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2008 OIR Filing and Compliance Symposium

Homeowners (HO) & Dwelling Fire (DF) Rate & Rule Presentation

Robert Lee, Actuary

Ken Ritzenthaler, Actuary



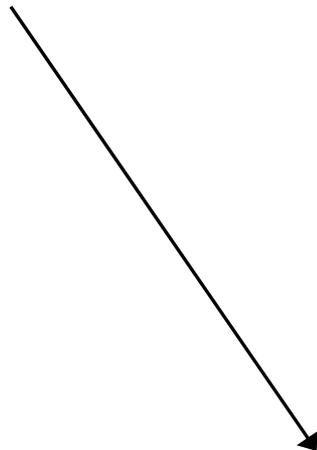
Introduction

- Few Rate Collection System (RCS) changes for HO/DF
- Today's talk:
 - Common procedural errors
 - RCS features you may not be aware of
 - Questions / Comments

Common Procedural Errors I

Filing Component List

- Interrogatories



Work Unit Number: W08-409739

Name:

Purpose: Rate & Rule

Product: Homeowners Multi-Peril

[edit filing details](#)

Listed below are all the components required to submit this filing. To view a component, click on its name. Your changes are automatically saved. To review the current details of your filing, click "Review this Filing".

Component	Last Updated	Status
Company Data	3/19/2008 15:10	Complete
Cover Letter	3/19/2008 15:13	Complete
DIR-582 P&C Universal Standardized Data Letter	3/19/2008 15:17	Complete
Explanatory Memorandum	3/19/2008 15:07	Incomplete
Interrogatories	4/22/2008 14:10	Incomplete
Manual Pages	3/19/2008 15:07	Incomplete
Additional Rules Information	3/19/2008 15:07	Incomplete
Rate Support by Territory	3/19/2008 15:07	Incomplete
Reinsurance Expense Support Personal Property	3/19/2008 15:07	Incomplete
DIR-B1-1790	3/19/2008 15:07	Incomplete
Supplementary Information (Optional) Supplementary Documentation	3/19/2008 15:07	-----

[Review this Filing](#)

[Return to Workbench](#)

Edit Interrogatories

• **Interrogatories**

Work Unit Number: W08-409739

Name:

Purpose: Rate & Rule

Product: Homeowners Multi-Peril

Below is a list of interrogatories for this filing. Please answer questions by checking the appropriate selection.

- | | |
|--|---|
| 1. Are you someone other than an employee of the company who is making this filing on behalf of the company? | Yes No
<input type="radio"/> <input type="radio"/> |
| 2. Is this filing being made to comply with a change in Florida law? | Yes No
<input type="radio"/> <input type="radio"/> |
| 3. Does this filing propose changes in the level of coverage you are providing to your insureds? | Yes No
<input type="radio"/> <input type="radio"/> |
| 4. Is this filing being made to adjust rates for an existing program with business? | Yes No
<input type="radio"/> <input type="radio"/> |
| 5. Does this filing include the use of a Catastrophe Model in the determination of any rate level indication? | Yes No
<input type="radio"/> <input type="radio"/> |
| 6. Does this filing include rates or rating factors that result in a rate change to the Office's RCS rating examples OR is there an overall rate change associated with this filing OR does this filing include the introduction of a new program? | Yes No
<input type="radio"/> <input type="radio"/> |
| 7. Does this filing propose changes in any rating factor other than base rates (or relativities) by territory? | Yes No
<input type="radio"/> <input type="radio"/> |
| 8. Do you offer policies excluding wind coverage? | Yes No
<input type="radio"/> <input type="radio"/> |
| 9. Does your company use credit information, credit reports or credit/insurance scores in underwriting or rating (including any categorization that would affect the premium charged to the insured)? | Yes No
<input type="radio"/> <input type="radio"/> |

Common Procedural Errors I

- Interrogatories
 - Be sure to answer correctly. Once submitted you cannot change.
 - Inclusion of RCS is triggered by one of these questions. (“Does this filing include rates or rating factors that result in a rate change to the Office’s RCS rating examples OR is there an overall rate change associated with this filing OR does this filing include the introduction of a new program?”)
 - If unsure, ask.

Common Procedural Errors II

- RCS “Start Over”



Common Tasks

- Manage Programs
- Manage Policies
- Manage Territory Sets
- Manage Companies
- **Start Over**
- Return to Filing Component List

Rate Collection

Workbench

Generate Rate Component List

Companies in Filing:

Company Name	NAIC Co Code	NAIC Group
CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY	10953	3456

Filing Setup Information:

- [-] Filing
 - [-] Programs
 - [-] CYPRESS 2001 (HO)
 - [-] Companies
 - CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY
 - [-] Policies
 - [-] HO-3 Update Rates selected
 - [-] Territory Sets
 - Example Non-Hurricane Territroy Set
 - Example Hurricane Territory Set

Common Procedural Errors II

- RCS “Start Over”
 - “Start Over” deletes all RCS data in database for this filing.
 - Use ONLY when asked to by OIR to make corrections. (For example, to fix the program name, territory set, policy types or the initial Rate Level Effect data.)
 - If unsure, ask.

