

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 11 AM ON WEDNESDAY, MARCH 21, 2007 IN THE HEARING ROOM, POYDRAS BUILDING, 1702 NORTH THIRD STREET, BATON ROUGE, LOUISIANA.

THE FOLLOWING MEMBERS WERE PRESENT FOR THE MEETING AT 11 AM ON WEDNESDAY, MARCH 21, 2007:

Dr. Christine Berry, Mr. Barry Busada, Mr. Joe Godchaux, Jr., Mr. Jabari Ragas and 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 - March 21, 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
	Initial Residence	4	\$41	N/A
	Each Add'l Residence		\$9	N/A
Auto Liab	Initial Auto	1	\$51	\$54
	Each Add'l Auto		\$36	\$38
	Each Recreational Veh		\$19	\$20
	Non-Owned Autos		\$19	\$20
	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: Approved.

ADDITIONAL MINUTES: Mr. Ragas motioned to approve the filing as amended by the company to +7.4% from +12.7%. After hearing no objection, the filing was approved as amended.

FINAL EFFECTIVE DATES - NEW: 5/1/2007

RENEWAL: 5/1/2007

2 - March 21, 2007 - 25514

ELECTRIC INSURANCE COMPANY
 17 - OTHER LIABILITY
 REVISED RATE AND RULE
 PERSONAL EXCESS LIABILITY - PREFERRED PROGRAM

REVISION TO INTRODUCE OPTIONAL CREDIT FOR MAINTAINING HIGHER LIMITS OF UNDERLYING INSURANCE

OVERALL % IMPACT: +15.8%

OVERALL \$ IMPACT: \$2,313.00

OF POLICYHOLDERS: 77

COMPANY REFERENCE: LA-PEL-05

REQUESTED EFFECTIVE DATES - NEW: 3/21/2007 RENEWAL: 3/21/2007

The last adjustment to this program occurred in May 2004 (Item # 97- Key # 17149) and resulted in an overall rate increase of +6.6% to be effective 06/01/2004.

With this filing, the company is submitting a proposed revision to their base rate for \$1 million of coverage as follows:

Coverage Type	Current Rate	Option 1- Min. Und.	Option 2- Incr. Und.
Personal Liability	51	65	53
Auto Liability	42	53	44
Each Add'l Auto	17	22	18
Non-Owned Auto	13	17	14
Add'l Charge- Ea Res.	7	9	7
Watercraft <25hp			
Outboard>25hp	21	27	22
In/Outboard>50hp	21	27	22
All Other <26ft.			
Watercraft 26-44 ft			
Salt	38	48	40
Inboard	51	65	53
Outboard	65	83	68
Watercraft >44ft	65	83	68
ea add'l 5 ft	12	15	13
Owned Aircraft	103	131	N/A
Aircraft Leased > 10 days	65	83	N/A
Rental Dwellings			
Owner Occupied	10	13	10

3 or 4 family			
Non-owner Occupied	10	13	10
1-4 family			

Also being introduced is an option for insureds to receive a credit for maintaining higher limits of underlying insurance. The current product requires only 100/300 BI on the underlying auto policy and \$100,000 personal liability for the underlying home. The company is proposing to give a credit of approximately **18% for insureds who maintain liability limits of 250/500 for auto and \$300,000 for home.** This **optional coverage** will help reduce the exposure for small claims on this line of business and allow customers to limit their premium increases.

The Louisiana and countrywide experience is listed below:

LOUISIANA

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2001	\$ 10,136	\$ 0	0.0%
2002	10,284	0	0.0%
2003	12,358	0	0.0%
2004	15,018	0	0.0%
2005	16,243	0	0.0%
All Years	\$ 64,039	\$ 0	0.0%

COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2001	\$ 3,547,637	\$ 2,050,331	57.8%
2002	3,997,710	3,357,662	84.0%
2003	4,861,465	4,180,531	86.0%
2004	5,448,705	8,838,910	162.2%
2005	5,759,291	4,598,377	79.8%
All Years	\$ 23,614,808	\$ 23,025,812	97.5%

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

FINAL ACTION: Deferred.

ADDITIONAL MINUTES: Mr. Ruiz motioned to defer the filing as it is still under actuarial review. After hearing no objection, the filing was deferred.

