

LOUISIANA INSURANCE RATING COMMISSION
POST OFFICE BOX 94157, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804-9157

MINUTES

MINUTES OF THE REGULARLY SCHEDULED MEETING OF THE LOUISIANA INSURANCE RATING COMMISSION BEGINNING AT 10 AM ON WEDNESDAY, FEBRUARY 14, 2007 IN THE HEARING ROOM, POYDRAS BUILDING, 1702 NORTH THIRD STREET, BATON ROUGE, LOUISIANA.

THE FOLLOWING MEMBERS WERE PRESENT FOR THE MEETING AT 10 AM ON WEDNESDAY, FEBRUARY 14, 2007:

Dr. Christine Berry, Mr. Jabari Ragas, Mr. Steven Ruiz

Deputy Commissioner, Chad Brown represented the Commissioner, James Donelon.

Also present were Clarissa Preston, Deputy Commissioner/Office of Property & Casualty; Linda Gonzales, 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 Dr. Berry, which received no objection.

AGENDA AND NOTICE

Part I -- Casualty

Reading of the Minutes of Previous Meeting

1 - February 14, 2007 - 25613

AMICA MUTUAL INSURANCE COMPANY
 17 - OTHER LIABILITY
 REVISED RATE AND RULE
 PERSONAL UMBRELLA
 REVISION OF BASE RATES AND INCREASED LIMITS FACTORS FOR HIGHER LIMITS
 OF LIABILITY

OVERALL % IMPACT: +12.7%

OVERALL \$ IMPACT: \$7,988.00

OF POLICYHOLDERS: 287

COMPANY REFERENCE: LA-P-06-1-R

REQUESTED EFFECTIVE DATES - NEW: 5/1/2007 RENEWAL: 5/1/2007

The last adjustment to this program occurred August 2002 (Item # 59- Key # 9705) and resulted in an overall 0.0% rate change to be effective 12/1/2002.

With this filing, the company is submitting a revision to propose the following level revisions:

- Revise the \$1 Million base rates by +5.0%. **Territory #4 was removed as it does not apply in Louisiana.** The current and proposed rates are as follows by coverage type:

Coverage	Coverage Type	Territory	Current Rate	Proposed Rate
Personal Liab	Initial Residence	1	\$59	\$62
	Each Add'l Residence		\$9	\$9
	Initial Residence	2	\$51	\$54
	Each Add'l Residence		\$9	\$9
	Initial Residence	3	\$45	\$47
	Each Add'l Residence		\$9	\$9
Auto Liab	Initial Residence	4	\$41	N/A
	Each Add'l Residence		\$9	N/A
	Initial Auto	1	\$51	\$54
	Each Add'l Auto		\$36	\$38
	Each Recreational Veh		\$19	\$20
	Non-Owned Autos		\$19	\$20
Auto Liab	Initial Auto	2	\$44	\$46
	Each Add'l Auto		\$31	\$33
	Each Recreational Veh		\$19	\$20

	Non-Owned Autos		\$19	\$20
	Initial Auto	3	\$39	\$41
	Each Add'l Auto		\$28	\$29
	Each Recreational Veh		\$19	\$20
	Non-Owned Autos		\$19	\$20
	Initial Auto	4	\$35	N/A
	Each Add'l Auto		\$25	N/A
	Each Recreational Veh		\$19	N/A
	Non-Owned Autos		\$19	N/A
Watercraft L	Watercraft Under 26 Ft			
	Outboard Over 25 HP	1	\$12	\$13
	Inboard-Outboard		\$12	\$13
	Inboard Over 50 HP		\$12	\$13
	All Other		No Charge	No Charge
	Watercraft Over 26 Ft		\$24	\$25
		Terr 2, 3 & 4	same as for Terr 1	same as Terr 1
Bus. Pursuits			\$6 (All Terr)	\$6 (All Terr)
Incidental	Office Occupancy		\$15 (All Terr)	\$16 (All Terr)
Home	Day Care		\$80 (All Terr)	\$84 (All Terr)

Underlying limits credit will apply on a single limit basis as remains as currently filed.

- Revised increased limits factors for higher limits of liability are applicable to the \$1 Million premium as follows:

Amt of Coverage	Limits	Current Factor	Proposed Factor
\$2 Million	\$2 Million	1.50	1.65
\$3 Million	\$2 Million	2.00	2.30
\$4 Million	\$2 Million	2.50	2.95
\$5 Million	\$2 Million	3.00	3.60

- The current rates for the \$10 Million liability limits will remain the same.

