

The New Prior Approval Rate Application Process

A Tutorial

**State of California
Department of Insurance**

January 25, 2019

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**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE**

**The New Prior Approval Rate Application Process
A Tutorial**

Purpose

Effective September 1, 2015, the California Department of Insurance (“the Department”) adopted new versions of the Prior Approval Rate Application and Prior Approval Rate Template, and introduced a new Standard Exhibits Template. 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 Application and Templates use Microsoft® Excel 2010.

The pages that follow provide a practical guide to populating the new application and templates. **To ensure the templates perform as designed, Excel macros must be enabled.** For a complete discussion of all rate filing requirements, refer to the Prior Approval Rate Filing Instructions.

Grace Period – Previous Versions

While the previous versions of the templates, currently accessible through SERFF, will continue to be available for submission through December 31, 2015, insurers are encouraged to begin using the new versions as soon as possible. Effective January 1, 2016, the previous versions will no longer be accepted. **Any rate applications submitted using the previous versions of the application and templates on or after January 1, 2016 will be rejected by the Rate Filing Intake Unit.**

Submitting an Application with More Than Ten Coverages/Forms/Programs

The current Application, Rate Template and Standard Exhibits Templates allow for ten coverages/forms/programs. If there are more than ten coverages/forms/programs, consider combining smaller coverages/forms/programs if the aggregated impact on the overall rate is not

material and/or if the aggregated data has insufficient credibility upon which to base a rate decision.

- In the case where more than ten coverages/forms/programs are still required: **Application** – provide one Application file with supplemental exhibits in lieu of Application Page 4 and Application Page 5. In the Filing Memorandum, identify the supplemental exhibit where this information is shown.
- **Rate Template** - consider combining similar low-volume coverages/forms/programs if appropriate in order to provide one Rate Template file. If this is not possible, provide multiple Rate Template files, and include a supplemental exhibit that contains the rate request by coverage/form/program and in total for all coverages/forms/programs (as per the summary table on Rate Template Page 2).
- **Standard Exhibits Template** – submit multiple Standard Exhibit files.

The Prior Approval Rate Application

This Application template (PriorAppRateAPL_EdMM-DD-YYYY.xlsm) 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. The Application 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.

Within the Application, Excel sheets with blue-colored tabs require insurer input. Areas of insurer input within each page of the Application are generally formatted in **blue font** text and/or light blue outlined boxes. Pages that are not applicable to the line of business or Application in question will be hidden based on insurer input on Page 1 of the Application.

Download and open the Application and **ensure that all macros are enabled**.

Application Page 1 – General Information

Enter information regarding characteristics of the filing and specific company/contact information. Click “Y” in the boxes as indicated in the image below to unhide Application Page 2 (Insurer Group Information) or Application Page 11 (Variance Request) to allow for insurer input. An error term emerges to the right of the exhibit if no “General Line” is selected.

<p>State of California Department of Insurance (CDI)</p> <p style="text-align: right;">Company: Line: 0</p> <p style="text-align: center;">PRIOR APPROVAL RATE APPLICATION FOR PROPERTY & LIABILITY LINES GENERAL INFORMATION</p> <p>Completed by: <input type="text"/> Date: <input type="text"/></p> <p>Your File #: <input type="text"/></p> <p>Filing Characteristics</p> <p>Does this filing include a variance request? N (Page 11 hidden)</p> <p>If yes,</p> <p>Is this a variance request submitted after the prior approval application to which it applies? n/a</p> <p>Provide the applicable CDI File #: </p> <p>Does this file contain group data? If yes, complete Page 2. N (Page 2 hidden)</p> <p>Is this a specialty filing? N</p> <p>Line Type: Personal</p> <p>General Line: </p> <p>Subline: <input type="text"/></p> <p>Program: <input type="text"/></p> <p>Provide the most recent applicable CDI file # in this line, subline and/or program: <input type="text"/></p> <p>Company Information</p> <p>Company Name: <input type="text"/></p> <p>Group Name: <input type="text"/></p> <p>NAIC Company Code: <input type="text"/></p> <p>NAIC Group Code: <input type="text"/></p> <p>Organized under the laws of the State of: <input type="text"/></p> <p>Home Office: <input type="text"/></p> <p>Contact Name/Title: <input type="text"/></p> <p>Toll Free Phone #: <input type="text"/> Fax #: <input type="text"/></p> <p>Email Address: <input type="text"/></p> <p>Mailing Address: <input type="text"/></p> <p><i>I declare under penalty of perjury under the laws of the State of California, that the information filed is true, complete, and correct, and that price optimization methods or models have not been used in the development of the final rates for any segment of the filed rating plan.</i></p> <p>Authorized Signature: <input type="text"/> Date of Filing: <input type="text"/> Telephone #: <input type="text"/></p> <p><small>Refer to CDI website below for the most current rate template and prior approval factors: http://www.insurance.ca.gov/0250-insurers/0800-rate-filings/</small></p>	<p style="text-align: center;">Error Messages, if Any, Associated with General Information to the Left (DEPARTMENT USE ONLY)</p> <div style="border: 1px solid red; border-radius: 10px; padding: 10px; margin: 10px 0;"> <p>Errors are displayed here, to the right of the exhibit.</p> </div> <div style="border: 1px solid red; border-radius: 50%; padding: 10px; margin: 10px 0;"> <p>← ERROR! Select a General Line from the pull-down menu.</p> </div>
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<p>Filing Characteristics</p> <p>Does this filing include a variance request? N (Page 11 hidden)</p> <p>If yes,</p> <p>Is this a variance request submitted after the prior approval application to which it applies? n/a</p> <p>Provide the applicable CDI File #: </p> <p>Does this file contain group data? If yes, complete Page 2. N (Page 2 hidden)</p> <p>Is this a specialty filing? N</p> <p>Line Type: Personal</p> <p>General Line: Homeowners</p> <p>Subline: <input type="text"/></p>	<p style="text-align: center;">DEPARTMENT USE ONLY</p> <p>CDI File #: <input type="text"/></p> <p>SERFF #: <input type="text"/></p> <p>Filed Date: <input type="text"/></p> <p>Compliance Date: <input type="text"/></p> <p>Public Notice Date: <input type="text"/></p> <p>Deemer Date: <input type="text"/></p> <p>Intake Analyst: <input type="text"/></p> <p>Bureau/Senior: <input type="text"/></p> <p>Group Filing?: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>X-Reference #: <input type="text"/></p>
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Application Page 2 – Insurer Group Information

There were no substantive changes to this page from the previous Application version (see excerpt below). This page is hidden from view unless the Application includes group data, as indicated on Application Page 1. Enter each company to which the Application applies, and for which data is included in the Application. For each individual company to which the Application applies, provide the proposed rate impact. The ‘Proposed Rate Impact’ box is hidden from view unless company information is entered in the relevant boxes.

State of California Department of Insurance (CDI)		Company: Line:	Homeowners
INSURER GROUP INFORMATION			
For private passenger auto insurance only, does CIC, §1861.16(c) apply? If yes, complete Exhibit 17 (Super Group).		<input type="checkbox"/> N <input type="checkbox"/> Y	Contract to 10 companies
<i>List each insurance company included in the group data and to which this application applies, in alphabetical order.</i>			
Company Name:	<input type="text" value="Company A"/>	CDI Filing #:	<input type="text"/>
NAIC Company Code:	<input type="text" value="XXX"/>	(Department Use Only)	
Proposed Rate Impact:	<input type="text"/>		
Company Name:	<input type="text"/>	CDI Filing #:	<input type="text"/>
NAIC Company Code:	<input type="text"/>	(Department Use Only)	

Application Page 3 – Filing Type

There were no substantive changes to this page from the previous Application version (see excerpt below). Identify the filing type by selecting the appropriate box. Required documentation reflects renumbering of exhibits and the new Standard Exhibits Template requirement for filing types with rate impact. The exhibit for Insurer’s Ratemaking Calculations, Exhibit 21, is now required solely for Specialty filings.

State of California Department of Insurance (CDI)	Company: Line:	0
<h2 style="margin: 0;">FILING TYPE</h2>		
<i>The purpose of this filing is (check all that apply):</i>		
Type of Filing	Required Documentation ^{1,2,3}	
<input type="checkbox"/> New Program (Includes adoption of advisory organization loss costs, forms and rules.)	Pages 1 through 4, 8 through 10 & 12, Exhibit 16 plus Prior Approval Rate Template	
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <input type="checkbox"/> Rates (Includes adoption of advisory organization loss costs.) </div> <div style="width: 35%;"> Pages 1 through 8 & 12, Exhibits 1-17 & 20, plus Prior Approval Rate Template </div> </div>		
<div style="margin-left: 40px;"><input type="checkbox"/> Rate increase</div>	Pages 1 through 8 & 12, Exhibits 1-17 & 20, plus Prior Approval Rate Template	
<div style="margin-left: 40px;"><input type="checkbox"/> Rate decrease</div>	Pages 1 through 8 & 12, Exhibits 1-17 & 20, plus Prior Approval Rate Template	
<div style="margin-left: 40px;"><input type="checkbox"/> Revenue-neutral change (zero percent overall impact)</div>	Pages 1 through 8 & 12, Exhibits 1-17 & 20, plus Prior Approval Rate Template	
...		
<input type="checkbox"/> Without rate impact	Pages 1 through 4, 9 & 12	
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <input type="checkbox"/> Rules and Underwriting Guidelines (Includes adoption of advisory organization rules.) </div> <div style="width: 35%;"> Pages 1 through 8, 10 & 12, Exhibits 1-18 & 20 plus Prior Approval Rate Template </div> </div>		
<div style="margin-left: 40px;"><input type="checkbox"/> With rate impact</div>	Pages 1 through 4, 10 & 12 plus Exhibit 18	
<div style="margin-left: 40px;"><input type="checkbox"/> Without rate impact</div>	Exhibit 18	
¹ Page numbers refer to pages of the Prior Approval Rate Application. Where Exhibits 5, 7 and 8 are required, applications must also include a completed Standard Exhibits Template. Exhibit 21 must be included for all Specialty filing applications.		
² All Private Passenger Automobile class plans must be filed separately from the Prior Approval Rate Applications.		
³ Page 6 of the Prior Approval Rate Application is required solely for insurers submitting filings for a subset of their Homeowners Multiple Peril line.		

Application Page 4 – Proposed Impact

There were no substantive changes to this page from the previous Application version (see excerpt below). The page now requires the input of the proposed effective date. Projected Earned Premium is now a calculated field.

IMPACT OF PROPOSED CHANGES

Proposed Overall Rate Change:

#DIV/0!

Proposed Earned Premium Per Exposure:

Proposed Effective Date:

	Coverage/Form ¹	Indicated % Change	Proposed % Change	Adjusted Earned Premium ^{2,3}	Projected Earned Premium ³
(1)					\$0
(2)					\$0
(3)					\$0
(4)					\$0
(5)					\$0
(6)					\$0
(7)					\$0
(8)					\$0
(9)					\$0
(10)					\$0
Total		#DIV/0!	#DIV/0!	\$0	\$0

¹ Commercial Auto Liability and Physical Damage must be combined in one application, with separate Rate Calculation pages in the Prior Approval Rate Template for liability and physical damage coverages.

² Adjusted earned premium is the historical earned premium for the most recent year adjusted to the current rate level and trended to the average earned date of the proposed rating period. These figures should reconcile to the Prior Approval Rate Template.

³ Total earned premium must include all income derived from miscellaneous fees and other charges.

Application Page 5 – Reconciliation of Direct Earned Premium Data

There were no substantive changes to this page from the previous Application version (see excerpt below). This page requires insurers to itemize each Coverage/Form/Program until all data is reconciled to the corresponding annual statement line of insurance. The level of granularity of this page should be consistent with the **number of Ratemaking Data sheets in the** Rate Templates and any other Coverages/Forms/Programs that roll up to the annual statement line of insurance, once

aggregated.

State of California Department of Insurance (CDI)		Company: Line: 0			
RECONCILIATION OF DIRECT EARNED PREMIUM DATA Annual Statement Statutory Page 14 Calendar Year Data					
	Coverage/Form/Program ¹	Latest CDI Filing # ²	2nd Prior Calendar Year	1st Prior Calendar Year	Most Recent Calendar Year
			#VALUE!	#VALUE!	YYYY
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
Total			0	0	0
Statutory Page 14					
Difference			0	0	0

Explain any differences:

¹ This exhibit requires insurers to itemize each program until **all** data is reconciled to the corresponding annual statement line of insurance.

² For residual market data, a filing number is not required.

