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RATING COMMISSION

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Bulletin LIRC 2000-02

DATE: **March 24, 2000**

TO: **ALL PROPERTY AND CASUALTY INSURANCE COMPANIES MAKING RATE AND RULE FILINGS IN LOUISIANA**

RE: **CHANGES IN AUDITING PROCEDURES**

The purpose of this Bulletin is to notify insurers writing Commercial General Liability, including Professional Liability, and Commercial Automobile coverages of changes to Louisiana policy auditing procedures. The Louisiana Insurance Rating Commission (LIRC) audits policies under the authority of L.R.S. 22:1415(B).

Beginning April 5, 2000, there will no longer be a requirement that companies automatically send copies of daily reports (policies) to the LIRC for audit. After April 5, 2000, the LIRC and/or the Department of Insurance will call for daily reports on an "as needed" basis.

Starting April 5, 2000, it will be each company's responsibility to inform the LIRC's Experience Rating Department when coverage is renewed or cancelled for risks that are experience rated. If this information is not readily available, then it will be necessary for the Experience Rating Department to request the information from the company, thereby, causing a delay in the issuance of the experience rating modifier.

Also, companies will still be required to furnish the LIRC with final printed manual pages after each approved rate and/or rule revision.

Should an insurer fail to comply with a request during an "as needed" audit or a request for information required to generate an experience rating modifier within the specific time frame stated in the request, the LIRC and the Louisiana Department of Insurance reserve the right to take action as provided in L.R.S. 22:1447 and other applicable provisions of Louisiana law.

If you have any questions in regard to this notice, please feel free to contact Barita Morgan @ (225) 342-5213.

Chad Brown
Deputy Commissioner/LIRC