

# LOUISIANA INSURANCE RATING COMMISSION MINUTES

MINUTES OF THE REGULARLY SCHEDULED MEETING OF THE LOUISIANA INSURANCE RATING COMMISSION BEGINNING AT 10:00 ON **WEDNESDAY, JULY 14, 2004** AT THE POYDRAS HEARING ROOM ON THE FIRST FLOOR OF THE DEPARTMENT OF INSURANCE IN THE POYDRAS BUILDING, 1702 NORTH THIRD STREET, BATON ROUGE, LA 70802.

THE FOLLOWING MEMBERS WERE PRESENT FOR THE MEETING AT 10:00 A.M. ON **WEDNESDAY, JULY 14, 2004**:

Seth Keener, Jr., David Chozen, Michael Franks, and Steven Ruiz,

Deputy Commissioner, Chad Brown represented the Acting Commissioner, Robert Wooley.

Also present were Paula P. Davis, Deputy Commissioner/Office of Property & Casualty; Barita Morgan, Assistant Deputy Commissioner, and Staff Members of the Office of Insurance Rating; Richard Piazza, Actuary for the Louisiana Insurance Rating Commission; and other department staff members and representatives of certain groups.

Reading of the Minutes of the previous Meeting were dispensed with and accepted upon the motion of the Mr. Steven Ruiz which received no objection.

NOTE: Items as shown below may not have been heard in the order in which they appear in these Minutes.

**PAULA P. DAVIS  
DEPUTY COMMISSIONER  
OFFICE OF PROPERTY & CASUALTY**

**1 - July 14, 2004 - 18232**

CONTINENTAL CASUALTY COMPANY  
11 - MEDICAL MALPRACTICE  
REVISED RATE ONLY  
PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY  
INCLUDED SCHEDULE RATING PLAN  
(+45.4%)

COMPANY REFERENCE: 04-R2044

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

The last adjustment to this program occurred August 2001 (#12) which resulted in an overall amended increase of +35.0% effective August 15, 2001.

The company, with this filing, proposes to change the base rates of its Physicians and Surgeons Professional Liability program and state no other changes are proposed. The changes will produce an increase of +45.4% or +\$494,684, affecting 11 policyholders.

The company's experience follows:

LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 1,045,794	\$ 948,790	90.7%
2000	1,100,899	833,290	75.7%
2001	916,429	728,427	79.5%
2002	974,186	608,979	62.5%
2003	938,756	900,328	95.9%
All Years	\$ 4,976,064	\$ 4,019,814	80.8%

COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 17,087,522	\$ 11,954,963	70.0%
2000	22,357,890	41,353,267	185.0%
2001	42,817,488	39,759,163	92.9%
2002	58,117,087	52,204,238	89.8%
2003	60,340,661	34,295,191	56.8%
All Years	\$ 200,720,649	\$ 179,566,822	89.5%

The Schedule Rating plan included in this filing adheres to L.I.R.C. guidelines.

The Medical Malpractice questionnaire and Histogram have been included in the Actuary's Rate Revision summary.

**FINAL ACTION: Disapproved**

**ADDITIONAL MINUTES: Mr. Ruiz motioned to disapprove this item because the company failed to send a company representative as requested by the Commission.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**2 - July 14, 2004 - 18233**

CONTINENTAL CASUALTY COMPANY

11 - MEDICAL MALPRACTICE  
 REVISED RATE ONLY  
 HOSPITAL PROFESSIONAL LIABILITY PROGRAM  
 REVISED BASE RATES  
 (+35.7%)

COMPANY REFERENCE: 04 R2043

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: 7/14/2004

The initial approval of this program occurred July, 1997 (#76) effective July 16, 1997.

The company now wishes to submit two proposed changes to the base rates of its Hospital Professional Liability program.

First, the company proposes a +35.7% or +\$344,751 change in base rates which will affect 3 policyholders.

Secondly, it wishes to eliminate its occurrence rates.

The company's experience follows.

LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 1,045,794	\$ 948,790	90.7%
2000	1,100,899	833,290	75.7%
2001	916,429	728,427	79.5%
2002	974,186	608,979	62.5%
2003	938,756	900,328	95.9%
All Years	\$ 4,976,064	\$ 4,019,814	80.8%

COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 17,087,522	\$ 11,954,963	70.0%
2000	23,357,890	41,353,267	185.0%
2001	42,817,488	39,759,163	92.9%
2002	58,117,087	52,204,238	89.8%
2003	60,340,661	34,295,191	56.8%
All Years	\$ 200,720,649	\$ 179,566,822	89.5%

A Medical Malpractice questionnaire and Histogram have been included in the actuary's Rate Revision summary.

**FINAL ACTION: Deferred**

**ADDITIONAL MINUTES: Mr. Ruiz motioned to defer this item at the company's request.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

DOCTORS' COMPANY, AN INTERINSURANCE EXCHANGE, THE  
 11 - MEDICAL MALPRACTICE  
 REVISED RATE AND RULE  
 PHYSICIANS, SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS PROFESSIONAL LIABILITY  
 INSURANCE PROGRAM  
 (VARIOUS SPECIALTY RATE INTRODUCTIONS AND REVISIONS)  
 INCLUDED SCHEDULE RATING PLAN  
 (+25.0%)  
 COMPANY REFERENCE: 2004-LA-01  
 REQUESTED EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: 9/1/2004

The last adjustment to this program occurred in February 2003 (#4), which resulted in an increase of +19.4% effective February 26, 2003.

The company now wishes to file the following revisions to its Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance program:

- +23.3% change to manual rates for most specialties, for all territories
- Manual rates for Gynecology (With In-Vitro Fertilization) are being introduced
- Manual rates for Chiropractors, dentists and podiatrists are being introduced, along with appropriate endorsements to its current policies submitted under separate cover
- Increase limits factors for Chiropractors are being introduced
- Rate relativities for various ancillaries are being reduced
- Separate limits business entity charge is being increased from 6% to 15%
- Shared limits business entity charge of 4% is being introduced

The company states that these changes will result in an overall increase of +25.0% or +\$96,295, affecting 13 policyholders.

The Schedule Rating plan included in the filing adheres to L.I.R.C. requirements.

The company's experience is illustrated below:

LOUISIANA

Year	Actual Earned Premium		Developed Loss		Loss Ratio
1999	\$	354,295	\$	542,900	153.2%
2000		353,994		343,557	97.1%
2001		571,234		499,409	87.4%
2002		916,129		413,589	45.1%
2003		1,028,480		1,731,663	168.4%
All Years	\$	3,224,132	\$	3,531,118	109.5%

COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
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1999	\$	200,035,999	\$	164,928,988	82.4%
2000		180,591,276		203,567,744	112.7%
2001		211,981,234		255,877,233	120.7%
2002		307,649,697		272,169,899	88.5%
2003		365,604,330		319,416,378	87.4%
All Years	\$	1,265,862,536	\$	1,215,960,243	96.1%

The Medical Malpractice questionnaire and Histogram have been included in the Actuary's Rate Revision summary.

The required rate/rule requires approval of companion form(s).

**FINAL ACTION: Deferred**

**ADDITIONAL MINUTES: Mr. Ruiz motioned to defer this item at the company's request.**

**FINAL EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: N/A**

**4 - July 14, 2004 - 18226**

CHICAGO INSURANCE COMPANY

17 - OTHER LIABILITY

REVISED RATE AND RULE

PROFESSIONAL LIABILITY

(52.1%)

COMPANY REFERENCE: IIG-HCP-LA-03-01-R

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

Listed below is the history of the actions taken by the LIRC in regard t this program.

#25-3/03	+52.1%		Disapproved
#25-2/03	+52.1%		Deferred
#108-8/00	0%	Effective 8/16/00 N&R	Approved
#197-7/98			Approved

The company proposes an overall increase of +52.1% or +\$50,977 that will affect 133 policyholders. The Physical Therapists Program is underwritten on an Occurrence basis.

Below is the Louisiana and countrywide experience:

**LOUISIANA**

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1998	\$ 118,730	\$ 161,071	135.0%
1999	116,104	65,132	56.0%
2000	102,326	439,404	429.0%
2001	100,395	104,027	103.0%

2002		99,224		281,646	283.0%
All Years	\$	536,779	\$	1,051,280	195.0%

COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1998	\$ 7,215,697	\$ 6,028,355	83.0%
1999	6,794,361	13,550,854	199.0%
2000	6,053,781	7,245,196	119.0%
2001	5,869,693	6,648,826	113.0%
2002	5,848,585	19,743,844	337.0%
All Years	\$ 53,217,075	\$ 31,782,117	167.0%

**FINAL ACTION: Deferred**

**ADDITIONAL MINUTES: Mr. Keener motioned to defer this item pending actuarial review.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**5 - July 14, 2004 - 18234**

TRINITY UNIVERSAL INSURANCE COMPANY  
 TRINITY UNIVERSAL INSURANCE COMPANY OF KANSAS, INC.  
 19 - PRIVATE PASSENGER AUTOMOBILE  
 REVISED RATE AND RULE  
 AUTOMOBILE GENERAL RULES REVISION  
 (+4.8%)  
 COMPANY REFERENCE: LA-21-0409-03-MU  
 REQUESTED EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: 9/1/2004

Listed below is the history of the actions taken by the LIRC in regard to this program:

#39-6/1/03	+4.0%	Effective 6/1/03	Approved
#32-8/02	+8.1%	Effective 10/15/02	Approved
#31-2/02	+9.0%	Effective 4/1/02	Approved

The companies propose an overall increase of +4.8% or +\$403,711 affecting 9,264 policyholders consisting of the following:

1.

<b>Trinity Universal (Preferred)</b>	
Liability	+10.0%
Physical Damage	+7.6%
Combined	+9.1%
<b>Trinity Universal (Select)</b>	

Liability	+3.0%
Physical Damage	+5.2%
Combined	+3.9%
<b>Trinity Universal of Kansas (Standard)</b>	
Liability	+2.4%
Physical Damage	-1.0%
Combined	+1.2%
<b>All Companies Combined (All Tiers)</b>	
Liability	+4.9%
Physical Damage	+4.7%
Combined	+4.8%

2. Adjusting their base rates for Single Limit Liability, Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist, Comprehensive and Collision coverages. Percentages shown below:

Bodily Injury	3.9%
Property Damage	4.4%
Med Pay	4.2%
UM Bodily Injury	3.9%
UM Property Damage	4.4%
Comprehensive	4.1%
Collision	4.2%

3. Amended the Physical Damage table base from 2002 symbol 2 to 2004 symbol 2 and utilizing excess wind and water factor of 1.146 from ISO Designation PP-2003-BRLA1 (#45-2/03).

4. Revised the Secondary Class Factors.

5. Revised Definitions - Driving Record Sub-Classification and Multi-Car Risk under the safe Driver Insurance Plan.

Listed below is the Louisiana and countrywide experience:

### LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 11,153,860	\$ 9,876,703	88.5%
2000	11,002,534	9,94,849	90.5%
2001	10,736,039	8,009,144	74.6%
2002	10,334,912	7,702,976	74.5%
2003	8,9836,638	4,431,471	49.3%
All Years	\$ 52,213,983	39,975,143	76.6%

COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 56,041,489	\$ 42,086,602	75.1%
2000	52,781,439	42,930,494	81.3%
2001	49,966,942	40,673,711	84.1%
2002	48,600,873	35,293,954	72.6%
2003	52,723,596	36,977,993	70.1%
All Years	\$ 260,117,339	\$ 197,962,754	76.1%

Listed below is a summary of Louisiana direct experience:

Calendar Year	Earned Premium	Total Loss & LAE Incurred	Total Loss & LAE Incurred Ratio	Total Underwriting Expense Incurred Ratio
	\$	\$	%	%
2003	54,746	70,697	129.1%	28.5%
2002	66,694	88,327	132.4%	41.5%
2001	76,297	121,381	159.1%	41.2%
2000	70,022	95,134	135.9%	58.9%
1999	58,881	72,691	123.5%	56.7%
1998	68,750	77,680	113.0%	84.3%
1997	76,521	90,770	118.6%	59.5%
1996	85,048	108,122	127.1%	32.4%
1995	93,984	123,141	131.0%	28.7%
1994	101,565	117,521	115.7%	30.7%
All Years	752,508	965,484	128.3%	45.2%

Calendar Year	Other Income Less Other Expenses Ratio	Underwriting Gain or Loss %	Investment Gain on Funds Ratio %	Overall Gain or Loss %
2003	0.9%	-57.9%	0.1%	-57.9%
2002	6.2%	-67.1%	-10.6%	-77.7%
2001	3.2%	-91.4%	63.1%	-28.3%
2000	4.8%	-101.0%	29.3%	-71.7%
1999	2.4%	-77.4%	25.7%	-51.7%
1998	-0.5%	-94.1%	91.3%	-2.7%
1997	-0.3%	-77.3%	15.2%	-62.1%
1996	0.0%	-58.2%	8.8%	-49.5%
1995	0.3%	-58.8%	11.4%	-47.4%
1994	0.4%	-45.3%	3.8%	-41.5%

All Years	1.6%	-71.4%	23.0%	-48.4%
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**FINAL ACTION: Withdrawn**

**ADDITIONAL MINUTES: Withdrawn by Company**

**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**6 - July 14, 2004 - 18228**

CONTINENTAL INSURANCE COMPANY, THE  
 Encompass Insurance Company of America  
 Encompass Property and Casualty Company  
 FIDELITY AND CASUALTY COMPANY OF NEW YORK, THE  
 19 - PRIVATE PASSENGER AUTOMOBILE  
 REVISED RATE AND RULE  
 UNIVERSAL SECURITY POLICY PORTFOLIO PROGRAMS  
 (+14.0%)

COMPANY REFERENCE: 04-R0089

REQUESTED EFFECTIVE DATES - NEW: 10/1/2004

RENEWAL: 10/1/2004

The last adjustment to this program are listed below:

#6-2/03	+10%	Effective 7/15/03	Continental Insurance
#6-2/03	+10%	Effective 7/15/03	Fidelity & Casualty
#15-5/03	Initial Rates/Rules	Effective 5/22/03	Encompass Ins Co
#17-5/03	Initial Rates/Rules	Effective 5/22/03	Encompass P&C

The referenced companies submit this filing to be used with their Universal Security Policy (USP) Portfolio automobile programs.

The above referenced companies now file a proposed rate increase of +14.0% or +\$2,392,784 affecting 11,530 policyholders consisting of the following:

Coverage	Proposed Rate Change
Bodily Injury	+18.7%
Property Damage	+18.7%
Combined Single Limit	+18.7%
Medical Payments	+18.7%
UM/UIM	+19.0%
Comprehensive	0.0%
Collision	+11.0%
Miscellaneous	0.0%
<b>Total</b>	<b>+14.0%</b>

The rate effects shown above include those due to the following changes

## Motor Vehicle

### 1. Base Rates

Proposed base revision is across all territories to better align the company with the market

### 2. Segment Factor

Increase segment factor from 1.25 to 1.30 to improve rate adequacy

### 3. Increased Limit Factors

Propose to increase the Split Increased Limit Factor for \$10/20, \$25/50 and \$50/100

Adjust the BI factors for the Combined Single Limits of \$30,000 and \$50,000

### 4. Update to Model Year

Propose to rebase model year/symbol tables to model year 2003

### 5. Customized Vehicles

Add wording to the customization definition to apply to automobiles.

## Excess Liability

### 1. Minimum Underlying Limits

Change rules to reflect the addition of an underlying BI limit of \$500/500.

## Miscellaneous Changes

### 1. Policy Loss Free Discount

The discount will not apply to the Fixed Expense Premiums

The histogram information is contained in the Insurance Company Rate Summary prepared by the Actuary.

The requested rule/rate revision requires approval of companion forms.

