

ARIZONA DEPARTMENT OF INSURANCE
General Property & Casualty Filing Information/Instructions

NOTE: THESE INSTRUCTIONS ARE SUBJECT TO CHANGE. THEREFORE, THEY SHOULD BE REVIEWED PRIOR TO MAKING ANY FUTURE FILINGS.

PLEASE READ THESE GENERAL INTRODUCTORY INSTRUCTIONS BEFORE SUBMITTING A PROPERTY & CASUALTY FILING TO THE ARIZONA DEPARTMENT OF INSURANCE (ADOI)! ALSO, READ THE SPECIFIC INSTRUCTIONS APPLYING TO EACH LINE FOR WHICH A FILING WILL BE MADE BEFORE SUBMITTING A FILING.

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1. Combination Rates/Rules/Forms Filings Are Not Accepted In Arizona:

Rates/Rules are required to be filed separately from forms as different laws apply to each.

2. Filing Fee:

Arizona does not have a filing fee.

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3. Readability Requirement:

A Flesch Score of 40 or more is required on all homeowners', mobile homeowners, personal line dwelling policies (four family units or less) and personal automobile form filings.

4. Documents Required To Be Submitted With The Filing:

Each line of insurance for which a property and casualty filing is required to be accompanied by:

- a. A completed Property & Casualty Transmittal Document (for paper filers).
- b. A completed checklist for that line of insurance. See Exhibit 1.
- c. A filing explanatory memorandum explaining the filing. If a form filing, the memorandum should describe the changes and identify how the existing form differs from the proposed form. If a rate filing, the memorandum should describe how the rates were developed, explain why the rates should not be considered inadequate or unfairly discriminatory, and include reasoning for any actuarial assumptions made by the insurer, and any other information that will clarify and explain the filing.
- d. An actuarial memorandum and actuarial justification if a rate filing.
- e. The rates, rules, or forms that are a subject of the filing.

5. Electronic/Facsimile Signature:

An electronic or facsimile signature of an officer may be used.

6. Multiple Company Filings:

If the same filing is to be made for more than one company within the company group, the filer should submit one complete Property & Casualty Transmittal Document and reference the affiliated companies that will use the same filing.

7. Web Sites:

- a. www.azinsurance.gov. This is the ADOL's web site. Included on it is general information, information about the Speed To Market Initiative, copies of ADOL circular letters or bulletins, and copies of the Director's orders.
- b. www.azleg.gov. Arizona laws can be accessed at this web site.

8. Orders:

The Director has issued orders that may affect your filing. Certain forms and rates are exempted from filing by Order of the Director, Docket No 13A-071-INS, filed October 4, 2013. Please do not file a form that has been exempted from filing by the Director. Orders can be viewed at the ADOL's web site. By Order of the Director, Docket No 13A-071-INS, filed October 4, 2013, certain policies were exempted from the provisions of Article 14, Chapter 6, Title 20, Arizona Revised Statutes, relating to cancellation, nonrenewal, or notice of change of commercial insurance. Please review the order before submitting a commercial filing, other than a commercial automobile, workers' compensation, excess, or an assigned risk plan filing to which Article 14 does not apply.

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9. Filing-Type Laws:

Forms: All forms are file and use (with a 30-day waiting period).

Rates/Rules:

- a. Workers' Compensation, Title, Credit Property and Credit Unemployment (file and use with a 30-day waiting period);
- b. All other lines (use and file within 30 days of the effective date). Please review the statutes and the specific instructions applicable to the line of insurance that you are filing before making a filing.

10. Acceptable Submission Formats:

For SERFF filings, the final version of policy forms for approval purposes and documents requiring a signature must be submitted in Adobe Acrobat (PDF) format.

11. Form Filing Schedule:

Each policy form must be listed in the form filing schedule.

