

1 Public Protection Cabinet

2 Department of Insurance

3 Division of Property and Casualty

4 (Amendment)

5 806 KAR 46:050. Liability self-insurance group rate, underwriting and evidence of coverage  
6 filings

7 RELATES TO: KRS 304.1-050, 304.13-011, 304.13-051, KRS 304.14-120, 304.48-  
8 020(7), 304.48-180

9 STATUTORY AUTHORITY: KRS 304.48-180, 304.48-230

10 NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.48-230 authorizes the  
11 commissioner to promulgate reasonable administrative regulations consistent [~~not inconsistent~~]  
12 with KRS 304 Subtitle 48 that the commissioner deems necessary for the proper administration  
13 of the subtitle. KRS 304.48-180 requires liability self-insurance groups to file rates,  
14 underwriting guidelines, evidence of coverage and any changes therein with the commissioner.  
15 This administrative regulation establishes the procedures for liability self-insurance groups to  
16 submit these filings.

17 Section 1. Definitions.

18 (1) “Commissioner” is defined by [~~in~~] KRS 304.1-050(1).

1 (2) "Liability self-insurance group" is defined by ~~the~~ KRS 304.48-020(7).

2 (3) "Rates and underwriting guidelines" means any rating manuals and underwriting  
3 rules for all coverage types including any manual or plan of rates, loss costs, risk classifications,  
4 rating schedule, minimum premium, policy fees, premium payment plans, rating rules,  
5 supplementary rating information or any other similar information needed to determine the  
6 applicable coverage rate or premium for a member.

7 (4) "Supplementary rating information" is defined by ~~the~~ KRS 304.13-011(2).

8 Section 2. General Filing Requirements.

9 (1) All filings shall be accompanied by a completed and signed Form LSIG F-1A  
10 P&C, "Face Sheet and Verification Form for Liability Self-Insurance Groups".

11 (2) All paper filings shall include one (1) full document set on 8 ½" x 11" white  
12 paper with two (2) cover letters and a self-addressed stamped envelope.

13 (3) A filing may include any number of documents, filed together on a particular  
14 date. Rates and underwriting guidelines shall be filed separately from evidence of coverage  
15 forms.

16 (4)(a) A liability self-insurance group may submit a filing in an electronic format  
17 established by the National Association of Insurance Commissioners.

18 (b) An electronic filing shall be in lieu of a paper filing.

19 (5) The period of time in which the commissioner may affirmatively approve or  
20 disapprove the filing, as set forth in KRS 304.13-051, shall not begin until a complete filing and  
21 the filing fee in accordance with KRS 304.48-180, is received.

22 Section 3. Rate and Rule Filings.

1           (1)     The rates and underwriting guidelines shall be filed not later than fifteen (15) days  
2 after the date of first use of the rates and underwriting guidelines, pursuant to KRS 304.13-  
3 051(1).

4           (2) A liability self-insurance group shall comply with the requirements of KRS 304.13-  
5 051(5).

6           (3) Form LSIG: S-1 P & C, "Filing Synopsis for Rates and or Rules" shall be filed with all rate  
7 and underwriting guideline filings. Separate forms shall be filed for each type of coverage.

8           (4)(a) Form LSIG: LC-1 P & C, "Calculation of Loss Cost Multiplier" shall be filed  
9 with all rate filings referencing loss costs formulated by any advisory organization. Separate  
10 forms shall be filed for each type of coverage.

11           (b) Form LSIG LC-2 P & C, "Expense Constant Supplement" shall be filed with all rate  
12 filings referencing loss costs formulated by an advisory organization in which an expense  
13 constant is used. Separate forms shall be filed for each type of coverage.

14           (5)(a) All rate or underwriting guideline filings utilizing an experience modification plan  
15 shall include the experience rating plan by type of coverage with the formula used for calculating  
16 the experience modification factor for that coverage. Each experience modification factor  
17 applied shall be made available to the member upon request.

18           (b) All rate or underwriting guideline filings containing schedule rating plans shall  
19 identify the characteristics of the risk not reflected in an experience modification factor.

20           (c) Any application of the schedule rating plan shall be based on evidence contained in  
21 the liability self-insurance group's file at the time it is applied. The schedule rating plan debit or  
22 credit factor applied shall be made available to the member upon request.

1 (d) If the reason for application of any schedule debit is corrected by the member to the  
2 satisfaction of the liability self-insurance group, the debit may be removed at the time evidence  
3 of the correction is received by the group.

#### 4 Section 4. Coverage Form Filings.

5 (1) Form LSIG: S-2 P & C, "Filing Synopsis for Forms" and Form LSIG: F-2 P & C,  
6 "Forms Index" shall be filed with all evidence of coverage form filings.