Listed below is the Louisiana and countrywide experience:

### LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 26,426,000	20,849,000	79%
2000	28,343,000	26,964,000	95%
2001	27,205,000	23,457,000	86%
2002	24,457,000	20,198,000	83%
2003	19,943,000	14,210,000	71%
All Years	\$ 126,374,000	\$ 105,679,000	83%

### COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 1,231,423,000	875,635,000	71%
2000	1,271,841,000	969,776,000	76%
2001	1,206,174,000	905,626,000	75%
2002	1,165,958,000	874,184,000	75%

2003		1,172,061,000		857,356,000	73%
All Years	\$	6,047,457,000	\$	4,482,577,000	74%

Listed below is a summary of Louisiana direct experience:

Calendar Year	Earned Premium	Total Loss & LAE Incurred	Total Loss & LAE Incurred Ratio	Total Underwriting Expense Incurred Ratio
	\$	\$	%	%
2003	20,616,198	28,868,250	140.0%	24.9%
2002	24,380,648	(5,011,279)	-20.6%	27.0%
2001	28,401,583	33,506,963	118.0%	25.7%
2000	26,737,300	25,147,916	94.1%	27.5%
1999	26,496,473	23,428,772	88.4%	28.7%

Calendar Year	Other Income Less Other Expenses Ratio	Underwriting Gain or Loss %	Investment Gain on Funds Ratio %	Overall Gain or Loss %
2003	-2.7%	-67.6%	0.7%	-66.9%
2002	2.0%	95.5%	1.0%	97.1%
2001	-0.6%	-44.3%	1.9%	-42.4%
2000	0.0%	-21.6%	2.3%	-19.3%
1999	7.9%	-9.2%	4.1%	-5.1%

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**Company Representatives - Ed Mosterd and Kevin Connlee**

**FINAL EFFECTIVE DATES - NEW: 10/1/2004 RENEWAL: N/A**

**7 - July 14, 2004 - 18229**

DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

19 - COMMERCIAL AUTOMOBILE

LOSS COST ADOPTION

ISO LOSS COSTS FILING DESIGNATION #CA-2003-BRLA1

(+9.9%)

COMPANY REFERENCE: 03-PA-LA-02

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

The last adjustment to this program was an adoption of ISO loss cost CA-2001-BRLA1, which occurred in April, 2003 (Item # 46). This resulted in an overall rate increase of +3.7% to be effective 4/17/03.

The referenced company is now filing to adopt ISO loss cost filing designation number CA-2003-BRLA1 and will continue to use the currently approved loss cost multipliers of 1.235 for liability and 1.331 for physical damage. This will result in an overall rate increase of +9.9% or +\$75,593.

Listed below is the Louisiana and countrywide experience:

LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2000	\$ 0	\$ 0	0.0%
2001	243,933	28,623	11.73%
2002	506,906	23,239	4.58%
All Years	\$ 750,839	\$ 51,862	6.91%

COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2000	\$ 0	\$ 0	0.0%
2001	43,014,963	15,850,827	36.85%
2002	47,221,859	41,430,202	87.74%
All Years	\$ 90,236,823	\$ 57,457,834	63.67%

**FINAL ACTION: Disapproved**

**ADDITIONAL MINUTES: Mr. Chozen motioned to disapprove this item because the Commission felt it was not actuarially justified.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**8 - July 14, 2004 - 18230**

ACE AMERICAN INSURANCE COMPANY

11 - MEDICAL MALPRACTICE

REVISED RATE AND RULE

ALLIED HEALTH PROGRAM

INCLUDING SCHEDULE RATING

(+45.7%)

COMPANY REFERENCE: 03PR369

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

The referenced company's history of the existing program follows:

Under CIGNA	Initial filing	#89, 8/99, effective 8/18/99
Ace American	+72.6%	#54, 3/03, effective 3/25/03

The company, with this filing, proposes to introduce a new Allied Health program that will completely replace its existing program and which it states will result in an overall impact of +45.7% or +\$86,824.

Professional Liability and General Liability coverages, under this program, are available on an occurrence or claims-made basis.

Several optional coverages are available in this program such as:

- **Additional Insured**- Added to the policy for a charge of \$250, with the exception of certified members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC). For these members the additional charge is \$50. Lessors may be added to the policy at no additional premium.
- **General Liability**-The occurrence General Liability premium is calculated at 10% of the mature claims-made professional liability premium at the same limit of liability. The premium for other limits will be rated on a "refer to company" basis. Entities (Organizations including Corporations, Partnerships, Joint Ventures, Trusts and Limited Liability Companies) are subject to a minimum charge of \$250. If General Liability coverage is purchased, then Employee Benefits Liability coverage is available at no additional charge and the insured may obtain coverage for Certified Acts of Terrorism for an additional premium charge of 2% of the General Liability premium.
- **Non-Owned Automobile Liability**-This option is available for entities only.
- **Claims-Made Coverage**- Applies to professional liability written on a claims-made basis.
- **Extended Reporting Period Coverage**- Provided for up to an unlimited basis, with some exceptions.
- **Leave of Absence**- This option is subject to company underwriting approval and may be used for parental leave, medical leave, military call-up to active duty or sabbatical.

The Schedule Rating plan included adheres to L.I.R.C. guidelines.

The Medical Malpractice questionnaire and Histogram have been included in the Actuary's rate revision summary.

This is similar in nature to others approved for like coverage.

The requested rate/rule requires approval of companion form(s).

**FINAL ACTION: Disapproved**

**ADDITIONAL MINUTES: Mr. Ruiz motioned to disapprove this item because the requested company representative did not appear.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**9 - July 14, 2004 - 18231**

OHIO CASUALTY INSURANCE COMPANY, THE  
WEST AMERICAN INSURANCE COMPANY  
AMERICAN FIRE AND CASUALTY COMPANY  
17 - OTHER LIABILITY  
REVISED RULE ONLY  
COMMERCIAL GENERAL LIABILITY  
REVISION OF VARIOUS EXCEPTION PAGES

COMPANY REFERENCE: 20030389 (R) AND 20030479 (R)  
REQUESTED EFFECTIVE DATES - NEW: 11/1/2004 RENEWAL: 11/1/2004

These companies are submitting new company exception pages for Rule 36.C. (11-04 edition) Exclusion Habitational Construction Operations and Exclusion Professional Services.

They are also revising exception page for Rule 36.D.10. (11-04 edition) Exclusionary Credits.

They state that they are withdrawing the exception page for Rule 22.C.3 pertaining to endorsement IL 70 04.

There is no rate impact due to this revision.

The requested rule requires approval of companion forms.

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Ruiz approved.**  
**FINAL EFFECTIVE DATES - NEW: 11/1/2004 RENEWAL: N/A**

**10 - July 14, 2004 - 17924**

HORACE MANN INSURANCE COMPANY  
HORACE MANN PROPERTY & CASUALTY INSURANCE COMPANY  
TEACHERS INSURANCE COMPANY  
19 - PRIVATE PASSENGER AUTOMOBILE  
PPA SYMBOL UPDATES  
ISO SYMBOLS  
COMPANY REFERENCE: PPA061004  
REQUESTED EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: 7/14/2004

The companies propose to adopt ISO physical symbol updates.

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen approved.**  
**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**11 - July 14, 2004 - 17890**

GREAT AMERICAN INSURANCE COMPANY  
GREAT AMERICAN ASSURANCE COMPANY  
GREAT AMERICAN INSURANCE COMPANY OF NEW YORK  
GREAT AMERICAN ALLIANCE INSURANCE COMPANY  
16 - WORKERS COMPENSATION  
LOSS COST ADOPTION  
ADOPTION OF NCCI MAY 1, 2004 LOSS COSTS AND RATING VALUES  
REVISED LOSS COST MULTIPLIERS

(+5.9%)

COMPANY REFERENCE: WC LA 0403 RATE

REQUESTED EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: 9/1/2004

The last adjustment to this program occurred June 2002 (#25), which resulted in an overall increase of +4.5% as amended, effective August 1, 2002.

The companies now wish to adopt NCCI's May 1, 2004 Loss Costs, Rating Values and revise their multipliers as follows:

Company	Current LCM	Proposed LCM
Great American Ins. Co.	1.30	1.34
Great American Assurance	1.43	1.48
Great American Ins. Co. of NY	1.62	1.68
Great American Alliance	1.22	1.26

The companies' state that these changes will result in an overall increase of +5.9% or +\$349,098, affecting 48 policyholders.

The experience is illustrated below:

#### LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 19,774,080	\$ 16,404,514	83.0%
2000	17,513,571	10,919,039	62.3%
2001	17,574,076	9,108,263	51.8%
2002	18,239,506	6,868,287	37.7%
2003	13,378,639	8,950,970	66.9%
All Years	\$ 86,479,872	\$ 52,251,072	60.4%

#### COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 212,807,978	\$ 218,146,966	102.5%
2000	195,297,190	189,080,338	96.8%
2001	120,880,541	124,333,622	102.9%
2002	119,207,295	80,483,931	67.5%
2003	83,667,545	54,807,271	65.5%
All Years	\$ 731,860,549	\$ 666,852,129	91.1%

Listed below is a summary of Louisiana direct experience:

Calendar Year	Earned Premium	Total Loss & LAE Incurred	Total Loss&	Total Underwriting
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	\$	\$	LAE	Expense
			Incurred	Incurred
			Ratio	Ratio
			%	%
2003	4,688,679	1,710,548	36.5%	38.9%
2002	5,914,476	1,661,879	28.1%	41.8%
2001	7,393,690	14,109,396	190.8%	42.4%
2000	13,129,250	5,885,189	44.8%	32.2%
1999	13,090,435	7,655,570	58.5%	29.0%
1998	12,666,104	10,975,315	86.7%	32.1%
1997	5,713,166	3,355,305	58.7%	22.9%
1996	1,518,381	1,330,253	87.6%	24.5%
1995	907,092	903,446	99.6%	29.3%
All Years	65,021,273	47,586,901	73.2%	32.3%

Calendar	Other Income	Underwriting	Investment	Overall Gain
Year	Less Other	Gain or Loss	Gain on	or Loss
	Expenses	%	Funds Ratio	%
	Ratio		%	
	%			
2003	0.0%	26.1%	3.5%	29.6%
2002	-0.4%	29.7%	9.7%	39.3%
2001	0.9%	-125.3%	14.4%	-110.9%
2000	0.1%	25.4%	12.1%	37.5%
1999	-0.4%	12.3%	11.5%	23.8%
1998	6.6%	-12.5%	26.8%	14.2%
1997	-1.5%	6.1%	17.0%	23.1%
1996	-0.1%	-33.0%	26.9%	-6.1%
1995	-0.2%	-32.5%	27.4%	-5.0%
All Years	1.2%	-5.2%	15.3%	10.1%

**FINAL ACTION: Disapproved**

**ADDITIONAL MINUTES: Mr. Chozen motioned to disapprove this item because the Commission felt it was not actuarially justified.**

**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**12 - July 14, 2004 - 17866**

AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

17 - OTHER LIABILITY

REVISED RATE AND RULE

HEALTHCARE PROVIDERS SERVICES ORGANIZATION

PROFESSIONAL LIABILITY

(+18.4%)

COMPANY REFERENCE: 04-R2040

REQUESTED EFFECTIVE DATES - NEW: 7/15/2004

RENEWAL: 7/15/2004

The last adjustment to this program occurred October 2002 (#77) which resulted in an overall increase of +17.4%, effective December 1, 2002.

The company, with this filing, wishes to revise the rates and rules for the Healthcare Providers Service Organization Professional Liability program. It states that these changes will have an overall increase of +18.4% or +\$377,912, affecting 6,769 policyholders.

The numerous changes, to rates and rules, being proposed are:

- Revise individual rates as follows.

**Nurses LPN/LVN:**

Employed: remain at current rate \$89

Self-Employed: create new self-employed rate class at \$300

**Nurse Practitioners:**

Employed: increase rates by 41.8%

Self-Employed: increase rates by 75.0%

New healthcare provider nurse practitioners will now receive a 25% discount instead of 50%. In addition, the part-time rate reduction is no longer available for nurse practitioners.

**Physical Therapists:**

Employed: increase rates by 17.4%

Self-Employed: increase rates by 61.0%

**Pharmacists:**

Employed: increase rates by 30%

Self-Employed increase rates by 25%

**Case Managers:**

Introduce a new class code under XV for Case Managers including individuals, firms with shared or separate limits and students.

**All Other Professions**

All individual specialty rates have been compared to competitor rates and most employed and self-employed rates have been adjusted.

**Students:**

Nurse practitioner students: increase rates by 180.9%

All other students: increase rates by 45.0%

- Revise rates and rules for firms as follows:

### Base Rates

Higher of Self-Employed rate of \$300

Higher of Self-Employed rate or \$175 per allied aide, tech or assistant

Home healthcare Aide: \$100

### Minimum Premium

Introduce a minimum premium of \$5,000 for physical therapy firms of 15 or more

Introduce a minimum premium of \$2,500 for nurse practitioner firms of 2 or more

Introduce a minimum premium of \$500 for all other firms

### Debits/Credits

Staffing: 25% Debit

Additional Insureds: 5% Debit/ \$165 minimum

### General Liability Limits \$1M/\$1M

Facility based GL: \$150 + \$50 per Location

Home Health Care Staffing: 25% debit/ \$150 minimum

Eliminate free Workplace Liability

Remove all non-owned auto

The company's experience follows.

### LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 1,327,324	\$ 246,315	18.6%
2000	1,353,216	487,228	36.0%
2001	1,375,985	436,567	31.7%
2002	1,532,740	2,085,412	136.1%
2003	1,738,374	1,832,620	105.4%
All Years	\$ 7,327,639	\$ 5,088,142	69.4%

### COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 64,436	\$ 29,911	46.4%
2000	66,677	31,247	46.9%
2001	70,998	46,140	65.0%
2002	80,967	48,723	60.2%
2003	94,017	55,597	59.1%
All Years	\$ 377,096	\$ 211,617	56.1%

The Medical Malpractice questionnaire and Histogram are contained in the Rate Revision Summary provided by our actuary.

**FINAL ACTION: Deferred**

**ADDITIONAL MINUTES: Mr. Keener motioned to defer pending actuarial review.**

**FINAL EFFECTIVE DATES - NEW: 7/15/2004 RENEWAL: N/A**

**13 - July 14, 2004 - 18145**

CHURCH MUTUAL INSURANCE COMPANY

19 - COMMERCIAL AUTOMOBILE

LOSS COST ADOPTION

ISO LOSS COST FILING DESIGNATION NUMBERS CA-2003-IALL1, CA-2003-RRU03, CA-2001-ORU00, AND CA-2003-BRLA1

(+5.00%)

COMPANY REFERENCE: AUTO-13

REQUESTED EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: 11/1/2004

Below is the history of actions taken by the LIRC:

Agenda Cycle	Item Key Number	Effective Date	Action Taken
#39 May, 2004	Key # 17672		Disap.- NAJ
Flex Band	Key # 15931	2/14/04	Meets Req. +9.98%
#46 June, 2003	13522	N/A	Not Statistically Just.
#41 August, 2000	1963 (CA-99-BRLA1)	10/15/00N 12/1/00R	Approved +8.46%

The referenced company has made corrections to its filing and asks that the Commission again review the filing. This filing is submitting to adopt ISO loss cost and rules filing designation numbers CA-2003-BRLA1, CA-2003-IALL, CA-2003-RRU03 and CA-2001-ORU00. They will use the following loss cost multipliers:

Coverage	Vehicle Type	Loss Cost Multiplier
Liability	Church Bus (Item I.d.1.)	0.689
	Church Bus (Item I.d.2.)	0.742
	PPType (Over 21 yrs)	1.091
	PPType (Under 21 yrs)	1.364
	Class Codes 01199/ 01499	0.243
	All Other CA Liability	0.506
Medical Payments	Church Bus (Item 1.d.1)	0.677
	Church Bus (Item 1.d.2)	0.715
	PPType (Over 21 yrs)	1.208
	PPTypes (Under 21 yrs.)	1.509
	Class Codes 01199/01499	0.263
	All Other CA Liab.	0.554
UM	Church Bus (Item I.d.1.)	1.959
	Church Bus (Item I.d.2.)	1.959
	PPType (Over 21 yrs)	1.517
	PPType (Under 21 yrs)	1.896

	Class Codes 01199/ 0149	1.959
	All Other CA UM	1.959
Comprehensive	Church Bus (Item I.d.1.)	1.632
	Church Bus (Item I.d.2.)	1.469
	PPType (Over 21 yrs)	2.289
	PPType (Under 21 yrs)	2.861
	Class Codes 01199/ 01499	1.596
	All Other CA Comprehensive	2.088
Collision	Church Bus (Item I.d.1.)	1.138
	Church Bus (Item I.d.2.)	1.247
	PPType (Over 21 yrs)	1.112
	PPType (Under 21 yrs)	1.390
	Class Codes 01199/ 01499	1.112
	All Other CA Collision	1.317

This change will result in an overall rate increase of +5.00% or +\$62,552 (approximately 788 policyholders affected).