FINAL EFFECTIVE DATES - NEW: 3/21/2007 RENEWAL: 3/21/2007

LOUISIANA INSURANCE RATING COMMISSION

Part II -- Property

Wednesday, March 21, 2007

1a - March 21, 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: 3/21/2007 RENEWAL: 3/21/2007

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. Ruiz motioned to defer the filing at the company's request. After hearing no objection, the filing was deferred.

FINAL EFFECTIVE DATES - NEW: 3/21/2007 RENEWAL: 3/21/2007

2a - March 21, 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	App as amended from +19.9%	Eff. 11/1/02 N &

	+15% cap		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. Godchaux 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 - March 21, 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: Withdrawn.

ADDITIONAL MINUTES: This filing was withdrawn by the company prior to the LIRC meeting and no action was taken by the Commission.

FINAL EFFECTIVE DATES - NEW: 4/1/2007

4a - March 21, 2007 - 25752

HORACE MANN INSURANCE COMPANY
 1 - PROPERTY
 PROPERTY DEVIATION
 DWELLING FIRE PROGRAM
 INTRODUCTION OF A +20% UPWARD DEVIATION FROM PIAL RATES
 OVERALL % IMPACT: +12.0%
 OVERALL \$ IMPACT: \$32,547.00
 # OF POLICYHOLDERS: 678
 COMPANY REFERENCE: DF Rates 2007
 REQUESTED EFFECTIVE DATES - NEW: 3/21/2007 RENEWAL: 3/21/2007

The above captioned company is currently using Property Insurance Association of Louisiana (PIAL) rates with a -2% downward deviation for its Dwelling Fire Program.

With this filing, the company wishes to change the deviation to a +20% upward deviation off of PIAL rates.

Along with the deviation, the company proposes the following change:

- Current deductibles offered are \$250 All Peril, \$500 All Peril, \$1,000 All Peril and \$2,500 All Peril. The company is proposing to roll all policies currently at the \$250 and \$500 All Peril deductibles to the \$1,000 All Peril deductible.

These changes will result in an overall increase of +12.0% or +\$32,547 (678 policyholders).

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	\$	239,223	\$	113,978	47.6%
2002		237,922		362,987	152.6%
2003		242,226		63,883	26.4%
2004		256,078		201,233	78.6%
2005		272,715		4,232,036	1551.8%
All Years	\$	1,248,164	\$	4,974,117	398.5%

COUNTRYWIDE

(Accident Year as of 12/31/05)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2001	\$ 3,665,019	\$ 2,560,943	69.9%
2002	3,794,046	3,110,751	82.0%
2003	4,031,827	3,742,463	92.8%
2004	4,269,739	3,039,448	71.2%
2005	4,733,959	7,509,864	158.6%
All Years	\$ 20,494,590	\$ 19,963,469	97.4%

A copy of this filing has been forwarded to our Actuary.

FINAL ACTION: Deferred.

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

FINAL EFFECTIVE DATES - NEW: 3/21/2007 RENEWAL: 3/21/2007

5a - March 21, 2007 - 25826

AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT, THE
STANDARD FIRE INSURANCE COMPANY, THE
TRAVELERS INDEMNITY COMPANY OF AMERICA, THE
4 - HOMEOWNERS

REVISED RATE ONLY

HOMEOWNERS PROGRAM

OVERALL % IMPACT: +26.6%

OVERALL \$ IMPACT: \$9,321,452.00

OF POLICYHOLDERS: 16755

COMPANY REFERENCE: 2007-02-0103

REQUESTED EFFECTIVE DATES - NEW: 3/23/2007 RENEWAL: 5/13/2007

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

Key #24612 - Flex Band	+9.9%	Meets Requirements	Eff. 9/29/06 N & 11/18/06 R
Key #20065 - Flex Band	+9.6%	Meets Requirements	Eff. 3/25/05 N & 5/13/05 R
Key #16502 - Flex Band	+9.9%	Meets Requirements	Eff. 3/21/04 N & 5/11/04 R

With this filing, the companies request an overall rate increase of +26.6% or +\$9,321,452 (16,755 policyholders).

