




DEPARTMENT OF INSURANCE  
STATE OF NORTH DAKOTA

Glenn Pomeroy  
Commissioner of Insurance

**Bulletin 98-1**

TO: All Insurance Companies

FROM: Glenn Pomeroy, Commissioner 

DATE: May 23, 1998

ATTENTION: Policy, Form and Rate Filing Unit

SUBJECT: Policy, Form and Rate Filing Transmittal Form Effective July 1, 1998

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**Purpose**

In order to enhance the timeliness, efficiency and record keeping capabilities of our policy, form and rate filing system, the North Dakota Department of Insurance is implementing two significant changes. First, the Department is implementing a new computerized system for the recording of policy, form and rate filings. Secondly, the Department is fully functional as a participant in the State Electronic Rate and Form Filing System (SERFF).

Contained within this bulletin is a new filing transmittal form to be used by all companies when submitting a policy, form or rate filing to the Department. The form is designed to capture critical information in such a way that the Department system and the SERFF system are mutually compatible. Also contained in the bulletin are the filing requirements for each general type of filing. Finally, any special state required filing forms unique to certain filings are included as addendums.

**Scope**

The information provided in this bulletin pertains to all licensed companies filing policy, form and rate filings with the Department. The filing transmittal form is to be used on all filings submitted to the Department in paper format. Those companies submitting filings in electronic format via SERFF will find the data fields built into the SERFF system capture the same critical information found on the transmittal form.

### **Filing Transmittal Form**

The new Policy, Form and Rate Filing Transmittal Form ND1000 is attached and replaces any previous filing transmittal form. The transmittal form is intended for use with all (other than SERFF) policy, form and rate filing submissions to the Department. The back of the transmittal form contains a list of descriptions and definitions to aid companies in completing the transmittal form. A separate Attachment #1 is included which provides a list of types of insurance (TOI) and sub types of insurance (Sub TOI) to use as a guide in completing those specific entries on the transmittal form.

### **Effective Date**

All companies should begin using the new transmittal form upon receipt of this bulletin. **Effective July 1, 1998 the Department will not accept filings without a properly completed transmittal form attached. A noncompliant filing will be returned to the company in its entirety (including any retaliatory fee) at the company's expense and without review by the Department.**

### **General Filing Requirements Applicable to All Filings**

All filings submitted in a paper format should contain the following:

- A completed North Dakota - Policy, Form and Rate Filing Transmittal Form ND1000. This should be the top document of the filing packet.
- The appropriate retaliatory filing fee. This should be the second item of the filing packet.
- A cover letter with one copy for return to the company.
- A stamped return envelope with which to return the company's copy.
- Addendums and materials as necessary to describe, document and support the filing.

All electronic filings submitted via SERFF should contain the following:

- Addendums, components and materials as necessary to describe, document and support the filing.

- A reference to the check number being sent with the appropriate retaliatory fee. (**Note:** Immediately upon sending the electronic filing, mail the appropriate retaliatory fee to the Department of Insurance. SERFF Retaliatory Filing Fee Form ND2000 should be attached to the check. The form contains the appropriate identifying information to facilitate receipt and processing.)

In addition to the above general requirements applicable to all filings, there are specific requirements for certain categories of insurance as follows:

#### **Property and Casualty - Policy/Form Filing Requirements**

The policy/form requirements apply to both paper and electronic formats.

- A complete description of the form to include the purpose of the form, whether the form is new or a revision and whether the form broadens or restricts coverage.
- A list of the forms which includes the company name, form title, number and edition date.
- A description of the impact of any form revision relative to coverage and rate. Side by side comparisons, strikeout mock ups, or detailed narratives are preferred.
- A statement indicating whether any State Amendatory applies to the policy/form and whether one has previously been filed for use with that form.
- A copy of the policy/form (if they are not being filed by reference only), draft or mock up versions are acceptable.

#### **Property and Casualty - Rate/Rule Filing Requirements**

The rule requirements apply to both paper and electronic formats.

Rate filings (other than Crop Hail):

- Describe the impact of the filing, include the net effect (percent change), number of policies in the state, and the estimated dollar impact to North Dakota policyholders.

- A summary of the rate history for the previous five years.
- Countrywide, regional (ND, SD, MT, WY, NE, and IA) and statewide loss experience for the previous five years to include written premium, earned premium, incurred losses, loss adjustment expense, and loss ratio.
- Countrywide, regional and statewide expense exhibits for the previous five years.
- A copy of the rate pages (draft copies are acceptable).
- Loss cost, and consent to rate filings must use the appropriate form - see addendums.
- An explanatory memorandum describing the basis for the filing to include such items as appropriate actuarial memorandum, competitive comparison, underwriting assumptions, etc. The memorandum should contain loss development, trending, credibility, permissible loss ratio, indicated rate level, investment income offset, etc.