The Louisiana and countrywide experience is shown below:

#### LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 739,883	\$ 1,301,727	175.94%
2000	951,229	1,468,856	154.42%
2001	1,781,244	998,007	84.70%
2002	1,335,660	636,930	47.69%
2003	1,536,289	641,670	41.77%
All Years	\$ 5,741,305	\$ 5,047,190	87.91%

#### COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 26,743,143	\$ 24,084,948	90.06%
2000	28,668,705	18,318,713	63.90%
2001	30,805,080	18,786,951	60.99%
2002	33,966,026	46,816,809	137.83%
2003	38,072,236	21,676,631	56.94%
All Years	\$ 158,255,190	\$ 129,684,053	81.95%

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

14 - July 14, 2004 - 17787

TRAVELERS CASUALTY AND SURETY COMPANY  
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
24 - SURETY

REVISED RATE ONLY

END RATE ENHANCEMENT FILING

(+1.8%)

COMPANY REFERENCE: 2004-17-MC-125

REQUESTED EFFECTIVE DATES - NEW: 10/1/2004

RENEWAL: 10/1/2004

The last adjustment to this program was an initial adoption of SAA loss cost LA-SLC-1, LA-SLC-2, LA-SLC-3 and LA-SLC-4, which occurred in July 2001 (Item # 75) to be effective 7/18/01.

With this filing, the referenced companies now propose a four tiered rate structure. They are filing a revision of the exception page to add the following class codes:

Class codes 203 & 204- Bonds in Estates of Deceased Persons or Persons Presumed on Account of Long Absence to be Dead

Class code 213-Bonds in Estates of Incompetents

Class code 214-Bonds in Estates of Minors

Class code 215-Bonds in Trust Estates

Class code 217 & 218-Bank as Fiduciary

The current and proposed rates for all of the above codes are as follows:

Current Exposure Units	Current Rates
Each if First 2	\$10.00
Each of next 48	\$5.00
Each of next 150	\$4.00
Each of next 300	\$2.50
Each of next 500	\$1.00
Each over 1,000	\$0.50
Proposed Exposure Units	Proposed Rates
Each of first 250	\$5.00
Each of next 250	\$2.75
Each of next 500	\$1.75
Each over 1,000	\$1.00

This change will result in an overall rate increase of +1.8% or +\$55,048 (3,141 policyholders).

The Louisiana and countrywide experience is shown below:

LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
------	-----------------------	----------------	------------

1999	\$	818,000	\$	47,000	5.8%
2000		1,442,000		10,000	0.7%
2001		2,222,000		324,000	14.6%
2002		2,330,000		65,000	2.8%
2003		2,378,000		4,869,000	204.8%
All Years	\$	9,190,000	\$	5,316,000	57.8%

COUNTRYWIDE

Year		Actual Earned Premium		Developed Loss	Loss Ratio
1999	\$	47,668,000	\$	5,897,000	12.4%
2000		55,822,000		20,709,000	37.1%
2001		90,746,000		7,239,000	8.0%
2002		118,044,000		37,364,000	31.7%
2003		139,252,000		68,096,000	48.9%
All Years	\$	451,533,000	\$	139,306,000	30.9%

**FINAL ACTION: Disapproved**

**ADDITIONAL MINUTES: Mr. Chozen motioned to disapprove this item because the Commission felt it was not actuarially justified.**

**FINAL EFFECTIVE DATES - NEW: 10/1/2004      RENEWAL: N/A**

**15 - July 14, 2004 - 17939**

EMPLOYERS INSURANCE COMPANY OF WAUSAU  
 WAUSAU BUSINESS INSURANCE COMPANY  
 WAUSAU UNDERWRITERS INSURANCE COMPANY  
 5 - COMMERCIAL MULTIPLE PERIL  
 ADOPTION

COMMERCIAL AUTOMOBILE AND COMMERCIAL GENERAL LIABILITY  
 ADOPTION OF ISO REVISION TO THE COMPOSITE RATING PLAN FILING DESIGNATION NUMBER RP-2004-RCR03

COMPANY REFERENCE: MSR-CW-013-03

REQUESTED EFFECTIVE DATES - NEW: 10/1/2004      RENEWAL: 10/1/2004

The referenced company is submitting its initial adoption of ISO Composite Rating Plan filing designation number RP-2004-RCR03, which was approved in the March 17, 2004 LIRC meeting under Item # 26. They will use an expected loss ratio of .545.

The following is the current loss cost multipliers per company and coverage that will continue to be used:

Company	Coverage	LCM
Employers Ins. Co of Wausau	Comm. Auto	2.075
	Comm General Liab.	2.306

Wausau Undwr. Ins. Co.	Comm. Auto	1.450
	Comm General Liab	1.845
Wausau Business Ins. Co.	Comm General Liab.	1.384

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 10/1/2004      RENEWAL: N/A**

**16 - July 14, 2004 - 17851**

DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

5 - COMMERCIAL MULTIPLE PERIL

ADOPTION

COMMERCIAL GENERAL LIABILITY

ISO REVISION OF COMPOSITE RATING PLAN AND RETROSPECTIVE RATING PLAN FILING DESIGNATION

NUMBERS RP-2004-RCR03 AND RP-2004-RRP03

COMPANY REFERENCE: 04-PL-LA-01

REQUESTED EFFECTIVE DATES - NEW: 10/1/2004      RENEWAL: 10/1/2004

The referenced company is filing to adopt the ISO Revision to the Composite Rating Plan and Retrospective Rating Plan filing designation numbers RP-2004-RCR03 and RP-2004-RRP03.

They will use an expected loss ratio of **.808** and a loss cost multiplier is **1.162**.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 10/1/2004      RENEWAL: N/A**

**17 - July 14, 2004 - 18135**

RADIAN GUARANTY INC.

6 - MORTGAGE GUARANTY

REVISED RATE ONLY

INDUSTRY RATES 95.01%-100% LTV BUCKET

COMPANY REFERENCE: RAD-62

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A

The last adjustment to this program occurred September 2000 (#99) 100% LTV Single Premium Rates and July 2000 (#68) 100% LTV Rates.

The referenced company, with this filing, now proposes to introduce new Industry Rates only associated with the 95.01% - 100% LTV bucket (Monthly and Single premium rates).

It states that this filing will allow its rates to be in line with the competitor rates and will replace the above referenced filings.

It indicates that there is no rate impact associated with this filing.

The company's experience follows:

**LOUISIANA**

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 3,269	\$ 0	0.0%
2000	5,530	0	0.0%
2001	6,397	0	0.0%
2002	7,163	0	0.0%
2003	8,207	0	0.0%
All Years	\$ 30,566	\$ 0	0.0%

**COUNTRYWIDE**

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 350,563	\$ 79,300	2%
2000	570,702	0	0.0%
2001	626,316	0	0.0%
2002	868,074	0	0.0%
2003	736,186	0	0.0%
All Years	\$ 3,151,841	\$ 79,300	2%

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**18 - July 14, 2004 - 18134**

GENERAL ELECTRIC MORTGAGE INSURANCE CORPORATION

6 - MORTGAGE GUARANTY

REVISED RATE ONLY

REVISED RATE CARDS: GE-487-3 (REV.28)-FULLY REFUNDABLE

GE-200-LR-1 (REV.5)-LIMITED REFUND

GE-304-1 (REV.2)-LENDER PAID

COMPANY REFERENCE: GE-0604-R06

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

The last adjustment to this program occurred March 2004 (#42) with no rate impact.

The company, with this filing, proposes to change footnotes on single premium cards to allow the total loan amount, including any financed premium, closing costs or incremental premium to exceed 100% LTV (subject to any state statutory LTV limitations). The base loan amount, before the premium is added, will continue to be used to determine the LTV category.

The proposed changes follow:

**Rate page GE-487-3 (Rev. 28)**

**Financed Premiums** footnote: The sentence reading "The total loan amount, including financed premium, may not exceed 100% LTV" has been deleted.

**Rate page GE-200-LR-1 (Rev. 5)**

**Financed Premiums** footnote: The sentence reading "The total loan amount, including financed premium, may not exceed 100% LTV" has been deleted.

**Rate page GE-304-1 (Rev. 2)**

**Incremental Financed Principal Balance** footnote: The sentence reading "The total loan amount, including incremental principal, may not exceed 100% LTV" has been deleted.

The company also maintains rates have not been changed and due to a limited number of loans in this category, there is no impact on the rate structure.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**19 - July 14, 2004 - 18133**

XL SPECIALTY INSURANCE COMPANY

16 - WORKERS COMPENSATION

INITIAL RULE ONLY

XL ENVIRONMENTAL PROGRAMS

(DEFERRED PREMIUM PAYMENT RULE)

COMPANY REFERENCE: 04SE-EN-WC01-CW-LA

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

The referenced company submits its Workers' Compensation XL Environmental Programs Manual Rule Exception. The rule will be used with the Deferred Premium Payment endorsement and is as follows:

**Rule 1. DEFERRED PREMIUM PAYMENT AGREEMENT ENDORSEMENT**

**NEW AND RENEWAL BUSINESS**

A threshold of \$500,000 per account or an individual policy with at least \$100,000 in premium is required.

Except as mandated by state requirements, semi annual or quarterly installments will be available without charge

(0).

Use: **IL MP 7700** Deferred Premium Payment Agreement

The company states that this plan will only affect business written by XL Environmental.

The requested rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004**

**RENEWAL: N/A**

**20 - July 14, 2004 - 18152**

EVEREST NATIONAL INSURANCE COMPANY

16 - WORKERS COMPENSATION

LOSS COST ADOPTION

ADOPTION OF NCCI 5/1/2004 ADVISORY LOSS COSTS, RATING VALUES AND RETROSPECTIVE RATING PLAN

REVISION OF LOSS COST MULTIPLIER

REVISION OF MINIMUM PREMIUM MULTIPLIER AND EXPENSE CONSTANT

(+3.7%)

COMPANY REFERENCE: LA-WC-20012356

REQUESTED EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: 9/1/2004

The last adjustment to this program was the referenced company's initial adoption of NCCI's May 1, 1999 loss costs effective September 1, 1999.

The company, with this filing, wishes to adopt NCCI's May 1, 2004 advisory loss costs, rating values and retrospective rating plan.

Also, the company proposes to revise its loss cost multiplier from 1.50 to 1.70, update the minimum premium multiplier from 125 to 175 and revise its expense constant from \$180 to \$210.

The company states that these changes will produce an overall increase of +3.7% or +\$1,829, affecting 17 policyholders.

The company's experience follows.

### LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 0	\$ 0	0.0%
2000	77,806	0	0.0%
2001	1,409,185	357,150	25.3%

2002		(962,468)		(949)	0.1%
2003		178,277		2,299	1.3%
All Years	\$	702,800	\$	358,500	51.0%

COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 45,700,000	\$ 32,035,054	70.1%
2000	83,758,000	79,279,174	94.7%
2001	267,523,000	282,558,295	105.6%
2002	502,233,000	380,713,010	75.8%
2003	686,285,000	296,630,024	43.2%
All Years	\$ 1,585,499,000	\$ 1,071,215,556	67.6%

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Franks approved.**

**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**21 - July 14, 2004 - 18222**

AIU INSURANCE COMPANY  
 AMERICAN HOME ASSURANCE COMPANY  
 AMERICAN INTERNATIONAL SOUTH INSURANCE COMPANY  
 BIRMINGHAM FIRE INSURANCE COMPANY OF PENNSYLVANIA  
 COMMERCE AND INDUSTRY INSURANCE COMPANY  
 GRANITE STATE INSURANCE COMPANY  
 ILLINOIS NATIONAL INSURANCE COMPANY  
 NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
 NEW HAMPSHIRE INSURANCE COMPANY  
 INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA, THE  
 16 - WORKERS COMPENSATION  
 INITIAL RULE ONLY  
 EXCEPTION TO NCCI BASIC MANUAL RULE IX, SECTION C, SUB-SECTION 3, PARAGRAPH C.  
 (INDEPENDENT OWNER-OPERATORS IN THE TRUCKING INDUSTRY)  
 COMPANY REFERENCE: AIC-96-WC-01  
 REQUESTED EFFECTIVE DATES - NEW: 8/12/2004      RENEWAL: 8/12/2004

The referenced companies wish to submit their exception to NCCI's Basic Manual Rule IX, Section C. sub-section 3, paragraph c.

Their exception reads:

- If vehicles with drivers, chauffeurs or helpers are engaged under contract and the owner of such vehicles

1. Has not furnished evidence that the workers compensation obligation has been insured, but
2. Has furnished satisfactory evidence that occupational accident and disability insurance providing primary insurance substantially similar to workers' compensation insurance has been in force for the benefit of the drivers, chauffeurs or helpers who are entitled to workers' compensation benefits.

Then 1.00% of the total contract price for the vehicles shall be considered as payroll of the drivers, chauffeurs or helpers. Such payroll shall be included as payroll of the insured employer that contracted for such vehicles and shall be assigned to the classification applicable to drivers.

The minimum premium per driver, chauffeur or helper shall be \$20 per month or any part of a month.

The requested rate/rule requires approval of companion form(s)

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 8/12/2004      RENEWAL: N/A**

**22 - July 14, 2004 - 18218**

LOUISIANA FARM BUREAU CASUALTY INSURANCE COMPANY  
SOUTHERN FARM BUREAU CASUALTY INSURANCE COMPANY

17 - OTHER LIABILITY

INITIAL RATE AND RULE

FARM LIABILITY PROGRAM - INTRODUCTION OF AGRITAINMENT COVERAGE

COMPANY REFERENCE: GF-2004-01

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: 7/14/2004

The last adjustment to this program occurred in February 2001 (item #39) which resulted in an overall increase of +2.13% effective February 21, 2001 for new and renewal business.

With this filing, the companies wish to make an addition to their Farm Liability Program. They are proposing adding three new classifications to provide coverage for "agritainment" activities on the farm. "Agritainment" refers to certain business activities that involve providing entertainment for a fee. Currently, such activities are excluded from coverage by the policy.

Examples of agritainment activity would be bird watching, hiking, outdoor living history plays, nature tours, farm tours, biking, corn mazes, organized trail rides and private zoo.

The rates are as follows:

	Exposure Base	Basic Limits	Rate
Low Hazard - bird watching,			
hiking, outdoor living history			
plays, nature tours and farm			

tours	Receipts	25/75	\$30.00 per \$1000 of receipts
Medium Hazard - biking	Receipts	25/75	\$40.00 per \$1000 of receipts
High Hazard - corn mazes, organized trail rides and private zoo	Receipts	25/75	\$50.00 per \$1000 of receipts

As this optional coverage is new, there is no rate impact on the current book of business.

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Keener approved.**

**Company Representative - Brian VanDreumel**  
**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**23 - July 14, 2004 - 18210**

BANCINSURE, INC  
17 - OTHER LIABILITY  
INITIAL RATE AND RULE  
COMMERCIAL UMBRELLA LIABILITY PROGRAM  
ADOPTION OF ISO FILING DESIGNATION NUMBER CU-2003-RRUOO WITH INDEPENDENT MANUAL RATES AND RULES EXCEPTIONS  
COMPANY REFERENCE: UM LA0127401R01  
REQUESTED EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: 9/1/2004

The referenced company is filing its initial adoption of ISO Commercial Umbrella filing designation number CU-2003-RRUOO, which was approved March 2004 (Item # 7), to be used with their independent manual rates and rules exceptions.

The minimum underlying policy limits are as follows:

Coverage	Minimum Policy Limits
<b>General Liability</b>	
Premises/Operations	\$1M each occurrence; \$2M each aggregate
Products/Completed Operations	\$1M aggregate
Personal Injury/Advertising Injury	\$1M limit each offense
Employers Benefit Liability	\$1M each claim; \$2M aggregate
<b>Automobile Liability</b>	\$1M CSL/ each accident

<b>Employers' Liability</b>	\$100,000 each accident
	\$100,000 disease each employee
	\$500,000 disease policy limit

The premiums are outlined in the filing under Rule 39. Premium Determination. The policy is rated as the sum of the percentages of the unmodified underlying policy liability premium for automobile and general liability, plus a flat charge for employers' liability.

\*A schedule rating plan is included in the filing. There are five risk characteristics with a credit or debit of 15%, which falls outside LIRC guidelines.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**24 - July 14, 2004 - 17802**

REPUBLIC UNDERWRITERS INSURANCE COMPANY  
SOUTHERN INSURANCE COMPANY  
SOUTHERN UNDERWRITERS INSURANCE COMPANY  
REPUBLIC FIRE AND CASUALTY INSURANCE COMPANY  
17 - OTHER LIABILITY  
INITIAL RATE AND RULE  
COMMERCIAL GENERAL LIABILITY  
REPUBLIC PLUS+ LIABILITY  
ENHANCEMENT ENDORSEMENT (CG R029) RATES/RULES  
COMPANY REFERENCE: 04-078r  
REQUESTED EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: 8/1/2004

The referenced companies are submitting its initial rates/rules to be used with their Republic Plus+ Liability endorsement. They have no experience and have based their rate on underwriting judgment and input from agents. The rate will be adjusted after experience is achieved.

