



P&C Filing Seminar

Presented by Eric Slavich, P&C Actuary Supervisor, Rates, Forms, and Provider Networks

October 3, 2023



OFFICE of the
**INSURANCE
COMMISSIONER**
WASHINGTON STATE

Agenda

- Welcome and introductions
- Your questions, answered
- Speed-to-market tools
- Our review process
- Dos and Don'ts
- Filing updates after approval
- New premium transparency rule
- Questions



Your questions, answered

- Standardized data format for personal auto rate increases
- Have we considered contracting with outside actuarial firms?



How long will my filing take to get approved?

Portion of rate/rule filings finalized by number of months

Month	Portion Finalized
1	47%
2	68%
3	74%
4	78%
5	82%
6	86%
7	89%
8	91%
9	92%
10	94%
11	95%
12	96%

- There are three tools posted:
 - Class definitions
 - Premium capping
 - Minimum premiums
 - [Speed to Market Tools for Property and Casualty Filers \(insurance.wa.gov\)](https://insurance.wa.gov)

Data for filings received July 2021 – June 2023

Our review process

Prioritization, immaterial issues, and complete manuals

Our review process – prioritization

- First in, first out
- New filings versus responses
- “Quick” filings



Our review process – immaterial issues

- Expense selection 0.1% too high
- Profit calculation issues
- High trend... but not taking full indication
- Typos

Our review process – complete manuals

- Main personal auto and home programs
- Not manufactured homes, motorcycles, etc.
- We ask at the end of the process
- Recent issue

Dos and Don'ts

Simplify your rating plan, vendor info

Dos and Don'ts – simplify your rating plan

- We get filings with thousands of pages
- Matching your rating software?
- Placeholders

