

## Commercial Lines (EX) Working Group Summary of State Comments

State	<b>Ensure that individual consumers are protected when they are charged for commercial lines coverage.</b>	<b>Consider allowing manuscript policies to be used without prior approval.</b>	<b>Consider establishing conditions for exempting policies for multistate risks from form and rate filing requirements.</b>	<b>Review existing state authority to improve the efficiency and effectiveness of rates and form review for commercial lines.</b>
AK	<p>This item #1 is rather broad, but we believe our statutes, regulations, and procedures adequately ensure that individual consumers are protected when they are charged for commercial lines coverages. To address some points identified in the letter:</p> <ul style="list-style-type: none"> <li>• Alaska has a statute defining “commercial insurance”, Alaska Statute (AS) 21.12.130.</li> <li>• Alaska passed a law in 2013 specifically related to portable electronics devices, AS 21.36.515, though it does not directly address rate and form filing requirements or the DOI’s review of same.</li> <li>• Lender placed coverages need to be filed and are subject to review like other “normal” commercial lines.</li> </ul>	<p>AS 21.42.120(a) allows manuscript forms to be used without prior approval; “This provision does not apply to...policies, riders, endorsements, or forms of unique character designed for and used with relation to insurance upon a particular subject...”</p>	<p>Forms are not required to be filed unless they are to be “delivered or issued for delivery” in AK, per AS 21.42.120(a) (with some exceptions). Thus, I believe we already have an exemption as outlined in the letter for forms. Additionally, possibly relevant to #3:</p> <ul style="list-style-type: none"> <li>• Alaska Administrative Code (regulations) 3 AAC 29.500-550, effective 6/2005, allow rate and form filings providing coverage for large commercial policyholders to be filed on an informational basis, i.e. they are not subject to the prior approval requirements of other rate and form filings.</li> <li>• Some coverages that frequently cover multistate risks enjoy statutory exemption from rate and/or form filing requirements; see AS 21.42.010 for forms and AS 21.39.020(b) and AS 21.39.040(a) for rates/rules.</li> </ul>	<p>AS 21.42.120(d) and AS 21.39.040(f) give the director authority, by Order, to exempt forms and rates from the otherwise applicable “normal” filing requirements. This has been used in some cases (see R15-06, R13-01 for recent examples) and we continuously look for ways to eliminate unnecessary obstacles for insurers/filers while maintaining adequate review.</p>

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AR	<p>Arkansas will continue to rely upon its law regarding whether a product is commercial or personal.</p>	<p>Manuscript provisions are required to be filed by Statute. Manuscript provisions must still comply with contract, tort laws in addition to general insurance requirements; review is still necessary to protect consumers and insurers from unintended consequences. We have a 30 days deemer, so response is prompt.</p>	<p>Rate filings in commercial lines are not filed in Arkansas. As to forms regarding multistate risks, see the response to Consideration No 2, above. Contracts covering Arkansas risks still must comply with laws both regarding insurance and other state laws found in other places of the code as well as case law to avoid unintended consequences or applications of other laws to a policy not intended by either party to the contract.</p>	<p>Commercial rates are not filed in Arkansas except for professional liability and workers compensation. Forms are reviewed with a 30 day deemer.</p>
CA	<p>In California, property and casualty insurance rates are subject to prior approval. The prior approval process is intended to ensure that rates are not inadequate, excessive, or unfairly discriminatory.</p> <p>In 2012, Commissioner Jones required that the largest writers of Lenders' Placed insurance submit new rate filings based upon a review of premium and loss data that indicated that rate decreases may be warranted.</p> <p>Four insurers ended up with significant rate reductions including the two largest writers of LPI coverage in California, American Security - which reduced its rates 30.5%, and QBE, which lowered its rates by 35%.</p> <p>We continue to monitor the loss ratios for these insurers and all insurers</p>	<p>While all changes in rules, rates or forms that have a rate impact are subject to prior approval, we are willing to work with insurers to approve certain components of the rating plan which allow for limited judgment rating and with forms templates that would allow for some limited amendments to coverage without the insurer making an individual filing for each manuscript form.</p>	<p>California does not have specific exemptions for multi-state coverage. It would be very difficult to amend the existing statutory regimen to allow for such exemptions.</p>	<p>Effective on Sept. 1, 2015, the California Department of Insurance released new rate filing instructions, a new rate application, and new rate filing templates for use in the property-casualty rate filing process. These new forms should reduce the number of errors that occur during the insurers' completion of the required premium and loss data and provide the additional data details that analysts frequently need to complete the review process more expeditiously. These new forms will be required for all filings made after Dec. 31, 2015.</p>

