

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

***Revisions are listed in reverse chronological order.***

**05/08/2017**

***Prior Approval Rate Template***

Efficiency Standards updated to reflect current values.  
Editorial changes.

**03/01/2017**

***Prior Approval Rate Template***

Removed Media Categories so that entries need to only be made for total Institutional Advertising and total Non-Institutional Advertising for each year. (4.1 Excluded Exp).

**03/01/2017**

***Prior Approval Rate Filing Instruction***

Revisions to reflect changes in template.  
Error corrections and editorial changes.

**03/01/2017**

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

Revisions to reflect changes in template.  
Editorial changes.

**12/13/2016**

***Prior Approval Rate Template***

Reserve Ratios and Leverage Factors have been updated to reflect current values

To see more details: <https://www.insurance.ca.gov/0250-insurers/0800-rate-filings/0200-prior-approval-factors/prior-approval-factors.cfm>

10-24-2016 Edition of Prior Approval Rate Template will not be accepted after **60 days**

**10/24/2016**

***Prior Approval Rate Application***

Error corrections and editorial changes

***Prior Approval Rate Template***

Changed Minimum/Maximum Permitted Premium to match “7. Rate Change Calculation” worksheets (2.Summary)

Added checkboxes for the Company to verify that each of its excluded expenses is on a Countrywide, Group basis (4.1/4.2 Excluded Exp)

Added “Direct Mail” in the Media Category (4.1 Excluded Exp)

Loss & DCCE are removed from the worksheet; instead Yield, FIT, and Risk Free Rate of Return are added (5.CDI Parameters)

Changed note to read "Lines 16-18 link directly to pages 3 and 4 of the application" to "Lines 16-18 link directly to pages 3 and 4 of the rate template" (7. Rate Change Calculation)

Error corrections and editorial changes

### ***Standard Exhibits Template***

Added checkboxes for the Company to whether Exhibits 7/8 include CWPs (1.General)

Error corrections and editorial changes

### **04/29/2016**

#### ***Prior Approval Rate Application***

Changed the name of "6.HO Form Detail" tab to "6.Program Detail". The tab no longer applies to the Homeowners Line Only but all lines.

Added space for more variance requests

Added Fire & Allied Lines so that Fire & Allied can be filed together in one template

Error corrections and editorial changes

#### ***Prior Approval Rate Template***

Added Fire & Allied Lines so that Fire & Allied can be filed together in one template

Error corrections and editorial changes

#### ***Standard Exhibits Template***

Added Fire & Allied Lines so that Fire & Allied can be filed together in one template

Error corrections and editorial changes

#### ***Prior Approval Rate Filing Instruction***

Revisions to reflect changes in application and template

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

Revisions to reflect changes in application and template

### **01/12/2016**

#### ***Prior Approval Rate Template***

Efficiency Standard and Incurred Loss & DCCE have been updated to reflect current values.

### **12/11/2015**

#### ***Prior Approval Rate Filing Instruction***

The primary changes were:

- Added a reference chart regarding submission requirements for data in the recorded period
- Added additional chart with examples of acceptable time periods for data in the recorded period, trend exhibits and loss development exhibits
- Added the requirement that all rate filings, regardless of line of business, must be accompanied by a complete copy of underwriting guidelines (previously only a requirement for PPA and Homeowners).

Other editorial changes were also made.

**12/1/2015**

***Prior Approval Rate Template***

Reserves Ratios and Leverage Factors have been updated to reflect current values.

**09/01/2015**

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

***Prior Approval Rate Application***

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

***Prior Approval Rate Template***

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

***Standard Exhibits Template***

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