

Multiple Rating Programs

Many property and casualty companies use multiple rating programs. A company uses multiple rating programs when they file more than one set of rates, typically each in a separate rate submission, for the same line of business.

The department is considering rules that would clarify when it is acceptable to use multiple rating programs so that when all rates used by an insurer are considered, only one rate applies to individuals of the same class and essentially the same hazard. While some uses of multiple rating plans are clearly acceptable, such as different rating plans for distinctly different policies, like the HO-A versus the HO-B or HO-C, other situations may not be as clear.

TDI staff requests input on other situations that may present acceptable uses of multiple rating programs, including the reasons why these uses may be acceptable. TDI staff also requests input regarding definitions for the terms class, hazard, product, and any other relevant terms, as well as comments on guidelines for transitions from one rating program to another.