Application Page 6 – Program Detail

This page is a new addition to the Prior Approval Rate Application. Any insurer submitting a filing for a subset of their entire line of business (for instance, HO-3 only, Businessowners only, Auto Dealers only, etc.) must complete this page of the Application. Enter written and earned premium, incurred loss and DCCE information for line as a whole, as well as for each separate form/program included in that line. If more than five forms/programs comprise the entire line, click on the “Add 5 programs” button to expand the exhibit, to up to 30 forms/programs. Programs

with less than \$25 million in premium may be combined into one entry. Should additional forms/programs in excess of 30 be required, submit them on a separate exhibit. The “Total - All Programs” totals must reconcile to the Annual Statement totals.

State of California Department of Insurance (CDI)		Company: Line:		My Company Multiple Peril					
<div style="border: 1px solid black; padding: 2px; width: fit-content;"> Enter the most recent year in YYYY format here. </div>		ANNUAL STATEMENT LINE - Multiple Peril							
	Year	Written Premium	Earned Premium	Incurred Loss	IL%	DCCE	DCCE%	IL+DCCE	IL+DCCE %
(1)	2015	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(2)	2014	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(3)	2013	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(4)	3 Yr Avg	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
Source: Annual Statement for 2013, 2014 & 2015 Note: Programs with less than \$25M in premium each can be combined into one entry. Note: Ratios are weighted averages. Dollars are arithmetic averages.									
<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; background-color: #f0f0f0;">Add 5 Programs</div> <div style="border: 1px solid black; padding: 5px; background-color: #f0f0f0;">Delete Last 5 Programs</div> </div>									
Total - All Programs									
	Year	Written Premium	Earned Premium	Incurred Loss	IL%	DCCE	DCCE%	IL+DCCE	IL+DCCE %
(5)	2015	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(6)	2014	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(7)	2013	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(8)	3 Yr Avg	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
Difference		-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Businessowners									
	Year	Written Premium	Earned Premium	Incurred Loss	IL%	DCCE	DCCE%	IL+DCCE	IL+DCCE %
	2015	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	2014	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	2013	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	3 Yr Avg	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!

...

Application Page 7 – Additional Calendar Year Data Required by Statute

There were no substantive changes to this page from the previous Application version (see excerpt below).

ADDITIONAL CALENDAR YEAR DATA REQUIRED BY STATUTE

Refer to CIC §1857.7, CIC §1857.9 and CIC §1864 for more information.

Line	Type of Data	Most Recent Calendar Year
(0)	Calendar Year	YYYY
(1)	Number of claims outstanding at beginning of year	
(2)	Number of claims during the year	
(3)	Number of claims closed during the year	
(4)	Number of claims outstanding at year's end [(1) + (2) - (3)]	0
(5)	Unearned Premiums	
(6)	Dollar amount of claims paid	
(7)	Net loss reserves for outstanding claims excluding claims incurred but not reported (case reserves)	
(8)	Net loss reserves for claims incurred but not reported (IBNR)	
(9)	Losses incurred as a percentage of premiums earned, including IBNR	
(10)	Net investment gain or loss and other income or gain or loss allocated to the line	
(11)	Net income before federal and foreign income taxes [(10) + (15)]	\$0
(12)	Total number of policies in force on the last day of the reporting period	
(13)	Total number of policies canceled	
(14)	Total number of policies non-renewed	
(15)	Net underwriting gain or loss (= CY earned premiums less CY incurred loss less CY incurred expense)	
(16)	Separate allocations of expenses for:	
(17)	(a) commissions and brokerage expense	
(18)	(b) other acquisition costs	
(19)	(c) general office expenses	
(20)	(d) taxes, licenses and fees	
(21)	(e) loss adjustment expense (DCCE & AOE)	
(22)	(f) other expenses	

Enter the most recent calendar year in YYYY format here.

Application Page 8 – Miscellaneous Fees and Other Charges

There were no substantive changes to this page from the previous Application version. The page lists fees and charges separately categorized as miscellaneous fees and ancillary income. Enter specific fee amounts charged to individual policies for new and renewal business. Any fees not listed must be identified under “Other Fees.” Note that flat dollar installment fees are considered miscellaneous income, while premium finance revenues and installment (%) finance charges are considered ancillary income. If no fees or charges apply to the application in question, leave the page blank and check the appropriate box (see excerpt below).

<p>State of California Company: Department of Insurance (CDI) Line:</p> <p style="text-align: center;">MISCELLANEOUS FEES AND OTHER CHARGES</p> <p>Check all fees that apply and identify the amount charged for each transaction. If no fees apply to this program, check here: <input checked="" type="checkbox"/></p> <p style="text-align: center;">Miscellaneous Fees</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">New Business</th> <th style="text-align: center;">Renewal Business</th> </tr> </thead> <tbody> <tr><td>Policy Fee</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Installment Fee (Fixed \$)</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Endorsement Fee</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Inspection Fee</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Cancellation Fee</td><td><input type="checkbox"/> \$5.00</td><td><input type="checkbox"/></td></tr> <tr><td>Reinstatement Fee</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Late Fee</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>SR-22</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Other Fees (specify below)</td><td></td><td></td></tr> <tr><td>Fee 1</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Fee 2</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Fee 3</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Fee 4</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> </tbody> </table> <p style="text-align: center;">Ancillary Income</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">New Business</th> <th style="text-align: center;">Renewal Business</th> </tr> </thead> <tbody> <tr><td>Installment Finance Charge (APR %)</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Non-Sufficient Funds (NSF) Fee</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Membership Dues</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Premium Finance Revenues</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Other Fees (specify below)</td><td></td><td></td></tr> <tr><td>Fee 1</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Fee 2</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Fee 3</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Fee 4</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> </tbody> </table> <p>Use Exhibit 6 if additional space is needed to explain fees not listed above.</p>		New Business	Renewal Business	Policy Fee	<input type="checkbox"/>	<input type="checkbox"/>	Installment Fee (Fixed \$)	<input type="checkbox"/>	<input type="checkbox"/>	Endorsement Fee	<input type="checkbox"/>	<input type="checkbox"/>	Inspection Fee	<input type="checkbox"/>	<input type="checkbox"/>	Cancellation Fee	<input type="checkbox"/> \$5.00	<input type="checkbox"/>	Reinstatement Fee	<input type="checkbox"/>	<input type="checkbox"/>	Late Fee	<input type="checkbox"/>	<input type="checkbox"/>	SR-22	<input type="checkbox"/>	<input type="checkbox"/>	Other Fees (specify below)			Fee 1	<input type="checkbox"/>	<input type="checkbox"/>	Fee 2	<input type="checkbox"/>	<input type="checkbox"/>	Fee 3	<input type="checkbox"/>	<input type="checkbox"/>	Fee 4	<input type="checkbox"/>	<input type="checkbox"/>		New Business	Renewal Business	Installment Finance Charge (APR %)	<input type="checkbox"/>	<input type="checkbox"/>	Non-Sufficient Funds (NSF) Fee	<input type="checkbox"/>	<input type="checkbox"/>	Membership Dues	<input type="checkbox"/>	<input type="checkbox"/>	Premium Finance Revenues	<input type="checkbox"/>	<input type="checkbox"/>	Other Fees (specify below)			Fee 1	<input type="checkbox"/>	<input type="checkbox"/>	Fee 2	<input type="checkbox"/>	<input type="checkbox"/>	Fee 3	<input type="checkbox"/>	<input type="checkbox"/>	Fee 4	<input type="checkbox"/>	<input type="checkbox"/>	<p>Error Messages, if Any, Associated with Miscellaneous Fee Data Input Page to the Left</p> <p style="text-align: center;">(DEPARTMENT USE ONLY)</p> <p>0</p> <p style="color: red;">← ERROR! De-select the check box indicating that no fees apply, or remove all fees from the tables below.</p>
	New Business	Renewal Business																																																																							
Policy Fee	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Installment Fee (Fixed \$)	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
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SR-22	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Other Fees (specify below)																																																																									
Fee 1	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Fee 2	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Fee 3	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Fee 4	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
	New Business	Renewal Business																																																																							
Installment Finance Charge (APR %)	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Non-Sufficient Funds (NSF) Fee	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Membership Dues	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Premium Finance Revenues	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Other Fees (specify below)																																																																									
Fee 1	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Fee 2	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Fee 3	<input type="checkbox"/>	<input type="checkbox"/>																																																																							
Fee 4	<input type="checkbox"/>	<input type="checkbox"/>																																																																							

Application Page 9 – Forms

There were no substantive changes to this page from the previous Application version. While the Application defaults to five forms (or form changes), it can accommodate an unlimited number such changes. Click on the “Add 5 Additional Forms” button to incrementally expand the exhibit by five forms/changes at a time. If it is later determined that fewer forms/changes are needed, click on the “Delete Last 5 Forms” button to remove rows previously added. In either case, the print range will automatically adjust to accommodate the number of forms listed. The minimum number forms/changes shown on this page is five (see excerpts below). Note, if the justification or description of any charge or factor for a particular form requires more room than allowed here, provide that information in Exhibit 19 – Supplemental Information.

RULES AND UNDERWRITING GUIDELINES

Insurers submitting a rule change filing must provide the information identified below.
Complete Exhibit 18 as necessary to fulfill this requirement.

Check all that apply:

- ☐ (1) Introducing a new rule(s)
- ☐ (2) Revising an existing rule(s)
- ☐ (3) Adopting an approved Advisory Organization (AO) rule(s)
- ☐ (4) Withdrawing an approved rule(s)
- ☐ (5) Introducing or revising an underwriting guideline(s)¹

If (1), (2) or (5) above is checked, provide the following:

- (a) The purpose for the rule or underwriting guideline or an explanation for revising an existing rule or underwriting guideline (Exhibit 18)
- (b) A copy of the current and proposed manual page corresponding to the rule or underwriting guideline
- (c) The proposed charge for the rule, and justification of the charge including the rate or premium development method (Exhibit 18)
- (d) The rate impact of the rule or underwriting guideline on the current book of business, with corresponding calculation of that impact (Exhibit 18)
- (e) Advise if the rule is:
 - ☐ (i) Optional
 - ☐ (ii) Mandatory

If (3) above is checked, specify the approved CDI File #(s) of the AO rule:

If (4) above is checked, provide the following:

- (a) An explanation for the withdrawal of the rule (Exhibit 18)
- (b) A copy of the current and proposed manual page corresponding to the withdrawn rule
- (c) The rate impact of withdrawing the rule on the current book of business, with corresponding calculation of that impact (Exhibit 18)

Application Page 11 – Variance Request

This page is hidden from view unless the filing includes a request for variance, as indicated on Application Page 1 (see excerpt below). Enter the minimum and maximum permitted rate change percentages for the Application without variance (the default scenario). Select the basis for each variance requested from the pull-down menu. A synopsis corresponding to that basis as specified by CCR §2644.27(f) will appear below the selection.

Enter the minimum and maximum permitted rate change percentages associated with each variance request, and for the combined effect of all variances. The Application accommodates ten such variance requests. If multiple variances regarding the same ratemaking component apply but cannot be separately quantified (e.g., 8A and 8D), enter the minimum and maximum permitted rate changes associated with the combined effect of those variances for each variance included in the combination. The impact of each variance, and of the combined variances, on the minimum and maximum permitted rate changes associated with the default scenario is automatically calculated based on insurer input.

State of California Department of Insurance (CDI)		Company: Line:		0
VARIANCE REQUEST				
Select the basis for each variance requested and enter the minimum and maximum permitted rate change percentages result from that variance.				
Provide full documentation of and justification for each variance request in Exhibit 13. Refer to the Prior Approval Rate Filing Instructions and CCR §2644.27 (f) for comprehensive information on required documentation.				
	Minimum Permitted Rate Change % (CHANGE_AT_MIN)	Impact of Variance on Minimum Permitted Rate Change %	Maximum Permitted Rate Change % (CHANGE_AT_MAX)	Impact of Variance on Maximum Permitted Rate Change %
No Variance (Default Scenario)				
Request #1:	Variance #	2A		
CCR §2644.27(f)(2)(A): Relief from the efficiency standard due to higher quality of service, as demonstrated by objective measures of consumer satisfaction.				
Request #2	Variance #	n/a		

Application Page 12 – Filing Checklist

This page is provided to ensure that all necessary documents and exhibits that are designated as required documentation on Page 3 of the Application are included in the submission, according to

the filing purpose and type(s) of filing. Check all appropriate boxes prior to submission (see excerpt below). Notice that the revised Filing Checklist reflects the elimination of old Exhibit 18 (Group Filing) and the addition of new Exhibit 20 (Customer Dislocation).

