

SECTION .1600 - PROSPECTIVE LOSS COSTS FILINGS

11 NCAC 10 .1601 PURPOSE; SCOPE; APPLICABILITY

(a) This Section specifies the system under which rating organizations and their participating insurers that elect to adopt a prospective loss cost system will operate. Under this system, rating organizations shall not develop or file advisory final rates, but shall develop and file advisory prospective loss costs and supporting actuarial and statistical data. Each insurer must independently and individually determine and file the rates it will use. Rating organizations will continue to develop and file rules, relativities, and supplementary rating information on behalf of their participating insurers.

(b) 11 NCAC 10 .1603 applies when a rating organization files advisory prospective loss costs. 11 NCAC 10 .1604 applies when a rating organization files supplementary rating information. 11 NCAC 10 .1603 and 11 NCAC 10 .1604 both apply when a rating organization files both advisory prospective loss costs and supplementary rating information. Each of these submittals shall be treated separately because different procedures will apply.

(c) Nothing in this Section requires rating organizations to cease filing advisory rates or prevents their participating insurers from adopting such rates. Rating organizations that desire to file rates shall complete a rate filing questionnaire according to 11 NCAC 10 .1107.

(d) This Section does not apply to nonfleet private passenger motor vehicle, homeowners, or dwelling fire insurance.

*History Note: Authority G.S. 58-2-40; 58-36-15; 58-37-35; 58-40-30; 58-41-50; 58-45-45; 58-46-55;
Eff. February 1, 1991;
Amended Eff. July 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, 2017.*