

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

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ORDER R94-08

Withdrawal of Approval of Insurance Services Office Rate Filing

The Director of the Division of Insurance does hereby find, as follows:

Background:

1. The Insurance Services Office, Inc. has converted its rate structure to a prospective loss cost system.
2. According to regulations in the Alaska Administrative Code, Section 3 AAC 29.280(b), insurers that intend to continue to use rates previously filed by a rating organization shall provide support for the continued use of those rates within one year of the effective date of the initial filing of prospective loss costs for a line of insurance.
3. Bulletin 93-02, effective March 1, 1993, was sent to insurance companies notifying them that the director intended to call a hearing one year after the initial implementation of loss costs for those lines of business for which prospective loss cost filings are first filed by a rating organization and approved by the division after January 1, 1993. Members or subscribers of Insurance Services Offices, Inc. desiring to continue to use rates in effect before the implementation of loss costs shall provide support for the continued use of those rates.
4. Since there are many insurance companies who are members or subscribers to Insurance Services Office, Inc. and who are writing business in Alaska who have not yet complied with regulation 3 AAC 29.280, the Division of Insurance intends to withdraw its approval of rates filed by Insurance Services Office, Inc. prior to the conversion to a prospective loss cost rating system.

Order:

Under the authority of AS 21.39.050(c), the Division of Insurance withdraws approval of the following rate filing filed by the Insurance Services Office, Inc. prior to the conversion to a prospective loss cost system.

Boiler and Machinery

BM 86-RLA1

This filing will no longer be approved as of January 1, 1995.

Since Insurance Services Office, Inc. submitted and had approved a loss cost filing for the above line of insurance, the rates in this filing are either excessive or inadequate.

Date: October 7, 1994



David J. Walsh, Director
Division of Insurance

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