



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Bulletin PC-63
January 07, 2008

To: All Companies Licensed to Write Property and Casualty Insurance
Re: Exemption of Certain Commercial Lines Property and Casualty Policy Forms, Rates and Rules

The Connecticut Insurance Department (the "Department") has preliminarily concluded that certain lines of commercial insurance may be suitable for exemption from the form, rate and rule filing provisions of Section 38a-676 of the Connecticut General Statutes and the regulations promulgated thereunder. You are advised that the Department is conducting a one-year pilot program to confirm that certain lines of commercial insurance are in fact suitable for exemption from the form, rate and rule filing provisions of Section 38a-676 of the Connecticut Statutes and the regulations promulgated thereunder.

A. Commissioner's Ruling and Statutory Authority

This action is being taken pursuant to the authority granted to the Insurance Commissioner under Conn. Gen. Stat. Section 38a-692 and constitutes a ruling by the Commissioner exempting certain commercial line forms, rates and rules from having to be filed for the Department's review. Pursuant to Conn. Gen. Stat. Section 38a-694, the purposes of allowing this exemption is (i) to encourage more efficient and economic marketing practices by insurers for these product lines and (ii) to provide price and other information to enable consumers to purchase suitable for their needs and to foster competitive insurance markets. Therefore, the Commissioner hereby exempts from the filing and review requirements of Conn. Gen. Stat. Section 38a-676, the forms, rates and rules for the commercial product lines listed in Appendix A, attached hereto and made a part of this Bulletin, for a period of one year from the date of this bulletin.

B. Commercial Lines Filings Exempted from Review

To help assess the effectiveness of this pilot, the Department will continue to require companies to provide, for informational purposes, the commercial forms, rates and rule filings (and/or any amendments or endorsements thereto) exempted by this Bulletin. The cover letter for these filings should identify the filing as "Exempt" with an explanation that the insurer intends to use the forms, rates and/or rules under the review exemption provided by this Bulletin. In SERFF, filers will use the 'Exempt' codes in Type of Filing field; filers submitting paper will indicate the exempt status on the Connecticut transmittal form. For rate filings filed under these review exemptions, please make note of the rate change in your cover letter or explanatory memorandum by highlighting the overall statewide change. This is in addition to the explanation provided in the actuarial memorandum and exhibits of your filing. An officer of the insurer must certify that the filing complies with applicable Connecticut insurance laws and regulations and that the filing has not been previously disapproved by the Department. The Department intends to establish an audit process where select informational filings will receive a complete Department review to determine the insurer's compliance with all applicable Connecticut

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insurance laws. Therefore, insurers are still responsible for following the Department's filing requirements as outlined in [Bulletin PC-62](#).

C. Forms, Rates and Rules Not Exempted Under this Bulletin

The Commissioner's action hereunder extends solely to the commercial product lines of insurance identified in Appendix A. This Bulletin does not extend to any other policy forms, rates or rules required to be filed under Connecticut law including, but not limited to: (i) those used in the personal risk market; (ii) commercial lines policy forms not listed in Appendix A; or (iii) filings made by an Insurance Rating or Advisory Organization. Insurers are required to continue to follow the Department's filing procedures set forth in [Bulletin PC-62](#) for those forms not exempted under this PC-63.

Insurers are cautioned that the Commissioner's actions under this Bulletin do not include a review exemption for the following lines of commercial insurance: workers' compensation; excess workers' compensation, medical malpractice; professional liability; environmental impairment liability; filings affording claims made coverage; filings issued to municipalities and other local government entities; or any other form, rate or rule filing (including a policy form filing that contains coverages for both an exempt and non-exempt line of business) not set forth in the attached Appendix A.

D. Continuing Authority of the Commissioner; Compliance with Laws

The Department wishes to make clear that the Commissioner retains complete and full authority to reassume, prior to the expiration of this one year pilot program, regulatory authority over the commercial product lines exempted under this Bulletin.


Notwithstanding the filing review exemption for certain commercial line forms, rates and rules described above, such filings must comply with all other applicable Connecticut laws and regulations.

E. Effective Date

This Bulletin is effective for filings received by the Department on or after February 1, 2008.

F. Questions

Any questions concerning this Bulletin may be directed to George Bradner, Director, Property and Casualty Division (860) 297-3866.



Thomas R. Sullivan
Insurance Commissioner

APPENDIX A

Pursuant to this Bulletin, the following commercial lines **forms**, and where specifically noted **rates and rules**, are exempted from the filing review requirements of Conn. Gen. Stat. Section 38a-676 except as provided under B. above:

- Manuscript policies and endorsements issued to not more than three (3) insureds in Connecticut
- Commercial inland marine (forms)
- Following form commercial excess and umbrella (including rate and rule filings)
- Commercial excess and umbrella policies if the underlying policy provides limits of at least \$1 million (including rate and rule filings) – *Claims-made policies and endorsements cannot be exempted by Bulletin PC-63*
- Commercial policies or endorsements for: expropriate coverage; kidnap and ransom coverage; political risk coverage; extortion risk coverage; computer fraud coverage; or trade credit risk (including rate and rule filings) – *Claims-made policies and endorsements cannot be exempted by Bulletin PC-63*
- Commercial Credit (including rate and rule filings) **new*****
- Crop and hail (including rate and rule filings)
- Mortgage guaranty (including rate and rule filings)
- Commercial flood insurance (including rate and rule filings)
- Boiler and machinery (including rate and rule filings)
- Fidelity and Surety Bonds other than bail bonds (rate and rule filings)
- Manufacturer Output policies with total INSURED VALUES of at least \$8,000,000 (including rate and rule filings)
- Highly Protected Risk policies covering:
 1. Structures that have a design and degree of protection which, together with efficient specialized inspection and engineering services, will have the effect of reducing the relative importance of such factors as exposure, and quality of public fire protection;
 2. Structures that have fire-resistive or incombustible, heavy timber or other approved construction, in good state of preservation and repair;
 3. Structures that are equipped with fire protection or loss prevention equipment in all physical areas where such protection is necessary;
 4. Structures that are provided with satisfactory watchman or alarm service or its equivalent; or
 5. Structures that are protected by adequate public/private exterior fire protection system embracing an adequate number of hydrants, hose and necessary miscellaneous equipment with adequate water supply.