The requested changes will result in an overall rate increase of +12.7% or +\$7,988 (287 policyholders).

Listed below is the Louisiana and countrywide experience:

LOUISIANA

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	50,645	\$	0	0.0%
2002		54,566		0	0.0%
2003		58,283		0	0.0%
2004		61,391		0	0.0%
2005		64,107		0	0.0%
All Years	\$	288,992	\$	0	0.0%

COUNTRYWIDE

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	15,656,835	\$	1,551,232	+9.9%
2002		19,114,589		9,001,145	+47.1%
2003		25,183,061		10,980,847	+43.6%
2004		26,911,428		15,945,147	+59.3%
2005		27,970,271		20,606,461	+73.7%
All Years	\$	114,836,184	\$	58,084,832	+50.6%

A copy of this filing with supporting documentation has been forwarded to the Actuary.

FINAL ACTION: Deferred.

ADDITIONAL MINUTES: Mr. Ruiz motioned to disapprove the filing because it was not actuarially justified. After discussion, Mr. Ruiz withdrew his motion to disapprove. Mr. Ragas then motioned to defer the filing and Mr. Ruiz requested additional information from the company. After hearing no objection, the filing was deferred.

FINAL EFFECTIVE DATES - NEW: 5/1/2007 **RENEWAL:** 5/1/2007

2 - February 14, 2007 - 25513

INSURANCE SERVICES OFFICE, INC.
 17 - OTHER LIABILITY
 REVISED RULE ONLY
 PERSONAL UMBRELLA LIABILITY POLICY
 INTRODUCTION OF ISO NAMED DRIVER EXCLUSION RULE IN THE PERSONAL
 UMBRELLA LIABILITY POLICY (PUP) PROGRAM MANUAL STATE EXCEPTION PAGES
 FILING DESIGNATION NUMBER DL-2006-ONDE2-LOUISIANA
 OVERALL % IMPACT: **0%**
 OVERALL \$ IMPACT: **\$0.00**

OF POLICYHOLDERS: 0

COMPANY REFERENCE: DL-2006-ONDE2 - Louisiana

REQUESTED EFFECTIVE DATES - NEW: 5/1/2007

RENEWAL: 5/1/2007

The referenced rating organization is submitting this filing to introduce a Personal Umbrella Liability Policy (PUP) Named Driver Exclusion endorsement rule under filing designation number DL-2006-ONDE2 in conjunction with associated policy forms.

A new paragraph to Rule 4. Description of Optional endorsements that provide:

- A PUP may be endorsed to exclude specified automobile liability coverage with respect to a specifically excluded individual.
- The named insured must acknowledge, in writing, the named driver exclusion endorsement.
- The named driver exclusion endorsement shall remain in effect:
 - a. For the term of the policy; and
 - b. For each renewal, reinstatement, substitute, modified, replacement or amended policy; unless discontinued by the insurer.
- If a named driver exclusion endorsement is attached to the policy, the premiums charged shall not reflect any rating factors, charges or credits applicable to the named excluded driver with respect to the automobile liability coverage excluded under the named driver exclusion endorsement.
- DL 98 23, Personal Umbrella Liability Policy Named Driver Exclusion endorsement form is to be used.

This companion forms were approved under file # 2070202 on 01/29/07.

FINAL ACTION: Approved.

ADDITIONAL MINUTES: Mr. Ruiz motioned to approve the filing. After hearing no objection, the filing was approved.

FINAL EFFECTIVE DATES - NEW: 5/1/2007

RENEWAL: 5/1/2007

3 - February 14, 2007 - 25703

DISCUSSION

BOARD DISCUSSION PER REQUEST OF COMMISSION MEMBER RUIZ

FINAL ACTION: Acknowledged.

ADDITIONAL MINUTES: A motion was made by Mr. Ruiz to request the actual paid loss and any outstanding reserve information for 2005 and 2006 from the top 8 companies writing homeowners in Louisiana. The motion was tabled, to be revisited

if necessary at a future LIRC meeting. An educational presentation is to be presented to the LIRC Board by Rich Piazza, Chief Actuary, on March 21, 2007 at 9:00 a.m.

