

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
PROPERTY & CASUALTY RATES CHECKLIST

	Reference	Comments	Applicable	Page Number
Applicability	AS 21.39.020 AS 21.39.040	Rating statutes apply to all forms of casualty and surety insurance and to all forms of fire, marine, and inland marine insurance. Rating statutes do not apply to reinsurance (see AS 21.39.110 for exception), insurance of vessels or craft and their cargoes, marine builders' risk, marine protection and indemnity, and aircraft damage, loss, and liability. All manuals, minimum class rates, rating schedules, rating plans, rating rules and each modification of these must be filed with the director.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Rate-making Standards	AS 21.39.030 3 AAC 29.250(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 Rate-making, adopted May 1988. The costs must include estimated future losses, loss adjustment expenses, and other expenses.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Unfair Discrimination	AS 21.39.030 AS 21.36.090 AS 21.36.120(c)	Premium or rates may not be the result of arbitrary or unfair discrimination between insureds or property having like insuring or risk characteristics.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Filing Requirements	AS 21.39.040 3 AAC 31.210(b) Bulletin 96-07	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.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Supporting Documentation	3 AAC 31.220(c)(5) 3 AAC 31.230	Information upon which insurer supports filing: <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 	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Minimum Earned Premium	AS 21.36.255(b)(2) AS 21.42.160(a)(5)	A rating rule must be included in the rating manual for minimum earned premiums and the premium must be stated in the policy.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Fully Earned Premium	AS 21.39.030(a)(1) AS 21.36.090(c)	A rate or rule for a fully earned premium must not be unfairly discriminatory.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	

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Policy Fees	AS 21.39.040	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.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Unearned Premium Refund – Insurer Cancel	AS 21.36.220(c)	The unearned premium 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.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Unearned Premium Refund – Insured Cancel	AS 21.36.255	The unearned premium 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.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Cancellation Fee	AS 21.36.255 AS 21.36.210 AS 21.36.220	The cancellation fee rule must allow for a cancellation fee of not more than 7.5% of the unearned premium, if the insured cancels a policy. A cancellation fee may not be charged unless the fee is clearly stated in the policy. Cancellation for non-payment is cancellation by the insurer, not the insured. A rule must be filed showing how the fee is computed. If a short rate table is used to compute unearned premium, it must be submitted to show compliance with AS 21.36.255.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Adoption of Rating Organization Loss Costs	3 AAC 29.250(e) Bulletin 96-05	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.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Delay Adoption of Rating Organization Rules	AS 21.39.070(a) AS 21.39.030(a)(1)	Subscribers and members must accept filings on their behalf by their rating organization. An Insurer must provide independent support for rate and rule changes if not adopting filings made in their behalf by a rating organization.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Deviations from Rating Organization Rates	AS 21.39.070(a) Bulletin 95-03 3 AAC 31.230(5)	Members or subscribers to rating organizations may file a deviation to rating organization filings. Insurer must provide support for a requested deviation in the filing.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Extended Reporting Period	AS 21.39.030 AS 21.39.040	A charge for an unlimited extended reporting period exceeding 200% of the expiring premium will be considered excessive. The charge for limited tail coverage should be less than 200%. Support for the charges should be included in the filing.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Reinsurance costs	3 AAC 29.300(3)	Reinsurance costs are not included in expenses.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Refer to company and (a) rates	Order R94-02	The filing must include documentation showing how the rate will be developed. This documentation should include specific formulas and rating factors used to develop the rates or other written guidelines used to determine the appropriate rate.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	

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Judgment rating	AS 21.39.030 AS 21.39.040	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. Criteria considered in selecting a specific rate from a range of rates must be provided.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Expense modification plan	AS 21.39.030 AS 21.36.120(a)	An insurer may not give a discount or rebate as an inducement to purchase insurance. Expense modification plans must clearly describe the circumstances under which the standard expenses will be altered and how much they will be altered. Allowing a producer to select a commission level to bring the policy premium to the desired amount is considered a rebate.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Consent to rate	AS 21.39.040(g) Bulletin 06-18	For a specific risk, an insurer may submit a written application for a rate other than the filed rate. Bulletin provides specific criteria needed for submission.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Schedule Rating Plan	3 AAC 29.400-.469 Bulletin 98-09	Each plan must include: <ul style="list-style-type: none"> • The criteria that an insured must meet to be eligible for the plan • A description of each risk characteristic for which a debit or credit will apply • The range of permissible debits or credits for each risk characteristic • The maximum total debit or credit that may be assigned to the policy • If applicable, a statement that any previously approved schedule rating plan applicable to the same class of insureds is withdrawn upon the approval of the filing <p>The plan must be applied to all eligible insureds, must be applied at each policy renewal, must assign credits or debits only for risk characteristics described in the plan, and may not be applied in a way that duplicates other rating. The plan must only apply to things that effect losses and loss adjustment expenses.</p> <p>The rating plan must acknowledge an obligation to comply with 3 AAC 29.420 and 3 AAC 29.430 by including a rule that describes how these requirements are met.</p>	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	

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Tier programs	AS 21.39.030 AS 21.36.090(c)	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.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
	AS 21.39.030	The filing must clearly include criteria that describes 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.		
	AS 21.39.040(h)	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.		
Group marketing	3 AAC 29.320	Premium rates must comply with AS 21.39.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	
Exempt Commercial Policy	3 AAC 29.505-.510 3 AAC 29.545 Bulletin 05-06	An exempt commercial policyholder must meet the standards in 3 AAC 29.545. An informational filing must be submitted no later than 30 days after the proposed effective date.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>	

Name (print): _____

Signature: _____

Date: _____