

“What Makes a Good Rate Filing?”

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Overview

- Expertise in the Filing Environment
- Reasonability
- Sound Data
- Specific Considerations

The Filing Environment

- Know the state's Filing Requirements
 - In PA, our Requirements are available on our website at:
<http://www.ins.state.pa.us/ins/cwp/view.asp?a=1280&Q=545457>
 - Alternatively, e-mail me at kcreighton@state.pa.us and I'll send you the link.

The Filing Environment

- Types of Filing Requirements (1 of 2)
 - Submission Package
 - Transmittal Letter
 - General Form
 - Policy Provisions
 - Rate & Rule (Pricing) Provisions – [next slide]

The Filing Environment

- Types of Filing Requirements (2 of 2)
 - Rate & Rule (Pricing) Provisions
 - Coverage Requirements
 - Filing Review (Waiting) Periods
 - Filing Review Requirement
 - Statutory Pricing Requirements
 - Statutory Pricing Prohibitions

The Filing Environment

- Call or meet with the insurance department
 - In PA, we continue to welcome and encourage this type of dialogue.
 - We meet with 20 to 30 companies annually to discuss either initial filing plans or plans to materially revise existing rating structures prior to the submission of a filing.

The Filing Environment

- Keep current on your competitors' filing activity
- Notices of pending filings on our website:
<http://www.ins.state.pa.us/ins/cwp/view.asp?a=1280&Q=543175>
- Approved filings on our website:
http://www.insurance.state.pa.us/dsf/rf_filings.html

The Filing Environment

- Know the statutory review (waiting) period and plan for an effective date that you can easily implement
- Expect a review period generally consistent with the level of significance of the proposed changes

Reasonability...

- From the policyholder's perspective
 - Magnitude of change
 - Consistency - Current v. Prior change(s)
 - How well are your agents or customer service representatives prepared to explain changes?

Reasonability...

- From the regulator's perspective
 - Unsupported / Judgment-based Selections
 - Consistency or Reconciliation to Prior Filings
 - Territorial Relativities

Sound Data

- Reconciliation – by the insurance company
 - Within the current filing
 - With prior filings
 - With special data calls
 - With other external data sources

Specific Considerations

- (Overall) Cover Letter
- (Detailed) Memorandum
- Frequency Distribution / Histogram
- Maximum % and \$ Increase / Decrease
- All manual pages and support at time of filing submission (Review Period is for review)

Specific Considerations

- No changes during review initiated by filer
- Include current Filing Authorization for third party filers
- When citing competitors in support, identify the companies and their approved rates / rating values

Specific Considerations

- When Selection <> Indication, explain why there was a deviation
- SERFF Requirements: No Word documents; .pdf or Excel only
- In PA, support can be considered Proprietary and Confidential – mark those documents in SERFF accordingly