State of California Department of Insurance (CDI)	Company: Line:	Homeowners		
<h2 style="margin: 0;">FILING CHECKLIST</h2>				
<p><i>Use this checklist to assemble a complete application:</i></p>				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <div style="margin-bottom: 10px;"><input type="checkbox"/> Prior Approval Rate Application</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> General Information, Page 1</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Insurer Group Information, Page 2</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Filing Type, Page 3</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Proposed Impact, Page 4</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Reconciliation of Direct Earned Premium to Statutory Data, Page 5</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Homeowners Form Detail (if applicable), Page 6</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Additional Calendar Year Data Required by Statute, Page 7</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Miscellaneous Fees and Other Charges, Page 8</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Forms, Page 9</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Rules and Underwriting Guidelines, Page 10</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Variance Request, Page 11</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Filing Checklist, Page 12</div> </td> <td style="width: 50%; vertical-align: top;"> <div style="margin-bottom: 10px;"><input type="checkbox"/> Supporting Exhibits</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 1 - Filing History</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 2 - Rate Level History</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 3 - Policy Term Distribution</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 4 - Premium Adjustment Factor</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 5 - Premium Trend Factor³</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 6 - Miscellaneous Fees and Other Charges</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 7 - Loss and Defense & Cost Containment Expense (DCCE) Development Factors³</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 8 - Loss and DCCE Trend³</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 9 - Catastrophe Adjustment</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 10 - Credibility Adjustment</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 11 - Ancillary Income</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 12 - Reinsurance Premium and Recoverables</div> </td> </tr> </table>			<div style="margin-bottom: 10px;"><input type="checkbox"/> Prior Approval Rate Application</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> General Information, Page 1</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Insurer Group Information, Page 2</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Filing Type, Page 3</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Proposed Impact, Page 4</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Reconciliation of Direct Earned Premium to Statutory Data, Page 5</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Homeowners Form Detail (if applicable), Page 6</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Additional Calendar Year Data Required by Statute, Page 7</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Miscellaneous Fees and Other Charges, Page 8</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Forms, Page 9</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Rules and Underwriting Guidelines, Page 10</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Variance Request, Page 11</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Filing Checklist, Page 12</div>	<div style="margin-bottom: 10px;"><input type="checkbox"/> Supporting Exhibits</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 1 - Filing History</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 2 - Rate Level History</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 3 - Policy Term Distribution</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 4 - Premium Adjustment Factor</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 5 - Premium Trend Factor³</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 6 - Miscellaneous Fees and Other Charges</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 7 - Loss and Defense & Cost Containment Expense (DCCE) Development Factors³</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 8 - Loss and DCCE Trend³</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 9 - Catastrophe Adjustment</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 10 - Credibility Adjustment</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 11 - Ancillary Income</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 12 - Reinsurance Premium and Recoverables</div>
<div style="margin-bottom: 10px;"><input type="checkbox"/> Prior Approval Rate Application</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> General Information, Page 1</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Insurer Group Information, Page 2</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Filing Type, Page 3</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Proposed Impact, Page 4</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Reconciliation of Direct Earned Premium to Statutory Data, Page 5</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Homeowners Form Detail (if applicable), Page 6</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Additional Calendar Year Data Required by Statute, Page 7</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Miscellaneous Fees and Other Charges, Page 8</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Forms, Page 9</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Rules and Underwriting Guidelines, Page 10</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Variance Request, Page 11</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Filing Checklist, Page 12</div>	<div style="margin-bottom: 10px;"><input type="checkbox"/> Supporting Exhibits</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 1 - Filing History</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 2 - Rate Level History</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 3 - Policy Term Distribution</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 4 - Premium Adjustment Factor</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 5 - Premium Trend Factor³</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 6 - Miscellaneous Fees and Other Charges</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 7 - Loss and Defense & Cost Containment Expense (DCCE) Development Factors³</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 8 - Loss and DCCE Trend³</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 9 - Catastrophe Adjustment</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 10 - Credibility Adjustment</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 11 - Ancillary Income</div> <div style="margin-bottom: 10px;"><input type="checkbox"/> Exhibit 12 - Reinsurance Premium and Recoverables</div>			

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- | | |
|--|---|
| <input type="checkbox"/> Filing Memorandum | <input type="checkbox"/> Exhibit 13 - Variance Request |
| <input type="checkbox"/> Prior Approval Rate Template ¹ | <input type="checkbox"/> Exhibit 14 - Rate Distribution |
| <input type="checkbox"/> Standard Exhibits Template ¹ | <input type="checkbox"/> Exhibit 15 - Rate Classification Relativities |
| <input type="checkbox"/> Printed Rate and Rule Manual Pages ¹ | <input type="checkbox"/> Exhibit 16 - New Program |
| <input type="checkbox"/> Underwriting Guidelines ¹ | <input type="checkbox"/> Exhibit 17 - Super Group Corporate Structure Verification (PPA only) |
| <input type="checkbox"/> Forms ^{1,2} | <input type="checkbox"/> Exhibit 18 - Rules and Underwriting Guidelines |
| <input type="checkbox"/> Copies of Reinsurance Agreements ¹ | <input type="checkbox"/> Exhibit 19 - Supplemental Information |
| | <input type="checkbox"/> Exhibit 20 - Customer Dislocation |
| | <input type="checkbox"/> Exhibit 21 - Insurer's Ratemaking Calculations for Specialty Filings |
- ¹ See Prior Approval Rate Filing Instructions.
² Attach all independent forms and list all advisory organization forms.
³ Provide Standard Exhibits Template for these exhibits.

Additionally, old Exhibit 14 (Insurer's Ratemaking Calculations) has been renumbered is now only required for Specialty filings. All other exhibits have been renumbered accordingly.

The Prior Approval Rate Template

The Rate Template (PriorAppRateTI_EdMM-DD-YYYY.xlsm) provides all of the calculations required to derive 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, as specified by the insurer on Rate Template Page 1 - the General Information, discussed below.** 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.

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.

Consistent with the Application, the Rate Template uses Excel sheets with blue-colored tabs for insurer input. Areas of insurer input within each page of the Rate Template are generally formatted in **blue font** text and/or light blue outlined boxes. **Pages or rows that are not applicable to the line of business or Application in question are hidden based on insurer input on Page 1 of the Rate Template.**

Download and open the Rate Template and **ensure that all macros are enabled.**

Rate Template Page 1 – General Information

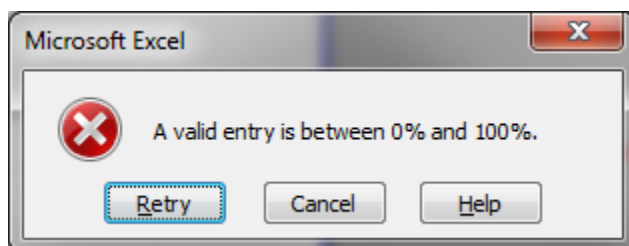
Enter information regarding general characteristics of the filing that are common to all coverages, forms or programs contained in the Application. For many of the inputs on this page, there is an associated error message that emerges to the right of the exhibit if the information entered is invalid or if a cell requiring information is left blank. This page must be completed in full, without errors, before the Rate Template will calculate the overall minimum and maximum permitted rate changes (CHANGE_AT_MIN and CHANGE_AT_MAX).

Note: To generate a valid CHANGE_AT_MIN and CHANGE_AT_MAX, all errors must be resolved on this page of the Rate Template. Any error message left unresolved will prevent the calculation of CHANGE_AT_MIN and CHANGE_AT_MAX for each coverage, form or program included in the Rate Template. Instead, each Rate Calculation page will display “Error.”

State of California Department of Insurance (CDI)		Company: Line:	0	Error Messages, If Any, Associated with General Information Page to the Left (DEPARTMENT USE ONLY)
PRIOR APPROVAL RATE TEMPLATE FOR PROPERTY & LIABILITY LINES GENERAL INFORMATION				
Completed by:	<input type="text"/>	Date:	<input type="text"/>	
CDI File # (Department Use Only):	<input type="text"/>			
Company Name:	<input type="text"/>			
Marketing System Distribution:	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Line Type:	<input type="text"/>			
General Line :	<input type="text"/>			
Proposed Effective Date (new rates):	<input type="text"/>			
New Program:	<input type="checkbox"/>	LCM Calculation(s) Included:	<input type="checkbox"/>	(LCM Calculation(s) is(are) hidden unless this box is checked.)
Data Aggregation:	<input type="text"/>			
Most Recent Year of Experience Data Ending:	<input type="text"/>			
				<div style="border: 2px solid red; padding: 5px; margin-bottom: 10px;"> Errors are displayed here, to the right of the exhibit. </div> <div style="border: 1px solid gray; padding: 5px;"> <p>← ERROR! Sum of all marketing systems must add to 100%.</p> <p>← ERROR! Select a General Line from the pull-down menu.</p> <p>← ERROR! Enter a proposed effective date.</p> <p>← ERROR! Enter the most recent fiscal period in YYYYQ format.</p> </div>

...

In addition to the Company Name, name of person completing the Rate Template, and Date of completion, enter the percentage volume of each marketing system used in the line of business, based on earned premium. If the Marketing System Distribution fields are left blank or do not add to 100%, an error message will display to the right of the exhibit. The cells also prevent an invalid input (number less than 0% or greater than 100%).



Company Name:	<input type="text"/>		
Marketing System Distribution:	%Captive	%Direct	%Independent
	99.0%		
Line Type:	<input type="text" value="Personal"/>		
General Line :	<input type="text"/>		
Proposed Effective Date (new rates):	<input type="text"/>		
New Program:	<input type="checkbox"/>	LCM Calculation(s) Included: <input type="checkbox"/> (LCM Calculation(s) is(are) hidden unless this box is checked.)	
Data Aggregation:	<input type="text" value="Accident Year Data"/>		

Next enter the Line type (Personal or Commercial), a General Line, the Proposed Effective Date of the new rates, the Data Aggregation Method (accident year data, report year data, policy year data) and the Most Recent Year of Experience Data in the recorded period, ***in YYYYQ format***. To prevent delays in the rate review process associated with mid-review requests for more current data, the Rate Template requires data in the recorded period to be ending no more than eight (8) months prior to the submission date of the filing, subject to the requirement that data be through a traditional quarter-end (i.e., March 31st, June 30th, September 30th or December 31st).

Identify the submission as a new program filing by checking the appropriate box. Similarly, check the “LCM Calculation(s) Included” box to unhide those pages of the Rate Template. **Note: The LCM Calculation pages will not unhide until a Detailed Line Description(s) is(are) selected further down on this page.**

Select a Detailed Line Description from the pull-down menus near the bottom of the General Information page and enter the name of each Coverage, Form or Program associated with each line for which a rate change is being requested. **It is the selecting of a Detailed Line Description**

that triggers the action to unhide the Ratemaking Data and Rate Calculation pages for the corresponding coverage, form or program included in this Rate Template.

Enter a Proposed Impact and the Prior Effective Date of the rates currently in effect for each coverage, form or program. If these coverage/form/program rows are only partially completed, errors will result to the right of the exhibit, preventing the calculation of a final indication.

Invalid entry for existing program filing:

Enter name of each coverage/form/program for which a rate change is being requested in the cells below. Otherwise, leave blank.

Detailed Line Description(s)	Coverage/Form/Program	Proposed % Impact	Prior Effective Date (current rates)
Homeowners Multiple Peril	HO-3	2.0%	
Homeowners Multiple Peril	HO-4	1.0%	
Homeowners Multiple Peril	HO-6	0.0%	

Variance Request:
 Does the Ratemaking Data include a Request(s) for Variance?
 If yes, is Variance #3 requested for any coverage? Variance #:

← ERROR! Select a Detailed Line Description and enter a Coverage/Form/Program
 ← ERROR! Select a Detailed Line Description and enter a Coverage/Form/Program
 ← ERROR! Select a Detailed Line Description and enter a Coverage/Form/Program

← ERROR! Select a Detailed Line Description and enter a Coverage/Form/Program, Proposed % Impact and Prior Effective Date. Alternatively, de-select the Detailed Line Description and delete all associated cell entries.
 ← ERROR! Select a Detailed Line Description and enter a Coverage/Form/Program, Proposed % Impact and Prior Effective Date. Alternatively, de-select the Detailed Line Description and delete all associated cell entries.
 ← ERROR! Select a Detailed Line Description and enter a Coverage/Form/Program, Proposed % Impact and Prior Effective Date. Alternatively, de-select the Detailed Line Description and delete all associated cell entries.

Valid entry for existing program filing:

Enter name of each coverage/form/program for which a rate change is being requested in the cells below. Otherwise, leave blank.

