

EXHIBIT B - ACTUARIAL CHECKLIST

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1. Important notes

- (a) This checklist is required to be submitted with all property/casualty personal lines rate filings in Louisiana. It is optional for other situations.
- (b) Each company should provide actuarial support for its overall requested rate change based upon its Louisiana experience, to the extent credible.
- (c) It is not acceptable to adopt a rating organization's loss costs without due consideration being given to the company's own experience.
- (d) Additional important information can be found in the LDOI's Rate and Rule Filing Handbook. The Handbook is located at: www.ldi.state.la.us/Documents/Property_Casualty/Rating/RateFilingHandbook.pdf

2. Overall info

Company Reference Number: _____
Lead Company: _____
Line of Business: _____
Program Name: _____
Annual Direct Written Premium (DWP): _____
Annual Time Period Corresponding to DWP: Begins: _____ Ends: _____

3. New vs. old filings (Check one)

- New filing (none of the below)
- Refile of disapproved filing (LDOI # _____)
- Refile of withdrawn filing (LDOI # _____)
- Correction to previously approved filing (LDOI # _____)
- Manual editorial/clarification changes only (e.g., policy form reference numbers)

4. Overall purpose (Check one)

- Revision(s) to existing insurance program
- Introduction of insurance program (not replacing an existing one)
- Introduction of insurance program (replacing an existing one)
- Individual risk filing
- Consent-to-rate policy filing
- Insurance score / credit model informational filing
- Other informational filing
- Notification of program termination

5. Rating vs. rules (Check one)

- Proposed changes affect rates only
- Proposed changes affect rules only
- Proposed changes affect rates as well as rules
- Other (Describe*) _____

6. Confidentiality / trade secret status (Check one)

- Not applicable
- Part of filing is considered confidential / trade secret (Describe*) _____

7. "Statutory" filings (Check one)

- Not applicable
- Filing is solely in response to a new statute/regulation (Describe*) _____
- Filing includes, among other things, a response to a new statute/regulation (Describe*) _____

8. Other information (Check all that apply)

- Filing represents a material change in actuarial methodology since last filing (Describe*) _____
- Material coverage changes apply, rendering different impacts for premium vs. rate (Describe*) _____
- Other important facts about filing (Describe*) _____

9. Manual pages (Check all that apply)

- Filing includes clean version (Required)
- Filing includes redline, mocked-up, or side-by-side versions or otherwise makes proposed changes clear (Required)
- Filing includes complete electronic/PDF manual with clear disclosure of rating algorithm (Required after filing approval)
- Company requests deferral for manual pages (however, pages must be submitted within two weeks of filing approval)
- Other (Describe*) _____

10. Supporting exhibits attached (Check all that apply) **

- Explanatory Memorandum
- Last LDOI rate action letter for program
- Statement of Compliance
- Computer Model Interrogatories
- Exhibits A.1 and A.2
- Exhibit C (Non-WC)
- Exhibit C-WC (Workers' Compensation only)
- Exhibit D and D.1 (Private Passenger Auto only)
- Exhibit E and E.1 (Homeowners only)
- Exhibit F
- Exhibit H
- Exhibit I
- Exhibit J (Medical Malpractice only)
- Other (Describe*) _____

* - Briefly describe here (using an additional sheet as necessary), or refer to the appropriate location in the filing.

** - Exhibits are located at: www.ldi.state.la.us/Property_Casualty/Rating/FilingExhibits.htm

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11. Nature of proposed changes (Check all that apply)

- Base rates and/or rating relativities
- Schedule rating / experience rating / etc. (Describe*)

- Billing / installment payment plan(s)

12. Basis of changes (Check all that apply)

- Company's actuarial indications
- Company's historical premium and loss experience
- Company's historical expense experience
- Competitor rate comparison
- Bureau loss costs, rates, or rules
- "Me-too" of competitor filing
- Other support (Describe*) _____

13. Support for changes (Check all that apply)

- Support is provided for each item changing (Required)
- Support includes sufficient documentation / audit trail (Required)
- Rationale is presented for important selections/assumptions (Required)