The proposed changes by form are as follows:

Policy Form	Proposed Base Rate Changes	Overall Change
Dwelling	+28.0%	+26.9%
Tenants	0.0%	0.0%
Condominiums	0.0%	0.0%
Total	+26.6%	+26.6%

Listed below is the Louisiana and Countrywide experience:

LOUISIANA

(Accident Year as of 12/05)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2001	\$ 29,126,313	\$ 29,732,044	102.1%
2002	30,454,712	30,577,163	100.4%
2003	33,785,016	20,860,570	61.7%
2004	35,442,776	17,890,425	50.5%
2005	35,170,065	146,057,884	415.3%
All Years	\$ 163,978,882	\$ 245,118,085	149.5%

COUNTRYWIDE

(Accident Year as of 12/05)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2001	\$ 1,161,013,732	\$ 1,050,265,678	90.5%
2002	1,282,792,725	979,981,457	76.4%
2003	1,501,077,198	1,100,352,822	73.3%
2004	1,818,340,524	1,031,623,199	56.7%
2005	2,114,770,010	1,461,477,236	69.1%
All Years	\$ 7,877,994,189	\$ 5,623,700,391	71.4%

A copy of this filing has been forwarded to our Actuary.

FINAL ACTION: Deferred.

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

FINAL EFFECTIVE DATES - NEW: 3/23/2007 RENEWAL: 5/13/2007

6a - March 21, 2007 - 25736

HORACE MANN INSURANCE COMPANY

TEACHERS INSURANCE COMPANY

4 - HOMEOWNERS

REVISED RATE AND RULE

HOMEOWNER PROGRAM

OVERALL % IMPACT: **+34.2%**

OVERALL \$ IMPACT: **\$3,636,798.00**

OF POLICYHOLDERS: **8488**

COMPANY REFERENCE: Homeowners Rates 2007

REQUESTED EFFECTIVE DATES - NEW: 3/21/2007 RENEWAL: 3/21/2007

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

Key #24520 - Flex	+10.0%	Meets Requirements	Eff. 11/1/06 N & R
Key #18937 - Flex	+10.0%	Meets Requirements	Eff. 1/1/05 N & R

With this filing, the companies are requesting an overall increase of **+34.2%** or **+\$3,636,798** (8,488 policyholders).

Along with the base rate revision, the companies propose the following:

Coverage Amount Relativities

The companies are revising their coverage amount relativities based on loss experience.

Deductible Elimination

The companies are eliminating the \$500/1% Wind & Hail; \$500/2% Wind & Hail; \$1,000 Flat; \$1,000/1% Wind & Hail and 1% of Coverage A deductibles.

All policies at these deductible levels will be rolled to a \$1,000/2% Wind & Hail deductible.

When questioned regarding compliance with Louisiana Revised Statute L.R.S.22:636.2.D., the companies responded "We have reviewed L.R.S.22:636.2.D. The deductible changes are in compliance with this law as the increase in deductibles applies uniformly to all policies in the state and is not based on an individual policy's loss experience".

Age of Home Rating Plan

The companies are increasing the factors for homes 6 years old and for homes 8 years old and older based on loss experience.

When questioned regarding compliance with Louisiana Revised Statute L.R.S.22:1471, the companies responded "We have reviewed L.R.S.22:1471. The Age of Home Rating Plan is in compliance with this law as the change in the factors applies uniformly to all policies in the state and is not based on an individual policy's loss experience".

Multi-Line Rating Plan

The companies are increasing the discount for their multi-line policyholders.

In addition, corrections are being made to manual pages.

Listed below is the Louisiana and Countrywide experience:

LOUISIANA

(Accident Year as of 3/31/06)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	5,743,764	\$	5,795,077	100.9%
2002		6,538,013		7,233,984	110.6%
2003		7,479,903		3,054,982	40.8%
2004		8,248,478		3,442,020	41.7%
2005		9,340,422		94,918,215	1016.2%
All Years	\$	37,350,580	\$	114,444,278	306.4%

COUNTRYWIDE

(Accident Year as of 3/31/06)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	115,517,207	\$	109,837,616	95.1%
2002		126,163,396		95,362,686	75.6%
2003		140,596,120		106,908,142	76.0%
2004		152,863,459		241,324,790	157.9%
2005		161,720,955		205,546,809	127.1%
All Years	\$	696,861,137	\$	758,980,044	108.9%

A copy of the filing has been forwarded to our Actuary.