The Exploding Tables Problem

Accident free?	
Yes	0.95
No	1.00

Number of minor violations	
0	0.93
1	1.02
2	1.10
3	1.20
4+	1.30

Prior insurance group	
I	1.00
II	1.08
III	1.20

Tenure	
0-35 months	1.00
35-119 months	0.95
120+ months	0.92

The Exploding Tables Problem

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	The Exploding Tables Problem																	
2	Please don't do it this way!																	
3																		
4		Accident free?	Number of minor violation	Prior insurance group	Tenure			Accident free?	Number of minor violation	Prior insurance group	Tenure			Accident free?	Number of minor violation	Prior insurance group	Tenure	
5		Yes	0	I	0-11 months	0.88350000		Yes	3	II	0-11 months	1.23120000		No	1	III	0-11 months	1.22400000
6		Yes	0	I	12-23 months	0.88350000		Yes	3	II	12-23 months	1.23120000		No	1	III	12-23 months	1.22400000
7		Yes	0	I	24-35 months	0.88350000		Yes	3	II	24-35 months	1.23120000		No	1	III	24-35 months	1.22400000
8		Yes	0	I	36-47 months	0.83932500		Yes	3	II	36-47 months	1.16964000		No	1	III	36-47 months	1.16280000
9		Yes	0	I	48-59 months	0.83932500		Yes	3	II	48-59 months	1.16964000		No	1	III	48-59 months	1.16280000
10		Yes	0	I	60-119 months	0.83932500		Yes	3	II	60-119 months	1.16964000		No	1	III	60-119 months	1.16280000
11		Yes	0	I	120+ months	0.88350000		Yes	3	II	120+ months	1.23120000		No	1	III	120+ months	1.22400000
12		Yes	0	II	0-11 months	0.95418000		Yes	3	III	0-11 months	1.36800000		No	2	I	0-11 months	1.10000000
13		Yes	0	II	12-23 months	0.95418000		Yes	3	III	12-23 months	1.36800000		No	2	I	12-23 months	1.10000000
14		Yes	0	II	24-35 months	0.95418000		Yes	3	III	24-35 months	1.36800000		No	2	I	24-35 months	1.10000000
15		Yes	0	II	36-47 months	0.90647100		Yes	3	III	36-47 months	1.29960000		No	2	I	36-47 months	1.04500000
16		Yes	0	II	48-59 months	0.90647100		Yes	3	III	48-59 months	1.29960000		No	2	I	48-59 months	1.04500000
17		Yes	0	II	60-119 months	0.90647100		Yes	3	III	60-119 months	1.29960000		No	2	I	60-119 months	1.04500000
18		Yes	0	II	120+ months	0.95418000		Yes	3	III	120+ months	1.36800000		No	2	I	120+ months	1.10000000
19		Yes	0	III	0-11 months	1.06020000		Yes	4+	I	0-11 months	1.23500000		No	2	II	0-11 months	1.18800000
20		Yes	0	III	12-23 months	1.06020000		Yes	4+	I	12-23 months	1.23500000		No	2	II	12-23 months	1.18800000
21		Yes	0	III	24-35 months	1.06020000		Yes	4+	I	24-35 months	1.23500000		No	2	II	24-35 months	1.18800000
22		Yes	0	III	36-47 months	1.00719000		Yes	4+	I	36-47 months	1.17325000		No	2	II	36-47 months	1.12860000
23		Yes	0	III	48-59 months	1.00719000		Yes	4+	I	48-59 months	1.17325000		No	2	II	48-59 months	1.12860000
24		Yes	0	III	60-119 months	1.00719000		Yes	4+	I	60-119 months	1.17325000		No	2	II	60-119 months	1.12860000
25		Yes	0	III	120+ months	1.06020000		Yes	4+	I	120+ months	1.23500000		No	2	II	120+ months	1.18800000
26		Yes	1	I	0-11 months	0.96900000		Yes	4+	II	0-11 months	1.33380000		No	2	III	0-11 months	1.32000000
27		Yes	1	I	12-23 months	0.96900000		Yes	4+	II	12-23 months	1.33380000		No	2	III	12-23 months	1.32000000
28		Yes	1	I	24-35 months	0.96900000		Yes	4+	II	24-35 months	1.33380000		No	2	III	24-35 months	1.32000000
29		Yes	1	I	36-47 months	0.92055000		Yes	4+	II	36-47 months	1.26711000		No	2	III	36-47 months	1.25400000
30		Yes	1	I	48-59 months	0.92055000		Yes	4+	II	48-59 months	1.26711000		No	2	III	48-59 months	1.25400000
31		Yes	1	I	60-119 months	0.92055000		Yes	4+	II	60-119 months	1.26711000		No	2	III	60-119 months	1.25400000
32		Yes	1	I	120+ months	0.96900000		Yes	4+	II	120+ months	1.33380000		No	2	III	120+ months	1.32000000
33		Yes	1	II	0-11 months	1.04652000		Yes	4+	III	0-11 months	1.48200000		No	3	I	0-11 months	1.20000000
34		Yes	1	II	12-23 months	1.04652000		Yes	4+	III	12-23 months	1.48200000		No	3	I	12-23 months	1.20000000
35		Yes	1	II	24-35 months	1.04652000		Yes	4+	III	24-35 months	1.48200000		No	3	I	24-35 months	1.20000000
36		Yes	1	II	36-47 months	0.99419400		Yes	4+	III	36-47 months	1.40790000		No	3	I	36-47 months	1.14000000
37		Yes	1	II	48-59 months	0.99419400		Yes	4+	III	48-59 months	1.40790000		No	3	I	48-59 months	1.14000000
38		Yes	1	II	60-119 months	0.99419400		Yes	4+	III	60-119 months	1.40790000		No	3	I	60-119 months	1.14000000
39		Yes	1	II	120+ months	1.04652000		Yes	4+	III	120+ months	1.48200000		No	3	I	120+ months	1.20000000
40		Yes	1	III	0-11 months	1.16280000		No	0	I	0-11 months	0.93000000		No	3	II	0-11 months	1.29600000
41		Yes	1	III	12-23 months	#####		No	0	I	12-23 months	#####		No	3	II	12-23 months	#####
42		Yes	1	III	24-35 months	#####		No	0	I	24-35 months	#####		No	3	II	24-35 months	#####
43		Yes	1	III	36-47 months	1.10466000		No	0	I	36-47 months	0.88350000		No	3	II	36-47 months	1.23120000
44		Yes	1	III	48-59 months	1.10466000		No	0	I	48-59 months	0.88350000		No	3	II	48-59 months	1.23120000
45		Yes	1	III	60-119 months	1.10466000		No	0	I	60-119 months	0.88350000		No	3	II	60-119 months	1.23120000