This rating rule for Republic Plus+ Liability Enhancement Endorsement Form CG R029 adds and/or extends coverage to the commercial general liability policy. The companies state this is an **optional endorsement**, which provides enhanced coverage for the insureds.

This revision is also being filed in Texas, Oklahoma and New Mexico so that similar coverages are available in case of incidental exposures in other states.

Below is a description of the proposed additions:

### 3. Rate

Charge 10% for all contracting classes, subject to a maximum premium of \$2,500.

Charge 5% on all other classes, subject to a maximum premium of \$1,000.

A minimum premium of \$250 applies to all classes.

These are flat charges and not subject to further modification.

#### 4. Medical Payment Options

A \$10,000 medical payments limit is included in the enhancement rate. The percentage shown below is applied to the enhancement premium determined in paragraph 3. to adjust the premium for these limit options:

\$5,000	5% reduction
\$1,000	10% reduction

The requested rule/rate revision requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: N/A**

**25 - July 14, 2004 - 17312**

CUMIS INSURANCE SOCIETY, INC.

17 - OTHER LIABILITY

INITIAL RATE AND RULE

DEBT PROTECTION CONTRACTUAL LIABILITY POLICY

COMPANY REFERENCE: CLP-RATE-GAP

REQUESTED EFFECTIVE DATES - NEW: 7/21/2004 RENEWAL: 7/21/2004

The above referenced company is submitting its initial rates and rules to be used with the above captioned program. The company has already received approval for the companion form CLP-1001 (LA) approved in January 2002 (Item # 12).

This program provides for Guaranteed Asset Protection (GAP) coverage during the term of the loan/lease contract if the vehicle is stolen and not recovered, or damaged beyond repair for a peril covered by the primary auto insurer. This insurance coverage is solely between the insurance company and the credit union and provides the gap amount between the outstanding loan balance and the primary auto insurance settlement on a loan or lease.

The base claim cost for this coverage is **\$50 per protected loan/lease** and assumes the following features:

1. Vehicle type is motor vehicle (automobile, van, or light truck 10,000 pounds gross vehicle weight or less)
2. Maximum loan/lease protected- \$100,000
3. Seventy-Two (72) month maximum term of loan/lease
4. Maximum benefit- \$50,000
5. Loan/lease to value limit- 125%
6. Loan/lease determined by:
  - > MSRP for new vehicles
  - > NADA for used vehicles
7. Difference between loan/lease balance and primary insurance settlement cancelled if a total loss or

unrecovered theft loss occurs

The base claim cost will be adjusted on an individual creditor basis. Each criteria has a specific adjusted rate included in this filing.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/21/2004      RENEWAL: N/A**

**26 - July 14, 2004 - 18160**

STARNET INSURANCE COMPANY

17 - OTHER LIABILITY

LOSS COST ADOPTION

COMMERCIAL GENERAL LIABILITY

INITIAL ADOPTION OF ISO LOSS COST MULTIPLIER

FILING DESIGNATION #GL-2003-BGL1

COMPANY REFERENCE: CGL-LCM-LA-2004

REQUESTED EFFECTIVE DATES - NEW: 7/21/2004      RENEWAL: 7/21/2004

The referenced company is submitting its initial adoption of ISO loss cost filing designation number GL-2003-BGL1. They will use a loss cost multiplier of **1.68**.

The requested rule/rate revision requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Ruiz approved.**

**FINAL EFFECTIVE DATES - NEW: 7/21/2004      RENEWAL: N/A**

**27 - July 14, 2004 - 18214**

EVEREST NATIONAL INSURANCE COMPANY

17 - OTHER LIABILITY

ADOPTION

ADOPTION OF ISO COMPOSITE AND RETROSPECTIVE RATING PLANS

ISO FILING DESIGNATION NUMBERS: RP-2004-RCR03 AND RP-2004-RRP03

COMPANY REFERENCE: LA-GL-20012693

REQUESTED EFFECTIVE DATES - NEW: 10/1/2004      RENEWAL: 12/1/2004

The referenced company is filing to adopt the ISO Composite and Retrospective rating plans filing designation numbers RP-2004-RCR03 and RP-2004-RRP03.

The expected loss ratios for these plans are **.658**.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 10/1/2004      RENEWAL: N/A**

**28 - July 14, 2004 - 18156**

STARNET INSURANCE COMPANY

19 - COMMERCIAL AUTOMOBILE

LOSS COST ADOPTION

INITIAL ADOPTION OF ISO LOSS COSTS FILING DESIGNATION NUMBERS CA-2003-BRLA1 AND CA-2003-IALL1

COMPANY REFERENCE: CA-LCM-LA-2004

REQUESTED EFFECTIVE DATES - NEW: 7/21/2004      RENEWAL: 7/21/2004

The referenced company is submitting its initial adoption of ISO loss cost filing designation numbers CA-2003-BRLA1 and CA-2003-IALL1. They will use a loss cost multiplier of **1.67** for both liability and physical damage.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 7/21/2004      RENEWAL: N/A**

**29 - July 14, 2004 - 18120**

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

28 - CREDIT

INITIAL RATE AND RULE

RETAIL COLLATERAL PROTECTION INSURANCE

LEASED/RENTED EQUIPMENT PROGRAM

INCLUDED SCHEDULE RATING PLAN

COMPANY REFERENCE: IIFS-CW-CIMRENT-1203

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: 7/14/2004

The referenced company is submitting the initial rates/rules to be used with the above captioned program.

The company states that this program is designed to insure leased or rented equipment in which the named insured has an interest through an agreement.

The Schedule Rating plan included adheres to L.I.R.C. guidelines.

This is similar in nature to others approved for like coverage.

The requested rate/rule requires approval of companion form(s).

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved this item contingent upon the approval of the companion forms.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**30 - July 14, 2004 - 18241**

AMERICAN GENERAL INDEMNITY COMPANY

28 - CREDIT

INITIAL RATE ONLY

COLLATERAL PROTECTION INSURANCE PROGRAM

NON-REFUNDABLE CERTIFICATE FEE

COMPANY REFERENCE: 04-054

REQUESTED EFFECTIVE DATES - NEW: 8/30/2004      RENEWAL: 8/30/2004

The referenced company received approval for its initial collateral protection insurance program in March 2002 (Item #84) to be effective 5/1/02.

With this filing, the company submits the addition of a non-refundable certificate fee to the rate determination provision for the calculation of the base rate. The fee is needed to cover administrative fees and premium reporting expenses incurred by managing general agents and will keep the company current with competitor rates and rating calculations.

A non-refundable certificate fee of **up to \$40.00** will be added to the base rate, after the application of the schedule rating factors. The company states the effect of this filing is rate neutral.

**FINAL ACTION: Deferred**

**ADDITIONAL MINUTES: Mr. Keener motioned to defer this item for further study.**

**FINAL EFFECTIVE DATES - NEW: 8/30/2004      RENEWAL: N/A**

**31 - July 14, 2004 - 18137**

BANCINSURE, INC

28 - CREDIT

INITIAL RATE AND RULE

GUARANTEED ASSET PROTECTION PROGRAM (GAP) - ADDITIONAL BENEFIT OPTION ENDORSEMENT

COMPANY REFERENCE: GAP LA0180001R01

REQUESTED EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: 8/1/2004

The initial rates and rules for the above captioned program was approved in March 1998 (Item # 56) to be effective 3/25/98.

With this filing, the company proposes an amendment to the program to provide an **additional benefit option endorsement**. The coverage may be purchased as follows:

\$500 additional benefit	+15.0%
\$1,000 additional benefit	+20.0%

The additional benefit option covers the assumed contractual liability arising out of the obligation of the dealership to provide a benefit amount for a replacement vehicle in the event of a total loss.

The company states there are no changes to the existing base rates for this product. The rate impact for this filing will be 0.0% or \$0 (only 5 existing policyholders).

The requested rates and rules require approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved contingent upon the approval of the companion forms.**

**FINAL EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: N/A**

**32 - July 14, 2004 - 18155**

ANPAC LOUISIANA INSURANCE COMPANY

28 - CREDIT

INITIAL RATE AND RULE

SINGLE PREMIUM INVOLUNTARY UNEMPLOYMENT INSURANCE

COMPANY REFERENCE: IUI RATES

REQUESTED EFFECTIVE DATES - NEW: 7/21/2004 RENEWAL: 7/21/2004

The referenced company is submitting its initial rates and rules to be used with the above captioned program.

The single premium involuntary unemployment credit insurance provides coverage for the debtor in the event the insured is unable to make the monthly payment due to involuntary unemployment.

The rate for the coverage is **\$4.00** per \$100 of initial indebtedness. This charge is in line with other carriers providing this coverage.

The requested rate and rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Franks approved. Mr. Chozen asked the company to contact him regarding clarification of the filing.**

**FINAL EFFECTIVE DATES - NEW: 7/21/2004 RENEWAL: N/A**

**33 - July 14, 2004 - 18188**

UNITED GENERAL TITLE INSURANCE COMPANY

34 - TITLE

INITIAL RATE AND RULE

MASTER LOAN POLICY AND MASTER LOAN POLICY DECLARATION CERTIFICATE

COMPANY REFERENCE: LA-2004-1R

REQUESTED EFFECTIVE DATES - NEW: 8/2/2004 RENEWAL: 8/2/2004

The referenced company is submitting initial rates/rules to be used with the above captioned program.

The company states the product is specifically designed for junior priority loans providing limited protections concerning only those matters specifically defined in the insuring provisions set forth in the Master Loan Policy. This is not a standard ALTA loan policy.

The Master Loan Policy Declaration Certificate will be issued at the following rate:

Up to \$100,000 of liability written rate is \$45.00

Over \$100,000 and up to \$250,000 of liability written rate is \$65.00

The requested rate/rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 8/2/2004 RENEWAL: N/A**

**34 - July 14, 2004 - 18207**

TRAVELERS INDEMNITY COMPANY, THE  
Travelers Property Casualty Company of America  
TRAVELERS INDEMNITY COMPANY OF AMERICA, THE  
34 - TITLE  
REVISED RATE AND RULE  
MORTGAGE IMPAIRMENT POLICY PROGRAM  
COMPANY REFERENCE: 2004-17-CM-451-A  
REQUESTED EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: 9/1/2004

The approval of the initial Mortgage Impairment Program for these companies was in March 1999 (#51) effective 4/1/99.

This filing is a resubmission of the previously disapproved filing from the May 2004 meeting (116) and from the March 2004 meeting (#25). It was disapproved because the companion forms had not been approved.

This program is used for banks, and lending institutions that are engaged in granting primarily residential and small commercial mortgages.

The program provides Mortgage Impairment and Mortgage Errors and Omissions for the financial institution's interest in the properties in the event that primary coverage is not in force.

They now file for a Modification Rule for use with this program.

They are proposing to establish the Travelers Indemnity Company as their standard company with a factor of 1.00, the Travelers Indemnity Company of America as their discount company with a factor of .75, and the Travelers Indemnity Company of Illinois as their surcharge company with a factor of 1.25.

The companies state the availability of these 3 pricing tracks will allow them to serve a larger market with an approach similar to their other lines of business, namely Commercial General Liability and Commercial Property.

The requested rate/rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**35 - July 14, 2004 - 18138**

CONTINENTAL CASUALTY COMPANY

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

TRANSPORTATION INSURANCE COMPANY

TRANSCONTINENTAL INSURANCE COMPANY

VALLEY FORGE INSURANCE COMPANY

35 - INTERLINE FILING

LOSS COST ADOPTION

COMMERCIAL CRIME & FIDELITY

ISO LOSS COST AND RULES FILING DESIGNATION NUMBERS CR-2001-R01RU (AND AMENDMENT), CR-2001-RLC1 (AND AMENDMENT) AND CR-2003-RLA1

(+5.1%)

COMPANY REFERENCE: 04-R3169

REQUESTED EFFECTIVE DATES - NEW: 12/1/2004

RENEWAL: 12/1/2004

The last adjustment to this program was an adoption of ISO Crime and Fidelity filing designation numbers CR-99-RLC1, CR-99-099RU and CR-99-099CT (Amendment). This resulted in an overall rate impact of 0.0% to be effective 7/16/03.

The referenced companies now file to adopt ISO Crime and Fidelity loss cost filing designation numbers CR-2001-R01RU (and amendment), CR-2001-RLC1(amendment) and CR-2003-RLA1. They will use loss cost multipliers of **1.714** for Crime and **1.692** for Fidelity.

This change will result in an overall rate increase of **+5.1%** or **+\$8,926** (339 policyholders).

The Louisiana and countrywide experience is shown below:

**LOUISIANA**

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 217,973	\$ 24,3933	111.9%
2000	230,630	455,181	197.4%
2001	252,699	133,658	52.9%
2002	256,276	128,376	50.1%

2003		239,972		170,683	71.1%
All Years	\$	957,578	\$	961,149	100.4%

COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 13,499,753	\$ 15,266,159	113.2%
2000	13,001,017	16,902,569	130.0%
2001	12,122,128	16,216,539	133.8%
2002	12,717,743	13,801,176	108.5%
2003	14,150,832	13,344,640	94.3%
All Years	\$ 51,340,641	\$ 62,206,443	121.2%

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 12/1/2004**

**RENEWAL: N/A**

**36 - July 14, 2004 - 17241**

MARKEL INSURANCE COMPANY

MARKEL AMERICAN INSURANCE COMPANY

35 - INTERLINE FILING

LOSS COST ADOPTION

ISO COMMERCIAL CRIME AND FIDELITY LOSS COST FILING DESIGNATION NUMBER CR-2003-RLA1

**(+10.3%) CRIME AND FIDELITY ONLY**

**(+0.08%) PACKAGE POLICIES**

COMPANY REFERENCE: 0403RR023

REQUESTED EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: 8/1/2004

The last prior filing for this program was an initial adoption of ISO Introduction of Multi-level Rating Plan filing designation number CR-97-RLA1, which occurred in January 2002 (#74) to be effective 3/1/02.

The referenced companies are now filing to adopt ISO Commercial Crime and Fidelity filing designation number CR-2003-RLA1 and will continue to use the currently approved loss cost multipliers as follows:

Coverage	Loss Cost Multiplier
Crime and Fidelity	1.67
Level I (Preferred)	1.35
Level II (Standard)	1.69
Level III (Sub-Standard)	2.43

This change will result in an overall increase of **+10.3%** or **+\$2,037** (4 policyholders) for the Crime and Fidelity portion of the package program. The Louisiana and countrywide total package experience for both companies combined is shown below:

LOUISIANA

Year	Actual Earned Premium		Developed Loss		Loss Ratio
1999	\$	64,453	\$	26,304	40.8%
2000		108,334		4,771	4.4%
2001		201,014		32,060	15.9%
2002		403,286		152,261	37.8%
2003		560,510		76,767	13.7%
All Years	\$	1,337,597	\$	292,163	21.8%

COUNTRYWIDE

Year	Actual Earned Premium		Developed Loss		Loss Ratio
1999	\$	6,503,489	\$	4,241,114	65.2%
2000		8,368,829		4,387,792	52.4%
2001		12,747,381		7,056,513	55.4%
2002		24,138,698		19,183,851	79.5%
2003		32,731,591		8,954,577	27.4%
All Years	\$	84,489,988	\$	8,954,577	27.4%

**FINAL ACTION: Disapproved**

**ADDITIONAL MINUTES: Mr. Keener motioned to disapprove this item because the Commission felt it was not statistically justified.**

**FINAL EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: N/A**

**37 - July 14, 2004 - 17305**

HARTFORD ACCIDENT AND INDEMNITY COMPANY  
HARTFORD CASUALTY INSURANCE COMPANY  
HARTFORD FIRE INSURANCE COMPANY  
HARTFORD INSURANCE COMPANY OF THE MIDWEST  
HARTFORD INSURANCE COMPANY OF THE SOUTHEAST  
HARTFORD UNDERWRITERS INSURANCE COMPANY  
PROPERTY AND CASUALTY INSURANCE COMPANY OF HARTFORD  
TWIN CITY FIRE INSURANCE COMPANY  
5 - COMMERCIAL MULTIPLE PERIL  
ADOPTION

ADOPTION OF ISO FILING DESIGNATION # RP-2004-RRP03 (RETOSPECTIVE RATING PLAN)

COMPANY REFERENCE: FN.00HS.999.2003.02

REQUESTED EFFECTIVE DATES - NEW: 10/1/2004

RENEWAL: 10/1/2004

These companies are filing to adopt ISO Filing Designation Number RP-2004-RRP03 (Retrospective Rating Plan). It will use their previously approved ELR's.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**  
**FINAL EFFECTIVE DATES - NEW: 10/1/2004      RENEWAL: N/A**

**38 - July 14, 2004 - 18097**

POTOMAC INSURANCE COMPANY OF ILLINOIS

5 - COMMERCIAL MULTIPLE PERIL

ADOPTION

INITIAL ADOPTION OF ISO FILING DESIGNATION #'S CL-2002-OCT01, RP-97-R97IR, RP-2001-RIR01, CP-97-O97RU

COMPANY REFERENCE: SUA-PKG-LA-04013-C

REQUESTED EFFECTIVE DATES - NEW: 7/15/2004      RENEWAL: 7/15/2004

The above referenced company voluntarily ceased writing commercial property and casualty business, with the exception of workers compensation several years ago. With this submission, the company is re-entering the commercial property and casualty business.