LOUISIANA INSURANCE RATING COMMISSION

Part II -- Property

Wednesday, February 14, 2007

1a - February 14, 2007 - 25367

HARTFORD FIRE INSURANCE COMPANY
 HARTFORD ACCIDENT AND INDEMNITY COMPANY
 HARTFORD CASUALTY INSURANCE COMPANY
 HARTFORD INSURANCE COMPANY OF THE SOUTHEAST
 HARTFORD UNDERWRITERS INSURANCE COMPANY
 TWIN CITY FIRE INSURANCE COMPANY

4 - HOMEOWNERS

REVISED RATE ONLY

HOMEOWNERS PROGRAM

OVERALL % IMPACT: +24.0%

OVERALL \$ IMPACT: \$124,749.00

OF POLICYHOLDERS: 388

COMPANY REFERENCE: FN.14.799.2006.01

REQUESTED EFFECTIVE DATES - NEW: 2/14/2007 RENEWAL: 3/18/2007

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

#1a - 8/93	0.0%	Approved	Effective 9/1/93
#2a - 5/92	+3.9%	Approved	Effective 8/1/92

With this filing, the companies propose to revise base rates only. These changes will result in an overall increase of +24.0% or +\$124,749 (388 policyholders).

Listed below are the Homeowners Program changes by form:

Forms	Base Rate	Total Change
2 and 3	+25.0%	+25.0%
4 and 6	0.0%	0.0%
Total		+24.0%

Listed below is the Louisiana and Countrywide experience:

LOUISIANA
(Accident Year as of 6/30/06)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2002	\$	404,414	\$	86,532	21.4%
2003		429,651		161,013	37.5%
2004		500,651		246,250	49.2%
2005		554,978		302,326	54.5%
2006		529,626		2,330,514	440.0%
All Years	\$	2,419,320	\$	3,126,635	129.2%

COUNTRYWIDE
(Accident Year as of 6/30/06)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2002	\$	215,615,723	\$	137,225,365	63.6%
2003		229,507,869		122,721,947	53.5%
2004		254,630,765		120,561,378	47.3%
2005		274,536,902		107,967,502	39.3%
2006		275,310,905		52,403,334	19.0%
All Years	\$	1,249,602,164	\$	540,879,526	43.3%

FINAL ACTION: Deferred.

ADDITIONAL MINUTES: Mr. Ragas motioned to defer the filing at the company's request. After hearing no objection, the filing was deferred.

FINAL EFFECTIVE DATES - NEW: 2/14/2007 RENEWAL: 3/18/2007

2a - February 14, 2007 - 25617

HARTFORD INSURANCE COMPANY OF THE MIDWEST

4 - HOMEOWNERS

REVISED RATE ONLY

OVERALL % IMPACT: **+35.0%**

OVERALL \$ IMPACT: **\$3,206,471.00**

OF POLICYHOLDERS: **7601**

COMPANY REFERENCE: FN.14.799/RWG.2007.01

REQUESTED EFFECTIVE DATES - NEW: 4/3/2007 RENEWAL: 5/16/2007

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

#1a - 6/03	+19.3%	App as amended from +30.0%	Eff. 7/1/03 N & R
#10a - 9/02	+10% with a +15% cap	App as amended from +19.9%	Eff. 11/1/02 N & 12/16/02 R
#9a - 10/01	+7.0%	Approved	Eff. 11/1/01 N & 12/16/01 R

With this filing, the company is requesting an overall rate increase of **+35.0%** or **+\$3,206,471** (7,601 policyholders).

Listed below is a breakdown of the proposed changes by form:

Form	Proposed Rate Change
2 and 3	+35.7%
4 and 6	0.0%
Total	+35.0%

Listed below is the Louisiana and Countrywide experience:

LOUISIANA

(Accident Year as of 6/30/06)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2002	\$ 5,906,938	\$ 3,455,211	58.5%
2003	6,581,029	5,187,068	78.8%
2004	7,814,651	2,945,520	37.7%
2005	9,018,675	4,075,218	45.2%
2006	9,266,893	75,496,987	814.7%
All Years	\$ 38,588,186	\$ 91,160,006	236.2%

COUNTRYWIDE

(Accident Year as of 6/30/06)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2002	\$ 208,024,051	\$ 137,535,107	66.1%
2003	217,373,451	142,856,815	65.7%
2004	233,905,729	128,504,029	54.9%
2005	251,992,975	323,456,760	128.4%
2006	261,085,808	430,694,978	165.0%
All Years	\$ 1,172,382,014	\$ 1,163,047,689	99.2%

FINAL ACTION: Deferred.

