

**Updated Procedures and Instructions for Insurers and Filers - 2009**

1. Rate Filing Mechanism by Line of Business \*

<u>LOB - Policy Type</u>	<u>Rate Filing Mechanism</u>	<u>Form Filing Mechanism</u>	<u>Statute Reference</u>	
Personal Lines - Competitive Markets	File and Use	Prior Approval	412:5 I	412:16 VII (a)
Commercial Lines - Competitive Markets (other than large commercial policyholder and WC)	Use and File	Prior Approval	412:5 I	412:16 VII (b)
Workers' Compensation	Prior Approval	Prior Approval	412:28	
Title Insurance	Use and File	Use and File	416-A:17	416-A:17-a
Non-Competitive Markets ***	Prior Approval	Prior Approval	412:5 I 412:13	412:3 XIV 412:16 VIII
Large Commercial Policyholder	Not Required **	Not Required **	412:7	412:16 VII (c)
Excluded from Chapter - 412:2 II (d), (e), (f)				
Ocean Marine	Not Required **	Not Required **	412:2 II (d)	
Aircraft	Not Required **	Prior Approval	412:2 II (f)	412-A
Included in Chapter - 412:16 not applicable				
Financial Guaranty	Not Required **	Prior Approval	412:16 I (a)	412:5 I
Employment Practices Liability	Not Required **	Prior Approval	412:16 I (b)	412:5 I
Comm'l IM not written per manual rates	Not Required **	Prior Approval (All)	412:16 I (c)	412:5 I
Directors and Officers Liability	Not Required **	Prior Approval	412:16 I (d)	412:5 I
Boiler and Machinery	Not Required **	Prior Approval	412:16 I (e)	412:5 I
Comm'l Credit Insurance Products	Not Required **	Prior Approval	412:16 I (f)	412:5 I

**NOTES:**

\* **Lines of Business Defined** Follow statute references as follows: 412:2 II; 412:3 IV; 412:3 VI; 412:3 XI; 412:3 XIV; 412:3 XV

\*\* **Not Required** Filings are not required to be submitted; any such filing received by the NHID will be returned to the filer and not reviewed

\*\*\* **Non-Competitive Market** Medical Malpractice Insurance for Physicians, Surgeons and Hospital classes have been deemed non competitive for the period 12/09/2008 to 12/09/2009 per Order Ins 08-072-AB.

2. Procedures and Instructions for Submitting Rate Filings - All filings must be submitting using SERFF.

**Key Actions and Comments by Filing Mechanism**

<u>Type</u>	<u>Company Action</u>	<u>Disposition</u>	<u>Notes / Comments</u>
Proprietary/ Confidential	Submit at least 30 days prior to requested effective date	"Acknowledged"	In SERFF filings will be marked as "Public viewed not allowed" - RSA 412:16 II Would include: Basis for Insurance Scores Motor Vehicle Total Loss Methodology Underwriting Guidelines Eligibility - not pertinent to calculation of rates
File & Use	Submit at least 30 days prior to requested effective date	"Approved"	SERFF submission date is used to establish 30 days Effective date is required
Use & File	Submit up to 30 days after requested effective date	"Approved"	SERFF submission date is used to establish 30 days Effective date is required
Prior Approval	Submit at least 30 days prior to requested effective date Department can extend by 30 days	"Approved"	SEFFF submission date is used to establish 30 days to establish Effective date is required

**General Notes and Special Instructions - Specific to Rate or Rate/Rule Filings**

- Filings Submitted Late** - If rate filings are not received within the required company action time frame, the approved effective date will be established by the NHID and will equal 30 calendar days before or after the SERFF submission date (depending on F&U or U&F). In establishing effective dates and submitting filings, it is the responsibility of the filer to allow for sufficient transmission and processing time.
- Split Effective Dates** - If the effective date for new business is different than the effective date for renewals, the earlier date is operative with respect to the 30 day filing requirement
- Separate Rate and Form Filings** - Forms and form related rules must be filed separately from rates and rate related rules, with adequate cross referencing required. Filings not submitted in this fashion will not be reviewed, will be returned and must be resubmitted
- Amending Open Filings** - If a rate filing that is open at the NHID needs to be amended by the filer, the following rules apply:
  - if the amendment is received by the NHID less than 30 days prior to the requested effective date in the case of F&U or more than 30 days after the requested effective date in the case of U&F, the filing will be considered a new filing with a new (and different) effective date
  - if the amendment is received by the NHID within the prescribed filing timelines, the original requested effective date can remain the same or it may be revised to a later date, if desired by the filing company (See FAQ's for further explanation)
- Closed Filings** - Closed filings will not be reopened. Therefore, amendment, corrections (editorial or otherwise), etc. must be submitted as a new filing submission and must make reference to the original filing. Sole exception: Date change requests may be considered, if the new date precedes the original effective date requested.

