APPLICATION CHANGE LOG
Prior Approval Rate Application
Prior Approval Rate Template
Standard Exhibits Template

Revisions are listed in reverse chronological order.

02/21/2020
Prior Approval Rate Template
Efficiency Standards updated to reflect current values.

01/06/2020
Prior Approval Rate Application
Application Page 3 (Filing Type and Checklist) now requires insurers to complete a customized filing checklist based on the filing type. Insurers should identify the type of filing by completing the questions on the Filing Type section of this page. Once a valid filing type has been entered, insurers will be able to view and complete the checklist on the Filing Checklist section of this page. See the Prior Approval Rate Filing Instructions for further details.
Application Page 12 (Filing Checklist) deleted.
Editorial Changes.

Prior Approval Rate Template
Reserve Ratios, Leverage Factors, and Incurred Loss & DCCE have been updated to reflect current values.
Maximum Permitted LCM calculation updated. See the Prior Approval Rate Filing Instructions for further details.
Editorial changes.

Prior Approval Rate Filing Instructions
Section X. LOSS COST MULTIPLIER FILING INSTRUCTION updated.
Editorial changes.

07/29/2019
Prior Approval Rate Template
Drop-down list added for Month/Year selection in worksheet '3.2YieldFIT'.

Prior Approval Rate Application
New error and warning messages added to assist insurers with inputting the correct information into the Rate Application.
Error message pop-up issue referenced in the 04/30/2019 Rate Application changes fixed so that this no longer applies.
Editorial Changes.

**Prior Approval Rate Filing Instructions**
New filing requirements listed in section VIII. REQUIRED EXHIBITS under the following subsections:
- Exhibit 9 – Catastrophe Adjustment
- Exhibit 20 – Customer Dislocation
Editorial changes.

**04/30/2019**

**Prior Approval Rate Application**
New error and warning messages added to assist insurers with inputting the correct information into the Rate Application.
Editorial changes.

Note that an error message may now pop-up when opening the Prior Approval Rate Application. You will find a screenshot of the error message below. Please click “Don’t Update” to continue.

![Error Message](image)

**Prior Approval Rate Template and Standard Exhibits Template**
Editorial changes.

**01/25/2019**

**Prior Approval Rate Application**
Application Page 2 (Insurer Group Information) now requires insurers to provide the proposed rate change for each individual company to which the Application applies. See the Prior Approval Rate Filing Instructions for further details.
Editorial changes.

**Standard Exhibits Template**
Standard Exhibits Template Page 1 (General Information) requires insurers to input the name of the complement data source used in Standard Exhibits Template Page 4 – Exhibit 8 (Loss and DCCE Trend).
Standard Exhibits Template Page 3 – Exhibit 7 (Loss and DCCE Development) requires paid claims to be submitted as per the definition of paid claim now included on this page.
Standard Exhibits Template Page 2 – Exhibit 5 and Standard Exhibits Template Page 4 – Exhibit 8 require exposure data to be entered as a blank cell if the insurer was not actively writing business and there were zero exposures written/earned in that quarter. Exposure data should be entered as a zero cell if the insurer was actively writing business but there were zero exposures written/earned in that quarter. Entering exposure data in this way ensures that the premium and loss trend calculations are performed correctly.
Editorial changes.
12/12/2018
Efficiency Standards updated to reflect current values.

11/07/2018
Prior Approval Rate Template
Reserve Ratios, Leverage Factors, and Incurred Loss & DCCE have been updated to reflect current values.
Editorial changes.

03/01/2018
Prior Approval Rate Template
The prior approval regulations where FIT rates are specifically cited have been amended. Effective February 23, 2018, a rate template incorporating the 21% FIT rate must be provided when submitting a rate filing. The drop-down list added on 02/16/2018 has been removed from the top of the “1.General” tab. Thus, the Rate Template will only use the 2018 corporate tax rate.
Other editorial changes were made.

02/16/2018
Prior Approval Rate Template
Added drop-down list at the top of the “1.General” tab to indicate whether the 1986 or 2018 corporate tax rate is to be used.
Added 9.7 SVO Identified Funds to “3.1Yield/FIT” tab.
Error message added to page 6, which will alert the user when there are empty cells in the Projected column (for Rate filings) or New Program column (for New Program filings).
Efficiency standards updated to reflect 2016 data.
Editorial changes.

11/08/2017
Prior Approval Rate Template
Incurred Loss and DCCE updated to reflect current values.

11/06/2017
Prior Approval Rate Template
Reserve Ratios, Leverage Factors, and Incurred Loss & DCCE updated to reflect current values.

05/05/2017
Prior Approval Rate Template
Efficiency Standards updated to reflect current values.
Error corrections and editorial changes.

03/01/2017
Prior Approval Rate Template
Removed Media Categories so that entries need to only be made for total Institutional Advertising and total Non-Institutional Advertising for each year. (4.1Excluded Exp).

03/01/2017
Prior Approval Rate Filing Instruction
Revisions to reflect changes in template.
Error corrections and editorial changes.

03/01/2017

The New Prior Approval Rate Application Process - A Tutorial
Revisions to reflect changes in template.
Editorial changes.