Detailed Line Description(s)	Coverage/Form/Program	Proposed % Impact	Prior Effective Date (current rates)
Homeowners Multiple Peril	HO-3	2.0%	2/1/2015
Homeowners Multiple Peril	HO-4	1.0%	5/15/2015
Homeowners Multiple Peril	HO-6	0.0%	5/15/2015

Variance Request:
 Does the Ratemaking Data include a Request(s) for Variance?
 If yes, is Variance #3 requested for any coverage? Variance #:

If a variance request is included in the submission, so specify by selecting “Y” in the pull-down menu at the bottom of the General Information page (see excerpt above). Enter the variance number(s) being requested, separated by commas in the text box to the right. There may be a slight delay as Excel recognizes the input of these variance numbers. If Variance 3 is included in the list of variance requests, further select “Y” in the relevant pull-down menu. This variance number must be included in the text box in order for the Rate Template to apply the adjusted leverage ratio to the ratemaking calculations. Entry of a variance request in the text box involving a change to the efficiency standard will unhide previously hidden rows of input on the Ratemaking Data pages of the Rate Template, allowing for adjustments to the efficiency standard (see discussion under *Rate Template Page 6 – Ratemaking Data*). All variances are subject to Department approval.

Note: In the event the Detailed Line Description is either Earthquake or Medical Malpractice with recognition for allowable reinsurance (refer to Prior Approval Filing Instructions for more information), additional rows for reinsurance information will become unhidden on the Ratemaking Data pages of the Rate Template.

Once the General Information page of the Rate Template is populated with all errors resolved, proceed to Page 2 of the Rate Template, Summary. **Note that failure to resolve all errors on this page will prevent the calculation of the indications by coverage, form or program.**

Rate Template Page 2 – Summary

This page replaces the “Multi-Coverage” page of the previous template versions. The display at the top of the page is nearly identical to its predecessor, showing a summary of the premium, indicated rate changes and proposed rate changes by coverage, form or program and for overall.

State of California Department of Insurance (CDI)		Company: Line: 0 CDI File # (Department Use Only):				
PRIOR APPROVAL RATE TEMPLATE FOR PROPERTY & LIABILITY LINES SUMMARY						
Coverage/Form/Program	Latest Year Adjusted Annual Premium (\$)	Minimum Permitted Earned Premium (\$)	Maximum Permitted Earned Premium (\$)	Change at Minimum %	Change at Maximum %	Proposed %
Combined						

An additional display summarizes the average earned premium per exposure, again for coverage, form or program and for overall. To generate the total combined average earned premium per exposure, enter in the total earned exposures in the cell outlined in light blue. This entry should reflect the latest year earned exposures for an existing book, or the projected annual exposures for a new program. This cell is the only one requiring insurer entry on this page. **Note that failure to provide a figure for this cell will result in an error, which if left unresolved, will prevent the calculation of the indications by coverage, form or program.**

Combined Total Earned Exposures for Latest Year:

Coverage/Form/Program	Average Earned Premium \$ per Exposure				Latest Year Earned Exposures
	Latest Year Adjusted	Minimum Permitted	Maximum Permitted	Proposed	
Combined					

Combined Total Earned Exposures for Latest Year:					
Coverage/Form/Program	Average Earned Premium \$ per Exposure				Latest Year Earned Exposures
	Latest Year Adjusted	Minimum Permitted	Maximum Permitted	Proposed	
Combined					

← ERROR! Enter the combined total earned exposures for the latest year.

← ERROR! Enter the combined total earned exposures for the latest year.

Finally, a third display on this page provides a summary of projected ultimate loss and DCCE ratios resulting from the insurer's ratemaking data and assumptions (see excerpt below). No insurer input is required here.

Coverage/Form/Program	Latest Year Adjusted Annual Premium (\$)	Latest Year Projected Ultimate Loss & DCCE (\$)	Latest Year Projected Ultimate Loss & DCCE Ratio
Combined			

Rate Template Page 3 – Projected Yield and Federal Income Tax Rate on Investment Income

There were no substantive changes to this page from the previous Rate Template version, with the following exceptions: the asset classes included in “Other Taxable Bonds” have been revised slightly to conform to the current NAIC Annual Statement Blank, and the page pre-populates the monthly yield percentages by asset category from an internal Department file, similar to the treatment of rate of return. With regard to the first change, the bond asset classes of Credit Tenant Loans and Public Utilities are no longer recorded in the NAIC Annual Statement Schedule D, Part 1A, Section 1. Instead, taxable bonds include Hybrid Securities.

State of California Department of Insurance (CDI)		Company: Line: 0 CDI File # (Department Use Only):				
PROJECTED YIELD AND FEDERAL INCOME TAX RATE ON INVESTMENT INCOME						
		Short-Term Assets	Intermediate-Term Assets		Long-Term Assets	
Line	Description	1 Year or Less	Over 1 Year thru 5 Years	Over 5 Years thru 10 Years	Over 10 Years thru 20 Years	Over 20 Years
1.7	U.S. Governments					
2.7	All Other Governments					
3.7	States, Territories and Possessions					
4.7	Political Subdivisions					
5.7	Special Revenue and Assessment Obligations					
6.7	Industrial and Miscellaneous					
7.7	Hybrid Securities					
8.7	Parent, Subsidiaries and Affiliates					
Source: Schedule D, Part 1A, Section 1 of the insurer group's most recent consolidated (combined) statutory Annual Statement.						

When calculating the weighted average yield, use the asset information from the insurer’s most recent Consolidated¹ (Combined) Statutory Annual Statement for the **insurer group**. To ensure the latest yield/rate of return information is used in the Rate Template at the time of filing submission, navigate to the “Data” menu of the Excel ribbon, click on “Edit Links” and then click “Open Source.” Opening this source will automatically update the links to the most recent yield and rate of return figures.

¹ The *Official NAIC Annual Statement Instructions for the 2014 Reporting Year – Property/Casualty* (September 2014), 601, states “where the word ‘combined’ appears in the blank, it should be construed to mean consolidated or combined.

State of California Department of Insurance (CDI)		Company: Line: Homeowners Multiple Peril CDI File # (Department Use Only):				
PROJECTED YIELD AND FEDERAL INCOME TAX RATE ON INVESTMENT INCOME (continued)						
		Invested Assets ¹	Currently Available Yield ²	Return on Invested Assets	Federal Income Tax Rate	Federal Income Taxes
		[1]	[2]	[3] = [1] * [2]	[4]	[5] = [3] * [4]
(1)	U.S. Government Bonds					
	(i) Short-Term	0	0.0%	0	35.00%	0
	(ii) Intermediate-Term	0	2.3%	0	35.00%	0
	(iii) Long-Term	0	2.8%	0	35.00%	0
(2)	Other Taxable Bonds					
	(i) Short-Term	0	0.2%	0	35.00%	0
	(ii) Intermediate-Term	0	3.3%	0	35.00%	0

Note that failure to generate valid figures for projected yield and federal income tax on investment income will result in errors, which if left unresolved, will prevent the calculation of the indications by coverage, form or program.

Rate Template Page 4 – Excluded Expense Ratio

There were no substantive changes to this page from the previous Rate Template version, with the following exceptions: the required input of countrywide direct earned premium is slightly different and the page requires additional information on advertising expenses. Whereas the previous version required that the insurer enter total countrywide direct earned premium and countrywide direct earned premium for lines of business subject to Proposition 103, the new page requires countrywide direct earned premium both for lines of business subject to **and not subject to** Proposition 103. The totals of these two must reconcile to the countrywide direct earned premium in the Insurance Expense Exhibit, Part 3 for the **insurer group**. The definition of “insurer group” must be consistent with that used in the calculation of the projected yield and federal income tax rate on investment income.

State of California		Company:			
Department of Insurance (CDI)		Line:			0
		CDI File # (Department Use Only):			
EXCLUDED EXPENSE RATIO Countrywide Insurer Group Data					
				2nd Prior Calendar Year	1st Prior Calendar Year
				#VALUE!	#VALUE!
					Most Recent Calendar Year
					YYYY
Countrywide direct earned premium for lines of business subject to Proposition 103 (\$):					
Countrywide direct earned premium for lines of business <u>not</u> subject to Proposition 103 (\$):					
Total countrywide direct earned premium (\$):				0	0
(Note: Total must reconcile to the countrywide direct earned premium in the Insurance Expense Exhibit, Part 3 for the insurer group .)					

Don't forget to enter the most recent calendar year here.

For this section, identify the “Institutional” and “Non-Institutional” advertising expenses for each of the three previous calendar years. “Institutional advertising” is advertising not aimed at obtaining business for a specific insurer and not providing consumers with information pertinent to the decision whether to buy the insurer’s product. For purposes of reporting advertising expenses in this application, if a particular advertisement is not aimed at obtaining business for a specific insurer, the advertisement should be considered Institutional advertising. Similarly, if a particular advertisement does not provide consumers with information pertinent to the decision whether to buy the insurer's product, the advertisement should also be considered Institutional advertising. “Non-Institutional advertising” refers to all advertising that is not Institutional advertising. The sum of the Institutional and Non-Institutional advertising expenses must be equal to the total advertising expenses reported in the Insurance Expense Exhibit, Part I Supplement of the Consolidated (Combined) Statutory Annual Statement for the insurer group (see excerpt below).

In addition to populating the Institutional and Non-Institutional advertising expenses, provide samples or realistic representations of all advertisements the company claims fall under the category of Non-Institutional advertising expenses. Refer to the Prior Approval Rate Filing Instructions.

CCR §2644.10 (f): Institutional Advertising						
	2nd Prior Calendar Year		1st Prior Calendar Year		Most Recent Calendar Year	
	#VALUE!		#VALUE!		YYYY	
	Institutional	Non-Institutional	Institutional	Non-Institutional	Institutional	Non-Institutional
Total Advertising ¹						
¹ Note: For each calendar year, the sum of Institutional and Non-Institutional advertising expenses must reconcile to the total advertising expenses reported in the Insurance Expense Exhibit, Part 1, Line 4 for the insurer group .						

State of California	Company:			
Department of Insurance (CDI)	Line:			0
	CDI File # (Department Use Only):			
EXCLUDED EXPENSE RATIO (continued)				
Countrywide Insurer Group Data				
		2nd Prior Calendar Year	1st Prior Calendar Year	Most Recent Calendar Year
		#VALUE!	#VALUE!	YYYY
CCR §2644.10 (a): Political contribution and lobbying				
CCR §2644.10 (b): Excessive Executive Compensation (Page 4.1)		0	0	0
CCR §2644.10 (c): Bad faith judgments and associated DCEE				
CCR §2644.10 (d): All costs for unsuccessful defense of discrimination claims				
CCR §2644.10 (e): Fines and penalties				
CCR §2644.10 (f): Institutional advertising expenses (Page 4.1)		0	0	0
CCR §2644.10 (g): Excessive payments to affiliates				
Total Excluded Expenses		0	0	0
Excluded Expense Ratio		#DIV/0!	#DIV/0!	#DIV/0!
Three-Year Average Excluded Expense Ratio				#DIV/0!

Note that failure to generate a valid figure the excluded expense ratio will result in an error, which if left unresolved, will prevent the calculation of the indications by coverage, form or program.

Rate Template Page 5 – CDI Parameters

This page is a new addition to the Rate Template, and provides a summary of most CDI parameters used in the calculation of the indications by coverage, form or program. The page displays the final prior approval factors for efficiency standard, leverage ratio, unearned premium reserves and loss reserves, after adjustment for variance if applicable for the coverages, forms or programs in question.

No insurer input is required for this page.

State of California

Department of Insurance (CDI)

Company: ABC Insurance Company

Line: Homeowners Multiple Peril

CDI File #:

FINAL ADJUSTED CDI PARAMETERS

Efficiency Standard									
Detailed Line Description	Line Code	Coverage/Form	Marketing System Distribution			Weighted Average	Variance Adjustment	Excluded Expense Ratio	Final Adjusted Efficiency Standard
			100.0%	0.0%	0.0%				
			Captive	Direct	Independent				
Homeowners Multiple Peril	4	HO-3	35.3%	25.9%	40.0%	35.3%	0.0%	0.0%	35.3%

Detailed Line Description	Line Code	Coverage/Form	Reserves Ratio		Leverage Factor			2013 Industry P&C Data (\$000s)	
			Unearned Premium Reserves	Loss Reserves	Raw Factor	Variance Adjustment	Final Adjusted Leverage Factor	Incurred Loss	DCCE
Homeowners Multiple Peril	4	HO-3	0.5104	0.6940	1.0971	1.0000	1.0971	37,432,201	1,220,450

Rate Template Page 6 – Ratemaking Data

There were no substantive changes to this page from the previous Rate Template version, with the following exceptions: (1) increased error messaging, which if left unresolved, will prevent the calculation of a final change at min/max, (2) the splitting of the Projected/New Program column into two separate columns, each with its own function, and (3) hidden rows for reinsurance and efficiency standard variance data, which will unhide based on insurer input on Page 1 (General) of the Rate Template. Below is the standard (no variance, no reinsurance) Ratemaking Data page:

State of California Department of Insurance (CDI)			Company: ABC Insurance Company Line: Homeowners Multiple Peril CDI File # (Department Use Only):				
RATEMAKING DATA							
Completed by: John Doe Date Completed: 7/29/2015 Detailed Line Description: Homeowners Multiple Peril Coverage: HO-3			Variance #(s): <input style="width: 100px;" type="text"/> <div style="border: 1px solid black; padding: 2px; text-align: center; width: fit-content; margin: 0 auto;">Expand to six years</div>				
Line	Description	Source	2nd Prior Year Ending	1st Prior Year Ending	Most Recent Year Ending	Projected ¹	New Program ²
(0)	Year		20124	20134	20144		
(1)	California Direct Written Premium						
(2)	California Direct Earned Premium						
(3)	Premium Adjustment Factor	Exh 4					
(4)	Premium Trend Factor ¹	Exh 5					
(5)	Miscellaneous Fees and Flat Charges not included in Line (2)	Exh 6					
(6)	Earned Exposure Units						
(7)	Historic Losses						
(8)	Historic Defense and Cost Containment Expense (DCCE)						
(9)	Loss Development Factor	Exh 7					
(10)	DCCE Development Factor	Exh 7					
(11)	Loss Trend Factor ¹	Exh 8					
(12)	DCCE Trend Factor ¹	Exh 8					
(13)	Catastrophe Adjustment Factor	Exh 9					
(14)	Credibility for Losses & DCCE	Exh 10					
(15)	Ancillary Income	Exh 11					
<i>Lines 16-18 link directly to pages 3 and 4 of the application.</i>							
(16)	Excluded Expense Ratio	Pg 4.2				0.0%	
(17)	Projected Federal Income Tax Rate on Investment Income	Pg 3.2					
(18)	Projected Yield	Pg 3.2					

¹ The Projected column should reflect the annual trend expressed as a percentage for premium, loss and DCCE trends, and credibility.
² Refer to Section III.C. of the Prior Approval Rate Filing Instructions for New Program requirements.

