

R590. Insurance, Administration.

R590-140. Reference Filings of Rate Service Organization Prospective Loss Costs.

R590-140-1. Authority.

This rule is promulgated by the Insurance Commissioner pursuant to the general authority granted under Subsections 31A-2-201(1) and 31A-2-201(3)(a) to adopt rules for the implementation of the Utah Insurance Code.

R590-140-2. Purpose.

Pursuant to 31A-19a-205, rate filings made by individual insurers in compliance with the requirements of Section 31A-19a-203 may include rates, pure premium rates and supplementary information prepared by a rate service organization. The purpose of this rule is to set forth rules and procedural requirements which the commissioner deems necessary to carry out the provisions of Section 31A-19a-203 as to the rate and supplementary rate information filings of property and casualty insurers that refer to and incorporate, in whole or in part, prospective loss costs filings made by rate service organizations.

R590-140-3. Applicability and Scope.

This rule applies to the types of insurance described in Section 31A-19a-101 and to insurers making filings under Section 31A-19a-203 subject to any exemptions the commissioner may order pursuant to Section 31A-19a-103.

R590-140-4. Definitions.

For the purpose of this rule, the commissioner adopts the definitions as particularly set forth in Section 31A-1-301, and Section 31A-19a-102 in addition to the following:

"Reference filing" means a filing of prospective loss costs, supporting information, or both, made by a licensed rate service organization. An insurer that subscribes to the rate service organization may refer to or incorporate elements of reference filings in its own filings.

R590-140-5. Filings of Advisory Prospective Loss Costs and Adjustment Factors.

(1) A rate service organization may develop and make reference filings containing advisory prospective loss costs. The reference filing must:

(a) contain the statistical data and supporting information for the calculations or assumptions underlying those prospective loss costs; and

(b) be filed and effective in the same manner as rates filed pursuant to Section 31A-19a-203.

(2) An insurer may make a filing of rates by:

(a) becoming a participating insurer of a licensed rate service organization that makes reference filings of advisory prospective loss costs;

(b) authorizing the commissioner to accept reference filings on its behalf; and

(c) filing with the commissioner the information required in Section R590-140-6.

(3) If an insurer chooses the procedure outlined in Subsection (2) above, the insurer's rates shall be:

(a) the prospective loss costs filed by the rate service organization pursuant to Subsection (1); and

(b) any adjustment to the prospective loss costs filed as required by Section R590-140-6 that are in effect for that insurer.

(4) The filing of an adjustment to the prospective loss costs by an insurer shall become effective in accordance with the provisions of Section 31A-19a-203 that apply to the filing of rates.

R590-140-6. Required Filing Documents.

A filing by an insurer that refers to a reference filing of prospective loss costs made by a rate service organization must include the UTAH Insurer Loss Costs Multiplier Filing Forms Pages one and two and the Expense Constant Supplement, if applicable. Samples of these forms are available from the Utah Insurance Department.

R590-140-7. Supplementary Rate Information.

(1) A rate service organization may develop and make filings of supplementary rate information. These filings shall be made in accordance with Sections 31A-19a-203 and 31A-19a-205.

(2) An insurer may make a filing of supplementary rate information by:

(a) becoming a participating insurer of a licensed rate service organization; and

(b) authorizing the commissioner to accept a filing by the organization on behalf of the insurer.

(3) Except for any modification filed by the insurer, the supplementary rate information of the insurer must be the same as that filed by the rate service organization.

R590-140-8. Filing of Rate and Manual Pages.

(1) If the final rates of an insurer are determined solely by applying its adjustment, as presented in the UTAH Insurer Loss Costs Multiplier Filing Forms Pages one and two and the Expense Constant Supplement, if applicable, to the prospective loss costs that are contained in the reference filing and printed in the rating manual of the rate service organization, the insurer is not required to develop or file its final rate pages with the commissioner.

(2) If an insurer prints and distributes final rate pages for its own use and the rates are based on the application of its filed adjustments to the prospective loss costs of a rate service organization, the insurer must file those pages with the commissioner.

(3) If a rate service organization does not print prospective loss costs in its rating manual, the insurer must submit its rates to the commissioner.

(4) If a rate service organization does not file certain premium elements, such as minimum premiums, these must be filed by the insurer.

R590-140-9. Existing Rates and Deviations.

(1) Nothing in these procedures shall be construed to require a rate service organization or its participating insurers to refile rates previously filed with the commissioner.

(2) A participating insurer of a rate service organization may continue to use all rates and deviations currently filed for its use until the insurer makes its own filing to change its rates by making an independent filing or by filing the UTAH Insurer Loss Costs Multiplier Filing Forms Pages one and two and the Expense Constant Supplement, if applicable that adopts the prospective loss costs of a rate service organization or an adjustment to the prospective loss costs by the insurer.

(3) In order that the commissioner may verify the rates being used, the insurer is required to maintain documentation demonstrating that the rates and deviations being used by the insurer have been filed with the commissioner. These documents must be produced at the request of the commissioner. Failure or refusal to do so may subject the insurer to sanctions pursuant to 31A-2-308.

R590-140-10. Severability.

If any provision of this rule or its application to any person or circumstance is for any reason held to be invalid, its invalidity may not affect any other provision or application of this rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.

KEY: insurance

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