12/13/2016

Prior Approval Rate Template
Reserve Ratios and Leverage Factors have been updated to reflect current values
To see more details: https://www.insurance.ca.gov/0250-insurers/0800-rate-filings/0200-prior-approval-factors/prior-approval-factors.cfm
10-24-2016 Edition of Prior Approval Rate Template will not be accepted after 60 days

10/24/2016

Prior Approval Rate Application
Error corrections and editorial changes

Prior Approval Rate Template
Changed Minimum/Maximum Permitted Premium to match “7. Rate Change Calculation” worksheets
(2.Summary)
Added checkboxes for the Company to verify that each of its excluded expenses is on a Countrywide, Group basis (4.1/4.2 Excluded Exp)
Added “Direct Mail” in the Media Category (4.1 Excluded Exp)
Loss & DCCE are removed from the worksheet; instead Yield, FIT, and Risk Free Rate of Return are added
(5.CDI Parameters)
Changed note to read “Lines 16-18 link directly to pages 3 and 4 of the application” to “Lines 16-18 link directly to pages 3 and 4 of the rate template” (7. Rate Change Calculation)
Error corrections and editorial changes

Standard Exhibits Template
Added checkboxes for the Company to whether Exhibits 7/8 include CWPs (1.General)
Error corrections and editorial changes

04/29/2016

Prior Approval Rate Application
Changed the name of “6.HO Form Detail” tab to “6.Program Detail”. The tab no longer applies to the Homeowners Line Only but all lines.
Added space for more variance requests
Added Fire & Allied Lines so that Fire & Allied can be filed together in one template
Error corrections and editorial changes

Prior Approval Rate Template
Added Fire & Allied Lines so that Fire & Allied can be filed together in one template
Error corrections and editorial changes
**Standard Exhibits Template**
Added Fire & Allied Lines so that Fire & Allied can be filed together in one template
Error corrections and editorial changes

**Prior Approval Rate Filing Instruction**
Revisions to reflect changes in application and template

**The New Prior Approval Rate Application Process - A Tutorial**
Revisions to reflect changes in application and template

---

**01/12/2016**
**Prior Approval Rate Template**
Efficiency Standard and Incurred Loss & DCCE have been updated to reflect current values.

**12/11/2015**
**Prior Approval Rate Filing Instruction**
The primary changes were:
- Added a reference chart regarding submission requirements for data in the recorded period
- Added additional chart with examples of acceptable time periods for data in the recorded period, trend exhibits and loss development exhibits
- Added the requirement that all rate filings, regardless of line of business, must be accompanied by a complete copy of underwriting guidelines (previously only a requirement for PPA and Homeowners).
Other editorial changes were also made.

**12/1/2015**
**Prior Approval Rate Template**
Reserves Ratios and Leverage Factors have been updated to reflect current values.

**09/01/2015**
Effective this date, the California Department of Insurance (CDI) rolled out new versions of the Prior Approval Rate Application and Prior Approval Rate Template, and introduced a new Standard Exhibits Template. All three of the new templates must be submitted via SERFF in both the original Excel and PDF format. Concurrent with these revisions, the CDI also revised the Prior Approval Rate Filing Instructions document. The purpose of the changes is twofold: to clarify existing prior approval rate requirements and to reduce delays in the prior approval rate review process. The new Rate Template provides insurers with immediate feedback on any data or other entry errors prior to filing submission. The Standard Exhibits Template contains data required to expedite review of the filing. The more substantive changes are detailed below. Refer to the Prior Approval Rate Filing Instructions for a complete discussion of all rate filing requirements.

**Prior Approval Rate Application**
This template is intended to be the formal application submission for the filing. Included in this file are general information on the insurer or insurer group, details regarding the line of business/coverages, forms or programs being filed, the proposed impact of the filing, data reconciliation and additional data required by statute, miscellaneous fees & other charges,
information regarding changes to forms or rules & underwriting guidelines, and variance requests, if any. A filing checklist is provided to ensure completeness of the filing submission. This template does **not** include any information that is used directly in the calculation of the overall minimum and maximum permitted rate changes (CHANGE_AT_MIN and CHANGE_AT_MAX) for the insurer’s filed line/coverage, form or program.

**Prior Approval Rate Template**

This template provides all of the calculations required to arrive at the final CHANGE_AT_MIN and CHANGE_AT_MAX for each of the insurer’s filed lines/coverages, forms or programs. The template accommodates up to 10 coverages, forms or programs, and applies to all lines of business. The file displays only as many Ratemaking Data and Rate Calculation sheets as there are coverages, forms or programs in the filing. (For instance, a PPA filing with eight coverages will display Ratemaking Data and Rate Calculation sheets for only eight coverages. Sheets associated with the two remaining coverage slots will be hidden from view.) For those filings using loss cost multipliers and loss costs from an advisory organization, the file displays a separate LCM calculation sheet associated with each coverage, form or program filed. Additionally, the derivation of the maximum permitted LCM has been simplified (refer to Prior Approval Rate Filing Instructions for more information). Also included in this file are the projected yield and federal income tax on investment income derivations, the excluded expense ratio calculation, and all relevant prior approval factors (efficiency standards, reserves ratios, leverage ratios and rate of return). Finally, the file includes increased error messaging such that the final calculation of the CHANGE_AT_MIN and CHANGE_AT_MAX will not display until all errors have been resolved.

**Standard Exhibits Template**

This template is a new addition to the prior approval rate review process. Its inclusion is expected to shorten the length of the rate review process by requesting certain required data in a standardized format up front as part of the original filing submission rather than during the rate review period. The template, which accommodates up to 10 coverages, forms or programs, requires the insurer to populate the quarterly data that when rolled results in the premium trend and loss trend components in Exhibits 5 and 8 as required by CCR §2644.7. In addition, the template requires the insurer to provide loss and claim count development triangles in Exhibit 7 as required by CCR §2644.6, also in a standard format. In the event that a variance impacting trend or development is necessary, two versions of this file will need to be submitted, with and without variance. **Any rate filing that excludes the Standard Exhibits Template will be rejected by the Rate Filing Intake Unit.**