[Go to 7.1Rate Change Calculation](#)

Enter three years of data directly corresponding to the coverage, form or program under rate review, subject to the regulations pertaining to credibility (CCR §2642.6 and §2644.23²). If more years of data are required to comply with these regulations, click on the “Expand to six years” button at the top of the Ratemaking Data page (refer to excerpt above). Years of data may be on a fiscal basis but must end on a traditional quarter-end (March 31, June 30, September 30 or December 31). Only those cells not grayed out require insurer input.

To prevent delays in the rate review process associated with mid-review requests for more current data, the Rate Template requires data in the recorded period to be ending no more than eight (8) months prior to the submission date of the filing, subject to the additional requirement that data be through a traditional quarter-end.

For submissions other than new program filings, the Projected column requires the annual trend percentages used in the calculation of the overall change at min/max, as well as the credibility of the experience data. If left blank, these required inputs will generate error messages.

Additionally, if only three years of data have been entered, and the experience is less than 25% credible, the insurer must input an additional year, one at a time, until the minimum of 25% credibility is achieved. Alternate treatment exists for filings with data less than 25% credible over six years (refer to Prior Approval Rate Filing Instructions for more information). For new program filings, the Projected column should be left blank.

For new program filings, enter all required information in lines 1, 5-8 and 15 of the New Program column. Note that the required inputs should reflect an annual projection for a mature book of business. Thus, earned premium is set equal to written premium.

Line	Description	Source	2nd Prior Year Ending	1st Prior Year Ending	Most Recent Year Ending	Projected ¹	New Program ²
(0)	Year		20124	20134	20144		
(1)	California Direct Written Premium						
(2)	California Direct Earned Premium						
(3)	Premium Adjustment Factor	Exh 4					
(4)	Premium Trend Factor ¹	Exh 5					
(5)	Miscellaneous Fees and Flat Charges not included in Line (2)	Exh 6					
(6)	Earned Exposure Units						
(7)	Historic Losses						
(8)	Historic Defense and Cost Containment Expense (DCCE)						
(9)	Loss Development Factor	Exh 7					
(10)	DCCE Development Factor	Exh 7					
(11)	Loss Trend Factor ¹	Exh 8					
(12)	DCCE Trend Factor ¹	Exh 8					
(13)	Catastrophe Adjustment Factor	Exh 9					
(14)	Credibility for Losses & DCCE	Exh 10					
(15)	Ancillary Income	Exh 11					

² Incurred claims as per CCR §2644.23 are defined as reported claims less claims closed without payment.

For ease of navigation through the Rate Template, a hyperlink to the Rate Calculation page corresponding to the coverage, form or program under review is provided at the bottom of each Ratemaking Data page (see excerpt below).

For submissions that include a variance request associated with the efficiency standard based on insurer input on Page 1 (General) of the Rate Template, rows will unhide on the Ratemaking Data page to allow for data input:

(14)	Credibility for Losses & DCCE	Exh 10					
(15)	Ancillary Income	Exh 11					
<i>Lines 16-18 link directly to pages 3 and 4 of the application.</i>							
(16)	Excluded Expense Ratio	Pg 4.2				0.0%	
(17)	Projected Federal Income Tax Rate on Investment Income	Pg 3.2					
(18)	Projected Yield	Pg 3.2					
<i>Complete Lines 19 and 20 if a Request for Variance (1A, 1B, 2A, 2B, 2C or 4) accompanies this filing (see instructions).</i>							
(19)	Change to Efficiency Standard ³	Exh 13					
(20)	Most Recent Year Total Expense Ratio (excluding DCCE) ⁴	Exh 13					

¹ The Projected column should reflect the annual trend expressed as a percentage for premium, loss and DCCE trends, and credibility.
² Refer to Section III.C. of the Prior Approval Rate Filing Instructions for New Program requirements.
³ Applicable if any of Variance 1A, 1B, 2A, 2B, 2C or 4 (or any combination thereof) is being requested. Subject to CDI approval.
⁴ Refer to CCR §2644.27 (h).

[Go to 7.1 Rate Change Calculation](#)

Enter the proposed change to the efficiency standard, and the insurer's most recent total expense ratio (excluding DCCE) on the lines shown in the excerpt above. Should the insurer's most recent total expense ratio be less than the efficiency standard, no additional relief will be awarded. For instance, assuming an efficiency standard of 35.3%, the following variance request will generate an error message (see excerpt below):

<i>Complete Lines 19 and 20 if a Request for Variance (1A, 1B, 2A, 2B, 2C or 4) accompanies this filing (see instructions).</i>							
(19)	Change to Efficiency Standard ³	Exh 13				1.0%	
(20)	Most Recent Year Total Expense Ratio (excluding DCCE) ⁴	Exh 13				34.0%	

¹ The Projected column should reflect the annual trend expressed as a percentage for premium, loss and DCCE trends, and credibility.
² Refer to Section III.C. of the Prior Approval Rate Filing Instructions for New Program requirements.
³ Applicable if any of Variance 1A, 1B, 2A, 2B, 2C or 4 (or any combination thereof) is being requested. Subject to CDI approval.
⁴ Refer to CCR §2644.27 (h).

← ERROR: Based on insurer's stated most recent year expense ratio, no relief from efficiency standard variances is allowed. Insurer's stated most recent year expense ratio is already less than or equal to the efficiency standard.

The maximum amount of relief from the efficiency standard awarded to the insurer will be limited to the difference between the insurer's most recent total expense ratio and the efficiency standard

itself. For instance, again assuming an efficiency standard of 35.3%, the following variance request will generate an error message (see excerpt below):

Complete Lines 19 and 20 if a Request for Variance (1A, 1B, 2A, 2B, 2C or 4) accompanies this filing (see instructions).

(19)	Change to Efficiency Standard ³	Exh 13					1.0%
(20)	Most Recent Year Total Expense Ratio (excluding DCCE) ⁴	Exh 13					36.0%

¹ The Projected column should reflect the annual trend expressed as a percentage for premium, loss and DCCE trends, and credibility.
² Refer to Section III.C. of the Prior Approval Rate Filing Instructions for New Program requirements.
³ Applicable if any of Variance 1A, 1B, 2A, 2B, 2C or 4 (or any combination thereof) is being requested. Subject to CDI approval.
⁴ Refer to CCR §2644.27 (h).

← **ERROR! Assuming the calculation of the insurer's most recent year expense ratio is justified, relief from the efficiency standard will be limited to the difference between that ratio and the efficiency standard, or, 0.7%, subject to CDI approval.**

All requests for relief from the efficiency standard are subject to Department approval.

If the Detailed Line Description selected on Page (General) of the Rate Template is either “Earthquake w/consideration for cost of reinsurance” or one of the “Medical Malpractice” options indicating “incl. reinsurance costs,” the following lines will become unhidden on the Page 6 (Ratemaking Data). Errors are generated for failure to input a direct commission rate, or annual projections for new programs.

Complete Lines 19, 20 & 21 for Earthquake and certain Medical Malpractice with Reinsurance Only (see instructions).

(19)	Direct Commission Rate						
(20)	Reinsurance Premium	Exh 12					
(21)	Reinsurance Recoverable	Exh 12					

¹ The Projected column should reflect the annual trend expressed as a percentage for premium, loss and DCCE trends, and credibility.
² Refer to Section III.C. of the Prior Approval Rate Filing Instructions for New Program requirements.

In the event the filing submission involves a line of business allowing consideration for the cost of reinsurance AND includes an efficiency standard variance request, hidden lines for inputting data for both possibilities will unhide, and the lines will renumber accordingly.

Complete Lines 19 and 20 if a Request for Variance (1A, 1B, 2A, 2B, 2C or 4) accompanies this filing (see instructions).

(19)	Change to Efficiency Standard ³	Exh 13					
(20)	Most Recent Year Total Expense Ratio (excluding DCCE) ⁴	Exh 13					

Complete Lines 21, 22 & 23 for Earthquake and certain Medical Malpractice with Reinsurance Only (see instructions).

(21)	Direct Commission Rate						
(22)	Reinsurance Premium	Exh 12					
(23)	Reinsurance Recoverable	Exh 12					

Note that failure to resolve errors on the Ratemaking Data pages will prevent the calculation of the indications by coverage, form or program on the Rate Calculation pages.

Rate Template Page 7 – Rate Calculation

This page is virtually unchanged from the previous Rate Template version, with the following minor exceptions: (1) the year of data for all CDI parameters is displayed, (2) the Change at Min and Change at Max cells return “Error” if any errors in the previous pages of the Rate Template is unresolved, and (3) rows for reinsurance calculations are hidden unless the Detailed Line Description selected on Page 1 (General) of the Rate Template is either “Earthquake w/consideration for cost of reinsurance” or one of the “Medical Malpractice” options indicating “incl. reinsurance costs.”

State of California	Company:	ABC Insurance Company		
Department of Insurance (CDI)	Line:	Homeowners Multiple Peril		
CDI File # (Department Use Only):				
VARIANCE - NONE				
RATE CHANGE CALCULATION				
Completed by:	Expand to six years		John Doe	
Date Completed:			7/29/2015	
Prior Effective Date:				
Proposed Effective Date:			1/1/2016	
Detailed Line Description:			Homeowners Multiple Peril	
Coverage:			HO3	
Data Provided by Filer	20124	20134	20144	Projected
Prem_Written				0
Prem_Earned				0
Prem_Adj				
Prem_Trend				0.0%
Misc_Fees				0
Exposures_Earned				0
Losses				0
DCCE				0
Loss_Devt				
DCCE_Devt				
Loss_Trend				0.0%
DCCE_Trend				0.0%
CAT_Adj				
Anc_Income				0
Credibility				0.0%
ExpRatio_Excluded				0.0%
FIT_Inv				
Yield				

...

CDI Parameters				
FIT_UW				35.0%
EffStd_Final			<i>Data as of: 2013</i>	35.3%
LevFact_Final			<i>Data as of: 2013</i>	1.10
PremTaxRate			<i>Data as of: 2013</i>	2.4%
SurplusRatio				0.91
ResRatio_UPR			<i>Data as of: 2013</i>	0.51
ResRatio_Loss			<i>Data as of: 2013</i>	0.69
ROR_RiskFree			<i>Data as of: July 2015</i>	1.5%
ROR_Min				-6.0%
ROR_Max				7.5%
Calculations	20124	20134	20144	
Prem_Adjusted				0
Losses_Adjusted				0
DCCE_Adjusted				0
LossDCCERatio_Adjusted				
TCRLP_perExp				
LossDCCE_perExp				
CompLossDCCE_perExp				
CredLoss_perExp				
Anc_Inc_perExp				
InvInc_Fixed				#VALUE!
InvInc_Variable				#VALUE!
Net_AnnualTrend				0.0%
Comp_Trend				#VALUE!
Max_Profit				10.5%
Min_Profit				-8.4%
UW_Profit				#VALUE!
Min_Denom				#VALUE!
Max_Denom				#VALUE!
Min_Premium				#VALUE!
Max_Premium				#VALUE!
CHANGE_AT_MIN				Error
CHANGE_AT_MAX				Error
			Go to 6.1 Ratemaking Data	

If the Change at Min/Max cells display “Error,” messages to the right of those cells will direct the insurer to the area where errors still exist (see excerpt below).

