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## TECHNICAL ADVISORY

TA 151

February 22, 2000

**SUBJECT:** February 16, 2000, Louisiana Insurance Rating Commission Meeting

**BACKGROUND:** Following are some highlights of the regular February meeting of the Louisiana Insurance Rating Commission (LIRC).

**MAIN POINTS:** The LIRC rate filings:

1. Insurance Services Office, Inc. Approved  
(Medical Professional Liability)  
Rate increase of 2.1% for hospitals;  
17.9% for physicians, surgeons and dentists
2. CNA Personal Insurance Approved  
Glen Falls Insurance Company  
Universal Security Policy Portfolio Program  
(Auto and Other than Auto)  
Current rates and rules approved for Continental  
Insurance Company (April 1999) to use for Glen  
Falls Insurance Company were approved.
3. Commercial Union Insurance Company Approved  
(Concept Two Program)  
Rate increase of 10.3%
4. Insurance Services Office, Inc. Approved  
(Professional Liability - Physicians and Surgeons)  
Rate decrease of 3.9%
5. Trinity Universal Insurance Company Approved  
(Personal Automobile)  
Rate increase of 2.79%
6. Federated Mutual Insurance Company Approved  
(Commercial Automobile)  
Rate increase of 2.1%

7. USAgencies Casualty Insurance Company, Inc. Approved  
 (Private Passenger Automobile/  
 Non-Standard Automobile Program)  
 Rate increase of 8.8%  
 USAgencies' actuary, Tillinghast, reports +19.8% actuarial indication as a midpoint in 16% - 23% range. The LIRC expressed concerns that the 8.8% increase was not enough and that they had heard complaints about slow claim payment. The rate increase will put USAgencies in higher end of low price companies. A majority of the 100,000 policyholders have 0-4 points, no accidents and 3 or fewer tickets. USAgencies stated there will be changes in 1) rate; 2) underwriting; 3) claims efficiency. The rate increase was approved in light of these changes. This action amends policy fees to \$40 new business; \$40 renewal business. LDI is currently performing a regular 3-year review of USAgencies. USAgencies contracts with MGA to provide services and reports that its sales advertising budget is 4% of its sales.
8. National Council on Compensation Insurance Deferred  
 (Workers' Compensation)  
 1) Increase standard limit of liability under Part Two-Employers' Liability Insurance for Admiralty Law or Federal Employers' Liability Act (FELA) insurance to Bodily Injury by Accident, \$100,000 each accident and Bodily Injury by Disease, \$100,000 aggregate; 2) Modify rate making methodology for admiralty classifications; 3) Change manner in which the rates/loss costs for FELA classifications are displayed in the Basic Manual for WC and Employers Liability Insurance.
9. National Council on Compensation Insurance, Deferred  
 Inc. (Workers' Compensation)  
 Update the Expected Loss Ranges and State and Hazard Group Severity Relativities of the Retrospective Rating Plan.
10. Argonaut Insurance Company Approved  
 (Private Passenger Automobile -  
 Preferred Auto Program)  
 Rate decrease of 10%

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| 11. Eagle Pacific Insurance Company<br>(Workers' Compensation)<br>Increase minimum deductible from \$25,000<br>to \$100,000 | Approved |
| 12. United Agents Insurance Company of LA<br>(Homeowners Program)<br>Rate increase of 5.9%                                  | Approved |

**NECESSARY  
ACTION:**

Advise appropriate agency staff of changes in rate filings approved by LIRC.