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## TECHNICAL ADVISORY

TA 167

November 20, 2000

**SUBJECT:** November 15, 2000, Louisiana Insurance Rating Commission Meeting

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

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

1. Government Employees Insurance Company (Automobile Casualty Manual)  
LIRC Agenda Item #1  
Rate increase of +4.2% Approved
2. GEICO Indemnity Company/GEICO Casualty Company (Automobile Casualty Manual)  
LIRC Agenda Item #2  
Rate increase of +8.2% Approved
3. Maryland Casualty Company (Commercial Multi-Peril - Auto, General Liability, Property)  
(Speciality Contractors Policy)  
LIRC Agenda Item #11  
Rate increase of +14.9% Disapproved
4. Allstate Indemnity Company (Non-Standard/Speciality Program)  
LIRC Agenda Item #12  
Rate increase of +4.0% Approved
5. Safeco Insurance Company of Illinois (Private Passenger Automobile)  
LIRC Agenda Item #13  
Rate Increase of +3.1% Disapproved

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| 6.  | United Services Automobile Association<br>(Personal Auto Manual)<br>LIRC Agenda Item #14<br>Rate Increase of +9.8%   | Deferred |
| 7.  | Safeway Insurance Company of Louisiana<br>(Private Passenger Automobile)<br>LIRC Agenda Item #15<br>Rate Increase of +7.16%  | Deferred |
| 8.  | The Medical Protective Company<br>(Louisiana Physicians & Surgeons)<br>LIRC Agenda Item #25<br>Rate Increase of +10%   | Approved |
| 9.  | The Medical Protective Company<br>(Louisiana Dentist)<br>LIRC Agenda Item #26<br>Rate Increase of +5.0%  | Approved |
| 10. | Southern Farm Bureau Casualty Insurance Company<br>(Farm Liability Rate Structure/Associated Rates)<br>The company states it is proposing a new rating<br>concept at this time. Its current program includes<br>number of acres and limit of liability as its primary<br>rating elements. New program will consider the number<br>of acres, primary commodity, number of sites, number<br>of head of livestock, number of pieces of self-propelled<br>farm equipment and limit of liability.<br>LIRC Agenda Item #27<br>Rate increase of +3.3% | Deferred |
| 11. | Hanover Insurance Company<br>(Commercial Automobile)<br>LIRC Agenda Item #33<br>Rate increase of +9.5%   | Deferred |
| 12. | St. Paul Fire & Marine Insurance Company<br>(Commercial General Liability)<br>LIRC Agenda Item #34<br>Rate increase of +7.0%   | Approved |
| 13. | Insurance Services Office, Inc.  | Approved |

(Commercial Automobile Liability)  
LIRC Agenda Item #46  
Experience & Schedule (CALES) Rating Plan in LA

Items 13, 14, 15 of this Technical Advisory are the adoption of **current** ISO Experience Modification Rate Plans. Louisiana has not adopted new ISO Experience Modification Plans for Commercial Automobile and Commercial General Liability since the mid-1980s. This significant change will result in dramatic shifts in the experience modifications of some policies. To mitigate these rate swings, the factors used in the new Experience Modification plans will be phased in over three years.

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| 14. | Insurance Services Office, Inc.<br>(Commercial Automobile Physical Damage)<br>LIRC Agenda Item #47<br>Physical Damage Experience & Schedule (CAPDES)<br>Rating Plan in LA<br>Adoption of current ISO Experience Modification Plan                                | Approved    |
| 15. | Insurance Services Office, Inc.<br>(Commercial General Liability)<br>LIRC Agenda Item #48<br>Introduction of Multi-State Commercial General Liability<br>Experience & Schedule (CGLES) Rating Plan in LA<br>Adoption of current ISO Experience Modification Plan | Approved    |
| 16. | Fireman's Fund Insurance Company<br>(Dentist's Advantage Professional Liability)<br>LIRC Agenda Item #52<br>New Program Rate Filing Including Schedule Rating<br>Plan & Employment Practices   | Approved    |
| 17. | Government Employees Insurance Company<br>(Personal Excess Liability)<br>LIRC Agenda Item #90<br>+0.0% Overall Rate Change<br>+43.7% increase Underage Driver  | Approved    |
| 18. | Allstate Insurance Company<br>(Commercial Dwelling - Landlord Package)<br>LIRC Agenda Item #8a<br>Rate increase of +6.9%   | Disapproved |

19. State Farm Fire & Casualty Company  
(Homeowners - Existing Program)  
LIRC Agenda Item #9a  
Rate increase of +7.0% Approved
20. State Farm Fire & Casualty Company  
(Homeowners - New Program for New Business)  
LIRC Agenda Item #10a  
Rate increase of +4.7%  
This new Homeowners Program will be used for new business only. State Farm reports that they will freely write new business statewide under this new program.

**NECESSARY  
ACTION:**

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