InvInc_Fixed		#VALUE!	
InvInc_Variable		#VALUE!	
Net_AnnualTrend		0.0%	
Comp_Trend		#VALUE!	
Max_Profit		10.5%	
Min_Profit		-8.4%	
UW_Profit		#VALUE!	
Min_Denom		#VALUE!	
Max_Denom		#VALUE!	See Column H of Page '3.2YieldFIT' for errors that must be corrected.
Min_Premium		#VALUE!	See Column F of Page '4.2Excluded Exp' for errors that must be corrected.
Max_Premium		#VALUE!	See Column I of Page '2.Summary' for errors that must be corrected.
CHANGE_AT_MIN		Error	See Column L of Page '1.General' for errors that must be corrected.
CHANGE_AT_MAX		Error	See Column M of Page '6.1Ratemaking Data' for errors that must be corrected.

[Go to 6.1Ratemaking Data](#)

See Column H of Page '3.2YieldFIT' for errors that must be corrected.
 See Column F of Page '4.2Excluded Exp' for errors that must be corrected.
 See Column I of Page '2.Summary' for errors that must be corrected.
 See Column L of Page '1.General' for errors that must be corrected.
 See Column M of Page '6.1Ratemaking Data' for errors that must be corrected.

The excerpt below will become unhidden if the filing is on behalf of one of the lines of business where reinsurance costs may be considered. The Rein_Change_at_Max also returns “Error” unless input errors in the reinsurance section of the Ratemaking Data page are resolved.

Reinsurance Calculations	20124	20134	20144	
Comm_Rate				
Rein_Prem				
Rein_Recov				0
ReinPrem_perExp				
ReinRec_perExp				
CompLoss_Rein				
ReinMax_Premium				#VALUE!
Rein_CHANGE_AT_MAX				Error

[Go to 6.1Ratemaking Data](#)

For ease of navigation through the Rate Template, a hyperlink to the Ratemaking page corresponding to the coverage, form or program under review is provided at the bottom of each Rate Calculation page.

Rate Template Page 8 – LCM Calculation

The format of the LCM Calculation is somewhat more simplified than the previous version. The exhibit shows a separate calculation for the Maximum Permitted LCM for each of New Program and Existing Program filings. For New Program filings, enter the CDI file number associated with the approved Advisory Organization filing supporting the loss costs to be adopted, the Adjusting & Other Expense (AOE) or LAE load as filed by the Advisory Organization and the basis of that AOE or LAE load (see excerpt below). The most recently approved loss costs should be used. Deviation from the most recently approved loss costs requires justification in the Filing Memorandum.

State of California Department of Insurance (CDI)		Company: Line: Homeowners Multiple Peril CDI File #:
LOSS COST MULTIPLIER (LCM) CALCULATION		
Detailed Line Description:	Homeowners Multiple Peril	Completed by:
Coverage:	HO-3	Date Completed:
Prior Effective Date:		Proposed Effective Date:
(1) New Program Filings		
1.1	CDI Advisory Organization (AO) File # underlying proposed loss costs	<input type="text"/>
1.2	AOE or LAE load approved for line or coverage	<input type="text"/>
1.3	Basis of load listed in line 1.2.	<input type="text" value="AOE/(Loss+DCCE)"/>
1.4	AO's AOE as a percent of loss and DCCE (derived from 1.3 and U.S. P&C industry loss and DCCE experience by line)	<input type="text" value="0.00"/>
1.5	Maximum Permitted LCM, based on efficiency standard	<input type="text" value="#N/A"/>

...

For Existing Program filings, enter the CDI file number associated with the Advisory Organization filing supporting the company's current loss costs, and the current company LCM. The current company LCM is the company's final LCM adjusted for any loss cost modification, if applicable. Enter the CDI file numbers associated with all changes to Advisory Organization loss costs since the filing underlying the company's current loss costs, separated by commas (see excerpt below), and the corresponding cumulative percent change in loss costs for the Advisory Organization. Enter the cumulative percent change in loss costs for the Advisory Organization, *adjusted for the company's own distribution*. See Prior Approval Filing Instructions for more detailed information. Finally, enter the Proposed Company LCM. In the event that the Proposed Company LCM exceeds the Maximum Permitted LCM for either the New Program or the Existing Program, a warning message will display to the right of the exhibit. This message will **not** prevent the calculation of a final result.

(2) Existing Program Filings

2.1 CDI AO File # underlying current loss costs

2.2 Current Company LCM

2.3 CDI AO File #(s) underlying proposed loss costs (enter all applicable file numbers, separated by commas)

13-4567, 14-5678, 14-1010

2.3.i Cumulative AO loss cost percent change approved for line or coverage

2.3.ii Cumulative AO loss cost percent change approved for line or coverage, adjusted for Company's distribution

2.4 Maximum Permitted LCM

(3) Proposed Company LCM

The Standard Exhibits Template

The Standard Exhibits Template (StdExhTI_EdMM-DD-YYYY.xlsm) 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 a populated Standard Exhibits Template, in Excel with working formulas intact, will be rejected by the Rate Filing Intake Unit.**

Consistent with the Application and Rate Template, the Standard Exhibits Template uses Excel sheets with blue-colored tabs for insurer input. Areas of insurer input within each page of the Standard Exhibits Template are generally formatted in **blue font** text and/or light blue outlined boxes.

Download and open the Standard Exhibits Template and **ensure that all macros are enabled.**

Standard Exhibits Template Page 1 – General Information

Similar to the Application and Rate Template, enter general information including the Company Name, name of person completing the Standard Exhibits Template, and Date of completion, and select the Line Type and General Line from the respective pull-down menus.

Select a Detailed Line Description from the pull-down menu for each coverage, form or program included in the Application. See excerpt below. Do not skip coverages – that is, do not leave any blank coverages between non-blank coverages.

Valid entry of coverages, forms or programs:

State of California Department of Insurance (CDI)		Company: ABC Company Line: Auto Liability and Physical Damage																															
STANDARD EXHIBITS TEMPLATE GENERAL INFORMATION																																	
Completed by:		Date:																															
CDI File # (Department Use Only):																																	
Company Name:																																	
Line Type:																																	
General Line :																																	
Detailed Line Description(s) <small>(Enter name of each coverage/form/program included in this application. Otherwise, enter a blank. Do not skip coverages.)</small>		Coverage/Form/Program																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Private Passenger Auto Liability</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Liability</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Liability</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Liability</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Liability</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Physical Damage</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Physical Damage</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Physical Damage</td><td style="text-align: right;">▼</td></tr> <tr><td> </td><td style="text-align: right;">▼</td></tr> <tr><td> </td><td style="text-align: right;">▼</td></tr> </table>		Private Passenger Auto Liability	▼	Private Passenger Auto Liability	▼	Private Passenger Auto Liability	▼	Private Passenger Auto Liability	▼	Private Passenger Auto Liability	▼	Private Passenger Auto Physical Damage	▼	Private Passenger Auto Physical Damage	▼	Private Passenger Auto Physical Damage	▼		▼		▼	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Bodily Injury</td></tr> <tr><td>Property Damage</td></tr> <tr><td>Medical Payments</td></tr> <tr><td>Uninsured Motorists - BI</td></tr> <tr><td>Uninsured Motorists - PD</td></tr> <tr><td>Comprehensive</td></tr> <tr><td>Collision</td></tr> <tr><td>Miscellaneous Phys Damage</td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table>		Bodily Injury	Property Damage	Medical Payments	Uninsured Motorists - BI	Uninsured Motorists - PD	Comprehensive	Collision	Miscellaneous Phys Damage		
Private Passenger Auto Liability	▼																																
Private Passenger Auto Liability	▼																																
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Bodily Injury																																	
Property Damage																																	
Medical Payments																																	
Uninsured Motorists - BI																																	
Uninsured Motorists - PD																																	
Comprehensive																																	
Collision																																	
Miscellaneous Phys Damage																																	

Invalid entry of coverages, forms or programs:

Detailed Line Description(s) <small>(Enter name of each coverage/form/program included in this application. Otherwise, enter a blank. Do not skip coverages.)</small>		Coverage/Form/Program																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Private Passenger Auto Liability</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Liability</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Liability</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Liability</td><td style="text-align: right;">▼</td></tr> <tr><td> </td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Physical Damage</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Physical Damage</td><td style="text-align: right;">▼</td></tr> <tr><td>Private Passenger Auto Physical Damage</td><td style="text-align: right;">▼</td></tr> <tr><td> </td><td style="text-align: right;">▼</td></tr> <tr><td> </td><td style="text-align: right;">▼</td></tr> </table>		Private Passenger Auto Liability	▼	Private Passenger Auto Liability	▼	Private Passenger Auto Liability	▼	Private Passenger Auto Liability	▼		▼	Private Passenger Auto Physical Damage	▼	Private Passenger Auto Physical Damage	▼	Private Passenger Auto Physical Damage	▼		▼		▼	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Bodily Injury</td></tr> <tr><td>Property Damage</td></tr> <tr><td>Medical Payments</td></tr> <tr><td>Uninsured Motorists - BI</td></tr> <tr><td> </td></tr> <tr><td>Comprehensive</td></tr> <tr><td>Collision</td></tr> <tr><td>Miscellaneous Phys Damage</td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table>		Bodily Injury	Property Damage	Medical Payments	Uninsured Motorists - BI		Comprehensive	Collision	Miscellaneous Phys Damage		
Private Passenger Auto Liability	▼																																
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Miscellaneous Phys Damage																																	

Select the Data Aggregation Method for loss & DCCE development from the pull-down menu (accident year or accident quarter, report year or report quarter, policy year or policy quarter). If the selected Data Aggregation Method is accident year, enter the number of months the underlying

data is developed (12 or 15 is acceptable). Enter the Most Recent Fiscal Period of data for trend and loss development and for complement loss trend. In both cases, the fiscal period must be entered in **YYYYQ format**. Select the basis for premium trend (written or earned), indicate whether DCCE is included or excluded in the loss trend (company-specific and complement) and development data, and identify whether DCCE is on a paid or incurred basis.

Data Aggregation Method for Loss & DCCE Development <small>(Note: Quarterly Exhibit 7 is hidden.)</small>	Accident Year <input type="text"/>
Months of Development for Annual Loss & DCCE Development <small>(Select 12 or 15 Months. Applicable only if annual Data Aggregation Method is selected above.)</small>	12 <input type="text"/>
Most Recent Fiscal Period in Trend and Development Data	20144 <input type="text"/>
Most Recent Fiscal Period in Complement Loss Trend and Data <small>(Enter in YYYYQ format.)</small>	20144 <input type="text"/>
Is the Company-Specific Premium Trend Data on a written or earned basis?	Written <input type="text"/>
Does the Company-Specific Loss Trend Data include or exclude DCCE?	Includes DCCE <input type="text"/>
Does the Complement Loss Trend Data include or exclude DCCE?	Excludes DCCE <input type="text"/>
Does the Company-Specific Loss Development Data include or exclude DCCE?	Includes DCCE <input type="text"/>
Is the Company-Specific DCCE Development Data on a paid or incurred basis?	Paid <input type="text"/>
Is the current NAIC categorical split of LAE (DCCE/A&OE) used in this application? <small>(If no, provide explanation in Filing Memorandum. Include a time line as to when compliance with CCR §2644.8 will be achieved.)</small>	Yes <input type="text"/>
Select Exhibits to Print	All Exhibits <input type="text"/> Print Selected Exhibit(s) <input type="button"/>

Identify whether the data included in the Application reflects the current NAIC categorical split of LAE, or DCCE/AOE, from the pull-down menu near the bottom of the exhibit (see excerpt above). If not, provide an explanation in the Filing Memorandum, including a time line as to when compliance with CCR §2644.8 will be achieved.

Standard Exhibits Template Page 2 – Exhibit 5 – Premium Trend

For each coverage, form or program, the Standard Exhibit Template requires that the insurer provide the exposure and premium data separately for each of the underlying **27** quarterly data points that, when compiled to rolling 4-quarter data, serve as the basis for the calculated annual premium trend. Specifically, provide the quarterly company-specific California exposures, premium and on-level premium, whether written or earned, for **27** quarters and the trend period for the most recent year in the experience period. The trend period must extend from the average earned date (or written date, if written data is used) of the recorded year to the average earned (or written) date of the rating period.

The template calculates the rolling 4-quarter data and annual trends for each of the 8, 12, 16, 20 and 24 data periods. Select the data period for the annual trend from the pull-down menu. The template then calculates the trend factors for six years, based on the trend period and annual trend selected by the insurer (see excerpt below). The annual trend selected, and the resulting factors,

are the inputs into the Ratemaking Data page for premium trend for the corresponding coverage, form or program in the Rate Template.