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CO	<p>doing business in California.</p> <p>Colorado agrees and has been more hesitant to “fast track” our reviews on programs that affect individual consumers, such as Self-Storage Units. We have been diligent on reviews for these types of commercial programs. We do occasionally question when needed, what the disclosure is to the individual consumer.</p>	<p>Manuscript policies are not required to be filed in Colorado. Colorado Insurance Regulation 5-1-13 Exemptions from Rate &amp; Form Filing Requirements for Insurers Providing Coverage to Exempt Commercial Policyholders outlines filing exemptions in Colorado. All “form filings” in Colorado are file &amp; use with a 31 day waiting period, and are all certified for compliance by the company officer. The regulation and the form certification process appears to be sufficient in Colorado and the commercial market here.</p>	<p>See Regulation 5-1-13</p>	<p>Colorado’s commercial line filings are streamlined. We intend to review the current requirements by statute and see if by rule we could possibly limit the number of filings submitted. We have commercial filings checklists available for analyst to use when reviewing filings. Also, it would be interesting to see suggestions other states have.</p>
DC	<p>We are considering a bulletin that among other things would not allow the insured to increase rates more than 10%.</p> <p>In addition, this bulletin would require the insurer to inform an insured, through a disclosure, of the cost of forced placed insurance coverage.</p>	<p>We have implemented the “Commercial Deregulation Law” in 2002. This law allows certain commercial risks to be exempt from filing requirements if they meet certain criteria.</p>	<p>We have issued a Departmental guide with respect to group policies, which would require policies and certificates to be filed in the District of Columbia if the Master policy is situs here.</p> <p>Additionally, if the certificates are issued to bordering states they would go by the rules of the District of Columbia unless the other state had extraterritorial laws that requires all policies/certificates issued in other states comply with the laws of our state. If it is individual policies then this rule would not apply.</p>	<p>The District of Columbia has a law which allows the Commissioner wide latitude to modify, eliminate, or require all rate and policy forms used by every company covering risks in the District be filed. <b>§31-2502.27 – Filing and approval of policy forms.</b></p> <p>We will continue to review our guidelines so as to improve the efficiency and effectiveness of rate and form review for commercial lines.</p>

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DE	Delaware is still reviewing current regulations that will address this matter and may possibly have to issue a bulletin.	Delaware allows that a single manuscript policy does not have to be filed, but only the one policy.	Delaware requests form and rate filings if the insured is headquartered in our state or if it operates in our state. If nothing takes place in our state, no filings would be required.	Under Delaware law, the Commissioner may waive filing requirements for certain larger risks. Per Regulation 1903, subject to a few enumerated exceptions, “the existing requirements to file rates, rating plans, classification plans, supporting or related documents, are suspended for any policy issued in Delaware or on Delaware risks which produce an annual premium of \$100,000 or more...” As stated in Item 3, Florida has many ways in which it has already improved the efficiency and effectiveness of the rate and form review for commercial lines.
FL	Florida already has strong consumer protections for products like collateral-protection (lender-placed) insurance, where the policy is considered a commercial product but the individual consumer pays the premium. Florida requires the insurers to completely support the proposed rates for lender-placed products and has issued several orders over the years to the largest writers in the state to ensure that the rates do not include excessive expense provisions and do not subsidize the expenses of the mortgage servicers.	Manuscript policies are not subject to review and approval pursuant to s. 627.410, Florida Statutes.	Florida has already made several modifications to the rate and form filing requirements over the years to speed up the filing process for many commercial lines, such as: • Rule 690-170.019, Florida Administrative Code, allows for individually rating risks without an insurer having to submit filings to the Office for many large commercial risks. • Manuscript policies are not required to be filed in Florida, pursuant to s. 627.410, Florida Statutes. • Commercial form filings (excluding workers compensation) may be submitted to the Office on an informational basis, pursuant to s. 627.4102, Florida Statutes, as long as a company employee certifies that the forms comply with applicable Florida laws and rules.	As stated in Item 3, Florida has many ways in which it has already improved the efficiency and effectiveness of the rate and form review for commercial lines.