Crop Hail rate filing:

- Attach Crop Insurance Rate Filing Form NDPC 200 - see addendums.
- A copy of the rate pages (draft copies are acceptable).

Rule filing

- A complete description of the rule to include the purpose of the rule, whether the rule is new or a revision, and a comparison to the previous rule if it is a revision.
- A description of the impact a revised rule has on coverage or rate with appropriate supporting documentation.

**Property and Casualty Addendums**

The addendums are unique filing forms to be used in specific filings. They are:

- Crop Insurance Rate Filing Form NDPC 200 is used for the annual crop hail insurance loss cost/rate filing.

- Insurer Rate Filing - Adoption of Advisory Loss Cost Form NDPC 300 is used for filing company loss cost multipliers to use in conjunction with an advisory organization filed loss cost.
- Consent to Rate Application Form NDPC 400 is used for filing an individual debited rate which exceeds the company's filed manual rate.

### **Life and Health - Policy/Form Filing Requirements**

The policy/form requirements apply to both paper and electronic formats:

An actuarial memorandum should be included with the filing (if applicable).

- A list of flesch scores and a readability certification should be provided for all forms being filed.
- The filing company is responsible for compliance with specific North Dakota statutory and regulatory requirements. All companies using the SERFF system have direct access to these requirements via the system. Companies filing in paper format can request a hard copy of requirements for specific sub types of insurance (Sub TOI) from the Life and Health Division.
- A reference in the filing cover letter indicating if the filing content is identical to another pending filing for a sister company.

### **Life and Health - Rate/Rule Filing Requirements**

The rate/rule requirements apply to both paper and electronic formats:

- An actuarial memorandum is required to explain and justify all rating and underwriting changes.
- A reference in the filing cover letter indicating if the filing content is identical to another pending filing for a sister company.

### **State Electronic Rate and Form Filing System**

North Dakota is online and operational with the SERFF system. Any company interested in getting online and using the SERFF system to file electronically should contact State/Industry SERFF Consortium, NAIC Controller, 120 West 12<sup>th</sup> Street, Suite 1100, Kansas City, MO 64105-1925.

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**Previous Bulletins**

Effective May 23, 1998, this bulletin supersedes the following Department bulletins:

Bulletin 87-5 Consent to Rate Guidelines  
Bulletin 88-4 Filing Transmittal Form No. NDPC-100 (6/88)  
Bulletin 88-6 Revision of Filing Transmittal Form

Effective January 1, 1999 this bulletin supersedes the following Department bulletin:  
Bulletin 97-3 Marketing of Crop Hail Insurance in ND 1998

GP/em

**NORTH DAKOTA DEPARTMENT OF INSURANCE**  
**Policy, Form, and Rate Filing Transmittal Form ND 1000**  
 SFN 51679 (5/98)

			Date
Insurance Company Name [attach separate page if companies exceed spaces]			Cocode/FEIN
Contact Name	Consulting Firm/Company Name		
Contact Address			
Contact Telephone Number	Contact Fax Number		
Type of Insurance (General)	Subtype of Insurance (Product Type)		
Filing Type (Form, Rule, Rate, Advertisement)	Filing Action (Initial, Resubmission, Amendment)		
Filing Description (Include Form Nos.) [attach separate page if this space is not enough]			
Company Filing No.			
Product Name (Marketing Program)			
Project Name (Company Optional)			
State(s) of Domicile	Required Retaliatory Fee Amt.	Check Number	Date of Check
States Filed In			
States Approved In			
Addendum Checklist	Insurer Rate Filing - Adoption of Loss Cost Forms		Consent to Rate Forms
Crop Insurance Rate Forms			

**Definitions and descriptions of fields on Policy, Form and Rate Filing Transmittal Form ND1000**

**Date** - The date of the filing , should match the date of the filing letter.

**Insurance Company Name** - The full insurance company name(s). If the number of companies exceeds the number of lines attach a separate page with the company name and cocode/FEIN.

**Cocode/FEIN** - The NAIC company code number or federal identification number.

**Contact Name** - The individual to contact if there are any questions on the filing.

**Consultant Firm/Company Name** - The name of the entity filing on behalf of the company if other than the company.

**Contact Address** - The address of the contact person to use for any correspondence.

**Contact Phone #** - The phone of the contact person.

**Contact FAX #** - The FAX number of the contact person.

**Type of Insurance (General)** - The general type of insurance applicable to the filing refer to the attachment with the list of types and subtypes of insurance.