The company submits this initial filing by adopting ISO Package Filing Designation numbers CL-2002-OCT1, RP-97-R97IR, RP-2001-RIR01, and CP-97-097RU.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 7/15/2004      RENEWAL: N/A**

**39 - July 14, 2004 - 18113**

CHURCH MUTUAL INSURANCE COMPANY

5 - COMMERCIAL MULTIPLE PERIL

REVISED RULE ONLY

INDEPENDENT COMMERCIAL PACKAGE INSTITUTIONAL PROGRAM

COMPANY REFERENCE: ICP-34

REQUESTED EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: 10/1/2004

The commission voted to disapprove this item on May 25, 2004 (item # 131) as the companion forms were not yet approved.

The company has resubmitted its forms to that division and requests this item be heard again:

This company is filing revised rule manual pages GR-8 and GR10 to clarify sexual molestation and sexual misconduct coverage. In the past, this coverage has been shown on Form E 200, General Liability Coverage. Now sexual misconduct and sexual molestation coverage will be on its own form, E 262. As a result of this technical change, many other forms and endorsements have been amended to reference the sexual molestation and sexual misconduct coverage form.

The requested rule requires approval of companion forms.

**FINAL ACTION: Disapproved**

**ADDITIONAL MINUTES: Mr. Keener motioned to disapprove this item because the forms have not been approved.**

**FINAL EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: N/A**

**40 - July 14, 2004 - 18114**

CHURCH MUTUAL INSURANCE COMPANY  
5 - COMMERCIAL MULTIPLE PERIL  
REVISED RULE ONLY  
INDEPENDENT CHURCH PACKAGE PROGRAM  
COMPANY REFERENCE: CPP-30  
REQUESTED EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: 10/1/2004

The commission voted to disapprove this item on May 25, 2004 (item # 132) as the companion forms were not yet approved.

The company has resubmitted its forms to that division and requests this item be heard again:

This company is filing revised rule manual pages EGR-10 and EGR-11 to clarify sexual molestation and sexual misconduct coverage. In the past, this coverage has been shown on Form E 200, General Liability Coverage. Now sexual misconduct and sexual molestation coverage will be on its own form, E 262. As a result of this technical change, many other forms and endorsements have been amended to reference the sexual molestation and sexual misconduct coverage form.

The requested rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen motioned to approve this item contingent upon the approval of the companion form filing.**

**FINAL EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: N/A**

**41 - July 14, 2004 - 18201**

Insurance Services Office, Inc.  
5 - COMMERCIAL MULTIPLE PERIL  
REVISED RULE ONLY  
COMMERCIAL PACKAGE POLICY  
DIVISION 9 - MULTIPLE LINES OF CLM  
COMPANY REFERENCE: ML 2004-ORU04 AND SUPPLEMENT- LOUISIANA  
REQUESTED EFFECTIVE DATES - NEW: 3/1/2005 RENEWAL: 3/1/2005

The Insurance Services Office files jointly with the Property Insurance Association of Louisiana (PIAL) a state supplement that revises various state exceptions to complement the introduction of new and revised Division Nine - Multiple Line - Commercial Package Policy manual rule changes as follows:

- **Rule 1. Application Of This Subdivision**

This exception is revised to complement revisions made to the underlying multistate manual rules.

- **Rule 4. Premium Computation**

This rule is unchanged from the existing exception and is provided for information only.

- **Rule 5. Policy Writing Minimum Premium**

This exception is withdrawn, as it is no longer necessary given the revised multistate rule.

- **Rule 7. Package Modification Factors**

This exception is introduced to omit reference to the Capital Assets (Output Policy) Coverage Part, which is not approved for use in Louisiana.

- **Rule 8. Premium Development**

This exception is re-numbered and revised to complement revisions made to the underlying multistate manual rule and to comply with ISO uniformity standards. Additionally, an exception to Paragraph C. is newly introduced to omit reference to the Capital Assets (Output Policy) Coverage Part, which is not approved in Louisiana.

This filing replaces item # 45 approved in June 1994, and item # 112 approved in November 1997.

There is no loss cost impact from this rules filing.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen motioned to approve this item.**

**FINAL EFFECTIVE DATES - NEW: 3/1/2005 RENEWAL: N/A**

**42 - July 14, 2004 - 18209**

EVEREST NATIONAL INSURANCE COMPANY

5 - COMMERCIAL MULTIPLE PERIL

ADOPTION

COMMERCIAL CRIME

ADOPTION OF ISO COMPOSITE AND RETROSPECTIVE RATING PLANS

ISO FILING DESIGNATION NUMBERS RP-2004-RRPO3 AND RP-2004-RCR03

COMPANY REFERENCE: LA-CR-20012691

REQUESTED EFFECTIVE DATES - NEW: 10/1/2004

RENEWAL: 12/1/2004

The referenced company is filing to adopt the ISO Revision to the Composite and retrospective rating plans filing designation numbers RP-2004-RRP03 and RP-2004-RCR03.

The expected loss ratio for these plans is .479.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 10/1/2004      RENEWAL: N/A**

**43 - July 14, 2004 - 18177**

GREAT AMERICAN INSURANCE COMPANY  
GREAT AMERICAN ALLIANCE INSURANCE COMPANY  
GREAT AMERICAN ASSURANCE COMPANY  
GREAT AMERICAN INSURANCE COMPANY OF NEW YORK  
5 - COMMERCIAL MULTIPLE PERIL  
INITIAL RULE ONLY  
TELCOM TELECOMMUNICATIONS PROGRAM  
COMPANY REFERENCE: PK LA 0401 TELE  
REQUESTED EFFECTIVE DATES - NEW: 8/5/2004 RENEWAL: 8/5/2004

These companies submit rules for the introduction of endorsements for the Telcom Telecommunications Program. The companies state this program will be written by one of their profit centers, which is a specialty market for rural telecommunication companies.

#### **TELCOM ADDITIONAL GENERAL LIABILITY COVERAGE ENDORSEMENTS**

##### **A. CG 83 56 (09/03) TELCOM-BLANKET ADDITIONAL INSURED ENDORSEMENT**

This endorsement adds additional insureds to the policy as defined and limited in the endorsement. The endorsement is **optional** and can be attached at the insured's request. The charge for this form is 3% of the General Liability premium, subject to a minimum premium of \$100.

##### **B. CG 83 58 (09/03) EXCLUSION - FAILURE TO PROVIDE TELECOMMUNICATION SERVICES**

This endorsement is to be attached to all policies written under the Telcom Telecommunication program. This program does not cover failure to supply as described in the endorsement. This endorsement has been developed to clarify the intent. There is no premium charge for this form.

##### **C. IL 72 15 (09/03) TELCOM - RURAL UTILITY SERVICES ENDORSEMENT**

This endorsement is to be attached to all policies written under the Telcom Telecommunication program. It incorporates wording requested by the Rural Utilities Service. There is no premium charge for this form.

The requested rules require approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen motioned to approve this item contingent upon the approval of the companion form filing.**

**FINAL EFFECTIVE DATES - NEW: 8/5/2004 RENEWAL: N/A**

**44 - July 14, 2004 - 18213**

EVEREST NATIONAL INSURANCE COMPANY

5 - COMMERCIAL MULTIPLE PERIL

ADOPTION

COMMERCIAL AUTOMOBILE LIABILITY PROGRAM

ISO COMPOSITE AND RETROSPECTIVE RATING PLANS FILING DESIGNATION NUMBERS RP-2004-RRP03 AND RP-2004-RCR03

COMPANY REFERENCE: LA-CA-20012689

REQUESTED EFFECTIVE DATES - NEW: 10/1/2004 RENEWAL: 12/1/2004

The referenced company is filing to adopt the ISO Revision to the Composite and retrospective rating plans filing designation numbers RP-2004-RRP03 and RP-2004-RCR03.

The expected loss ratios for these plans are **0.604** for liability and **0.548** for physical damage.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 10/1/2004 RENEWAL: N/A**

**45 - July 14, 2004 - 18179**

ACE AMERICAN INSURANCE COMPANY

17 - OTHER LIABILITY

REVISED RATE AND RULE

ACCOUNTANTS & CONSULTANTS PROFESSIONAL LIABILITY INSURANCE PROGRAM

TERRORISM RISK INSURANCE ACT

**(2.0%)**

COMPANY REFERENCE: 2003-PR-385

REQUESTED EFFECTIVE DATES - NEW: 7/1/2004 RENEWAL: 7/1/2004

This filing was disapproved because of forms by the LIRC during the May 2001 meeting under item #104, which contained an independent terrorism exclusion.

The company is re-submitting its revised rates/rules to be used with the above captioned program.

The company proposes the following revisions:

- o Policyholder Disclosure Notice of Terrorism Insurance Coverage endorsement (TRIA12)

- o Terrorism Exclusion endorsement PF-14470 (06/03), [ISO wording, excludes Certified Acts only]
- o Cap on Losses for Certified Acts of Terrorism, PF-14471 (06/03), [ISO wording]
- o Manual rule page to explain when these forms will be used and the associated premium.

The requested rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/1/2004 RENEWAL: N/A**

**46 - July 14, 2004 - 18175**

EMPLOYERS MUTUAL CASUALTY COMPANY

EMC PROPERTY & CASUALTY COMPANY

17 - OTHER LIABILITY

REVISED RULE ONLY

GENERAL LIABILITY

CORRECTED MANUAL PAGES

COMPANY REFERENCE: LA-GL-2004-02

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

The companies wish to make editorial changes to Rule GL003 Counseling Professional and Rule GL069 Boat Dealers Insurance Agents Liability (E & O).

They also wish to withdraw Rule GL071 Electromagnetic Field Exclusion.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**47 - July 14, 2004 - 18144**

PROGRESSIVE SECURITY INSURANCE COMPANY

19 - PRIVATE PASSENGER AUTOMOBILE

PPA SYMBOL UPDATES

PPA SYMBOL UPDATES

COMPANY REFERENCE: LA0404-SYM-A-AMEND

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

The company is filing their 04/04 edition of Progressive's Private Passenger Auto Symbols Attachment A pages 5-32. This edition is primarily composed of new VINs that they did not pick up with their last update on December 2003. Their VIN vendor has provided new information that now allows them to symbol these vehicles automatically rather than manually.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**48 - July 14, 2004 - 18216**

PROGRESSIVE PALOVERDE INSURANCE COMPANY

19 - PRIVATE PASSENGER AUTOMOBILE

PPA SYMBOL UPDATES

PPA SYMBOL FILING ADDENDUM

COMPANY REFERENCE: LA0404-SYM-D-AMEND

REQUESTED EFFECTIVE DATES - NEW: N/A      RENEWAL: N/A

The company is filing their 04/04 edition of Progressive's Private Passenger Auto Symbols Attachment A pages 5-32. This edition is primarily composed of new VINs that they did not pick up with their last update on December 2003. Their VIN vendor has provided new information that now allows them to symbol these vehicles automatically rather than manually.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**49 - July 14, 2004 - 18237**

Insurance Services Office, Inc.

19 - PRIVATE PASSENGER AUTOMOBILE

REVISED RULE ONLY

PERSONAL VEHICLE MANUAL RULES

COMPANY REFERENCE: PP 2003-RRU03-Louisiana

REQUESTED EFFECTIVE DATES - NEW: 1/1/2005 RENEWAL: 1/1/2005

The referenced company is submitting revisions to their multistate Personal Vehicle Manual (PVM) - General Rules for 2005.

The filing consists of two sections which includes modifications to and clarification of existing rules.

**Section I includes an explanation of each individual change to the following rules:**

- o Rule 1 - Definitions

- o Rule 2 - Personal Auto Policy - Eligibility
- o Rule 5 - Safe Driver Insurance Plan (SDIP)
- o Rule 13 - Suspension
- o Rule 14 - Miscellaneous Coverages
- o Rule 16 - Named Non-Owner Policy
- o Rule 17 - Extended Non-Owned Liability Coverage

**Section II displays all of the rule revisions.**

The requested rule/rate revision requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 1/1/2005 RENEWAL: N/A**

**50 - July 14, 2004 - 18128**

ALLSTATE INDEMNITY COMPANY

19 - PRIVATE PASSENGER AUTOMOBILE

PPA SYMBOL UPDATES

2005 EXPERIENCE GROUP RATING UPDATE

COMPANY REFERENCE: R15162

REQUESTED EFFECTIVE DATES - NEW: 8/9/2004 RENEWAL: 9/9/2004

The company is filing their 2005 Experience Group Rating (EGR) update and symbols and identification pages for model year 2005, along with the corresponding 2005 EGR factors.

They are also revising 2004 EGR factor pages because they have removed and added vehicles and are also updating their 2003-2004 symbol pages to include several vehicles that were not on the latest set of pages.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 8/9/2004 RENEWAL: N/A**

**51 - July 14, 2004 - 18129**

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY

19 - PRIVATE PASSENGER AUTOMOBILE

PPA SYMBOL UPDATES

2005 EXPERIENCE GROUP RATING UPDATE

COMPANY REFERENCE: R15168

REQUESTED EFFECTIVE DATES - NEW: 8/9/2004 RENEWAL: 9/9/2004

The company is filing their 2005 Experience Group Rating (EGR) update and symbols and identification pages for model year 2005, along with the corresponding 2005 EGR factors.

They are also revising 2004 EGR factor pages because they have removed and added vehicles and are also updating their 2003-2004 symbol pages to include several vehicles that were not on the latest set of pages.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 8/9/2004 RENEWAL: N/A**

**52 - July 14, 2004 - 18153**

OLD REPUBLIC INSURANCE COMPANY

BITUMINOUS CASUALTY CORPORATION

INTERNATIONAL BUSINESS AND MERCANTILE REASSURANCE COMPANY

24 - SURETY

REVISED RULE ONLY

PUBLIC OFFICIAL-NOTARY PUBLIC BOND

COMPANY REFERENCE: 2004-17-01

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

The referenced companies are filing a revision to its Surety Public Official notary bond amount by increasing the bond amount from \$5,000 to **\$10,000**. No other changes to the rates or rules are being made; therefore, there is no rate impact associated with this filing.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

LOUISIANA INSURANCE RATING COMMISSION

Part II -- Property

Wednesday, July 14, 2004

1a - July 14, 2004 - 18227

CONTINENTAL INSURANCE COMPANY, THE  
Encompass Insurance Company of America  
Encompass Property and Casualty Company  
FIDELITY AND CASUALTY COMPANY OF NEW YORK, THE  
4 - HOMEOWNERS  
REVISED RATE AND RULE  
HOMEOWNERS PROGRAM  
UNIVERSAL SECURITY POLICY PORTFOLIO (USP)  
(+20.0%)

COMPANY REFERENCE: 04-R0090

REQUESTED EFFECTIVE DATES - NEW: 10/1/2004

RENEWAL: 10/1/2004

Listed below is the history of the actions taken by the LIRC in regard to this program:

#7a - 2/03	+5.0% as amended from +14.2%	Approved	Effective 7/15/03 N & R
#2a - 8/02	+11.5% as amended from +19.3%	Approved	Effective 11/15/02 N & R
#8a - 7/01	+4.9%	Approved	Effective 8/1/01 N & R

With this filing, the companies are requesting an overall rate increase of +20.0% or +\$2,717,923 (6,879 policyholders).

Included in the overall increase are the following:

HOMEOWNERS CHANGES

1.

TOTAL (ALL PROGRAMS)	
Coverage	Percent of Change
Form 3	+21.8%
Forms 4 & 6	+21.8%
Homeowners	+21.8%
Earthquake	0.0%

Dwelling Fire	+19.0%
Scheduled Personal Property	0.0%
Boats	0.0%
Other Excess	+21.8%
Other	0.0%
OTA Balance	+2.7%
<b>OVERALL</b>	<b>+20.0%</b>

2. **Segment Factor / Package Discount Factor**

The segment factor has been increased from 1.20 to 1.25 to improve rate adequacy in non-package business.