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IA	Iowa continues to review rates and forms for both Commercial and Personal Lines Insurance. These products have been noted by all involved in the review process and treat them accordingly.	Manuscript policies are currently exempt from all form and rate filing requirement per Iowa Administrative Code 191-20.11(1).	<ul style="list-style-type: none"> <li>Many of the commercial lines are already subject to informational rate filings, pursuant to s. 627.062(3)(d)1., Florida Statutes. These lines include Commercial General Liability, Commercial Auto, Non-Residential Property (excl. Collateral Protection Policies), Directors &amp; Officers Liability, Errors &amp; Omissions Liability, etc. None of these speed-to-market modifications require that the insured be a multi-state risk.</li> </ul>	We continue to follow the issues involved in regulatory matters concerning efficiency and effectiveness of rate and form review for commercial lines. We actively participate in all NAIC meetings and calls regarding the subject matter.
ID	Idaho Code states that the rates cannot be excessive, inadequate or unfairly discriminatory. To determine if the rates meet this requirement, we currently accept the company signed certification.	Idaho Code 41-1812(1) currently only allows an exemption of form filings for specialty rated inland marine risk. Idaho Code 41-1812(3) does state "The director may, by order, exempt from the requirements of this section for so long as he deems proper any insurance document or form or type thereof as specified in such order, to which, in his opinion, this section may not practicably be applied, or the filing and approval of which are, in his opinion, not desirable or necessary for the protection of the public." This	Idaho Code 41-1812(1) currently allows for an exemption of form filings for specialty rated inland marine risk. Idaho Code 41-1812(3) does state "The director may, by order, exempt from the requirements of this section for so long as he deems proper any insurance document or form or type thereof as specified in such order, to which, in his opinion, this section may not practicably be applied, or the filing and approval of which are, in his opinion, not desirable or necessary for the	Idaho Code 41-1812 states Idaho is a file and use state. This was modified in 1995 to provide speed to market for policy forms. No additional actions are currently anticipated.

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IN	<p>Lender-placed insurance is regulated as a commercial lines product, but individual consumers are charged for the coverage. We have observed that once these types of programs are filed and found to be profitable, the companies offering them are unlikely to modify rates. Indiana will consider issuing a bulletin requiring insurance companies offering lender-placed programs to compile loss and expense experience annually and submit a demonstration to the IDOI showing that rates for their product are not excessive, inadequate or unfairly discriminatory.</p>	<p>Indiana has addressed this issue by statute, IC 27-1-22-4(o).</p> <p>(o) An insurer that issues a commercial property or commercial casualty insurance policy form, endorsement, or rider that is prepared to provide or exclude coverage for an unusual or extraordinary risk of a particular commercial policyholder must maintain the policy form, endorsement, or rider in the insurer's Indiana office and provide the policy form, endorsement, or rider to the commissioner at the commissioner's request.</p>	<p>Indiana will take this suggestion into consideration. A legislative change would be required in order to allow for an exemption to filing requirements.</p>	<p>With the exception of Workers Compensation products, most commercial rates and forms are subject to "use-and-file" or "file-and-use" standards, which promote efficiency and speed to market. Our typical turnaround for commercial products review is approximately 16 days. Commercial lines analysts review contract forms for compliance with Indiana statutes and actuarial reviews for commercial rates are performed as needed. An additional level of consumer protection is built into our general rating statute under IC 27-1-22-4(p), which requires notification to the commercial policyholder when coverage is changed at renewal.</p> <p>(p) If coverage under a commercial property or commercial casualty insurance policy is changed, upon renewal of the policy, the insurer shall provide to the policyholder and insurance producer through which the</p>

