

CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION
Rate Enforcement Bureau
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Attorney for The California Department of Insurance

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matter of the Rate Application of

The Bar Plan Mutual Insurance
Company,

Applicant.

File No. PA04041162

**NOTICE OF REQUEST FOR VARIANCE
AND OPPORTUNITY TO REQUEST
HEARING**

TO: ANY INTERESTED MEMBER OF THE PUBLIC, YOU ARE HEREBY NOTIFIED
THAT THE ABOVE NAMED APPLICANT HAS FILED AN INITIAL RATE APPLICATION
AND HAS REQUESTED A VARIANCE FROM THE APPLICABLE RATE REGULATIONS,
AND YOU ARE FURTHER NOTIFIED THAT ANY INTERESTED MEMBER OF THE
PUBLIC MAY REQUEST A HEARING ON THIS MATTER, AS DESCRIBED FURTHER
BELOW.

NOTICE

The Bar Plan Mutual Insurance Company (Applicant) has filed the following rate
application with the California Department of Insurance (the Department):

Rate Filing Bureau App. No.

04-1425

Line of Insurance

Commercial Surety

1 The rate application referenced directly above is subject to California Insurance Code
2 §1861.05 and was received by the Department on February 2, 2004. The Department provided
3 public notice, as required by California Insurance Code § 1861.06, on February 27, 2004.

4 The statutory 60 day "deemed approved" date set forth in California Insurance Code
5 §1861.05(c) was April 27, 2004. The statutory 180 day "deemed approved" date set forth in
6 California Insurance Code §1861.05(c) was July 31, 2004. Applicant waived both the 60 day and
7 the 180 day "deemed approved" dates indefinitely by correspondence dated April 13, 2004.

8 The Applicant has requested a variance under California Code of Regulations
9 §2646.4(c)(5) in order to charge rates higher than would be allowed under California law without
10 a variance. A variance under California Code of Regulations §2646.4(c)(5), grants an insurer
11 relief from the operation of the efficiency standard for a line of insurance in which the insurer has
12 never previously written over \$1 million in earned premiums annually and in which the insurer
13 has made or is making a substantial investment in order to enter the market.

14 The Department has reviewed the Applicant's rate application, including the variance
15 request, and has determined that approval would result in rates approximately 33% higher than
16 would be authorized without the variance. The Department will hold a hearing on this rate
17 application if a member of the public submits a written request for hearing as described below. If
18 a member of the public requests a hearing, the requesting party should be prepared to present
19 evidence at the hearing showing why the rate application should not be granted.

20 A written request for hearing shall contain the case caption and file number, and shall
21 separately identify and specify the following: the persons on whose behalf the hearing is
22 requested; the relationship, if any, of the requesting party to Applicant; any interest of the
23 requesting party in the matter; any interest or right of the requesting party that may be affected if
24 the application is approved; a summary of evidence proposed to be offered if a hearing is held;
25 and the grounds for challenging the variance.

26 If no hearing is requested before 5:00 p.m. on December 20, 2004, the rate application,
27 and request for variance will be submitted to the Commissioner for his decision, without further
28 opportunity for public input.

1 Further communications with the Department regarding the above-referenced rate
2 application, including any request for hearing, shall be directed to the Department of Insurance,
3 Rate Enforcement Bureau, 45 Fremont St., 21st floor, San Francisco, California, 94105, and not
4 to the Rate Filing Bureau.

5 Dated: November 19, 2004

CALIFORNIA DEPARTMENT OF INSURANCE

7 By _____/s/_____
8 Daniel M. Goodell
9 Sr. Staff Counsel
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