, the following insurance rates and forms **ARE NOT EXEMPT** from filing requirements:
  - A. All rates and forms developed by a rate service organization or by an advisory organization.
  - B. Rates and forms of an insurer possessing an Arizona Certificate of Authority less than two (2) years old.
  - C. Rates and forms of any insurer the Director has expressly directed to comply with filing requirements.
  - D. Rates and forms of any residual market mechanism or assigned risk plan.
  - E. Personal insurance rates and policy forms and endorsements, including rates and forms for homeowners, mobile homeowners, tenants, condominiums, personal automobiles, non-owned automobiles and UM/UIM.
  - F. Professional liability insurance issued to "health professionals," as defined in A.R.S. § 32-3201, including medical malpractice insurance.
  - G. Provider reimbursement policies intended to insure capitated medical provides for non-reimbursed expenses incurred in connection with the treatment of members;
  - H. Crop hail insurance, other than the Multiple Peril Crop Insurance Program;
  - I. Business owner's policies (BOP) involving rate decreases of 10% or more
  - J. Commercial multi-peril policies issued to hospitals, HMO's, PPO's and other healthcare centers or service organizations;
  - K. Nursing home liability sold to any of the following facilities, whether profit or not-for-profit: skilled or intermediate care facilities; assisted living facilities with on-premises care; rest homes

with healthcare; personal care or residential homes with skilled care or other healthcare, including adult foster homes; convalescent homes with continuous nursing or other medical care; continuing care retirement communities with a nursing home on campus; and/or; any other adult extended care facility that provides nursing or other medical care.

L. Non-adoption of a rate service organization's loss costs, rates, rules or forms.

- Workers' compensation rates and forms are subject to filing. [A.R.S. §§ 20-357 and 20-398]

- Arizona also has commercial deregulation (**rate and form**) for policies issued to Industrial Insureds. [A.R.S. §§ 20-385, 20-400.10 , 20-401.07]
- **Industrial Insureds** - There is commercial deregulation for property and casualty lines, except for workers' compensation insurance and employers' liability insurance written in conjunction with workers' compensation insurance involving policies issued to an Industrial Insured. [A.R.S. §§ 20-385, 20-400.10, 20-401.07]
- An **Industrial Insured** is an insured that procures insurance through the use of a risk manager and meets at least two (2) of the following conditions:
  - has aggregate annual gross premiums for insurance on all property and casualty risks (excluding workers' compensation) totaling at least \$100,000, as of the preceding fiscal year end;
  - has a net worth of over \$10 million as of the preceding fiscal year end, as verified by a CPA;
  - has net revenues or sales exceeding \$25 million per year as of the preceding fiscal year end, as verified by a CPA; and
  - has more than 80/100 full-time employees per individual company/holding company.
- **Risk Manager** means a full-time employee or a third party consultant of the insured, who provides skilled services in loss prevention, loss reduction, risk and insurance coverage analysis and the purchase of insurance and possesses at least one of the following:
  - (a) A baccalaureate or higher degree in risk management issued by an accredited college or university.
  - (b) A designation as CPCU issued by an insurance institute.
  - (c) A designation as a certified insurance counselor that is issued by a society of certified insurance counselors.
  - (d) A designation as an ARM.
  - (e) A designation as a CRM.
  - (f) A designation as a FRM.
  - (g) Any other similar qualification that the director determines is sufficient, other than an agent or broker's license.

### **Filing and Record Keeping Requirements**

- Rates and forms involving the exempt lines above do not need to be filed.
- Rates and forms involving risks A – L above are not exempt from filing.
- Rates and forms for a policy sold to an Industrial Insured (as defined above) are exempt from filing.
- However, an industrial insured must certify, annually on a form prescribed by the Director (*see attached*), to the insurer that it meets the definition of an industrial insured. The insurer shall maintain this certification in the policy file.
- Insurers shall also file annually, on a form prescribed by the Director, the following information regarding all policies issued to industrial insureds:
  - 1) The total number of policies written;
  - 2) The total premiums written;
  - 3) The total premiums earned;
  - 4) The total losses paid;
  - 5) The total losses incurred;
  - 6) The total number of claims incurred.; and
  - 7) Any other information the director deems appropriate.
- Any policy issued to an industrial insured shall contain a conspicuous notice in bold type indicating:

**Pursuant to A.R.S. § 20-400.10, this policy and the rates charged for it have not been filed with or approved by the director of the Arizona department of insurance. Certain provisions of Arizona Law, specified in A.R.S. § 20-400.10, do not apply to this policy. If the insurer that issued this policy becomes insolvent, insureds or claimants will not be eligible for insurance guaranty fund protection pursuant to A.R.S. Title 20.**

- Pursuant to A.R.S. § 20-407, an industrial insured does not need to satisfy the surplus lines due diligence requirements.

**Commercial Deregulation – Additional Exemptions:**

The following statutory provisions of A.R.S. Title 20, Insurance, do not apply to insurance issued to **Industrial Insureds**, pursuant to A.R.S. § 20-400.10:

- Countersignature by producer, bail bond agent, or managing general agent [A.R.S. § 20-229];
- Ratemaking criteria [A.R.S. § 20-384];
- Applicability of provisions (for compliance with filed rates) [A.R.S. § 20-400];
- Rate adjustments [A.R.S. § 20-400.01];
- Reports comparing premiums charged to filed rates [A.R.S. § 20-400.02];
- Penalties for violations [A.R.S. § 20-400.03];
- Examinations [A.R.S. § 20-400.04];
- Examiners; expenses [A.R.S. § 20-400.05];
- Examination report [A.R.S. § 20-400.07];
- Surplus line insurance; brokers (exemption from due diligence requirement) [A.R.S. § 20-407];
- Unfair discrimination (in rates and premiums for insurance other than life and disability) [A.R.S. § 20-448 (c)];
- Rebates other than on life or disability insurance [A.R.S. § 20-451];
- Prohibited inducements [A.R.S. § 20-452];
- Service charges [A.R.S. § 20-465];
- Disapproval of forms, advertising matter, or sales material [A.R.S. § 20-1111];
- Standard provisions (of insurance contracts) [A.R.S. § 20-1112];
- Required provisions (of insurance contracts) [A.R.S. § 20-1113];
- Charter documents as part of policy [A.R.S. § 20-1114];
- Void policy stipulations [A.R.S. § 20-1115];
- Execution of policy [A.R.S. § 20-1116];
- Joint underwriters' policy; combination policy [A.R.S. § 20-1117];
- Binders [A.R.S. § 20-1120];
- Renewal of policy by certificate or endorsement [A.R.S. § 20-1121];
- Assignability [A.R.S. § 20-1122];
- Open Rates and Rating Organizations [A.R.S. Chapter 2, Article 4.1];
- Administration of Insolvency [A.R.S. Chapter 3, Article 6]; and
- Property Insurance, Cancellation or Nonrenewal of Commercial Insurance. [A.R.S. Chapter 6, Articles 7 and 14]

**II. (A) Rates and Individual Risk Rates**

(A) rates and individual risk rates are allowed, excluding workers' compensation and medical malpractice. [Circular Letter 98-1. Ins. Code 20-382]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates are exempt from filing.
- (A) rates are not exempt from filing if either of the following apply:
  - (1) The written premium for an (A) rate exceeds 25% of the insurer's written premium in Arizona, and the insurer has contracts for 5 or more homogeneous (A) rate risks; or

- (2) The number of (A) rated risks in a specific class meet the standards adopted by the “actuarial standards board as of January 1, 1997,” then the insurer shall file the rate 30 days after it is effective.
- Regardless of individual filing requirements, in order to use (A) rates, an insurer must file Form ADOI 1115 (*see attached*) annually on or before January 30th, certifying that insurer did not have “credible experience to establish a rating class for the specific type of risks.
  - When an insurer uses (A) rates and individual risk rates, it must maintain complete underwriting files on how it determined the rate for the individual risk and make these files available to the insurance department upon request.

### **III. Consent to Rate**

- Consent to rate is allowed in Arizona for all property & casualty lines, including workers’ compensation and employer’s liability. [A.R.S. §§ 20-342; 20-357(d) (WC); 20-385(P&C)]
- This does not apply to life, disability, annuity, mortgage guaranty, reinsurance, except for joint reinsurance, aircraft hull and aviation and ocean marine. [A.R.S §§ 20-342; 20-385]

### **Filing and Record Keeping Requirements**

- Consent to rates need no longer be filed (*see* Docket No. 01A-215-INS, Exhibit A(I)(H) – dated 6/22/01).
- The Consent to Rate form (*see attached Consent to Rate Form*), however, should be signed and kept in underwriting file.

### **IV. Manuscript Endorsements**

There are no statutory provisions addressing manuscript forms and endorsements, except for A.R.S. § 20-1110, pertaining to life and disability forms. Manuscript forms and endorsements that apply to life or disability insurance do not have to be filed. According to the DOI however, manuscript forms for other lines generally have to be filed.

Re SB 1069:

**Form to certify status as an industrial insured.**

To: \_\_\_\_\_ (Complete Name Of Insurer) \_\_\_\_\_ I,  
\_\_\_\_\_ (your name) certify that:

1. I am \_\_\_\_\_ (owner or an officer) of  
\_\_\_\_\_ (name of industrial insured as it will appear  
on the insurance policy to be issued by the above-named insurer).

2. I have read and understand A.R.S. s 20-401.07(A)(1) set forth below: "Industrial insured" means an insured that meets at least two of the following criteria:

- a. Applies for or procures any insurance that is subject to Article 4.1 of this chapter through the use of a risk manager.
- b. Has aggregate annual gross premiums for insurance on all property and casualty risks that are subject to Article 4.1 of this chapter totaling at least one hundred thousand dollars as of the preceding fiscal year end of the industrial insured.
- c. Possesses a net worth of over ten million dollars as of the preceding fiscal year end of the industrial insured as verified by a certified public account.
- d. Has net revenues or sales exceeding twenty five million dollars as of the preceding fiscal year end of the industrial insured as verified by a certified public accountant.
- e. Has more than eighty full-time employees or equivalent per individual company or one hundred full-time employees or equivalent per holding company system as of the date the policy is issued.

3. \_\_\_\_\_ (name of industrial insured) is an industrial insured pursuant to A.R.S. s 20-401.07 and meets the statutory criteria checked above (check all that apply in number two).

**CERTIFICATION**

STATE OF: \_\_\_\_\_ )

COUNTY OF: \_\_\_\_\_ )

Being first duly sworn, \_\_\_\_\_ deposes and says that he/she has read the foregoing, and each statement and answer made, and under penalty of perjury, swears that all such answers are true and correct. \_\_\_\_\_

Full Signature of Officer or Owner (Include FULL first, middle and last names)

**SUBSCRIBED AND SWORN TO** before me this day of \_\_\_\_\_ , \_\_\_\_\_ .

\_\_\_\_\_ Notary Public (SEAL)

\*\*\*INSURER'S (A) RATE REPORTING FORM\*\*\*

ON OR BEFORE JANUARY 30 OF EACH YEAR, THIS FORM IS TO BE PROVIDED BY THE INSURER TO THE:
RATES AND REGULATIONS DIVISION STATE OF ARIZONA -
DEPARTMENT OF INSURANCE
2910 NORTH 44TH STREET -- SUITE 210
PHOENIX, AZ 85018-7256
TELEPHONE: (602) 912-8466; FACSIMILE: (602) 912-8421

SECTION I (INSURER INFORMATION):

- A. Complete Name Of Insurer: \_\_\_\_\_ NAIC # \_\_\_\_\_
B. Address Of Insurer: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / (\_\_\_\_) \_\_\_\_\_
Street Address City State Zip Telephone Number
C. Name of Company Contact For Questions About Form: \_\_\_\_\_
Telephone Number: (\_\_\_\_) \_\_\_\_\_

SECTION II (CERTIFICATION)

STATE OF: \_\_\_\_\_)
ss. \_\_\_\_\_)
COUNTY OF: \_\_\_\_\_)

I, \_\_\_\_\_ (Name of Person Completing the Form), in my capacity as \_\_\_\_\_ (Title of Person Completing the Form) for \_\_\_\_\_, (COMPLETE NAME OF INSURER) an insurance company duly authorized under the laws of Arizona to transact \_\_\_\_\_ (enter the lines of insurance for which insurer has an Arizona Certificate of Authority), do hereby certify that for the preceding twelve-month period ending December 31, \_\_\_\_ (enter year) the aforementioned insurer (check A or B below):

\_\_\_, A. Applied rates, the insurer developed individually to the insurance policies of risks located in the State of Arizona because the insurer did not have when the risks were written credible experience to establish a rating class for the specific types of risks. The rates applied were rates for which no rate service organization has published a rate or loss costs in Arizona or any other state and for which insufficient similar exposure units and loss experience data exist to develop statistically credible rates for the risk and no homogeneous rating class exists in which the risk could reasonably be placed. The aforementioned described rates are for the purposes of this form considered "(A) rates." If this block is checked attach a sheet listing the policy numbers of all (A) rated policies, the applicable line of insurance, and a general description of the class to which the (A) rate was applied (e.g., Policy Number CL 222576, General Liability, Tank Construction) during this report period.

\_\_\_ B. Did not apply (A) rates to any of its insurance policies issued on risks located in the State of Arizona during this report period.

(SIGNATURE OF PERSON COMPLETING FORM) (DATE OF SIGNATURE) SUBSCRIBED AND SWORN TO BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19 \_\_\_\_\_ BY

(SIGNATURE OF NOTARY PUBLIC) (MY COMMISSION EXPIRES)

Consent to Rate Form

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for (primary/excess)	Limits	Amounts of Insurance	Deductibles
---	--------	----------------------	-------------

Exposure Identification	Class	Territory	Location of Risks
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Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



**ARKANSAS**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- There is a commercial exemption in Arkansas (**for rates**) for all commercial property and casualty lines, except for workers' compensation, employers' liability or professional liability insurance (including, but not limited to medical malpractice insurance, but excluding directors and officers, fiduciary and abstractors' professional liability insurance). For these exempt commercial lines, no rates have to be filed. [Ark. Code Ann. § 23-67-206; Rule and Regulation 23; Bull. 6-99]
- The following forms are exempt from filing requirements, but the form must still comply with statutory requirements [Ark. Code Ann. § 23-79-109; Rule and Regulation 23]:
  - abstractors' professional liability
  - commercial umbrella
  - directors & officers liability
  - equity loan programs  
(second mortgage coverage)
  - excess of loss
  - excess umbrella
  - expropriation coverage
  - fiduciary liability
  - highly protected risk
  - kidnap and ransom
  - mortgage pool insurance
  - "Large Commercial Risk" (defined below)
  - political risk
  - public officials liability
  - railroad protective liability
  - surety bonds
- There is commercial deregulation (**for policy or coverage forms**) for Large Commercial Risks, except for workers' compensation, employers' liability and professional liability. Forms issued to Large Commercial Risks are exempt from the form filing and approval requirements. [Ark. Code Ann. §§ 23-79-111, 23-79-112; Bull. 6-99]

**Large Commercial Risk** means an insured that has:

- A total premium of \$250,000 or more for property and casualty insurance;
- At least 25 full-time employees; and
- A full-time certified risk manager to procure property/casualty insurance. A "certified risk manager" is a risk manager with one or more of the following credentials: Associate in Risk Management (ARM), Chartered Property Casualty Underwriter (CPCU), or Certified Risk Manager (CRM). [Ark. Code Ann. § 23-79-109]

**Filing and Record Keeping Requirements**

- Rates and forms are exempt from filing as noted above.
- Forms for Large Commercial Risks are also exempt from compliance with Ark. Code Ann. § 23-79-111 -- Standard Provisions; Ark. Code Ann. § 23-79-112 -- Policy Content and Identification; Ark. Code Ann. § 23-79-123 -- Renewal by Certificate or Endorsement; and Ark. Code Ann. §§ 23-79-301, et seq. -- Minimum Standards for Commercial Property and Casualty Insurance Policies.
- An insured that qualifies as a Large Commercial Risk must certify in writing that it meets the above criteria; that it is aware that the policy is unregulated for rates and forms; and that it has the expertise to negotiate its own policy.
- This certification shall be done annually and remain on file with the producing agent or broker.

**Commercial Deregulation - Additional Exemptions:**

The following statutory provisions of AR Title 23, Public Utilities and Regulated Industries, do not apply to insurance issued to **Large Commercial Risks**:

- a. Standard provisions [Ark. Code Ann. § 23-79-111];
- b. Policy contents and identification [Ark. Code Ann. § 23-79-112];
- c. Renewal by certificate or endorsement [Ark. Code Ann. § 23-79-123]; and
- d. Scope of provisions (Minimum Standards -- Commercial Property and Casualty Insurance Policies). [Ark. Code Ann. § 23-79-303]

## II. (A) Rates and Individual Risk Rates

(A) Rates and individual risk rates are allowed. [Bull. 6-99]

### Filing and Record Keeping Requirements

- (A) rates and individual risk filings are exempt from filing. [Ark Code Ann. § 23-67-206; Bull. 6-99]
- When an insurer uses (A) rates and individual risk rates, it must maintain complete files on how it determined the rate for the individual risk and make these files available to the insurance department upon request.

## III. Consent to Rate

- Consent to rate is allowed in Arkansas for all property and casualty lines, including workers' compensation, employers' liability and professional liability. [Bull. 6-99., Ark Code Ann. §§ 23-67-213, 23-67-206]
- This does not apply to life; annuities; disability, including accident and health; ocean marine; reinsurance; aircraft; title; motor vehicle service contracts, for so long as the motor vehicle service contract providers' exposures to their customers are fully insured by an insurer that is authorized to transact property and casualty insurance business in this state; or surplus lines. [Ark Code Ann. § 23-67-203]

### Filing and Record Keeping Requirements

- Consent to Rate forms are not required to be filed except for workers' compensation, employers' liability and professional liability (including medical malpractice), which must still be filed. [Bull. 6-99]
- Consent to Rate forms (*see attached Consent to Rate Form*) must still be signed by all insureds and kept on file by the producer.

## IV. Manuscript Endorsements

Policies, orders, endorsements, or forms of unique character designed for use upon a particular subject are exempt from filing. [Ark Code Ann. § 23-79-109]

Consent to Rate Form

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**CALIFORNIA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Reinsurance, ocean marine, (including marine builders' and marine protection and indemnity risks), as well as mortgage insurance are exempt from rate filing. [CA. Ins. Code §1851]
- There are no exempt commercial lines for forms or rates in California per the DOI.
- There are no other forms of commercial deregulation in California.

**II. (A) Rates and Individual Risk Rates**

- (A) rates and individual risk rates are not allowed in California (per T. McKay at DOI).
- It might be possible to use individual risk rates if they are filed for prior approval. The Department recommends flexibility be built into rate filings to avoid individual risk rates.

**Filing and Record Keeping Requirements**

- Any individual risk rates must be filed for prior approval.
- Each rate deviation must be supported by objective factual information and data applied objectively and reasonably.
- Rates that deviate 25% or more from filed rates will be presumed unfairly discriminatory unless supported by convincing factual evidence to the contrary.
- Insurers must maintain records with relevant documentation supporting rate deviations.

**III. Consent to Rate**

Consent to Rate is only allowed for Workers' Compensation. [CA. Ins. Code § 11735]

**Filing Requirement Filing and Record Keeping Requirements**

- A written application (*see attached Consent to Rate Form*), stating reasons for the excess rate, must be filed with the Commissioner.
- The application shall be maintained in the files.

**IV. Manuscript Endorsements**

There is no statutory provision addressing manuscript forms. However, pursuant to the California filing instructions of April 17, 2007 and the DOI, all forms must be filed. [C. Childs, DOI, 8-21-07]

Consent to Rate Form

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**COLORADO**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- There is commercial exemption (**for forms only**) in Colorado for all property and casualty forms, except for workers' compensation, private passenger auto, commercial auto with individually owned private passenger autos, claims-made liability insurance, and credit insurance. [Bull. 7-91, May 15, 1991; Bull. 09-05, October 26, 2005; 3 CCR 702 Reg. 4-9-2 § 1, et seq.]
- There is commercial deregulation (**for rates and forms**) for policies issued to Exempt Commercial Policyholders. [Col. Ins. Code § 10-4-1401, et seq.; 3 CCR 702 Reg. 5-1-13 § 1, et seq.] Effective August 1, 2006, this includes workers' compensation and employers' liability insurance. This does not apply to Type I insurance, as defined below, or title insurance. [3 CCR 702 Reg. 5-1-13 § 4.G.]
- An **Exempt Commercial Policyholder** (ECP) is an insured who procures Type II insurance, as defined below, excluding Type I insurance and title insurance, through a Risk Manager employed or retained by it and meeting at least one of the following qualifications:
  - 1) Aggregate premiums of \$50,000 for Type II insurance;
  - 2) Net worth of \$10 million;
  - 3) Net revenues or sales of \$10 million;
  - 4) 25 full-time employees;
  - 5) Nonprofit budget of \$2.5 million;
  - 6) Public entity budget of \$10 million; or
  - 7) Municipalities of at least 20,000 people.
- **Type II insurance** is subject to file-and-use rate approval and includes fire, casualty, inland marine, title, medical malpractice by a joint underwriting association and credit insurance, workers' compensation and employers' liability. [Col. Ins. Code § 10-4-401(3)(b)]
  - For purposes of an ECP, Type II insurance excludes Type I insurance and title insurance. [3 CCR 702 Reg. 5-1-13 § 4.G.]
- **Type I insurance** is subject to prior approval for rates and includes workers' compensation and employer's liability for any pure premium rate filed by a rating organization (i.e., NCCI filing without company multipliers) or assigned risk auto. [Col. Ins. Code § 10-4-401(3)(a)]
- A **Risk Manager** is an employee of the exempt commercial policyholder, or a retained third-party consultant, who provides skilled services in loss prevention and reduction, etc., and who possesses at least one of the following credentials: a degree in risk management, CPCU, ARM, CRM, FRM or at least 7 years of experience in one or more of the following areas of commercial property and casualty insurance: risk financing; claims administration; loss prevention; or risk and insurance coverage analysis.

**Filing and Record Keeping Requirements**

- All forms, except for those noted above, are exempt from filing.
- Rates are exempt from filing only for policies sold to ECPs.
- Whenever an insurer delivers a commercially deregulated policy or binder, the insurance producer, or the insurer in the case of a direct procurement from the insurer, shall obtain from the policyholder a written certification on a form created by the insurer, dated and signed by a senior officer or senior manager of the policyholder, and the policyholder's risk manager, containing the following information and making the following certifications:
  - 1) The name of the insured;
  - 2) The name of the insurer;
  - 3) The name of the insurance producer who sold the policy or policies;
  - 4) The policy number or numbers;
  - 5) A brief description of the policy or policies of Type II insurance sold;

- 6) List the requirement set forth in Section 4, Rules, A. 3. above that the policyholder meets in qualifying as an ECP; and
- 7) Certification that the policyholder qualifies as an ECP as defined pursuant to § 10-4-1402, C.R.S., and the rules of the Commissioner promulgated thereunder.
- The insurer shall keep this certification on file for inspection by the Commissioner.
- At the time of soliciting an ECP to purchase any kind of Type II insurance, the insurance producer, or the insurer in the case of a direct procurement from the insurer, shall disclose to the policyholder and the policyholder's risk manager, on a form created by the insurer, that a premium or rate may be quoted or a policy form may be used that is not subject to the rate and form filing requirements of the Colorado Division of Insurance.
- Any commercially deregulated policy shall conspicuously place on the declaration page of the policy, and if a binder is issued, on the face of the binder, the following disclosure in at least ten-point, bold-faced type:

**THE RATES, RATING PLANS, RESULTING PREMIUMS, AND THE POLICY FORMS FOR THIS POLICY ARE EXEMPT FROM THE FILING REQUIREMENTS UNDER COLORADO INSURANCE LAW AND THE RULES OF THE COLORADO INSURANCE COMMISSIONER.**

- An insurer shall maintain for five years its records: any data, statistics, rates, rating plans, rating systems, and underwriting rules used in underwriting and issuing such policies; claims-made policy forms; annual experience data on each risk insured, including, but not limited to, written premiums, written premiums at a manual rate, paid losses, outstanding losses, loss adjustment expenses, underwriting expenses, underwriting profits, and profits from contingencies; and complaint information required under Colorado Insurance. [3 CCR 702 Reg. 5-1-13]

#### **Commercial Deregulation – Additional Exemptions:**

The following statutory provisions of CO Title 10, Insurance, do not apply to insurance issued to **Exempt Commercial Policyholders**, pursuant to Ins. Code § 10-4-1403:

- Cancellation of medical malpractice policies [Col. Ins. Code §10-4-107];
- Notice of cancellation of medical malpractice policies [Col. Ins. Code §10-4-108];
- Nonrenewal of medical malpractice policies [Col. Ins. Code §10-4-109];
- Notice of intent prior to unilateral increase in premium or decrease in coverage previously provided in medical malpractice policies [Col. Ins. Code §10-4-109.5];
- Notice of intent prior to cancellation of certain commercial policies of insurance [Col. Ins. Code §10-4-109.7];
- Notice of intent prior to nonrenewal of certain commercial policies of insurance [Col. Ins. Code §10-4-110];
- Notice of intent prior to unilateral increase in premium or decrease in coverage previously provided of certain policies of insurance [Col. Ins. Code §10-4-110.5];
- Standards for rates – competition – procedure – requirement for independent actuarial opinions regarding 1991 legislation [Col. Ins. Code §10-4-403];
- Rate administration [Col. Ins. Code §10-4-404];
- Rating plans – property and casualty type II insurers – rules [Col. Ins. Code §10-4-404.5];
- Examinations [Col. Ins. Code §10-4-414];
- Claims-made policy forms (certification of by Insurer) [Col. Ins. Code §10-4-419];
- Notice of rate increases and decreases [Col. Ins. Code §10-4-421]; and
- Conditions for export (diligence efforts in connection with surplus lines placements). [Col. Ins. Code §10-5-103]

## **II. (A) Rates and Individual Risk Rates**

There is no statutory provision for (A) rates or individual risk rates. However, (A) Rates and individual risk rates are allowed. [ISO Manual]

### **Filing and Record Keeping Requirements**

- (A) Rates and individual risk rates do not have to be filed. [ISO Manual]
- Insurer must maintain complete underwriting files on how it determined the rate for any individual risk and make these filings available to the Commissioner.
- The insurer is not exempt from filing when it has developed an independent program of insurance or

supplements to the Commercial Lines Manual for specific underwriting purposes or to target specific market segments. [ISO Manual]

### **III. Consent to Rate**

- Consent to rate is allowed only for Type I Insurance Lines, only pure Rating Organization filed (i.e., NCCI) rates for workers' compensation and employers' liability incidental thereto and assigned risk motor vehicle insurance). [Col. Ins. Code § 10-4-405(5)] (B.Baca, Colorado Division of Insurance).
- This does not apply to workers' compensation rates which include the insurer's multiplier.

### **Filing and Record Keeping Requirements**

- Insurer must submit an application (*see attached Consent to Rate Form*) for prior approval by the Commissioner.
- The application shall be maintained in the files.

### **IV. Manuscript Endorsements**

There is no statutory provision addressing manuscript forms. However, as confirmed with the DOI, the provisions of Bulletins 09-05 and 7-91 are to be applied to determine which manuscript forms require filing with the Division. These are: workers' compensation; commercial auto with individually-owned vehicles; claims-made policies; and credit insurance. All other manuscript forms used for commercial risks are exempt from filing. [T. Abel, Colorado Division of Insurance, 3-14-06]



**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

<u>Coverages applied for</u>	<u>Limits</u>	<u>Amounts of Insurance</u>	<u>Deductibles</u>
	(primary/excess)		

<u>Exposure Identification</u>	<u>Class</u>	<u>Territory</u>	<u>Location of Risks</u>
--------------------------------	--------------	------------------	--------------------------

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**CONNECTICUT**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Inland marine risks are by general custom of the business not filed (**forms and rates**).
- Fidelity, surety, and guaranty forms are also exempt from filing. [CT Ins. Code § 38a-676]
- Effective February 1, 2008 to February 1, 2009, there is a temporary pilot program in Connecticut which permits informational filings for **rates and forms** for certain commercial lines. Although informational filings are not subject to Department review, they are subject to random audit. A link to Insurance Department Bulletin PC-63 (1-7-08), which explains the program, is provided below.
  - [CT Bulletin PC-63 \(1-7-08\)](#)
- There are no other forms of commercial deregulation in Connecticut.

**II. (A) Rates and Individual Risk Rates**

There is no statutory provision for (A) rates or individual risk. However, (A) rates and individual risk rates are allowed (contact State Filings for (A) rate lines). [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed. [ISO Manual]
- When an insurer uses (A) rates and individual risk rates, it must maintain complete underwriting files on how it determined the rate for the individual risk and make these files available to the insurance department upon request.

**III. Consent to Rate**

Consent to rate is allowed for No-Fault Auto only. [CT Ins. Code § 38a-387(d)]

**Filing and Record Keeping Requirements**

A written application of the insured must be filed with and approved by the Commissioner (*see attached Consent to Rate Form*).

**IV. Manuscript Endorsements**

The form of any endorsement modifying an insurance policy or contract has to be filed. [CT Ins. Code § 38a-676]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**DELAWARE**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds and specially rated inland marine risks are exempt from form filing. [Del. Ins. Code 18 § 2712]
- Inland marine risks are exempt from rate filing. [Del. Ins. Code 18 § 2504]
- There is commercial deregulation (**for rates only**) for policies issued in Delaware on Delaware Large Risks which produce an annual premium of \$100,000 or more, except for the following lines [Del. Ins. Code § 18-2505, Reg. 43 et. seq.]:
  - Workers' Compensation;
  - Medical Malpractice; and
  - Any form of group policy where certificates of insurance are issued and which presently requires filing in accordance with 18 Del.C.Ch. 25B.

**Filing and Record Keeping Requirements**

- Rates for Large Risks, as set forth above, do not have to be filed. All forms must still be filed.
- Each insurer issuing a rate exempt policy shall maintain a complete record of the rates employed, rate manuals, classification plans and all related materials needed to determine the rate developed for the policy for inspection by the Commissioner, the policyholder, or any person interested for a period of three years after policy cancellation.

**Commercial Deregulation – Additional Exemptions:**

There are no additional exemptions for **Large Risks**.

**II. (A) Rates and Individual Risk Rates**

There is no statutory provision for (A) rates or individual risk rates. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed. ISO Manual. When an insurer uses (A) rates and individual risk rates, it must maintain complete underwriting files on how it determined the rate for the individual risk and make these files available to the insurance department upon request. ISO Manual.

**III. Consent to Rate**

- Consent to rate is allowed for all property and casualty lines, including workers' compensation. [Del. Ins. Code §§ 2502(1), 2509 and 2615; Reg. 33 § 3, 4]
- This does not apply to reinsurance, except joint reinsurance, ocean marine, aircraft hull and aviation, life and title. [Del. Ins. Code § 2502]

**Filing and Record Keeping Requirements**

- A written application of the insured (*see attached Consent to Rate Application*) must be filed with and approved by the Commissioner.
- Consent-to-rate applications must be filed with the Department no later than 15 calendar days after the effective date of coverage. The consent to rate form may be disapproved by the Commissioner.
- Forms must be issued in triplicate by the agent or broker requesting approval for "excess" rates: one for the applicant, one for the producer's records, and the original for the Commissioner's records.
- All copies must be signed by the applicant indicating acknowledgment and acceptance of the rate.
- The application shall be maintained in the files.

**IV. Manuscript Endorsements**

Policies, riders, endorsements, or forms of unique character designed for use upon a particular subject are exempt from filing. [Del. Ins. Code 18 § 2712]

**DELAWARE CONSENT-TO-RATE APPLICATION FORMAT**

TO: INSURANCE COMMISSIONER  
STATE OF DELAWARE  
21 THE GREEN  
DOVER, DELAWARE 19901  
ATTN: RATING SECTION

Pursuant to 18 Del. C. § 2509, and in accordance with Regulation 33, the following information is submitted, seeking approval for the coverage at the rate indicated.