3. **Special Factor**

The Special Coverage factor has been increased from 0.90 to 0.92.

4. **Amount of Insurance Curve**

The factors for amounts of insurance less than \$150,000 have been increased.

5. **Loss Surcharges**

The loss surcharge factors for one, two and three losses have been increased.

6. **Secondary Seasonal Factors**

The factors for Secondary Seasonal Residence and Secondary Non-Seasonal Residence have been increased.

7. **Renters Factor**

The Renters Coverage factor will be increased from 1.30 to 1.37.

8. **Trampoline Surcharge**

The companies are introducing a \$100 trampoline surcharge.

9. **Limited Fungi, Wet or Dry Rot or Bacteria Coverage**

Presently, the companies cover mold and mold related losses for damage to real and personal property up to the corresponding property and liability limits should mold related losses be caused by a covered peril. Due to the sudden and unanticipated discovery of and increase in the number of mold related property and liability claims that were not contemplated in the current rates and in order to prevent this from significantly increasing future needed rate from all policyholders, with the filing, the companies are introducing a \$10,000 coverage limit for mold losses for the Elite and Deluxe coverage options, and a \$5,000 coverage limit for Special. Additionally, the companies propose to offer the option to increase this limit for additional premium. The rates are as follows:

Coverage is automatically provided at no premium charge at the following limit:

Elite	10000
Deluxe	10000

Special	5000
Dwelling Fire	5000

For an additional premium charge the following optional limits are available:

10000	40
15000	50
20000	60
25000	70
50000	100

10. **Identity Fraud Expense Coverage**

Currently, the companies charge Deluxe and Elite policyholders a \$25 premium for Identity Fraud Expense Coverage. They are proposing to include this coverage for Elite policies.

**DWELLING FIRE CHANGES**

1. **Limited Fungi, Wet or Dry Rot or Bacteria**

The companies are adding Mold coverage to Miscellaneous Coverages in the Dwelling Fire Manual pages.

2. **Trampoline**

The companies are adding a Trampoline Surcharge to Miscellaneous Coverages in the Dwelling Fire Manual pages.

**MISCELLANEOUS CHANGES**

1. **Boat Deductible**

The companies propose to change the percent deductibles to flat dollar deductibles.

The histogram information furnished by the company is contained in the Insurance Company Rate Revision Summary prepared by the Actuary.

The Louisiana and Countrywide experience is as follows:

**LOUISIANA**

(Accident Year as of 12/31/03)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 13,346,000	\$ 4,900,000	36.7%
2000	12,620,000	9,030,000	71.6%
2001	12,294,000	5,548,000	45.1%
2002	12,248,000	6,104,000	49.8%
2003	12,851,000	4,395,000	34.2%
All Years	\$ 63,359,000	\$ 29,977,000	47.3%

**COUNTRYWIDE**

(Accident Year as of 12/31/03)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 460,385,000	\$ 252,532,000	54.9%
2000	471,637,000	287,488,000	61.0%
2001	465,460,000	289,195,000	62.1%
2002	473,209,000	251,080,000	53.1%
2003	506,339,000	227,349,000	44.9%
All Years	\$ 2,377,030,000	\$ 1,307,644,000	55.0%

Listed below is a summary of Louisiana direct experience:

Calendar Year	Earned Premium	Total Loss & LAE Incurred	Total Loss & LAE Incurred Ratio	Total Underwriting Expense Incurred Ratio
	\$	\$	%	%
2003	13,278,340	10,945,879	82.4%	29.9%
2002	12,226,437	13,961,708	114.2%	30.3%
2001	12,821,168	10,063,713	78.5%	28.4%
2000	11,859,753	19,505,199	164.5%	28.3%
1999	13,402,721	7,629,297	56.9%	27.7%

Calendar Year	Other Income Less Other Expenses Ratio	Underwriting Gain or Loss %	Investment Gain on Funds Ratio %	Overall Gain or Loss %
	%	%	%	%
2003	-3.4%	-15.7%	0.7%	0.0%
2002	2.0%	-42.4%	1.6%	-40.8%
2001	-0.6%	-7.4%	0.4%	-7.1%
2000	1.9%	-90.8%	0.5%	-90.3%
1999	0.7%	16.1%	4.8%	20.9%

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES:** Mr. Keener made a motion to amend this item to +11% with a 30% cap. Mr. Franks objected and made a motion to approve this s item at +11% with no cap. Therefore, a vote was taken with Mr. Ruiz objecting to Mr. Franks approval motion. Voting against Mr. Franks' motion were Mr. Ruiz and Mr. Keener. Voting for approval were Mr. Franks, Mr. Chozen and the Chair. With a vote of 3 to 2 for approval, the approval motion stood.

**Company Representatives - Ed Mosterd and Kevin Connlee**

2a - July 14, 2004 - 18224

Insurance Services Office, Inc.

4 - HOMEOWNERS

REVISED RULE ONLY

INTRODUCTION OF MANUAL RULES FOR HOMEOWNERS POLICY PROGRAM AND MOBILEHOME SUPPLEMENT (2000 EDITION)

COMPANY REFERENCE: HO 2004-R00RU - LOUISIANA

REQUESTED EFFECTIVE DATES - NEW: 1/1/2005 RENEWAL: 1/1/2005

The Insurance Services Office, Inc. (ISO) is filing to introduce or revise various rules in the Homeowners Manual - General Rules and Mobilehome Supplement to the Homeowners General Rules. These revisions include modifications to and clarifications of existing rules.

Some rules included in the filing are modified or replaced by a state-specific exception in a particular state.

The document consists of a Table of Contents and four sections:

**Section I - Explanation of Revised and New General Rules**

Section I explains the changes to the multistate rules and the introduction of new rules.

- ISO is revising Multistate General Rules 101, 302, 304, 403, 406, 407, 503, 504, 505, 511, 515, 516, 517, 521, 604, 610, 611 and 612.
- ISO is introducing nine rules which compliment new optional endorsements included in the companion forms filing. They are designated as Rules 211 - Additional Interests, 409 - Replacement Cost Coverage for Certain Non-Building Structures, 522 - Landlord's Furnishings, 523 - Assisted Living Care Coverage, 524 - Other Members of an Insured's Household, 525 - Motorized Golf Cart - Physical Loss Coverage, 526 - Residence Held in Trust, 527 - Student away from Home and 529 - Modified Other Insurance Condition - HO 00 06 only.
- ISO is including into the Multistate General Rules five rules which are currently in effect in most states and appear as Additional Rules in the ISO Homeowners Manual. They are:
  1. Building Code Effectiveness Grading New General Rule 410.
  2. Home Business Insurance Coverage New General Rule 528.
  3. Computer Related Damage or Injury New General Rule 606.
  4. Optional Property Remediation for Escaped Liquid Fuel and Limited Lead and Escaped Liquid Fuel Liability Coverages New General Rule 616.
  5. Three or Four Family Dwelling which has been merged into existing Rules 101, 104, 301 and 402.
- ISO is also updating the Mobilehome Supplement to the General Rules to indicate that Rule 410. does not apply.

**Section II - Description and Samples of Format Changes**

Section II explains format changes to the multistate rules and included some of the more typical changes.

Rapid advances in computer hardware and text management software have led to ISO researching the development of an electronic version of ISO's Homeowners Manual and Mobilehome Supplement to the Homeowners General Rules. With an electronic version, ISO has determined that the text programming standards which were adequate for paper presentation of information are relatively inappropriate for electronic formats.

Accordingly, ISO is modifying the current Homeowners Manual and Mobilehome Supplement so that, in an electronic version, they can take advantage of the capabilities of text management systems, particularly in the areas of search and hypertext linking functions.

ISO is also implementing a new manual design called Integrated Manual Design (IMD). The purpose of IMD is to ensure that, when all of the pieces of the manual - multistate rules, state exceptions, and state loss costs - are read together as a single manual, this information flows smoothly and clearly.

Through the implementation of IMD, ISO will ultimately assemble state-specific electronic manuals and provide participating companies with the ability to add their own filed and approved information to these state-specific electronic manuals through Personal Lines Electronic Manual Services (PLEMS).

The changes, while cosmetic from a paper perspective, enable manual users to take full advantage of these capabilities and provide for the most useful presentation of the Homeowners Manual and Mobilehome Supplement information electronically.

### **Section III - Revised and New Rules**

Section III shows the rule changes explained in Sections I and II.

This section displays the affected rules as described in Section I and II.

### **Section IV - 2000 Edition of Homeowners General Rules and Mobilehome Supplement**

Section IV contains the revised Homeowners and Mobilehome Supplement Multistate Manual Pages, including all of the changes described in Sections I, II and III.

This section includes all of the changes described in Sections I, II and III; and contains the revised:

- Homeowners Multistate Manual Pages,
- Louisiana Homeowners Exception Pages,
- Mobilehome Supplement to the Homeowners General Rules, and
- Louisiana Mobilehome Exception Pages.

The requested rule filing requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved this item contingent upon the approval of the companion forms.**

**FINAL EFFECTIVE DATES - NEW: 1/1/2005 RENEWAL: N/A**

3a - July 14, 2004 - 18219

GREAT AMERICAN INSURANCE COMPANY  
GREAT AMERICAN ALLIANCE INSURANCE COMPANY  
GREAT AMERICAN ASSURANCE COMPANY  
GREAT AMERICAN INSURANCE COMPANY OF NEW YORK  
1 - PROPERTY  
INITIAL RULE ONLY  
HEALTH & FITNESS PLUS PROPERTY COVERAGE  
COMPANY REFERENCE: CP-LA-0406-HFPC  
REQUESTED EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: 8/1/2004

The above captioned companies wish to introduce the rates/rules to be used in conjunction with their Health and Fitness Plus Property Coverage Enhancement Endorsement Form CP 73 32(Ed. 01/04). This filing provides **optional** coverage to be used with the Health and Fitness Program. The corresponding forms have been submitted to the Forms Division.

This endorsement offers coverage for a flat charge of \$35.00.

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Ruiz motioned to approve.**  
**FINAL EFFECTIVE DATES - NEW: 8/1/2004 RENEWAL: N/A**

4a - July 14, 2004 - 17898

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.  
1 - PROPERTY  
ADOPTION  
COMMERCIAL PROPERTY & GLASS  
COMPANY REFERENCE: CF LA0403701R01  
REQUESTED EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: 7/14/2004

The above captioned company is filing its initial adoption of the following Property Insurance Association of Louisiana (PIAL) designation numbers for Commercial Property:

LA 02-06	Earthquake Rules	App (#27a - 4/02)	Eff 7/1/02 N & R
LA 02-07	Earthquake Rates	App (#12a - 4/02)	Eff 10/1/02 N & R
LA 01-15	IRPM Plan Rules	App (#34a - 12/01)	Eff 5/1/02 N & R
LA 01-6	Base Ded Rule	App (#20a - 8/01)	Eff 1/1/02 N & R
LA 01-7	Fire/Allied Rates	App (#8a - 8/01)	Eff 1/1/02 N & R
CL 2001-OWTMU	CLM Rule	App (#41 - 12/01)	Eff 1/1/02 N & R
CL 2001-OWTMU (Amend)	CLM Rule	App (#92 - 2/02)	Eff 2/20/02 N & R
LA 00-4	Building Code Eff Rule	App (#18a - 6/00)	Eff 12/1/00 N & R

LA 99-6	Senate Bill 210 Rates	App (18a - 9/99)	Eff as of date of statute
RP 97-R97IR	IRPM Plan	App (#3a - 1/98)	Eff 6/1/98 N & R
RP 96-R96ML	ML Prem & Disp Credit Plan	App (#11a - 4/97)	Eff 5/1/97 N & R
LA 95-10	CLM Rates	App (#23a - 8/95)	Eff 8/15/95 N & R
LA 95-5	Fire/Allied Rules	App (#20a - 4/95)	Eff 7/1/95 N & R
G 98-RLA1	Glass Loss Costs	App (#53 - 9/98)	Eff 9/16/98 N & R

The PIAL rates are being adopted without deviation.

The company is also filing the following exception pages:

CF-LA-LCM (05/04) with a loss cost multiplier of 1.580 for glass.

CF-LA-ELR (05/04) with an expected loss ratio of .633.

The requested rate/rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Ruiz made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**5a - July 14, 2004 - 17969**

COREGIS INSURANCE COMPANY

1 - PROPERTY

PROPERTY DEVIATION

COMMERCIAL PROPERTY

TIER INTRODUCTION

INITIAL ADOPTION OF PIAL RATES AND RULES WITH A +25% UPWARD DEVIATION

COMPANY REFERENCE: C-CP-LA-04-00046-1-R

REQUESTED EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: 9/1/2004

The above captioned company wishes to adopt the Property Insurance Association of Louisiana (PIAL) rates and rules, which were approved in August 2001 (#8 rates LA-01-7 and #20a rules LA-01-6) effective January 1, 2002.

The company wishes to adopt these rates with a +25% upward deviation.

With this filing, the company (along with Westport Insurance Corporation - item key #18016 on this agenda) proposes a tier company approach for commercial property.

Westport Insurance Corporation will be the base company and Coregis will be a different tier company using the same PIAL rates but with a +25% upward deviation.

This filing serves as notification of the company tiers and files exception pages.

There is no rate impact associated with this filing.

The requested rate/rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**6a - July 14, 2004 - 18016**

WESTPORT INSURANCE CORPORATION

1 - PROPERTY

REVISED RULE ONLY

COMMERCIAL PROPERTY

BASE COMPANY FOR TIER INTRODUCTION

COMPANY REFERENCE: W-CP-LA-04-00044-1-R

REQUESTED EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: 9/1/2004

The above captioned company currently uses the Property Insurance Association of Louisiana (PIAL) rates and rules, which were approved in August 2001 (#8a rates LA-01-7 and #20a rules LA-01-6) effective January 1, 2002.

With this filing, the company (along with Coregis Insurance Company - item key #17969 on this agenda) proposes a tier company approach for commercial property.

Westport will be the base company and Coregis Insurance Company will be a different tier company using the same PIAL rates but with a +25% upward deviation. Westport will continue to utilize PIAL rates without deviation.

This filing serves as notification of the company tiers and files to replace the dates of its currently approved exception pages.

There are 290 policyholders for this program.

There is no rate impact associated with this filing.

The requested rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**7a - July 14, 2004 - 17635**

GREENWICH INSURANCE COMPANY

2 - CROP

REVISED RATE ONLY

OPEN BOLL COTTON

(0.0%)

COMPANY REFERENCE: HCI-LAR-3

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

Listed below is the history of actions taken by the LIRC in regard to this program.

#23a-4/03	0.0%	Effective 4/17/03	Approved
#17a-4/02	Initial	Effective 4/24/02	Approved

With this filing the company is requesting to revise their Open Boll Cotton rate from \$0.20 to \$0.25. The company states this should have minor effect on their book of business for the state of Louisiana. They further state they did not write Open Boll Cotton last year.

Listed below is the Louisiana and countrywide experience.

### LOUISIANA

Year	Actual Earned Premium		Developed Loss		Loss Ratio
1999	\$		\$		
2000					
2001					
2002		13,986		129,702	927.3%
2003		17,942		0	0%
All Years	\$	31,928	\$	129,702	927.3%

### COUNTRYWIDE

Year	Actual Earned Premium		Developed Loss		Loss Ratio
1999	\$		\$		
2000		900,930		805,706	95.1%
2001		8,852,361		8,132,606	91.9%
2002		12,108,557		20,091,334	165.9%
2003		6,397,174		2,833,666	44.3%
All Years	\$	28,259,022	\$	31,863,312	112.8%

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Ruiz made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004**

**RENEWAL: N/A**

**8a - July 14, 2004 - 18140**

UNITED SERVICES AUTOMOBILE ASSOCIATION  
USAA CASUALTY INSURANCE COMPANY  
4 - HOMEOWNERS  
INITIAL RULE ONLY

RENTERS PROTECTION PROGRAM

INTRODUCTION OF CORRESPONDING RULES FOR USE WITH ENDORSEMENT R-23 - CREDIT CARD, FUND TRANSFER CARD, FORGERY, COUNTERFEIT MONEY AND IDENTITY FRAUD EXPENSE COVERAGE

COMPANY REFERENCE: LA046384

REQUESTED EFFECTIVE DATES - NEW: 11/1/2004

RENEWAL: 11/1/2004

The above captioned companies are filing the initial rule to be used with the above referenced new endorsement.

Concurrent with the introduction of this new coverage, the companies are amending their Renters Credit Card, Fund Transfer Card, Forgery, Counterfeit Money and Identity Fraud Expense Coverage rule to increase the amount of coverage from \$1,000 to \$5,000 and to reflect the available limits of liability.

