

ALASKA DIVISION OF INSURANCE FILING CHECKLIST
Personal Automobile Insurance Rate and Rule

Section I – Provisions Applicable to all Filings

	COMPLIANCE ISSUE	REFERENCE	COMMENTS	PAGE #
<input type="checkbox"/>	Applicability	AS 21.39.020 AS 21.39.040	All manuals, minimum class rates, rating schedules, rating plans, rating rules, and each modification of these must be filed with the director.	
<input type="checkbox"/>	Filing Requirements	AS.21.39.040 3 AAC 31.210 3 AAC 31.225 Bulletin 19-10	Rate filings must be submitted separately from form filings. A related form filing must be cross referenced on the cover letter. The cover letter for the filing must include the proposed effective date, character and extent of coverage contemplated, and overall effect of the rate level change requested.	
<input type="checkbox"/>	Ratemaking Standards	AS 21.39.030 3 AAC 29.250(c) AS 21.36.090(c) AS 21.36.460(c)	Rates shall not be excessive, inadequate, or unfairly discriminatory. Rate filing must be consistent with the estimate of future costs of a risk transfer as established in the Casualty Actuarial Society’s Statement of Principles Regarding Property and Casualty Ratemaking, adopted May 1988. The costs must include estimated future losses, loss adjustment expenses, and other expenses. Risk characteristics utilized in class ratemaking and applicable rating rules must allow for periodic reevaluation of insured’s risk characteristics.	
		Bulletin 15-12	Judgmental adjustments to a rate may not be based on non-risk related policyholder characteristics.	
<input type="checkbox"/>	Unfair Discrimination	AS 21.39.030 AS 21.36.090 AS 21.36.120(c) Bulletin 15-12	Premium or rates may not cause arbitrary or unfair discrimination between insureds or property having like insuring or risk characteristics. Risk characteristics must allow for periodic reevaluation to ensure class assignments and rates accurately reflect insured’s risk characteristics and avoid such discrimination.	

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<input type="checkbox"/>	Supporting Documentation	AS 21.39.040 (d) 3 AAC 31.230	Information upon which insurer supports filing should be included, as applicable. Support must be specific to the subject proposal: <ul style="list-style-type: none"> • Premium and loss experience, both nationwide and for Alaska; • Expense information, both nationwide and for Alaska, in at least as much detail as the expense groups shown on Part II of the Insurance Expense Exhibit; • If loss adjustment expenses are included in the loss experience, that fact must be clearly explained; • An explanation of how investment income was considered; • An explanation of the actuarial methodology used; • Support for any deviation in the filing, whether between companies or from a rating organization filing. 	
		3 AAC 29.250 (e)	If an insurer relies upon the loss costs of a rating organization to support its rates, the insurer must use the approved prospective loss costs of the rating organization in effect at the time of use.	

Section II – Check any Provisions that Apply

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<input type="checkbox"/>	Alaska Rule of Civil Procedure 82	3 AAC 26.500 – .550 AS 21.39.040 (a)	If an insurer limits coverage for attorney fees under Alaska Rule of Civil Procedure 82, insurers must file a rule describing the notice requirement of 3 AAC 26.500 . The rule should clearly identify the applicable notice(s), either by title or form number.	

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<input type="checkbox"/>	Cancellation Fee	AS 21.36.255 AS 21.36.220 AS 21.39.040 (a)	<p>A cancellation fee:</p> <ul style="list-style-type: none"> • may only be charged if cancellation is initiated by the insured; • may not exceed 7.5% of the unearned premium; • may not be charged unless: <ul style="list-style-type: none"> ○ the fee is clearly stated in the policy; ○ a rule has been filed which clearly specifies how the fee is computed. <p>Cancellation for non-payment of premium is cancellation by the insurer, not the insured.</p> <p>If a table is used to compute unearned premium, or if earned premium is calculated other than uniformly over the policy period, the applicable table or formula must be submitted to demonstrate compliance with AS 21.36.255 or AS 21.39.030, respectively.</p> <p>A statement that the cancellation fee will not exceed 7.5% does not satisfy the requirement to clearly state or specify the cancellation fee.</p>	
<input type="checkbox"/>	Credit Information Use	Bulletin 03-07 Bulletin 03-11 AS 21.36.460 AS 21.39.035	<p>See Statutes and Bulletins in the Reference column for information on requirements and restrictions related to use of credit history in personal insurance. Notably, some requirements and restrictions apply to underwriting as well as rating.</p>	
<input type="checkbox"/>	Deductibles	AS 28.20.440 (b)(2) AS 28.22.101 (d)	<p>Insurers may not allow an insured to assume any part of the required minimum amount of coverage. Accordingly, no deductible may be applied to liability coverages until after the minimum liability limits have been paid.</p>	
<input type="checkbox"/>	Fully Earned or Minimum Earned Premium	AS 21.36.255 (b)(2) AS 21.42.160 (a)(5) AS 21.39.030 (a)(1) AS 21.36.090 (c)	<p>A rating rule must be included in the rating manual for minimum earned premiums and the premium must be stated in the policy.</p> <p>A rate or rule for a fully earned or minimum earned premium must not result in excessive premiums nor be unfairly discriminatory.</p>	
<input type="checkbox"/>	Group Marketing	3 AAC 29.320 AS 21.39.030 (a)(1)	<p>Premium rates must comply with AS 21.39.</p> <p>Regulations 3 AAC 29.305 - .369 outline additional requirements applicable to group marketed P&C insurance.</p>	