**1. Risk identification**

- a. Name of Insured/Risk \_\_\_\_\_  
Address \_\_\_\_\_
- b. The location of the risk \_\_\_\_\_  
\_\_\_\_\_
- c. The type of insurance (description of coverage to be provided) \_\_\_\_\_
- d. Limits of liability \_\_\_\_\_
- e. Dates of coverage: From \_\_\_\_\_ To \_\_\_\_\_
- f. Insurer providing coverage \_\_\_\_\_
- g. Rates: 1. Total manual rate for this risk \$ \_\_\_\_\_  
2. Total proposed rate for this risk \$ \_\_\_\_\_
- h. For personal lines: Was this risk submitted for consideration by the Delaware Automobile Insurance Plan (Assigned Risk)/Delaware FAIR Plan? \_\_\_\_\_  
If not, state reason why not \_\_\_\_\_

**2. Producer's statement**

- a. Name of Producer \_\_\_\_\_  
Business Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_
- b. Description of circumstances which cause the risk to be regarded as another than ordinary risk subject to regular rates as filed.  
\_\_\_\_\_

(Be specific in this statement. Remarks in the nature of "class of business" or "type of risk" will not be adequate to review the request for an excess rate)

**PRODUCER'S CERTIFICATION**

Pursuant to Regulation 33, I certify that I have informed the applicant/risk to be insured of the circumstances regarding the risk, and, further, that I have informed the insured of the excess rate and of the premium to be applied, as reflected above, by \_\_\_\_\_, for covering the risk. (Name of Insurer)

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

Signature \_\_\_\_\_  
(Typed or Printed Name)

**3. Insured's Statement**

I have been advised of and understand the contents of this application for a consent-to-rate in excess of the rate otherwise applicable. I request that the proposed rate and resulting premium be approved, pursuant to 18 Del. C. 2509.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Typed or Printed Name)

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

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
(Typed or Printed Name)

## DISTRICT OF COLUMBIA

[\(back to reference chart\)](#)

### **I. Commercial Deregulation / Exemption**

- Inland marine risks are exempt from rate filing. [Ins. Code § 31-2704]
- The District of Columbia has commercial deregulation for rates and forms in the form of “exempt commercial risks,” defined by Act 14-331 and §31-2701 as a person or entity meeting one of the following criteria:
  - Retains or employs a certified or qualified risk manager to negotiate insurance coverage;
  - Possesses a net worth in excess of \$2 million;
  - Generates annual revenues in excess of \$2 million;
  - Has at least 10 employees;
  - Pays annual aggregate country-wide standard insurance premiums exceeding \$10,000;
  - Has a total insured property value of at least \$2 million; or
  - Is a nonprofit organization or public body generating annual budgeted expenditures of at least \$5 million.
- The provisions for exempt commercial risks do not apply to workers’ compensation insurance and employers liability (31-2701, 31-2714)

#### **Filing and Record Keeping Requirements**

- Rates and forms for exempt commercial risks (ECPs) are exempt from filing.
- The application form and policy declarations page for an ECP must include the following notice in 10-point type: *This policy is issued to an exempt commercial risk. The rate and policy form are not subject to the filing, review, and approval requirements of the Commissioner of the District of Columbia Department of Insurance and Securities Regulation.*
- At policy inception and at each renewal thereafter, the ECP must complete a Statement of Exempt Commercial Risk. (*See form below.*) The certification form must be maintained by the insurer. [Bull. 001-1B – 6/22/01 (Rev. 8/20/01)]
- On or before March 1<sup>st</sup> of each year, the insurer must file an affidavit with the Department certifying: the description and location of the insured property or risk; the name of the insured and whether the risk is a profit or nonprofit organization; and the value of the policy.

### **II. (A) Rates and Individual Risk Rates**

There is no statutory provision for (A) rates or individual risk rates. However, (A) rates and individual risk rates are allowed (contact State Filings for AIG (A) rate filings or see ISO Manual). [ISO Manual]

#### **Filing and Record Keeping Requirements**

- (A) rates must be individually filed 90 days before the effective date, unless the insurer has filed a schedule of rate ranges using insurer’s own rates or ISO Estimated Loss Potentials (ELP) and a company multiplier, representing the company’s expenses, profit and investment income. The schedule may allow for rate ranges of +- 25% (*see ISO Manual*).
- Individual risks must be individually filed within 30 days after the effective date.

### **III. Consent to Rate**

- Consent to rate is allowed on all property and casualty lines, including workers’ compensation. [Ins. Code §§ 31-2702, -2703(g)]
- This does not apply to ocean marine; title; accident and health; aviation and aircraft; and insurance issued to self-insurers and insuring against loss in excess of at least \$10,000 resulting from any one accident or event, except when rates therefore are made by a rating organization.

#### **Filing and Record Keeping Requirements**

- A written application (*see attached Consent to Rate Form*) of the insured must be filed with and approved by the Commissioner.

- Rates must still be reasonably calculated.
- For automobile insurance, a written waiver of the DCAIP (District of Columbia Automobile Insurance Plan) rate must be obtained from the insured before the effective date of the policy.
- The application shall be maintained in the files.

**IV. Manuscript Endorsements**

There is no statutory provision addressing manuscript forms. According to the DOI, however, all manuscript forms must be filed. [J. Fontaine, DOI, 1-25-08]



**IMPORTANT NOTICE:  
CERTIFICATION OF EXEMPT COMMERCIAL RISK**

Section 13(c)(2) of the Insurance Economic Development Act of 2000 (D.C. Law 13-299), as amended by the Insurance Trade and Economic Development Amendment Act of 2000 (D.C. Law Section 13-265), provides that insurers, at the time of entering into the policy agreement and annually thereafter, obtain a written certification from the policyholder for any policy issued under this section.

In order for a policy to be exempt from filing, one of the following criteria must be met. The applicant/insured must:

- (1) Retain or employ a certified or qualified risk manager to negotiate insurance coverage;
- (2) Possess a net worth in excess of \$2 million;
- (3) Generate annual revenues in excess of \$2 million;
- (4) Have at least 10 employees;
- (5) Pay annual aggregate country-wide standard insurance premiums in excess of \$10,000;
- (6) Have total insured property value of at least \$2 million; or
- (7) Be a nonprofit organization or public body generating annual budgeted expenditures of at least \$5 million.

You have a right to obtain regulatory review of a proposed rate or policy form used in the insurance of exempt commercial risks under this act. To obtain regulatory review, you must, within 20 days of the receipt of this notice, request that the insurer file the rate and/or policy form with the Commissioner of the District of Columbia Department of Insurance and Securities Regulation. Should you elect to exercise your right to obtain a regulatory review, please sign the second line below and return this notice to:

**(Insurer should insert name of insurer and contact person here)**

If you waive your right to a regulatory review, the policy form and rate will not be subject to review by the Commissioner, and the Commissioner will not have authority to investigate or adjust said policy forms or rates if you allege to be aggrieved thereby.

I \_\_\_\_\_, applicant or policyholder certify that I:

(Applicant's/policyholder's printed name Policy #)

- (A) Employ a certified or qualified risk manager, or placed the business through a licensed insurance producer, or otherwise meet the criteria of an exempt commercial risk;
- (B) Am aware that the policy being purchased is not subject to initial regulatory review or approval of rates and forms; and
- (C) Agree to the use of the exempt rates and forms by my insurer.

**I understand the terms and conditions as stated above and hereby request review of the forms and rates proposed for this policy agreement by the Commissioner:**

\_\_\_\_\_  
Applicant's Signature and Printed Name

\_\_\_\_\_  
Date

**By signing below, I hereby waive my right to a regulatory review of the forms and rates proposed for this policy contract.**

\_\_\_\_\_  
Applicant's Signature and Printed Name

\_\_\_\_\_  
Date

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for      Limits      Amounts of Insurance      Deductibles  
(primary/excess)

Exposure Identification      Class      Territory      Location of Risks

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**FLORIDA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds and inland marine are exempt from form filing. [FL § 627.410]
- Commercial inland marine is exempt from rate filing. [FL § 627.021]
- Florida has a type of commercial deregulation (**for rates only**) for Large Commercial Risks. An insurer may “individually rate” policies involving Large Commercial Risks for all lines of property, casualty, and surety insurance except private passenger automobile, homeowners’, and workers’ compensation. The characteristics of a large commercial risk shall be deemed sufficient for it to be eligible for individual risk rating. [FAC Rule 69O-170.019(5)]

**Large Commercial Risks** are risks which meet 2 or more of the following conditions:

- 1) Has at least 500 full-time employees or their equivalent;
- 2) Had net revenue of at least \$100 million in the latest fiscal year as reported in audited financial statements.
- 3) Had a net worth of at least \$50 million in the latest fiscal year as reported in audited financial statements.
- 4) Pays property/casualty insurance premiums of at least \$500,000 in total for the following types of insurance: Commercial property; Commercial auto; and Commercial general liability
- 5) Procures insurance through a certified risk manager who has one of the following credentials: ARM, CPCU, CRM, FRM, BA or higher degree in Risk management or at least 7 years of experience in risk financing, claims administration, loss prevention, or risk and insurance coverage analysis.
- 6) Is a public entity with over 50,000 population.
- 7) Is a not for profit organization or public entity with minimal annual budget of 45 million.

**Filing and Record Keeping Requirements**

- The insurer must file quarterly lists of individually rated commercial risks, along with (A) rates and consent to rates, (*see attached* Form DI4-588) within 45 days of the close of each quarter. Insurers need not file quarterly reports if no such excess rate business is written. Except, Form DI4-588 must be filed if an insurer has not been required to file DI4-588 for four consecutive quarters because it had not written any excess rate or individually rated risk business during these quarters.
- An insurer must maintain documentation to show that the risk meets the definition of a large commercial risk for a period of at least five years from the effective date of the policy.

**Commercial Deregulation – Additional Exemptions:**

The following provision of FL Administrative Code, Title 4, Department of Insurance, does not apply to insurance issued to **Large Commercial Risks** that are individually rated:

- Rating Plans – discounts, credits, surcharges. [FAC Rule 69O-170.004]

**II. (A) Rates and Individual Risk Rates**

- (A) rates and individual risk rates are allowed.
- Individual risk rates are allowed except for private passenger automobile, homeowners’, and workers’ compensation. [Bull. 92-38; Rule 69O-170.019]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates do not need to be individually filed. [FL § 627.062(3)(a); FAC Rule 69O-170.019]
- However, the insurer must file quarterly lists of individual risk and (A) rates and any consent to rates (*see attached* Form DI4-588) within 45 days of the close of each quarter. Insurers need not file quarterly reports if no such excess rate business is written. [FAC Rule 69O-137.008]
- Except, Form DI4-588 must be filed if an insurer has not been required to file DI4-588 for four consecutive quarters because it has not written any excess rate or individually rated risk business.

- In addition, the insurer shall maintain complete underwriting files on each risk subject to (A) rate or individual risk rating.
- The documentation must identify the named insured, the policy number, the annual statement line, the classification of the risk, any special characteristics of the risk, the reason why the risk is being individually risk rated, including any modifications to existing approved forms to be used on the risk.
- The insurer must maintain these records for a period of at least 5 years after the effective date of the policy.

### III. Consent to Rate

- Consent to rate is allowed for all property and casualty lines. [FL §§ 627.171, 627.021]
- However, insurers may not use excess rates for more than 10% of their commercial insurance policies written or renewed in each calendar year for any line of commercial insurance.
- This does not apply to reinsurance, ocean marine, aircraft hull and aviation, commercial inland marine, surplus lines or health. [FL § 627.021]

### Filing and Record Keeping Requirements

- Individual consent to rates need not be filed.
- However, the insurer must file a list of consent to rates, along with any (A) rates or individual risk rates, on a quarterly basis (*see attached* Form DI4-588) within 45 days of the close of each quarter.
- As noted above, insurers need not file quarterly reports if no such excess rate business is written. Except, Form DI4-588 must be filed if an insurer has not been required to file DI4-588 for four consecutive quarters because it has not written any excess rate or individually rated risk business during those quarters.
- A copy of the application with the excess rate and the insured's signed consent must be kept on file and maintained by the insurer for 3 years and be made available for review by the Department. [Bulletin 92-38, FL § 627.171]

### IV. Manuscript Endorsements

Policies, riders, endorsements or forms of "unique character which are designed for and used with relation to insurance upon a particular subject" are exempt from filing. [FL § 627.410] However, the Insurance Department has narrowed this exemption and requires the filing of all manuscript endorsements or policy forms, with the exception of those that apply to insureds who meet the criteria for an individually rated risk. [A. Ivory, Supervisor, P/C Forms & Rates, 5-2-08; R. Koon, Forms Manager, P/C Forms & Rates, 5-26-05]

- Insureds who meet the criteria for an individually rated risk include (A) rated risks and large commercial risks. [FAC Rule 69O-170.019]
- Manuscript forms used with individually rated risks, (A) rated risks or large commercial risks may be used only once, without filing, in order to be "unique" and meet the requirements of FL § 627.410.

FLORIDA PROPERTY & CASUALTY - QUARTERLY REPORT

INDIVIDUALLY RATED RISKS  
("A" RATES) - (CONSENT-TO-RATE - EXCESS RATE)

	1st Quarter		2nd Quarter
	3rd Quarter		4th Quarter

Company has not been subject to filing this form for the past four consecutive quarters.

1. FEIN (Lead Company):

				-										
--	--	--	--	---	--	--	--	--	--	--	--	--	--	--

- 2. Group Name: \_\_\_\_\_
  - 3. Company Name: \_\_\_\_\_
  - 4. Mailing Address: \_\_\_\_\_
  - 5. Contact Person: \_\_\_\_\_  
Phone Number: \_\_\_\_\_
  - 6. Chief Executive Officer's Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_
7. Provide your FAX #: \_\_\_\_\_
- 800 number: \_\_\_\_\_
- 8. Total number of policies: \_\_\_\_\_
  - 9. I certify that I am authorized to make this Individually Rated Risk/Consent-to-Rate filing on behalf of the company, further that the information contained in related transmittals and the filing is true, complete, correct and, to the best of my knowledge, in compliance with all applicable state laws. \_\_\_\_\_

---

Signature

Date

Type Name

Position with company (Title)

**FLORIDA DEPARTMENT OF INSURANCE  
PROPERTY & CASUALTY  
INDIVIDUALLY RATED RISK  
QUARTERLY REPORT**

Company  
Name:

---

Complete a separate report for each quarter beginning January 1 (1st quarter of January, February, March, 1993). The first report due May 15, 1993. The reports are due 45 days after the close of each quarter.

**INDIVIDUALLY RATED ("A" RATE)**

Total Number of Policies  
Individually  
Rated ("A" Rate)

---

Total Direct Written Premium  
("A" Rate)

---

**CONSENT-TO-RATE (EXCESS RATE)**

Total Number of Policies  
Individually  
Rated (Consent-to-Rate)

---

Total Direct Written Premium  
(Consent-to-Rate)

---

**GEORGIA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds and specially rated inland marine risks are exempt from form filing. [GA § 33-24-9]
- Georgia has commercial deregulation (**for rates only**) for policies involving Large Commercial Risks, excluding workers' compensation, errors and omissions and medical malpractice insurance. [Reg. 120-2-77, et seq.]
- The following types of premium must be excluded when determining if an insured qualifies as a Large Commercial Risk:
  - Premiums written by an unauthorized insurer;
  - Primary and/or excess workers' compensation premiums;
  - Premiums from coverages using uncontrolled rates, like certain inland marine, ocean marine and aviation;
  - Employee benefits premiums;
  - Premiums from errors and omissions coverages, including medical malpractice premiums;
  - Accident and sickness premiums; and
  - Any premiums for coverage provided by residual market mechanisms.

A **Large Commercial Risk** is a single entity or a combination of legal entities controlled by the same person or group of persons by majority interest in such entities, which satisfies all of the following criteria:

- Employs 25 or more full-time employees at the time of the application;
- Has assets in excess of \$1.5 million at the time of the application;
- Produces annual revenues in excess of \$2.5 million; and
- Meets an annual property and casualty premium threshold from Georgia operations in excess of \$50,000; or for risks having multi-state locations or operations, meets an annual written property and casualty premium threshold in excess of \$250,000.

**Filing and Record Keeping Requirements**

- Rates for Large Commercial Risks are exempt from filing.
- Forms for Large Commercial Risks are still subject to filing.
- Each insurer must maintain records concerning all data, statistics, or underwriting rules. Such information must also be reported through a recognized statistical agency or advisory organization. As a minimum requirement, an insurer must maintain annual experience on number of risks, written premiums, written premiums at manual level, paid losses, and outstanding losses. [Reg. 120-2-77-.06]
- Each policy issued to a large commercial risk must include a disclaimer with the following language:  
**"The rates, rating plans, or resulting premiums provided for in this policy are exempt from the filing and approval requirements of the Office of Commissioner of Insurance."**

**Commercial Deregulation – Additional Exemption:**

**Rates for Large Commercial Risks** are exempt from filing:

- Filed manual rates, rating plans, rating systems or underwriting rules [Reg. 120-2-77-.05].
  - However, rates are not exempt from filing for the following types of insurance:
    - Primary or excess workers' compensation;
    - All errors and omissions insurance; and
    - Medical malpractice insurance.

**II. (A) Rates and Individual Risk Rates**

(A) rates and individual risk rates are allowed. (Contact State Filings for AIG (A) rate filings or see ISO Manual). [Directive 91-PC-26]

**Filing and Record Keeping Requirements**

- All (A) rates, (A) factors for increased limits and excess liability, commercial umbrella rates and/or rating systems, and plans or methodologies used to develop such rates must be filed with the Department within 30



days after the effective date of the policy.

- An (A) rate “may not depart by more than 50% upward or 50% downward from the suggested (A) rates, (A) factors, or other excess and umbrella rates or factors” unless these departures are filed with the Commissioner.
- An insurer may file each (A) rate that does not conform to the 50% range above, within 30 days of the date the policy is issued. However, a consolidated list of all policies [over or under the 50% factor] is preferred. The list shall include the name of the insured, policy number, effective date, issue date, nature of coverage, class code, exposure unit, rate or factor used, and the percentage of departure if applicable. The list shall be submitted 30 days after each calendar year quarter and shall be inclusive of all policies issued within the quarter containing (A) rates or (A) factors not conforming to the above requirements.
- The insurer may, instead of doing individual (A) rate filings, file a schedule of rate ranges using insurer’s own rates or ISO Estimated Loss Potentials (ELP) and a company multiplier, representing the company’s expenses, profit and investment income. The schedule may allow for rate ranges of +/- 50%. (See ISO Manual.)
- Individual risk rates must be filed within 30 days after the policy is issued. The filing must include P&C Transmittal Form PC-T1. [See Department website.]

### **III. Consent to Rate**

- Consent to rate is permitted for property and casualty lines, excluding workers’ compensation. [S. Manders, Department of Insurance, 7-25-06]
- This does not apply to reinsurance, other than joint; life; disability income, specified disease, or hospital indemnity policies; ocean marine; aircraft hull and aviation; title or annuities. [GA § 33-9-3]

### **Filing and Record Keeping Requirements**

- All consent to rates must be filed with the Commissioner prior to use of the rate (*see attached form or click on <http://www.inscomm.state.ga.us/Documents/consent-to-rate.pdf>*). The Commissioner has ten days to challenge. The attached form must be used for all consent to rate filings.
- For policies developing \$1,000 or less in premium, the rate must be filed prior to the effective date.
- For policies with premium exceeding \$1,000.00, a binder of coverage may be issued and the contract and rate deviation shall be filed within 20 days after the issuance of the binder. [Directive 91-PC-9, GA § 33-9-32]

### **IV. Manuscript Endorsements**

Policies, riders, endorsements, or forms of unique character designed for use upon a particular subject are exempt from filing. [GA §33-24-9]

## GEORGIA CONSENT TO RATE FORM

\_\_\_\_\_  
Name and Address of Insured

\_\_\_\_\_  
Name and Address of Insurance Company

\_\_\_\_\_  
Type of Policy

\_\_\_\_\_  
Policy  
Number

\_\_\_\_\_  
Effective Date

\_\_\_\_\_  
Expiration  
Date

The insured hereby gives consent as required by OGCA Section 3308032 for the Company to charge a rate, which is in excess of or lower than that rate otherwise applicable for this risk.

### RATES AND PREMIUMS\*

<u>Item</u> <u>No.</u>	<u>Amounts</u> <u>or Limits</u>	<u>Perils of</u> <u>Coverages</u>	<u>Rates</u> <u>Consented Manual</u>	<u>Premiums</u> <u>Consented Manual</u>
---------------------------	------------------------------------	--------------------------------------	---	--

\_\_\_\_\_  
Premium at  
Manual Rates \$ \_\_\_\_\_

\_\_\_\_\_  
Premium at  
Lower/Excess Rates \$ \_\_\_\_\_

\_\_\_\_\_  
Difference \$ \_\_\_\_\_

\_\_\_\_\_  
Description of Risk\*

\_\_\_\_\_  
Reason(s) that require  
Deviation from standard rate

\_\_\_\_\_  
Name and Address of  
Insurance Agency

### CERTIFICATION

**Agent:** I have explained this form to Insured:  
and to the best of my knowledge and  
belief, the insured understands and  
accepts it.

**Insured:** I understand and accept the  
Excess/Lower rate indicated hereon

Signed \_\_\_\_\_

Signed \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

\*Attach extra sheets

**HAWAII**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- There are no statutory exemptions. However, forms are not generally filed except for certain automobile and workers' compensation according to the D.O.I.
- Inland marine risks are exempt from rate filing. [Ha. Ins. Code § 431: 14-104]

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates and individual risk rates. However, (A) rates and individual risk are allowed in Hawaii (contact State Filings for AIG (A) rate filings or see ISO Manual). ISO Manual.

**Filing and Record Keeping Requirements**

- All (A) rates must be filed for approval unless the insurer has filed a schedule of rates for approval.
- If there is a deviation from the filed schedule, individual (A) rate risks must be filed.
- Individual risk rates must be filed for approval.

**III. Consent to Rate**

- Consent to rate is allowed for all property & casualty lines, including workers' compensation. [Ha. Ins. Code §§ 431:14-102(a), 431:14-104(m)]
- This does not apply to reinsurance, other than joint reinsurance, disability, aircraft hull and aviation and ocean marine. [Ha. Ins. Code § 431:14-102(b)]

**Filing and Record Keeping Requirements**

- A written application (*see attached Consent to Rate Form*) of the insured, stating reasons for accepting the rate, must be filed and approved.
- Upon approval, rate is retroactive to the date of the application by insured.
- Written application shall be maintained in files.

**IV. Manuscript Endorsements**

There are no statutory provisions addressing manuscript forms. However, per the D.O.I., manuscript forms are not filed.

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**IDAHO**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds and specially rated inland marine risks are exempt from form filing. [ID § 41-1812]
- There are no other forms of commercial deregulation in Idaho.

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates and individual risk rates. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates exempt from filing. [ISO Manual]
- When an insurer uses (A) rates and individual risk rates, it must maintain complete underwriting files on how it determined the rate for the individual risk and make these files available to the insurance department upon request.

**III. Consent to Rate**

Consent to rate is allowed only for workers' compensation. [ID § 41-1613]

**Filing and Record Keeping Requirements**

- Written application (*see attached Consent to Rate Form*) of the insured stating reasons for acceptance of the rate must be filed with and approved by the Director. [ID § 41-1613 (WC)]
- The application shall be maintained in the files.

**IV. Manuscript Endorsements**

Policies, riders, endorsements, or forms of unique character designed for use upon a particular subject are exempt from filing. [ID § 41-1812]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**ILLINOIS**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- There are no **rate** filings except for the following lines:
  - Motor vehicle (includes only private passenger automobiles, taxicabs, and motorcycles);
  - Homeowners' including mobile homeowners';
  - Dwelling fire and allied lines;
  - Liquor liability [50 Ill. Adm. Code 754.10];
  - Medical malpractice [215 ILCS 5/155.18]; and
  - Workers' compensation and employers' liability. [215 ILCS 5/455, *et seq.*]
- Filings for medical malpractice are effective when filed; however, a public hearing is required if there is a filed rate increase in excess of 6%, or if requested by either a company's insureds or the DOI. [215 ILCS 5/155.18; Senate Bill 475, 8/25/05]
- Surety contracts and fidelity bonds are exempt from form filing. [215 ILCS 5/143]
- Marine and transportation are not exempt from form filing (except for policies issued to industrial insureds). [50 Ill. Adm. Code 753.10, 215 ILCS 5/143]
- There is commercial deregulation (**for forms**) for policies issued to Industrial Insureds for all lines except for workers' compensation. [215 ILCS 5/143]
- An Industrial Insured is an insured:
  - (a) which procures the insurance of any risk or risks other than life and annuity contracts by use of the services of a full time employee acting as an insurance manager or buyer or the services of a regularly and continuously retained qualified insurance consultant;
  - (b) whose aggregate annual premiums for insurance on all risks, except for life and accident and health insurance, total at least \$100,000; and
  - (c) which either (i) has at least 25 full time employees, (ii) has gross assets in excess of \$3,000,000, or (iii) has annual gross revenues in excess of \$5,000,000. [215 ILCS 5/121.2.08]

**II. (A) Rates and Individual Risk Rates**

- (A) rates and individual risk rates are allowed.
- (A) rates are allowed for individual risks, which cannot be rated in the normal course of business rating because of special or unusual characteristics and which must be rated on the basis of underwriting judgment. [Reg. 754.30(a), 50 Ill Adm. Code § 2902.60]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed. [ISO Manual]
- When an insurer uses (A) rates and individual risk rates, it must maintain complete underwriting files on how it determined the rate for the individual risk and make these files available to the insurance department upon request. [Reg. 754.30]

**III. Consent to Rate**

Consent to rate is allowed for property and casualty, excluding workers' compensation. [Reg 754.30 per DOI interpretation and 754.30(1)]

**Filing and Record Keeping Requirements**

- Consent to rate need not be filed.
- Insurer must maintain complete files on how it determined the rate and make these files available to the insurance department upon request. Use attached Consent to Rate Form and keep in file.

**IV. Manuscript Endorsements**

Riders or endorsements prepared to meet special, unusual, peculiar, or extraordinary conditions applying to an individual risk are exempt from filing. [215 ILCS 5/143] Any contract, insurance policy, application form, endorsement or rider for an individual risk issued without filing for prior approval is considered valid, but will

be interpreted in conformity with all provisions of the Insurance Code. [215 ILCS 5/442]



**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**INDIANA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Inland marine risks, which by custom are not underwritten using rating plans, are exempt from rate filing. [IN Ins. Code § 27-1-22-4 (b)(1)]
- All policy **rates and forms** issued to a commercial policyholder, including a workers' compensation insured, are use-and-file. A commercial policyholder is defined as a business, nonprofit or governmental entity that purchases a policy of commercial insurance through a licensed producer or surplus lines broker. [IN Ins. Code § 27-1-22-2.5] Policy rates and forms must be filed for informational purposes, only, within (30) days of use. [IN Ins. Code § 27-1-22-4] [The use-and file rule for forms is effective 7-1-07, pursuant to House Bill 1452.]
- There are no other forms of commercial exemption in Indiana.

**Filing and Record Keeping Requirements**

- Rates for commercial risks must be filed, for informational purposes only, within (30) days of use.
- Policy forms and endorsements for commercial risks must be filed, for informational purposes only, within (30) days of use.
- These rates and forms are not subject to review or approval by the Department.
- If a form for a commercial insured either includes or excludes coverage for an unusual or extraordinary risk, the form must be maintained in the insurer's Indiana office for review at the Commissioner's discretion.
- If policy coverage is revised when the policy is renewed, the insurer must provide written notice to both the producer and the commercial policyholder, that the policy has been changed.

**II. (A) Rates and Individual Risk Rates**

(A) rates and individual risk rates are allowed (contact State Filings for AIG (A) rate filings or see ISO Manual). [IN Ins. Code § 27-1-22-3(a)(2)]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates must be filed on or before the effective date. Filing should include factors used in determining rate or classification for the risk. [IN Ins. Code § 27-1-22-4]
- Instead of filing individual (A) rates, an insurer may file a schedule of rates. If a particular risk does not fall within the schedule of rates or deviates +/- 50% from the schedule, the risk must be filed.
- For individual risk rates, filing is not required unless the rate deviates by +/- 50% from the filed rate.
- The insurer must maintain complete underwriting files for each classification for the risk and make these available to the Department upon request.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty lines, excluding workers' compensation.
- This does not apply to reinsurance, other than joint reinsurance; accident and health; ocean marine, aircraft hull and aviation; workers' compensation and abstract and title insurance. [IN Ins. Code § 27-1-22-2]

**Filing and Record Keeping Requirements**

- Insureds must file written application (*see attached Consent to Rate Form*) with the Commissioner.
- The application must be maintained in files.

**IV. Manuscript Endorsements**

There are no statutory provisions addressing manuscript forms. However, according to the DOI, manuscript forms must be filed. The Department will provide some leeway on the timing, if filing prior to use is impractical for a particular risk. [L. Ritz, DOI, 5-6-06]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **IOWA**

[\(back to reference chart\)](#)

### **I. Commercial Deregulation / Exemption**

- The following lines of insurance are exempt from form filing: [IA Ins. Code § 191-20.11]
  - Aircraft hull and aviation liability
  - Difference-in-conditions
  - Kidnap-ransom
  - Political risk
  - Reinsurance
  - Terrorism
  - War risk
  - Weather insurance
- Inland marine is exempt from rate filing. [§ 515F.5]
- There are no other forms of commercial deregulation in Iowa.

### **II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates or and individual risk rates. However, (A) Rates and individual risk rates are allowed.

#### **Filing and Record Keeping Requirements**

- Rates and individual risk rates need not be filed. [ISO Manual]
- When an insurer uses (A) rates and individual risk rates, it must maintain complete underwriting files on how it determined the rate for the individual risk and make these files available to the insurance department upon request. [ISO Manual]

### **III. Consent to Rate**

- Consent to rate is allowed for all commercial property and casualty lines [IA Ins. Code § 515F], including workers' compensation [IA Ins. Code § 515A.4(7)]
- This does not apply to reinsurance, accident and health and ocean marine. [IA Ins. Code § 515F.3]

#### **Filing and Record Keeping Requirements**

- A written application (*see attached Consent to Rate Form*) must be filed with and approved by the Commissioner. [IA Ins. Code §§ 515A.4(7), 515F]
- Insurers may also offer consent to rates for those workers' compensation insureds, who have been in the assigned risk pool for one or more years. These filings should include the: (1) name and address of the insured; (2) number of years insured in the assigned risk pool; (3) experience mod worksheet; (4) assigned risk premium; and (5) proposed premium. [Bull. 96-5]
- The application shall be maintained in the files.

### **IV. Manuscript Endorsements**

Manuscript policies and endorsements issued to not more than two insureds in Iowa are exempt from filing. [IA Ins. Code § 191-20.11]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

<u>Coverages applied for</u>	<u>Limits</u>	<u>Amounts of Insurance</u>	<u>Deductibles</u>
	(primary/excess)		

<u>Exposure Identification</u>	<u>Class</u>	<u>Territory</u>	<u>Location of Risks</u>
--------------------------------	--------------	------------------	--------------------------

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**KANSAS**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds that cannot practically be filed prior to use, marine and inland marine, aircraft hull and liability forms are exempt from form filing requirements. Restrictive endorsements applied to individual risks are considered forms that cannot be filed prior to use and are exempt from filing. All forms issued to state government agencies by the Committee on Surety Bonds and Insurance are exempt. [K.S.A. § 40-3-32]
  - Most inland marine risks are exempt from rate filing. [K.S.A. § 40-955] For a list of risks that must be filed, refer to K.S.A. § 40-3-24.
  - Kansas has a commercial exemption for certain commercial risks **for rates only**. This does not apply to workers' compensation and employers' liability. The following commercial lines risks are exempt from rate filing:
    - (1) Risks that are written on an excess or umbrella basis;
    - (2) Commercial risks, or portions thereof, that are not rated according to manuals, rating plans, or schedules including (A) rates\*; and
    - (3) Special risks designated by the commissioner, including but not limited to:
      - Risks insured under highly protected risks rating plans;
      - Commercial aviation;
      - Credit insurance;
      - Boiler and machinery;
      - Inland marine; and
      - Fidelity, surety and guarantee bond insurance risks.
- \* (A) rates as referred to in this exemption refer to published (A) rates, as recorded in a published manual.
- Kansas has commercial deregulation for "Large Risks" for **rates and forms**. This does not apply to workers' compensation and employers' liability insurance, insurance purchasing groups, and basic medical professional liability insurance. [K.S.A. § 40-955(i); § 40-216(B)(i)] [Bull. 2006-07, 9-1-06]
  - **Large Risk** means:
    - An insured that has total insured property values of \$5,000,000 or more;
    - An insured that has total annual gross revenues of \$10,000,000 or more; or
    - An insured that has in the preceding calendar year a total paid premium of \$50,000 or more for property insurance, \$50,000 or more for general liability insurance, or \$100,000 or more for multiple lines policies. [K.S.A. § 40-955(i)]

**Filing and Record Keeping Requirements**

- Rates for the exempt risks listed above need not be filed. However forms for these risks must still be filed.
- Rates and forms for Large Risks need not be filed.
- Underwriting files, premium and expense statistics, and financial and other records pertaining to special risks, shall be maintained by the insurer and shall be subject to inspection by the Commissioner.

