

**MISSISSIPPI INSURANCE DEPARTMENT
GENERAL INSTRUCTIONS –PROPERTY/CASUALTY FORM/RATE FILINGS**

The Department has adopted the NAIC Uniform Property and Casualty Product Coding Matrix found on the NAIC website. The Coding Matrix may be changed and updated periodically by the SERFF Steering Committee to become effective in January of the year a change was made. Please use the Matrix that is in effect on date of filing. The numeric codes for Type of Insurance (TOI) and Sub Type of Insurance (Sub-TOI) can be found under the columns, SERFF Type of Insurance and SERFF Sub-Type of Insurance.

Companies should use the numeric codes best matching their filing. The same codes will be used whether making a SERFF or paper filing. The TOI and Sub-TOI codes are placed on Form PC TD-1, (9.) and (10.) for paper filings only.

The Universal P&C Transmittal Documents are only required on filings submitted on paper. The P&C Product Coding Matrix is available through the NAIC site.

Filing Memorandum

The Filing Memorandum should explain the purpose of the filing with all important background details and changes being made to the filing. The Description should answer the question: Why is your company submitting this filing?

Examples of some typical subjects included in the Filing Description are:

Reasons for entry into a new market

Reasons for offering additional coverage

Reasons for offering new discounts

Reasons for changing rates based on competitive nature of existing market

Changes in company goals and objectives

Explanation of group/company reorganization

Required Exhibits

1. MS Ratemaking Worksheet (Required for a Rate Filing)
2. Actuarial Memorandum (Required for Rate Filing. See Actuarial Support)
3. Exhibit A – not required for filings for new line of business. This is a summary of the overall changes and changes by territory, limits, protection classes, etc.
4. Exhibit B – not required for new lines of business. If a program is a new entry in Mississippi and countrywide experience is available, Exhibit B should be filed. This exhibit shows five years of Mississippi and Countrywide experience for the line of business to which the filing pertains. The data source is Page 15 of the Annual Statement.
5. Exhibit C – Required on all filings. This exhibit shows three years of underwriting expense and loss adjustment expense. The data source is the Insurance Expense Exhibit.
6. Derivation of Profit/Contingency provision. This exhibit should show the method for considering investment income in the filing and derives the profit/contingency provision. The proposed profit provision must be based on a reasonable target rate of return and technique. The targeted profit/contingency provision derived as a result of the company's selected technique for development must be shown on Line 17 of Exhibit C, Page 2.

7. Loss Cost Filing—Reference Filing Adoption Form, Summary of Supporting Information Form/Calculation of Co. LCM and MS Expense Constant Supplement

Actuarial Support

Support must be provided for proposed rates for new lines of business and any rate revisions. All proposed rate filings must demonstrate compliance with state statutes that rates shall not be “excessive, inadequate or unfairly discriminatory”.

Support may include:

- Historical experience in other states.
- Advisory loss costs loaded for expenses.
- For companies whose experience is not sufficient to produce reliable rate indications, a comparison of the proposed rates to those of competitors if such comparisons are used in selecting rates.
- If state, regional or countrywide data included in Exhibit B does not support the requested change, explain why the change is appropriate.

Support –New Lines of Business:

- It is not sufficient to state that the proposed rates are based on judgment.
- The items of support listed above can be used for new filings.
- Support could be the approved rate for similar coverage; include an explanation of how the current coverage differs from that proposed in the filing.
- Do not** say that the proposed rates are “based on” some approved rate. If the proposed rates are the same, state that they are the same. If they are the same with some differences, explain and support the major differences.
- Do not** state, without explanation, that the proposed rates are based on competitors’ rates and then present rates that are significantly different. Support must be included for significant differences from currently approved rates.
- Actuarial support may be based on individual company or group data. Actuarial support must include the data and methodologies utilized in the filing and address each of the following if they apply:
 1. Premiums at current rate level
 2. Loss and claim development factors
 3. Current level and prospective trend factors
 4. Rate relativities (classification, territory, amount of insurance, etc.)
 5. Increased limits factors
 6. Catastrophe factors
 7. Deductible credits
 8. Discounts and surcharges
 9. Credibility
 10. Investment income from all sources
 11. Description of how final rates are determined
 12. A history of the statewide weighted average rate changes, by coverage and for all coverage combined, that affect the premium at present rate calculation.

This is not an exhaustive list. Any other relevant data used in determining the rates should be included.