FINAL ACTION: Deferred.

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

FINAL EFFECTIVE DATES - NEW: 3/21/2007 RENEWAL: 3/21/2007

7a - March 21, 2007 - 25639

FIDELITY AND DEPOSIT COMPANY OF MARYLAND
 4 - HOMEOWNERS
 REVISED RATE AND RULE

TRADITIONAL HOMEOWNERS PROGRAM

OVERALL % IMPACT: +42.1%

OVERALL \$ IMPACT: \$26,113.00

OF POLICYHOLDERS: 32

COMPANY REFERENCE: LA-HO-2007-001R

REQUESTED EFFECTIVE DATES - NEW: 7/1/2007 RENEWAL: 7/1/2007

The last adjustment to this program resulted in an overall +9.9% rate increase under the Flexible Rating Provision (item key #25905) and was deemed by the company effective April 1, 2007.

Before that, there was a name change from Non-Standard Homeowners Program to Traditional Homeowners Program. This was approved as item #8a in February 2005 to be effective July 1, 2005 for new and renewal business.

The initial rates and rules for the Non-Standard Homeowners Program were approved in April 2000 (item #19a).

With this filing, the company is requesting an overall rate increase of +42.1% or +\$26,113 (32 policyholders).

Along with the base rate, the company proposes the following changes:

Updated Territory Mapping

Updated territory assignments to include new zip codes. The company states "To be able to verify territory assignment accurately, it is necessary to convert territory definitions using geographic boundaries to a combination of zip code, city and parish. In evaluating our existing approved territories, it was discovered that several zip code, city, parish combinations were assigned the wrong territory. In addition, our existing territories contained several inconsistencies as to distance from coast which were corrected in this filing".

Revised Wind/Hail Deductible Requirements

Revised the Wind/Hail deductible requirement from 2% to 5% in certain parishes. The company states "Application of mandatory 5% wind/hail deductible - Only policy holders whose original effective date of coverage is less than 3 years prior to the effective date of this change, will have the 5% wind/hail deductible apply to their policy. This will include any new business written in the parish requiring the deductible after the effective date of this change. Any notices to affected policy holders will be included. The base all peril deductible in Louisiana is \$1000. Optional all peril deductibles of \$500 and \$2500 are available. Currently, where we propose implementing a 5% wind/hail deductible, a 2% wind hail deductible is required, with a 5% optional. In the remainder of the state, 1%, 2% and 5% are all optional".

Updated Section 404. Protective Devices

A 3% factor for Police station reporting burglar alarm has been deleted. A 3% factor for Fire department reporting fire alarm has been deleted. A 2% factor for Local burglar and/or fire alarm has been deleted. A 13% factor for Automatic Sprinklers (In all areas with central station fire alarm) has been deleted.

Listed below is the Louisiana and Countrywide experience:

LOUISIANA

(Accident Year as of 12/06)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2002	\$ 265,182	\$ 167,466	63.2%
2003	1,017,519	973,643	95.7%
2004	543,499	208,603	38.4%
2005	263,786	1,955,038	741.1%
2006	642,796	92,377	14.4%
All Years	\$ 2,732,782	\$ 3,397,127	124.3%

COUNTRYWIDE

(Accident Year as of 12/06)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2002	\$ 35,384,091	\$ 32,173,116	90.9%
2003	49,016,317	37,712,526	76.9%
2004	51,015,915	21,420,128	42.0%
2005	56,780,305	22,859,804	40.3%
2006	64,949,376	32,827,490	50.5%
All Years	\$ 257,146,004	\$ 146,993,064	57.2%

A copy of this filing has been forwarded to our Actuary.

FINAL ACTION: Deferred.

