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BULLETIN NO. 2011-02

TO: All admitted insurers authorized to write homeowners insurance

FROM: Jim L. Ridling
Commissioner of Insurance *JLR*

DATE: August 26, 2011

EFFECTIVE: September 1, 2011

RE: Ala. Act No. 2011-644 – confidentiality of rate filing information - exhibits required with homeowners rate filings

Ala. Act No. 2011-644 was approved by the Governor on June 9, 2011. This Bulletin addresses Section (3) of the Act, which becomes effective September 1, 2011.

1. According to Act §§ (3)(a) and –(b), “[e]xcept as limited in subsection (c), all rate filings and related actuarial information for homeowners insurance coverage in Alabama filed after [September 1, 2011] shall be treated as public information” and “shall be available to the public for review” at the Department’s offices and through the Department’s Internet website.

2. Act § (3)(c) states that “[a]ny proprietary actuarial risk analysis or forecasting information or information otherwise restricted by statute or regulation included in a rate filing or related actuarial information is considered to be a commercially valuable trade secret under [Ala. Code §§ 8-27-1 *et seq.*] and shall be confidential.” The filer is required to submit “[a]ny such information . . . under separate cover and clearly state the desires of the party filing the information as to its confidentiality.”

3. In order to administer Act § (3), the Department considers that it has authority to determine whether information contained in a rate filing constitutes “proprietary actuarial risk analysis or forecasting information or information otherwise restricted by statute or regulation” for purposes of the “trade secret” protection described in Act § (3)(c), notwithstanding any filer designation of confidentiality.

4. The Department deems the “proprietary actuarial risk analysis or forecasting information” referred to in Act § (3)(c) to include all information contained in a homeowners rate filing, as well as correspondence between the Department and the filing insured concerning the filing, except for the rate/rule manual and the exhibits described in the following paragraph (5).

5. Each homeowners rate filing made after September 1, 2011, shall include, in PDF format, the information reflected in Exhibits A, B, C, and D to this Bulletin. A new filing requirement has been added to the Supporting Documentation tab in SERFF's TOI 4.0 – Homeowners. Once filed, such data will be publicly accessible as soon as practicable on the Department of Insurance's website and SERFF as required by Act § (3)(b).

JLR/JFM/bc

HOMEOWNERS RATE FILING PUBLIC INFORMATION EXHIBIT - OWNER-OCCUPIED EXHIBIT A

Company Name _____
 Latest Calendar Year Statewide Written Policy Count = _____
 Latest Calendar Year Statewide Written Premium = _____

	RATING TERR. OR ZONE	3-YR UNADJUSTED INCURRED LOSS RATIOS ALL OTHER PERILS			% WIND LOADS USED IN THIS RATE FILING		RATE CHANGE HISTORY							
		NON-HURR	WIND	HURR.	TOTAL	NON-HURR	HURR	2006	2007	2008	2009	2010	2011	2012
<u>GULF FRONT</u>	A													
	B													
	TOTAL													
<u>BEACH</u>	C													
	D													
	TOTAL													
<u>CITY OF MOBILE</u>	E													
	F													
	G													
	TOTAL													
<u>SEACOAST</u>	H													
	I													
	J													
	TOTAL													
<u>REMAINDER OF STATE</u>	K													
	L													
	M													
	N													
	O													
	P													
	Q													
	TOTAL													
<u>STATEWIDE</u>														

Statewide Rate History Detail
 Maximum rate change for an individual
 Minimum rate change for an individual
 % of insureds receiving: No change or a decrease
 + 0.1% to +10%
 +10.1% to +20%
 +20.1% to +30%
 Over +30%

Notes:

- 1) All loss ratios are to total all-perils earned premium. Please indicate whether your ratios include ALAE, all LAE, or neither.
- 2) These exhibits are to be provided separately for each Company included in the filing.
- 3) Each of the Company's rating zones/territories should be allocated to the AIIA Zones (Gulf Front, Beach, City of Mobile, Seacoast, or Remainder of State) as appropriately as possible.
- 4) The % Wind Loads should be the percent of the base rate loaded for non-hurricane wind and hurricane modeled losses, separately. If you are not revising the wind loads in this filing, provide the wind loads used in your prior filing.
- 5) Provide as much of the Rate Change History as you have available. If your Company has previously filed territorial indications, it is assumed that you have at least 5 years' rate history by territory. Include in the Rate History the premium impacts from this proposed filing.
- 6) Please add any footnotes required to clarify the data you are providing if it is not consistent with the above instructions.