The Exploding Tables Problem, cont.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
44		Yes	1	III	48-59 months	1.10466000		No	0	I	48-59 months	0.88350000		No	3	II	48-59 months	1.23120000		
45		Yes	1	III	60-119 months	1.10466000		No	0	I	60-119 months	0.88350000		No	3	II	60-119 months	1.23120000		
46		Yes	1	III	120+ months	1.16280000		No	0	I	120+ months	0.93000000		No	3	II	120+ months	1.29600000		
47		Yes	2	I	0-11 months	1.04500000		No	0	II	0-11 months	1.00440000		No	3	III	0-11 months	1.44000000		
48		Yes	2	I	12-23 months	1.04500000		No	0	II	12-23 months	1.00440000		No	3	III	12-23 months	1.44000000		
49		Yes	2	I	24-35 months	1.04500000		No	0	II	24-35 months	1.00440000		No	3	III	24-35 months	1.44000000		
50		Yes	2	I	36-47 months	0.99275000		No	0	II	36-47 months	0.95418000		No	3	III	36-47 months	1.36800000		
51		Yes	2	I	48-59 months	0.99275000		No	0	II	48-59 months	0.95418000		No	3	III	48-59 months	1.36800000		
52		Yes	2	I	60-119 months	0.99275000		No	0	II	60-119 months	0.95418000		No	3	III	60-119 months	1.36800000		
53		Yes	2	I	120+ months	1.04500000		No	0	II	120+ months	1.00440000		No	3	III	120+ months	1.44000000		
54		Yes	2	II	0-11 months	1.12860000		No	0	III	0-11 months	1.11600000		No	4+	I	0-11 months	1.30000000		
55		Yes	2	II	12-23 months	1.12860000		No	0	III	12-23 months	1.11600000		No	4+	I	12-23 months	1.30000000		
56		Yes	2	II	24-35 months	1.12860000		No	0	III	24-35 months	1.11600000		No	4+	I	24-35 months	1.30000000		
57		Yes	2	II	36-47 months	1.07217000		No	0	III	36-47 months	1.06020000		No	4+	I	36-47 months	1.23500000		
58		Yes	2	II	48-59 months	1.07217000		No	0	III	48-59 months	1.06020000		No	4+	I	48-59 months	1.23500000		
59		Yes	2	II	60-119 months	1.07217000		No	0	III	60-119 months	1.06020000		No	4+	I	60-119 months	1.23500000		
60		Yes	2	II	120+ months	1.12860000		No	0	III	120+ months	1.11600000		No	4+	I	120+ months	1.30000000		
61		Yes	2	III	0-11 months	1.25400000		No	1	I	0-11 months	1.02000000		No	4+	II	0-11 months	1.40400000		
62		Yes	2	III	12-23 months	1.25400000		No	1	I	12-23 months	1.02000000		No	4+	II	12-23 months	1.40400000		
63		Yes	2	III	24-35 months	1.25400000		No	1	I	24-35 months	1.02000000		No	4+	II	24-35 months	1.40400000		
64		Yes	2	III	36-47 months	1.19130000		No	1	I	36-47 months	0.96900000		No	4+	II	36-47 months	1.33380000		
65		Yes	2	III	48-59 months	1.19130000		No	1	I	48-59 months	0.96900000		No	4+	II	48-59 months	1.33380000		
66		Yes	2	III	60-119 months	1.19130000		No	1	I	60-119 months	0.96900000		No	4+	II	60-119 months	1.33380000		
67		Yes	2	III	120+ months	1.25400000		No	1	I	120+ months	1.02000000		No	4+	II	120+ months	1.40400000		
68		Yes	3	I	0-11 months	1.14000000		No	1	II	0-11 months	1.10160000		No	4+	III	0-11 months	1.56000000		
69		Yes	3	I	12-23 months	1.14000000		No	1	II	12-23 months	1.10160000		No	4+	III	12-23 months	1.56000000		
70		Yes	3	I	24-35 months	1.14000000		No	1	II	24-35 months	1.10160000		No	4+	III	24-35 months	1.56000000		
71		Yes	3	I	36-47 months	1.08300000		No	1	II	36-47 months	1.04652000		No	4+	III	36-47 months	1.48200000		
72		Yes	3	I	48-59 months	1.08300000		No	1	II	48-59 months	1.04652000		No	4+	III	48-59 months	1.48200000		
73		Yes	3	I	60-119 months	1.08300000		No	1	II	60-119 months	1.04652000		No	4+	III	60-119 months	1.48200000		
74		Yes	3	I	120+ months	1.14000000		No	1	II	120+ months	1.10160000		No	4+	III	120+ months	1.56000000		
75																				
76																				
77																				
78																				
79																				