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MD	<p>Maryland treats each filing with the same level of scrutiny. Each commercial filing is examined to consider its compliance with State law, which includes but is not limited to whether the rate being charged for the risk is excessive, inadequate, or unfairly discriminatory. Special care is paid to those lines of business which have consumer impact.</p>	<p>While Maryland does not permit manuscript policies, insurers are exempt from filing policy forms and rates under Md. Ins. Art 11-206(j) if they qualify as an “exempt commercial policy holder.” An “exempt commercial policy holder” bears the following characteristics:</p> <ul style="list-style-type: none"> <li>(i) Pays annual aggregate property and casualty premiums for commercial insurance policies issued in the State during the current or preceding calendar year of \$25,000 or more; and</li> <li>(ii) Meets any two of the following criteria: <ul style="list-style-type: none"> <li>a. Generates annual revenues or sales in excess of \$10,000,000;</li> <li>b. Possesses a net worth in excess of \$5,000,000;</li> <li>c. Employs at least 25 full-time employees;</li> <li>d. Is a nonprofit organization or public body with an annual budget of at least \$10,000,000 or</li> <li>e. Is a municipal corporation with a population of at least 15,000.</li> </ul> </li> </ul>	<p>Maryland had at one point permitted multistate risk forms to be used without review, provided a carrier filed a certification of compliance with the form filing. However due to previous issues with this process, the practice was discontinued several years ago. Going forward we plan to reexamine the practice and determine whether it would be a viable option at any point in the future.</p>	<p>policyholder obtains the coverage a written notice that the policy has been changed.</p> <p>The MIA continuously works to improve our efficiency and effectiveness. In the last year we have revisited many departmental issues that were of concern to the industry, and reevaluated internal practices in order to streamline our review process. As a result we were successful in clearing a large portion of our filing backlog. Going forward we will continue to consider and apply industry and consumer feedback to ensure our processes are effective and conducive to a timely review.</p>

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NE	Currently, under Nebraska statute 44-7506 (1)(g) it states that "Insurance covering risks of a personal nature written for business entities if the costs for the insurance are charged to individuals" will be filed in accordance with sections 44-7510 and 44-7511, which is Prior Approval.	As a result of this provision, insurers who write larger commercial policies have the ability to tailor policies for larger commercial risks without having to file the risk specific forms with the Administration. Nebraska addresses this through Chapter 73 – Exempt Commercial Policyholders and Nebraska statutes 44-7515 and 44-7516 which modify or eliminate requirements for insurers to use filed rates and approved policy forms for commercial lines property and casualty insurance sold to certain commercial policyholders under common ownership.	Nebraska statute 44-7514 addresses this and states that policy form approval requirements shall not apply to policies written for individual commercial risks that are headquartered in another state or jurisdiction. This statute also states that if there is conflicting language between a policy form and the requirements of certain Nebraska statutes, the Nebraska statutes will apply.	In 2001 Nebraska made significant revisions to the Property and Casualty Insurance Rate and Form Act by allowing "File & Use" for both rates and forms for the majority of commercial and personal lines with certain exceptions (i.e., Workers' Compensation forms and Medical Professional liability forms and rates). Nebraska also allows insurers to increase or decrease premiums on an individual risk basis up to 40% based on any factor subject to certain exceptions. This can be found in statute 44-7509. This allows the review of both new programs as well as revisions to existing programs to go quicker and helps the marketplace remain competitive.
NJ	In NJ, Lender Placed Insurance (LPI) has been deregulated per the Special Risk List that is defined in the Commercial Lines Deregulation Act N.J.S.A. 17:29AA-3.k and N.J.A.C. 11: 13-4.1. LPI was determined to be credit insurance that is Item II G on the Special Risk List that can be found on the NJDOBI website at <a href="http://www.state.nj.us/dobi/notices/specialrisks2011.pdf">http://www.state.nj.us/dobi/notices/specialrisks2011.pdf</a> . We track complaints on LPI and at	We believe manuscript policy forms are not exempted by the Commercial Deregulation Act N.J.S.A. 17:29AA-6 and should continue to be reviewed by NJDOBI. This Act requires commercial lines policy forms to be filed on a 30-day deemer basis. As per N.J.A.C. 11:13-2.1, NJDOBI exempts manuscript policy forms for deregulated lines and Large Commercial Risks with premiums in excess of \$25,000, as defined in the	NJDOBI currently reviews policy forms for multi-state risks for compliance with NJ statutes and regulations. We believe this should continue because statutes and regulations vary greatly by jurisdiction.	In New Jersey we have the Commercial Deregulation Act N.J.S.A. 17:29AA-5 that requires rates and rules to be filed on a "use and file" basis. Rates for risks that generate a premium over \$10,000 do not have to be filed. Policy forms are filed on a 30-day deemer basis as per N.J.S.A. 17:29AA-6. SERFF statistics show that the New Jersey Office of Property and Casualty consistently process SERFF filings in