12. No Filing Requirements:

- a. The following lines of insurance do not have to be filed:
See Order of the Director, Docket No 13A-071-INS, filed October 4, 2013.
- b. "A" or "a" rates developed by an insurer to be applied individually to the insurance policies of risks, other than medical malpractice risks and industrial insured risks pursuant to § 20-400.10, for which no rate service organization has published a rate or loss costs in this or any other state and for which insufficient similar exposure units and loss experience data exist to develop statistically credible rates for the risk and no homogeneous rating class exists in which the risk could reasonably be placed. **HOWEVER, THE INSURER IS REQUIRED TO ANNUALLY CERTIFY BY JANUARY 30 TO THE DIRECTOR FOR THE PRECEDING CALENDAR YEAR, ON A FORM ACCEPTABLE TO THE DIRECTOR, THAT THE INSURER DID NOT HAVE, WHEN THE RISKS WERE WRITTEN, CREDIBLE EXPERIENCE TO ESTABLISH A RATING CLASS FOR THE SPECIFIC TYPES OF RISKS.** The insurer or rate service organization on the insurer's behalf is required to file a rate for the specific risks when **either** of the following occurs:
 - a) The insurer's written premiums for any specific risk exceed 25% of the insurer's total annual written premiums in Arizona and the insurer has issued contracts for five or more homogeneous (a) rated risks in any consecutive three-year period or
 - b) The number of specific risks that are (a) rated meet the standards set forth in the actuarial standard of practice 25 applying to credibility for rate making purposes as adopted by the actuarial standards board as of January 1, 1997.

13. Checklists:

Each Property & Casualty line of insurance that has to be filed has a checklist. The checklist is the most important document available to an insurer to assist it in preparing its filing. The checklist is the document that ADOI analysts will use in reviewing an insurer's filing. If the filing does not comply with one of the requirements found on the checklist, the filing will be rejected. Included on the checklist are the applicable statutes, case law, rules, and ADOI policies with which the insurer must comply. The checklist contains a reference column, which must be completed for form filings. However, when a form that is filed does not pertain to specific

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reference columns, place a “N/A” in the appropriate reference columns. It also contains a description of the types of filing documents that must accompany the filing and a brief description of the actuarial support that must be used to justify a rate filing. The checklist applies to both rate and form filings. The checklist is to be completed and signed by an officer of the insurer. The signature may be an electronic, facsimile signature. **Please note that although the checklists reference the statutes and other applicable laws, it is the insurer’s responsibility to have read and correctly applied these laws as they pertain to the filing.**

There are 12 checklists. Review Exhibit 1 attached to determine the checklist you should submit for the category of insurance that you intend to file. Please note that P&C Article 4.1 Checklist has numerous lines and subcategories of insurance. You should indicate on the P&C Article 4.1 Checklist, if that is the checklist you intend to complete, the line of insurance and subcategory applicable.

14. Submission Vs. “Filings”:

If a submission does not contain all of the required transmittal forms (for paper filings), checklists, documentation, and actuarial support necessary that will permit an analyst to make a decision on the submission, the submission will not rise to the level of a “filing” and will be rejected.

15. Actions The ADOI Could Take On A Filing:

If a submission does contain all of the required transmittal forms, documentation, and actuarial support necessary that will permit an analyst to make a decision, then one of the following will occur:

- a. Forms will be approved within 30 days from the date the ADOI receives the form or they will be deemed approved as of the 31st day.
- b. Article 4.1 rates/rules (lines 01 through 12; 17 through 27; 28 - Credit - Family Leave of Absence Coverage and Other - GAP, see Line 17; and 3101 for Article 4.1 lines of insurance) are filed on a use and file basis. That is the insurer must make a filing within 30 days after the effective date of the rate(s). Generally, the ADOI will just acknowledge receipt of the filing to the insurer. If a filing is not in compliance with the law, the ADOI may issue an order at any time specifying in what respect the filing is in conflict and stating that, within 30 days after the order is issued, the rate is no longer effective. The order will not affect any contract made or issued prior to the effective date of the order. The insurer or rate service organization making the filing may request a hearing pursuant to Title 41, Chapter 6, Article 10.
- c. Workers’ compensation rates and forms must be on file for 30 days before they deem. During the 30-day waiting period, the ADOI may disapprove them without first holding a hearing. If the forms or rates deem and the ADOI believes the forms or rates are not in compliance, the ADOI must first hold a hearing pursuant to ARS § 20-358 in order to disapprove the filing.
- d. Title rates must be on file for 30 days before they deem. During the 30 day waiting period, the ADOI may disapprove them without first holding a hearing. ARS § 20-376(D). If the rates deem and the ADOI believes the rates are noncompliant, the ADOI must first hold a hearing pursuant to ARS § 20-378 in order to disapprove the filing. Title forms must first be filed with the Department. The ADOI has 30 days from the date of filing to disapprove the filing, if the 30 days elapses and the form filing has not been disapproved, then the form filing deems. ARS § 20-1591.

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16. Withdrawals:

An insurer may withdraw its filing at any time. A completed Property & Casualty Transmittal Document must be submitted for withdrawals for paper filings that have been approved or deemed filed. A letter may be submitted for filings pending Department action.

17. Definitions:

As used within the checklists, the following mean:

- a. Zip Code Rating: A type of territorial rating, wherein the insurer groups together individual zip codes which share similar loss exposure and experience into a rating territory for rating purposes. The ADOI's position is that all zip codes must be accounted for within the insurer's rating plan if the insurer elects zip code rating.
- b. Grace Period: The period of time after the premium due date during which a policy remains in force without penalty even though the premium due has not been paid.
- c. Rating Rule: A rate-related rule, a rate-related underwriting rule, a rate-related selection rule, a rate-related eligibility rule, and any-other rule by which the insurer makes a decision relative to the premium charged the policyholder.

18. Property & Casualty Transmittal Document:

This document must be completed and accompany all paper filings, whether the filing is an initial filing, a withdrawal, a replacement or other.

19. Confidentiality:

A filing and any supporting information shall be open to public inspection after the filing becomes effective. Filings should not be marked "confidential" or in any other manner qualified as being restricted from public review.

20. Filing Number:

Each insurer shall place on its filing a unique number, which the insurer has assigned and by which the filing may be identified and tracked at all times by both the ADOI and the insurer.

21. Notification:

- a. SERFF Filers: Each insurer shall receive, electronically if a SERFF filer as appropriate, an acknowledgment, disapproval or approval.
- b. Paper Filers: Each insurer shall be mailed a copy of the respective filing's Property & Casualty Transmittal Document stamped, as appropriate, as "acknowledged," "disapproved," or "approved." If the insurer is making a paper filing, the insurer should include a self-addressed, stamped envelope or the ADOI will be unable to return a copy of the filing.

NOTE: Filers should elect to make a specific filing either electronically through SERFF or a paper filing, but not both ways for the same filing.

22. Rate Or Loss Cost Adoption, Delay Of Adoption, Or Non-Adoption:

For the lines of insurance exempted by the current exemption order, insurers are not required to submit filings for the adoption or the delay of adoption of a rating organization's rates or loss costs. However, for all lines of insurance for paper filers, each insurer shall submit a completed

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Property & Casualty Transmittal Document for the applicable line of insurance if the insurer is a member of a rating organization and has decided to non-adopt the rating organization's rates or loss costs. The Property & Casualty Transmittal Document should explain the reason for the non-adoption and specify a time in the future when the insurer will adopt the rating organization's current rates or loss costs. For SERFF filers, each insurer shall submit an electronic filing for the applicable line of insurance if the insurer is a member of a rating organization and has decided to non-adopt the rating organization's rates or loss costs.