**Commercial Deregulation – Additional Exemptions**

There are two additional exemptions for "Large Risks." Medical professional liability insurance provided to a state hospital for the mentally retarded or a state psychiatric hospital are exempt from rate and form filing under this exemption. These facilities do not qualify as "health care providers" under K.S.A. § 40-3401. [ISO Manual; R. Cook, Department of Insurance, 9-26-06]

**II. (A) Rates and Individual Risk Rates**

- Rates and individual risks are allowed. [K.S.A. § 40-955(h); § 40-954(c)]
- Effective July 1, 2006, schedule rating is permitted up to a maximum credit or debit of 40%. This +/- 40% schedule rating option excludes the following commercial lines: farm and ranch owners, including crop insurance; workers' compensation; and medical professional liability insurance. [2006 Senate Bill 539,

Section 3, uncodified] [Bull. 2006-07 (9-1-06)]

- For those lines of business ineligible for +/- 40% schedule rating, a maximum credit or debit not to exceed 25% may be used. This applies to farm and ranch owners, crop insurance and medical professional liability insurance, but excludes workers' compensation. [K.S.A. § 40-3-12; § 40-954]

#### **Filing and Record Keeping Requirements**

- KS Ins. Code § 40-955 provides that "commercial risks, or portions thereof, that are not rated according to manuals, rating plans, or schedules including (A) rates" are exempt from rate filing requirements.
- Insurers using (A) and individual risk rates shall maintain "underwriting files, premium, loss and expenses statistics, financial and other records" for five years. [K.S.A. § 40-3-26]
- Insurers may increase or decrease premiums on a given risk basis without documentation up to 40%, based on any legitimate factor. The schedule rating plan does not have to be filed. [2006 Senate Bill 539, Section 3, uncodified]

### **III. Consent to Rate**

- Consent to rate is allowed for property and casualty lines, including workers' compensation. [KS Ins. Code §§ 40-954(d), 40-3-25, 40-3-26]
- This does not apply to reinsurance, accident and health, insurance against loss of or damage to, or against liability arising out of the ownership, maintenance or use of any aircraft. [KS Ins. Code § 40-952]

#### **Filing and Record Keeping Requirements**

- A written application must be filed with the Department for approval within 10 days after the effective date of coverage.
- Each individual risk filing will be accompanied by the following justification:
  - 1) Information demonstrating what factors prevent the insurer from developing manual rates for the policy program or classification of risks.
  - 2) Information demonstrating why, even though a manual rate cannot be filed, the rate/premium cannot be filed prior to the effective date of the policy which includes the coverage program or classification of risks.
  - 3) A written procedure specifying how the proposed rate/premium development for the policy program or classification of risk will not be applied in an unfairly discriminatory manner.
  - 4) The method to be utilized to file statistical information for the policy program or classification of risk.

#### **Required Notices for Consent to Rate Policies**

- Each company issuing a fire and casualty insurance policy in this state with a premium rate that results from the insured's inability to obtain coverage in the normal market, must include a statement on the application or policy form, signed by the applicant or named insured, that contains the following statements, as applicable, or statements with similar wording:

(1) "I am unable to obtain \_\_\_\_\_(state kind)\_\_\_\_\_ insurance at normal rates and hereby request the issuance of this policy at rates in excess of normal rates."

(2) "I have been unable to procure similar insurance at normal rates, although my risk has been submitted to at least three other insurance companies authorized to transact insurance business in Kansas."

(3) For automobile liability insurance, the statements in the following paragraphs must be included:

(A) "(1) I have been unable to procure similar insurance at normal rates, or (2) I have been unable to procure similar insurance at normal rates because my previous insurance company non-renewed or canceled my insurance."

(B) "I understand that liability limits sufficient to meet the financial responsibility requirements of the state may be available through the Kansas automobile insurance plan." (The preceding statement does not apply if the policy is issued through the Kansas automobile insurance plan.)

(4) For workers' compensation and employers' liability insurance, the following statement must be included: "I understand that I may obtain workers' compensation and employers' liability insurance through the Kansas workers' compensation insurance plan." (The preceding statement does not apply if the policy is issued through the Kansas workers' compensation insurance plan.)

(5) For fire and extended coverage insurance, the following statement must be included: "I understand that I may be able to obtain adequate fire and extended coverage insurance through the Kansas all-industry placement facility." (The preceding statement does not apply if the policy is issued through the Kansas all-industry placement facility.)

(6) For a health care provider required to comply with K.S.A. 40-3402 and amendments thereto, the following statement must be included: "I understand that I may be able to obtain adequate basic professional liability coverage through the Kansas health care provider insurance availability plan." (The preceding statement does not apply if the policy is issued through the Kansas health care provider insurance availability plan.)

**IV. Manuscript Endorsements**

Marine and inland marine forms, aircraft hull or aircraft liability endorsement forms, restrictive endorsements issued to special risks, and policy or endorsement forms covering state government agencies, as prescribed by the Committee on Surety Bonds and Insurance, are exempt from filing. (Marine and aircraft forms should be those forms that cannot be practically filed prior to use.) [Bull. 1998-13 (10-19-98); K.S.A. § 40-3-32] All other manuscript forms and endorsements must be filed.



**KENTUCKY**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Kentucky has commercial exemption (**for rates only**) for all commercial lines except workers' compensation, indemnity policies relating to automobile service contracts and credit insurance.
- Surety bonds and specially-rated inland marine risks are exempt from form filing. [KRS § 304.14-120]
- Kentucky also has commercial deregulation (**for rates and forms**) for policies issued to Industrial Insureds, Government Entity Insureds, and Exempt Commercial Policyholders (collectively referred to as "ECPs"). ECPs are exempt from the rate and policy form requirements of the insurance law. This does not apply to workers' compensation and automobile insurance. [Bull. 2001-3; KRS §§ 304.11-020, 304.11-050, 304.3-230]

An **Industrial Insured** is an insured that utilizes a risk manager (defined below) to purchase its insurance policies, and has aggregate annual premiums of at least \$25,000, has at least 25 employees.

A **Government Entity Insured** is an insured that is a government entity, municipal corporation or public agency located in a city or county having a population of less than 50,000, which utilizes a risk manager to purchase its insurance, has aggregate annual premiums of \$100,000 (excluding life, health, medical or annuities), has 50 employees, and meets any regulatory criteria promulgated by the commissioner.

An **Exempt Commercial Policyholder** is an insured that utilizes an agent or broker, and a risk manager, to purchase its insurance, and

1. Is a city, county or urban-county with a population of at least 50,000, or the Commonwealth, or a not-for-profit organization or public entity with an annual budget of at least \$25 million or assets of at least \$25 million, OR
2. Certifies that it meets the following 4 criteria:
  - Net worth of \$25 million;
  - Generates sales/revenue of more than \$50 million;
  - Has more than 100/200 employees per company/holding company; and
  - Has annual aggregate premiums in excess of \$500,000.

A **Risk Manager** is a person qualified to assess an ECP's insurance needs and analyze and negotiate a policy of insurance on behalf of an ECP. A risk manager shall be:

- a. A full-time employee of an ECP who holds a professional designation relevant to the type of insurance to be purchased by the exempt commercial policyholder; or
- b. A person retained by an ECP who holds a professional designation relevant to the type of insurance to be purchased by the ECP.

**Filing and Record Keeping Requirements**

- Commercial rates for all policies, except for workers' compensation, indemnity policies relating to automobile service contracts and credit insurance, are exempt from filing. [Bull. 2001-3(e)] Rates must still not be excessive, inadequate or discriminatory.
- Rates and forms for policies issued to all ECPs are exempt from filing.
- All industrial insureds, government entity insureds and ECPs shall reapply to the Commissioner for their respective insured status every 3 years, on a form promulgated by the Commissioner (see II-1 P & C, GEI-1 P&C, and ECP-1 P&C on Kentucky Department of Insurance website at <http://www.doi.state.ky.us/kentucky/search/rateform/> - select Property & Casualty).
- Prior to issuing a policy to an ECP, an insurer must obtain a copy of the approved Forms.
- Policies issued to an ECP shall contain a disclaimer similar to:  
**"The rate provided for in this policy is exempt from the filing and approval requirements of this section, Chapter 304 of the Insurance Code."**

### **Commercial Deregulation – Additional Exemptions:**

- The following provisions of the KRS Insurance Code, Title XXV, CH. 304, do not apply to insurance issued to ECPs:
  - a. Exemptions to unauthorized insurer's law [KRS § 304.11-020];
  - b. Prohibitions; applicability of law; agent's liability; commissioner's power to enjoin [KRS §304.11-030];
  - c. Service of process [KRS § 304.11-040]; and
  - d. Jurisdiction over health benefit providers. [KRS § 304.11-045]

## **II. (A) Rates and Individual Risk Rates**

(A) Rates and individual risk rates are allowed (contact State Filings for AIG (A) rate filings or see ISO Manual).

### **Filing and Record Keeping Requirements**

- (A) rates and individual risk rates must be filed (*see attached Kentucky Application for Excess Rate and (A) Rate form*). [KRS 304.13-051 and –053 (per B. Thompson at DOI)] For (A) rates and individual risk rates, the application does not need to be signed by the insured.
- The insurer must file such rates with the Commissioner for approval within 10 days of the effective date.

## **III. Consent to Rate**

- Consent to rate is allowed for property and casualty, excluding workers' compensation (per T. Bertram at DOI – the DOI views workers' comp as a must file line. The only exception made for an individual workers' comp risk is where the residual market, the market of last resort was underpriced for a particular risk. An admitted carrier cannot use consent to rate for workers' comp ). [KRS § 304.13-100 and 806 KAR 13:020; Bull. 2001-3]
- This does not apply to life, annuities, wet marine and transportation, accident and health, reinsurance, individual and group workers compensation self insurers, title and liability self insured groups. [KRS § 304.13-021]

### **Filing and Record Keeping Requirements**

- Written application must be filed in triplicate with and approved by the Commissioner within 10 days following the effective date of the policy.
- Form IR-1 P&C (9/00) Application for Excess Rates may be used to provide the required information (*see attached Kentucky Application for Excess Rates*). The insured must consent by signing the form.
- The application shall be maintained in the files.

## **IV. Manuscript Endorsements**

Policies, riders, endorsements, or forms of unique character designed for and used upon a particular subject do not need to be filed. [KRS § 304.14 –120]

**COMMONWEALTH OF  
KENTUCKY**

**Department Of Insurance**

P .O. Box 517

Frankfort, Kentucky 40602-0517

APPLICATION FOR EXCESS RATES

CONSENT TO RATE or (A) RATES

\_\_\_\_\_ DATE FILED: \_\_\_\_\_

NAME OF APPLICANT / INSURED \_\_\_\_\_

POLICY NUMBER \_\_\_\_\_

ADDRESS OF APPLICANT / INSURED \_\_\_\_\_

POLICY DATES \_\_\_\_\_

NEW APPLICATION \_\_\_\_\_ RENEWAL \_\_\_\_\_

NAME OF AGENT LOCATION(S) OF RATED OPERATIONS \_\_\_\_\_

ADDRESS OF AGENT LOCATION(S) OF RATED OPERATIONS \_\_\_\_\_

LOCATION(S) OF RATED OPERATIONS \_\_\_\_\_

THIS FILING IS REQUESTED FOR \_\_\_\_\_

(Name of Insurance Company) NAIC # \_\_\_\_\_

BY: \_\_\_\_\_

(Company Authorized Representative) TITLE DATE \_\_\_\_\_

REASON(S) FOR EXCESS RATE OR CONSENT TO RATE (Check One)

\_\_\_\_\_ UNABLE TO OBTAIN COVERAGE AT FILED RATE \_\_\_\_\_ UNFAVORABLE LOSS EXPERIENCE

\_\_\_\_\_ UNUSUAL HAZARDS INVOLVED \_\_\_\_\_ OTHER (Explain and attach written justifications)

DESCRIPTION OF EXPOSURES AND UNDERWRITING INFORMATION IN SUPPORT OF PROPOSED RATING.

TYPE OF COVERAGE \_\_\_\_\_

LIMITS OF COVERAGE \_\_\_\_\_

DEDUCTIBLE/ RETENTION (If any) \_\_\_\_\_

CLASSIFICATION CODE NUMBER CLASSIFICATION DESCRIPTION

UNITS OF EXPOSURE \_\_\_\_\_

RATE \_\_\_\_\_

POLICY PREMIUM \_\_\_\_\_

TAXES \_\_\_\_\_

TOTAL \_\_\_\_\_

I accept and consider the rates and premium charged to be fair and equitable for our particular risk.

APPLICANT / INSURED TITLE DATE \_\_\_\_\_

**LOUISIANA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds are exempt from form filing. [LRS § 22:620]
- Louisiana has commercial deregulation (**for rates and forms**) for commercial property and casualty policies issued to Exempt Commercial Policyholders. [Regulation 80; Regulation 72] Rate deregulation excludes workers' compensation and medical professional liability insurance. Policy form deregulation excludes worker's compensation, employer's liability insurance and professional liability insurance. The exemption for commercial rates applies only in a competitive market. [LRS § 22:1401.D.; § 22:620.F.; LAC 37:XIII.9313; 9011; 9013]

**Exempt Commercial Policyholder** (ECP) **for rates** means any person who has and maintains annual commercial insurance premium, excluding workers' compensation and medical professional liability premium, of at least \$10,000 as of the preceding fiscal year. An **Exempt Commercial Policyholder** for the purposes of **form deregulation** means any person who applies for or procures commercial risk insurance (not including workers' compensation, employers' liability and professional liability insurance) and meets the following criteria:

- 1) Has and maintains annual commercial premiums (excluding workers' compensation, employers liability and professional liability premium) of more than \$200,000 in the preceding fiscal year. In determining this threshold, premiums paid to one or more insurers are to be added together to reach the total aggregate;
  - 2) At the time the policy is issued, the ECP must have not less than 50 employees per single company; not less than 100 employees if a member of an affiliated group; or if a municipality, a population of not less than 50,000;
  - 3) An operating budget of not less than \$20,000,000 for the most recently completed calendar or fiscal year whichever applies, if the ECP is a public entity; and
  - 4) Has a signed certification form regarding its status as an ECP. (*See attached form.*)
- Note: Directors' and officers' professional liability is eligible for treatment as an ECP for both rates and forms. [LAC 37 XIII.9011; 9311]

**Exempt rates and rate changes issued to an ECP must be submitted to the Commissioner of Insurance as an informational filing.**

**Filing and Record Keeping Requirements**

- When soliciting, negotiating or procuring a policy of insurance with an ECP, the agent or broker, or the insurer in cases of direct placement, must disclose to the policyholder and the policyholder's risk manager, if any, on a form created by the insurer, that a policy form may be used which is exempt from the form filing requirements of the Louisiana Insurance Code. [LAC 37:XIII.9015]
- When a policy of insurance is issued to an ECP, the insurance agent or broker, or the insurer in cases of direct placement, must obtain a written certification from the policyholder. (*See attached form.*) The certification form must be in 10-point type or larger, and must be dated and signed by a senior officer or manager of the policyholder and the policyholder's risk manager, if any. Note: The certification form does not apply to rates, even though rates are subject to deregulation. (C. Noel Wertz, DOI, 12-20-04)
- The disclosure notice and certification form required by this section is effective for the life of the policy or policies, including renewals, unless the deductible, or policy limits or coverage is significantly modified, in which case a new certification form must be executed.
- A copy of the certification form must be maintained by the insurer and by the producing agent or broker for a period of five years from the date of issuance or renewal, if at renewal a new certification form is executed. The certification form must be made available for examination by the Department.

**Commercial Deregulation – Additional Exemptions**

There are no additional exemptions for ECPs.

## II. (A) Rates and Individual Risk Rates

There is no statutory provision for (A) rates; however they are permitted. [ISO Manual] Individual risk rates are permitted pursuant to RS § 22:1407.A.(1).

### Filing and Record Keeping Requirements

- (A) rates and individual risk rates do not have to be filed, except for schedule rated risks. [ISO Manual]
- When an insurer uses (A) rates and individual risk rates, it must maintain complete files on how it determined the rate for the individual risk and make these files available to the insurance department upon request.
- Rule prior to January 1, 2008: Schedule rated risk classifications are file and use. Insurers may increase rates up to 10% over existing rates in any 12 month period for all personal and commercial line classifications combined. A rate increase falling within this limit will become effective within 30 days of filing. In determining whether a schedule rating plan is reasonable, the Rating Commission will consider: the minimum qualifying premium; the number of scheduled characteristics; the 10% maximum debit or credit per scheduled characteristic; and the 25% maximum aggregate debit or credit across all characteristics. [Bulletin 04-01 (6-24-04)]
- Rule effective January 1, 2008: The schedule rating, or “flexible rating,” provision of +/- 10% is repealed, effective January 1, 2008. [House Bill 960 (2007)] Insurers may apply debits or credits within any range that may be actuarially justified and that produce rates which are not considered excessive, inadequate or discriminatory. All schedule rated risks are subject to a 45-day file and use rule. Rating plans approved under the previous flexible rating provision are grandfathered.

## III. Consent to Rate

- Consent to rate is permitted for property and casualty, including workers’ compensation. [LRS § 22:1407.E.]
- Consent to rate does not apply to reinsurance, ocean marine, aircraft hull and aviation and accident and health. [LRS § 22:1403]

### Filing and Record Keeping Requirements

- Insurers must file the written application of the insured, stating the reasons for accepting the rate, for approval with the Commissioner. (*See the attached Consent to Rate Form.*)
- Workers’ compensation consent to rate filings must also be submitted to the Commissioner.
- The consent to rate application must be maintained in files.

## IV. Manuscript Endorsements

Policies, riders or endorsements designed for use upon a particular subject are exempt from filing. [LRS § 22.620]

**Louisiana Certification of Exempt Commercial Policyholder Status**

Pursuant to Louisiana Regulation 72

The undersigned \_\_\_\_\_, (the Insured) certifies to \_\_\_\_\_ (the Insurer) that the Insured meets the criteria below and is an Exempt Commercial Policyholder under Louisiana law. The Insurer may issue a commercial risk insurance policy to an Exempt Commercial Policyholder without filing the policy form with the Louisiana Department of Insurance, and the Insured, by signing below, certifies that it has the necessary expertise to negotiate its own policy language. The policy must still comply with Louisiana law, and complaints or questions about compliance may be directed to the Louisiana Department of Insurance (1-800-259-5300).

In order to be an Exempt Commercial Policyholder the Insured must:

1. Execute this Certification Form and return it to the Insurer.
2. Acquire the insurance policy through an insurance agent licensed in Louisiana.
3. Meet the following requirements:
  - Have and maintain aggregate annual commercial risk insurance premiums, excluding workers' compensation and employer's liability and professional liability insurance premiums of more than two hundred thousand (\$200,000) dollars in the preceding fiscal year. In determining whether this threshold has been met, premiums paid to one or more insurers are to be added together to reach the total aggregate.
  - At the time the policy is issued the policyholder must have (a) if a single company not less than fifty (50) employees; (b) if a member of an affiliated group not less than one hundred (100) employees collectively; (c) if a municipality a population of not less than fifty thousand (50,000); and, (d) if a public entity an operating budget of not less than twenty (\$20,000,000) million dollars for the most recently completed calendar or fiscal year whichever applies.

Signed: \_\_\_\_\_

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

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Risk Manager: \_\_\_\_\_

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## MAINE

[\(back to reference chart\)](#)

### **I. Commercial Deregulation / Exemption**

- Surety bonds and specially rated inland marine risks are exempt from form filing. [ME Ins. Code 24-A § 2412]
- Inland marine is exempt from rate filing. [ME Ins. Code 24-A § 2304A]
- Maine also has commercial deregulation (**for rates and forms**) for Property and Casualty, which excludes workers' compensation, medical malpractice, life, health and disability insurance policies issued to Large Commercial Policyholders (LCP). [ME Ins. Code Sec. 24-A § 2412-A]

**Large Commercial Policyholder** means an insurance contract holder that is a corporation, partnership, trust, sole proprietorship or other business or public entity that has certified that it meets:

(1) At least 2 of the following 3 criteria:

- (a) A net worth of \$10,000,000 as certified by a CPA or public accountant in this State;
  - (b) Net revenue or sales of \$5,000,000 as certified by a CPA or public accountant in this State;
- or
- (c) A total of more than 25 employees per individual company or more than 50 employees per holding company; and

(2) The following criteria:

- (a) The use of an employed or retained risk manager to procure insurance. For purposes of this division, "risk manager" means a CPCU, a certified insurance counselor, an ARM, a CRM or a licensed insurance consultant; and
- (b) Aggregate property and casualty insurance premiums; excluding workers compensation, medical malpractice, life, health and disability insurance premiums, as follows:
  - (i) Until December 31, 2000, \$90,000;
  - (ii) From January 1, 2001 until December 31, 2001, \$75,000;
  - (iii) From January 1, 2002 until December 31, 2002, \$60,000; and
  - (iv) After January 1, 2003, \$50,000.

- Large Commercial Policyholder also includes a nonprofit or public entity with an annual budget or assets of \$25,000,000 or more that meets the criteria listed in subparagraph (2) and a municipality with a population of 20,000 or more that meets the premium criteria listed in subparagraph (2), division (b).
- A commercial policyholder that meets the premium criteria listed in subparagraph (2), division (b) but that does not meet 3 of the qualifying criteria listed in either subparagraph (1) or subparagraph (2), division (a) may petition the superintendent for a waiver of the remaining criteria. The superintendent may grant a waiver if the applicant is sufficiently qualified to act as a large commercial policyholder.

### **Filing and Record Keeping Requirements**

- An LCP shall annually file a certification with the insurer (*see attached Annual Report Form*) including the following information:
  - 1) Number of policies issued by line;
  - 2) Number of policies renewed by line;
  - 3) Total direct premium written by line;
  - 4) Total direct premium earned by line;
  - 5) Incurred direct losses and allocated loss adjustment expenses by line; and
  - 6) Totals for all lines combined.
- Lines of insurance are those lines or sublines contained in the Exhibit of Premium and Losses contained in the Annual Statement Blank prescribed by the Superintendent and the NAIC.
- Premium and Losses should be reported on a calendar year basis and each report should contain the premium and loss estimates for the calendar year ending the preceding December 31.
- Each policy issued to an LCP must include the following disclaimer:



**“The contract provisions, rates and rating plans provided for in this policy are exempt from the filing and approval requirements of the Bureau of Insurance.”**

- An insurer that issues policies pursuant to this section shall report annually to the Superintendent beginning on 02/01/2001 and continuing until 02/01/2005, the number of policies issued, by line of insurance, and any other information required by the Superintendent.

**Commercial Deregulation – Additional Exemptions:**

The following provisions of the ME Insurance Code do not apply to insurance issued to LCPs:

- Disapproval of forms [ME Ins. Code 24-A § 2413];
- Construction of noncomplying policies or provisions [ME Ins. Code 24-A § 2418];
- Renewal or extension [ME Ins. Code 24-A § 2421];
- Exemption of proceeds from creditor's claims: life, endowment, annuity, and accident insurance [ME Ins. Code 24-A § 2438];
- "Insurer"; "policy or policy form"; "superintendent" [ME Ins. Code 24-A § 2439];
- Applicability of provisions [ME Ins. Code 24-A § 2440];
- Standards [ME Ins. Code 24-A § 2441];
- Statutory construction [ME Ins. Code 24-A § 2442];
- Powers of superintendent [ME Ins. Code 24-A § 2443];
- Approval of forms [ME Ins. Code 24-A § 2444];
- Effective date [ME Ins. Code 24-A § 2445];
- General provisions [ME Ins. Code Chapter 25, Subchapter 1; except for § 2303, subsection 1, paragraph B];
- Conditions for procurement of coverage. [ME Ins. Code 24-A § 2004, Subsection 4]

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates or individual risk rates. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates do not have to be filed. [ISO Manual]
- When an insurer uses (A) rates and individual risk rates, it must maintain complete underwriting files on how it determined the rate for the individual risk and make these files available to the insurance department upon request.

**III. Consent to Rate**

- Consent to rates is allowed for property and casualty, including workers' compensation (per F. Kimball of the DOI). [ME Ins. Code 24-A § 2308(1)]
- This does not apply to reinsurance, except joint reinsurance; health; ocean marine (excluding marine in the State of Maine and inland marine), aviation and aircraft hull; life; or insurance written on an assessment plan by domestic mutual insurers. [ME Ins. Code 24-A § 2302]

**Filing and Record Keeping Requirements**

- Written application of the insurer (*see attached Consent to Rate Form*), signed by the insured and stating the reasons for the request of the rate, must be submitted to and approved by the Superintendent.
- The application shall be maintained in the files.

**IV. Manuscript Endorsements**

Policies, riders, endorsements, or forms of a unique character designed for and used upon a particular subject are exempt from filing. [Me Ins. Code 24-A § 2412]

# State of Maine Large Commercial Insurer Annual Report Form

Insurer Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

---

City, State, zip code: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Telephone Number and e-mail: \_\_\_\_\_

Calendar year for this report: \_\_\_\_\_

Please round amounts to nearest whole dollar.

Lines of Business -- Enter # only *	Written Premium	Earned Premium	Number of Policies Issued	Number of Policies Renewed	Incurred Losses and ALAE
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TOTALS:

\*For example, the surety line of business is coded 24. 24 would be entered in this column.

PLEASE RETURN THIS FORM TO:

State of Maine Bureau of Insurance

34 State House Station

Augusta, ME 04333

Attn: Property/Casualty Actuary

**OR** File the Form

Electronically at our website:

[maineinsurancereg.org](http://maineinsurancereg.org)

Look for the Forms link.

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

<u>Coverages applied for</u>	<u>Limits</u>	<u>Amounts of Insurance</u>	<u>Deductibles</u>
	(primary/excess)		

<u>Exposure Identification</u>	<u>Class</u>	<u>Territory</u>	<u>Location of Risks</u>
--------------------------------	--------------	------------------	--------------------------

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**MARYLAND**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation/ Exemption**

- Inland marine risks are exempt from filing (**for rates only**). [MD Ins. Code § 11-206]
- Maryland also has commercial deregulation (**for forms only**) for property and casualty insurance, which excludes workers' compensation, issued to Exempt Commercial Policyholders. [MD Ins. Code § 11-206; Bull. 06-23 (10-16-06)]

**Exempt Commercial Policyholder** (ECP) means a person that pays annual aggregate property and casualty premiums for commercial insurance policies of \$25,000 or more, effective October 1, 2006, and meets any two of the following criteria:

- 1) Generates annual revenues or sales in excess of \$10 million;
- 2) Has a net worth in excess of \$5 million;
- 3) Employs at least 25 full-time employees;
- 4) Is a nonprofit organization or public body with an annual budget of at least \$10 million; or
- 5) Is a municipal corporation with population of at least 15,000.

**Filing and Record Keeping Requirements**

- Forms issued to ECPs do not need to be filed.
- Rates must still be filed.
- The insurer must obtain a certification form from the ECP, certifying that it meets the above criteria. [Bull. 06-23 (10-16-06)] (*See attached Certification Form 91678 (10/06).*)
- The insurer must keep each ECP's certification form or a copy on file for three (3) years from policy expiration.
  - The insurer must recertify the eligibility of an ECP on an annual basis.
  - If an ECP has policies with multiple insurers, each insurer must maintain a signed certification.
- Forms and endorsements issued to ECPs are subject to all other provisions of the insurance law.

**Commercial Deregulation – Additional Exemptions**

There are no additional exemptions for ECPs.

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates or individual risk rates. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates do not have to be filed. [ISO Manual]
- When an insurer uses (A) rates and individual risk rates, it must maintain complete files on how it determined the rate for the individual risk and make these files available to the insurance department upon request.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, including workers' compensation (per M. Luster at DOI). [MD Ins. Code §§ 11-206, -210]
- This does not apply to reinsurance, except as joint; ocean marine; aircraft hull and aviation; title; the Injured Workers' Insurance Fund. [MD Ins. Code § 11-202]

**Filing and Record Keeping Requirements**

- Written application (*see attached Consent to Rate Form*) of the insurer, stating reasons for requesting the rate, accompanied by written consent of the insured or prospective insured, must be filed with and approved by the Commissioner.
- The application shall be maintained in the files.

**IV. Manuscript Endorsements**

Manuscripted policy forms and endorsements must be filed for prior approval with the Department. [COMAR 31.04.17.03(H) (2); A. Christ, DOI, 5-16-07]

**MARYLAND CERTIFICATION OF ELIGIBILITY AS AN EXEMPT COMMERCIAL  
POLICYHOLDER**  
**(Ed. 10-1-06)**

Maryland Insurance Article § 11-206 permits certain commercial policyholders to certify that the policyholder meets the criteria required to qualify as an Exempt Commercial Policyholder. Certification as an Exempt Commercial Policyholder permits the policyholder to purchase insurance policies that contain forms and endorsements that have not been filed with and approved by the Maryland Insurance Administration.

In order to qualify as an Exempt Commercial Policyholder, you must meet the following criteria:

**I. Total premium for current calendar year or preceding calendar year must be \$25,000 or greater;**

Are your commercial property and casualty premiums for policies issued in Maryland \$25,000.00 or greater? Yes [ ]  
No [ ]

**II. And the policyholder meets any two of the following criteria (check all that apply):**

[ ] Generates annual revenues or sales in excess of \$10,000,000.

[ ] Possesses a net worth in excess of 5,000,000.

[ ] Employs at least 25 full-time employees.

[ ] Is a nonprofit organization or public body with an annual budget of at least 10,000,000.

[ ] Is a municipal corporation with a population of at least 15,000.

The undersigned commercial insurance policyholder acknowledges that the policy I am receiving from \_\_\_\_\_ (Name of Insurance Company) may contain forms and/or endorsements that have not been filed with and approved by the Maryland Insurance Administration.

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title of Authorized Representative

\_\_\_\_\_  
Name of Commercial Insured

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## MASSACHUSETTS

[\(back to reference chart\)](#)

### **I. Commercial Deregulation / Exemption**

- Inland marine risks are exempt from rate filing. [MA Ins. Code § 174 A.6]
- There is commercial deregulation in Massachusetts for policy rates and forms issued to Large Commercial Policyholders, which applies to all commercial property and casualty lines, except for workers' compensation. [MA Ins. Code §§ 175:224 and 175:225; Bull. 2004-08 (9-2-04)]

**Large Commercial Policyholder** is a corporation, partnership, trust, sole proprietorship or other business or public entity having aggregate property and casualty premium of at least \$30,000, excluding workers' compensation premium, which has certified that it elects to be treated as a large commercial policyholder, that it understands the limited regulatory oversight that this election connotes, and that it meets at least two of the following criteria:

- Has a net worth of \$10,000,000;
- Has net revenue or sales of \$5,000,000;
- Employs more than 25 employees per individual company, or more than 50 employees per holding company aggregate;
- Is a nonprofit or public entity with an annual budget or assets of \$25,000,000 or more;
- Is a municipality with a population of 20,000 or more; or
- Retains a risk manager who is a full-time employee, or who is retained by the insured, either of whom is licensed as one of the following: a) a certified insurance counselor; b) a chartered property and casualty underwriter; c) an associate in risk management; d) a certified risk manager; or e) a licensed insurance advisor in property and casualty insurance.