The Exploding Tables Problem – Zoomed In

Accident free?	Number of minor violations	Prior insurance group	Tenure	
Yes	3	III	0-11 months	1.36800000
Yes	3	III	12-23 months	1.36800000
Yes	3	III	24-35 months	1.36800000
Yes	3	III	36-47 months	1.29960000
Yes	3	III	48-59 months	1.29960000
Yes	3	III	60-119 months	1.29960000
Yes	3	III	120+ months	1.36800000
Yes	4+	I	0-11 months	1.23500000
Yes	4+	I	12-23 months	1.23500000
Yes	4+	I	24-35 months	1.23500000
Yes	4+	I	36-47 months	1.17325000
Yes	4+	I	48-59 months	1.17325000
Yes	4+	I	60-119 months	1.17325000
Yes	4+	I	120+ months	1.23500000
Yes	4+	II	0-11 months	1.33380000
Yes	4+	II	12-23 months	1.33380000
Yes	4+	II	24-35 months	1.33380000
Yes	4+	II	36-47 months	1.26711000
Yes	4+	II	48-59 months	1.26711000

Dos and Don'ts – vendor info, e.g. mileage

- To be fair, rate should be based on true policyholder characteristics, not rough guesses.
 - Vendor data sets may have omissions and errors
 - Insurer's responsibility to calculate premiums correctly, per filed rates
- Consumers should be able to dispute errors with insurers, not vendors.
 - Mechanism for consumer to know there's something to dispute.

Dos and Don'ts – vendor info, e.g. mileage, cont.

- Use current information each policy term
- Cannot use “unavailable” or “missing” category for rating
- Factors and models must be filed – no means to maintain confidentiality

Post-approval processes

Changes and errors

Typos and similar errors

- Approved filing can be re-opened
- Send a Note to Reviewer in the approved filing in SERFF requesting to re-open
- Must explain the correction well enough we can tell if re-opening is appropriate
- Similar errors could include rates incorrectly copied from supporting documents

Substantive changes after a filing is effective

- Need a new filing

Change of effective date

- No need to have filings re-opened
- Send a Note to Reviewer with new date(s)
- Must submit request before the currently approved effective date

Transparency Rule

Transparency rule

- OIC website: <https://www.insurance.wa.gov/premium-increase-transparency>
- Regulation: <https://app.leg.wa.gov/WAC/default.aspx?cite=284-30A>
- Two-step phase-in:
 - June 24, 2024 – reasonable explanation of premium increase *if policyholder asks*
 - June 1, 2027 – Must provide notice if premium increases is 10% or more (plus for any policyholder who asks)
- No rate filing required

Questions?

Eric Slavich

Lead P&C Actuary

Eric.Slavich@oic.wa.gov

Rates & Forms Help Desk

RFHelpDesk@oic.wa.gov

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