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<input type="checkbox"/>	Intentional Acts Exclusion	AS 21.36.430	Coverage may not be refused, cancelled, denied, or premium increased based only on the fact that a person was a victim of domestic violence.	
<input type="checkbox"/>	Minimum Liability Coverages	AS 21.96.020 AS 28.22.101	An automobile liability policy must provide liability coverage with limits of at least: \$50,000 per person for bodily injury (BI), \$100,000 per accident for BI, \$25,000 for property damage (PD). If BI and PD coverage are instead subject to a combined single limit, the minimum single limit equivalent is \$125,000.	
<input type="checkbox"/>	Named Driver Exclusions	AS 28.20.440 (l) Bulletin 98-10 AS 21.39.040 (a)	Insurers must honor the request of the named insured to exclude an operator who is a resident of the household or relative. The existence of the excluded driver may not, in any way, affect the policy's premium. A rule to this effect is required in order to avoid any confusion.	
<input type="checkbox"/>	Not at Fault Accidents	Bulletin 73-05	Not at fault accidents may not be used in rating. The Bulletin lists some types of accidents which may be questionable as to whether they are at-fault or not-at-fault and positively identifies them as not-at-fault, but the list is not meant to say that all other types or causes of loss should be considered at-fault or are permissible to use in rating.	
<input type="checkbox"/>	Other Restrictions and Requirements for Premium Changes	AS 21.36.290 (b) AS 21.36.305 (d) AS 21.36.305 (e) AS 21.36.307	<ul style="list-style-type: none"> • Rates cannot be changed more frequently than every six months • Premium changes can occur only at renewal • Premium increases require a minimum of 20-days' notice • Premiums may not be increased--and the policy may not be denied, cancelled, or nonrenewed--based on a driver's violation related to an overweight vehicle 	
<input type="checkbox"/>	Policy Fees	AS 21.39.040 Bulletin 04-14	Insurer must support the need for the fees, explain the purpose of the fees, and demonstrate that the fees are not included in other expense provisions.	

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<input type="checkbox"/>	Prior Insurance	Order R93-05 AS 21.39.030	<p>Failure to maintain continuous insurance coverage, when this failure does not result in violation of AS 28.22, may not be used as a rating factor. To the extent that an insurer's rating plan necessitates evaluation of prior insurance history, these insureds must be treated in a manner that can be demonstrated to be neutral.</p> <p>Complete actuarial support must accompany a request to use prior insurance-related risk characteristics in rating.</p> <p>Prior insurance-related risk characteristics must be able to be periodically reevaluated. (See "Ratemaking Standards" above)</p>	
<input type="checkbox"/>	Rental and Shared Vehicles	AS 21.96.020(f)(2)-(4) Bulletin 89-04	<p>Liability coverage at limits no less than 50/100/25 must be extended to vehicles rented in the United States and Canada for a personal insured under the policy. Physical damage coverage for a rental vehicle must be provided if the policy includes physical damage coverage. If the policy does not include physical damage coverage, the insurer must offer physical damage coverage for rental vehicles. The rules should clarify how these requirements are handled.</p> <p>Vehicles rented by the insured via a personal vehicle sharing program are considered rental vehicles for purposes of AS 21.96.020(f)(2) -(4).</p>	
<input type="checkbox"/>	Senior Discount	AS 21.96.025 3 AAC 29.380 -395	Insurers must file a rule outlining the required "senior discount" rate reduction as described in AS 21.96.025.	
<input type="checkbox"/>	Short-Term Policy	AS 21.96.020(g) Bulletin 02-12 Bulletin 96-03	Insurers must offer a short-term policy for a term of no more than seven days. The rules should clarify how this requirement is handled.	

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<input type="checkbox"/>	Tier Programs	AS 21.39.030 AS 21.36.090(c) AS 21.36.120(c) AS 21.39.040(h)	<p>A person may not make or permit unfair discrimination between insureds with like characteristics in the rates charged for an insurance policy, or in the selection of it, or in any terms and conditions of the insurance.</p> <p>The filing must clearly include criteria that describe what tier a risk will be placed in and the tier criteria must be mutually exclusive. Tier criteria and classification criteria should not duplicate each other.</p> <p>The filing must indicate that each risk will be reevaluated at specified intervals, which must be at least every two years, to see if the risk needs to be moved to a different tier.</p>	
<input type="checkbox"/>	Unearned Premium Refund - Insurer Cancel	AS 21.36.220(c)	The unearned premium refund rule must require that the refund be made before the effective date of cancellation except for the reasons stated in AS 21.36.220(c)(1) . Then the refund must be within 45 days after the notice of cancellation.	
<input type="checkbox"/>	Unearned Premium Refund - Insured Cancel	AS 21.36.255	The unearned premium refund rule must require the return of any unearned premium within 45 days of receipt of a request for cancellation or the effective date of cancellation, whichever is later.	

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<input type="checkbox"/>	Uninsured/ Underinsured Motorists (UM/UIM) Coverage	AS 21.96.020 AS 28.20.445(e)(3) AS 28.22.201	<p>UM/UIM Bodily Injury and Property Damage coverage must be offered separately, initially, and at each renewal, at the following limits:</p> <p>Bodily Injury</p> <ul style="list-style-type: none"> • limits equal to the Liability limits of the policy; • except for certain types of policies (see AS 21.96.020(c)(2)), various specific limits if greater than the Liability limits of the policy. • other limits at the insurer's option. <p>Property Damage</p> <ul style="list-style-type: none"> • \$25,000 per accident with \$250 deductible • other limits and deductibles at the insurer's option <p>The insured may reject coverage in writing, in whole or in part, and coverage may not be included in a renewal or replacement policy unless the insured requests coverage in writing.</p>	

Name (print): _____

Date: _____

Signature: _____