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	<p>this point in time have not received any complaints.</p>	<p>Special Risk List (Item IIA) on January 18, 2011 by a Public Notice that can be found on our website at <a href="http://www.state.nj.us/dobi/notices/specialrisks2011.pdf">http://www.state.nj.us/dobi/notices/specialrisks2011.pdf</a></p>		<p>less than 20 days. We believe the New Jersey process works well and in discussions with the insurance companies and agents, they believe our current system is working.</p>
OK	<p>Regarding products that are regulated as commercial lines, but for which individual consumers are charged such as lender-placed insurance (LPI) and portable electronics insurance.</p> <p>The Department is considering “Lender Placed” legislation however, such products, whether personal or commercial lines are “use and file” pursuant to the Property and Casualty Competitive Loss Cost Rating Act (36 Okl.St. Ann. §§ 981- 999)</p>	<p>Permitted pursuant to 36 Okl. St. Ann. § 3610 (D) [See Item 4 Below]</p>	<p>To address the issues related to policies for multistate risks, states should consider establishing conditions for exempting policies for multistate risks from form and rate filing requirements. This exemption would recognize the precedence of transactions that occur outside of a state where perhaps only a small part of the insured exposure is located. To prevent misuse of the exemption, states should consider all elements of the transaction. Specifically, the insured must not be headquartered in the state, and the entire transaction (negotiations, correspondence, policy deliverance, payment) must take place outside of the state. For example, an insurer issues one policy to an insured headquartered in state A with 2 operations also in states B and C. The entire transaction takes place in state A, including policy negotiations, correspondence, policy deliverance, and payment of premium. Because no part of the transaction takes place in states B or C, the policy would be exempt from form and rate filing requirements in states B and C.</p>	<p>In 1999, Oklahoma adopted the “Property and Casualty Competitive Loss Cost Rating Act”. The Act generally provides that in a competitive market, rates for personal lines and commercial P&amp;C coverages may be used and filed. This very unobtrusive form of rate regulation is consistent with speed to market principles. P&amp;C forms still require prior approval. There has been no discussion of exempting commercial forms on the same basis as rates.</p>