**Sub type of insurance (Product type)** - The specific sub type of insurance or product type applicable to the filing refer to the attachment with the list of types and subtypes of insurance.

**Filing type (Form, Rate, Rule, Advertisement)** - Select the type of filing, it may be combination of these.

**Filing action (Initial, resubmission, amendment)** - **Initial** is a new or original filing, **resubmission** is a resubmission of a previously disapproved filing, and **amendment** is a revision or subsequent change to a previously filed and approved filing.

**Filing Description (include form #'s)** - General description of the filing content, include form numbers where applicable. If there is insufficient space attach a separate page.

**Company filing number** - The companies internal filing number or identifier (optional).

**Product Name (Marketing Program)** - The companies unique program name (optional).

**Project Name (Company optional)** - The companies in house project name (optional).

**State(s) of domicile** - State of domicile for each company.

**Required Retaliatory Fee Amount** - Retaliatory fee required by the domiciliary state.

**Check Number** - Number of the check with the retaliatory fee.

**Date of Check** - Date of the retaliatory fee check.

**States filed in** - List of states you have made this filing in.

**States approved in** - List of states which have approved this filing.

**Addendum checklist** - Check if any of these addendums are attached to the filing.



**Attachment #1- May 1998**

Type of Insurance/TOI and related products or Sub Types of Insurance (Sub TOI) for use with Policy, Form and Rate Filing Transmittal Form ND1000

**Credit Life & Health**

Credit disability  
Credit life  
Credit multi-line  
Family leave  
Involuntary unemployment  
Non-designated

**Life & Annuity**

Current assumption whole life  
Deferred annuity  
GIC/pension plan  
annuity/institutional investment  
Graded or indeterminate  
premium whole life  
Immediate annuity  
Interest indexed annuity  
Interest indexed life  
Structured settlement annuity  
Term life  
Universal life  
Viatical settlement  
Whole life  
Non-designated

**Variable Life & Annuity**

Variable deferred annuity  
Variable immediate annuity  
Variable life  
Non-designated

**Life/Annuity/Accident & Health**

Association/Employer multiline  
Non-designated

**Accident & Health**

Accident  
Accidental death/or  
dismemberment  
Blanket accident/sickness

Champus supplement  
Critical illness  
Dental  
Disability income-long term  
Disability income-short term  
Excess loss  
HIV indemnity  
Home health care  
Hospital indemnity  
Hospital/surgical/medical  
expense  
Intensive care  
Long term care  
Major medical  
Medicare supplement  
Non-blanket accident/sickness  
Organ & tissue transplant  
Prescription drug  
Specified disease  
Vision  
Non-designated

**Property**

Aircraft cargo  
Aircraft hull  
Allied lines  
Auto-commercial physical  
damage  
Auto-private passenger physical  
damage  
Boiler and machinery  
Commercial fire and allied lines  
Commercial multi-peril  
Commercial property  
Credit  
Credit card  
Credit property  
Crime  
Crop- federal  
Crop- hail

Crop- supplements  
Dwelling  
Earthquake  
Fire  
Flood  
Force placed  
Glass  
Inland marine-commercial  
Inland marine-personal  
Legal expense  
Lenders collateral  
Livestock  
Mortgage guarantee  
Ocean Marine  
Pet  
Prepaid legal service  
Rain  
Theft  
Title  
Vandalism  
Vendors single interest  
Non-designated

**Casualty**

Aircraft liability  
Asbestos abatement  
Auto-commercial liability  
Auto-private passenger liability  
Auto warranty  
Bonds  
Contractual liability  
Directors and officers  
Employers liability  
Environmental impairment  
Errors and omissions  
Excess/umbrella-commercial  
Excess/umbrella-personal  
Fidelity  
General liability  
Home warranty  
Legal malpractice  
Liquor/dram shop liability  
Managed care contracts  
Medical malpractice  
Personal liability

Pollution liability  
Product liability  
Products and completed  
operations  
Professional liability  
Ransom/extortion  
Stop loss/stop gap liability  
Surety  
Non-designated

**Property and Casualty**

Aircraft  
Auto-commercial  
Auto-private passenger  
Boatowners  
Businessowners  
Farmowners  
Garagekeepers  
Homeowners  
Mobilehomeowners  
Special multiperil  
Tenants  
Non-designated

**Property/Casualty/Accident & Health**

Association/Employer multiline  
Travel  
Non-designated

**INSTRUCTIONS:**

1. *Select the appropriate general type of insurance (TOI) that applies to the filing.*
2. *Select the appropriate product or sub type of insurance (Sub TOI) from within the general TOI category.*
3. *Use "non-designated" only when you can not find the appropriate product in the existing Sub TOI's list.*
4. *If the filing consists of several products or Sub TOI select one that predominately describes the filing.*

**NORTH DAKOTA DEPARTMENT OF INSURANCE**  
**SERFF Retaliatory Filing Fee Form ND2000**  
SFN 51680 (5/98)

The attached check(s) is/are payment for the following policy, form and rate filing(s) submitted via the State Electronic Rate and Form Filing system (SERFF).