Listed below is the proposed rate structure:

\$5,000 Credit Card, Fund Transfer Card, Forgery, Counterfeit Money and Identity Fraud Expense Coverage are provided at no additional charge. The additional premium for increased limits is:

Limit of Liability	Premium
\$7,500	\$4
\$10,000	\$5

As this is a new coverage, the current policyholders will not be affected by this filing.

The requested rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen motioned to approve this item contingent upon the approval of the companion forms.**

**FINAL EFFECTIVE DATES - NEW: 11/1/2004**

**RENEWAL: N/A**

**9a - July 14, 2004 - 18151**

UNITED SERVICES AUTOMOBILE ASSOCIATION

USAA CASUALTY INSURANCE COMPANY

4 - HOMEOWNERS

REVISED RULE ONLY

HOMEOWNERS PROGRAM MANUAL

REVISED RULE 3. DEDUCTIBLES TO INCLUDE ADDITIONAL DEDUCTIBLE OPTIONS

COMPANY REFERENCE: LA046345

REQUESTED EFFECTIVE DATES - NEW: 11/1/2004

RENEWAL: 11/1/2004

The above captioned companies wish to revise their Homeowners Program to introduce additional deductible options and corresponding dollar maximum credit amounts.

The companies state "This will allow our members to retain a deductible as their amount of insurance increases to and beyond \$100,000."

Since this change only involves the availability of additional new deductible options for Owners Forms, there is no impact to current member premiums.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 11/1/2004      RENEWAL: N/A**

**10a - July 14, 2004 - 18206**

UNITED SERVICES AUTOMOBILE ASSOCIATION

USAA CASUALTY INSURANCE COMPANY

4 - HOMEOWNERS

INITIAL RATE AND RULE

RENTERS PROTECTION PROGRAM

INTRODUCTION OF RENTERS PRIVATIZED HOUSING FOR USE AT FORT POLK IN LOUISIANA

COMPANY REFERENCE: LA046396

REQUESTED EFFECTIVE DATES - NEW: 10/1/2004      RENEWAL: 10/1/2004

The above captioned companies wish to introduce a new program to provide renters insurance to eligible active duty military personnel living in military housing on select military bases. The Department of Defense is in the process of privatizing all government family housing on military bases and may require that the military personnel obtain and maintain personal property insurance. The Department of Defense plans to finish this conversion by 2007. USAA intends to enter into an arrangement whereby they will receive referrals of applications for renters insurance for all residents of select military housing under the new privatized structure.

Fort Polk is the first base in Louisiana for which they may enter into a referral arrangement. Because they can only bid one rate for each base, they can not differentiate between USAA and USAA-CIC rates. Therefore, they wish to use the current USAA rates in support of this program. This package expands their Renters Protection Policy (last adjustment to the program occurred in December 2002, item #15a, which resulted in an overall rate increase of +2.0% effective March 1, 2003 for new and renewal business).

This will result in no rate change for current USAA members at Fort Polk, but it will result in a reduction in premium for USAA-CIC members.

Details of the program are as follows:

### Limits of Liability

Broad Personal Property with Replacement Cost, RP-3	\$10,000
Personal Liability RP-6	\$100,000
Medical Payments (Included in RP-6)	\$1,000

### Eligibility

The Renters Protection Policy Package for Ft. Polk AFB Family Housing is designed for the active duty military insured whose place of residence is a Ft. Polk AFB Family Housing unit that is included in the U.S. Department of Defense Military Housing Privatization Initiative.

**Policy Period**

The Renters Protection Policy will be written for a period of one year.

**Coverages**

The Renters Protection Policy for Ft. Polk AFB Family Housing includes both Personal Property and Personal Liability coverages. Optional coverages and/or increased or decreased limits options are not available.

**Deductible**

The deductible is \$250.

**Cancellations**

The earned premium shall be determined on a pro rata basis.

**Annual Policy Premium**

Personal Property	\$66.57
Replacement Cost Coverage	\$25.00
Personal Liability / Medical Payments	\$67.00
<b>Total Annual Premium</b>	<b>\$158.57</b>

The Countrywide experience is listed below:

**COUNTRYWIDE**  
(Renters - Accident Year as of 3/31/04)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
1999	\$ 99,858,614	\$ 67,694,523	67.8%
2000	105,906,428	64,451,499	60.9%
2001	110,877,622	72,742,963	65.6%
2002	116,314,352	71,719,974	61.7%
2003	120,834,062	79,278,269	65.6%
All Years	\$ 553,791,078	\$ 355,887,227	64.3%

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Ruiz approved.**

**FINAL EFFECTIVE DATES - NEW: 10/1/2004**

**RENEWAL: N/A**

**11a - July 14, 2004 - 18236**

AUDUBON INSURANCE COMPANY

4 - HOMEOWNERS

INITIAL RATE AND RULE

PRIVATE CLIENT GROUP HOMEOWNERS PROGRAM

COMPANY REFERENCE: 03-HO-LA-001R-A

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

The above captioned company is submitting initial rates and rules for use with its Private Client Group Homeowners Program.

This program is the same exact program that was previously approved for AIU Insurance Company in February 21, 2001 (item #8a) with a final effective date of August 19, 2002.

This new program has been designed to meet the needs of high valued homes. High valued is defined as homes that range in price from \$350,000 up to \$3,000,000.

There are no changes being made to any of the rates and rules. The proposed rate structure is based on an analysis of the rate levels and underwriting results of several major competitors such as State Farm and the Chubb Group. In the examples furnished this program's rates are either identical to or in line with those of its competitors.

The company wishes to withdraw the program from AIU. Upon renewal, policyholders will be transferred to Audubon Insurance Company. The company states that policyholders will be notified of the company transfer upon renewal and that there will be no rate impact to current policyholders.

The requested rate/rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004**

**RENEWAL: N/A**

**12a - July 14, 2004 - 18199**

SHELTER MUTUAL INSURANCE COMPANY

4 - HOMEOWNERS

REVISED RULE ONLY

COMPANY REFERENCE: 17M20204

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

The last adjustment to this program occurred in March 2003 (item #13a) which resulted in an overall increase of +12.9% as amended by the company from +22.8% effective March 25, 2003 for new and renewal business.

The purpose of this filing is to update the homeowners manual pages to reflect revisions being made to the policy forms and endorsements.

The proposed revisions are as follows:

### **Archery Equipment**

This is a new optional coverage. The new homeowners policy imposes a limit for loss by theft to archery equipment. Similar to Guns and Related Equipment, this coverage offers increased limits of coverage for this type of equipment. The rates are as follows:

Aggregate Limit	Policy Deductible \$500/2%
\$2,500	\$5
\$5,000	\$12

The remaining rules have been either editorially revised, or had wording changed or added for clarification purposes.

The requested rate/rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen motioned approval contingent upon the approval of the companion forms.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**13a - July 14, 2004 - 18171**

ARMED FORCES INSURANCE EXCHANGE

4 - HOMEOWNERS

ADOPTION

HOMEOWNER POLICY PROGRAM (1991 EDITION)

ADOPTION OF VARIOUS PIAL AND ISO FILING DESIGNATION NUMBERS

COMPANY REFERENCE: LA-HO-3I-04-1

REQUESTED EFFECTIVE DATES - NEW: 10/11/2004      RENEWAL: 10/11/2004

The above captioned company wishes to adopt the following Property Insurance Association of Louisiana (PIAL) Filing Designation numbers for Limited Fungi, Wet or Dry Rot or Bacteria (with modification) for its homeowners program:

- LA03-11 (Approved on 3/3/04 as item #4a - item key #16603)
- LA03-11 - Amendment (Approved on 3/3/04 as item #24a - item key #16681)
- LA04-01 (Approved on 3/3/04 as item #21a - item key #16676)

The company also wishes to adopt the following Insurance Services Office, Inc. (ISO) Filing Designation numbers for Homeowner Rule 302. Loss Settlement Options, and Lienholder's Single Interest in the Mobilehome Supplement to the Homeowners Policy Program:

- HO 2004-ORU1 - Louisiana (Approved on 3/3/04 as item #22a - item key #16677)
- HO 2004-ORU1 - Louisiana (Approved on 4/27/04 as item #29a - item key #17414)

The company has also submitted revised manual pages and corresponding page checklist to reflect the above referenced changes.

The requested rate/rule filing requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**  
**FINAL EFFECTIVE DATES - NEW: 10/11/2004      RENEWAL: N/A**

**14a - July 14, 2004 - 17810**

AEGIS SECURITY INSURANCE COMPANY  
4 - HOMEOWNERS  
REVISED RULE ONLY  
SPECIAL HOMEOWNERS HO-3 PROGRAM  
COMPANY REFERENCE: 36-LA-04025R  
REQUESTED EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: 7/31/2004

The above captioned company's last rate revision was approved in November 2002 (item #16a) which resulted in an increase of +20% effective November 30, 2002.

With this filing, the company proposes the following:

- Amend forms page to include corresponding forms - Manual page 36 replaces Manual page 40.
- Move Territory 8, which consists of one county, into Territory 7 and remove rates for territory 8 to correspond with this change. The rates for both territories are the same; therefore, there are no changes to the rates.

The company has not written any policies under this program.

The requested rule requires approval of companion forms.

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen approved.**  
**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**15a - July 14, 2004 - 17834**

MERITPLAN INSURANCE COMPANY  
4 - HOMEOWNERS  
INITIAL RATE AND RULE  
SELECT HOMEOWNERS PROGRAM  
COMPANY REFERENCE: PL-03-0739  
REQUESTED EFFECTIVE DATES - NEW: 7/21/2004      RENEWAL: 7/21/2004

The above captioned company wishes to file initial rates and rules for its Select Homeowners Program.

The Homeowners Select program is for customers unable to qualify for a preferred program or standard program for various reasons, such as customers that have had multiple losses as well as other underwriting characteristics that prevent them from being insured in preferred markets. The program was designed specifically for risks that are unable to obtain insurance in the standard markets.

The company states "This is an underwriting program and risks are expected to be in good condition with proper risk controls to minimize future losses. This program will typically be marketed through independent and affiliated agencies."

The rate was selected based on a similar homeowners program written by American Modern Insurance Company.

A mandatory wind exclusion applies to Territories 72, 73 and 74. Apply a credit of \$150 to the base premium.

The deductibles are as follows:

Deductible	Includes 2% Wind/Hail Deductible Factor
\$500	Base
\$1,000	0.98
\$1,500	0.96
\$2,500	0.92

The company states "There are no buy-back options available for this program."

This program has been filed in other states, but it has not been in existence long enough to provide Countrywide experience.

As this is an initial filing, there is no rate impact associated with this filing.

The requested rate/rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Ruiz made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 7/21/2004 RENEWAL: N/A**

**16a - July 14, 2004 - 18240**

Liberty Mutual Fire Insurance Company  
FIRST LIBERTY INSURANCE CORPORATION, THE  
4 - HOMEOWNERS  
REVISED RULE ONLY  
LIBERTYGUARD HOMEOWNER POLICY PROGRAM  
TIER CRITERIA REVISION

COMPANY REFERENCE: None

REQUESTED EFFECTIVE DATES - NEW: 8/16/2004 RENEWAL: 8/16/2004

The above captioned companies introduced their Homeowner Tier Program in September 2003 (item #16a) effective November 17, 2003.

The current homeowner tier program includes the presence of an existing standard auto policy with Liberty Mutual. In an effort to provide a better home policy rate to mono-line customers who the companies believe would otherwise qualify for a standard auto policy with Liberty Mutual, they wish to modify the tier criteria as follows:

- Mono-line home customers that already qualify for tiers 2 or 3 will now qualify for tiers 1 or 2, respectively.

There is no rate impact associated with this filing.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Keener approved.**

**FINAL EFFECTIVE DATES - NEW: 8/16/2004      RENEWAL: N/A**

**17a - July 14, 2004 - 18172**

FIREMAN'S FUND INSURANCE COMPANY  
AMERICAN INSURANCE COMPANY, THE  
NATIONAL SURETY CORPORATION  
ASSOCIATED INDEMNITY CORPORATION  
AMERICAN AUTOMOBILE INSURANCE COMPANY  
FIREMAN'S FUND INSURANCE COMPANY OF LOUISIANA  
4 - HOMEOWNERS  
REVISED RULE ONLY  
MANUAL RULE PAGE EDITORIAL REVISIONS  
COMPANY REFERENCE: FLAHO0404  
REQUESTED EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: 8/30/2004

The above captioned companies wish to revise their homeowner's manual pages to incorporate changes to correspond with previously approved rules and endorsements.

These changes include editorial revisions as well as new edition dates.

There is no rate impact associated with this filing.

The requested rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

LOUISIANA INSURANCE RATING COMMISSION

Part III -- ISO Adoptions

Wednesday, July 14, 2004

1 - July 14, 2004 - 18118

TRINITY UNIVERSAL INSURANCE COMPANY  
TRINITY UNIVERSAL INSURANCE COMPANY OF KANSAS, INC.  
5 - COMMERCIAL MULTIPLE PERIL  
DELAYED ADOPTION  
BUSINESSOWNERS  
PIAL FILING DESIGNATION #: LA03-14 (RULES) & LA03-15 (RATES)  
COMPANY REFERENCE: LA-04-0407-03-MU  
REQUESTED EFFECTIVE DATES - NEW: 7/1/2004 RENEWAL: 7/1/2004

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**  
**FINAL EFFECTIVE DATES - NEW: 7/1/2004 RENEWAL: N/A**

2 - July 14, 2004 - 18238

Insurance Services Office, Inc.  
19 - PRIVATE PASSENGER AUTOMOBILE  
REVISED RATE AND RULE  
2005 RELATED MISCELLANEOUS LOSS  
COST MULTISTATE REVISION  
COMPANY REFERENCE: PP-2003-RLC03  
REQUESTED EFFECTIVE DATES - NEW: 1/1/2005 RENEWAL: 1/1/2005

The referenced company is submitting revisions to their 2005 Personal Automobile Multistate Forms and Rules Revisions.

This filing consists of two sections which introduce and revise various loss costs rules.

**Section I includes an explanation of each individual change to the miscellaneous loss costs corresponding to Rule 14 - Miscellaneous Coverages:**

- o Rule 14.E - Towing and Labor Costs Coverage
- o Rule 14.F - Increased Limits for Excess Electronic Equipment
- o Rule 14.G - Audio, Visual and Data Electronic Equipment Coverage
- o Rule 14.K - Trip Interruption Coverage

Section II contains the revised loss costs tables.

The requested rule/rate revision requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 1/1/2005 RENEWAL: N/A**

LOUISIANA INSURANCE RATING COMMISSION

Part III -- Excess WC

Wednesday, July 14, 2004

1 - July 14, 2004 - 18211

MIDWEST EMPLOYERS CASUALTY COMPANY

16 - WORKERS COMPENSATION

EXCESS W/C

INSURED: WEST FELICIANA PARISH SCHOOL BOARD

COMPANY REFERENCE: EWC006539

REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 7/1/2004 RENEWAL: N/A**

2 - July 14, 2004 - 18212

MIDWEST EMPLOYERS CASUALTY COMPANY

16 - WORKERS COMPENSATION

EXCESS W/C

INSURED: DESOTO PARISH SCHOOL BOARD

COMPANY REFERENCE: EWC006532

REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 1/1/2005 RENEWAL: N/A**

3 - July 14, 2004 - 18167

MIDWEST EMPLOYERS CASUALTY COMPANY

16 - WORKERS COMPENSATION

EXCESS W/C

INSURED: CAMERON PARISH SCHOOL BOARD

COMPANY REFERENCE: EWC006483

REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**4 - July 14, 2004 - 18168**

MIDWEST EMPLOYERS CASUALTY COMPANY  
16 - WORKERS COMPENSATION  
EXCESS W/C  
INSURED: VERMILION PARISH SHERIFF'S DEPT.

COMPANY REFERENCE: EWC006351

REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**5 - July 14, 2004 - 18169**

MIDWEST EMPLOYERS CASUALTY COMPANY  
16 - WORKERS COMPENSATION  
EXCESS W/C  
INSURED: FAIR GROUNDS CORPORATION, ETAL

COMPANY REFERENCE: EWC006415

REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**6 - July 14, 2004 - 18170**

MIDWEST EMPLOYERS CASUALTY COMPANY  
16 - WORKERS COMPENSATION  
EXCESS W/C  
INSURED: DOLESE BROS. CO. (A CORP.)