7 (2) An evidence of coverage form shall not be used until it has been approved by the  
8 commissioner. If the rates pertaining to an evidence of coverage form are required to be filed  
9 with or approved by the commissioner pursuant to KRS 304.13-051, the coverage form shall not  
10 be used until the appropriate rates have been filed or approved as required.

11 (3) A filing which amends, replaces, or supplements an evidence of coverage form  
12 previously filed and approved shall include an explanation setting forth all changes contained in  
13 the newly filed coverage form, the effect, if any, the changes have upon the hazards purported to  
14 be assumed by the policy, and an explanation as to the effect on the rates applicable thereto.

15 (4) A change of signature of the executing officer on an evidence of coverage form shall  
16 not, because of this change alone, require a new filing.

#### 17 Section 5. Advisory Organization Filings.

18 (1) A liability self-insurance group that is a member, subscriber, or service purchaser of  
19 an advisory organization, statistical agent or forms provider may adopt coverage forms, rating  
20 plans, rating rules, rating schedules, other supplementary rating information, underwriting rules  
21 or guidelines, or statistical plans of that advisory organization or statistical agent by doing so in  
22 accordance with the procedures established in this administrative regulation and shall clearly  
23 identify each filing of the advisory organization or statistical agent it is adopting.

1 (2) If a liability self-insurance group chooses to adopt only a specific filing of an advisory  
2 organization, statistical agent, or form provider it shall do so in accordance with the procedures  
3 established in this administrative regulation, and shall clearly identify which filing of the  
4 advisory organization or statistical agent it is adopting. Loss cost filings shall be specifically  
5 adopted.

6 (3)(a) If a liability self-insurance group chooses to adopt all of the current and future  
7 evidence of coverage forms, rating plans, rating rules, rating schedules, other supplementary  
8 rating information, underwriting rules or guidelines and statistical plans, excluding loss costs, of  
9 an advisory organization, statistical agent, or forms provider, it may file written notice with the  
10 commissioner that it is adopting by blanket reference all of the current and future coverage  
11 forms, rating plans, rating rules, rating schedules, other supplementary rating information,  
12 underwriting rules or guidelines and statistical plans, excluding loss costs, as filed by the  
13 advisory organization, statistical agent, or forms provider. Loss cost filings shall not be adopted  
14 on this blanket reference basis.

15 (b) If a liability self-insurance group previously notified the commissioner of its  
16 adoption of all current and future filings, excluding loss cost filings, by the advisory  
17 organization, statistical agent, or forms provider and chooses to not adopt certain evidence of  
18 coverage forms, rating plans, rating rules, rating schedules, other supplementary rating  
19 information, underwriting rules or guidelines, or statistical plans, the group shall file notice of  
20 the nonadoption with the commissioner and shall pay the appropriate filing fee in accordance  
21 with KRS 304.48-180.

22 1. If a liability self-insurance group previously notified the commissioner of its adoption  
23 of all current and future filings, excluding loss cost filings, by the advisory organization,

1 statistical agent, or forms provider and chooses to delay the effective date of its adoption, it shall  
2 submit a letter to the commissioner requesting the revised date upon which it will adopt the  
3 filing.

4 2. The delayed adoption date shall be within six (6) months of the original effective date.

5 3. If additional time is needed, a second letter shall be submitted to the commissioner,  
6 requesting a revised delayed adoption date.

7 4. All revised delayed adoption dates shall be within one (1) year of the original effective  
8 date as filed by the advisory organization, statistical agent or forms provider.

9 5. If a liability self-insurance group fails to adopt the advisory organization, statistical  
10 agent, or forms provider filing within one (1) year of the original effective date as filed by the  
11 advisory organization, statistical agent or forms provider, the insurer shall submit a filing to the  
12 commissioner indicating it is non- adopting.

13 Section 6. Incorporation by reference.

14 (1) The following material is incorporated by reference:

15 (a) Form LSIG: F-1A P & C, "Face Sheet and Verification Form for Liability Self  
16 Insurance Groups," (7/2010).

17 (b) Form LSIG: F-2 P & C, "Forms Index," (7/2010).

18 (c) Form LSIG: S-1 P & C, "Filing Synopsis for Rates and or Rules," (7/2010).

19 (d) Form LSIG: S-2 P & C, "Filing Synopsis Form," (7/2010).

20 (e) Form LSIG: LC-2 P & C, "Expense Constant Supplement," (7/2010).

21 (f) Form LSIG: EMA P & C, "E-mod Affidavit," (7/2010).

1           (2) This material may be inspected, copied or obtained, subject to applicable copyright  
2 law, from the Department of Insurance, The Mayo-Underwood Building, 500 Mero Street [215  
3 ~~West Main Street]~~, Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m.

4           (3) Forms may also be obtained on the Department of Insurance Internet Web site,  
5 <http://insurance.ky.gov>.