Type of Insurance (TOI):
Check Number:
Company Name:
SERFF Filing Number:
Date of SERFF Filing:
Amount of check:

Type of Insurance (TOI):
Check Number:
Company Name:
SERFF Filing Number:
Date of SERFF Filing:
Amount of check:

Contact person:
Phone number:
Date:

Mail to:                      North Dakota Department of Insurance  
SERFF Retaliatory Filing Fee  
600 East Boulevard Ave. - Dept. 401  
Bismarck, ND 58505-0302

**NORTH DAKOTA DEPARTMENT OF INSURANCE**  
**Crop Insurance Rate Filing Form NDPC200**  
**Adoption of Advisory Organization Loss Costs**

SFN 51682 (5/98)

Date:

1. Insurer Name
2. Type of Insurance:
3. Advisory Organization:
4. Advisory Organization Reference Filing Number:

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files to be deemed to have independently submitted as its own filing the loss costs in the captioned Reference Filing.

The insurer's rates will be the combination of the loss costs and the loss cost multipliers.

6. A. Rate Change due to Advisory Organization's revised Loss Costs:	%
B. Rate Change due to Insurer's revised Loss Cost Multiplier:	%
C. Total Rate Change: = $(1 + A) \times (1 + B) - 1$	%
D. Proposed Effective date of Rate Change:	

**Crop Insurance Rate Filing Form NDPC200 - Adoption of Advisory Organization Loss Costs**  
**Summary of Supporting Information & Calculation of Company Loss Cost Multiplier**  
 SFN 51682 (5/98) Page 2

Insurer Name: \_\_\_\_\_

**1. DEVELOPMENT OF EXPENSE RATIO**

Attach 5 year insurer expense history and any other additional supporting information.  
 This filing will not be considered unless the completed Expense history form is attached.

EXPENSE PROVISIONS	Previous	Proposed
A. Total Production Expense:		%
B. General Expense:		%
C. Loss Adjustment Expense:		%
D. Taxes, Licenses & Fees:		%
E. Underwriting Profit & Contingencies:		%
F. Other (Explain):		%
G. TOTAL:		%

**2. EXPECTED LOSS RATIO:**

A. For Medium Range FALCs: (ELR = 100% - 1 G) (Must not be more than 70%)		%
B. For Low Range FALCs:(ELR = 2A - 5%)		%
C. For High Range FALCs:(ERL = 2A + 5%)		%

**3. COMPANY FORMULA LOSS COST MULTIPLIER:**

A. For Medium Range FALCs:(FLCM = 1.00 / 2A) (Must not be less than 1.429)		
B. For Low Range FALCs:(FLCM = 1.00 / 2B)		
C. For High Range FALCs:(FLCM = 1.00 / 2C)		

Provide detailed explanation and support for any difference between historical and proposed expense provisions.


4. CASH DISCOUNT: \_\_\_\_\_ %

**NORTH DAKOTA DEPARTMENT OF INSURANCE**  
**Crop Insurance Rate Filing Form NDPC200**  
**North Dakota Expense History For Prior Five Years**  
 SFN 51682 (5/98) Page 3

Insurer Name: \_\_\_\_\_ NAIC Number: \_\_\_\_\_

YEAR:	% of Prem		% of Prem		% of Prem		% of Prem		5 Year Historical Average Percent of Premium	
	\$ Amount		\$ Amount		\$ Amount		\$ Amount		\$ Amount	
Crop Hail Premiums *		100		100		100		100		100
A) Actual Losses **										
B) Production Expense										
C) General Expense										
D) Loss Adjustment Expense										
E) Taxes, Licenses & Fees										
F) Other Expense (Explain)										
G) Profit(Loss) & Contingencies										
H) Total: A through G										
I) Cash Discount										

Person responsible for Filing: \_\_\_\_\_ Date: \_\_\_\_\_

Phone #: \_\_\_\_\_

\* Includes premium for Crop Hail and Companion Hail-type policies  
 \*\* Does not include any Loss Adjustment Expense

**NORTH DAKOTA DEPARTMENT OF INSURANCE**  
**Crop Insurance Rate Filing Form NDPC200**  
**Country Wide Expense History For Prior Five Years**  
 SFN 51682 (5/98) Page 4