COMPANY REFERENCE: EWC006538  
REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen approved.**  
**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**7 - July 14, 2004 - 18149**

MIDWEST EMPLOYERS CASUALTY COMPANY  
16 - WORKERS COMPENSATION  
EXCESS W/C  
INSURED: SHEARMAN CORPORATION  
COMPANY REFERENCE: EWCOO6472  
REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen approved.**  
**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**8 - July 14, 2004 - 18150**

MIDWEST EMPLOYERS CASUALTY COMPANY  
16 - WORKERS COMPENSATION  
EXCESS W/C  
INSURED: CITY OF ALEXANDRIA  
COMPANY REFERENCE: EWCOO6387  
REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen approved.**  
**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**9 - July 14, 2004 - 18158**

EMPLOYERS REINSURANCE CORPORATION  
16 - WORKERS COMPENSATION  
EXCESS W/C

INSURED: THE ADMINISTRATORS OF THE TULANE EDUCATIONAL FUND  
COMPANY REFERENCE: 0633060  
REQUESTED EFFECTIVE DATES - NEW: N/A      RENEWAL: N/A

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**  
**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**10 - July 14, 2004 - 18159**

OLD REPUBLIC INSURANCE COMPANY  
16 - WORKERS COMPENSATION  
W/C EXCESS  
INSURED: CONAGRA FOODS, INC.  
            CONAGRA GROCERY PRODUCTS CO.  
COMPANY REFERENCE: MWXS 695  
REQUESTED EFFECTIVE DATES - NEW: N/A      RENEWAL: N/A

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**  
**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**11 - July 14, 2004 - 18132**

EMPLOYERS REINSURANCE CORPORATION  
16 - WORKERS COMPENSATION  
EXCESS W/C  
INSURED: THE ADMINISTRATORS OF THE TULANE EDUCATIONAL FUND  
COMPANY REFERENCE: 0633060  
REQUESTED EFFECTIVE DATES - NEW: N/A      RENEWAL: N/A

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**  
**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

LOUISIANA INSURANCE RATING COMMISSION

Part III -- Individual Risk

Wednesday, July 14, 2004

1 - July 14, 2004 - 18197

ALASKA NATIONAL INSURANCE COMPANY

16 - WORKERS COMPENSATION

INDIVIDUALLY RISK RATED POLICY

INSURED: VECO CORPORATION, INC.

COMPANY REFERENCE: 04D WY 56601

REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 7/1/2004 RENEWAL: N/A**

2 - July 14, 2004 - 18162

FEDERAL INSURANCE COMPANY

17 - OTHER LIABILITY

INDIVIDUALLY RISK RATED POLICY

COMMERCIAL UMBRELLA LIABILITY

INSURED: LOUISIANA GAS DEVELOPMENT CORPORATION

POLICY # 7984-37-41 DALLAS

PPOLICY TERM: APRIL 27, 2004 TO APRIL 27, 2005

COMPANY REFERENCE: 7984-37-41 DALLAS

REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 1/1/2005 RENEWAL: N/A**

LOUISIANA INSURANCE RATING COMMISSION

Part III -- ISO Non-Adoptions

Wednesday, July 14, 2004

1 - July 14, 2004 - 18203

AMERICAN ECONOMY INSURANCE COMPANY  
5 - COMMERCIAL MULTIPLE PERIL  
NON-ADOPTIONS  
ULTRA BUSINESSOWNERS PROGRAMS  
NON-ADOPTION OF PIAL FILING # LA 03-14 (RULES), AND LA 03-15 (RATES)  
COMPANY REFERENCE: 03-0380  
REQUESTED EFFECTIVE DATES - NEW: N/A RENEWAL: N/A

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**  
**FINAL EFFECTIVE DATES - NEW: 7/1/2004 RENEWAL: N/A**

2 - July 14, 2004 - 18136

ZURICH AMERICAN INSURANCE COMPANY  
AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
AMERICAN ZURICH INSURANCE COMPANY  
ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
MARYLAND CASUALTY COMPANY  
ASSURANCE COMPANY OF AMERICA  
NORTHERN INSURANCE COMPANY OF NEW YORK  
VALIANT INSURANCE COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
EMPIRE FIRE AND MARINE INSURANCE COMPANY  
NATIONAL STANDARD INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY  
5 - COMMERCIAL MULTIPLE PERIL  
NON-ADOPTIONS  
NON-ADOPTION OF ISO FILING DESIGNATION NO.: CL 2003-OTEMU (APPROVED IN JANUARY 2004 -  
ITEM #7B17)  
ADDITIONAL TERRORISM OPTIONS IN RESPONSE TO THE TERRORISM RISK INSURANCE ACT OF 2002  
(FEDERAL BACKSTOP)  
COMPANY REFERENCE: CW-CP-22814r  
REQUESTED EFFECTIVE DATES - NEW: 7/15/2004 RENEWAL: 7/15/2004

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen approved.**  
**FINAL EFFECTIVE DATES - NEW: 7/15/2004      RENEWAL: N/A**

**3 - July 14, 2004 - 18204**

RLI INSURANCE COMPANY  
5 - COMMERCIAL MULTIPLE PERIL  
NON-ADOPTIONS  
BUSINESSOWNERS  
NON-ADOPTION OF ISO/PIAL FILING DESIGNATION # BP-2004-RNL02/LA-04-08 (RATES) AND BP-2004-RNR02/LA04-07 (RULES)  
CERTIFIED ACTS OF TERRORISM  
COMPANY REFERENCE: BP-ISORR-0604-LA  
REQUESTED EFFECTIVE DATES - NEW: N/A      RENEWAL: N/A

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen approved.**  
**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**4 - July 14, 2004 - 18180**

ZURICH AMERICAN INSURANCE COMPANY  
AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
AMERICAN ZURICH INSURANCE COMPANY  
ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  
MARYLAND CASUALTY COMPANY  
ASSURANCE COMPANY OF AMERICA  
NORTHERN INSURANCE COMPANY OF NEW YORK  
VALIANT INSURANCE COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
EMPIRE FIRE AND MARINE INSURANCE COMPANY  
NATIONAL STANDARD INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY  
5 - COMMERCIAL MULTIPLE PERIL  
NON-ADOPTIONS  
COMMERCIAL CRIME  
NON-ADOPTION OF ISO ADDITIONAL TERRORISM OPTIONS FOR PROPERTY LINES FILING  
DESIGNATION NUMBER CL-2003-OTEMU  
COMPANY REFERENCE: CW-CR-22814r

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen motioned approval.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**5 - July 14, 2004 - 18186**

ZURICH AMERICAN INSURANCE COMPANY

AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY

AMERICAN ZURICH INSURANCE COMPANY

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

MARYLAND CASUALTY COMPANY

ASSURANCE COMPANY OF AMERICA

NORTHERN INSURANCE COMPANY OF NEW YORK

VALIANT INSURANCE COMPANY

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

COLONIAL AMERICAN CASUALTY AND SURETY COMPANY

EMPIRE FIRE AND MARINE INSURANCE COMPANY

NATIONAL STANDARD INSURANCE COMPANY

MARYLAND INSURANCE COMPANY

9 - INLAND MARINE

NON-ADOPTIONS

NON-ADOPTION OF ISO'S ADDITIONAL TERRORISM RULES

ISO FILING DESIGNATION NO.: CL-2003-OTEMU

COMPANY REFERENCE: CW-CM-22814r

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004

RENEWAL: 7/14/2004

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004 RENEWAL: N/A**

**6 - July 14, 2004 - 18101**

AMERISURE MUTUAL INSURANCE COMPANY

17 - OTHER LIABILITY

NON-ADOPTIONS

NON-ADOPTION OF REVISIONS TO COMPOSITE RATING PLAN

ISO FILING DESIGNATION NO.: RP-2004-RCR03

COMPANY REFERENCE: LA-GL-CRP-06-04

REQUESTED EFFECTIVE DATES - NEW: N/A

RENEWAL: N/A

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen approved.**  
**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**7 - July 14, 2004 - 18161**

ACE AMERICAN INSURANCE COMPANY  
ACE FIRE UNDERWRITERS INSURANCE COMPANY  
ACE PROPERTY AND CASUALTY INSURANCE COMPANY  
BANKERS STANDARD INSURANCE COMPANY  
INDEMNITY INSURANCE COMPANY OF NORTH AMERICA  
INSURANCE COMPANY OF NORTH AMERICA  
PACIFIC EMPLOYERS INSURANCE COMPANY  
WESTCHESTER FIRE INSURANCE COMPANY  
17 - OTHER LIABILITY  
NON-ADOPTIONS  
GENERAL LIABILITY  
NON ADOPTION OF THE GENERAL LIABILITY INCREASED LIMIT FACTORS AND CLASSIFICATION  
INCREASED LIMITS TABLE ASSIGNMENTS REVISION GL-2002-IALL1  
COMPANY REFERENCE: 04-GL-150  
REQUESTED EFFECTIVE DATES - NEW: N/A      RENEWAL: N/A

**FINAL ACTION: Approved**  
**ADDITIONAL MINUTES: Mr. Chozen approved.**  
**FINAL EFFECTIVE DATES - NEW: 9/1/2004 RENEWAL: N/A**

**8 - July 14, 2004 - 18198**

FIREMAN'S FUND INSURANCE COMPANY  
AMERICAN INSURANCE COMPANY, THE  
NATIONAL SURETY CORPORATION  
ASSOCIATED INDEMNITY CORPORATION  
AMERICAN AUTOMOBILE INSURANCE COMPANY  
19 - PRIVATE PASSENGER AUTOMOBILE  
NON-ADOPTIONS  
PERSONAL AUTO CLASS PLAN RATE AND RULE FILING  
NON-ADOPTION OF ISO FILING DESIGNATION NUMBER PP-2003-RCP1  
COMPANY REFERENCE: NLAPP0204  
REQUESTED EFFECTIVE DATES - NEW: N/A      RENEWAL: N/A

The company is submitting this filing to non-adopt ISO 202 Class plan filing designation #PP-2003-RCP1.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**9 - July 14, 2004 - 18182**

ZURICH AMERICAN INSURANCE COMPANY

AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY

AMERICAN ZURICH INSURANCE COMPANY

ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

MARYLAND CASUALTY COMPANY

ASSURANCE COMPANY OF AMERICA

NORTHERN INSURANCE COMPANY OF NEW YORK

VALIANT INSURANCE COMPANY

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

COLONIAL AMERICAN CASUALTY AND SURETY COMPANY

EMPIRE FIRE AND MARINE INSURANCE COMPANY

NATIONAL STANDARD INSURANCE COMPANY

MARYLAND INSURANCE COMPANY

27 - BOILER AND MACHINERY

NON-ADOPTIONS

NON-ADOPTION OF ISO'S ADDITIONAL TERRORISM RULES

ISO FILING DESIGNATION NO: CL-2003-OTEMU

COMPANY REFERENCE: CW-BM-22814r

REQUESTED EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: 7/14/2004

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

LOUISIANA INSURANCE RATING COMMISSION

Part III -- Legislative Mandates

Wednesday, July 14, 2004

1 - July 14, 2004 - 18117

GREENWICH INSURANCE COMPANY  
XL SPECIALTY INSURANCE COMPANY  
16 - WORKERS COMPENSATION  
INITIAL RULE ONLY  
TERRORISM RULE SUPPLEMENT "A"  
COMPANY REFERENCE: 04MD-WC-WC13-MU-LA  
REQUESTED EFFECTIVE DATES - NEW: 7/30/2004      RENEWAL: 7/30/2004

The referenced company submits a supplement to its currently approved Terrorism rule filing (#7b13, 9/03).

The company states this rule will allow the insured and the carrier to mutually agree on the Terrorism premium when the risk is rated on a retrospective rating, Large Loss Reimbursement or Large Deductible plan.

The risks that are eligible and participate in these plans are risks who have knowledge of insurance and work to control their exposure. The company maintains that it will take into account the specific risk and its characteristics in determining the Terrorism premium charged.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen made approval motion.**

**FINAL EFFECTIVE DATES - NEW: 7/30/2004      RENEWAL: N/A**

2 - July 14, 2004 - 18131

UNITED STATES FIRE INSURANCE COMPANY  
NORTH RIVER INSURANCE COMPANY, THE  
CRUM & FORSTER INDEMNITY COMPANY  
1 - PROPERTY  
INITIAL RATE AND RULE  
COMMERCIAL PROPERTY  
TERRORISM RISK INSURANCE ACT OF 2002  
CERTIFIED ACTS OF TERRORISM RATING RULE

COMPANY REFERENCE: PROPTerrR2  
REQUESTED EFFECTIVE DATES - NEW: 7/21/2004      RENEWAL: 7/21/2004

The referenced companies are submitting the initial rates/rules to be used with the above captioned terrorism program.

The company states the base rates for Certified Acts of Terrorism will be 2% for the entire state.

The company is also providing Fire Following Coverage. This coverage for the ensuing fire, which is the result of a Certified Act of Terrorism can not be excluded in this state, although the insured may have elected to decline coverage for Certified Acts of Terrorism.

The premium to be charged for this coverage will be determined by determining the premium for Certified Acts of Terrorism and applying a factor of .60 to this premium.

The requested rate/rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/21/2004      RENEWAL: N/A**

**3 - July 14, 2004 - 17903**

TRINITY UNIVERSAL INSURANCE COMPANY  
TRINITY UNIVERSAL INSURANCE COMPANY OF KANSAS, INC.  
17 - OTHER LIABILITY  
INITIAL RATE AND RULE  
COMMERCIAL UMBRELLA  
TERRORISM PREMIUM DETERMINATION  
COMPANY REFERENCE: LA-11-0407-03-MU  
REQUESTED EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: 7/14/2004

In response to the Terrorism Risk Insurance Act of 2002, the referenced company is submitting its initial rates and rules to be used for certified acts of terrorism.

This program provides umbrella liability coverage for new and renewal business under **Rule A.1. Terrorism Endorsement Options - Federal Backstop**. The insurer must disclose to the policyholder the premium for losses covered and the federal share of compensation for such losses under the program at the time of offer, purchase and renewal of the policy.

If the insured:

1. Accepts coverage for certified acts of terrorism, the following options are available:
  - a. To provide coverage for both certified acts of terrorism and other acts of terrorism (subject to policy provisions), but provide that the insurer will not pay any amount for injury or damage for any certified act of terrorism after the amounts of all such events in a statutory period exceed the cap provided by the Act, use **Cap On Losses From Certified Acts of Terrorism Endorsement 33-0629**.
2. Rejects coverage for certified acts of terrorism, the following options are available:

- a. To exclude coverage for certified acts of terrorism and provide coverage for other acts of terrorism (subject to underlying policy provisions, use **Exclusion of Certified Acts of Terrorism Endorsement 33-0632**).

The factors for determining terrorism rates are as follows by coverage:

Coverage	Program Year	Tier 3 Factors
General Liability	Year 1 (11/26/02-12/31/03)	.008
	Year 2 (1/1/04-12/31/04)	.008
	Year 3 (1/1/05-12/31/05)	.008
Automobile Liability	Year 1 (same as above)	.001
	Year 2 (same as above)	.001
	Year 3 (same as above)	.001
Garage Liability	Year 1 (same as above)	.008
	Year 2 (same as above)	.008
	Year 3 (same as above)	.008

The requested rates and rules require approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**

**4 - July 14, 2004 - 18217**

AIU INSURANCE COMPANY  
 AMERICAN HOME ASSURANCE COMPANY  
 AMERICAN INTERNATIONAL SOUTH INSURANCE COMPANY  
 AUDUBON INSURANCE COMPANY  
 BIRMINGHAM FIRE INSURANCE COMPANY OF PENNSYLVANIA  
 COMMERCE AND INDUSTRY INSURANCE COMPANY  
 GRANITE STATE FIRE INSURANCE COMPANY  
 ILLINOIS NATIONAL INSURANCE COMPANY  
 NATIONAL UNION FIRE INSURANCE COMPANY OF LOUISIANA  
 NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
 NEW HAMPSHIRE INSURANCE COMPANY  
 INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA, THE  
 24 - SURETY  
 INITIAL RATE AND RULE  
 TERRORISM RISK INSURANCE ACT OF 2002  
 RATING METHODOLOGY FOR TERRORISM PRICING FOR THIS PROGRAM  
 COMPANY REFERENCE: AIC-03-CP-02-B  
 REQUESTED EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: 7/14/2004

In response to the Terrorism Risk Insurance Act of 2002, the referenced companies are submitting their initial

rating rule to be used for terrorism pricing for this program.

The companies propose no TRIA exclusion and a charge of 1% of the at-limits coverage premium for all classes of bonds.

The requested rate and rule requires approval of companion forms.

**FINAL ACTION: Approved**

**ADDITIONAL MINUTES: Mr. Chozen approved.**

**FINAL EFFECTIVE DATES - NEW: 7/14/2004      RENEWAL: N/A**