

December 3, 1984

SUBJECT: INSURANCE

WITHDRAWN

CIRCULAR LETTER NO 16 (1984)

December 3, 1984

TO : ALL INSURERS AUTHORIZED TO TRANSACT PROPERTY AND CASUALTY INSURANCE BUSINESS  
IN THIS STATE AND RATE SERVICE ORGANIZATIONS

RE : REVISED PROCEDURES FOR FURNISHING RATING INFORMATION UNDER ARTICLE 23

In view of the recodification of the Insurance Law, which became effective on September 1, 1984, and to reiterate the Department's filing requirements, this Circular Letter replaces and supersedes Circular Letter No. 8 (1977).

Section 2310(a) of the Insurance Law states:

"Every insurer and rate service organization shall furnish to (the superintendent, on or before the date of their use, all changes in the rating rules and schedules of rates which are not subject to prior approval pursuant to subsection (b) of section two thousand three hundred five of this article and the statistical, rating and other information in support of changes in such rating classifications and territories. Such rules, schedules and information shall be available for public inspection at the department."

Section 2305(c) of the Insurance Law states:

"Rates filed with the superintendent shall be accompanied by the information upon which the insurer supports the rate as set forth in subsection (b) of section two thousand three hundred four of this article."

Section 2304 (b) of the Insurance Law states:

"The information furnished in support of a filing may include:

1. The experience or judgment of the insurer or rate service organization making the rate;
2. its interpretation of any statistical data it relies upon;
3. The experience of other insurers or rate service organizations; or
4. any other relevant factors."

Accordingly, every insurer and rate service organization is required to furnish this Department all changes in rating rules and schedules of rates on or before the date of their use together with the statistical, rating and other information in support of such changes.

Existing forms used in reporting such information are hereby revised. Copies of the new forms are attached. There are two different forms. The first form is to be used by companies when adopting the rates and rules of a rate service organization to which they belong as members or subscribers. The second form is to be used by rate service

organizations and companies when filing independent rates and rating rules.

Form CL-16 (1984)-A

Notice of Intention to Adopt Rate Service Organization Advisory Rates and Rule Changes

This form is to be used by members of or subscribers to rate service organizations that wish to adopt the latter's advisory rate and rule changes. It may not be used by companies which only use the rate service organization as a statistical agent or are otherwise only service purchasers.

Companies need not submit the manual pages being adopted.

Form CL-16 (1984)-B

Rating Changes in Rates and Rating Rules

This form is to be used by rate service organizations and companies that wish to file their own independent rates and rating rules. It must be accompanied by the statistical, rating or other information in support of the filing, as well as the manual pages.

The form must also be used by companies that wish to adopt a rate service organization's rate and rules but are not members of or subscribers to such rate service organization.

General Instructions

1. Furnish all requested information in spaces provided (attach additional sheets as necessary). Responses such as "indeterminable" or "not available" are not acceptable.
2. Allow sufficient mailing time to insure that this Department receives the appropriate form on or before the effective date of the change.
3. If the company wishes an acknowledgement, include a stamped, self addressed envelope and an acknowledgement copy.
4. Companies may reproduce the attached sample forms, or may use computer or word processing generated facsimiles of similar size.

Very truly yours,

[SIGNATURE]

James P. Corcoran

Superintendent of Insurance

REPORT OF CHANGES IN RATES AND RATING RULES

(A SEPARATE REPORT MUST BE FILLED OUT FOR EACH SUBDIVISION OF A KIND OF INSURANCE AFFECTED)

Name of Insurer or Rate Service Organization\_\_\_\_\_

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No. of Manual Pages enclosed \_\_\_\_\_

Kind of Insurance affected \_\_\_\_\_

General Description of Filing \_\_\_\_\_

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Date(s) of Implementation of change:

New Business \_\_\_\_\_ Renewals \_\_\_\_\_

THIS FORM MUST BE RECEIVED BY THE INSURANCE DEPARTMENT ON OR BEFORE THE EFFECTIVE DATE OF CHANGE.

Insurer's Annual Premium for this kind of Insurance \$ \_\_\_\_\_

Average effect of changes on this Premium \_\_\_\_\_ %

**INTERROGATORY FOR CHANGES IN RATES AND RATING RULES**

In the spaces below, indicate the specific factors which form the basis for the rate or rule change(s) submitted:

ALL STATISTICAL, RATING OR OTHER INFORMATION IN SUPPORT OF THESE CHANGES MUST BE ATTACHED

	Yes or No	If Yes, Indicate Whose Experience			Relative Weight
		(a) Your Own	(b) *Other Insurers'	(c) *Rate Service Organizations'	
			Within New York State	Outside New York State	
Loss Experience					
1. Past	___	_____	_____	_____	_____
2. Prospective	___	_____	_____	_____	_____
Expenses					
1. Past	___	_____	_____	_____	_____
2. Prospective	___	_____	_____	_____	_____
Other Relevant Factors					
1. _____	___	_____	_____	_____	_____
2. _____	___	_____	_____	_____	_____
3. _____	___	_____	_____	_____	_____

If Yes, Indicate Whose Experience

(a) Your Own

(b) \*Other Insurers'

Yes	(c) *Rate Service	Within	Outside	
or	Organizations'	New York	New York	Relative
No	(d) *Any Other	State	State	Weight

Reasonable

Profit \_\_\_\_\_

Investment

Income \_\_\_\_\_

\* Identify

THE INFORMATION FURNISHED HEREWITH AND ATTACHED EXHIBITS ARE FULL AND TRUE STATEMENTS ACCORDING TO THE AUTHORIZED OFFICER'S BEST KNOWLEDGE, INFORMATION AND BELIEF.

\_\_\_\_\_

Authorized Officer

\_\_\_\_\_, 19\_\_\_\_

Title

\_\_\_\_\_  
Company or Rate Service Organ.

NOTICE OF INTENTION TO ADOPT RATE SERVICE ORGANIZATION ADVISORY RATE AND RULE CHANGES

(A SEPARATE REPORT MUST BE FILLED OUT FOR EACH SUBDIVISION OF A KIND OF INSURANCE AFFECTED)

Name of Insurer \_\_\_\_\_

Name of Rate Service Organization \_\_\_\_\_

Reference or Circular No. of Change (if any) \_\_\_\_\_

Date of Rate Service Organization Notice \_\_\_\_\_

No. of Manual Pages (DO NOT SUBMIT MANUAL PAGES) \_\_\_\_\_

Kind of Insurance affected \_\_\_\_\_

General Description of Filing \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Date(s) of Implementation of change:

New Business \_\_\_\_\_ Renewals \_\_\_\_\_

THIS FORM MUST BE RECEIVED BY THE INSURANCE DEPARTMENT ON OR BEFORE THE EFFECTIVE DATE OF CHANGE

Insurer's Annual Premium for this kind of Insurance \$ \_\_\_\_\_

Average effect of changes on this Premium \_\_\_\_\_ %

This insurer has compared its respective loss and expense experience statistics or other relevant data with the data submitted by the rate service organization listed above in support of its changes in advisory rules or rates. In adopting these changes this insurer exercises its independent judgment, and relies upon the rate service organization's support for such changes with the following exceptions (attach explanation).

\_\_\_\_\_

If "none" applies enter none

THE ABOVE INFORMATION ARE FULL AND TRUE STATEMENTS ACCORDING TO THE AUTHORIZED OFFICER'S BEST KNOWLEDGE, INFORMATION AND BELIEF.

Date \_\_\_\_\_, 19\_\_ \_\_\_\_\_

Authorized Officer

\_\_\_\_\_

Title

Form CL-16 (1984)-A