**ADDITIONAL MINUTES: Mr. Ragas motioned to defer the filing at the company's request. After hearing no objection, the filing was deferred.
 FINAL EFFECTIVE DATES - NEW: 4/3/2007 RENEWAL: 5/16/2007**

3a - February 14, 2007 - 25577

LIBERTY MUTUAL FIRE INSURANCE COMPANY
 FIRST LIBERTY INSURANCE CORPORATION, THE
 4 - HOMEOWNERS
 REVISED RATE AND RULE
 LIBERTYGUARD HOMEOWNER POLICY PROGRAM

OVERALL % IMPACT: +13.5%
 OVERALL \$ IMPACT: \$4,769,053.00
 # OF POLICYHOLDERS: 24158
 COMPANY REFERENCE: HO-SR-2007
 REQUESTED EFFECTIVE DATES - NEW: 4/23/2007 RENEWAL: 6/14/2007

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

Key #23224 - Flex Band	+9.9%	Meets Requirements	Eff. 4/17/06 N & R
Key #20419 - Flex Band	-.2%	Meets Requirements	Eff. 3/31/05 N & R
Key #16868 - Flex Band	+10%	Meets Requirements	Eff. 5/12/04 N & R

With this filing, the companies are requesting an overall rate increase of +13.5% or +\$4,769,053 (24,158 policyholders).

The proposed changes by form are as follows:

Form	Rate Change %
Dwellings	+13.6%
Tenants	0.0%
Condos	0.0%
Combined	+13.5%

Along with the base rate change, other changes to the program include:

- Revise deductible caps for H3 policies. These are the maximum dollar credits allowed when moving to a higher deductible.
- Revise Wind & Hail Exclusion credits for H3, H4 and H6 policies. Some are being increased and some are being decreased, depending on territory.

The manual pages have been updated to reflect these changes.

Listed below is the Louisiana and Countrywide experience:

LOUISIANA
(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	13,305,080	\$	10,963,393	82.4%
2002		14,733,811		9,627,825	65.3%
2003		16,539,719		6,767,881	40.9%
2004		22,576,700		10,487,830	46.5%
2005		32,605,731		263,223,310	807.3%
All Years	\$	99,761,041	\$	301,070,239	301.8%

COUNTRYWIDE
(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	513,754,229	\$	462,830,116	90.1%
2002		583,713,253		415,099,064	71.1%
2003		702,607,684		518,478,370	73.8%
2004		975,685,799		781,600,603	80.1%
2005		1,351,886,276		1,135,143,687	84.0%
All Years	\$	4,127,647,241	\$	3,313,151,841	80.3%

FINAL ACTION: Approved.

ADDITIONAL MINUTES: Dr. Berry motioned to approve the filing. Mr. Ruiz objected. A vote was taken on the motion to approve the filing. Voting for the motion to approve were Dr. Berry and Mr. Ragas. Voting against the motion to approve was Mr. Ruiz. By a vote of 2 to 1, the filing was approved.

Kellie Davis and Li Chu were the company representatives present.

FINAL EFFECTIVE DATES - NEW: 4/23/2007 RENEWAL: 6/14/2007

4a - February 14, 2007 - 25441

FIREMAN'S FUND INSURANCE COMPANY
9 - INLAND MARINE
REVISED RATE AND RULE
PERSONAL INLAND MARINE

PRIVATE EVENT CANCELLATION INSURANCE PROGRAM

OVERALL % IMPACT: 0.0%

OVERALL \$ IMPACT: \$0.00

OF POLICYHOLDERS: 0

COMPANY REFERENCE: NLAPM0106

REQUESTED EFFECTIVE DATES - NEW: 4/1/2007

The initial approval of this program occurred July 1997 (#101) with an effective date of July 16, 1997.

The company with this filing, proposes the following enhancements and contract revisions to the program in order to better serve its insureds and maintain its competitive position as a premier provider of insurance products, it states. It also stresses that these revisions will be beneficial to policyholders by providing broader coverage and have been designed to generate a new rating structure (which includes buybacks and credits) that are significantly more accurate and robust than that which is in place now. The offered changes are:

- Revision of Private Event Cancellation Insurance policy including new contract language, clarification of policy terms and conditions, editorial revisions
- Introduction of new coverage options including: Change of Heart Cancellation coverage, Professional Counseling coverage, Loss of Deposits coverage, Defect in Premises coverage, Vendor Bodily Injury coverage and Waiver of Subrogation
- Revision of Contractual Liability coverage sub-limits available for a premium credit
- Revised Rating Plan

It emphasizes that there will be no premium impact since this coverage is purchased for specific events on specific dates rather than a defined policy term.

FINAL ACTION: Deferred.

ADDITIONAL MINUTES: Dr. Berry motioned to defer the filing at the company's request. After hearing no objection, the filing was deferred.

FINAL EFFECTIVE DATES - NEW: 4/1/2007

Mr. Ragas adjourned.