### **Filing and Record Keeping Requirements**

- Large Commercial Policyholders must complete a signed certification form, as well as a disclosure notice. *See the Massachusetts Certification of Exempt Commercial Policyholder Status form attached.*
- The disclosure notice for Large Commercial Policyholders must include the following language:
  - **The policy applied for is not subject to all insurance laws that apply to other commercial lines products and may contain significant differences from a policy that is subject to all insurance laws.**
  - The notice must include a policyholder acknowledgement statement, signed by the first named insured, that states, "**I hereby acknowledge that I have read the above disclosure notice and have received a copy of the same.**"
  - The disclosure notice must provide information on all policy conditions and endorsements including, but not limited to, the following: claims-made vs. occurrence triggers; perils; exclusions; location or territory limits; defense within vs. defense within and in excess of policy limits. As this information is ordinarily on the declarations page, the disclosure should reflect the dec page information corresponding to triggers, perils, etc.
- The disclosure notice must be delivered to the insured prior to delivery of the policy. [L. Young, State Rating Bureau, 10-4-07; Bull. 2004-08]
- Deregulated policies must be delivered to the insured at least 10 days prior to the policy effective date, or permit the insured to terminate the policy on a pro-rata basis, without penalty, within 20 days of policy receipt. [MA Ins. Code § 175:225]
- The policyholder disclosure notice is to be maintained in the underwriting file. Notices are to be issued only once at policy inception, unless there are material changes to the policy form. If there are material changes, the notice must be signed before policy renewal.
- If a policyholder fails to continue to meet the criteria for a Large Commercial Policyholder, this will not invalidate a contract or prohibit a subsequent contract with the same insurer, so long as the subsequent contract is sufficiently similar so as to not require an additional policyholder acknowledgement statement. [Bull. 2004-08]
- Underwriting files, premium, loss and expense statistics, financial and other records pertaining to a large



commercial policyholder must be maintained for examination by the commissioner.

## II. **(A) Rates and Individual Risk Rates**

- (A) rates and individual risk rates are allowed. [Bull. SRB-89-2 (5-18-89); Bull. 08-08 (5-20-08)]
- The bulletins provide the following definitions regarding (a) rates:
  - (a) rates: rates for classes of special risks for which the premium and loss data lack sufficient homogeneity to calculate meaningful rates.
  - Guide (a) rates: class average rates for special classes of risks, which require more frequent individual risk modification than manual rates.
  - "Pure" (a) rates: rates for classes where a class average rate, even if calculable, cannot reasonably be used for most individual risks without substantial modifications.
  - Unfiled (a) rates: all "pure" (a) rates and modifications to published guide (a) rates.

### **Filing and Record Keeping Requirements**

- (A) rates (other than guide (a) rates) and individual risk rates need not be filed.
- The insurer must maintain complete and accurate documentation for each policy rated on this basis subject to review of the Division upon request.
- With regard to guide (a) rates suggested by any licensed Rating Bureau, any insurer departing above the suggested rates must annually submit a summary of those policies. [Bull. SRB-89-2; Bull. 08-08]

## III. **Consent to Rate**

Consent to rate is allowed for property and casualty, excluding workers' compensation, medical malpractice and private passenger automobile (per W. Horn of DOI; these are prior approval lines). [Bull. SRB-89-2(IV), (X); Bull. 08-08] [MA Ins. Code §§ 175A:4; 175A:6]

### **Filing and Record Keeping Requirements**

- Written application including a filing cover letter and form SRB-CR, *Consent to Rate and Restriction of Coverage Form*, stating the reasons for accepting the rate or the restriction of coverage, must be filed 30 days before the policy effective date with the Commissioner. [MA Ins. Code §§174A.6, 175A.6; Bull. SRB-89-2; Bull 08-08]
- There are no statutory timeframes within which the Commissioner must act for consent to rate or restriction of coverage applications. The Division of Insurance will make its best effort to review and approve or decline such applications within 30 days from receipt.
- The application shall be maintained in the files.

## IV. **Manuscript Endorsements**

Manuscript forms can be issued up to fifty (50) times before a filing is required. [MA Ins. Code § 175:2B]

## MASSACHUSETTS CERTIFICATION OF EXEMPT COMMERCIAL POLICYHOLDER STATUS

Pursuant to Massachusetts' Insurance Code 175:224, the undersigned, on behalf of \_\_\_\_\_, (the "Insured") certifies to \_\_\_\_\_ (the "Insurer") that the Insured elects to be and qualifies as a Large Commercial Policyholder under Massachusetts' law. I, the Insured, understand that the policy applied for is not subject to all of the provisions of the insurance law that apply to other commercial lines products and may contain significant differences from a policy that is subject to all provisions of insurance law.

The Insured elects to be and certifies that it qualifies as a Large Commercial Policyholder, because it has an aggregate annual property and casualty insurance premium (excluding workers' compensation) of \$30,000 or more and it meets two of the following criteria (check all that apply):

- \_\_\_\_\_ Net worth of more than \$10,000,000.
- \_\_\_\_\_ Net revenue or sales of more than \$5,000,000.
- \_\_\_\_\_ More than 25 full-time employees per individual company or 50 full-time employees per holding company aggregate.
- \_\_\_\_\_ Nonprofit or public entity with an annual budget of \$25,000,000 or more.
- \_\_\_\_\_ Municipality with a population of 20,000 or more.
- \_\_\_\_\_ Retains a risk manager, who shall be a full-time employee or a person retained by the insured, either of which must be licensed and must be one of the following: a certified insurance counselor, a chartered property and casualty underwriter, an associate in risk management, a certified risk manager or a licensed insurance adviser in property and casualty insurance.

Signed: \_\_\_\_\_ Title: \_\_\_\_\_

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

**MASSACHUSETTS DIVISION OF INSURANCE – CONSENT TO RATE AND RESTRICTION OF COVERAGE FORM**

COMPANY NAIC #

\_\_\_\_\_

NAMED INSURED: \_\_\_\_\_ TEL: \_\_\_\_\_

INSURED'S MAILING ADDRESS: \_\_\_\_\_

\_\_\_\_\_

NAME OF AGENT/BROKER: \_\_\_\_\_ TEL: \_\_\_\_\_

AGENT/BROKER MAILING ADDRESS: \_\_\_\_\_

\_\_\_\_\_

TYPE OF INSURANCE POLICY: \_\_\_\_\_

POLICY #: \_\_\_\_\_ NEW: \_\_\_\_\_ RENEWAL: \_\_\_\_\_

INCEPTION DATE: \_\_\_\_\_ EXPIRATION DATE: \_\_\_\_\_

LOCATION OF RISK: \_\_\_\_\_

\*\*\*\*\*

**I. CONSENT TO RATE APPLICATION**

The undersigned hereby makes an appeal under the provisions of section 6(d) of M.G.L. Chapter 174A and/or Chapter 175A for approval of rates in excess of those filed with the Massachusetts Division of Insurance.

1. RISK CLASSIFICATION: \_\_\_\_\_

2. MANUAL RATE(S)/COVERAGE: \_\_\_\_/\_\_\_\_, \_\_\_\_/\_\_\_\_, \_\_\_\_/\_\_\_\_

3. PROPOSED RATE(S)/COVERAGE: \_\_\_\_/\_\_\_\_, \_\_\_\_/\_\_\_\_, \_\_\_\_/\_\_\_\_

4. REASON(S) FOR EXCESS RATE (IF CANCELLED, BY WHOM):

\_\_\_\_\_  
\_\_\_\_\_

I am aware that coverage for fire, extended coverage, vandalism and malicious mischief, and homeowners may be available at Industry Rates by making application to the Massachusetts Property Insurance Underwriting Association, either through my present agent or broker, or directly by me to the MPIUA.

I hereby verify that the foregoing statements are true.

\_\_\_\_\_

Signature of Named Insured      Date

APPROVE: \_\_\_\_\_ DECLINE: \_\_\_\_\_

**II. RESTRICTION OF COVERAGE ENDORSEMENT**

The undersigned Named Insured has requested that coverage for the policy being issued, and to which this endorsement is attached, be restricted so as to afford coverages to the remaining exposures at standard rates issued by the company.

**For Property and other First-Party Insurance:**

Please detail below the type(s) or item(s) of coverage to be restricted, as well as the underwriting reasons that underlie the restriction(s). In the case of Property Insurance, please attach a copy of any detailed inspection or survey form upon which the decision to offer restricted coverage was based. For Homeowners and/or Dwelling Fire and Allied Lines, please attach a (black and white) photograph of any structures totally restricted from coverage.

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**For Liability Insurance:**

Please detail below any hazards that are specifically to be restricted from Bodily Injury and/or Property Damage Liability coverage. At a minimum, the information should respond to Type of Hazard and Insurance Claim/Loss history. In the case of vicious animals, please also provide information as to the physical description (breed, age, color, etc.) as well as the animal's name and license number (where required). If no actual historical loss data is available, please attach any other documentation that underlies the decision to restrict coverage in this regard.

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I am unable to obtain insurance coverage of the type noted above at the standard rates usually applicable to this type of coverage, due to the existence of the hazards detailed. Rather than pay a higher premium for the standard coverage, I request approval of the noted restrictions.

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Signature of Named Insured      Date

---

Name and Title of Person Completing this Endorsement      Date

---

Name and Title of Officer Responsible      Signature

APPROVE: \_\_\_\_\_ DECLINE: \_\_\_\_\_

**MICHIGAN**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Michigan has a commercial exemption (**for forms**) for all property and casualty lines other than those listed below. [Bull. 97-3; Mich. Dept. of Consumer & Industry Services Rule, Rate and Policy Forms Filing Procedure Manual (see Dept. website - [www.cis.state.mi.us](http://www.cis.state.mi.us))]
- Michigan does not require property and casualty forms to be filed, except for the following:
  - 1) Forms submitted by Rating Organizations (ISO, SAA, etc.);
  - 2) Forms for automobile insurance;
  - 3) Forms for Credit insurance; and
  - 4) Excess Loss Insurance for self-insured benefit plans.
- All policy forms, whether filed or not, must satisfy all other requirements under the law.
- Inland marine is exempt from rate filing. [MI Ins. Code § 500.2606]
- Michigan has commercial deregulation (**for forms**) for exempt commercial policyholders for all Commercial Lines, except Workers Compensation (Per the Department of Insurance, March, 2003).
- “Exempt Commercial policyholder” means an insured that purchases the insurance for other than personal, family, or household purposes. [MCL § 500.2236, 500.2401, 500.2601]
- Insurance policies sold to exempt commercial policyholders must contain a prominent disclaimer stating; “This policy is exempt from the filing requirements of §2236 of the insurance code of 1956, 1956 PA 218, MCL §500.2236.” or words that are substantially similar.
- Michigan has commercial deregulation (for rates) for casualty insurance for exempt commercial policyholders. [MI Ins. Code § 500.2401]

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates and individual risk. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Requirements**

- (A) rates and individual risk rates do not have to be filed. [ISO Manual]
- When an insurer uses (A) rates and individual risk rates, it must maintain complete files on how it determined the rate for the individual risk and make these files available to the insurance department upon request.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, including workers’ compensation. [MI Ins. Code §§ 500.2414(1)(d)-WC; 500.2614]
- This does not include reinsurance, other than joint reinsurance; disability; aviation and aircraft hull. [MI Ins. Code § 550.2401(2)]

**Filing and Record Requirements**

- Written application (*see attached Consent to Rate Form*) of the insured, stating the reasons for accepting the rate, must be filed with and approved by the Commissioner.
- The application must be maintained in the files.

**IV. Manuscript Endorsements**

Policies, riders, endorsements, or forms of unique character designed for use upon a particular subject are exempt from filing. [MI Ins. Code § 500.2236]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

<u>Coverages applied for</u>	<u>Limits</u>	<u>Amounts of Insurance</u>	<u>Deductibles</u>
	(primary/excess)		

<u>Exposure Identification</u>	<u>Class</u>	<u>Territory</u>	<u>Location of Risks</u>
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Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**MINNESOTA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Minnesota has a form of commercial exemption (**for rates and forms**) on “Commercial Policies” except for workers’ compensation, professional liability covering individuals and as noted below. [Minn. Rule 2700.2460-.2480; Bulletin 95-2]
- There are no other forms of commercial deregulation in Minnesota.
  
- **Commercial Policies** means all policy forms that by general practice are used for business entities. The term does not include policy forms providing private passenger vehicle insurance or homeowners’ insurance, personal liability coverage, personal property or personal article floater coverage, credit property coverage, crop hail insurance, title insurance, or professional liability insurance covering individuals. The term does not include policy forms insuring individually owned motorcycles, motorized bicycles, recreational equipment, mobile homes, house trailers, snowmobiles, watercraft, aircraft not used in air commerce, or owner occupied residential dwelling containing fewer than five family dwelling units.
  - Bulletin 95-2 also states that an insurer should not file a commercial policy that is exempt as noted above just because a portion of the form is not exempt, if that portion is only incidental to the overall policy. Examples of forms that should not be filed would be as follows:
    - (1) A form which provides personal automobile coverage, but is designed to be attached to a commercial automobile fleet policy, or
    - (2) A form which provides comprehensive personal liability coverage, but is designed to be attached to a comprehensive general liability policy.

**Filing and Record Keeping Requirements**

“Commercial Policies” are exempt from rate and policy forms filing requirements, if they comply with all other requirements under the law.

**II. (A) Rates and Individual Risk Rates**

- (A) Rates and individual risk rates are allowed. [Bull. 91-9; Bull. 95-2]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates developed for an individual insured do not have to be filed. [Bull. 91-9; Bull. 95-2]
- For non-commercial policies, the insurer must maintain a file with forms, rates and supporting rate information for 3 years after the policy terminates. Information must be made available to the Commissioner upon request.
- For guide (A) rates for commercial policies, information shall be maintained for at least one year.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, excluding the lines below. [Minn. Ins. Code § 70A.02]
- This does not apply to insurance written by township or farmers’ mutual insurance companies; insurance written by religious groups, or to tornado, cyclone, or hurricane insurance, the consideration for which, except for policy, membership or survey fees, is paid entirely by assessments on policyholders; reinsurance, other than joint reinsurance, accident and health insurance; aviation; ocean marine; workers’ compensation insurance; liability of an employer exempted from insuring the employer’s liability for compensation; and disability and double indemnity insurance issued as part of a life insurance contract.

**Filing and Record Keeping Requirements**

- Consent to rate forms do not have to be filed. However, the attached Consent to Rate Form should be completed by the insured.
- The insurer must maintain a file with forms, rates and supporting rate information for 3 years after the policy terminates and make this available to the Commissioner upon request. [Minn. Ins. Code § 70A.06, Bull. 91-9]

**IV. Manuscript Endorsements**

Companies do not need to file manuscript forms. However they must make a “drawer filing”. Should a company begin to use a manuscript form for more than one insured, the company must file the form with the Department. [Minn. Dept. Bulletin 91-9 (December 26, 1991)]



**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

<u>Coverages applied for</u>	<u>Limits</u>	<u>Amounts of Insurance</u>	<u>Deductibles</u>
	(primary/excess)		

<u>Exposure Identification</u>	<u>Class</u>	<u>Territory</u>	<u>Location of Risks</u>
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Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**MISSISSIPPI**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Policy forms, endorsements and rates do not need to be filed for inland marine risks which by general custom are not written according to manual rates or rating plans. [Miss. Ins. Code § 83-2-7]
- There are no other forms of commercial deregulation in Mississippi.

**II. (A) Rates and Individual Rates**

(A) Rates and individual risk rates are allowed (contact State Filings for AIG (A) rate filings or see ISO Manual). [Bulletin 98-2; Miss. Ins. Code § 83-2-7; FR 68-1.3]

**Filing and Record Keeping Requirements**

- For (A) rates, the insurer must do one of the following\*:
  - 1) File each individual (A) rate risk for approval at least 30 days before the effective date.
  - 2) File a general statement providing the company policies and procedures for underwriting and developing (A) rates. If the insurer uses this option, each individual underwriting file must include explanation of the factors used or classification of the risk and make files available to the Department upon request.
  - 3) File a schedule of rates for approval at least 30 days before the effective date. The range may deviate by +/- 25%. If the insurer uses this option, individual (A) rate risks need only be filed if the risk falls outside of the range or the risk is not in the schedule of rates. Each individual underwriting file must include explanation of the factors used or classification of the risk and make files available to the Department upon request.
- \*According to Bull. 98-2, any “refer to company” wording is unacceptable. Filing should be referred to as an individual risk basis filing.
- For individual risk rates, the insurer must do one of the following:
  - 1) File each individual risk rate for approval at least 30 days before the effective date.
  - 2) File a general statement providing the company policies and procedures for underwriting and developing individual risk rates. If the insurer uses this option, each individual underwriting file must include explanation of the factors used or classification of the risk and make files available to the Department upon request.
  - 3) File each individual risk rate for approval at least 30 days before the effective date if the rate deviates more than +/-25% from filed manual rate. If the rate deviates less than +/-25% from the filed rates, the risk need not be filed. However, each individual underwriting file must include explanation of the factors used or classification of the risk and make files available to the Department upon request. [ISO Manual]

**III. Consent to Rate**

- Consent to Rate is allowed for property and casualty, including medical malpractice and including workers’ compensation. [Miss. Ins. Code § 83-2-9(2)]
- This does not apply to accident and health; ocean marine; reinsurance; aircraft liability and aircraft hull; title; and credit accident and health insurance. [Miss. Ins. Code § 83-2-1]

**Filing and Record Keeping Requirements**

- Consent to rates do not have to be filed, except for workers’ compensation consent to rates which must be filed. However, the insurer must obtain an application (*see attached Consent to Rate Form*) and attach an endorsement to the policy stating why the rates are higher and provide the percentage difference from the filed rates.
- The application and endorsement must be maintained by the insurer and the agent and made available, upon request, to the Commissioner

**V. Manuscript Endorsements**

Every insurer must file policy forms and endorsements. [Miss. Ins. Code § 83-2-7]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

<u>Coverages applied for</u>	<u>Limits</u>	<u>Amounts of Insurance</u>	<u>Deductibles</u>
	(primary/excess)		

<u>Exposure Identification</u>	<u>Class</u>	<u>Territory</u>	<u>Location of Risks</u>
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Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**MISSOURI**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- **Rates** for commercial casualty and commercial property policies, excluding workers' compensation and employers' liability insurance (SB 186 effective 8/01) are not exempt from filing, but they are use-and-file for informational purposes only. [Mo. Ins. Code § 379.321(6)]
- Please note that the former commercial deregulation statute [Mo. Ins. Code § 379.362] exempting large commercial policyholders from rate and form review has been repealed effective 8/28/02 and, therefore, is no longer being used by the Department. [B. Marris - P&C Unit and HB 1468.]
- **Commercial Casualty** - means casualty insurance for business or nonprofit interests which is not for personal, family or household purposes, and which is provided by issuance of a policy of insurance and not merely a binder for such insurance coverage.
- **Commercial Property** - means property insurance, which is for business and professional interests, whether for profit, nonprofit or public in nature which is not for personal, family or household purposes, but does not include title insurance.
- Inland marine is also exempt from rate and form filing. [Mo. Ins. Code § 379.321]

**Filing and Record Keeping Requirements**

- As noted above commercial rates are not exempt from filing; they must be filed within 30 days after use.
- Such rates are not to be reviewed or approved by the department of insurance as a condition of their use. Nothing requires the filing of individual commercial rates where the original manuals, rates and rules for the insurance plan or program to which such individual policies conform have already been filed with the director.
- However, the rates are filed for informational purposes only except that the Department reserves the right to review the rates to determine whether they are excessive, inadequate or discriminatory or if they increase more than 25% annually.
- If rates for commercial property or casualty are going to increase at renewal more than 25%, this increase is considered a "premium alteration requiring notification" to the insured's agent of record 60 days prior to the expiration of the policy. A "premium alteration requiring notification" means an annual increase in premium of 25% or more, exclusive of premium increases due to a change in the operations of the insured which increases either the hazard insured against or the individual loss characteristics, or due to a change in the magnitude of the exposure basis, including, without limitation, increases in payroll or sales. For commercial multi-peril policies, no "premium alteration requiring notification" shall be required unless the increase in premium for all of a policyholder's policies taken together amounts to a twenty-five percent or more annual increase in premium. [I - SB 186 amending 379.321 eff. 8/01]

**II. (A) Rates and Individual Risk Rates**

(A) rates and individual risk rates are allowed (contact State Filings for AIG (A) rate filings or see ISO Manual). [Mo. Ins. Code § 379.888; 20 CSR 500-4; Bull. 99-2]

**Filing and Record Keeping Requirements**

- (A) rates must be filed within 10 days after the effective date unless the insurer chooses to file a schedule of rates. If the insurer chooses to file a schedule of rates, each individual (A) rate risk need not be filed unless the risk falls outside of the schedule of rates or the risk is not covered by the schedule.
- For individual risk rates using schedule rating that apply to commercial casualty business, excluding medical professional liability, surety/fidelity and workers' compensation, the following rule applies: If there is an increase in premium at policy renewal due to a change in a schedule rating factor, Form No. 87948 (3/05), "Notice Regarding A Schedule Rating Increase," must be sent to the policyholder at the time of renewal.
- For individual risk rates, if the rate deviates < or = to 25% from the filed rate, the individual rate must be filed within 10 days of the effective date.
- If the individual risk rate deviates >25% from the filed rate, the individual risk must be filed for approval at least 60 days before the effective date. [ISO Manual]

### III. Consent to Rate

- Consent to rate is allowed for property and casualty, including medical malpractice (per T. Kroll of the DOI) excluding workers' compensation (per K. Rimel at DOI). [Mo. Ins. Code § 379.321(3), Bull. 91-4, 20 CSR 500-3.100.; 20 CSR 500-4.300]
- This does not apply to reinsurance, other than joint reinsurance, ocean marine, aircraft, motor vehicle, life, accident and health and workers' compensation. [Mo. Ins. Code 379.316(1)]

#### Filing and Record Keeping Requirements

- A written application (*see attached Exhibit A*) of the insured, stating reasons for accepting the rate, must be filed within 10 days of the effective date. Exhibit A to 20 CSR 500-4.300 (attached), or a form substantially similar, must be completed by the insured. See 20 CSR 500-4.300 (attached) for specific requirements.
- The reason given for higher rates must be specifically stated as to each specific risk factor (such general statements as "Risk does not meet normal rates" are not acceptable.
- For private passenger automobile or homeowners or occupied residential dwelling fire policies, the consent to rate form (Exhibit A) must include the following statement:

**I, \_\_\_\_\_, declare that I have been unable to obtain this insurance from other companies and hereby consent to pay the higher rates which I am being charged for this insurance. I understand that any deductible amount stated in my policy will be deducted from each claim I may make under the policy issued me.**

- Exhibit B (*see attached*) must be signed and filed monthly by the insurer.
- Each insurer must file and preserve the original completed Exhibits A and B in the company's policy file and a duplicate copy of each in the company's Missouri records file.

### IV. Manuscript Endorsements

Manuscript forms must be filed according to the Missouri D.O.I. [T. Knoll, Missouri Department of Insurance, 5-17-05]

EXHIBIT A

STATE OF MISSOURI-- DEPARTMENT OF INSURANCE (Complete in duplicate)

NAME OF COMPANY \_\_\_\_\_

INDICATE LINE OF BUSINESS For Audit & Examination Use Only

Automobile \_\_\_\_\_ Audit Information:  
Fire \_\_\_\_\_  
Liability \_\_\_\_\_

1. Name of Insured \_\_\_\_\_

Mailing Address \_\_\_\_\_

2. Property or other risk insured \_\_\_\_\_

Location (if fixed) \_\_\_\_\_

3. Coverage involved and Code or Classification \_\_\_\_\_

4. Specific Reasons for Special Rating (Use reverse, if necessary) \_\_\_\_\_

5. Standard Filed Rates (or filed if substandard) \_\_\_\_\_

Proposed \_\_\_\_\_ New Rates \_\_\_\_\_

6. Policy Effective Date \_\_\_\_\_ Policy Expiration Date \_\_\_\_\_

7. Policy Number \_\_\_\_\_

8. **"I understand that the rates charged are not standard and accept this cost."**

Insured's Signature \_\_\_\_\_ Date \_\_\_\_\_

9. Agent's Signature \_\_\_\_\_ Date \_\_\_\_\_

10. Company Officer's Signature \_\_\_\_\_ Date \_\_\_\_\_

(Company Officer certifies that company and agent are licensed for written line.)

EXHIBIT B

State of Missouri Department of Insurance

(Complete in duplicate)

NAME OF COMPANY \_\_\_\_\_

Total Special Rating Policies \_\_\_\_\_Month\_\_\_\_ , \_\_Year\_\_ \_\_\_\_\_Total\_\_\_\_ ,

Total Special Rating Policies (By line of business) in \_\_\_\_\_Month\_\_\_\_ ,  
\_\_\_\_\_Year\_\_\_\_\_ :

Automobile

Fire

Liability

Individual Listing of Policy Number by Line of Business:

(Attach extra page if necessary.)

**MONTANA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bond forms do not have to be filed. [MT Ins. Code § 33-1-501]
- Also exempt are forms for reinsurance, policies not issued for delivery in Montana or delivered in Montana, ocean marine and foreign trade insurance.
- There are no other forms of commercial deregulation in Montana.

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates or individual risk rates. However, both are allowed (contact State Filings Division for AIG (A) rate filings or see ISO Manual). [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rates must be filed on or before the effective date unless the insurer files a schedule of rates which may include a rate deviation of +/-25%. If a schedule is filed, individual (A) rate risks need not be filed unless they deviate >25% or do not fall under the schedule.
- Individual risk rates do not need to be filed unless they deviate >25% from the filed rates. If the risk is not filed, the insurer must maintain complete underwriting files, including an explanation of the factors used in determining the rate or classification for the risk. The files are subject to review upon request of the Department. [ISO Manual]

**III. Consent to Rate**

Consent to rate is allowed only for workers' compensation. [MT Ins. Code § 33-16-1031]

**Filing and Record Keeping Requirements**

- A written application (*see attached Consent to Rate Form*) must be filed with the Commissioner.
- The application must be maintained in the files.

**IV. Manuscript Endorsements**

Policies, riders, endorsements or forms of unique character designed for use upon a particular subject are exempt from filing. [MT Ins. Code § 33-1-501]



**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

<u>Coverages applied for</u>	<u>Limits</u>	<u>Amounts of Insurance</u>	<u>Deductibles</u>
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(primary/excess)

<u>Exposure Identification</u>	<u>Class</u>	<u>Territory</u>	<u>Location of Risks</u>
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Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**NEBRASKA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- The following are exempt from rate and form filing [Bulletin CB-50, 9-4-05]:
  - Reinsurance contracts;
  - Financial guaranty insurance, except for insurance covering loss of value for motor vehicles leased or sold on credit;
  - Warranties and service contracts, except for motor vehicle warranty and service contracts ;
  - Contracts of suretyship, except for loss costs developed by advisory organizations; and
  - Ocean marine. [Neb. Rev. Stat. § 44-7505]
- Aircraft insurance (both the liability and non-liability portions), except for workers' compensation, is exempt from rate filing.
- Umbrella and excess coverages, for both workers' compensation and non-workers' compensation commercial lines, are exempt from rate filing. [Bulletin CB-50, 9-4-05]
- Rates for inland marine risks are generally exempt from rate filing. However, new classes are not automatically exempted. For a current listing of filed and non-filed classes, please refer to Insurance Department Guideline 1999-3 (Revised 7-14-05) or contact division counsel.
- There is commercial deregulation (**for rates and/or forms**) for commercial property and casualty policies, excluding workers' compensation insurance and medical professional liability, issued to three classes of **Exempt Commercial Policyholders** (*see below*). [Neb. Rev. Stat. §§ 44-7515, 44-7516]
- The insurer may not reduce benefits payable under workers' compensation or excess workers' compensation policies or alter any claims handling or settlement options under such policies.
- The insurer may not reduce automobile insurance limits below those required by law.
- The insurer may not reduce the limitation of coverage required of health care providers under the Hospital Medical Liability Act.

**Exempt Commercial Policyholders** – a commercial policyholder may be exempt from rate and/or form filing requirements if it falls into one of the following classes:

**CLASS I** - an exempt commercial policyholder that fulfills either of the two following sets of conditions:

1. Set (1)
  - A. The policyholder utilizes the services of a qualifying risk manager;
  - B. The policyholder generates at least \$100,000 in aggregate commercial lines P & C insurance premiums per year, and
  - C. The policyholder meets at least two of the following conditions:
    - (i) The policyholder generates aggregate commercial lines P & C insurance premiums of at least \$250,000 per year, excluding premiums for workers' compensation and medical professional liability insurance, or generates at least \$1,000,000 aggregate commercial P & C insurance premiums per year, including premiums for workers' compensation and medical professional liability insurance.
    - (ii) The policyholder's net worth is at least \$25,000,000.
    - (iii) The policyholder's annual net revenues or sales are at least \$50,000,000.
    - (iv) The policyholder employs at least 250 employees.
    - (v) If the policyholder is a not-for-profit or government entity, the policyholder has an annual operating budget of at least \$25,000,000.
2. Set (2)
  - A. The policyholder generates at least \$100,000 in aggregate commercial lines P & C insurance premiums per year for all jurisdictions combined, and
  - B. In a jurisdiction that generates greater aggregate commercial P & C insurance premiums for the policyholder than Nebraska:
    - (i) No rates for the policyholder are subject to a requirement that the insurer adheres to its rating manuals;
    - (ii) No policy forms for the policyholder, other than policy forms for workers' compensation and

automobile liability insurance, are subject to a requirement that the insurer must use filed forms, and

- (iii) Access to surplus lines markets for other than workers' compensation and automobile liability insurance for the policyholder is not subject to any requirement that such coverage is not available from a licensed insurer.

- A Class I exempt policyholder is referred to as an RFS (rates, forms, surplus lines) Policyholder. [210 NAC Ch. 73 s 003]

**Class II** - an exempt commercial policyholder that meets any one of the three following conditions:

1. The policyholder utilizes the services of a qualifying risk manager and generates at least \$50,000 in aggregate P & C insurance premiums per year.
2. The policyholder generates aggregate commercial lines P & C insurance premiums of at least \$250,000 per year, excluding premiums for workers' compensation and medical professional liability insurance, or generates at least \$1,000,000 per year in aggregate P & C insurance premiums, including premiums for workers' compensation and medical professional liability insurance.
3. (A) The policyholder generates at least \$50,000 in aggregate commercial lines P & C insurance premiums per year for all jurisdictions combined, and  
(B) In a jurisdiction that generates greater aggregate commercial P & C insurance premiums for the policyholder than Nebraska:
  - (i) No rates for the policyholder are subject to a requirement that the insurer adhere to its rating manuals, and
  - (ii) No policy forms for the policyholder, other than policy forms for workers' compensation and automobile liability insurance, are subject to a requirement that the insurer must use filed forms.

- A Class II policyholder is referred to as an RF (rates and forms) Policyholder. [210 NAC Ch. 73 s 003]

**Class III** is an exempt commercial policyholder that meets any one of the three following sets of conditions:

1. The policyholder utilizes the services of a qualifying risk manager and generates at least \$25,000 in aggregate commercial lines P & C insurance premiums per year.
2. The policyholder generates aggregate P & C insurance premiums of at least \$100,000 per year excluding premiums for medical professional liability insurance, or generates at least \$250,000 in aggregate commercial lines P & C insurance premiums per year, including premiums for medical professional liability insurance.
3. The policyholder generates at least \$25,000 in aggregate commercial lines P & C insurance premiums per year for all jurisdictions combined and, in a jurisdiction that generates greater aggregate commercial P & C insurance premiums for the policyholder than Nebraska, rates for the policyholder are not subject to a requirement that the insurer adheres to its rating manuals.

- A Class III policyholder is referred to as an R (rates) Policyholder. [210 NAC Ch. 73 s 003]

**Qualifying Risk Manager** means:

- (A) A person that is a full time employee of the policyholder with primary duties consisting of property and casualty risk management and the purchase of insurance, and that meets the qualification standards in paragraph (2); or
- (B) A person or persons, operating as a contractor that primarily provides risk management services, that devotes at least one hundred twenty hours per year to the policyholder's risk management and purchase of insurance. No such person shall be an agent for an insurer providing insurance for the policyholder, and shall not receive any compensation from an insurer, or from an agent of an insurer that is providing insurance for the policyholder, or from an agency compensated by the insurer that is providing insurance for the policyholder. Each person whose hours are included in the total hours necessary to meet this requirement is required to meet the qualification standards set forth in paragraph (2).
- (C) Who has demonstrated qualification through:
  - (a) Five or more years of full time experience in property and casualty insurance as a commercial lines underwriter with an insurance company or as an insurance producer dealing primarily with commercial accounts, except that health and employee benefit experience shall not count towards this requirement; or

- (b) Three years of full-time experience related to property and casualty insurance or risk management and attainment of one of the following insurance professional designations: ARM; CRM; or CPCU.

