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OFFICE OF THE COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

# LIRC DIRECTIVE
# 2002-02

**DATE:** **May 15, 2002**

**TO:** **ALL PROPERTY AND CASUALTY INSURANCE COMPANIES**

**RE:** **FILING CHANGES**

The purpose of this Bulletin is to outline changes within The Office of Property and Casualty and how they affect the filing process.

## Legislation

During the 2002 Special Session, Acts 87 (HB 75) and 160 (HB 149) were enacted, effective June 16, 2002. Both acts affect the filing process for property and casualty insurers submitting both form filings and rate and rule filings.

**Act 87 (HB 75)** amends Louisiana Revised Statute (L.R.S.) 22:1078(B)(9), (10) and (11) relative to the fee rate for approval of policy forms in the following respects:

This Act amends the fee schedule from a per-page basis to per-product basis in the following manner:

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| For approval each company filing of property and casualty insurance contracts policy forms, per product | $ 100.00 |
| For each company filing to adopt a reference or item filing of advisory organization's form reference filing (not applicable to service purchasers, who must file the actual forms as shown above) | $ 20.00 |
| For each company filing of a property and casualty insurance policy endorsement, amendment or rider | $ 25.00 |

An insurance product is defined as a basic insurance policy form delineating the terms, provisions and conditions of a specific type of coverage under a particular type of contract. A product filing must be submitted in accordance with current filing requirements as outlined in the filing handbook.

All filings received in the Department of Insurance on or after June 16, 2002, should be sent with the appropriate filing fees as outlined in this bulletin. Filings received by the Department after June 16, 2002 with the incorrect fee, will be disapproved.

Secondly, the Act revises the definition of premium to exclude any assessments, membership, policy, survey, inspection, service or similar fees or charges made by an insurer.

**Act 160 (HB 149)** amends L.R.S. 22:1401(J) by modifying the filing provision from applying once every 12-month period to once every 6-month period based on the effective date for rate increases and rate decreases can be filed at any time.

Secondly, it enacts a provision to allow insurers to adjust rates within upper and lower limits that are approved by the Louisiana Insurance Rating Commission. The adjustment may become effective 30 days after notifying the Insurance Rating Division, unless notified that the adjustment is not actuarially justified. If the LIRC grants approval for a rate increase or decrease, the insurer may decrease or increase, respectively, provided the request is within the range of the two most recent approvals by risk classification.

Lastly, this act expands rate and rule regulation by modifying L.R.S. 1403 to include approved unauthorized insurers providing liability coverage for public carrier vehicles. Thus, all insurers are subject to the guidelines set forth by the Insurance Rating Commission.

All rate and rule filings must be submitted in accordance with current filing requirements as outlined in the filing handbook.

## The System for Electronic Rate and Form Filing (SERFF)

The Office of Property and Casualty will accept SERFF filings in both the Insurance Rating Division and the Forms and Compliance Division. SERFF filing guidelines are available on the Department's website (www.ldi.la.gov.). The process is the same as filings submitted via U.S. mail. In order to submit filings using SERFF, insurers must contact the SERFF administrators via the NAIC website (www.naic.org.).

## Property and Casualty Updates

The Property and Casualty Filing Handbook explains the filing process and all filing requirements. It is available on the Department's website (www.ldi.la.gov) and will be updated on the website, quarterly (January 1st, April 1st, July 1st, and October 1st). The Office of Property and Casualty will host a filing seminar annually. During the seminar Property and Casualty staff will address specific filing requirements, and filing issues.

**Manual Pages**

Under the authority of Louisiana Revised Statutes 22: 1446, the Louisiana Insurance Rating Commission (LIRC) will no longer require companies to submit final printed manual pages upon approval of the filing. This action results from the re-organization of the Office of Property and Casualty that included the elimination of the auditing functions previously performed by this Department. Therefore, no company manuals will be maintained and the Office of Property and Casualty will no longer provide copies of the rate and rule manual pages. This shall commence with the submission of a complete filing manual in accordance with the provisions outlined in LIRC Directive 2002-01.

If there are any questions regarding this bulletin, contact the Office of Property and Casualty by contacting:

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| Insurance Rating Division | (225) 342-5202 |
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Paula P. Davis

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Deputy Commissioner
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