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OR	<p>In Oregon we currently make every effort to review filings that will result in premium payment by individuals with protection of the consumer in mind. Some of the areas we have geared our product standards and review to call insurers attention to the individual exposure are:</p> <ul style="list-style-type: none"> <li>• Portable Electronics</li> <li>• Travel Insurance</li> <li>• GAP Insurance (sold by an auto dealership)</li> <li>• Credit Involuntary Unemployment</li> <li>• Vehicle Rental Insurance (sold at the point of rental)</li> <li>• Collateral Protection (in some cases)</li> <li>• Pet Insurance</li> </ul> <p>Our filing requirements include the company providing marketing</p>	<p>Oregon Revised Statute (ORS) 742.003 (1) (a) exempts a true manuscript form for a single policyholder on a single risk from the filing requirements. This exemption is further clarified in Oregon Administrative Rule (OAR) 836-010-0011 (1) (b).</p> <p>A form that will be used for multiple users is required to be filed and approved for prior approval as outlined in Oregon Revised Statute (ORS) 742.003.</p> <p>OUR PLAN: Oregon already allows manuscript policies to be used without prior approval. We intend to continue this practice as outlined in statute.</p> <p>a.</p>	<p>Multistate policies under which coverage is sold to individual consumers or for which individual consumers may be assessed a charge under a master policy should not be eligible for this regulatory exemption (see recommendation 1). <i>The Department has not considered procedures for exempting multi-risks from the form and rate filing requirements.</i></p> <p>Oregon rates &amp; forms staff has discussed this possibility and we have a staff member that has participated in the general discussion at the last two AICP annual conferences. A general consensus seems to exist that this problem could be largely resolved if agreement could be met with insurers to follow specific standards when issuing a multistate policy. Some suggestions that were discussed were:</p> <ul style="list-style-type: none"> <li>- Issue policies using the most generous benefit to the policy holder.</li> <li>- When variations of forms approved for use exist, agree that the rules of general policy construction follow the guidance of the domicile state.</li> <li>- Update the policy at annual anniversary to bring the coverage back to the most generous benefit if new forms have been filed.</li> </ul>	<p>Oregon has regularly scheduled update of their product standards for form filings. We make every effort to have up to date information for insurer guidelines to make the filing process as smooth as possible. Our final disposition for most commercial lines form filings is less than 30 days. Even with objections and issues to work out with the insurer, it is normally less than 60 days.</p> <p>OUR PLAN: Oregon will continue to make an ongoing effort to provide efficient and timely review of commercial policy products and is open to discussion of possible changes suggested by the NAIC.</p>

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	<p>information so that we can make sure a producer is appropriately licensed and we can determine at what point an individual consumer becomes affected by the policy.</p> <p>OUR PLAN: We will continue our careful review in this area and are open to discussion of the methods other states are employing.</p>		<p>OUR PLAN: Oregon will participate in the NAIC discussion of best practices and work with other states to assist in reaching consensus on positive agreement between industry and regulators.</p>	
TX	<p>Commercial lines products are generally subject to the same filing requirements and standards as personal lines. For example, although lender-placed insurance (LPI) is classified as commercial lines, the policy forms are subject to prior approval and the rates are file and use.</p>	<p>b. The 84th Texas Legislature (2015) introduced Senate Bill 654 concerning the regulation of certain commercial lines insurance. It would have allowed the Commissioner to exempt or limit the form review for commercial lines. The bill did not pass.</p> <p>c. Texas has form filing exemptions for:</p> <ul style="list-style-type: none"> <li>• Large risks (§2301.004, Texas Insurance Code), and</li> <li>• Lloyd’s plans, and reciprocal or interinsurance exchanges with respect to inland marine insurance, rain insurance, or hail insurance on farm crops (§2301.003(d), Texas Insurance Code).</li> </ul> <p>Because such forms are exempt from form filing, insurers may use</p>	<p>Texas currently has form filing exemptions for policies insuring multistate risks (§101.053, Texas Insurance Code). The exemption applies only if the insured is not headquartered in Texas and the entire transaction must take place outside of Texas.</p>	<p>Except for inland marine, Texas does not currently have laws that allow the Commissioner to modify filing requirements for commercial lines. The 84th Texas Legislature (2015) introduced Senate Bill 654 concerning the regulation of certain commercial lines insurance. It would have allowed the Commissioner to exempt or limit the form review for commercial lines. The bill did not pass.</p>

