

Department of Consumer & Business Services

Oregon Insurance Division – 5

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STANDARDS FOR MOTOR VEHICLE RATES AND RULES

This checklist must be submitted with your filing in compliance with OAR 836-010-0011(2). This list includes relevant statutes, rules, bulletins, and other documented positions to enforce ORS 731.016. The standards are summaries and review of the entire statute or rule may be necessary. Complete each item to confirm that diligent consideration has been given to each and is certified by the signature on the certificate of compliance form. “Not applicable” can be used only if the item does not apply to the coverage being filed. Any line left blank will cause this filing to be considered incomplete. Not including required information or policy provisions may result in disapproval of the filing. *(If submitting your filings electronically, bookmark the provision(s) in the form(s) that satisfy the requirement and identify the page/paragraph on this form.)*

This checklist is NOT APPLICABLE to the following:

(See our Web site for instructions, www.oregoninsurance.org/docs/serff/filing_requirements.htm.)

1. Mechanical breakdown, use form 440-3617
2. Gap and collateral protection, use form 440-3616

Insurer name: _____

Date:

Market:

Personal lines

Commercial lines

TOI (type of insurance): 19.0 Personal Auto

20.0 Commercial Auto

Sub-TOI code: 19.0001 Private Passenger Auto

20.0001 Business Auto

19.0002 Motorcycle

20.0002 Garage

19.0003 Recreational Vehicles

20.0003 Other _____

19.0004 Other _____

2 20.0004 Truckers

Type of filing:

Standard market

Antique/classic

Non-owner

Non-standard market

Named driver exclusion (Requirements listed under limits.)

Review requirement	Reference	Description of review standard requirements	Location of standard in filing (or check the box)
GENERAL REQUIREMENTS			
Product Locator		Were the forms in your filing developed with the NAIC Product Locator, Oregon information? <i>(The requirements on this document are substantially the same as those on the Product Locator for consistency in drafting and meeting these filing requirements.)</i>	Yes No <input type="checkbox"/> <input type="checkbox"/>
Filing Submission	OAR 836-010-0011 As required on SERFF or our Web site	Required forms are located on SERFF or on our Web site at: www.oregoninsurance.org/docs/serff/filing_requirements.htm . These requirements must be submitted: 1. Transmittal form. 2. Cover letter (See transmittal form for instructions.) 3. Actuarial memorandum stating an overview of the contents of the filing, and the reasons and procedures used to derive the rate change. 4. Certificate of compliance form. 5. Product standards (this document). 6. Rates and rules filed. 7. For mail filings, two self-addressed stamped envelopes, one large enough to return the approved forms.	Yes No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Filing submission - other documents	Tiered rating Bulletin 2003-8	Other documents required with this filing: Changes to underwriting rules and rating manual. <u>Tier Rating System Summary</u> , if tiers are part of the rating system. <u>Histogram</u> (see example).	Yes No N/A <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	ORS 737.205	Complete copy of underwriting rules and rating manual submitted annually.	Yes No <input type="checkbox"/> <input type="checkbox"/>
	ORS 737.205 OAR 836-080-0425 OAR 836-080-0438	Copies of rates, rating plans, and rating systems must be filed. <i>(Schedule rating can only be applied to commercial lines.)</i>	Yes No <input type="checkbox"/> <input type="checkbox"/>
Review		Filing new program. Revisions to existing program.	Yes No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS			
Fictitious group	ORS 737.600	Fictitious groups for rate purposes meet the requirements of ORS 737.600 (3)(d)	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
Discounts and surcharges	ORS 742.490 – 742.496	Mandatory discount for drivers over the age of 55 who complete an approved motor vehicle accident-prevention course.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	ORS 742.449 and Bulletin 90-5	Continuous prior coverage. Lapse of motor vehicle insurance implies higher risk category only if in violation of ORS 806.010.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	ORS 746.260 and 746.265	Driving record - Convictions that occurred more than 3 years before the policy application date or policy renewal date are not considered for determining surcharges or for eligibility in issuing or renewing a policy. This does not apply to discounts.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	ORS 746.660	Does not base adverse underwriting decision (ORS 746.600) on previous adverse decision.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Discrimination	ORS 746.015, OAR 836-081-0010	Rates, rating plans, and rating systems do not discriminate unfairly in the availability of insurance and application of rates.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Rebates	ORS 746.035 and 746.045	Are inducements or rebates specified in the policy? If “yes,” explain in the cover letter and identify the location in the rule.	
Rate-making generally			
Credibility	ORS 737.310 and OAR 836-010-0021	1. Provide all data used and judgments made. 2. Provide description of methodology used.	
Loss valuation	ORS 737.310 and OAR 836-010-0021 <u>Premiums</u>	1. Earned premium, and earned premium at present rates for each coverage or combined coverages using the extension of exposures or on level factors. 2. A rate level history. 3. Adjustment for inflation. For example, in automobile physical damage, adjusting for symbol drift and model year rating. 4. State whether data is on a basic or total limits basis.	
	ORS 737.310 and OAR 836-010-0021 <u>Loss data</u>	1. For each coverage and each year used in calculating the rate level, state whether data is on a basic or total limits basis.	

Loss valuation, continued		2. Each year and coverage includes: Earned exposures. Incurred losses. Loss development factors. Description of the methodology used to derive the loss development factors. Unallocated loss adjustment expense. Allocated loss adjustment expenses. Ultimate incurred losses and loss adjustment expenses. Trend factors. Trended ultimate incurred losses and loss adjustment expense.	
		3. If losses are separated into catastrophic and non-catastrophic, a description of the method used to separate losses.	
Risk classification	ORS 737.310 and OAR 836-010-0021	For each rating variable, such as driver class, territory, or tier levels, provide the following information:	
		1. Earned premium, earned exposures, incurred loss and number of claims.	
		2. Methodology and judgments used to arrive at the differentials.	
		3. Adjustments to ensure homogeneity of rating group characteristics.	
		4. All data used and judgments made.	
Investment income	ORS 737.310 and OAR 836-010-0021	1. Cash flow method.	
		2. Alternative method showing amount of investment income earned on loss, LAE, and unearned premium reserve to earned premium.	
Trending	ORS 737.310 and OAR 836-010-0021	1. Provide all internal loss-trend data or external industry fast-track-loss-trend data	
		2. Separate determinations of loss severity and frequency trends.	
		3. Calculation of annual trend factors including statistical results.	
		4. All data used and judgments made.	
		5. Description of methodology used.	
Underwriting profit & contingencies	ORS 737.310 and OAR 836-010-0021	1. Oregon data for commission and brokerage.	
		2. Countrywide data for general and other acquisition expenses as reported in the <i>Insurance Expense Exhibit</i> .	
		3. Oregon data for taxes, licenses, and fees.	
		4. Expense trend.	
		5. Historic experience.	
Fees, service charges, taxes	ORS 737.310, OAR 836-010-0021	Cost-accounting justification on initial filings and subsequent changes.	