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

FINAL EFFECTIVE DATES - NEW: 7/1/2007 RENEWAL: 7/1/2007

8a - March 21, 2007 - 25641

EMPIRE FIRE AND MARINE INSURANCE COMPANY

4 - HOMEOWNERS

REVISED RATE AND RULE

PREFERRED AND STANDARD HOMEOWNERS PROGRAM

OVERALL % IMPACT: **+78.9%**

OVERALL \$ IMPACT: **\$566,800.00**

OF POLICYHOLDERS: **526**

COMPANY REFERENCE: LA-HO-2007-E01R

REQUESTED EFFECTIVE DATES - NEW: 7/1/2007 RENEWAL: 7/1/2007

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

Key #24988 - Flex Band	+9.9%	Meets Requirements	Eff. 12/1/06 N & R
#9a - 8/04	Initial	Approved	Eff. 8/18/4 N & R

With this filing, the company is requesting an overall rate increase of **+78.9%** or **+\$566,800** (526 policyholders).

Along with the base rate, the company proposes the following changes:

Updated Territory Mapping

Updated territory assignments to include new zip codes. The company states "To be able to verify territory assignment accurately, it is necessary to convert territory definitions using geographic boundaries to a combination of zip code, city and parish. In evaluating our existing approved territories, it was discovered that several zip code, city, parish combinations were assigned the wrong territory. In addition, our existing territories contained several inconsistencies as to distance from coast which were corrected in this filing".

Revised Wind/Hail Deductible Requirements

Revised the Wind/Hail deductible requirement from 2% to 5% in certain parishes. The company states "Application of mandatory 5% wind/hail deductible - Only policy holders whose original effective date of coverage is less than 3 years prior to the effective date of this change, will have the 5% wind/hail deductible apply to their policy. This will include any new business written in the parish requiring the deductible after the effective date of this change. Any notices to affected policy holders will be included. The base all peril deductible in Louisiana is \$1000. Optional all peril deductibles of \$500 and \$2500 are available. Currently, where we propose implementing a 5% wind/hail deductible, a 2% wind hail deductible is required, with a 5% optional. In the remainder of the state, 1%, 2% and 5% are all optional".

Updated Section 404. Protective Devices

A 3% factor for Police station reporting burglar alarm has been deleted. A 3% factor for Fire department reporting fire alarm has been deleted. A 2% factor for Local burglar and/or

fire alarm has been deleted. A 13% factor for Automatic Sprinklers (In all areas with central station fire alarm) has been deleted.

Added Claims Frequency Factor

Added claims frequency factor to manual in place of loss free renewal credit. Through an error, the claims frequency table was added to the Non-Standard (renamed Traditional) homeowner program, sold under Fidelity and Deposit Company of Maryland, but not to the Preferred and Standard program in a previous filing. The company is correcting this error within this filing.

Listed below is the Louisiana and Countrywide experience:

LOUISIANA
(Accident Year as of 12/06)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2002	\$	265,182	\$	167,466	63.2%
2003		1,017,519		973,643	95.7%
2004		543,499		208,603	38.4%
2005		263,786		1,955,038	741.1%
2006		642,796		92,377	14.4%
All Years	\$	2,732,782	\$	3,397,127	124.3%

COUNTRYWIDE
(Accident Year as of 12/06)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2002	\$	35,384,091	\$	32,173,116	90.9%
2003		49,016,317		37,712,526	76.9%
2004		51,015,915		21,420,128	42.0%
2005		56,780,305		22,859,804	40.3%
2006		64,949,376		32,827,490	50.5%
All Years	\$	257,146,004	\$	146,993,064	57.2%

A copy of this filing has been forwarded to our Actuary.

FINAL ACTION: Deferred.

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

FINAL EFFECTIVE DATES - NEW: 7/1/2007 RENEWAL: 7/1/2007

9a - March 21, 2007 - 25756

AMERICAN ASSOCIATION OF INSURANCE SERVICES
4 - HOMEOWNERS
INITIAL RULE ONLY
HOMEOWNERS PROGRAM
INTRODUCTION OF OPTIONAL EQUIPMENT BREAKDOWN COVERAGE
COMPANY REFERENCE: AAIS-2007-21R
REQUESTED EFFECTIVE DATES - NEW: 7/1/2007

The American Association of Insurance Services (AAIS) proposes a change to its Homeowners Program.

It wishes to introduce a new option for Equipment Breakdown coverage. Equipment Breakdown coverage insures against direct physical damage to covered equipment caused by an accident.