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UT	<p>We currently review all portable electronic rate, rule, and form filings to ensure compliance without code, which contains many consumer protection disclosures. We have not received any consumer complaints on lender placed insurance products.</p>	<p>manuscript endorsements on those risks without getting prior approval. Manuscript forms are exempt from our filing requirements.</p>	<p>Many multistate risks are written through the surplus lines market which is exempt from our filing statutes. Multistate risk written through the admitted market are file and use for forms and use and file for rates and rules, which simply requires a company to file they do not need to wait for approval. Utah does not have an interest in changing at this time.</p>	<p>As stated above Utah is file and use for forms and use and file for rates and rules, this process is working well for us. We have not been made aware of any issues that would suggest our system is not efficient or effective for the industry. In fiscal year 2015 we closed 97.64% of our filings in 40 days or less with 72.79% of those being closed in 20 days or less. At this time Utah does not have an interest in changing our filing requirements.</p>
VA	<p>Virginia's statutory rate standards (§ 38.2-1904 of Title 38.2 of the Code of Virginia) apply to the "file-and-use" lines of commercial and personal lines of property and casualty insurance. The Bureau's review of filings that contain rates and supplementary rate information provides the forum for actively monitoring compliance with the rate standards.</p> <p>For the majority of lines of property and casualty insurance in Virginia, open competition (i.e., file-and-use) rate regulation applies and has served as an efficient and effective approach.</p> <p>With regard to lender placed insurance coverage, the Bureau has been actively following the efforts of the NAIC's Market Actions Working Group and the actions of other states to determine the most appropriate</p>	<p>On August 23, 2012, the Bureau issued Administrative Order 11936 to expand the lines of commercial insurance to which manuscripting of coverage broadenings is allowed and provided clarification to address the frequency of using such forms before a filing is necessary. The order also provided guidance regarding the filing requirements for the charges associated with the use of a manuscript coverage form.</p> <p>No further action is planned at this time.</p>	<p>Virginia law (§ 38.2-1903.1) exempts the forms and rates (and supplementary rate information) used for insuring large commercial risks, as defined in the cited statute, from filing requirements when certain criteria, as outlined in the statute, are met.</p> <p>Solutions necessary for the handling of multistate risks should be a collaborative effort between state regulators and the insurers writing multistate risks.</p> <p>While there are no plans for an independent action at this time, the Bureau is willing to review industry-drafted proposals, including legislative proposals, addressing the industry's concerns.</p>	<p>The Bureau continuously monitors its processes and the needs of consumers and regulated entities to ensure that the rate and form review regulatory process for all lines of insurance is as efficient and effective as possible.</p> <p>With regard to commercial lines of insurance, the Bureau goes the extra step to carefully consider the lines of insurance and types of insurance products that require greater flexibility and addresses the treatment of them on an as needed basis. For example, there is an extensive list of "a" rated risk classifications in Administrative Order 11888, which was updated in 2011, as well as a number of administrative orders on the Bureau's webpage that reflect lines of insurance or specific insurance products that do not easily lend themselves to the filing of rates,</p>

State	Ensure that individual consumers are protected when they are charged for commercial lines coverage.	Consider allowing manuscript policies to be used without prior approval.	Consider establishing conditions for exempting policies for multistate risks from form and rate filing requirements.	Review existing state authority to improve the efficiency and effectiveness of rates and form review for commercial lines.
WA	<p>In addition, the Bureau has been actively monitoring the rates of Virginia's two largest writers of lender placed coverage.</p> <p>We already do this. Even though Washington is a "use and file" state for commercial lines rates and forms, every filing is reviewed, and staff are aware when commercial lines products are really ultimately paid for by, or sold to, individual consumers. These filings are reviewed at a level of detail similar to that of our review of personal lines rate and form filings, so that the consumers who pay for these commercial lines products are protected.</p>	<p>Washington already allows this under RCW 48.18.100(1)(d).</p>	<p>We have considered this interesting idea but do not believe it is in the best interest of Washington residents to move in this direction at this time. This would be a relatively complex rulemaking, and we currently have some higher rulemaking priorities. If other states move in this direction, we may be able to learn from what they do before we proceed.</p>	<p>supplementary rate information, or forms.</p> <p>The Bureau remains open to discussing the concerns, specific or general, of regulated entities.</p> <p>We have reviewed the Commissioner's existing statutory authority to suspend or modify filing requirements under RCW 48.18.100(6) and RCW 48.19.080, but we have not currently identified any lines of business to be exempted from rate and form filing requirements.</p>

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