14. Rate impact (Check one)

- Calculated precisely (reflecting a policy-by-policy average)
- Estimated assuming company business mix
- Estimated assuming bureau business mix (Acceptable only if company has \$0 premium volume)
- Considered to be zero for this filing
- Considered to be negligible for this filing
- Other (Describe*) _____

15. Risk load / reinsurance cost (Check all that apply)

- Risk load reflected in filing (Describe*) _____

- Net cost of reinsurance reflected in filing (Describe*) _____

16. Salvage/subrogation recoveries (Check one)

- Reflected in experience as an offset to losses
- Other (Describe*) _____

17. Predictive modeling (Check all that apply)

- Credit/insurance scoring is part of the rating system (Identify model/version) _____

- Credit/insurance scoring modeler has filed the model/version with LDOI
- Catastrophe modeling is/has been used in the ratemaking process (Identify model/version) _____

- Catastrophe modeler has filed the model/version with LDOI
- Generalized linear modeling (GLM) is used to determine rate relativities (Describe*) _____

- Other (Describe*) _____

18. Policy renewal capping (Check all that apply)

- Capping is being introduced in this filing (Describe*) _____

- Capping continues from a previous filing (Describe*) _____

- Actuarial indications properly reflect previous capping (i.e., difference between charged vs. approved premium level)

19. Book-of-business info (Check all that apply)

- Business is in runoff
- Business is being transferred to / absorbed from another company (Describe*) _____

20. Louisiana Citizens info (Check all that apply) **

- Take-out program participant
- Incentive program participant
- Regular/emergency assessment info provided in filing (Describe*) _____

* - Briefly describe here (using an additional sheet as necessary), or refer to the appropriate location in the filing.

** - More info regarding Louisiana Citizens can be found at: www.lacitizens.com

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**Actuarial Checklist
(Check one box for each line item)
(All rating variables should be clearly identified,
whether used inside or outside of tiering)**

Being Introduced
Being Revised
Being Deleted
Used in Program
Not Changing
Not Used in Program

↓ ↓ ↓ ↓ ↓

Being Introduced
Being Revised
Being Deleted
Used in Program
Not Changing
Not Used in Program

↓ ↓ ↓ ↓ ↓

21. Base rates

Base rate(s) / overall rate level

Loss cost multiplier

26. Professional Liability specific

Claims-made / tail step relativities

Size-of-firm relativities

22. Traditional rating variables

Territorial relativities / relationships

Territory definitions

Classification relativities

Classification definitions

Limit relativities

Deductible relativities (not wind-related)

27. Other Commercial Lines specific

Loss cost multiplier

Expense constant

Minimum premium

Hazard groups

Class deviation factors

Miscellaneous values

Waiver of subrogation

Large deductible

23. Non-traditional rating variables

Tiering (within a company)

Tiering (among a group of companies)

Credit/insurance scoring

Advance quote

Education level attained

Occupation

Vehicle/driver monitoring system (e.g., GPS)

Premium payment mode

Affinity group rating (Group names must be disclosed)

28. Miscellaneous charges

Minimum premium

Policy fee

MGA fee

Billing / installment payment plan(s)

Charges / rules for ancillary coverages

TRIA charges / rules

24. Residential Property specific

Amount of insurance (AOI) relativities

Fire protection relativities/definitions

Construction relativities/definitions

Claim history

Wind exclusion relativities

Wind deductible relativities

Wind mitigation discounts

Contents exclusion relativities

"Reinsurance charge" rates

29. Other

Other1 (Describe*) _____

Other2 (Describe*) _____

Other3 (Describe*) _____

Other4 (Describe*) _____

Other5 (Describe*) _____

Other6 (Describe*) _____

25. Private Passenger Automobile specific

Claim/violation history

Model year / symbol relativities

Symbol mapping / definitions

* - Briefly describe here (using an additional sheet as necessary), or refer to the appropriate location in the filing.