Manual Supplement - Equipment Breakdown Coverage

The manual supplement being filed to address the equipment breakdown optional coverage explains the terms 'covered equipment' and 'accident', which form the basis of the equipment breakdown coverage provided under endorsements HO 2702 12 06 and HO 2703 12 06.

Equipment breakdown coverage can be provided for property insured under Coverages A and B. Coverage for loss caused by equipment breakdown is subject to a limit of \$50,000 for all damage that is the result of one accident, unless a higher limit is shown in the schedule of the endorsement. The equipment breakdown limit does not increase the limits that apply to the property covered.

The manual supplement also explains that when the policy has been endorsed to include equipment breakdown coverage:

- Coverage D is extended to include coverage for additional living costs and loss of rent if the described location is made unfit for use as a residence because of loss to covered equipment caused by an accident. Such coverage is limited to \$200 per day for no more than five consecutive days, subject to a maximum limit of \$1,000 for any one accident unless a higher limit is shown in the schedule of the endorsement. The limit that applies to such coverage does not increase the equipment breakdown limit that applies to any one accident.
- The incidental property coverage for Refrigerated Property is extended to include coverage for direct loss to covered property stored in a freezer or refrigerated unit on the described location caused by electrical breakdown. Such coverage is limited to \$500 for any one accident unless a higher limit is shown in the schedule of the

endorsement. The limit that applies to such coverage does not increase the equipment breakdown limit that applies to any one accident.

In addition, the supplement further explains that endorsement HO 2702 12 06 is to be used when coverage for kitchen or laundry appliances is to be excluded and that endorsement HO 2703 12 06 is to be used when coverage for permanently installed kitchen or laundry appliances is to be provided.

The requested rate/rule requires approval of companion forms.

FINAL ACTION: Approved.

ADDITIONAL MINUTES: Mr. Ragas motioned to approve the filing contingent upon form approval. After hearing no objection, the filing was approved contingent upon form approval.

FINAL EFFECTIVE DATES - NEW: 7/1/2007

10a - March 21, 2007 - 25815

AMERICAN RELIABLE INSURANCE COMPANY

9 - INLAND MARINE

REVISED RATE AND RULE

PERSONAL INLAND MARINE

WATERCRAFT PROGRAM

REVISION OF COASTAL WATERS FACTOR

OVERALL % IMPACT: 0

OVERALL \$ IMPACT: \$0.00

OF POLICYHOLDERS: 2

COMPANY REFERENCE: A-WC-07 4223

REQUESTED EFFECTIVE DATES - NEW: 4/1/2007

RENEWAL: 4/1/2007

The referenced company, with this filing, proposes a change in coastal waters factor from 1.05 to 1.15 in various Louisiana parishes under its Watercraft program (#18414).

Also, the company is adding the statement "Applies to the driver with the highest number of points" for clarification to its Rule 11.C.-MVR Surcharges.

The company further requests the option to move boxes, reformat text and change page sizes to accommodate system programming and client needs, without changing content.

Listed below is the Louisiana and Countrywide experience:

LOUISIANA

(Accident Year as of 12/31/06)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2002	\$	12,056	\$	6,237	51.7%
2003		8,110		0	0.0%
2004		3,298		0	0.0%
2005		1,496		0	0.0%
2006		1,929		0	0.0%
All Years	\$	26,889	\$	6,237	23.2%

COUNTRYWIDE

(Accident Year as of 12/31/06)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2002	\$	305,242	\$	89,823	29.4%
2003		678,925		390,687	57.5%
2004		969,386		530,247	54.7%
2005		1,369,676		1,686,322	123.1%
2006		2,318,826		2,049,998	88.4%
All Years	\$	5,642,055	\$	4,747,075	84.1%

The company maintains that there is no rate impact, on the two policies in force, with this submission.

The requested rate/rule requires approval of companion form(s). [2070788]

A copy has been forwarded to the actuarial division.

FINAL ACTION: Approved.

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

FINAL EFFECTIVE DATES - NEW: 4/1/2007 RENEWAL: 4/1/2007

Mr. Joel Louque, a consumer, addressed the Commission regarding public fire protection classes.

Dr. Berry adjourned.