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TECHNICAL ADVISORY

TA 162

July 19, 2000

SUBJECT: July 18, 2000, Louisiana Insurance Rating Commission Meeting

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

MAIN POINTS: The LIRC rate filings:

1. Government Employees Insurance Company Deferred
(Automobile Casualty Manual)
Rate increase of +4.2% / 11% indication
IIAL's EVP Jeff Albright addressed the LIRC about GEICO's rate filing. He restated IIAL's position on their unfair trade practices. Specifically, he pointed out that 1) GEICO's advertising makes unfair and disparaging descriptions of independent agents; and 2) GEICO has falsely claimed consumers can save 15% or more with GEICO. Albright stated that GEICO probably does require rate increases, the company should be prohibited from unfair advertising.
2. GEICO Indemnity Company/GEICO Casualty Company Deferred
(Automobile Casualty Manual)
Rate increase of +8.2% / 14% indication
IIAL's EVP Jeff Albright addressed the LIRC about GEICO's rate filing. He restated IIAL's position on their unfair trade practices. Specifically, he pointed out that 1) GEICO's advertising makes unfair and disparaging descriptions of independent agents; and 2) GEICO has falsely claimed consumers can save 15% or more with GEICO. Albright stated that GEICO probably does require rate increases, the company should be prohibited from unfair advertising.
3. Church Mutual Insurance Company Approved
(Independent Commercial Package Institutional Package)
Rate increase of +5.8%

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| 4. | Colorado Casualty Insurance Company (Commercial General Liability) Rate decrease of -11.2%) | Approved |
| 5. | Louisiana Employers - Managed Insurance Company (Formerly Louisiana Employers Trust GSIF) (Workers' Compensation) General Liability - Initial Rate Filing | Approved |
| 6. | Louisiana Employers - Managed Insurance Company (Formerly Louisiana Employers Trust GSIF) (Commercial Automobile) Initial Rate Filing - Schedule Rating Plan | Approved |
| 7. | Trinity Universal Insurance Company of Kansas, Inc. (Personal Automobile) Rate increase of +7.4% | Disapproved |
| 8. | The Ohio Casualty Insurance Company (Commercial Automobile) Rate increase of +6.4% | Approved |
| 9. | United Agents Insurance Company of Louisiana (Private Passenger Automobile) Rate increase of +7.3% / Indication 20% | Approved |
| 10. | American Association of Insurance Services (Boatowners Coverage) Rate decrease of -16.0 % | Approved |
| 11. | Northern Insurance Company of New York Assurance Company of America (Precision Portfolio Policy Program) Initial independent rate & rule filing and Schedule rating plan | Approved |
| 12. | Fireman's Fund Insurance Company (Professional Liability) Introduction of Management Advantage Program (Max) And Schedule Rating Plan | Approved |
| 13. | Imperial Fire and Casualty Insurance Company (Private Passenger Automobile) Initial rate and rule filing | Approved |
| 14. | AIU Insurance Company (Homeowners) | Approved |

Initial rate and rule filing

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| 15. The Ohio Casualty Insurance Company (Private Passenger Automobile) Rate increase of +12.9% | Approved |
| 16. Trinity Universal Insurance Company (Homeowners) Rate increase of +6.4% No hurricane deductible | Approved |
| 17. Patterson Insurance Company (Homeowners) Rule changes: 1) Company currently allows a \$250 Deductible on homeowners policies. Company wishes To require a \$500 or higher deductible. Rates for those Deductibles will not change. 2) Company wants to require HO 04 93 Actual Cash Value - Roofing Surfacing on all Homes with roofs over 15 years. 3) Company wants to Add asbestos and slate roofs to its list of prohibited roofs. | Approved |

**NECESSARY
ACTION:**

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