### **Filing and Record Keeping Requirements**

#### **Class I (RFS) Policyholders**

- An insurer shall not be required to file rates and policy forms for commercial lines property and casualty insurance policies insuring Class I (RFS) policyholders. The provisions of this chapter regarding the regulation of policy forms shall not apply to an exempt commercial policyholder that is also a qualifying multi-state commercial policyholder.
- A Class I (RFS) policyholder is exempt from those provisions that, as a condition for the purchase of insurance from a nonadmitted insurer, that applicants demonstrate inability to obtain insurance from a licensed insurer. This exemption shall not apply to workers' compensation insurance, excess workers' compensation insurance, or automobile liability insurance. This exemption may apply to automobile liability insurance purchased as excess insurance over a policy that provides limits that are at least equal to the minimum limits of liability required by [Neb. Rev. Stat. § 60-534]
- The insurer must inform exempt commercial policyholders at the earliest date practical, but no later 30 days after inception of coverage, of those policy forms applying to them that have not been filed and approved by the Director. [Neb. Rev. Stat. § 44-7515]

#### **Class II (RF) Policyholders**

- An insurer shall not be required to file rates and approved policy forms for commercial lines property and casualty insurance policies insuring Class II (RF) policyholders. The provisions of this chapter regarding the regulation of policy forms shall not apply to an exempt commercial policyholder that is also a qualifying multi-state commercial policyholder.
- The insurer must inform exempt commercial policyholders at the earliest date practical, but no later 30 days after inception of coverage, of those policy forms applying to them that have not been filed and approved by the Director. [Neb. Rev. Stat. § 44-7515]

#### **Class III (R) Policyholders**

An insurer shall not be required to file rates for commercial lines property and casualty insurance policies insuring Class III (R) policyholders. [210 NAC Ch. 73 § 004]

#### **Commercial Deregulation – Additional Exemptions**

There are no additional exemptions for Exempt Commercial Policyholders.

## **II. (A) Rates and Individual Risk Rates**

- (A) rates and individual risk rates are allowed. (Contact State Filings Division for AIG (A) rate filings or see ISO Manual). [Bulletin CB-50, 9-4-05; Neb. Rev. Stat. § 44-7501, et seq.].
- Schedule rating may not be used. However a subjective rating system, termed “flexible rating” may be used for all commercial lines, including medical professional liability and workers’ compensation. Under flexible rating, insurers may increase or decrease premiums on an individual risk basis up to 40% on any permitted factor. [Neb. Rev. Stat. § 44-7509] The only exclusion for commercial lines is commercial farm and ranch insurance, except for workers’ compensation covering farm and ranch employees, which may use flexible rating. Flexible rating may not be applied to any personal lines risks, including farm insurance.

### **Filing and Record Keeping Requirements**

- According to the Department of Insurance, individual (A) rates and individual risk rates must be filed. (This is contrary to the ISO Manual.)
- Nebraska Bulletin CB-50 (Sections 6 and 12, 9-4-05) exempts rates for limits and classes accorded “Guide (a) treatment” from submission for approval. However, the Bulletin further states that rate filings must include a list of all limits and classes accorded “Guide (a) treatment” and that such classes must be approved by the Department. The Bulletin states that “we have had experiences where insurers will attempt to self-deem classes of insurance as eligible for ‘Guide (a) treatment.’” An individual risk may not be (A) rated until approval has been received for (A) rating the line of business in question.

- Nebraska's flexible rating or flexible pricing for individual risks can be applied for purely competitive reasons, unlike traditional schedule rating. Under this rating system, the recognition of commission and other expenses is to be included within the +/-40% permitted pricing range, rather than added as a separate adjustment, as is usually the case with schedule rating. [Bulletin CB-50, Section 18, 9-4-05; Ins. Code § 44-7509(1)]
- There is no requirement to document underwriting files to "justify" the use of individual risk rating debit or credit adjustments. [Bulletin CB-50, Section 18, 9-4-05] However, Guide(a) rates must be fully documented in underwriting files.

### III. **Consent to Rate**

Consent to rate is permitted for property and casualty, including workers' compensation and medical professional liability. [Neb. Rev. Stat. § 44-7511(6)(a)-(b) for medical malpractice; § 44-7508 for all other lines]

#### **Filing and Record Keeping Requirements**

- Written application (see attached form) must be in duplicate and filed for approval (30 days prior for personal lines; file within 30 days of effective date for commercial lines, workers' comp and med mal) by the Commissioner. (Include a stamped return envelope for the Department.)
- A brief explanation of the reason for the rate must be provided; the reason must be more than just an inability of the insured to obtain coverage or the specific class of risk. However, consent-to-rate applications will be rejected if the reason provided is no more than the "insured's inability to obtain coverage at standard rates," "simple class of risk" comments, or another reason perceived by the Department to be an attempt to obtain a generally higher rate level for those insureds who could well be described as "average" in their class.
- For workers' compensation, if the rate offered is higher than the rate from the assigned risk plan, the application must include an acknowledgment by the insured that it agrees to the higher rate even though it is aware that it may receive a lower rate from the assigned risk plan. The application must be filed within 30 days of the effective date if it complies with this acknowledgement, otherwise it must be filed for prior approval.
- For medical professional liability, the application must describe the unusual and extrahazardous exposures on the risk. The application must be filed within 30 days after the effective date.
- If the insurer uses too many consent to rate rates for workers' compensation or medical professional liability that get disapproved, the Commissioner may order that all of these rates become prior approval.
- Premium may be collected in anticipation of the approval. However, for normal prior approval lines, the premium must be refunded if the application is rejected. For file and use lines and workers' compensation, premiums need not be returned. However, the Department may require prior approval if the insurer continues to have problems with its consent to rate applications.

### IV. **Manuscript Endorsements**

Policy forms and endorsements manuscripted and used for only a single personal or commercial risk are exempt from filing. However, this exemption does not apply to medical professional liability or primary or excess workers' compensation coverage. This exception does not apply to any form or endorsement that the insurer has filed in Nebraska or elsewhere. Any such forms must be filed if they are offered or used for a second account in Nebraska. [Bulletin CB-50 (Amended) 8-24-05]

**NEBRASKA CONSENT-TO-RATE FORM {Footnote 3}**

Name & Mailing Address of the Policyholder:

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Insurance Company:

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Description of the substandard, unusual or hazardous condition that necessitates the use of a rate or premium higher than that which is filed by the insurer {Footnote 4} :

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The rate or premium increase {Footnote 5} : \_\_\_\_\_

Policyholder signature {Footnote 6} : \_\_\_\_\_

{Footnote 3} Consent-to-rate filings must be made (two copies, please) for every usage of consent-to-rate, but this is only a sample consent-to-rate form. As long as the information contained on this form is contained on a consent-to-rate submission, it can pass muster. The usage of this specific form is not required.

{Footnote 4} An exhaustive explanation is not necessary. We simply need a clear indication of the reason for the increased rate or premium, which also gives us an assurance that the policyholder has a clear understanding of the situation. A quick warning -- reasons that merely refer to a policyholder's inability to obtain coverage at standard rates, or comments that essentially equate to "class of risk" are not acceptable.

{Footnote 5} Express the surcharge in the manner in which it has been calculated and is most easily expressed. For instance, if the premium involves a flat \$500 surcharge, then state that the premium has been surcharged \$500. If it has been increased 50%, then state that. Don't bother with trying to convert a flat amount into a percentage or a percentage into a dollar amount -- it isn't necessary.

{Footnote 6} The signature by the policyholder or an authorized representative of the policyholder (NOT the insurance agent) must be made after the rest of the information has been completed.

**[CB-50, 9-4-05]**

**NEVADA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Nevada has a form of commercial exemption (**for rates only**) for commercial property and casualty insurance, excluding medical malpractice liability, workers' compensation, dwellings (up to 4 units), hospital comprehensive liability, personal inland marine, vehicle mechanical breakdown and insurance for home protection on residential property. [Nev. Ins. Code § 686B.030; Nev. Admin. Code 686B.050; Bull. 06-008 (11-1-06)] (Refer to Nev. Ins. Code § 686B.1751, et seq. for workers' compensation filing requirements.)
- There are no other forms of commercial deregulation in Nevada.

**Filing and Record Keeping Requirements**

- Commercial rates (unless excluded above) do not have to be filed.
- Commercial policy forms must be filed.

**III. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates and individual risk. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Keeping Requirements**

(A) rates and individual risk rates do not need to be filed.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, including medical malpractice and workers' compensation. [Nev. Admin. Code 686B.520]
- Consent to rate includes an application for a rate lower than the insurer's filed and approved rate. [Nev. Admin. Code 680B.040]

**Filing and Record Keeping Requirements**

A written application (*see attached Nevada Consent to Rate Form*) must be submitted to the Commissioner for approval within 60 days of the effective date.

The application must include:

- (a) One copy of the face of the policy;
- (b) A comparison of the filed rate to the requested rate;
- (c) A brief statement of steps which the insured can take to improve insurability and qualify for a lower rate, if the requested rate is in excess of the filed rate;
- (d) A space for the insured or a representative to sign as evidence of consent to the requested rate; and
- (e) Any other information required by the Commissioner. [Nev. Admin. Code 686B.520]

**IV. Manuscript Endorsements**

There is no statutory provision addressing manuscript forms. However, all property and casualty forms (excluding workers' compensation) require prior approval and there are no exceptions for manuscript forms. [E. Ahrens, DOI, 8-24-07; Bull. 06-008 (11-1-06)]

**Nevada Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

<u>Coverages applied for</u>	<u>Limits</u>	<u>Amounts of Insurance</u>	<u>Deductibles</u>
	(primary/excess)		

<u>Exposure Identification</u>	<u>Class</u>	<u>Territory</u>	<u>Location of Risks</u>
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Include any other reason for the **requested** rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ **Reduced Premium (for reduced hazard) – estimate if policy is audited**  
\_\_\_\_\_ % **Decrease to Manual Premium**  
\_\_\_\_\_ Total Premium (Premium Payable)

**Method to Improve Insurability if Requested Rate Is Higher:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which **may be** higher than would normally apply because of the greater hazard involved, **or lower because of reduced hazard**, or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature



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Date

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Date

**NEW HAMPSHIRE**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Inland marine risks are exempt from rate filing. [NH Ins. Code § 412.16, 414.4]
- There is commercial deregulation in New Hampshire (**for rates and forms**) for property and casualty policies, excluding workers' compensation, issued to Large Commercial Policyholders. [NH Ins. Code §§ 412:2, 414:4, 412:7]

**Large Commercial Policyholder** is a corporation, partnership, trust, sole proprietorship, or other business or public entity certifying that it meets any two of the following three additional criteria [§ 412:3]:

- 1) Has a net worth of \$10,000,000;
- 2) Generates annual net revenues or sales in excess of \$5 million as certified by a CPA authorized to do business in NH;
- 3) Employs more than 25 employees per individual company, or more than 50 employees per holding company and meets the following criteria:
  - Employs a risk manager for the purpose of procuring insurance;
  - Generates aggregate property and casualty insurance premiums, excluding workers' compensation, medical malpractice, life, health, and disability of \$30,000 or more.

A Large Commercial Policy Holder may also include nonprofit or public entities with annual budgets or assets \$25,000,000 or more that meet the above criteria. Municipalities with populations over 20,000 are also eligible provided their premiums meet the \$30,000 threshold described above.

- For workers' compensation, an insured whose workers' compensation premium is greater than or equal to \$25,000 may petition the commissioner to approve premium in excess of the assigned risk plan premium amount. [NH Ins. Code § 412:30]

**Filing and Record Keeping Requirements**

- Policy forms and rating information for large commercial policyholders need not be filed, but maintained in underwriting files and made available for inspection by the insurance commissioner.
- Policies shall contain the following disclosure:

**The policy applied for, including the rates, rating plans, resulting premiums and the policy forms, are not subject to the rate and form requirements of this state and other provisions of the insurance law that apply to other commercial products and may contain significant differences from a policy that is subject to all provisions of the insurance law.**
- The disclosure shall include the policyholders acknowledgement statement, to be signed and dated prior to the effective date. This signature must be kept in the underwriting file. [412:7]

**Commercial Deregulation – Additional Exemptions**

There are no additional exemptions for Large Scale Commercial Insureds.

- §412:16 provides that an insurer is required to file every manual, minimum premium, class rate, rating schedule or rating plan that it plans to use with the Commissioner. This does not apply to financial guaranty, employment practices liability, commercial inland marine, D&O, boiler and machinery, and commercial credit.
  - Personal lines filings must include underwriting rules necessary to determine the appropriate rate. Insurers are permitted to file final rates, or a multiplier and, if applicable, an expense constant adjustment applied to prospective loss costs. The required content of rate filings for personal and commercial products is specified. [412:16]
  - In a competitive market rate filings for commercial lines products, including commercial motor vehicle, are “use and file.” All filings must state the effective date of coverage contemplated. For all commercial lines risks, excluding large commercial insureds, all rates and supplementary rating information must be filed within 30 days of the planned effective date.
  - In a competitive market, rate filings for personal risks, including private passenger motor vehicle, are “file and use.” For all personal lines risks, all rates and supplementary rating information must be filed 30 days prior to the planned effective date.

- In a non-competitive market, all filings for the affected line become subject to a 30 day waiting period, which may be extended by an additional 30 days. [RSA 412:16]

## II. **(A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates and individual risk. However, (A) rates and individual risk rates are allowed rates. [ISO Manual]

### **Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed. [ISO Manual]
- Insurer must maintain complete underwriting files on how the rate was determined and make these files available to the Department upon request.

## III. **Consent to Rate**

- Consent to rate is allowed for property and casualty, excluding workers' compensation insurance. 414:4(IX)
- This does not apply to reinsurance; ocean marine; aircraft and aviation; automobile; workers' compensation insurance; and accident and health. [NH Ins. Code § 414:2]
- Refusal by a workers' compensation policy holder to be placed in the assigned pool is not reason for consent to rate [NH Ins. Code § 412:30 III]

### **Filing and Record Keeping Requirements**

- Written application (*see attached Consent to Rate Form*) of the insured, stating reasons for accepting the rate, must be filed with and approved by the Commissioner.
- The application shall be maintained in the files.

## IV. **Manuscript Endorsements**

There is no statutory provision addressing manuscript forms. However according to the DOI, manuscript forms must be filed.

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

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**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because

\_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**NEW JERSEY**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- New Jersey has a form of commercial deregulation (**for rates and forms**) for property and casualty policies involving “Special Risks,” excluding medical malpractice and professional liability, errors and omissions liability and workers’ compensation. [N.J.S.A. §§ 17:22-6.43, 17:29:AA-5, -6, NJAC 11:13]
  
- **Special Risk** – is one of the following types of risks:
  - 1) Commercial lines insurance risks as specified on a list promulgated by the Commissioner (*see Special Risk List below*), which are of an unusual nature or high loss hazard or are difficult to place or rate or which are excess or umbrella or which are eligible for export (*see Exportable List below*);
  - 2) Inland marine insurance, other than personal lines (The 1976 Revision of the Nation-wide Marine Definition, adopted by the National Association of Insurance Commissioners, has been adopted by the State of New Jersey. This instrument describes, although not exclusively, the kinds of risks, which may be classified or identified as inland marine insurance.);
  - 3) Fidelity; surety or forgery bonds; or
  - 4) Commercial lines insurance risks, which produce minimum annual premium in excess of \$10,000. However, meeting the \$10,000 threshold alone only qualifies a policy for rate filing exemption. It does not qualify a policy for a form filing exemption. [17:29AA-6, 17:29AA-3]
  
- **Special Risk List** - The following commercial lines insurance risks are on the special risks list: [Public Notice, List of Special Risks, June 20, 2005]
  - 1) Risks which are written on an excess or umbrella basis;
  - 2) Risks which are eligible for export as set forth on any current list of exportables promulgated by the Commissioner [N.J.S.A. 17:22-6.43]; or
  - 3) Those commercial lines insurance risks, or portions thereof which:
    - (a) Do not appear in any of the following manuals, rating plans or schedules below;
    - (b) Are excepted below from such manuals, rating plans or schedules; or
    - (c) Are specifically designated special risks below, are found to be special risks which are of an unusual nature or high loss hazard or are difficult to place or rate.

**I. RATING ORGANIZATION MANUALS, RATING PLANS, OR SCHEDULE AND EXCEPTIONS**

**A. INSURANCE SERVICES OFFICE**

**1) COMMERCIAL LINES MANUAL (including Commercial Automobile Supplementary Rating Procedures)**

Except risks which are designated as:

- (a) "A" rated;
- (b) "Refer to company" either exclusively or in the alternative;
- (c) "Submit to company";
- (d) Property owned by the Federal government;
- (e) Railroad property;
- (f) Computer fraud risks; or
- (g) Extortion risks.

**2) COMMERCIAL AUTOMOBILE SUPPLEMENTARY RATING PROCEDURES**

**B. MUTUAL SERVICE OFFICE SPECIAL MULTI PERIL MANUAL, BURGLARY AND THEFT MANUAL FIRE AND ALLIED LINES MANUAL**

Except risks designated as:

- (a) "A" rated;
- (b) "Refer to company" either exclusively or in the alternative; or
- (c) "Submit to company" .

**C. CROP-HAIL INSURANCE ACTUARIAL ASSOCIATION MANUAL**

D. AMERICAN ASSOCIATION OR INSURANCE SERVICES GENERAL LIABILITY MANUAL

Except risks as designated as:

- (a) "A" rated;
- (b) "Refer to company" either exclusively or in the alternative; or
- (c) "Submit to company" .

E. MILL AND ELEVATOR RATING BUREAU MANUAL

F. SPECIAL RISK EXCEPTIONS

- Notwithstanding anything aforesaid, the following risks are not special risks and are specifically excepted from the special risks list:
  - 1) Legal malpractice liability
  - 2) Medical malpractice liability
  - 3) Hospitals professional liability
  - 4) Physicians and surgeons professional liability
  - 5) Dentist professional liability
  - 6) Employees professional liability
  - 7) Nurses professional liability
  - 8) Optometrists professional liability
  - 9) Physiotherapists professional liability
  - 10) Chiropractors professional liability

**II. SPECIFICALLY DESIGNATED SPECIAL RISKS**

A. INSURANCE SERVICES OFFICE

1) Risks rated under any of the following schedules are special risks:

- (a) Petroleum properties;
- (b) Petrochemicals plans;
- (c) Electric generating stations;
- (d) Natural gas pumping stations;
- (e) Coal, oil and water gas plants;
- (f) Electric traction properties.

2) Risks insured under the provisions of the Highly Protected Risks Rating Plan are special risks.

B. Preferred risk properties insured and rated as shown in the rules and rating schedules of the FACTORY MUTUAL SERVICE BUREAU are special risks.

C. All commercial insurance aviation risks (including those rates from the AVIATION INSURANCE RATING BUREAU Schedule of Rates) are special risks.

D. All nuclear insurance risks are special risks.

E. All Animal Mortality risks are special risks.

F. All Credit Insurance risks are special risks.

G. All Boiler and Machinery risks are special risks.

H. All Healthcare Provider Stop Loss Insurance risks are special risks.

- The Exportable List is as follows: [5-2-05]

1. Amusement Devices, Parks and Carnivals;
2. Animal Mortality;
3. Armored Cars;
4. Auto Racing and Race Tracks;
5. Day Care Center Liability;
6. Difference In Condition;

7. Environmental Impairment Liability Insurance;
8. Excess and Buffer Liability;
9. Excess Loss and Excess Aggregate for Self-Insurers; Public Liability and Workers' Compensation;
10. Golf Driving Range;
11. Fine Arts Dealers;
12. First Loss and Excess of First Loss Insurance;
13. House Movers and Building Demolition;
14. Kidnapping, Ransom and Extortion Insurance;
15. Manufacturers and Contractors Liability for Floor Waxers, Building Maintenance People, Window Washers and Exterminators;
16. "Large Risks" which means any insured:
  - i. Which procures insurance for any property casualty risk by use of the services of either an employee who is a full-time insurance manager or buyer, or a regularly and continuously retained qualified insurance consultant; and
  - ii. Whose aggregate commercial premiums for insurance (excluding, Life, Health and Accident, Annuities and Workers' Compensation insurance) total at least \$500,000;
17. Motor vehicle coverage as follows:
  - i. Physical Damage Coverage for Limousines; and
  - ii. Physical Damage Coverage for Trucks, including trailers and trailer interchange (over 10,000 pounds) for Non-Fleet (one to five) risks, and commercial fleet (over five) risks irrespective of gross vehicle weight;
18. Mortgage Impairment;
19. Pony Rides/Riding Academies;
20. Physical Damage Coverage for Private Passenger and Commercial Vehicles with an original cost new of \$40,000 or above;
21. Product Liability Products or Products Recall Coverage;
22. Professional Liability insurance as follows:
  - i. Errors and Omissions; and
  - ii. Professional Liability except:
    - (1) Legal malpractice liability;
    - (2) Medical malpractice liability
      - (A) Hospitals Professional Liability
      - (B) Physicians and Surgeons Professional Liability
      - (C) Dentist Professional Liability
      - (D) Employees Professional Liability
      - (E) Nurses Professional Liability
      - (F) Optometrists Professional Liability
      - (G) Physiotherapists Professional Liability
      - (H) Chiroprodists Professional Liability
23. Short Term Events;
24. Skating Rinks (Roller and Ice) and Skate Board Parks;
25. Swim Clubs/Swim Pools;
26. Vacant and Unoccupied Building;
27. Warehouseman's Legal Liability;
28. Automobile Personal Injury Protection (PIP) coverage in excess of \$250,000;
29. Commercial auto liability for taxi cabs and limousines; (Eligible Surplus Lines insurer's certificate of eligibility must state that they are permitted to write this risk.)
30. Commercial auto liability for intermediate and long-haul trucking; (Eligible Surplus Lines insurer's certificate of eligibility must state that they are permitted to write this risk.)
31. Liquor Liability;
32. Employment Practices Liability; and
33. Gap Coverage for Private Passenger and Commercial Automobile.

### **Filing and Record Keeping Requirements**

- Rates and forms involving Special Risks are exempt from filing requirements.
- All other commercial rates and forms must be filed.

### **Commercial Deregulation – Additional Exemptions**

There are no additional exemptions for Special and Large Risks

## II. (A) Rates and Individual Risk Rates

(A) rates and individual risk rates (a.k.a “Special Risks”) are allowed. [Bull. 95-6; Bull. 93-14; N.J.S.A. 17:29AA]

### Filing and Record Keeping Requirements

- (A) rates and individual risk rates need not be filed, except for legal liability and medical malpractice risks, which must be filed within 30 days of the effective date. [ISO Manual]
- Insurers must maintain complete underwriting files, loss and expense statistics, financial and other records with respect to each risk. These files are subject to review by the Department upon request.

## III. Consent to Rate

- Consent to rate is allowed for property and casualty, excluding workers’ compensation. [17:29A-7.1, NJAC 11:4-7.1, -7.3, Circ. Letter A-13 (6/26/73-Auto), C.L. PL-9 (4/4/75-Non-Auto)]
- This does not apply to reinsurance, other than joint reinsurance; any policy of insurance against loss or damage to or legal liability in connection with property located outside this State; or any motor vehicle or aircraft principally garaged and used outside of this State, or any activity wholly carried on outside this State; ocean marine (as distinguished from inland marine); classes of inland marine insurance for which no class rates, rating plans or special rates are customarily fixed by a rating bureau or bureaus; accident, health, or life insurance; annuities; title insurance; mortgage guaranty insurance; or workers' compensation and employer's liability insurance. [N.J.S.A.17:29A-25]

### Filing and Record Keeping Requirements

- There are three separate forms for consent to rates: one for Auto, one for Fire and Allied Lines and one for Other than Auto, Fire and Allied Lines.
- Each written application (*see attached forms*) must include a transmittal letter in duplicate on company letterhead signed by the person submitting the proposal, providing the premium, the name and address of the insured and insurer, the kind of coverage or risk, the normal, additional and total payable premium.
- For all lines, except auto and fire and allied lines, a written application of the insured, stating reasons for accepting the rate, must be filed with and approved by the Commissioner within 20 working days after the insured has signed it or within 20 working days of the inception of the policy, whichever is earlier.
- For automobile insurance, liability and physical damage, the abstract of the driving record from the DMV is attached.
- In the case of fire and allied insurance, an application must be submitted only if the risk is not eligible for coverage under the New Jersey Insurance Underwriting Association (the Fair Plan). For a fire policy, the application must attach an inspection report, based upon an inspection performed by a qualified person is attached. For a fire and allied policy, if there is coinsurance, the policy when issued will contain a coinsurance clause which limits the liability of the insurance company if the amount of insurance is less than the stated percentage of the actual cash value of the property.

## IV. Manuscript Endorsements

Manuscript forms must be filed pursuant to NJ Ins. Law 29A:A-6 unless they are exempt as Special Risks.



Consent to Higher Rate Filing Under N.J.S.A. 17:29A-7.1 (Chapter 214, P.L. 1962)  
New Jersey Department of Insurance – Automobile Insurance

Company \_\_\_\_\_  
 Name and Address \_\_\_\_\_  
 Insured \_\_\_\_\_  
 Name and Address \_\_\_\_\_  
 Agent or Broker \_\_\_\_\_  
 Name and Address – Reference No. \_\_\_\_\_

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Coverages Applied For	Class	Terr.	Discounts*	Points**	Limits	Age Symbol
Bodily Injury	Car #1					
	Car #2					
Property Damage	Car #1					
	Car #2					
Comprehensive	Car #1					
	Car #2					
Collision	Car #1					
	Car #2					
Add'l PIP Option	#					

U.M.

\*Specify:

\*\*Number of Surcharge Points Based on Attached Abstract of Driving Record.  
Including Basic Personal Injury Protection.

Note: The information in columns (2) to (7) may be shown on any other form, such as a computer printout if not readily available to the company.

Statement by Insured: **“I consent to the premium shown as ‘Premium Payable’ on this application which is higher would normally apply because of the greater hazard involved:”**

\_\_\_\_\_  
Signature of Insured

\_\_\_\_\_  
Date

Statement by Company and Producer:

The rating information shown above truly reflects information supplied by the insured and the correct application of the rating system in effect for the New Jersey Automobile Insurance Plan. Under penalty of N.J.S.A. 17:29A-16 and N.J.S.A. 17:29A-22, I certify that this application was fully completed as shown, before signed by the applicant.

\_\_\_\_\_  
Signature of Licensed NJ Producer  
Date

\_\_\_\_\_  
Producer License #  
Date

\_\_\_\_\_  
Expiration



**New Jersey Consent to Rate Form  
For Fire and Allied Lines**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

<u>Coverages applied for</u>	<u>Class</u>	<u>Terr.</u>	<u>Limits</u>	<u>Deductibles</u>	<u>Coins.</u>
(primary/excess)					

Include any other reason for higher rate: \_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Underwriting Information** (attached) \_\_\_\_\_

**Consent of Insured:** “I consent to the premiums shown as "Premium Payable" on this application which is higher than would normally apply because of the greater hazard involved. If a percentage is shown in the column headed "Coins.", the policy when issued will contain a coinsurance clause which limits the liability of the insurance company if the amount of insurance is less than the stated percentage of the actual cash value of my property.”

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Date

**Statement of Producer or Company:** “Under penalty of NJSA 17:29A-16 and NJSA 17:29A-22, I declare that this application was fully completed and shown, before signed by the applicant. If a percentage is shown in the column headed "Coins.", the policy when issued will contain a coinsurance clause which limits the liability of the insurance company if the amount of insurance is less than the stated percentage of the actual cash value of the property”

\_\_\_\_\_  
Signature of Licensed Producer      Date

\_\_\_\_\_  
Signature of Company Representative      Date

**NEW MEXICO**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- In a competitive market, rates for all commercial policyholders, excluding workers' compensation and medical professional liability insureds, are exempt from filing. [NMSA § 59A-17-9; Senate Bill 483, (7-1-07)] Rates for workers' compensation remain subject to prior approval, but LCM filings are file-and-use and effective upon filing.
  - Effective 10-1-07, all commercial lines except workers' compensation and medical professional liability are deregulated (**for rates**). [NMSA § 59A-17-9; Bull. 2007-006]
  - The following lines are deemed non-competitive (or reverse competitive) and are excluded from rate deregulation: farmowners' multi-peril; medical malpractice; credit; mortgage guaranty; all types of force-placed or creditor-placed insurance; credit life, credit disability; credit involuntary unemployment; credit family leave; credit property (single or dual interest); collateral protection; non-filing insurance; credit card credit; guaranteed asset protection (GAP); debt cancellation; debt suspension. [NMAC 13.8.3.1, *et seq.*]

**Filing and Record Keeping Requirements**

- An insurer must maintain a copy of its rates and supplementary information currently in effect in sufficient detail to produce the premium charged on a policy. This information must be available for immediate inspection by the Department as needed. [NMAC 13.8.2.27]
- Policy forms for commercial risks, excluding workers' compensation and medical professional liability, remain file-and-use, and are effective upon filing. [NMAC 13.8.3.9]

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates and individual risk rates. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed. [ISO Manual]
- The insurer must maintain complete underwriting files on how the rate was determined for any individual risk and make these filings available to the Commissioner.

**III. Consent to Rates**

- Consent to rates is allowed for property and casualty, including workers' compensation. [NMSA §§ 59A-17-10; 59A-17-12]
- This does not apply to reinsurance wet marine and transportation; life; variable and fixed annuities; and health insurance. [NMSA § 59A-17-2]

**Filing and Record Keeping Requirements**

- Written application (*see attached Consent to Rate Form*) must be filed for prior approval with the Superintendent.
- The application must be maintained in the files.

**IV. Manuscript Endorsements**

Policies, contracts, endorsements and riders of unique and special character not for general use, or offering but designed and used solely as to a particular insured or risk, are exempt from filing. [NMSA § 59A-18-12]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for Limits Amounts of Insurance Deductibles  
(primary/excess)

Exposure Identification Class Territory Location of Risks

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_% Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**NEW YORK**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Inland marine risks are exempt from rate filing. [NY Ins. Code § 2305]
- New York also has a form of commercial deregulation (**for rates and forms**) for commercial property and casualty policies involving “Special Risks” (risks falling in the Free Trade Zone). [NY Ins. Code § 6303; Reg. 86; Circ. Letter No. 4 (1996)]
- An insurer must be licensed to write Special Risks in the Free Trade Zone.

