

OHIO INSURANCE DEPARTMENT REVIEW REQUIREMENTS CHECKLIST

LINES OF BUSINESS:
Other Liability

LINE OF INSURANCE:

Claims Made
Occurrence
Umbrella and Excess (Commercial)
Umbrella and Excess (Personal)

CODES:
17.0000
17.1000
17.2000
17.0020
17.0021

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
GENERAL REQUIREMENTS (FOR ALL FILINGS)			
FILING SUBMISSION	ORC 3937.03 (A)	FILING STANDARDS - FILE & USE -Requires that every form of a policy, endorsement, rider, manual of classification, rules and rates to be filed. This includes applications, declarations pages, UM/UIM rejection/lower limit selection forms, and cancellation/nonrenewal notices.	
	Bulletin 91-1	LOSS COST FILING PROCEDURES - Rating bureaus develop and file, for review or approval, advisory prospective loss costs and supporting actuarial and statistical data. Each insurer must individually determine and file the rates it will use as a result of its own independent company decision-making process. Ohio's bulletin is based on the NAIC loss cost model and uses the NAIC loss cost forms.	
	Bulletin 2000-2	MULTIPLE LINE PACKAGES & programs - Multiple line packages and programs will be considered under the "file and use" provision of ORC 3937, unless otherwise designated by the insurer making the filing. Package Policy or Program filings that contain both a property and liability component (HO or CMP) are no longer subject to a 30 day waiting period. The Package Policy or Program can be used when the filing is received by the Department.	
	ORC 3937.03 (A)	PUBLIC RECORD - FILE & USE - A filing becomes a public record upon receipt by the Department or, if later, the requested effective date of the insurer.	
	ORC 3937.12	STATISTICAL REPORTING - For new program filings, the insurer must designate a statistical agent to whom they will report their loss experience. Ohio's designated statistical agents are: American Association of Information Services (AAIS), Independent Statistical Services, Inc. (ISS), Insurance Services Office (ISO) , MSO, Inc. and National Independent Statistical Services (NISS).	
	OAC 3901-1-57 Bulletin 2010-8	MANDATORY USE OF SERFF EFT FOR PRODUCT FILING SUBMISSIONS – Fees for rate, rule and form filings must be submitted via the SERFF EFT functionality when the filing is submitted to the Department.	
	Bulletin 2009-11	MANDATORY USE OF SERFF FOR PRODUCT FILING SUBMISSIONS – All entities required to submit rate, rule and form filings through System for Electronic Rate and Form Filings (SERFF).	
FORMS			
ACCESS TO COURTS	ORC 3927.03	Any insurer conducting business in Ohio must consent to have suit brought against it in an Ohio court.	

