

What Makes a Good Rate Filing?

CAS Ratemaking, Product & Modeling (RPM)
Seminar
March 2018

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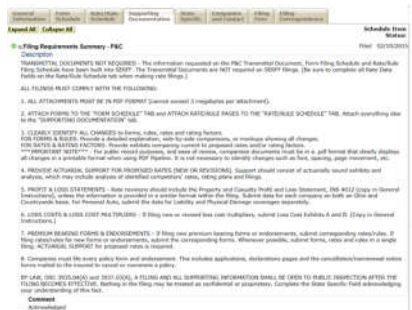
The Four Rs

- **RTFM**, Read the fine manual
- Give the analyst something to **Read**, the numbers don't speak for themselves
- **Read/Review** what you prepared
- **Respond** to the Regulator

RTFM

- NAIC link to State Web Sites http://www.naic.org/state_web_map.htm
- SERFF <http://www.serff.com/> When logged in, you can check a state's filing requirements.
- Ohio's DOI main web page <http://www.insurance.ohio.gov>
- Short cut to Ohio P&C filing information – <https://www.insurance.ohio.gov/Company/Pages/CompanyTab2pc.aspx>
- Communications from the Regulator, past filings
- ORC, Ohio Revised Code Chapters 3935 & 3937

Ohio shares with Filers



Use Your Words

- Tables are not enough
- Avoid unexplained acronyms
- Are the numbers consistent with the words? Do the numbers add up?
- Is the filing internally consistent? Do the analyses support the selected rates and factors?
- Read and respond to the Regulator's objections. Answer their questions. Return their phone calls.

Read/Review what you prepared

- Prepare with care
 - Run Spell Check on the text
 - Read, Review, Proofread, Repeat
 - Compare the pdf files to the Excel output
 - Look at what is being sent to the state

Some Specifics about Ohio

- File & Use for most lines
- Monopolistic State Fund for WC
- Often will have two reviewers for a filing
- For more details see
- <https://www.insurance.ohio.gov/Company/pages/revchecklist.aspx>

Insurers Must File Everything.

“Every insurer shall file with the superintendent of insurance every form of a policy, endorsement, rider, manual of classifications, rules, and rates, every rating plan, and every modification of any of them which it proposes to use.”

- Ohio Revised Code § 3937.03 (A)

Insurers must support everything.

“When ... the superintendent does not have sufficient information to determine whether such filing complies with sections 3937.01 to 3739.17 of the Revised Code, he may require such insurer to furnish the information upon which it supports such filing.”

- Ohio Revised Code § 3937.03 (A)

Standards For Rates

“Rates shall not be excessive, inadequate, or unfairly discriminatory.”

- Ohio Revised Code § 3937.02 (D)

A Rate Filing is a Public Record

“A filing and any supporting information shall be open to public inspection after the filing becomes effective.”

- Ohio Revised Code § 3937.03 (A)

Unfair and deceptive acts or practices are banned.

- The following is defined as an unfair and deceptive act
- (M) Making or permitting any unfair discrimination between individuals of the same class and of essentially the same hazard in the amount of premium, policy fees, or rates charged for any policy or contract of insurance, other than life insurance, or in the benefits payable thereunder, or in underwriting standards and practices or eligibility requirements, or in any of the terms or conditions of such contract, or in any other manner whatever.

- Ohio Revised Code § 3901.21(M)

Thank you for listening

- Please hold your questions till after all three presentations.