ABC Company Private Passenger Auto Liability Premium Trend California Company-Specific Premium Trend Data Bodily Injury								
Calendar YYYYQ	Quarterly Data				Rolling 4-Quarter Data			
	Written Exposures	Written Premium	On-Level Written Premium	On-Level Written Premium per Exposure	Written Exposures	Written Premium	On-Level Written Premium	On-Level Written Premium per Exposure
20082	28,051	12,054,232	12,295,317	438				
20083	27,887	11,675,518	11,909,028	427				
20084	30,384	12,321,093	12,567,515	414				
20091	29,364	12,175,651	12,419,164	423	115,685	48,226,495	49,191,025	425
20092	33,328	13,846,344	14,123,271	424	120,963	50,018,607	51,018,979	422
20093	30,248	12,497,803	12,747,759	421	123,323	50,840,892	51,857,710	421
20094	31,562	12,891,706	13,149,540	417	124,502	51,411,505	52,439,735	421
20101	28,255	11,689,241	11,923,026	422	123,393	50,925,094	51,943,596	421
20102	30,788	12,626,412	12,878,940	418	120,853	49,705,162	50,699,265	420
20103	27,801	11,243,907	11,468,785	413	118,406	48,451,266	49,420,291	417
20104	30,301	12,215,789	12,337,947	407	117,145	47,775,348	48,608,697	415
20111	27,459	11,163,249	11,274,882	411	116,349	47,249,357	47,960,553	412
20112	31,678	12,698,145	12,825,126	405	117,239	47,321,090	47,906,739	409
20113	27,798	10,986,603	11,096,469	399	117,235	47,063,786	47,534,424	405
20114	30,915	12,163,663	12,285,300	397	117,849	47,011,660	47,481,777	403
20121	27,277	10,696,033	10,802,993	396	117,668	46,544,444	47,009,888	400
20122	32,022	12,498,888	12,623,877	394	118,012	46,345,187	46,808,639	397
20123	27,763	10,593,060	10,698,991	385	117,978	45,951,645	46,411,161	393
20124	30,918	11,675,943	11,792,702	381	117,981	45,463,925	45,918,564	389
20131	26,735	10,035,476	10,135,831	379	117,439	44,803,368	45,251,402	385
20132	32,191	12,189,502	12,189,502	379	117,607	44,493,981	44,817,026	381
20133	28,160	10,546,955	10,546,955	375	118,004	44,447,876	44,664,990	379
20134	34,691	12,831,910	12,831,910	370	121,777	45,603,843	45,704,198	375
20141	32,811	12,006,095	12,006,095	366	127,853	47,574,461	47,574,461	372
20142	40,516	14,655,541	14,655,541	362	136,178	50,040,501	50,040,501	367
20143	36,697	13,090,875	13,090,875	357	144,715	52,584,421	52,584,421	363
20144	42,885	15,308,078	15,308,078	357	152,909	55,060,589	55,060,589	360

Selected: 20 pt Trend -3.3%

Trend Period (Years) for Most Recent Year in Experience Period: 2.000

Trend Factors:

Most Recent Year

2nd Prior Year

3rd Prior Year

4th Prior Year

5th Prior Year

6th Prior Year

0.935

0.904

0.874

0.845

0.817

0.790

Rolling 4-Qtr

Annual Trend

8 pt

12 pt

16 pt

20 pt

24 pt

-3.8%

-3.7%

-3.5%

-3.3%

-2.9%

The number of data points in the trend selection for a particular coverage, form or program must be the same for the premium trend and the loss trend. Similarly, the trend period must be the same for premium trend and loss trend. Failure to enter these consistent inputs for premium trend and loss trend will result in error messages being displayed:

Trend		
Selected:	16 pt	-3.5%
ERROR! The number of data points selected must be the same for premium trend and loss trend.		
Trend Period (Years) for Most Recent Year in Experience Period:	2.250	
ERROR! The trend period must be identical for premium and loss trends.		
(Justify in Filing Memorandum)		
Trend Factors:		
Most Recent Year	0.922	
2 nd Prior Year	0.889	
3 rd Prior Year	0.858	
4 th Prior Year	0.828	
5 th Prior Year	0.798	
6 th Prior Year	0.770	

Rolling 4-Qtr	Annual Trend
8 pt	-3.8%
12 pt	-3.7%
16 pt	-3.5%
20 pt	-3.3%
24 pt	-2.9%

Justification of the trend period must be provided in the Filing Memorandum. The type of exposure unit used to derive the average premium (e.g., earned house years, number of policies, earned premium, earned car years, square footage, etc.) must also be provided in the Filing Memorandum. The exposure and premium bases must match: if *earned* exposures are used, *earned* premium must also be used.

Standard Exhibits Template Page 3 – Exhibit 7 – Loss & DCCE Development

For each coverage, form or program, the Standard Exhibit Template requires that the insurer provide complete claim count development and loss (& DCCE) development triangles of company-specific California data that serve as the basis of the dollar-weighted average of the link ratios of losses for the three most recent accident years, policy years or report years available for a reporting interval. Specifically, provide all non-catastrophe loss and DCCE amount **and claim count data** required by CCR §2644.6 in triangular format. Development triangles must be complete; i.e., they must be presented through the evaluation date and must include the entire interior of the triangle for all time periods provided.

The insurer may submit triangles on either annual years/annual development or quarterly years/quarterly development, as indicated by the Data Aggregation Method on Page 1 (General). If annual triangles are evaluated at 15 months of development, the insurer must additionally submit the data as of three months of development, for reconciliation purposes (see excerpt).

ABC Company Private Passenger Auto Liability											
Non-Catastrophe Paid Loss & DCCE Development - Annual Triangles											
Bodily Injury											
Fiscal Accident Year Ending	Months of Development										
	3	15	27	39	51	63	75	87	99	111	123
20054											
20064											
20074											
20084											
20094											
20104											
20114											
20124											
20134											
20144											

Submit data triangles for paid loss, incurred loss, reported claim counts and paid claim counts³. The Standard Exhibits template calculates the resulting link ratios, three-year dollar weighted averages and ultimate losses (and claim counts) for each coverage, form or program.

Fiscal Accident Year Ending	Age to Age Factors									
	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-Ult
20054										
20064										
20074										
20084										
20094										
20104										
20114										
20124										
20134										
										Tail
3 Yr Wtd Avg	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Age-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Ultimate \$	0	0	0	0	0	0	0	0	0	0

DCCE may be evaluated in the same manner as losses, may be added to losses for loss development, or may be developed using ratios of DCCE to losses. A triangle of ratios of DCCE to loss is automatically populated from the triangles of DCCE to either paid or incurred loss (depending on the DCCE basis indicated in Page 1 (General) of this template). If the DCCE to loss ratio approach is selected, the Standard Exhibits Template defaults to three-year arithmetic average link ratios.

³ Reported claim counts include counts for all claims submitted to the insurer, including counts for claims closed without payment. Paid claim counts include counts for both closed and open claims with payment.

ABC Company Private Passenger Auto Liability Non-Catastrophe Paid DCCE to Paid Loss Ratio Development - Annual Triangles <i>Bodily Injury</i>											
Fiscal Accident Year Ending	Months of Development										
	3	15	27	39	51	63	75	87	99	111	123
20054											
20064											
20074											
20084											
20094											
20104											
20114											
20124											
20134											
20144											
Fiscal Accident Year Ending	Age to Age Factors										
	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-Ult	Tail
20054											
20064											
20074											
20084											
20094											
20104											
20114											
20124											
20134											
3 Yr Avg	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Age-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Ultimate DCCE Ratio											
Selected Ult Loss	0	0	0	0	0	0	0	0	0	0	0
Ultimate DCCE	0	0	0	0	0	0	0	0	0	0	0
DCCE Age-Ult	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

However, the insurer has the flexibility to select the link ratios for this method (see above). The insurer must demonstrate that its selected methodology is the most actuarially sound.

At the top of the Exhibit 7 for each coverage, form or program, a summary displays the ultimate losses and DCCE under each method. Select the method desired (paid or incurred for loss, dollars or ratios for DCCE). If DCCE is included with losses, select NA (see excerpt below). In that case, separate ultimate DCCE does not display.

ABC Company
Private Passenger Auto Liability
Loss & DCCE Development
Bodily Injury

Selected Ultimate Loss & DCCE: Incurred
 Selected Ultimate DCCE (if applicable): NA

Ultimate \$	20054	20064	20074	20084	Fiscal Accident Year Ending					
					20094	20104	20114	20124	20134	20144
Paid Loss Method	10,606,215	11,454,712	14,891,125	17,417,727	21,197,318	20,277,735	20,622,569	21,716,572	23,186,051	30,698,676
Incurred Loss Method	10,606,215	11,454,712	14,891,125	17,417,727	21,197,518	20,105,908	20,727,062	21,051,375	21,034,129	26,307,679
Selected	10,606,215	11,454,712	14,891,125	17,417,727	21,197,518	20,105,908	20,727,062	21,051,375	21,034,129	26,307,679
Dollar DCCE Method										
Ratio DCCE Ratio Method										
Selected										

Selected LDFs	20054	20064	20074	20084	Fiscal Accident Year Ending					
					20094	20104	20114	20124	20134	20144
Loss	1.000	1.000	1.000	1.000	0.999	0.998	0.997	0.999	1.013	1.184
DCCE	1.000	1.000	1.000	1.000	0.999	0.998	0.997	0.999	1.013	1.184

The template displays the loss & DCCE development factors, based on the methodology selected by the insurer. These factors are the inputs into the Ratemaking Data page for loss development the corresponding coverage, form or program in the Rate Template.

If the Data Aggregation Method selected on Page 1 (General) is quarterly, the input into the quarterly exhibit is similar to that of the annual exhibit. The summary display is identical to that of the annual exhibit, with quarterly ultimate loss & DCCE summed to generate annual ultimate loss & DCCE and the corresponding loss development factors for input into the Ratemaking Data page in the Rate Template.

The Standard Exhibit Template only allows for ten years of development data. For filings where more than ten years of development is deemed to be required, insurers can provide this data in a supplemental exhibit.

Standard Exhibits Template Page 4 – Exhibit 8 – Loss & DCCE Trend

For each coverage, form or program, the Standard Exhibit Template requires that the insurer provide the earned exposure, claim count and loss data separately for each of the underlying 27 quarterly data points that, when compiled to rolling 4-quarter data, serve as the basis for the calculated annual frequency and annual severity trends. Specifically, provide the quarterly company-specific California earned exposures, reported claim counts, closed claim counts, paid losses, and total paid losses including partial payments in previous calendar years, for 27 quarters and the trend period for the most recent year in the experience period. The trend period must extend from the average date of loss of the recorded year to the average date of loss of the rating or effective period.

The template calculates the rolling 4-quarter data and annual trends for each of the 8, 12, 16, 20 and 24 data periods. Select the data period for the annual trend for frequency and severity from the pull-down menu. Select both the desired frequency and severity method from their respective

pull-down menus. (Refer to Prior Approval Rate Filing Instructions for explanation of the different frequency and severity methods required by regulation.)