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APPLICATIONS	ORC 3999.21	FRAUD WARNING REQUIRED - An application or an addendum to an application shall clearly contain a fraud warning substantially as follows: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud. This is suggested language. Any language that is substantially similar is acceptable if it does not contain specific fines or penalties.	
	Bulletin 92-3		
CANCELLATION/NONRENEWAL – PERSONAL	OAC 3901-1-18 (C)	CANCELLATION REASONS & DAYS NOTICE - Allows policy to be cancelled with at least 10 days notice for the following reasons: (1) nonpayment of premium, (2) material misrepresentation, and (3) evidence of arson exists. All other cancellation reasons require a 30 day notice.	
	ORC 3929.19	INSURED'S RIGHT TO CANCEL - Requires every policy to have language allowing the policy to be cancelled upon the written request of the insured.	
	OAC 3901-1-18 (C)	NONRENEWAL REASONS & DAYS NOTICE - Policies being nonrenewed by the insurer require a 30 day notice.	
	ORC 3929.20	PREMIUM REFUND - For policies cancelled by the insured, the insurer may retain customary short rates for the time the policy has been in force and return to the insured the policy's unearned premium.	
	ORC 3929.22		
CANCELLATION/NONRENEWAL - COMMERCIAL	ORC 3937.25	CANCELLATION REASONS & DAYS NOTICE - Policies that have been in effect for more than 90 days may be cancelled only for the following reasons: (1) non-payment of premium; (2) discovery of fraud or misrepresentation; (3) discovery of a moral hazard that increases any hazard insured against; (4) occurrence of a change in the individual risk which substantially increases hazard insured against except if the insurer should have foreseen the change; (5) loss of reinsurance; (6) failure of insured to correct violations of safety code or reasonable loss control recommendations; (7) or a determination by the director that continuation of the policy would be hazardous to policyholders or the public. A 10 days notice is required for nonpayment. All other permissible cancellation reasons require a 30 day notice.	
	ORC 3937.25 (B)	CANCELLATION NOTICE CONTENT - The notice must contain the policy number, date of the notice, effective date of cancellation and an explanation of the reason for cancellation.	
	ORC 3929.19	INSURED'S RIGHT TO CANCEL - Requires every policy to have language allowing the policy to be cancelled upon the written request of the insured.	
	ORC 3937.26	NONRENEWAL REASONS & DAYS NOTICE - Policies being nonrenewed by the insurer require a 30 day notice. When the notice of nonrenewal is mailed less than 30 days before the policy expiration date, the policy remains in effect for 30 days after the notice mailing date, unless the insured notifies the insurer in writing that he accepts the nonrenewal as stated.	
	ORC 3937.26 (A)	NONRENEWAL NOTICE CONTENT - The notice must contain the policy number, date of the notice and expiration date of the policy.	
	ORC 3929.20	PREMIUM REFUND - For policies cancelled by the insured, the insurer may retain customary short rates for the time the policy has been in force and return to the insured the policy's unearned premium.	
	ORC 3929.22		
GROUP POLICIES	OAC 3901-1-31	Limited only to those types of insurance that permit the employer's contribution to be tax deductible and the premium excluded from the gross income of the employee.	
LIMITS	ORC 3937.44	BODILY INJURY TO ONE PERSON TREATED AS SINGLE CLAIM - A liability policy may include a provision that all claims arising out of one person's bodily injury, including death, is a single claim and is subject to the policy limit.	
PUNITIVE DAMAGES	ORC 3937.182	Coverage for punitive and exemplary damages is prohibited. Ohio will accept forms with coverage for punitive and exemplary damages in policies for multi-state risks as long as the language is clear that coverage does not apply to Ohio.	

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UNINSURED/UNDERINSURED MOTORISTS	ORC 3937.18	Any policy issued for a motor vehicle insuring against loss from bodily injury liability may, but is not required to, include uninsured motorist coverage, underinsured motorists coverage, or both uninsured and underinsured motorist coverage. The policy may include terms and conditions requiring that each claim for UM coverage, UIM coverage, or both UM & UIM coverage be brought within 3 years of the date of the accident causing the bodily injury or within 1 year after the liability insurer of the uninsured or underinsured motorist becomes insolvent, whichever is later.	
RATES & RATING PLANS			
CATASTROPHE HAZARD	ORC 3937.02 (A) (5)	Actuarial Standards Board Standard of Practice No.39 Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking - Due consideration should be given to the identification of catastrophe perils or events, the identification of catastrophe losses, the data used in determining a provision for catastrophe losses, the use of non-insurance data and models, the provision for catastrophe losses and loss adjustment expense.	
CREDIBILITY	ORC 3937.02 (A) (1) & (A) (3)	Actuarial Standards Board Standard of Practice No. 25 Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage - Credibility procedures should produce results that are reasonable, do not tend to materially bias results, are practical to implement, and give consideration to the need to balance responsiveness and stability.	
CREDIT REPORT SCORING	3901-1-55	Insurers must file all risk classification criteria and rating rules that use credit history or credit scores. The filing must establish that credit history and credit scores used in underwriting or rating determinations are valid risk characteristics and are used in accordance with actuarial principles and standards of practice. If a consumer has no available credit history or has insufficient credit history to create a credit score, the consumer must be underwritten and rated in accordance with actuarial standards. If a credit scoring model is modified or if its use in determining rates or rating plans changes, the insurer must re-file classification criteria and rating manuals, and must re-establish that the credit scores are valid risk characteristics used in accordance with actuarial standards. Insurers may not use credit history or credit scores for arbitrary, capricious or unfairly discriminatory purposes. The credit score or credit history may not be based on race, color, religion, national origin, sex, marital status, handicap, or age.	
DISCRIMINATION	ORC 3901.21 (M)	Prohibits unfair discrimination between individuals of the same class and essentially the same hazard in the amount of premium, policy fees or rates charged for any policy or contract of insurance.	
EXPENSES	ORC 3937.02 (A) (7), (A) (8) & (B)	Actuarial Standards Board Standard of Practice No. 29 Expense Provisions in Property/Casualty Insurance Ratemaking - Due consideration should be given to categorization of expenses, methods to determine expense provisions, start-up costs, expense trending, policyholder dividends, residual market and statutory assessment, and reinsurance.	
INDIVIDUAL RISK RATING	Bulletin 2000-3	Special Filings and Excess Rate Consent Filings are no longer required to be submitted on a quarterly basis. The policy and all supporting documentation used to write the risk shall be maintained by the insurer for inspection by the superintendent, upon request, for a period of not less than 3 years.	
RATEMAKING GENERALLY	ORC 3937.02 (A) (1) & (A) (3)	DATA QUALITY - Actuarial Standards Board Standard of Practice No. 23 Data Quality - Data should be selected with due consideration to such matters as appropriateness, reasonability, comprehensiveness, internal and external consistency, limitations of the data, assumptions needed to use the data, cost and feasibility of alternatives, sampling methods, the use of imperfect data, and the extent of reliance on data supplied by others.	