**Special Risks** include the following:

**Class 1** - all or part of an insured’s business operations insured under a single policy with a billed annual premium of \$100,000 (\$200,000, if the premium for more than one kind of insurance does not exceed \$100,000)

- The following lines cannot be written as a Class 1 risk: life; accident and health; annuities; workers’ compensation and employers’ liability; title; mortgage guaranty; credit unemployment; financial guaranty.
  - Excess workers’ compensation may be written as a Class 1 risk, as confirmed with the DOI.
  - Legal services’ insurance may be written as a Class 1 risk, but only if the liability insurance of which it is a part also qualifies as a special risk. Use the statistical code assigned to the primary risk. [11 NYCRR 262.10]

**Class 2** - risks of an unusual nature, high loss hazard or difficult to place. (*See Unusual Risk List below*).

- Legal services’ insurance may be written as a Class 2 risk, but only if the liability insurance of which it is a part also qualifies as a special risk. Use the statistical code assigned to the primary risk. [11 NYCRR 262.10]

**Class 2 - Unusual Risk** – is one of the following Statistical Classification Codes. For further descriptions of the following lines, see Reg. 86 Part 16.12 or the “New York Free Trade Zone” link on the DBG Legal Services website: <http://dbglegal.aig.com/cfdbglserv/compliance.shtml>

2-14006	Air Bag Repacking
2-14007	Alarm System Liability
2-14190	Amusement Parks and Carnivals
2-14191	Amusement Rides and Devices
2-14165	Animal Liability
2-10017	Animal Mortality
2-14010	Animal Rides
2-16003	Armored Car, Couriers or Check Cashing Operations
2-22003	Auto Racing and Automobile Race Track Liability
2-13001	Automobile Personal Injury Protection (PIP) (Excess of \$150,000)
2-22002	Automobile Racing Liability
2-14019	Banks -- Mortgage Interest -- All Risks
2-13002	Blood Banks, Blood and Organ Facilities Liability
2-13003	Boats and Yachts, Boat Rentals
2-01007	Commercial Excess Property Insurance (at least \$1 million in primary coverage)
2-13000	Commercial Excess and Umbrella Liability Insurance (underlying policy limits of at least \$1M/occurrence)
2-14000	Contractual Liability -- Large Contracts
2-14041	Data Processing Company Products Liability
2-14043	Demolition Contractors Liability
2-14045	Directors and Officers Liability Insurance -- Education
2-14176	Directors and Officers Liability Insurance -- Insurance Companies and Financial Institutions
2-14177	Directors and Officer Liability Insurance -- Large Commercial Insureds
2-14161	Directors and Officers Liability Insurance -- Political Action Committees
2-14047	Directors and Officers Liability Insurance -- Public Officials
2-14048	Directors and Officers Liability Insurance -- Union Officials
2-01006	Electrical Disturbance
2-14181	Elevator Contractors’ Liability Insurance

2-14055 Environmental Impairment/Pollution Liability  
 2-14192 Explosives, Munitions or Fireworks  
 2-14060 Exterminators, Herbicide and Pest Control Contractors Liability  
 2-14061 Fair Employment Practices Liability  
 2-04002 Federal Crime Program -- Excess on Commercial Risks  
 2-14183 Fiduciary Liability (Risks outside New York)  
 2-14160 Film Producers/Theatrical Producers Indemnity Insurance  
 2-05001 Fine Art Dealers  
 2-01010 First Loss Property Insurance  
 2-05002 Flood Insurance (excess of Federal Flood Program limits or unavailable from Federal Flood Program)  
 2-13004 Golf Driving Range Liability  
 2-10001 Horse and Pony Policy  
 2-13005 Horseback Riding Establishments  
 2-14193 House Movers and Building Demolition Contractors  
 2-14072 Institutional Administrators Liability  
 2-14174 Joint Hospital and Voluntary Attending Physicians Excess Professional Liability Insurance  
 2-07001 Kidnap and Ransom Insurance  
 2-14057 Large Deductible or Self-Insured Retention Insurance  
 2-13006 Lead Liability Insurance  
 2-13007 Liquor Law Liability Coverage  
 2-10004 Livestock -- Prospective Foal Coverage  
 2-14088 Logger's Liability Coverage  
 2-14162 Media Liability  
 2-02026 Mobile Home -- Emergency Removal Service  
 2-14196 Natural Disaster Protection  
 2-14999 Nuclear Risk Insurance  
 2-14104 Petroleum Refineries -- Excess of Loss Liability  
 2-50000 Political Risk Insurance  
 2-10014 Poultry  
 2-14115 Private Guards, Patrols, and Security Forces Premises and Operations Liability  
 2-14116 Product Failure Liability Insurance  
 2-14194 Product Liability Insurance  
 2-14118 Products -- Recapture or Recalled  
 2-14119 Product Tampering

**PROFESSIONAL/ERRORS AND OMISSIONS LIABILITY**

2-14002 Accountants  
 2-14013 Architects  
 2-14178 Attorneys' Errors and Omissions -- Large or High Risk Firms  
 2-14005 Advertisers  
 2-14021 Beauty Schools  
 2-14169 Cable Access Television (CATV)  
 2-14026 Clinical Laboratories  
 2-14028 Collection Agencies  
 2-14197 Commercial Real Estate Agents and Brokers  
 2-14163 Community Health Center Wrap-around  
 2-14035 Corporate Trustees  
 2-14042 Data Processors -- Programmers and Analysts  
 2-14051 Employee Benefit Plan Trustees  
 2-14054 Engineers  
 2-14164 Excess and Surplus Lines Brokers  
 2-14172 Film Distributors  
 2-14179 Insurance Companies and Financial Institutions (E&O coverage)  
 2-14198 Interior Designers  
 2-14076 Investment Counselors  
 2-14078 Land Surveyors  
 2-14180 Large Firms (having annual billings of \$20,000,000 or more)  
 2-14092 Marine Surveyors  
 2-14170 Medical Arts Schools and Colleges  
 2-14096 Mobile X-Ray Units

2-14036	Municipal and Public Entities
2-14100	Mutual Funds
2-14103	Nursing Homes -- Administrators
2-14106	Paramedics
2-14185	Physicians -- Temporaries
2-14109	Pension Plan Trustees
2-14108	Pension Plan Consultants
2-14111	Physicians -- Medical Students (those in training to be physicians or nurses)
2-14171	Psychologists
2-14112	Police Officers
2-14166	Publicists and Public Relations
2-14125	Reducing Salons
2-14129	Scalp Treatment
2-27008	Schools -- Special Education Programs (Legal Liability)
2-14130	Securities and Exchange Act Liability Insurance
2-14195	Security Guards -- Armed and/or Using Dogs
2-13009	Skating Rinks Liability
2-13010	Ski Area Liability
2-28003	Ski Resort High Limit -- Accidental Death and Dismemberment Coverage in excess of \$500,000 only
2-14138	Social Services Agencies
2-14139	Social Workers
2-14141	Special Events Insurance
2-14142	Sports Instructors Liability Coverage
2-14143	Stockbrokers
2-14168	Talent (Artists)
2-14153	Trustees and Fiduciaries
2-14155	Trustees -- Trust Department
2-13008	Recreational Guide Services
2-22004	Residual Value Insurance (Commercial Risks Only)
2-02038	Television Breakdown -- Closed Circuits
2-13011	Tractor Pulls/Mud Bogs Liability
2-50001	Trade Credit Insurance
2-18001	Tuition Refund Broad and Limited Plans
2-14196	Warehousemans' Liability Coverage
2-01001	Weather Insurance

### **Filing and Record Keeping Requirements**

- Rates and forms for a Free Trade Zone policy, one involving a Special Risk, need not be filed.
- Free Trade Zone Special Risks are not exempt from other statutory requirements other than rate and form filing requirements.
- The following notice must be printed on the front page of each binder, policy, contract, rider or endorsement and on all subsequent additions, in bold capital letters at least three-eighths of an inch in height and enclosed in a border: **NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.**
- The rates applied to policies issued in the free trade zone must still not be excessive, inadequate, unfairly discriminatory, destructive of competition, detrimental to insurer solvency, or otherwise unreasonable.
- Every binder, policy, contract, rider and endorsement issued in the free trade zone on special risks located or resident in New York State shall comply with minimum standard policy provisions of the Insurance Law.
- Each insurer shall maintain in its files the premium charged for each special risk and the basis for the rate or premium.
- An insurer cannot make a non-Special Risk fall into the Free Trade Zone by attaching it to an otherwise Free Trade Zone policy.

## **II. (A) Rates and Individual Risk Rates**

(A) rate and individual risk rates are allowed (contact State Filings Division for (A) Rate lines). [11 NYCRR



161.0, *et seq.*]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates are not required to be filed with the superintendent, **except** the following risks must be filed for approval (30 day deemer): workers' compensation; motor vehicle insurance, or surety bonds required by law; joint underwriting; motor vehicle assigned risk; New York Property Insurance Underwriting Association insurance; risk sharing plans; title; medical malpractice; Medical Malpractice Insurance Association insurance; mortgage guaranty insurance; credit property and gap. [11 NYCRR §§ 161.11; 161.12]
- For risks not filed, all rating information used to support the rate must be retained in the insurer's individual underwriting file for each policy issued, for a period of five years from the date of first issuance of such policy, and shall be available for inspection by the superintendent at any time.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, including workers' compensation (2347) and medical malpractice (O.G.C. Op. 99-158). [Ins. Code §§ 2302, 2305, 2309]
- This does not apply to reinsurance, other than joint; accident and health; annuities, life insurance, marine insurance (other than inland marine insurance and insurance upon automobiles, airplanes, seaplanes, dirigibles or other aircraft); marine protection and indemnity insurance; insurance issued by an assessment cooperative fire insurance company; and service contract reimbursement insurance. [Ins. Code § 2302]

**Filing and Record Keeping Requirements**

- Written application (*see attached Consent to Rate Form*) of the insured, stating reasons for accepting the rate, must be filed with and approved by the Superintendent.
- The application must be maintained in the files.

**IV. Manuscript Endorsements**

There is no statutory provision addressing manuscript forms. However, per the D.O.I., manuscript forms are not filed. Also see: *Nat'l Union Fire Ins. Co. v. Ambassador Group, Inc.*, 556 N.Y.S.2d 549 (1<sup>st</sup> Dep't 1990) and *Reddington v. Aetna Life Ins. Co.*, 264 A.D. 70, 34 N.Y.S.2d 957 (4<sup>th</sup> Dep't 1942)

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for Limits Amounts of Insurance Deductibles  
(primary/excess)

Exposure Identification Class Territory Location of Risks

Include any other reason for higher rate: \_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **NORTH CAROLINA**

[\(back to reference chart\)](#)

### **I. Commercial Deregulation / Exemption**

- Inland marine is exempt from form filing. [§ 58-41-50]
- There are no other forms of commercial deregulation in North Carolina.

### **II. (A) Rates and Individual Risk Rates**

(A) rates and individual risk rates are allowed. [11 NCAC 10.0105]

#### **Filing and Record Keeping Requirement**

- (A) rates must be filed at least 60 days before the effective date unless the insurer files a schedule of rates.
- If a schedule is filed, an individual (A) rate need only be filed if the rate falls outside of the filed range of rates or the risk is not covered by the schedule. The filing must be done within 60 days after the effective date.
- For (A) rate filings, the filing must include a statement describing how the rate was calculated, a statement of why the individual risk filing was needed, a certification that the rate is not excessive, inadequate or unfairly discriminatory and any form or endorsement not previously filed and approved for use.
- Individual risk rates must be filed within 60 days after the effective date and include a statement describing how the rate was calculated, a statement of why the individual risk filing was needed, a certification that the rate is not excessive, inadequate or unfairly discriminatory and any form or endorsement not previously filed and approved for use. [11 NCAC 10.0105; ISO Manual]

### **III. Consent to Rates**

- Consent to rates is allowed for property and casualty, including workers' compensation and employers' liability. 58-36-1; 58-36-30(b) (private passenger auto, homeowners and farm dwellings); NC Ins. Code 58-40-15; 58-40-30(c) (other Property and Casualty lines). [11 NCAC 10.0602 - .0607]
- This does not apply to reinsurance, other than joint reinsurance, property outside the state or a vehicle or aircraft primarily located outside the state, ocean marine, life, accident and health and mortgage guaranty. [NC Ins. Code 58-40-15]

#### **Filing and Record Keeping Requirements**

- A written application of the insured, stating reasons for the accepting the rate must be obtained.
- There are two types of applications depending upon the line of coverage involved.
  - 1) The first written application applies to residential property and contents (not more than 4 units) (excluding farm dwellings), theft and physical damage to private passenger (nonfleet) auto, liability for auto, auto medical payments, uninsured motorist coverage and other related auto liability coverages, and workers' compensation and employers liability (*See attached Consent to Rate – Personal Lines and Workers' Compensation Form*).
  - 2) The second written application applies to all other property and casualty lines (*See attached Consent to Rate Form – P&C Commercial Coverage*).
- Any application for workers' compensation and employers' liability must be filed with the Commissioner.
- For lines other than workers' compensation and employers' liability, filing is not required unless the rate charged exceeds 250%, in which case, the rate must be filed for prior approval with the Commissioner.
- For nonfleet private passenger auto, the insurer need only file for prior approval if the rate exceeds 550% of the rate with no Safe Driver Incentive Plan points.
- The application and other policy information for each insured must be kept on file by the insurer and made available to the Commissioner, upon request.
- The insurer is not required to obtain written consent of the insured on any renewal of or endorsement to the policy if the policy renewal or endorsement states that the rates or deductible, or both, are greater than those rates or deductibles, or both, that are applicable in the State of North Carolina.
- When consent to rate procedures are used to provide motor vehicle liability coverage limits, the application to effect consent to rate must also show the higher liability limits required by the excess liability insurer. [11 NCAC 10.0605]

**IV. Manuscript Endorsements**

Manuscript forms must be filed with the Department within sixty (60) days of use. [11 NCAC 10.0105]

**North Carolina Consent to Rate  
Personal Lines and Workers' Compensation Form**

Name of Insurer \_\_\_\_\_  
 Address of Insurer \_\_\_\_\_  
 Name of Producer \_\_\_\_\_  
 Address \_\_\_\_\_  
 License Number of Producer \_\_\_\_\_  
 Name of Insured \_\_\_\_\_  
 Address \_\_\_\_\_  
 Policy Number (if known) \_\_\_\_\_  
 Effective Date of Policy \_\_\_\_\_  
 Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
 (primary/excess)

Exposure Identification \_\_\_\_\_ Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
 \_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
 \_\_\_\_\_ % Increase to Manual Premium  
 \_\_\_\_\_ Total Premium (Premium Payable)

\*\* **For Nonfleet Private Passenger Automobile Physical Damage Insurance Policies Only** –  
 The rate charged (Premium Payable) does not exceed the rate that would be applicable if the Insured had been charged 550% of the rate with no Safe Driver Incentive Plan Points.

\*\*\* **If Applicable:** I, the Insured, acknowledge that coverage for the risks listed above is available through the following residual market (circle one of the following), but consent to the Premium Payable.

FAIR Plan      Beach Plan      N.C. Reinsurance Facility      N.C. Workers' Compensation Insurance Plan

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because

\_\_\_\_\_.

\_\_\_\_\_  
 Insured's Signature                      Date                      Authorized Representative's Signature      Date

**North Carolina Consent to Rate  
P&C Commercial Coverage**

Name of Insurer \_\_\_\_\_

Address of Insurer \_\_\_\_\_

Name of Producer \_\_\_\_\_

Address \_\_\_\_\_

License Number of Producer \_\_\_\_\_

Name of Insured \_\_\_\_\_

Address \_\_\_\_\_

Policy Number (if known) \_\_\_\_\_

Effective Date of Policy \_\_\_\_\_

Expiration Date of Policy \_\_\_\_\_

---

**Description of Coverage**

<u>Coverages applied for</u>	<u>Limits</u>	<u>Amounts of Insurance</u>	<u>Deductibles</u>
(primary/excess)			

<u>Exposure Identification</u>	<u>Class</u>	<u>Territory</u>	<u>Location of Risks</u>
--------------------------------	--------------	------------------	--------------------------

Include any other reason for higher rate: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited

\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited

\_\_\_\_\_ % Increase to Manual Premium

\_\_\_\_\_ Total Premium (Premium Payable)

\_\_\_\_\_

\*\* **If Applicable:** I, the Insured, acknowledge that coverage for the risks listed above is available through the following

residual market (circle one of the following), but consent to the Premium Payable.

FAIR Plan

Beach Plan

N.C. Reinsurance Facility

N.C. Workers' Compensation Insurance Plan

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because

\_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

**NORTH DAKOTA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Inland marine is exempt from rate filing. [ND Ins. Code § 26.1-25-04]
- There is a modified use-and-file rule that applies to **rates** for commercial risks in a “competitive market.” All commercial lines, with some exceptions, are presumed to be competitive, unless the Commissioner finds otherwise. [ND Ins. Code § 26.1-25-02.1, et seq.; Bulletin 2007-2 (7-17-07)]
  - Certain lines are presumed to be noncompetitive and require prior approval of rates (and forms). These are: crop hail; farmowners’; medical professional liability. (ND is a monopolistic state for workers’ compensation.)

**Filing and Record Keeping Requirements**

- Rates for commercial insureds in a competitive market must be filed within (30) days of implementation. [ND Ins. Code § 26.1-25-04(6)]
- The rate filing must include all required standard documentation and is subject to full review by the Department.

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed. [ISO Manual]
- Insurer must maintain complete underwriting files on how the rate was determined and make these files available to the Department upon request.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, excluding workers’ compensation (monopolistic). [ ND Ins. Code § 26.1-25-04; Bull. 98-1]
- This does not apply to reinsurance other than joint reinsurance; accident and health; ocean marine; and aircraft hull and aviation.

**Filing and Record Keeping Requirements**

- Written application (*see attached Consent to Rate Form*) of the insured, stating reasons for accepting the rate, must be filed with and approved by the Commissioner. [ND Ins. Code § 26.1-25-04; Bull. 98-1]
- The application shall be maintained in the files.

**IV. Manuscript Endorsements**

Manuscript forms must be filed. [ND Ins. Code § 26.1-30-19]



NORTH DAKOTA DEPARTMENT OF INSURANCE

Consent to Rate Application Form NDPC400

Please file and approve the following rates, which I understand are Excess of those rates otherwise filed with the North Dakota Department of Insurance

Company Name \_\_\_\_\_ NAIC # \_\_\_\_\_

Company Address \_\_\_\_\_

Company Representative \_\_\_\_\_ Date \_\_\_\_\_

**POLICY INFORMATION**

Type of Business \_\_\_\_\_

Location(s) of Risk \_\_\_\_\_

Description of Coverage \_\_\_\_\_

Policy Number \_\_\_\_\_ Effective Dates/Term of Policy \_\_\_\_\_

Policy Limits \_\_\_\_\_

Filed Manual Premium \_\_\_\_\_ Proposed Premium \_\_\_\_\_

**APPLICANT INFORMATION**

I am agreeable to paying this premium because of the following reason(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of Insured (Applicant) \_\_\_\_\_

Mailing Address \_\_\_\_\_

Signature of Named Insured \_\_\_\_\_ Date \_\_\_\_\_

**I. Commercial Deregulation / Exemption**

- Inland marine is exempt from filing (**rates and forms**). [§ 3935.04]
- There are no other forms of commercial deregulation in Ohio.

**II. (A) Rates and Individual Risk Rates**

- (A) rates and individual risk rates are allowed. [Bull. 2000-3]
- For casualty and motor vehicle, special filings may be made at any time with respect to any individual or special risks whose size, classification, degree of exposure to loss, previous loss experience, or other relevant factors call for the exercise of sound underwriting judgment in the promulgation of rates appropriate to such individual or special risks. [§ 3935.03(E)]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed. [Bull. 2000-3; §§ 3937.03; 3935.04]
- Insurers must document their underwriting files with the policy and all supporting rate documentation and maintain that information for a period of 3 years. It is suggested that the file include the identity of the insured, total premium, type of risk and specific reasoning for why the risk is so rated.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty lines, excluding workers' compensation (monopolistic). [§§ 3935.04(G); 3937.03(G); Bull. 2000-3]
- This does not apply to reinsurance, other than joint reinsurance; accident and health; aircraft and aviation; and workers' compensation liability. [§§ 3935.02; 3937.01]

**Filing and Record Keeping Requirements**

- There is no filing requirement.
- The insurer must, however, obtain a written application (*see attached Consent to Rate Form*), signed by the insured and stating the reasons for accepting the rate, must be maintained by the insurer for inspection by the superintendent, upon request, for a period of not less than three years. [Bull. 2000-3, September 27, 2000]

**IV. Manuscript Endorsements**

There is no statutory provision addressing manuscript forms. However, per the DOI, manuscript forms are not filed. Although no filing is required, manuscript forms are subject to the same rules as consent-to-rate and special risks. Manuscript forms and policies are subject to audit and must be maintained for a period of not less than three (3) years. [Bull. 2000-3, September 27, 2000] [V. Baader, Department of Insurance, May 13, 2005]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for Limits Amounts of Insurance Deductibles  
(primary/excess)

Exposure Identification Class Territory Location of Risks

Include any other reason for higher rate: \_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**OKLAHOMA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds are exempt from form filing. [OK Ins. Code 36 § 3610]
- Inland marine risks are exempt from rate filing. [OK Ins. Code 36 § 903]
- Oklahoma has commercial deregulation (**for rates only**) for property and casualty policies, excluding workers' compensation, employers liability, accident & health, ocean marine and title, involving Commercial Special Risks. [OK Ins. Code 36 § 981-997; Bull. PC 99-1]

**Commercial Special Risks** - the following categories of commercial lines risks are special risks and are exempt from the rate filing and review requirements:

- Commercial risks written on an excess or umbrella basis;
- Commercial risks that are (A) rated;
- Commercial lines risks which produce a minimum annual premium total of \$10,000; and
- Specifically designated special risks, including:
  - Risks insured under the Highly Protected Risks Rating Plan,
  - Aviation,
  - Credit,
  - Boiler and machinery,
  - Inland marine,
  - Fidelity and surety; and
  - Any other risks so designated by the Commissioner.

**Filing and Record Keeping Requirements**

- Rates for policies on commercial special risks need not be filed. [OK Ins. Code 36 § 997]
- Underwriting files, premiums, loss and expense statistics, financial and other records regarding special risks shall be maintained by the insurer and shall be subject to examination by the Commissioner.

**II. (A) Rates and Individual Risk Rates**

(A) rates and individual risk rates are allowed. [OK Ins. Code 36 § 987; 36 § 997]

**Filing and Record Keeping Requirement**

- Commercial (A) rates and individual risk rates need not be filed. [ISO Manual]
- Insurer must maintain complete underwriting files and make available for review by Department upon request.

**III. Consent to Rates**

- Consent to rate is allowed for property and casualty, including workers' compensation (per M. Armstrong of the DOI).
- This does not apply to life; accident and health; reinsurance, other than joint reinsurance, ocean marine, as distinguished from inland marine; aircraft and aviation; title; and bail bonds. [OK Ins. Code 36 §§ 901, 902; OAC 570:10-1-9]

**Filing and Record Keeping Requirements**

- Written application (*see attached Oklahoma Excess Rate Application*) must be filed either before or within a reasonable time after the effective date of the policy.
- Application must be submitted in duplicate with a self-addressed stamped envelope.
- The application shall be maintained in the files.

**IV. Manuscript Endorsements**

Policies, riders, endorsements of unique character designed for use upon a particular subject are exempt. [OK Ins. Code 36 § 3620]

**OKLAHOMA  
EXCESS RATE APPLICATION**

TO: State Board for Property and Casualty Rates  
P.O.Box 53066  
Oklahoma City, OK 73152

GENTLEMEN:

Kindly file for \_\_\_\_\_ (Insurance Company) the following rates which I understand are in excess of those otherwise applicable.

This percentage increase is understood to apply to the manual premium \_\_\_\_%.

These rates are to apply to the following exposures: \_\_\_\_\_ and any exposures determined at final audit.

Kind of coverage: \_\_\_\_\_

Policy Number: \_\_\_\_\_

Period of Coverage: \_\_\_\_\_

Policy Limits: \_\_\_\_\_

Manual Premium at above limits: \_\_\_\_\_ (estimate if policy is subject to audit)

Proposed premium at above limits is: \_\_\_\_\_ (estimate if policy is subject to audit)

I am agreeable to paying this premium because (2) \_\_\_\_\_

Named Insured \_\_\_\_\_

Signed By: \_\_\_\_\_

(3) Title: \_\_\_\_\_

(4) Date: \_\_\_\_\_

- (1) Submit in duplicate with stamped self-addressed envelope
- (2) To be completed by insured
- (3) Excess form must be signed by insured
- (4) Date insured signed form

**OREGON**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Reinsurance, wet marine and transportation insurance are exempt from form filing. [OR Ins. Code § 742.001]
- Inland marine is exempt from rate filing. [OR Ins. Code § 737.205]
- There are no other forms of commercial deregulation in Oregon.

**II. (A) Rates and Individual Risk Rates**

(A) rates and individual risk rates are allowed. (Contact State Filings Division for AIG (A) rate filings or see ISO Manual).

**Filing and Record Keeping Requirements**

- "Guide (A)" or "refer to company" rates, as well as individual risk rates, must be filed with the Department.
- Filings must be submitted on or before the policy effective date. [D.Dahl, Casualty Actuary, DOI, 5-19-08]

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, including workers' compensation [OR Ins. Code § 737.325(2)]
- This does not apply to reinsurance, other than joint reinsurance; aircraft hull and aviation; wet marine and transportation; life; or health. [OR Ins. Code § 737.035]

**Filing and Record Keeping Requirements**

- Written application (*see attached Consent to Rate Form*) must be filed with and approved by the Director.
- The application shall be maintained in the files.

**IV. Manuscript Endorsements**

Forms of unique character which are designed for use upon a particular subject are exempt from filing. [OR Ins. Code § 742.003] The negotiated form must be issued only to one (1) policyholder, must comply with benefits and coverages mandated by statute, and must have a company-assigned form number. [OR Administrative Rule § 836-010-0011]

- DBG profit centers are required to maintain a list of all manuscript forms or endorsements for review during market conduct examinations. [See Regulatory Compliance Bulletin REG ML 2006 02 (2-16-06)]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for Limits Amounts of Insurance Deductibles  
(primary/excess)

Exposure Identification Class Territory Location of Risks

Include any other reason for higher rate: \_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**PENNSYLVANIA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- There is a commercial exemption for policy forms (**for forms only**) for those commercial property and casualty lines specifically listed below. [Ins. Dept. Notice 95-9]
- There is a form of commercial deregulation in Pennsylvania (**for rates and forms**) for commercial property and casualty policies, excluding workers' compensation, involving Large Commercial Risks. [Ins. Code 40-66-101-105]

**Large Commercial Risk** is a risk of a commercial entity, that is not a personal risk:

- Whose aggregate annual property and casualty premiums on all policies, excluding workers' compensation, total at least \$25,000, or which has at least 25 full-time employees at the time the policy is written or renewed, and
- For which the entity uses an employee acting as an insurance manager or buyer or a retained qualified insurance consultant or risk manager provided the insurance is procured in accordance with the laws of this Commonwealth.

**LINES OF BUSINESS DEREGULATED (for forms only)**

- Aircraft hull and aviation liability
- Excess of loss policy in an amount of at least \$10,000 from any one event issued to self insureds
- Manuscript policies and endorsements issued to not more than three (3) insureds in Pennsylvania
- Inland marine
- Following form commercial excess and umbrella
- Commercial excess and umbrella policies if the underlying policy provides limits of at least \$1 million
- Expropriate coverage
- Kidnap and ransom
- Political risk
- Extortion risk
- Computer fraud
- Crop and hail
- Mortgage guaranty
- Fidelity and surety
- Flood insurance
- Boiler and machinery
- Financial guaranty products
- Output policies
- Highly protective risk policies

**Filing and Record Keeping Requirements**

- Rates and forms for policies on Large Commercial Risks are exempt from filing.
- The insurer shall disclose to the insured on Large Commercial Risks that forms and rates are exempt from filing requirements. Disclosures made by the insurer shall be maintained by the insurer.
- The commercial property and casualty lines listed above are not subject to policy form filing requirements.

**II. (A) Rates and Individual Risk Rates**

There is no statutory provision for (A) rates or individual risk rates. However, (A) rates and individual risk rates are allowed (contact State Filings Division for AIG (A) rate filings or see ISO Manual). [ISO Manual]

**Filing and Record Keeping Requirement**

- (A) rates must be filed; the rates are effective upon filing.
- Individual (A) rate risks do not need to be filed if the insurer files a schedule or rates. If the insurer chooses to file a schedule, individual risks need only be filed if they deviate from the schedule or the risk class does not fall within the schedule.



- For those filings, the filings must include a copy of the Declaration Page and a statement in the filing letter that the filing being submitted to comply with Section 1184(e) of the Casualty and Surety Rate Act.
- Individual risk rates need only be filed if they deviate more than 25% from the filed rates; in such situation, the rates must be filed within 30 days after the effective date. The filing must include copy of the Declaration Page and a statement in the filing letter that the filing being submitted to comply with Section 1184(e) of the Casualty and Surety Rate Act.
- For all risks, the insurer must maintain complete files, including an explanation of the factors used in determining the rate or classification of the risk and make these files available to the Department upon request.

### **III. Consent to Rate**

Consent to rate is allowed for property and casualty, including workers' compensation. [PA Ins. Code 40-53-104, 77-1-716 (WC), 40-61-137 (title), 40-67-104 (P&C), 40-65-104(Cas. & Surety), 75-2003 (Auto)]

This does not apply to reinsurance, other than joint reinsurance, accident and health and aircraft. [PA Ins. Code 40-65-102]

#### **Filing and Record Keeping Requirements**

- Written application (*see attached Consent to Rate Form*) of the insured, stating his reasons for rate must be filed with and approved by the Commissioner.
- The rate shall become effective when such consent is filed and shall be deemed to meet the requirements of this Act until such time as the Commissioner reviews the filing and so long thereafter as the filing remains in effect.
- Workers' Compensation applications must be approved by the commissioner before taking effect.

### **IV. Manuscript Endorsements**

Manuscript forms may be issued to up to three (3) insureds before having to be filed for prior approval. [Notice 95-9, August 23, 1995]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for Limits Amounts of Insurance Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification Class Territory Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**RHODE ISLAND**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Inland marine risks are exempt from rate filing. [Ins. Code § 27-6-8]
- There is a form of commercial deregulation in Rhode Island (**for rates and forms**) for policies involving Commercial Special Risks located in the state. [Ins. Code §§ 27-65-1; 27-65-2]
- Life, accident and health, mandatory auto, workers' compensation and employers' liability insurance, annuities and insurance written through a residual market plan, remain subject to all filing and approval requirements.
- Rates and forms for lead liability coverage for Commercial Special Risks must be filed. [R27-101-008]

**Commercial Special Risks** are defined as:

1. Risks written as commercial lines insurance, as defined, and which are written on an excess or umbrella basis.
2. (A) rated risks.
3. Risks written as commercial lines insurance which employ or retain the services of a "risk manager" and which also meet any one (1) of the following criteria:
  - Have a net worth over \$10 million;
  - Produce net revenues/sales over \$5 million;
  - Employ more than 25/50 employees, per company/holding company aggregate;
  - Have aggregate premiums in excess of \$30,000, excluding group life, group health, workers' compensation and professional liability insurance (including, but not limited to, errors and omissions and directors and officers liability insurance);
  - If a not-for-profit or public entity, have an annual budget or assets of at least \$25 million; or
  - If a municipality, have a population in excess of 20,000.
4. Risks which are "specifically designated commercial special risks," which include:
  - Highly protected risks;
  - Commercial insurance aviation risks;
  - Credit property insurance risks;
  - Boiler and machinery risks;
  - Inland marine risks;
  - Fidelity and surety risks.

A **Risk Manager** means: a full-time employee of, or a person certified and licensed and retained by, an ECP who is qualified through: (1) education and experience; or (2) training and experience, to assess an ECP's insurance needs and analyze and negotiate a policy of insurance. The risk manager has, as a primary responsibility, the oversight of the risk management activities of the ECP.

- A risk manager cannot receive a commission, fee or other consideration from the insurer in connection with the purchase of a commercial policy by the ECP.

**Filing and Record Keeping Requirements**

- An insurer providing coverage to such Commercial Special Risks must disclose to the insured that the forms used and rates charged are exempt from Insurance Department filing and approval requirements. Records of all such disclosures must be maintained by the insurer. [Ins. Code § 27-65-1]
- Commercial Special Risks are exempt from surplus lines due diligence requirements.
- Commercial Special Risks are exempt from the standard fire policy form provisions of § 27-5-2.

**II. (A) Rates and Individual Risk Rates**

(A) rates and individual risk rates are permitted. [§ 27-65-1]

**Filing and Record Keeping Requirements**

- (A) rates need not be filed. [§ 27-65-1]

- Individual risk rates do not need to be filed. [ISO Manual]
- Insurers must maintain complete underwriting files which are available for review upon request by the Department.

### **III. Consent to Rate**

Consent to rate is allowed for property and casualty [§ 27-9-8.2], including workers' compensation [ §§ 27-7.1-6.2; 27-6-14; 27-9-13; R27-20-003]

#### **Filing and Record Keeping Requirements**

- Written applications (*see attached Rhode Island Consent to Rate Form*) must be issued in triplicate and one original filed with the Commissioner for approval. All copies must bear the original signature of the applicant.
- For a risk to be insured for 30 days or more for \$1000 or more premium, the Consent to Rate application must be filed no less than thirty (30) days prior to the effective date of the policy.
- For a risk to be insured for 30 days or more for \$1000 or more premium, the application must include the actual experience of the risk subject to the most recent two year period as minimum period and five years as a maximum period preceding the desired effective date of the policy. The actual experience shall include the number of claims paid and the amount of damages paid for each claim, and may also include the number of claims incurred and/or awaiting settlement for which reserves have been established and the amount of such reserves.
- The application must include a statement of declination by at least one insurer, who has declined the risk at regular rates, other than the insurer willing to assume the risk.
- For a corporate risk to be insured for 30 days or more for \$1000 or more premium, the application must include a letter from the insured's Board of Directors authorizing the filing.

