



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

BULLETIN NO. 09-03

**TO: ALL PROPERTY AND CASUALTY INSURERS LICENSED
AND/OR DOING BUSINESS IN THE STATE OF LOUISIANA**

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

**RE: SCHEDULE RATING PLANS FOR COMMERCIAL PROPERTY
AND CASUALTY INSURERS**

DATE: FEBRUARY 3, 2009

Pursuant to Acts 2007, No. 459 of the Regular Session of the Louisiana Legislature, the Louisiana Insurance Rating Commission (LIRC) was abolished and all "powers, duties and functions" of the LIRC were transferred to the Commissioner of Insurance (Commissioner) and the Louisiana Department of Insurance (LDOI). As such, the LDOI issues Bulletin 09-03, which supersedes LIRC Bulletin 04-01.

The purpose of Bulletin No. 09-03 is to inform all commercial property and casualty insurers currently using an approved schedule rating plan and those insurers planning to file a schedule rating plan with the LDOI, that the LDOI has adopted new criteria that will be used for the review and approval of such plans. Each insurer must file a schedule rating plan pursuant to LSA-R.S. 22:1451, et seq. (redesignated from LSA-R.S. 22:1401 by Acts 2008, No. 415, effective January 1, 2009).

The LDOI will consider for approval all reasonable schedule rating plans. Please take note that proposed debits and credits must be adequately supported with credible data and must not produce inadequate or unfairly discriminatory rates in a competitive market. Rates shall not be excessive, inadequate or unfairly discriminatory in a noncompetitive market. See LSA-R.S. 22:1454 (redesignated from LSA-R.S. 22:1402.2 by Acts 2008, No. 415, effective January 1, 2009).

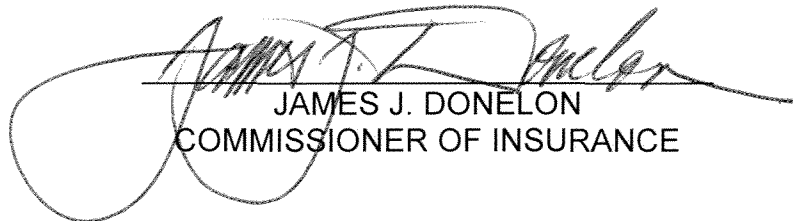
In determining whether a schedule rating plan is reasonable, the LDOI shall consider several factors including, but not limited to:

1. A minimum qualifying premium that is reasonable for the risk classification.
2. A reasonable number of scheduled characteristics.
3. A 10 percent maximum debit or credit per scheduled characteristic or a 25 percent maximum aggregate debit or credit across all scheduled characteristics.

If an insurer follows the guidance of a schedule rating plan that is current and has been previously approved by the LDOI, no additional support in the rate filing shall be required. The LDOI, in observance of its authority to accept, review and approve any application for commercial insurance rates, reserves the right to request additional and/or more specific information with regard to the rate filing.

For questions or comments, please contact the Louisiana Department of Insurance, Office of Property and Casualty, Insurance Rating Division, by phone at (225) 342-1258.

Baton Rouge, Louisiana, this 3rd day of February, 2009.



JAMES J. DONELON
COMMISSIONER OF INSURANCE