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RATEMAKING GENERALLY cont'd	ORC 3937.02 (C)	DOCUMENTATION & DISCLOSURE - Actuarial Standards Board Standard of Practice No. 41 Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations - Documentation should be sufficient for another actuary practicing in the same field to evaluate the work.	
	ORC 3937.02 (A), (B), (C) & (D)	GENERAL REQUIREMENTS - Actuarially sound rates meet the general requirements. Rates should result from an analysis of the company's own data, with consideration given to marketing and underwriting strategies, company operations, systems and policy writing constraints, targeted rates of return, and all other pertinent information.	
	ORC 3937.03 (A)	SUPPORT - The information submitted should be sufficient to explain, support, and demonstrate the derivation of new rates or changes to existing rates and the impact to the company's book of business in the state. The supporting information should be consistent with the principles and standards set out below.	
	ORC 3937.03 (A)	STATUTORY REQUIREMENTS - Casualty Actuarial Society Statement of Principles Regarding Property/Casualty Insurance Ratemaking - A rate is reasonable and not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer. Due consideration should be given to such items as: exposure units, data, homogeneity, credibility, loss development, trends, catastrophes, policy provisions, mix of business, reinsurance, operational changes, external influences, classification plans, individual risk rating, risk, investment and other income, and actuarial judgment.	
	ORC 3937.02 (A) (9)	CASH FLOW TESTING - Actuarial Standards Board Standard of Practice No. 7 Performing Cash Flow Testing for Insurers - Due consideration should be given to allocation of assets, the number and range of scenarios, asset characteristics, investment strategy, obligation characteristics, management policy, sensitivity testing, internal consistency, and external requirements.	
	ORC 3937.02 (A) (9)	USING MODELS - Actuarial Standards Board Standard of Practice No. 38 Using Models Outside the Actuary's Area of Expertise (Property/Casualty) - Due consideration should be given to appropriate reliance on experts, model components, user input, model output, appropriateness of the model for the intended application, and validation of input and output.	
RISK CLASSIFICATION	ORC 3937.02 (C)	Actuarial Standards Board Standard of Practice No. 12 Concerning Risk Classification - Due consideration should be given to the methods used to demonstrate cost differences, causality, objectivity, practicality and cost effectiveness, anti-selection, statutes, regulations, adjudication, industry practices, operating environment, data, and the applicability of the risk classes.	
SCHEDULE RATING	OAC 3901-1-22	APPLIES TO COMMERCIAL UMBRELLA & EXCESS ONLY - The maximum credit or debit is +/-25%.	
TRENDING	ORC 3937.02 (A) (1), (A) (2) & (A) (3)	Actuarial Standards Board Standard of Practice No. 13 Trending Procedures in Property/Casualty Insurance Ratemaking - Trending procedures should appropriately reflect projected changes in such components as claim costs, claim frequencies, expenses, exposures, and premiums. Due consideration should be given to model selection, the purpose of the trending procedure, historical insurance data, non-insurance data, economic and social influences, and informed judgment.	
UNDERWRITING PROFIT & CONTINGENCIES	ORC 3937.02 (A) (6)	Actuarial Standards Board Standard of Practice No.30 Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking - Due consideration should be given to estimation methods, the basis for the cost of capital, estimates of future costs, the parameters of the risk transfer, investment income, income taxes, contingency provision, and consistency of accounting rules.	