

**INSURANCE DIVISION[191]**

**Notice of Intended Action**

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)"b."**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code section 505.8 and chapter 515A, the Insurance Division hereby gives Notice of Intended Action to adopt new Chapter 60, "Workers' Compensation Insurance Rate Filing Procedures," Iowa Administrative Code.

The purpose of this chapter is to provide clarification and guidance to insurers regarding the deviations in workers' compensation filings as permitted under Iowa Code section 515A.7. The Division intends that the chapter will become effective January 1, 2009, and that insurers operating in Iowa will comply with these rules beginning on that date.

Any interested person may make written suggestions or comments on this proposed new chapter on or before July 30, 2008. Such written materials should be directed to Ann Outka, Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa 50319; fax (515)281-3059.

Also, there will be a public hearing on July 30, 2008, at 10 a.m. at the offices of the Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa, at which time persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the rules.

Any persons who intend to attend the public hearing and who have special requirements, such as those relating to hearing or mobility impairments, should contact the Division and advise of specific needs.

These rules are intended to implement Iowa Code section 515A.7.

The following amendment is proposed.

Adopt the following new 191—Chapter 60:

CHAPTER 60

WORKERS' COMPENSATION INSURANCE RATE FILING PROCEDURES

**191—60.1(515A) Purpose.**

**60.1(1)** The purpose of this chapter is to set forth filing procedures and parameters for rates as required by Iowa Code chapter 515A.

**60.1(2)** Nothing herein shall be construed to create or imply a private cause of action for a violation of this chapter.

**191—60.2(515A) Definitions, scope, authority.**

**60.2(1)** The definitions of Iowa Code section 515A.2 are incorporated into this chapter by this reference. In addition, the following definitions shall apply:

"*Division*" means the Iowa insurance division.

"*SERFF*" means the National Association of Insurance Commissioners' System for Electronic Rate and Form Filing.

**60.2(2)** This chapter shall apply only to workers' compensation liability insurance.

**60.2(3)** This chapter is issued under the authority of Iowa Code section 505.8 and chapter 515A.

**191—60.3(515A) General filing requirements.**

**60.3(1)** Insurers required to file rates with the division shall submit required rate filings and any fees required for the filings electronically using SERFF. Insurers must comply with the division's requirements, including both the Iowa general instructions and the specific submission requirements for

the type of insurance for which the companies are submitting forms or rates, as set out on the SERFF Web site at [www.serff.org](http://www.serff.org).

**60.3(2)** No rate filing shall include any adjustment designed to recover underwriting or operating losses incurred out of state. Upon request by the division, insurers doing business in Iowa shall segregate in their rate filings data from any state identified by the division, and the filings shall include a certification that no portion of any rate increase is designed to recover underwriting or operating losses incurred in another state.

**191—60.4(515A) Rate or manual rule filing.**

**60.4(1)** Every insurer shall file with the division, pursuant to provisions of Iowa Code chapter 515A, every manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use.

*a.* An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings on its behalf.

*b.* Every insurer shall adhere to the filings made on its behalf by a rating organization except that any such insurer may file a deviation from the class rates, schedules, rating plans, or rules, or a combination thereof for approval by the division.

*c.* Deviations may be filed at any time during the year and, once approved, need only be refiled to propose changes to the approved deviations filing.

**60.4(2)** An insurer may file for approval by the division a uniform percentage rate deviation to be applied to the class rates of the rating organization's filing.

*a.* A rate deviation from the approved class rates of a rating organization shall not exceed 15 percent nor shall it cause the rate charged a policyholder to exceed the approved assigned risk rates.

*b.* In the event that an insurer has an existing approved filing for which the deviation results in rates above those approved for the assigned risk, the insurer must use the same deviation as approved for the assigned risk effective the same date as the approval of the assigned risk rates. A filing must be made confirming use of the new deviation on that date.

*c.* A filing must specify whether or not the proposed deviation is to be applied to minimum premiums.

**60.4(3)** Schedule rating may be used by any company, regardless of whether that company has an approved deviation. The maximum modification allowed for schedule rating is 15 percent for individual policies.

**191—60.5(515A) Violation and penalties.** Any insurer found after hearing to have violated a provision of this chapter shall be deemed to have committed an unfair trade practice under Iowa Code chapter 507B and shall be subject to the penalties set forth in Iowa Code chapter 507B.

**191—60.6(515A) Severability.** If any provision of this chapter or the application thereof to any person or circumstance is held invalid for any reason, the invalidity shall not affect the other provisions or any other application of these rules which can be given effect without the invalid provisions or application. To this end, all provisions of these rules are declared to be severable.

**191—60.7(515A) Effective date.** This chapter shall become effective January 1, 2009, and shall apply to acts or practices committed on or after that date.

These rules are intended to implement Iowa Code section 515A.7.