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EXHIBIT 1
CHECKLISTS BY LINE OF INSURANCE AND SUBCATEGORY

COMBINATION PRIVATE PASSENGER AUTO AND HOMEOWNERS – 19.2, 21.1 and 04
(No Subcategories)

COMMERCIAL AUTO – 19.4 and 21.2
Commercial Automobile Liability
Commercial Automobile Physical Damage
Garage Liability
Garagekeepers
Purchasing Group (RPG)
Other

CONSUMER CREDIT INVOLUNTARY UNEMPLOYMENT – 28
(No Subcategories)

CONSUMER CREDIT PROPERTY – 28
(No Subcategories)

FIDELITY – 23
Blanket Fidelity Bonds
Individual or Schedule Fidelity Bonds
Other

FINANCIAL GUARANTY – 10
(No subcategories)

HOMEOWNERS (HO) – 04
Homeowners Package
Mobile Homeowners
Other

MEDICAL MALPRACTICE – 11
Chiropractors
Dentists
Health Care Facilities
Hospitals
Midwives
Naturopaths
Nurses
Optometrists
Physicians or Surgeons
Purchasing Group (RPG)
Other

MORTGAGE GUARANTY – 06
(No Subcategories)

P&C Article 4.1 Filings

FIRE – 01
Commercial Fire
Dwelling Fire
Farm Fire
Other

ALLIED LINES – 02.1

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Crop Hail
Other

MULTIPLE PERIL CROP – 02.2

(No subcategories)

FEDERAL FLOOD – 02.3

Write Your Own
Other

FARMOWNERS MULTI-PERIL – 03

(No subcategories)

COMMERCIAL MULTI-PERIL – 05 (5.1 and 5.2)

Agri-Business
Apartments
Business Owners
Commercial Output
Contractors
Dwelling Package
Institutional
Manufacturing
Mercantile
Motel/Hotel
Office
Services
Other

INLAND MARINE – 09

Accounts Receivable
Fine Arts
Valuable Papers

Other (Only controlled lines or lines, which by general custom of the business are written according to manual rates or rating plans; uncontrolled inland marine lines do not have to be filed)

EARTHQUAKE – 12

(No subcategories)

GENERAL LIABILITY – 17

Auto Service/Warranty
Completed Operations
Construction and Alteration Liability
Contingent Liability
Contractual Liability
Errors & Omissions (E&O) Liability:
 Accountants
 Appraisers
 Convalescent Homes/Nursing Homes
 Day Care Centers
 Directors & Officers
 Employee Benefits
 Employment Practices
 Engineers & Architects
 Insurance Agents
 Lawyers
 Public Officials
 Real Estate Agents
Guaranteed Asset Protection (GAP)
Kidnap and Ransom
Liquor Liability
Manufacturers & Contractors
Owners Landlords & Tenants
Personal Liability
Pet Insurance
Pollution Liability

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Purchasing Group (**RPG**)
Umbrella/Excess (Personal or Commercial)
Other

PRODUCTS LIABILITY – 18

Other

BURGLARY & THEFT – 26

Other
Blanket Crime Policies
Comprehensive Dishonesty, Disappearance & Destruction Policies

BOILER & MACHINERY – 27

(No subcategories)

CREDIT – 28

Family Leave of Absence Coverage
Other (GAP, see Line 17)

EXCESS WORKERS COMPENSATION SELF INSURERS – 3101

(No Subcategories)

PRIVATE PASSENGER AUTO – 19.2 and 21.1

Antique, classic or kit cars
Automobile Assigned Risk
Automobile and Homeowners' Package
Mechanical Breakdown
Motor Homes
Motorcycles
Private Passenger Automobile Liability
Private Passenger Physical Damage
Travel Trailers
Other

SURETY – 24

Contract Bonds
Court & Commercial Bonds
Excise Bonds
License & Permit Bonds
Public Officials Bonds
Other

TITLE – 33

(No Subcategories)

WORKERS COMPENSATION – 16

Excess Workers' Compensation
Employers' Liability
Stop Gap
Assigned Risk Workers' Compensation