ABC Company Private Passenger Auto Liability Non-Catastrophe Loss and DCCE Trend Bodily Injury														
California Company-Specific Loss and DCCE Trend Data														
Quarterly Data					Rolling 4-Quarter Data					Rolling 4-Quarter Data				
Calendar YYYYQ	Earned Exposures	Closed Claims	Reported Claims	Paid Losses & DCCE	Total Paid Losses & DCCE including Partial Payments on Prior Calendar Years, on Closed Claims	Earned Exposures	Closed Claims	Reported Claims	Paid Losses & DCCE	Total Paid Losses & DCCE including Partial Payments on Prior Calendar Years, on Closed Claims	Closed Frequency per 100 Exposures	Reported Frequency per 100 Exposures	Paid Loss & DCCE Severity	Total Paid Loss & DCCE Severity including Partial Payments on Prior Calendar Years, on Closed Claims
20082	41,225	274	590	1,950,892	1,965,947									
20083	47,753	313	661	2,359,390	2,489,577									
20084	51,707	330	741	2,686,189	2,535,120									
20091	53,338	445	769	3,236,723	3,243,200	194,023	1,362	2,762	10,233,195	10,233,844	0.70	1.42	7,513	7,514
20092	54,912	385	727	2,759,641	2,838,915	207,710	1,473	2,899	11,041,943	11,106,812	0.71	1.40	7,495	7,539
20093	56,711	360	709	2,470,733	2,498,931	216,668	1,521	2,947	11,153,286	11,116,166	0.70	1.36	7,334	7,310
20094	56,548	457	804	3,146,190	3,210,355	221,509	1,648	3,010	11,613,287	11,791,401	0.74	1.36	7,047	7,155
20101	54,981	569	827	4,368,519	4,368,665	223,153	1,771	3,067	12,745,083	12,916,865	0.79	1.37	7,195	7,292
20102	52,896	597	794	5,237,915	5,292,924	221,137	1,983	3,134	15,223,357	15,370,874	0.90	1.42	7,678	7,753
20103	52,938	587	759	4,811,670	4,991,390	217,365	2,210	3,183	17,564,294	17,863,333	1.02	1.46	7,948	8,083
20104	52,825	555	745	5,241,026	5,131,809	213,641	2,307	3,125	19,659,131	19,784,788	1.08	1.46	8,520	8,575
20111	52,568	599	735	5,327,213	5,417,595	211,227	2,337	3,033	20,617,825	20,833,718	1.11	1.44	8,821	8,913
20112	52,117	517	781	4,501,268	4,467,481	210,448	2,257	3,019	19,881,178	20,008,275	1.07	1.43	8,807	8,864
20113	53,300	625	848	5,870,175	5,888,291	210,810	2,295	3,109	20,939,682	20,905,177	1.09	1.47	9,125	9,110
20114	53,416	622	797	5,267,086	5,231,054	211,400	2,362	3,161	20,965,742	21,004,421	1.12	1.50	8,876	8,893
20121	52,988	573	859	5,082,949	5,092,327	211,821	2,336	3,285	20,721,478	20,679,154	1.10	1.55	8,870	8,852
20122	52,305	603	765	4,520,979	4,574,110	212,008	2,422	3,269	20,741,189	20,785,782	1.14	1.54	8,564	8,582
20123	53,520	627	784	4,680,312	4,669,334	212,228	2,424	3,205	19,551,325	19,566,826	1.14	1.51	8,066	8,072
20124	53,582	525	777	4,614,467	4,705,393	212,395	2,327	3,185	18,898,706	19,041,165	1.10	1.50	8,120	8,182
20131	52,584	575	800	5,117,769	5,176,283	211,991	2,329	3,125	18,933,526	19,125,121	1.10	1.47	8,128	8,211
20132	52,264	558	690	4,900,521	4,894,306	211,950	2,285	3,051	19,313,068	19,445,317	1.08	1.44	8,453	8,511
20133	53,468	563	641	5,241,618	5,318,746	211,899	2,221	2,907	19,874,375	20,094,729	1.05	1.37	8,950	9,049
20134	55,327	574	775	4,987,345	5,146,096	213,643	2,269	2,905	20,247,252	20,535,431	1.06	1.36	8,922	9,049
20141	59,123	521	786	4,719,221	4,932,911	220,183	2,216	2,891	19,848,705	20,292,060	1.01	1.31	8,957	9,157
20142	62,693	579	855	5,371,693	5,445,752	230,611	2,237	3,057	20,319,877	20,843,505	0.97	1.33	9,082	9,316
20143	67,488	622	999	6,054,624	6,229,719	244,631	2,297	3,415	21,132,883	21,754,478	0.94	1.40	9,202	9,472
20144	70,694	625	925	5,554,997	5,647,020	259,997	2,383	3,688	21,700,535	22,255,402	0.92	1.42	9,108	9,341

Selected:	20 pt	Trend	Credibility (Justify in Exh 10)	Complement Trend	Credibility- Weighted Loss Trend
Frequency:	Closed	0.3%			
Severity:	Total Paid w/Partials	3.1%			
Pure Premium:		3.5%	100.0%	N/A	3.5%

Trend Period (Years) for Most Recent	2.250
Year in Experience Period: (Justify in Filing Memorandum)	
Trend Factors:	
6 th Prior Year	1.280
5 th Prior Year	1.237
4 th Prior Year	1.196
3 rd Prior Year	1.156
2 nd Prior Year	1.117
Most Recent Year	1.080

Rolling 4-Quarter Annual Trends					
	Closed Frequency	Reported Frequency	Paid Severity	Total Paid (w/Partials) Severity	
8 pt	-10.1%	-2.6%	6.2%	7.6%	
12 pt	-7.4%	-5.1%	3.7%	4.9%	
16 pt	-4.4%	-2.6%	0.9%	1.6%	
20 pt	0.3%	-1.2%	2.8%	3.1%	
24 pt	5.5%	-0.2%	3.7%	4.0%	

The number of data points in the trend selection for a particular coverage, form or program must be the same for the premium trend and the loss trend. Similarly, the trend period must be the same for premium trend and loss trend. Failure to enter these consistent inputs for premium trend and loss trend will result in error messages being displayed.

The template calculates the company-specific pure premium based on the insurer's selected inputs. Enter the credibility of the company-specific loss trend data (justified in Exhibit 10 for lines of

business other than private passenger auto). Under the loss trend exhibit for the specific coverage, form or program in question, an input area exists for the loss trend complement data.

ABC Company Private Passenger Auto Liability Complement Loss and DCCE Trend <i>ISO Fast Track Bodily Injury</i>														
Complement Loss Trend Data Quarterly Data					Rolling 4-Quarter Data					Rolling 4-Quarter Data				
Calendar YYYYQ	Earned Exposures	Closed Claims	Reported Claims	Total Paid Losses including Partial Payments on Prior Calendar Years, on Closed Claims	Earned Exposures	Closed Claims	Reported Claims	Total Paid Losses including Partial Payments on Prior Calendar Years, on Closed Claims	Closed Frequency per 100 Exposures	Reported Frequency per 100 Exposures	Paid Loss Severity	Total Paid Loss Severity including Partial Payments on Prior Calendar Years, on Closed Claims		
20082	2,960,920	27,849		312,020,638										
20083	2,986,613	26,932		301,270,712										
20084	3,002,273	26,503		303,057,619										
20091	3,430,258	30,183		333,579,306	12,380,064	111,467	0	1,249,928,275	0.90	0.00	11,213	0		
20092	3,458,222	30,793		344,751,950	12,877,366	114,411	0	1,282,659,587	0.89	0.00	11,211	0		
20093	3,474,719	30,258		336,216,496	13,365,472	117,737	0	1,317,605,371	0.88	0.00	11,191	0		
20094	3,478,616	30,449		346,403,770	13,841,815	121,683	0	1,360,951,522	0.88	0.00	11,184	0		
20101	3,469,796	30,394		347,934,878	13,881,353	121,894	0	1,375,307,094	0.88	0.00	11,283	0		
20102	3,496,470	31,307		373,700,981	13,919,601	122,408	0	1,404,256,125	0.88	0.00	11,472	0		
20103	3,514,842	31,925		387,477,367	13,959,724	124,075	0	1,455,516,996	0.89	0.00	11,731	0		
20104	3,524,898	33,708		411,818,257	14,006,006	127,334	0	1,520,931,483	0.91	0.00	11,944	0		
20111	3,557,272	34,277		402,047,564	14,093,482	131,217	0	1,575,044,169	0.93	0.00	12,003	0		
20112	3,678,633	33,983		398,732,525	14,275,465	133,893	0	1,600,075,713	0.94	0.00	11,950	0		
20113	3,740,210	34,390		400,420,065	14,501,013	136,358	0	1,613,018,411	0.94	0.00	11,829	0		
20114	3,740,886	34,913		405,812,140	14,717,001	137,563	0	1,607,012,294	0.93	0.00	11,682	0		
20121	3,745,633	35,794		394,420,516	14,905,362	139,080	0	1,599,385,246	0.93	0.00	11,500	0		
20122	3,768,087	36,075		426,467,680	14,994,816	141,172	0	1,627,120,401	0.94	0.00	11,526	0		
20123	3,797,319	35,645		426,888,211	15,051,925	142,427	0	1,653,588,547	0.95	0.00	11,610	0		
20124	3,824,113	37,678		454,031,399	15,135,152	145,192	0	1,701,807,806	0.96	0.00	11,721	0		
20131	3,823,549	36,205		436,553,713	15,213,068	145,603	0	1,743,941,003	0.96	0.00	11,977	0		
20132	3,846,435	38,146		471,847,416	15,291,416	147,674	0	1,789,320,739	0.97	0.00	12,117	0		
20133	3,863,649	36,764		469,705,060	15,357,746	148,793	0	1,832,137,588	0.97	0.00	12,313	0		
20134	3,874,511	36,311		454,592,803	15,408,144	147,426	0	1,832,698,992	0.96	0.00	12,431	0		
20141	3,876,839	34,888		440,044,107	15,461,434	146,109	0	1,836,189,386	0.94	0.00	12,567	0		
20142	3,915,364	35,679		457,450,857	15,530,363	143,642	0	1,821,792,827	0.92	0.00	12,683	0		
20143	3,937,196	35,482		458,327,185	15,603,910	142,360	0	1,810,414,952	0.91	0.00	12,717	0		
20144	3,859,958	36,556		474,756,969	15,589,357	142,605	0	1,830,579,118	0.91	0.00	12,837	0		

Selected:	20 pt	Complement Trend
Frequency:	Closed	1.1%
Severity:	Paid	2.1%
Pure Premium:		3.2%
Alternate Pure Premium : <input type="text"/> (Justify in Filing Memorandum)		

Rolling 4-Quarter Annual Trends				
	Closed Frequency	Reported Frequency	Paid Severity	Total Paid (w/Partial's) Severity
8 pt	-3.5%	#NUM!	4.0%	#NUM!
12 pt	-1.0%	#NUM!	4.6%	#NUM!
16 pt	-0.2%	#NUM!	2.5%	#NUM!
20 pt	1.1%	#NUM!	2.1%	#NUM!
24 pt	1.3%	#NUM!	2.2%	#NUM!

Identify the source of the loss trend data in the title of the exhibit, and enter the quarterly complement earned exposures, closed claims, reported claims, paid losses, and total paid losses on closed claims (including partial payments in prior calendar years) for 27 quarters. For California Fast Track data, only quarterly earned exposures, paid claim counts and paid losses need are required for 27 quarters. If the only complement data available is on a basis other than quarterly (i.e., rolling 4-quarter, a single loss trend percentage such as CPI, etc.), enter the annual pure premium in the box labeled “Alternate Pure Premium” at the bottom of the complement trend exhibit (see below).

Selected:	20 pt	Complement Trend
Frequency:	Closed	1.1%
Severity:	Paid	2.1%
Pure Premium:		3.2%
Alternate Pure Premium : <input type="text"/> (Justify in Filing Memorandum)		

Justify the selection of the Alternate Pure Premium Trend in the Filing Memorandum. If rolling 4-quarter data is available to support that selection, provide that data in Excel format with working formulas intact in supplemental exhibits.

If the complement trend is selected from the data entered (as opposed to the Alternate Pure Premium Trend), select both the desired frequency and severity method from their respective pull-down menus.

Selected:	20 pt	Trend	Credibility (Justify in Exh 10)	Complement Trend	Credibility- Weighted Loss Trend
Frequency:	Closed	0.3%			
Severity:	Total Paid w/Partials	3.1%			
Pure Premium:		3.5%	57.0%	3.2%	3.4%
Trend Period (Years) for Most Recent					
Year in Experience Period:		2.250			
(Justify in Filing Memorandum)					
Trend Factors:					
6 th Prior Year	1.271				
5 th Prior Year	1.229				
4 th Prior Year	1.190				
3 rd Prior Year	1.151				
2 nd Prior Year	1.113				
Most Recent Year	1.077				

Once the complement has been selected, the template calculates the credibility-weighted trend and resulting trend factors for six years, based on the insurer's selections. The annual credibility-weighted trend selected, and the resulting factors are the inputs into the Ratemaking Data page for loss & DCCE trend for the corresponding coverage, form or program in the Rate Template.

For Standard Exhibits Template Page 2 and Standard Exhibits Template Page 4, exposure data should 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.

After completion of all exhibits, use the print macro at the bottom of Page 1 (General) to print final exhibits, if desired.

Special Consideration

In the event a multi-coverage, multi-form or multi-program filing is submitted with trend and development data analyzed by peril (or some other breakdown) within coverage, form or program, submit a separate Standard Exhibits Template for each coverage, form or program, and use the placeholders for coverage (form or program) for the perils instead. For instance, for a homeowners filing that includes a separate Rate Template for HO-3, HO-4 and HO-6 based on trend and development data by peril, submit one Standard Exhibits Template each for HO-3, HO-4 and HO-6, with perils specified in the “Coverage, Form or Program” column on Page 1 (General) of the template (see below).

Detailed Line Description

(Enter name of each coverage/form/program included in this application. Otherwise, enter a blank. Do not skip coverages.)

Homeowners Multiple Peril
Homeowners Multiple Peril
Homeowners Multiple Peril
Homeowners Multiple Peril
Homeowners Multiple Peril
Homeowners Multiple Peril

Coverage, Form or Program

Fire
Water
Theft
Liability
Wind
Other

END OF TUTORIAL