**HOMEOWNERS RATE FILING PUBLIC INFORMATION EXHIBIT - TENANTS
EXHIBIT B**

Company Name _____
 Latest Calendar Year Statewide Written Policy Count = _____
 Latest Calendar Year Statewide Written Premium = _____

RATING TERR. OR ZONE	5-YR UNADJUSTED INCURRED LOSS RATIOS			% WIND LOADS USED IN THIS RATE FILING		RATE CHANGE HISTORY								
	PERILS	NON-HURR	WIND	HURR.	TOTAL	NON-HURR	HURR	2006	2007	2008	2009	2010	2011	2012
<u>GULF FRONT</u>														
A														
B														
TOTAL														
C														
D														
TOTAL														
E														
F														
G														
TOTAL														
H														
I														
J														
TOTAL														
<u>SEACOAST</u>														
K														
L														
M														
N														
O														
P														
Q														
TOTAL														
<u>REMAINDER OF STATE</u>														
K														
L														
M														
N														
O														
P														
Q														
TOTAL														
<u>STATEWIDE</u>														
						Statewide Rate History Detail Maximum rate change for an individual Minimum rate change for an individual % of insureds receiving: No change or a decrease + 0.1% to +10% +10.1% to +20% +20.1% to +30% Over +30%								

- Notes:
- 1) All loss ratios are to total all-perils earned premium. Please indicate whether your ratios include ALAE, all LAE, or neither.
 - 2) These exhibits are to be provided separately for each Company included in the filing.
 - 3) Each of the Company's rating zones/territories should be allocated to the AHA Zones (Gulf Front, Beach, City of Mobile, Seacoast, or Remainder of State) as appropriately as possible.
 - 4) The % Wind Loads should be the percent of the base rate loaded for non-hurricane wind and hurricane modeled losses, separately. If you are not revising the wind loads in this filing, provide the wind loads used in your prior filing.
 - 5) Provide as much of the Rate Change History as you have available. If your Company has previously filed territorial indications, it is assumed that you have at least 5 years' rate history by territory. Include in the Rate History the premium impacts from this proposed filing.
 - 6) Please add any footnotes required to clarify the data you are providing if it is not consistent with the above instructions.

**HOMEOWNERS RATE FILING PUBLIC INFORMATION EXHIBIT - CONDOS
EXHIBIT C**

Company name _____
 Latest Calendar Year Statewide Written Policy Count = _____
 Latest Calendar Year Statewide Written Premium = _____

RATING TERR. OR ZONE	5-YR UNADJUSTED INCURRED LOSS RATIOS			% WIND LOADS USED IN THIS RATE FILING		RATE CHANGE HISTORY								
	PERILS	NON-HURR	WIND	HURR.	TOTAL	NON-HURR	HURR	2006	2007	2008	2009	2010	2011	2012
GULF FRONT														
A														
B														
TOTAL														
C														
D														
TOTAL														
CITY OF MOBILE														
E														
F														
G														
TOTAL														
SEACOAST														
H														
I														
J														
TOTAL														
REMAINDER OF STATE														
K														
L														
M														
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P														
Q														
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 Over +30%

Notes:

- 1) All loss ratios are to total all-perils earned premium. Please indicate whether your ratios include ALAE, all LAE, or neither.
- 2) These exhibits are to be provided separately for each Company included in the filing.
- 3) Each of the Company's rating zones/territories should be allocated to the AHA Zones (Gulf Front, Beach, City of Mobile, Seacoast, or Remainder of State) as appropriately as possible.
- 4) The % Wind Loads should be the percent of the base rate loaded for non-hurricane wind and hurricane modeled losses, separately. If you are not revising the wind loads in this filing, provide the wind loads used in your prior filing.
- 5) Provide as much of the Rate Change History as you have available. If your Company has previously filed territorial indications, it is assumed that you have at least 5 years' rate history by territory. Include in the Rate Change History the premium impacts from this proposed filing.
- 6) Please add any footnotes required to clarify the data you are providing if it is not consistent with the above instructions.

HOMEOWNERS RATE FILING PUBLIC INFORMATION EXHIBIT
EXHIBIT D

Company Name _____

EXPENSE EXHIBIT

As a % of Premium*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>AVG.</u>
COMMISSIONS					
TAXES					
GENERAL EXPENSES					
OTHER ACQUISITION EXPENSES					
TOTAL					

* Use written or earned premium in these ratios as you deem appropriate in your filing