### **IV. Manuscript Endorsements**

There are no statutory provisions regarding manuscript forms and endorsements. However, the Department requires that these forms be filed. [C. Casala, 7-20-06]

**Rhode Island  
Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Actual Experience** (include #claims paid, damages paid, #claims incurred and/or awaiting settlement and reserves)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because

\_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## SOUTH CAROLINA

[\(back to reference chart\)](#)

### **I. Commercial Deregulation / Exemption**

- Surety contracts and fidelity bonds are exempt from form filing. [§ 38-61-20]
- Inland marine is exempt from rate filing. [§ 38-73-340]
- Excess fire and allied lines coverage which cannot practicably be filed prior to use are exempt from rate filing. [Order 71-3 (9-23-71)] In order to be exempt, all the conditions of Order 71-3 must be met.
- There is a form of commercial deregulation (**for rates only**) in South Carolina for Exempt Commercial Policies. [Ins. Code § 38-73-340; § 38-73-520; R 69-64 s B: 69-64 s C]

**Exempt Commercial Policies** are policies for commercial lines, as opposed to personal lines insurance, issued to commercial insureds, including all lines of commercial fire and allied insurance, inland marine insurance, commercial multi-peril insurance, casualty insurance including workers' compensation insurance, fidelity insurance and commercial automobile insurance.

- Insurance related to credit transactions written through financial institutions is not included within the definition of "exempt commercial policies." Professional liability insurance for physician and health care providers is not included within the definition of "exempt commercial policies." [R 69-64 s B]

In addition to the above exemptions, there is a rate exemption for Commercial Umbrella, Excess Workers' Compensation and Excess Liability Policies meeting certain limit requirements. [Order 81-3 (8-26-81)]

#### **Filing and Record Keeping Requirements**

- Rates for Exempt Commercial Policies and for Commercial Umbrella, Excess Workers' Compensation and Excess Liability do not have to be filed.
- All policy forms and endorsements for Exempt Commercial Policies and Umbrella/Excess must still be filed. [SC Ins. Code § 38-61-25; R 69-64 s D (use & file); ]
- The insurer must maintain records of rate development in underwriting files. Rates may not be excessive, inadequate, or unfairly discriminatory
- For Umbrella and Excess exemptions, refer to Order 81-3 for the limit requirements.

#### **Commercial Deregulation – Additional Exemptions**

Exempt commercial policies are exempt from notice of hearing. [SC Ins. Code § 38-73-910]

### **II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates and individual risk rates. However, (A) rates and individual risk rates are allowed. [ISO Manual]

#### **Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed. [ISO Manual]
- Insurer must maintain complete underwriting files and make them available for review by the Department upon request.

### **III. Consent to Rate**

- Consent to rate is permitted for property and casualty insurance, including workers' compensation. [SC Ins. Code § 38-73-1060]
- This does not apply to reinsurance, ocean marine, life, accident and health and aircraft hull and aviation. [SC Ins. Code § 38-73-20]

#### **Filing and Record Keeping Requirements**

- Written application (*see attached Consent to Rate Form*) of the insured, stating the reasons for accepting the rate, must be filed for prior approval with the Director.
- Policies may be bound before the approval is returned from the Director.

#### **IV. Consent to Form**

- Consent to form may be used at the written request of an insured on any specific risk to replace the use of a filed form which would otherwise be applicable. [SC Ins. Code § 38-73-1060(B)] [C. Griffith, Manager, Rates/Forms, SC DOI, 3-18-08]
- This provision does not apply to private passenger automobile, workers' compensation, employers' liability insurance, or insurance involving joint underwriting or joint insurance transactions. [SC Ins. Code § 38-73-1060(B)]

#### **Filing and Record Keeping Requirements**

- A written application of the insured, stating the reasons for accepting the form, must be filed for prior approval with the Director. The insurer is responsible for creating the application form used for the filing.
- The insured must meet the following requirements, in addition to filing a written application, in order to meet the requirements of § 38-73-1060(B): 1. the insured must have aggregate insurance premiums, excluding life, accident and health, in excess of \$100,000; and 2. the policy form applied for must not include any coverage for personal automobile, workers' compensation, employers' liability risk and must not be underwritten by joint underwriting or joint insurance transactions.

#### **V. Manuscript Endorsements**

Insurance contracts, riders, or endorsements prepared to meet special, unusual, peculiar or extraordinary conditions applying to an individual risk or exempt commercial policy are exempt from filing. [SC Ins. Code § 38-61-20; § 38-61-25]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for Limits Amounts of Insurance Deductibles  
(primary/excess)

Exposure Identification Class Territory Location of Risks

Include any other reason for higher rate: \_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



**SOUTH DAKOTA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds and specially rated inland marine risks are exempt from form filing. [S.D. Ins. Code § 58-11-13] Inland marine risks are exempt from rate filing. [S.D. Ins. Code § 58-24-10]
- South Dakota has a commercial deregulation law for rates and forms issued to Exempt Commercial Policyholders. These provisions apply to all commercial lines except workers' compensation and title insurance. [SD Ins. Code §§ 58-24-68 – 58-24-74]

**Exempt Commercial Policyholder** is any person who applies for any kind of property or casualty insurance through the services of a risk manager, and who meets at least two (2) of the following criteria:

- Has purchased insurance having an aggregate premium level of at least \$100,000 during the most recently completed calendar year;
- Has a net worth of at least \$10,000,000 as reported in the policyholder's most recently issued financial statement, reviewed or audited by an independent certified public accountant;
- Has annual net revenues or net sales of at least \$10,000,000 as reported in the policyholder's most recently issued financial statement, reviewed or audited by an independent certified public accountant;
- Employs at least one-hundred (100) full-time employees, either individually or, if the policyholder is a member of an affiliated group, collectively with all members of the affiliated group;
- Has, if the policyholder is a nonprofit organization, an annual operating budget of at least \$2,500,000 for the most recently completed calendar or fiscal year, whichever applies;
- Has, if the policyholder is a public entity, an operating budget of at least \$10,000,000 for the most recently completed calendar or fiscal year, whichever applies; or
- Has, if the policyholder is a municipality, a population of at least twenty-thousand (20,000).

The term "risk manager" is defined as an employee or third-party consultant who possesses at least one (1) of the following credentials:

- A bachelor's or higher degree in risk management issued by an accredited college or university;
- A designation as a chartered property and casualty underwriter issued by the American Institute for Chartered Property and Casualty Underwriters and Insurance Institute of America;
- A designation as an associate in risk management issued by the American Institute for Chartered Property and Casualty Underwriters and Insurance Institute of America;
- A designation as a certified risk manager issued by the National Alliance for Insurance Education and Research;
- A designation as a fellow in risk management or RIMS fellow issued by the Global Risk Management Institute; or
- Has seven (7) years of experience in at least one or more of the following areas of commercial insurance: risk financing; claims administration; loss prevention or; risk and insurance coverage analysis.

**Filing and Record Keeping Requirements**

- All rating plan schedules and manuals must be filed with the Department. Rates are effective on the date filed. [S.D. Ins. Code § 58-24-10] **Note:** The Department's position is that no rate filings are necessary for an ECP. ( V. Rivenes, Commercial P/C, DOI, 12-7-04).
- All forms for an ECP must also be filed with the Department. [S.D. Ins Code §§ 58-24-12, 58-24-13] **Note:** The Department's position is that no form filings are necessary for an ECP. (V. Rivenes, Commercial P/C, DOI, 12-7-04).
- When soliciting an ECP, the producer or the insurer, in the case of direct procurement, must disclose to the policyholder and the policyholder's risk manager, that the rate and forms used may not be subject to the filing requirements of the Division of Insurance. (*Please see the attached ECP certification form.*) If a third-party consultant is used by the ECP, the consultant must provide written disclosure of any commission, fee or contingency arrangement which the consultant has with the insurer. The disclosure notice must be developed by the insurer. (*Please see the attached third party consultant disclosure form.*)

- Copies of disclosure notices and records must be maintained for at least five (5) years. This includes: statistics, rates, rating plans, rating systems and underwriting rules; claims-made policy forms; annual experience data on each risk insured, including written premiums, written premiums at a manual rate, paid losses, outstanding losses, loss adjustment expenses, underwriting expenses, underwriting profits, and profits from contingencies; and complaint information required under South Dakota law.

## **II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates and individual risk rates. However, (A) rates and individual risk rates are allowed (contact State Filings Division for AIG (A) rate filings or see ISO Manual). [ISO Manual]

### **Filing and Record Keeping Requirements**

- (A) rates must be filed for approval at least 30 days before the effective date unless insurer chooses to file a schedule of rates.
- If a schedule is filed, (A) rates need only be filed if they deviate from the schedule or do not fall within a class in the schedule. In such situations, the rate must be filed at least 30 days before the effective date.
- Individual risk rates must be filed for approval at least 30 days before the effective date.
- Insurer must maintain complete underwriting files and make available for review by Department upon request.

## **III. Consent to Rate**

- Consent to rate is allowed for property and casualty including workers' compensation [SD Ins. Code §§ 58-24-2, 58-24-26]
- This does not apply to reinsurance, life, health, ocean marine and title. [SD Ins. Code § 58-24-3]

### **Filing and Record Keeping Requirement**

- Written application (*see attached Consent to Rate Form*), signed by the insured, stating the reasons for accepting the rate, must be filed with and approved by the Director at least 30 days prior to the effective date of the policy.
- The director may waive the requirement of prior filing if a special need is demonstrated.

## **IV. Manuscript Endorsements**

Policies, riders, endorsements, or forms of a unique character designed for use upon a particular subject are exempt from filing. [SD Ins. Code § 58-11-13]

## SOUTH DAKOTA CERTIFICATION OF EXEMPT COMMERCIAL POLICYHOLDER STATUS

Pursuant to South Dakota Insurance Code §§ 58-24-68 to 58-24-74, the Insured, \_\_\_\_\_, and the Insured's Risk Manager, \_\_\_\_\_, certify to \_\_\_\_\_ (the "Insurer") that the Insured elects to be, and qualifies as, an Exempt Commercial Policyholder under South Dakota law. I, the Insured and the Risk Manager representing me, understand that the premium rate used and the policy forms of the policy applied for may not be subject to the filing and prior approval requirements of the Division of Insurance, and that both the policy forms and policy rates may contain significant differences from the rates and forms used for a commercial policy that is subject to all provisions of the insurance law.

The Insured and the Insured's Risk Manager certify that the Insured qualifies as an Exempt Commercial Policyholder, because the Insured meets a least two (2) of the following criteria: (Check all that apply.)

- \_\_\_\_ Has an aggregate annual property and casualty insurance premium (excluding workers' compensation and title insurance premium) of at least \$100,000 during the most recently completed calendar year;
- \_\_\_\_ Has a net worth of at least \$10,000,000 as reported in the policyholder's most recent audited financial statement;
- \_\_\_\_ Has annual net revenue or sales of at least \$10,000,000 as reported in the policyholder's most recent audited financial statement;
- \_\_\_\_ Employs at least one-hundred (100) full-time employees, either individually, or collectively, if a member of an affiliated group;
- \_\_\_\_ If a nonprofit organization, has an annual operating budget of at least \$2,500,000 for the most recently completed calendar or fiscal year;
- \_\_\_\_ If a public entity, has an operating budget of at least \$10,000,000 for the most recently completed calendar or fiscal year; or
- \_\_\_\_ If a municipality, has a population of at least twenty-thousand (20,000); and
- \_\_\_\_ Retains a risk manager, who is either a full-time employee or third-party consultant who possesses at least one of the credentials or levels of experience enumerated in South Dakota Insurance Code § 58-24-69.

Policyholder and Risk Manager Signatures:

Signed: \_\_\_\_\_ Title: \_\_\_\_\_

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

Signed: \_\_\_\_\_ Title: \_\_\_\_\_

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

**SOUTH DAKOTA  
THIRD PARTY CONSULTANT DISCLOSURE FORM**

Pursuant to South Dakota Insurance Code § 58-24-71, if a third party Consultant is retained by an Exempt Commercial Policyholder to act as the policyholder's risk manager when a quote for insurance is made, the Consultant must disclose, in writing, the existence of any commission, fee, or contingency arrangement the Consultant may have with the Insurer.

Accordingly, \_\_\_\_\_, acting as a third party Consultant and risk manager for the Exempt Commercial Policyholder, \_\_\_\_\_, certify as follows concerning my relationship with the Insurer, \_\_\_\_\_:

- I have not received any commissions or fees from the Insurer in connection with the placement of this policy and do not have a contingency relationship with the Insurer in connection with the placement of this policy.

Signed: \_\_\_\_\_ Title: \_\_\_\_\_

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

- I have received remuneration from the Insurer in connection with the placement of this policy and wish to make the following disclosures:

Signed: \_\_\_\_\_ Title: \_\_\_\_\_

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

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for            Limits            Amounts of Insurance            Deductibles             
(primary/excess)

           Exposure Identification Class            Territory            Location of Risks           

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**TENNESSEE**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Inland marine risks by general custom are not filed (**rates and forms**). [Tenn. Ins. Code § 56-5-306]
- There are no other forms of commercial deregulation in Tennessee.

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates and individual risk rates. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed. [ISO Manual]
- Insurer must maintain complete underwriting files and make available for review by Department upon request.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, including workers' compensation. [Tenn. Ins. Code §§ 56-5-307, 56-5-301]
- This does not apply to life; annuities; disability; ocean marine; reinsurance; aircraft liability and aircraft hull; insurance written by county mutual fire insurance companies; title; credit life and credit accident and health insurance. [Tenn. Ins. Code § 56-5-201]

**Filing and Record Keeping Requirements**

- Written application need not be filed. However, an application (*see attached Consent to Rate Form*) of the insured, stating specific reasons why a risk requires a higher rate, should be obtained and must be kept on file by the insurer.
- An endorsement must be attached to the policy, giving reasons for rate and the percentage of surcharge.
- Copies must be made available to the Commissioner upon request for review to determine that the rates are not excessive, inadequate, or unfairly discriminatory.

**IV. Manuscript Endorsements**

There is no statutory provision addressing manuscript forms. However, per the DOI, manuscript forms are not filed.

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification Class Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**TEXAS**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Texas has commercial deregulation (**for forms only**) for Large Risks. [I.C. §2301.004] The Large Risk exemption applies to any coverage for an insured meeting the criteria for a large risk, including coverage for inland marine. [I.C. §§2301.003; 2301.005; Bulletin B-0023-98]
- Texas has a commercial exemption (**for rates and forms**) for certain professional liability and inland marine lines as listed below (*see Exempt Lines*). [*Property/Casualty Filings Made Easy*, May 2007 Edition; 28 T.A.C. §§5.5001- 5.5002]

A "**Large Risk**" is a policy issued to one of the following (I.C. §2301.004):

- 1) An insured that has total insured property values of \$5 million or more;
  - 2) An insured that has total annual gross revenues of \$10 million or more;
  - 3) An insured that has a total premium of \$25,000 or more for property insurance, \$25,000 or more for general liability insurance, or \$50,000 or more for multi-peril insurance; or
  - 4) An insured that is eligible for a Large Risk Alternative Rating Option (LRARO), large deductible plan, or any other rating plan which is negotiated with an insured as permitted by TDI rules and regulations.
- Note: Commercial property insurance may be written on a large risk basis for a business group or association, if: i) the members of the group have clearly identifiable underwriting characteristics or; ii) the members of the association are engaged in similar businesses. [I.C. §2171.002]

**Exempt Lines** – The following sub-lines of professional liability and inland marine are exempt from rate and form filing on a “prior approval” or “file and use” basis:

**Professional Liability**

- |  |  |
|--|--|
| - Accountants Professional Liability         | - Medical Laboratory Professional Liability  |
| - Architects Professional Liability          | - Psychologists Professional Liability       |
| - Beauticians/Barbers Professional Liability | - Real Estate Dealers Professional Liability |
| - Engineers Professional Liability           | - Surveyors Professional Liability           |
| - Lawyers Professional Liability             | - X-ray Laboratory Professional Liability    |

**Inland Marine**

- |   |  |
|---|--|
| - Bailee Customers Practice   | - Jewelers’ Block (except retailers with average inventories of less than \$250,000)   |
| - Bridges, Tunnels and other Instrumentalities of Transportation and Communication    | - Live Animal Floaters (except cattle kept for feeding, dairy, breeding or show; sheep, swine, horses and mules used for other than racing or show, including breeding for racing or show) |
| - Cold Storage Locker Plant Policies  | - Mobile Equipment and Misc. Movable Property  |
| - Domestic Bulk Liquid Policies   | - Nuclear Insurance  |
| - Domestic Shipments  | - Pattern and Die Floaters   |
| - Exhibition Policies   | - Radium Floaters  |
| - Exports   | - Rolling Stock  |
| - Fine Arts Policies – Dealers  | - Salesmens’ Samples Floaters  |
| - Furriers’ Block   | - Self-service Storage Customer Floaters   |
| - Furriers’ Customers Policies  | - Stamp and Coin Floaters - Commercial   |
| - Garment Contractors Floaters  | - Travel Baggage   |
| - Government Service Floaters   | - Wedding Present Floaters   |
| - Home Freezer and Contents   | - Wool Growers and Wool Buyer Floater Policies   |
| - Imports   |  |
| - Installation Risks or Builders’ Risks   |  |
| - Installment Sales, Lease Property and Deferred Payment Policies (Commercial Credit) |  |

**Underserved Residential Property**

- This insurance is exempt as to rates, only.

**Filing and Record Keeping Requirements**

- Forms on policies involving Large Risks are exempt from filing. Rates are not exempt from filing for Large Risks.
- Rates and forms for the sub-lines of professional liability and inland marine listed above are exempt from filing, with the exception of residential property for underserved communities, which requires prior approval



of policy forms.

**II. (A) Rates and Individual Risk Rates**

- Individual (A) rates and individual risk rates are not permitted in Texas for any line of business subject to the provisions of Article 5.13-2. This includes all commercial lines, except workers' compensation, which is subject to Article 5.55. [TDI Bulletin 6/1/95; Article 5.13-2; D. Booher, TDI, 4/4/06] [Refer to ISO Circular LI-CA-2006-065 (2/22/06) for commercial automobile.]
- (A) rates are permitted for certain classes of workers' compensation and are exempt from filing. [Commissioners' Bulletin B-0067-05, 10/21/05; J. Byckovski, TDI Actuarial, 4/17/06]
- Although individual risk submissions are not permitted, insurers may file schedule rating or experience rating plans for particular lines or classes of risks, including workers' compensation. All filings are subject to the "file and use" rules that apply to business lines in a competitive market. Once the rating plan is approved, it may be applied to any eligible risk without requiring an individual filing. Individual risk filings are not permitted. [TDI Bulletin 6/1/95; D. Booher, TDI, 4/4/06]

**III. Consent to Rate**

- Consent to rate is not permitted for any commercial line, including workers' compensation, according to the TDI. [D. Booher, TDI, 4/4/06; J. Byckovski, TDI Actuarial, 4/17/06]
- All P/C lines (excluding workers' compensation) are subject to the provisions of Article 5.13-2, which does not include consent to rate or subjective rating provisions of any kind. [Senate Bill 14 (6/11/03); Bulletin B-0028-03 (7/14/03); Bulletin B-0004-05 (1/20/05)]

**IV. Manuscript Endorsements**

There is no statutory provision addressing manuscript forms. However, the TDI requires that manuscript forms be filed for approval. [D. Booher, TDI, 4/4/06]

## UTAH

[\(back to reference chart\)](#)

### I. Commercial Deregulation / Exemption

- There is a form of commercial exemption (**for rates only**) for Commercial Excess and Umbrella Liability. [UT Ins. Code § 31A-19a-203 and Rule 590-127.8]
- Inland marine risks, which by custom are not written according to manual rules or rating plans, are exempt from **rate and form** filing. [UT Ins. Code §§ 31A-19a-203; 31A-21-101]
- Commercial aviation is also exempt from **rate and form** filing. [Rule R590-144-2]
- There is a commercial exemption (**for forms**) for the following lines:
  - Retainer contracts made by attorneys;
  - Limited legal assistance;
  - Insurer activities where state jurisdiction preempts ERISA;
  - Ocean marine insurance;
  - Death and disability insurance provided by charitable organizations without incurring legal obligations;
  - Self insurance;
  - Reinsurance;
  - Manufacturers' warranties in ordinary course of sale; and
  - Manufacturers' warranties or service contracts paid for with additional consideration issued in ordinary course of sale, which are for the repair or maintenance of goods (but not for motor vehicles) which cost less than \$ 3,000. [UT Ins. Code 31A-1-103]
- There are no other forms of commercial deregulation or exemption in Utah.

### Filing and Record Keeping Requirements

- Rates for Commercial Excess and Umbrella Liability do not need to be filed.
- However, underwriting files must contain full and supporting documentation justifying the rates and showing the development of the rate. This development should contain an analysis of specific definable loss potential characteristics with regard to its excess exposure and any other underwriting criteria.
- At renewal, the underwriting file must contain documentation of the reevaluation of the rate assigned and justification for the continuation of the rate or development of the new rate.

### II. (A) Rates and Individual Risk Rates

- (A) rates and individual risk rates are allowed.
- Specifically, (A) rate exemptions apply to liability insurance, professional liability insurance, property insurance, vehicle liability and physical damage insurance and workers' compensation insurance, as defined in Section 31A-1-103. [Rule R590-127, et seq.; UT Ins. Code § 31A-19a-203]

### Filing and Record Keeping Requirements

- All (A) rates and individual risk rates shall be exempt from the filing requirements of Section 31A-19a-203.
- However, if the rate deviates > 25% from the expiring policy premium (for reasons other than changes in the premium basis), the company must file the individual rate within 30 days after the effective date.
- Whenever an (A) rate is used the underwriting file shall contain full and supporting factual documentation verifying that it is an (A) rate as defined and showing the development of the (A) rate assigned by the underwriter.
- An underwriter is permitted to use (A) rating only in the following circumstances:
  1. When it can be clearly demonstrated that a risk described by specific classifications in the Commercial Lines Manual presents unique or unusual conditions of exposure or hazard such that the application of the normal manual rate for that classification does not produce a reasonable and equitable rate for the risk;
  2. When the coverage to be written is broader or more restricted than that provided for by the manual definition of coverage as limited by applicable manual exclusions;
  3. When the insurer has developed a program for types of risks or coverages that are not included in

the Commercial Lines Manual and for which there is limited statistical data for ratemaking purposes; or

4. When a risk develops more than \$100,000 in annual manual basic limits unmodified premium for automobile liability, general liability, glass and theft insurance, individually, or \$250,000 in any combination. Boiler and Machinery risks may be (A) rated provided the one-year deposit premium charged for the coverages afforded is \$50,000 or more.
  - *See laws for more underwriting guidance.*

### **III. Consent to Rate**

- Consent to rates is allowed for property and casualty, excluding workers' compensation and employers' liability written in connection thereto and warranty. [UT Ins. Code §§ 31A-19a-203; 31A-19a-401]
- This does not apply to life insurance other than credit life insurance; variable and fixed annuities; health and accident and health insurance other than credit accident and health insurance; and reinsurance. [UT Ins. Code 31A-19a-101]

### **Filing and Record Keeping Requirements**

- A Consent to Rate application (*see attached Consent to Rate Form*) must be filed with the Department within 30 days after the effective date. If the filing is not disapproved within 10 days, the excess rate will apply. If it is disapproved, the company can cancel the policy pro-rata with 10 days notice. If the company does not cancel the policy any excess premium (not approved) must be refunded. [UT Ins. Code § 31A-19a-203(6)(a)]
- Written applications must be filed with cover letter, filing fees filing transmittal forms and full explanation of filing.
- The application must be maintained in the files.

### **IV. Manuscript Endorsements**

There is no exemption from form filing for manuscript forms and endorsements. [Rule R590-225]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for Limits Amounts of Insurance Deductibles  
(primary/excess)

Exposure Identification Class Territory Location of Risks

Include any other reason for higher rate: \_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**VERMONT**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds and specially rated inland marine risks are exempt from form filing. [T. 8 § 3541]
- There are no other forms of commercial deregulation in Vermont.

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates. However, (A) rates and individual risk rates are allowed. [ISO Manual]

**Filing and Record Keeping Requirements**

- (A) rate and individual risk rates need not be filed. [ISO Manual]
- Insurer must maintain complete underwriting files and make available for review by Department upon request.

**III. Consent to Rates**

- Consent to rates is allowed for property & casualty, including workers' compensation and employers' liability (per L. Hall at VT. DOI). [T. 8 § 4687 and 4688 (f), T. 8 § 4688a, Reg. I-85-1 § 5]
- Consent to rate may be used only on an individual risk basis and may include a higher rate than filed or provide more restrictive coverage than under a standard policy.
- Consent to rate does not apply to life insurance; annuities; accident and health; ocean marine insurance; reinsurance; and aircraft liability and aircraft hull. [T. 8 § 4687]

**Filing and Record Keeping Requirements**

- A written application (*see attached Consent to Rate Form*) of the insured, stating the reasons for accepting the rate, must be filed with and approved by the Commissioner within 60 days after the effective date of the policy.
- If consent to rate is used for any risk, which is eligible for coverage under a residual market mechanism (i.e. Vermont Automobile Insurance Plan), the Consent to Rate form must contain a prominent statement advising the insured that he is eligible for coverage under that Plan and provide the premium rate chargeable under such a Plan.
- Bulletin 111 addresses consent to rate filings from licensed companies seeking to attach a pollution exclusion to liability policies if the risk has a high probability of pollution claims. Consent to rate filings to exclude pollution coverage will not be approved unless there is a recognized, specific pollution exposure that is not acceptable. *See Bulletin 111* for simplified Consent to Rate application for this type of exclusion.

**IV. Manuscript Endorsements**

Policies, riders, endorsements and forms of unique character designed for use upon a particular subject are exempt from filing. [T. 8 s 3541] According to the Division of Insurance, forms of unique character must, by definition, refer to coverages for unique or unusual risks or exposures, such as nuclear power plants, space satellites or suspension bridges. Additional examples, pursuant to Regulation 85-1, §6, are strike insurance and insurance of any kind for unusual, high risk occupations such as professional divers and stunt men. [W. Daley, Division of Insurance, 5/19/05]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

<u>Coverages applied for</u>	<u>Limits</u>	<u>Amounts of Insurance</u>	<u>Deductibles</u>
	(primary/excess)		

<u>Exposure Identification</u>	<u>Class</u>	<u>Territory</u>	<u>Location of Risks</u>
--------------------------------	--------------	------------------	--------------------------

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**VIRGINIA**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

**A.** There is a commercial exemption (**for rates only**) for workers' compensation retrospective rating plans and large deductible plans for policies involving a Workers' Compensation Large Risk. [VA Ins. Code §38.2-1903]

- **Workers' Compensation Large Risks** are those risks which generate total estimated standard premium for workers' compensation insurance of at least \$250,000 annually (or less or in combination with other lines if approved by the Commission). Large risks that are rated using large deductible plans must include a per-claim deductible of \$100,000 or more.
  - In addition, workers' compensation is also exempt from **form** filing under the "exempt lines" provisions of Ins. Code § 38.2-317.

**B.** There is a second form of commercial exemption in Virginia, referred to as commercial deregulation (**for rates and forms**) that applies to all commercial property and casualty policies involving Large Commercial Risks, except for workers' compensation, professional liability (including medical professional liability) and forms for commercial automobile, [VA Ins. Code § 38.2-1903.1]

- A **Large Commercial Risk** is a person or entity that:
  1. Employs, on a full-time basis, a qualified risk manager to negotiate insurance coverage; and
  2. Meets at least (2) of the following criteria:
    - a. Possesses a net worth in excess of \$2,000,000;
    - b. Generates annual revenues in excess of \$2,000,000;
    - c. Employs more than 10 full-time or full-time equivalent employees per individual insured;
    - d. Pays annual aggregate nationwide insurance premiums, excluding professional liability and workers' compensation insurance premiums, in excess of \$25,000;
    - e. Is a nonprofit organization or public body generating annual budget expenditures of at least \$5,000,000; or
    - f. Is a municipality with a population in excess of 30,000 persons.
- A **Risk Manager** is: (i) an employee of the large commercial risk or (ii) a third party consultant retained by the large commercial risk, who provides skilled services in loss prevention, loss reduction, or risk and insurance coverage analysis and the purchase of insurance, and who possesses at least one of the following credentials:
  - a. A bachelor's or higher degree in risk management issued by an accredited college or university;
  - b. A designation as a Chartered Property and Casualty Underwriter (CPCU);
  - c. A designation as an Associate in Risk Management (ARM);
  - d. A designation as a Certified Risk Manager (CRM);
  - e. A designation as a Fellow in Risk Management (FRM); or
  - f. Has at least five years of experience in one or more of the following areas of commercial property and casualty insurance: (i) risk financing, (ii) claims administration, (iii) loss prevention, or (iv) risk and insurance coverage analysis.

**C.** There is a third commercial exemption that applies to certain exempt lines (**for rates and/or forms**). [VA Ins. Code §§ 38.2-317; Admin. Order Nos. 6844, 6855, 7236, 8301, 8497, 8873, 9078, 9079, 9720, 9721, 10210, 11167, 11248, 11249, 11260, 11293, 11317, 11348, 11397, 11508, 11542, 11616, 11617, 11644, 11647, 11728, 11758, 11761, 11773 and Admin. Letter 1997-8]

- **Exempt Lines**, that are exempt for **rates, only**, include the following:
  - a. Architects and engineering professional liability;
  - b. Automobile liability with physical damage and general liability risks, which have annual manual basic premium limits of \$150,000 or more;
  - c. Boiler and machinery with annual deposit premium of \$50,000 or more;
  - d. Business credit insurance;

- e. Commercial inland marine classes set forth in Order No. 9079;
- f. Commercial liability classes set forth in Order No. 11542;
- g. Commercial public event cancellation;
- h. Crop insurance;
- i. Dam liability;
- j. Directors and officers liability;
- k. Employment practices liability;
- l. Environmental liability (including underground tanks);
- m. Excess commercial fire;
- n. Excess commercial (and personal) auto and liability meeting the requirements of Order No. 11647;
- o. Excess general liability meeting the requirements of Order No. 11647;
- p. Excess professional liability meeting the requirements of Order No. 11647;
- q. Excess workers' compensation liability meeting the requirements of Order No. 11647;
- r. Excess general liability classified as miscellaneous casualty meeting the requirements of Order No. 11647;
- s. Fiduciary liability;
- t. Fire insurance written on an excess of loss basis meeting the requirements of Order No. 6855
- u. Highly protected risks meeting the requirements of Order No. 8301;
- v. Kidnap and ransom (foreign);
- w. Landfill liability;
- x. Liquor liability;
- y. Medical and pharmaceutical clinical trial testing liability;
- z. Mortgage guaranty;
- aa. Municipal bond insurance;
- bb. Nuclear energy property (physical damage) and liability;
- cc. Private pleasure watercraft 26 feet or more;
- dd. Public housing liability;
- ee. Surety;
- ff. Technology liability;
- gg. Weather insurance;
- hh. Y2K.

- **Exempt Lines** that are exempt for **forms, only**, include the following:

- a. Commercial inland marine classes set forth in Order No. 9078;
- b. Crop insurance;
- c. Excess commercial fire;
- d. Highly protected risks meeting the requirements of Order No. 11317;
- e. Employers' liability;
- f. Private pleasure watercraft 26 feet or more in length;
- g. Statutory fire insurance policies;
- h. Standard automobile policy forms and endorsements;
- i. Surety insurance;
- j. Workers' compensation.

**D. Using the Exempt Rules:** The three possible types of exemption cited above (**A, B and C**) may result in a particular line being exempt from rate filing under one law and exempt from form filing under another law. For example, workers' compensation large risks are exempt from rate filing under Ins. Code § 38.2-1903, the statute governing large deductible and retrospectively rated workers' compensation risks. In addition, this line is also exempt from form filing under the "exempt lines" provisions of Ins. Code §38.2-317. Therefore, workers' compensation is, in effect, an exempt line for rates and forms under Virginia law, if rated as a large risk.

- Other lines, such as certain classes of general liability are exempt from rate filing, only, under the "exempt lines" provisions, but are exempt from both rate and form filing if the risk meets the requirements for a "large commercial risk."
- Surety insurance is exempt from both rate filing (effective 4-19-07) and form filing as an "exempt line."



- When determining if a commercial risk is eligible for a filing exemption, review all of the possible statutory exemptions cited in this section.