Common Procedural Errors III

- RCS Rating Examples

Rate Collection

Rate Component List

Component Name	Last Updated Date	Status
Premium Breakdown	4/22/2008 3:25:41 PM	Incomplete
CYPRESS 2001 (HO)		
Rating Example for HO-3	4/22/2008 3:25:41 PM	Incomplete
Rate Level Effect	4/22/2008 3:25:40 PM	Incomplete
Statewide Rate Level Effect	4/22/2008 3:25:40 PM	Incomplete

HO-3 \$150K New Construction: Masonry structure insured for replacement cost at \$150,000 with a 2% Hurricane Deductible and a \$500 deductible for all other Section I perils combined; Other structures insured at 10% of the amount of insurance on the structure; Contents insured for replacement cost at 50% of the amount of insurance on the structure; Loss of Use insured at 20% of the amount of insurance on the structure; \$100,000 Liability coverage; \$1,000 Medical expense; Ordinance or law coverage provided at 25% of the amount of insurance on the structure; I.S.O. Protection Class 4; I.S.O. HO-3 POLICY TYPE. The rates should be ANNUAL RATES for NEW BUSINESS for a 40 YEAR OLD INSURED with NO CLAIMS IN THE PAST 3 YEARS and a NEUTRAL CREDIT SCORE. The structure was built in 2005 and does NOT have a hip roof. Sinkhole coverage is included with a \$500 deductible. The ONLY recoupment that should be included in the rate is the Florida Hurricane Catastrophe Fund reimbursement premium recoupment, if applicable.

Common Procedural Errors III

- RCS Rating Examples (Note changes)
 - Minimum Windstorm Loss Mitigation Credit assumed on structures built after the implementation of the 2001 Florida Building Code (FBC)
 - Include sinkhole coverage at \$500 deductible
 - Exclude screened enclosure and mold coverage (If included in the base policy, note this in the Risk Description and include the limit)
 - Do not include recoupments, except Florida Hurricane Catastrophe Fund (FHCF) premium recoupment
 - Do not include emergency FHCF or Citizens recoupments
 - Include Managing General Agent (MGA) fee, if applicable

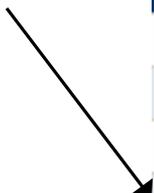
Common Procedural Errors IV

- Rate Level Effect (RLE) Form

Rate Collection

Rate Component List

Component Name	Last Updated Date	Status
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CYPRESS 2001 (HO)		
Rating Example for HO-3	4/22/2008 3:25:41 PM	Incomplete
Rate Level Effect	4/22/2008 3:25:40 PM	Incomplete
Statewide Rate Level Effect	4/22/2008 3:25:40 PM	Incomplete



Common Procedural Errors IV

- Rate Level Effect (RLE) Form
 - If less than one year of experience, do not complete (submit with zeros for Total Amount of Insurance, Earned House Years (EHY), Earned Premium @ Current Rate Level (EP@CRL), Current Average Annual Premium and Proposed Average Annual Premium)
 - Use 12 months ending earned data (not in-force)
 - RLE forms and Rate Level Indications Workbook must balance (statewide EHY and EP@CRL totals)

RCS Features I

- Can separate Hurricane and Non-Hurricane Rate Level Effects
 - Why you might want to do this (e.g., different hurricane/non-hurricane territory sets)
 - When you are required to do this (complete separate hurricane and non-hurricane rate indications)
 - How to do this – by defining separate hurricane and non-hurricane territory sets (even if the sets are equivalent)

- Define separate Hurricane and Non-Hurricane Territory Sets

Rate Collection
Manage Territory Sets

Program & Policy/Coverage List showing assigned Territory Sets: Unassign All

Program	Policy/Coverage	Territory Set Name	Type	Unassign
CYPRESS 2001 (HO)	HO-3	Example Hurricane Territory Set	Hurricane	Unassign
	HO-3	Example Non-Hurricane Territroy Set	Non-Hurricane	Unassign

Available Territory Sets:
(Territory sets uploaded by user or mandatory)

Territory Set Name	Type	Defined	Preview	Assign	Delete
Default Homeowners Territory Set	Non-Hurricane	Standard	Preview	Assign	Delete
Default Homeowners Territory Set	Combined Hurricane/Non-Hurricane	Standard	Preview	Assign	Delete
Default Homeowners Territory Set	Hurricane	Standard	Preview	Assign	Delete
Example Non-Hurricane Territroy Set	Non-Hurricane	Custom	Preview	Assign	Delete
Example Hurricane Territory Set	Hurricane	Custom	Preview	Assign	Delete

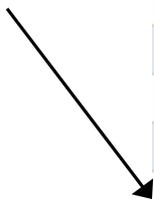
RCS Features II

- Statewide Rate Level Effect Form is generated for you from the RLE form
 - Be sure to review and save the Statewide RLE each time you update any associated RLE forms

Rate Collection

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Questions / Comments

- Robert.Lee@flair.com
- Ken.Ritzenthaler@flair.com