- Withdrawing Open Filings**
- If a rate filing that is open at the NHID is withdrawn, the following rules apply:
    - if the NHID is notified of the intention to withdraw the filing prior to its being placed into use, the filing will receive a Withdrawn disposition and the filer will receive notification.
    - if the NHID is notified of the intention to withdraw the filing subsequent to its being placed into use by the filing company, the following information must be provided:
      - what is the reason for the withdrawal?
      - how many policies have been issued at the withdrawn rates and rules?
      - how does the filing company intend to handle those policies issued at the withdrawn rates and rules?
      - what method of notifying policyholders will be used? provide a copy of the notice
      - will there be a replacement filing forthcoming?
    - Note that rate filings disapproved for cause may not be withdrawn
- Disapproval of Filings**
- The following procedure will be followed for those filings found unacceptable by the NHID:
    - the NHID will notify the filing company that it intends to issue an order of discontinuance as per RSA 412:19 II; the notification will include:
      - the reasons why the filing does not meet the requirements of RSA 412
      - the scheduled time and place for a hearing with the commissioner or designee, providing the company at least 10 days notice
      - the date the NHID intends to establish as the date the filing will be deemed to no longer be effective
    - at the conclusion of the hearing, if the commissioner so finds, an order of discontinuance will be issued, and the date at which the filing is no longer effective will be communicated
- Filing Underwriting Guidelines**
- As required by RSA 412:16 II, personal lines rate filings shall include underwriting rules to the extent necessary to determine the applicable rate. Information contained in the underwriting rules that does not pertain to the formulation of rates shall be identified by the filer as proprietary/confidential and shall be kept confidential. To facilitate this requirement, the NHID requests that the portion of the rules which are identified as proprietary/confidential be submitted as a separate SEFFF submission with adequate cross-referencing to the publicly accessible rate/rule portion of the filing.
- Public Inspection of Filings**
- As required by 412:16 XI a rate filing and any supporting information not identified as proprietary/confidential shall be made available to public inspection. The NHID requests that, if possible, appointments be scheduled in advance with the P&C Program Assistant I at 271-7973 ext. 9221, to examine particular filings
- Advisory Organization Filings**
- Current procedures for companies adopting advisory organization loss costs and rules are not impacted other than with respect to F&U and U&F timing requirements
  - As per 412:25, Advisory Organizations shall file all prospective loss costs prior to the requested effective date

### 3. Information Which Must Accompany Rate Filings

#### - Filing Actuarial Justification

Actuarial indications and other statistical support and applicable rationale are expected to be supplied, including but not limited to:

- premium and loss experience
- adjustments to premium (current level, premium trend, exposure trend)
- loss adjustment expense
- loss trend
- loss development
- catastrophe and large loss
- expense data (NH and Countrywide)
- investment income / profit provision
- credibility
- external data or information relied upon
- judgment used in formulating the final proposal or company's selected change

Explanation or rationale should be provided if the requested justification is not provided

- A reminder that applicable to Personal Auto and Homeowners rate filings and according to RSA 412:16 II, underwriting rules pertaining to the formulation of rates must accompany the filing

### 4. Documents Which Must Accompany Rate Filings

#### NHID Supplemental Experience Exhibit

PL AU Rate Filing Datacall.xls (Located under SERFF Supporting Document tab)

PL HO Rate Filing Datacall.xls (Located under SERFF Supporting Document tab)

**NEW HAMPSHIRE SUPPLEMENTAL EXPERIENCE EXHIBIT**

Company (Group) Name \_\_\_\_\_

NAIC # \_\_\_\_\_

Subject of Filing: \_\_\_\_\_

Company Filing Reference #: \_\_\_\_\_

Annual Statement Line of Business Code: \_\_\_\_\_

TOI: \_\_\_\_\_

Sub TOI \_\_\_\_\_

Overall Actuarially Indicated Change: \_\_\_\_\_

Basis for Experience: Calendar Year \_\_\_\_\_

Report Year \_\_\_\_\_

Policy Year \_\_\_\_\_

**New Hampshire Experience Exhibit (2)**

	_____	_____	_____	_____	_____	<u>Total</u>
	Most Recent Yr	Most Recent Yr - 1	Most Recent Yr - 2	Most Recent Yr - 3	Most Recent Yr - 4	
Direct Premium Written						
Direct Premium Earned						
Direct Paid Loss						
Direct Incurred Loss (5)						
Direct ALAE Incurred (3) (5)						
Exposure / Policy Count (4) in-force as of 12/31 for each year						

**Countrywide Experience Exhibit**

	_____	_____	_____	_____	_____	<u>Total</u>
	Most Recent Yr	Most Recent Yr - 1	Most Recent Yr - 2	Most Recent Yr - 3	Most Recent Yr - 4	
Direct Premium Written						
Direct Premium Earned						
Direct Paid Loss						
Direct Incurred Loss (5)						
Direct ALAE Incurred (3) (5)						
Exposure / Policy Count (4) in-force as of 12/31 for each year						

**Instructions:**

1. A separate Supplemental Experience Exhibit should be included for every TOI and Sub TOI (if any) impacted by the filing; a full explanation is required if the exhibit is omitted
2. If New Hampshire Data is not provided a full explanation is required
3. If ALAE Incurred Data is not provided a full explanation is required
4. Indicate if policy count or another exposure measure is provided; if exposure, provide the basis (eg. car-years or house-years)
5. Include IBNR in Incurred Loss and Incurred ALAE amounts; if not included, provide an explanation