#### **Filing and Record Keeping Requirements for Workers' Compensation Large Risks**

- The agreements for retrospective and large deductible rating plans used for risks that qualify as Workers' Compensation Large Risks must be in writing between the insurer and insured.
- Copies of such rating plans must be available to the Commission upon request.
- Insurers must continue to file experience data for such plans.

#### **Filing and Record Keeping Requirements for Large Commercial Risks**

- Rates and forms for a policy involving a Large Commercial Risk are exempt from filing.
- An insurer providing a policy to a Large Commercial Risk must obtain an annual written certification from the policyholder. Please refer to the certification form following Section IV. below.
- The certification must be signed by the CEO and risk manager of the company and indicate:
  - (1) That the policyholder has a risk manager and the individual's qualifications;
  - (2) The other (2) criteria it meets;
  - (3) The awareness that the policy and rate are not subject to state review;
  - (4) That the insured has the expertise to negotiate such a policy; and
  - (5) That the insured agrees to the use of such a form.
- The insurer shall retain the certification form.
- The insurer shall report to the Commission annually the number of exempted policyholders, along with an aggregation of the criteria establishing the exemption.
- A policy renewal involving a Large Commercial Risk is exempt from the requirements of § 38.2-231 concerning special notice requirements for a premium increase in excess of 25% or a reduction in coverage initiated by the insurer. [Admin. Letter 2006-12 (7-7-06); Ins. Code § 38.2-231(E).(4.)]

#### **Filing and Record Keeping Requirements for Exempt Lines**

- The rates or forms for exempt lines or businesses listed under C are exempt from filing.
- Exempt lines for rates are subject to the prior notification provisions of § 38.2-231 concerning a premium increase in excess of 25% or an insurer-initiated reduction in coverage.
  - The 25% increase is calculated as the difference between the renewal premium and premium at the effective date of policy expiration.
  - The notice must be printed in 8-point type or larger, must be sent by registered or certified mail, and must specify the increase amount, the reason for the increase (or reduction), the effective date and the right to Commissioner review, if requested in writing, within 15 days of notice receipt.
  - File documentation must be maintained for at least one year.

## **II. (A) Rates and Individual Risk Rates**

- (A) rates may only be used for those risks filed by a rating organization (i.e. ISO) as an (A) rate or refer to company rate. (Contact State Filings Division for AIG (A) rate filings or see ISO Manual.)
- (A) rating may be used for the following lines:
  - Professional liability: directors' and officers' liability; architects' and engineers' professional liability; asbestos abatement contractors' liability.
  - Other liability: environmental impairment liability; liquor liability; dams (existence hazard) liability; landfill liability; public housing liability; underground tank liability. [Admin. Letter 1988-17; Admin. Letter 1989-13; Admin. Letter 1990-20; Admin. Letter 1994-10]
- Individual risk rates are allowed. [§ 38.2-1904; § 38.2-2005]
- (A) rates and individual risk rates are not subject to the prior notification provisions of § 38.2-231 for renewal increases in excess of 25% (or insurer-initiated coverage reductions), if proper notice of renewal is provided.
  - Retrospectively rated risks are exempt from the 25% premium notice requirement by definition. [Admin. Letter 2006-12 (7-7-06); Ins. Code § 38.2-231(E).( 5.)]

### **Filing and Record Keeping Requirements**

- All individual rates must be filed on or before the effective date with the Department.
- Schedule rating plans have simplified filing requirements, effective 11-8-06. Filers are no longer required to provide either the maximum total credit and debit, or an illustration of how such credits and debits are calculated. [Admin. Letter 2006-15 (11-8-06)]
- Expense modification plans and experience rating plans must be filed on or before their effective dates. Refer to Admin. Letter 2006-15 (11-8-06) concerning how such plans may be used.

### **III. Consent to Rate**

- Consent to rate is permitted for all property and casualty risks, including medical professional liability and workers' compensation. [VA Ins. Code § 38.2-1920 (property and casualty); § 38.2-2013 (home protection; credit involuntary unemployment; credit property)]
- This does not apply to reinsurance, other than joint reinsurance, life, annuities, accident and sickness, title, marine (vessels or craft used in a business), marine builders' risks, marine protection and indemnity, aircraft hull, aircraft liability, interstate or intrastate motor carriers (passenger or property carriers). [§ 38.2-1902]

### **Filing and Record Keeping Requirements**

- A written application (*see attached Consent to Rate Form*) signed by the insured, stating reasons for the higher rate, must be filed for prior approval with the Commissioner.
- The application shall be maintained in underwriting files.

### **IV. Manuscript Endorsements**

Manuscript forms and endorsements must be filed, unless they meet the requirements of Administrative Order No. 8124 (7-15-83): i) apply to coverage for general liability, crime, glass, multi-peril (excluding automobile), boiler and machinery, inland marine, farm or commercial fire, only; ii) broaden the coverage contained in the primary contract; and iii) are applied on an individual risk basis, only. No additional premium may be charged the insured for the broadened coverage. (B. Branum, Bureau of Insurance, 5-9-06)

## CERTIFICATION FORM FOR LARGE COMMERCIAL RISKS

[Ins. Code § 38.2-1903.1]

The Insured, \_\_\_\_\_, **(insert the name of the insured)** as represented by the Insured's Risk Manager and Chief Executive Officer, hereby certifies that the Insured is a Large Commercial Risk that employs a qualified risk manager as defined below; meets two of the other criteria for a Large Commercial Risk; is aware that the policy being purchased is not subject to initial state regulatory review or approval of rates and forms; has the necessary expertise to negotiate its own policy language and rates; and agrees to the use of the exempted rates and forms issued by its insurer or insurers.

**1.** The Insured, as represented by the Insured's Risk Manager and Chief Executive Officer, certifies that the Insured is a Large Commercial Risk that has a risk manager to negotiate insurance coverage, and that the risk manager is either **(check one)**:

- An employee \_\_\_ or a retained third-party consultant \_\_\_ who provides skilled services in loss prevention, loss reduction, or risk and insurance coverage analysis, and the purchase of insurance; and who possesses at least (1) of the following credentials **(check all that apply)**:
- \_\_\_ A bachelor's or higher degree in risk management issued by an accredited college or university;
- \_\_\_ A designation as a Chartered Property and Casualty Underwriter (CPCU) issued by the AICPCU/IIA;
- \_\_\_ A designation as an Associate in Risk Management (ARM) issued by the AICPCU/IIA;
- \_\_\_ A designation as a Certified Risk Manager (CRM) issued by the National Alliance for Insurance Education and Research;
- \_\_\_ A designation as a Fellow in Risk Management (FRM) issued by the Global Risk Management Institute/Risk and Insurance Management; or
- \_\_\_ Has at least five years of experience in one or more of the following areas of commercial property and casualty insurance: (i) risk financing, (ii) claims administration, (iii) loss prevention, or (iv) risk and insurance coverage analysis.

**2.** In addition, the Insured, as represented by the Insured's Risk Manager and Chief Executive Officer, certifies that the Insured meets at least (2) of the following criteria **(check all that apply)**:

- \_\_\_ Possesses a net worth in excess of \$2 million;
- \_\_\_ Generates annual revenue in excess of \$2 million;
- \_\_\_ Employs more than 10 full-time or full-time equivalent employees per individual insured;
- \_\_\_ Pays annual aggregate nationwide insurance premiums in excess of \$25,000 (excluding workers' compensation and professional liability insurance premiums);
- \_\_\_ Is a not-for-profit organization or public body generating annual budgeted expenditures of at least \$5 million; or
- \_\_\_ Is a municipality with a population in excess of \$30,000.

**Signature of Chief Executive Officer:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signature of Risk Manager:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for \_\_\_\_\_ Limits \_\_\_\_\_ Amounts of Insurance \_\_\_\_\_ Deductibles \_\_\_\_\_  
(primary/excess)

Exposure Identification Class \_\_\_\_\_ Territory \_\_\_\_\_ Location of Risks \_\_\_\_\_

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**WASHINGTON**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation / Exemption**

- Surety bonds are exempt from form filing. [WA Ins. Code §48-18-100]
- There is a form of commercial deregulation in Washington (**for rates and forms**) for commercial property and casualty policies involving Large Commercial Property and Casualty Accounts. [WAC 284-24-120; WAC 284-20-150]
- Deregulation for large commercial accounts does not apply to workers' compensation; professional liability, including medical malpractice; directors' and officers' liability purchased by individuals; any line of reimbursement insurance that reimburses either service contract or protection product guaranty providers; and master policies under which certificates of coverage are issued to individual consumers, households, businesses or other organizations. In addition:
  - Rate deregulation does not apply to vehicle service contracts reimbursement insurance; and
  - Form deregulation does not apply to any line of reimbursement insurance that reimburses either service contract or protection product guaranty providers.

**Large Commercial Property and Casualty Accounts** must meet (2) of the following (6) criteria to qualify for the rate and form filing exemption:

- Have annual premium of \$100,000 or more, excluding: workers' compensation; professional liability, including medical malpractice; D&O purchased by individuals; all lines of reimbursement insurance that reimburse service contract or protection product guaranty providers; and master policies under which certificates of coverage are issued to individuals or businesses.
- Have net revenues or sales in excess of \$100,000,000;
- Have more than 200 employees;
- Have a net worth in excess of \$50,000,000;
- Be organized as a not-for-profit organization or public entity with an annual budget or assets of at least \$45,000,000; or
- Be organized as a municipality with a population in excess of 50,000.

**Filing and Record Keeping Requirements**

- Rates and forms on policies involving large commercial property casualty accounts are exempt from filing.
- Before an insurer issues coverage pursuant to this section, the insurer or its agent must notify the insured in writing that the policy rate and form(s) have not been filed for the Commissioner's approval.
- The Commissioner retains the right and ability to examine the rates and forms used on such accounts to ascertain whether they comply with state regulations and statutes.
- Insurers must maintain records supporting the rates and premium determination of each policy for (3) years, and must maintain copies of all policy forms used for a period of (6) years from the date of issuance.

**II. (A) Rates and Individual Risk Rates**

- (A) rated and individual risk rates are allowed. [WAC 284-24-070; WA Ins. Code 48.19-080]
- Instead of individually (A) rating, the insurer may file a schedule of rate ranges allowing for a +/-25% deviation. In that situation, an individual risk need only be filed if it falls outside of the range or the classes covered by the schedule.
- (A) rating applies to:
  - 1) A class in which risks are so different from each other that no rate or range of rates could be representative of all;
  - 2) A class that does not develop enough loss experience to warrant any credibility for ratemaking purposes; and
  - 3) Policies involving a new product or coverage for which there is no appropriate analogy to similar exposures for ratemaking purposes.
- The following are examples of appropriate refer-to-company risks:
  - Manufacturing and construction risks, such as:

- Ammunition manufacturing,
- Dam construction,
- Irrigation works operation, and
- Logging railroad -- operation and maintenance.
- Owners, landlord and tenants risks, such as:
- Amusement devices, designed for small children only, not otherwise classified
- Christmas tree lots -- open air,
- Bleachers or grandstands,
- Dude ranches,
- Firing ranges -- indoor,
- Parks or playgrounds, and
- Zoos.
- Product risks, such as:
- Aircraft or aircraft parts manufacturing,
- Ball or roller bearing manufacturing,
- Chemical manufacturing -- household -- NOC,
- Discontinued operations -- products,
- Electronic component manufacturing,
- Firearms manufacturing -- over .50 caliber
- Instrument manufacturing -- NOC,
- Levee construction,
- Machinery or machinery parts manufacturing,
- Pharmaceutical or surgical goods manufacturing,
- Products -- NOC,
- Sign manufacturing -- NOC,
- Tank manufacturing -- metal -- not pressurized,
- Textile coating or impregnating,
- Tool manufacturing -- hand type -- powered,
- Valves manufacturing,
- Wheels manufacturing,
- Wire goods manufacturing -- NOC, and
- Wood products manufacturing -- NOC.

### **Filing and Record Keeping Requirements**

- (A) rates need not be filed.
- Individual risks need not be filed unless the rate deviates >25% from the filed rate. [ISO Manual]
- The company must maintain every rating rule for such classes of policies in an appropriate rate manual and file it with the commissioner. Such a rating rule should consist only of a notation of the symbol "(A)" or a statement that risks in the class shall be submitted to the insurer for rating.
- When writing such risks, you must maintain separate documentation, including loss experience, on each risk written and be prepared to provide such documentation to the insurance commissioner upon request.
- Statute 284-24-070 provides that the rating of a refer-to-company risk (and individual risk rates) is to be based on a **documented** underwriting analysis of: (a) Specific definable loss potential characteristics, (b) Analogy to similar exposures, and (c) Available loss frequency and severity data.

### **III. Consent to Rate**

- Consent to rate is allowed for property and casualty insurance. [WA Ins. Code 48.19.090.]
- Washington is a monopolistic state for workers' compensation; consent to rate is not available. (T. Nordahl at DOI).
- Consent to rate does not apply to life insurance; disability; reinsurance except as to joint reinsurance; insurance against aircraft hull or aviation; ocean marine; and title insurance. [WA Ins. Code 48.19.010; D. Godwin, DOI, 3-29-06]

#### **Filing and Record Keeping Requirements**

- **Property Insurance:** Excess rate applications for all forms of property insurance, both commercial and personal lines, shall be submitted on Enclosure (1) -- UNIFORM EXCESS RATE APPLICATION -- PROPERTY INSURANCE to the department and approved by the Commissioner. (*See Uniform Excess Rate Application Property Insurance – request form from Department.*)
- **Casualty Insurance:** Excess rate applications for all casualty insurance shall be submitted on Enclosure (2) -- UNIFORM EXCESS RATE APPLICATION -- CASUALTY INSURANCE directly to the department and approved by the Commissioner. (*See Uniform Excess Rate Application Casualty Insurance – request form from Department.*)

#### **IV. Manuscript Endorsements**

Policies, riders and endorsements of unique character designed for use with relation to insurance upon a particular subject are exempt from filing. [WA Ins. Code §§ 48.18.100; 48.18.103]

**STATE OF WASHINGTON**  
**CERTIFICATION OF LARGE COMMERCIAL ACCOUNT POLICYHOLDER STATUS**

The undersigned, \_\_\_\_\_, the Insured, by signing below, certifies that it is a Large Commercial Property Casualty Account Policyholder operating as a business, not-for-profit organization, or public entity and that it understands that the rates and forms used in the policy have not been, and will not be, filed with the Insurance Commissioner.

For purposes of this Certification, “large commercial property casualty account” means insurance coverage that involves one or more of the following lines: property; marine and transportation; vehicle; general casualty; or surety and fidelity insurance, as those lines are defined in RCW 48.11.040, 48.11.050, 48.11.060, 48.11.070, and/or 48.11.080.

The Insured certifies that it meets at least two (2) of the following criteria:

- 1) Has annual premium of \$100,000 or more, excluding:
  - workers’ compensation insurance;
  - professional liability insurance, including medical malpractice insurance;
  - directors’ and officers’ liability insurance purchased by individuals;
  - reimbursement insurance policies that reimburse service contract or protection product guaranty providers for contractual obligations assumed under a service contract or protection product guaranty; and
  - master policies under which certificates of coverage are issued to individual consumers, households, businesses, or other organizations.
- 2) Has net revenues or sales in excess of \$100,000,000;
- 3) Has more than two hundred (200) employees;
- 4) Has a net worth over \$50,000,000;
- 5) Is a not-for-profit organization or public entity with an annual budget or assets of at least \$45,000,000; or
- 6) Is a municipality with a population over 50,000.

Signed: \_\_\_\_\_  
(Insured or Insured’s Authorized Representative)

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

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



**STATE OF WASHINGTON**

FORM 71-3c 4/71

(APPROVED BY STATE  
OF WASHINGTON  
INSURANCE

**UNIFORM EXCESS RATE APPLICATION  
CASUALTY INSURANCE**

COMMISSIONER)  
OFFICE OF INSURANCE COMMISSIONER  
Olympia Washington 98501

DEAR SIR:

Please approve for \_\_\_\_\_ the following  
rates, which I

(INS. COMPANY)

understand to be in excess of its filed rates.

**INSURED'S  
NAME AND  
MAILING  
ADDRESS**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**POLICY  
TERM**

\_\_\_\_\_

YEARS

INCEPTION (MO., DAY, YR.)

EXPIRATION (MO., DAY, YR.)

TYPE OF COVERAGE AND LIMITS	FILED PREMIUMS	PROPOSED PREMIUMS	SURCHARGE %
AUTOMOBILE			
LIABILITY (Codes)			
OTHER CASUALTY (Specify)			

I understand the STANDARD PREMIUM for the desire coverage to be  
\$ \_\_\_\_\_

The Proposed Premium to which I have agreed is \$ \_\_\_\_\_ which has been  
calculated at \_\_\_\_\_%

In Excess of Standard Premium. I am agreeable to paying the foregoing Surcharge Premium because I have been unable to obtain insurance at standard rates.

<b>NAME AND ADDRESS</b> (Print or Type)		<b>SIGNATURE</b>
<b>THIS FORM</b>		<b>TITLE (IF NOT INDIVIDUAL)</b>
		<b>DATE</b>
		<b>AGENT'S SIGNATURE</b>

FORM 71-3P 4/71

STATE OF WASHINGTON

(APPROVED BY STATE

OF WASHINGTON

INSURANCE COMMISSIONER)

UNIFORM EXCESS RATE APPLICATION  
PROPERTY INSURANCE

OFFICE OF INSURANCE COMMISSIONER

Olympia Washington 98501

DEAR SIR:

Please approve for \_\_\_\_\_ the following rates, which I

(INS. COMPANY)

understand to be in excess of its filed rates.

(SEE \* PERCENT IN EXCESS BELOW)

<b>INSURED'S NAME AND MAILING ADDRESS</b>	_____	We understand that the filed credits for the deductible indicate to be _____ per cent. We Agree to waive these credits. _____ Yes _____ No
	_____	
	_____	

(SEE

BELOW)

<b>POLICY TERM</b>	_____
	INCEPTION (MO., DAY, YR.)      EXPIRATION (MO., DAY, YR.)      YEARS

Item No.	DESCRIPTION AND LOCATION OF PROPERTY COVERED Show address (No., Street, City, State, Zip Code) construction, type of roof and occupancy of building(s) covered or containing property covered. If occupied as a dwelling state if building is a seasonal or farm dwelling. If commercial state exact nature of product and whether manufacturer, wholesaler or retailer or	Pro-tection Class	HAB.	INFO.	/RATE	REF
			No. of Families	Feet From	Miles From	Zone

the service or activity involved.			Hydrant	Fire Dept.			
-----------------------------------	--	--	---------	------------	--	--	--

FORM NUMBERS:

Item No.	PERIL(S) INSURED AGAINST AND COVERAGE(S) PROVIDED (INSERT NAME OF EACH)	Per Cent of Co-Insurance Applicable	Deductible Amount	Amount of Insurance	Standard Rate	Proposed Rate	Per Cent in Excess
1.	FIRE AND LIGHTNING EXTENDED COVERAGE			\$ XXXXXXXXXXXX X			

I understand the STANDARD PREMIUM for the desire coverage to be \$\_\_\_\_\_

The Proposed Premium to which I have agreed is \$\_\_\_\_\_ which has been calculated at \_\_\_\_\_%

In Excess of Standard Premium. I am agreeable to paying the foregoing Surcharge Premium because I have been unable to obtain insurance at standard rates.

	<input checked="" type="checkbox"/>
NAME AND ADDRESS (Print or Type)	SIGNATURE
	TITLE (IF NOT INDIVIDUAL)
	DATE

I certify that I personally inspected the described premises and that the premium to be charged hereunder is in excess of that which would be derived from application of the Standard or Substandard Rating Plan filed by or on behalf of the company.

THIS FORM	
	AGENT'S SIGNATURE

**West Virginia**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation/Exemption**

- Surety bonds are exempt from form filing. § 33-6-8.
- Inland marine risks are exempt from rate filing. § 33-20-4.

**II. (A) Rates and Individual Risk Rates**

There are no statutory provisions for (A) rates. However, (A) rates and individual risk rates are allowed. ISO Manual.

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed. [ISO Manual]
- Insurer must maintain complete underwriting files and make available for review by Department upon request.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, excluding workers' compensation. WV Ins. Code 33-20-2 and -4.
- Workers' compensation is handled by the state agency (monopolistic); consent to rate is not available.
- This does not apply to reinsurance, other than joint reinsurance; life or accident and sickness; ocean marine; aircraft; title; and malpractice insurance insofar as the provisions of this article directly conflict and thereby are supplanted by article twenty-b of this chapter.

**Filing and Record Keeping Requirements**

- A written Application (*see attached WEST VIRGINIA APPLICATION FOR CONSENT-TO-RATE*) signed by the insured must be filed with the Commissioner at least 10 days prior to the effective date of the coverage.
- The application shall be maintained in the files.

**IV. Manuscript Endorsements**

Policies, riders, endorsements and forms of unique character designed for use upon a particular subject are exempt from filing. [WV Ins. Code § 33-6-8]

**West Virginia Instructions for Consent to Rate form:**

1. All Consent-to-Rate Applications must be on an exact copy of the attached form. The company name and/or logo may be imprinted at the top of the form. Applications submitted in any other form will be rejected.
2. The original application form must be signed in ink by both the producing agent and the insured. (Copies and rubber stamps are not acceptable.)
3. The insured's complete address, telephone number and the exact property location must be indicated.
4. Both the existing approved and the requested rates must be indicated. If the Consent-to-Rate is disapproved for any reason, the approved rate becomes applicable.
5. The specific reason(s) for Consent-to-Rate must be given, in detail.
6. The completed original and one copy of the Consent-to-Rate Application must be submitted to the Rates and Forms Division of the West Virginia Insurance Department 10 days prior to the effective date of the coverage.

A postage prepaid envelope and a \$10.00 filing fee shall accompany each application in accordance with West Virginia Code Section 33-6-34.

Resubmission of a disapproved filing will require an additional fee.

The filing fee shall be paid by the insurer and may not be passed on to the insured. Please direct any inquiries to Yetta Kessinger, Technical Assistant, Rates and Forms Division. Telephone 304/348-2094. Fred E. Wright Insurance Commissioner

**WEST VIRGINIA APPLICATION FOR CONSENT-TO-RATE**

(Please Type)

TO: West Virginia Insurance Department  
Property-Casualty Division  
2100 Washington Street  
East Charleston, West Virginia 25305

DATE: \_\_\_\_\_

In accordance with Section 33-20-4(i) of the West Virginia Code and for the reasons provided below, approval is requested of the following proposed rates, which are in excess of that provided by filings otherwise applicable to the named insurer.

(1) INSURED NAME: \_\_\_\_\_  
TELEPHONE: \_\_\_\_\_ ADDRESS: \_\_\_\_\_  
EXACT LOCATION OF INSURED PROPERTY: \_\_\_\_\_  
(2) TYPE OF COVERAGE: \_\_\_\_\_ CLASS OF RISK: \_\_\_\_\_  
(3) POLICY EFFECTIVE DATE: \_\_\_\_\_ (4) POLICY NUMBER (IF RENEWAL): \_\_\_\_\_  
(5) INSURER: \_\_\_\_\_ ADDRESS: \_\_\_\_\_  
\_\_\_\_\_ (6) AGENTS SIGNATURE:  
\_\_\_\_\_ AGENCY NAME AND ADDRESS:  
\_\_\_\_\_

(8) COVERAGE LIMITS      MANUAL PROPOSED      PERCENT WVARP\*  
(list separately) (by coverage)    Rate/ Premium Rate/ Premium Surcharge    Rate

TOTAL

\*Applicable to automobile and fire risks only.

(9) STATE SPECIFIC REASONS WHY THIS CONSENT-TO-RATE IS NECESSARY:  
\_\_\_\_\_  
\_\_\_\_\_

The above was completed prior to my signing. \_\_\_\_\_  
I noted that the rate being \_\_\_\_\_ (INSURED SIGNATURE)  
charged is in excess of the rate  
filed and approved for this insurer. \_\_\_\_\_ TYPED NAME & TITLE  
\_\_\_\_\_

NOTICE! Consent-to-rate filings will be disapproved if not properly completed and submitted to the Rates and Forms Division of the West Virginia Insurance Department 10 days prior to the effective date of the coverage.

**I. Commercial Deregulation/ Exemption**

There is no commercial deregulation in Wisconsin.

**II. (A) Rates and Individual Risk Rates**

- (A) rates and individual risk rates are allowed (contact State Filings for AIG (A) rate filings). [WAC 6.785; ISO Manual]
- Such risks include those that cannot be objectively rated for at least one of the following reasons:
  - 1) The class generates insufficient loss experience to be reliably used in rating;
  - 2) The class loss experience is so volatile as to make it unreliable;
  - 3) Prospective losses for this class are likely to change rapidly and unpredictably;
  - 4) Risks within the class are so dissimilar that a single rate would not be representative of all risks in the class.

**Filing and Record Keeping Requirements**

- (A) rates need not be filed as long as insurer has filed rating rules with the Department.
- Individual risk rates need not be filed as long as they are for one of the following risks:
  - 1) Rates for excess liability insurance provided in an amount not less than \$1,000,000 in excess of a specified retained limit provided such retained limit is not less than:
    - \$350,000 per occurrence as respects those exposures covered by underlying insurance; or
    - \$10,000 per occurrence as respects those exposures not covered by underlying insurance.
  - 2) Rates for risks developing annual products liability and completed operations insurance premiums of \$5,000 or more at the basic limit.
  - 3) Rates for risks developing annual increased limits written premium determined by customary rating procedures of \$5,000 or more.
  - 4) Rates for risks developing \$100,000 or more annual basic limit premium individually or in any combination of general liability insurance, commercial automobile, crime or glass.
  - 5) Rates for liability insurance increased limits if the risk is reinsured on a facultative basis.
  - 6) Rates for an adjustment of the aggregate limit of general liability insurance at any time during the policy period.
  - 7) Rates for coverage which is materially broader or more restrictive than the coverage upon which the manual rate is based.
- If an individual risk rate does not cover one of the above, the rate must be filed within 30 days after the effective date. [ISO Manual, WAC 6.785(4)(b)-(h)]
- For (A) rate and individual risk rate, the insurer must maintain separate records and documentation for a period of 3 years after the rate is no longer used. This documentation must include all details of the factors and conditions used in determining the rate or classification.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, excluding workers' compensation. [WI Ins. Code §§ 625.03; 625.13; WAC 6.78]
- This does not apply to ocean marine; workers' compensation; life insurance other than credit life insurance; variable and fixed annuities; and group and blanket accident and sickness insurance other than credit accident and sickness insurance. [WI Ins. Code § 625.03]

**Filing and Record Keeping Requirements**

- A written application (*see attached Consent to Rate Form*) signed by the insured consenting to the rate must be obtained.
- Insurers are exempt from consent-to-rate filings if:
  - (a) The insurer keeps the following for at least 1 year after the expiration date of the policy;
    1. Record of the rate of development; and
    2. The written application signed by the insured stating the insured's reasons for requesting the rate.

- (b) Prior to entering into such insurance agreements, the insurer has notified the Commissioner of its intention so to do, identifying the contemplated lines and classes of insurance.
- If the above is not satisfied, the written application of the insured must be filed with and not disapproved by the Commissioner within 10 days after filing.

**IV. Manuscript Endorsements**

The statutes distinguish between policy forms for general use and one “specially prepared for use in an individual case.” [Ins. Code § 600.03(21)] Manuscript endorsements are not considered policy forms and do not have to be filed, with the exception of workers’ compensation forms or manuscript endorsements addressing the arbitration of disputes.



**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

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**Description of Coverage**

Coverages applied for            Limits            Amounts of Insurance            Deductibles             
(primary/excess)

           Exposure Identification Class            Territory            Location of Risks           

Include any other reason for higher rate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because \_\_\_\_\_.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Wyoming**  
[\(back to reference chart\)](#)

**I. Commercial Deregulation Exemption**

- There is commercial exemption (**for rates only**) for commercial property and casualty lines, except for marine, aircraft and workers' compensation. [Ins. Code § 26-14-102 to –113]
- Surety bonds and specially rated inland marine risks are exempt from form filing. [Ins. Code § 26-15-110]
- There is commercial exemption (**for forms only**) for policies involving Exempt Lines. [Ins. Code § 26-15-110; Orders 85-74]

**Exempt Lines** are as follows:

- School board errors and omissions insurance;
- Real estate agents errors and omissions insurance;
- Real estate appraisers errors and omissions insurance;
- Insurance agents errors and omissions insurance;
- Directors and officers errors and omissions insurance;
- State judges professional liability insurance;
- Psychologists professional liability insurance;
- Psychiatric liability insurance;
- Mental health counselor's professional liability insurance;
- Social service agency professional liability insurance;
- Pollution liability insurance; and
- Public officials liability insurance.

**Filing and Record Keeping Requirements**

- Rates do not have to be filed for most property and casualty lines. However, rates must still not be excessive, inadequate or discriminatory and follow other rate guidelines.
- Rating information must be kept in files containing the experience, data, statistics and other information collected or used and shall be available to the commissioner for examination or inspection upon reasonable notice.
- Forms for the Exempt Lines above do not have to be filed, but forms must still satisfy policy form content standards in the law.

**II. (A) Rates and Individual Risk Rates**

(A) rates and individual risk rates are allowed. [Ins. Code §§ 26-14-102; 26-14-104]

**Filing and Record Keeping Requirements**

- (A) rates and individual risk rates need not be filed.
- The law states that no insurer shall be required to file any rates with the commissioner other than for those insurance not subject to this act or defined as noncompetitive, because a competitive market is presumed to exist.
- Insurer must maintain complete underwriting files and make available for review by Department upon request.

**III. Consent to Rate**

- Consent to rate is allowed for property and casualty, excluding workers' compensation. [Ins. Code § 26-14-107 (d)]
- Workers' compensation is handled by the state agency (monopolistic); consent to rate is not available.
- This does not apply to life; disability; reinsurance; insurance against loss of or damage to aircraft, their hulls, accessories and equipment, or against liability arising out of the ownership, maintenance or use of aircraft; ocean marine; title insurance; annuities; and worker's compensation. [Ins. Code § 26-14-102]

**Filing and Record Keeping Requirements**

- Written application (see attached Consent to Rate Form) signed by the insured, stating reasons for the rate, must be filed with the Commissioner.
- Rates and supplementary rate information must be made available to the Commissioner upon his request.

**IV. Manuscript Endorsements**

Policies, riders, endorsements and forms of unique character designed for use upon a particular subject are exempt from filing. [Ins. Code § 26-15-110]

**Consent to Rate Form**

Name of Insurer \_\_\_\_\_  
Address of Insurer \_\_\_\_\_  
Name of Producer \_\_\_\_\_  
Address \_\_\_\_\_  
License Number of Producer \_\_\_\_\_  
Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Policy Number (if known) \_\_\_\_\_  
Effective Date of Policy \_\_\_\_\_  
Expiration Date of Policy \_\_\_\_\_

**Description of Coverage**

Coverages applied for Limits Amounts of Insurance Deductibles  
(primary/excess)

Exposure Identification Class Territory Location of Risks

Include any other reason for higher rate: \_\_\_\_\_

**Premiums**

\_\_\_\_\_ Normal (Manual) Premium - estimate if policy is audited  
\_\_\_\_\_ Additional Premium (for extra hazard) – estimate if policy is audited  
\_\_\_\_\_ % Increase to Manual Premium  
\_\_\_\_\_ Total Premium (Premium Payable)

**Consent of Insured:** I consent to the premium shown above as Premium Payable in this application which is higher than would normally apply because of the greater hazard involved or because

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **DISCLAIMER**

While the Company has made reasonable efforts to present the information contained herein in an accurate and reliable manner, this information is continuously subject to change. The Company does not endorse, approve or certify such information, nor does it guarantee the accuracy, completeness, efficacy, or timeliness. Use of such information is voluntary, and reliance on it should only be undertaken after an independent review by your own counsel of its accuracy, completeness, efficacy, timeliness and application to particular facts and circumstances. The Company (including its employees and agents) assumes no responsibility for consequences resulting from the use of this information, or in any respect for the content of such information, including (but not limited to) errors or omissions, the accuracy or reasonableness of factual conclusions, the defamatory nature of statements, ownership of copyright or other intellectual property rights, and the violation of property, privacy or personal rights of others. The Company is not responsible for, and expressly disclaims all liability for, damages of any kind arising out of use, reference to, or reliance on such information. No guarantees or warranties, including (but not limited to) any express or implied warranties of merchantability or fitness for a particular use or purpose, are made by The Company with respect to such information.