Insurer Name: \_\_\_\_\_ NAIC Number: \_\_\_\_\_

YEAR:	% of Prem		% of Prem		% of Prem		% of Prem	
	\$ Amount		\$ Amount		\$ Amount		\$ Amount	
Crop Hail Premiums *		100		100		100		100
A) Actual Losses **								
B) Production Expense								
C) General Expense								
D) Loss Adjustment Expense								
E) Taxes, Licenses & Fees								
F) Other Expense (Explain)								
G) Profit(Loss) & Contingencies								
H) Total: A through G								

Person responsible for Filing: \_\_\_\_\_ Phone #: \_\_\_\_\_ Date: \_\_\_\_\_

\* Includes premium fr Crop Hail and Companion Hail-type policies  
 \*\* Does not include any Loss Adjustment Expense

**NORTH DAKOTA DEPARTMENT OF INSURANCE**  
**Crop Insurance Rate Filing Form NDPC200**  
**Supplemental Statistical Information**

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Insurer Name:	
Year*	

POLICY TYPE:	MPCI		MPCI SUPPLEMENTS	
	(1)		(2)	
	\$ Amount	% of Prem	\$ Amount	% of Prem
Premium				
Losses				
Production Expense				
General Expense				
Loss Adjustment Expense				
Taxes, Licenses & Fees				
Other (Explain)				
Profit (Loss) & Contingencies				

MPCI: Federally reinsured/ subsidized MPCI/FCIC Crop

MPCI

Supplements: Add on coverages to the MPCI product, which are subsidized by FCIC.

\* Experience should be summarized for most recent crop year.



**NORTH DAKOTA DEPARTMENT OF INSURANCE**  
**Crop Insurance Rate Filing Form NDPC200**  
**Premium Distribution by County**

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YEAR\* \_\_\_\_\_

COUNTY NUMBER	COUNTY NAME	PREMIUM	COUNTY NUMBER	COUNTY NAME	PREMIUM
1	Adams		55	Mc Lean	
3	Barnes		57	Mercer	
5	Benson		59	Morton	
7	Billings		61	Mountrail	
9	Bottineau		63	Nelson	
11	Bowman		65	Oliver	
13	Burke		67	Pembina	
15	Burleigh		69	Pierce	
17	Cass		71	Ramsey	
19	Cavalier		73	Ransom	
21	Dickey		75	Renville	
23	Divide		77	Richland	
25	Dunn		79	Rolette	
27	Eddy		81	Sargent	
29	Emmons		83	Sheridan	
31	Foster		85	Sioux	
33	Golden Valley		87	Slope	
35	Grand Forks		89	Stark	
37	Grant		91	Steele	
39	Griggs		93	Stutsman	
41	Hettinger		95	Towner	
43	Kidder		97	Trail	
45	La Moure		99	Walsh	
47	Logan		101	Ward	
49	Mc Henry		103	Wells	
51	Mc Intosh		105	Williams	
53	Mc Kenzie		<b>TOTAL</b> <b>( ALL COUNTIES *)</b>		

\* Experience should be summarized for most recent crop year.  
 Total should match premium entry on Page 3 of form NDPC 200 for most recent year.

**NORTH DAKOTA DEPARTMENT OF INSURANCE**  
**Insurer Rate Filing - Adoption of Advisory Organization**  
**Prospective Loss Costs Reference Filing Form NDPC300**  
 SFN 51681(5/98)

Date:

Insurer Name:

Type of Insurance:

Advisory Organization:

Advisory Organization Reference Filing Number:

The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files to be deemed to have independently submitted as its own filing, the prospective loss costs in the captioned Reference filing.

The insurer's rates will be a combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

Rate Change due to Advisory Organization's revised reference filing:	%
Rate Change due to Insurer's revised Loss Cost Multiplier:	%
Total Rate Change:	%
Proposed Effective Date of Rate Change:	

Attach "Summary of Supporting Information Form NDPC300 Page 2"  
 Use a separate summary for each insurer-selected loss cost multiplier.

Check one of the following:

The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs.

The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

**NORTH DAKOTA DEPARTMENT OF INSURANCE**  
**Insurer Rate Filing - Adoption of Advisory Organization Prospective**  
**Loss Costs Reference Filing Form NDPC300**  
**Summary of Supporting Information**  
**SFN 51681 (5/98) Page 2**

Insurer Name:		
1. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:		
2. Loss Cost Modification:		
A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: CHECK ONE		
<input type="checkbox"/>	Without Modification.	
<input type="checkbox"/>	With the following modification. <b>Cite the nature and percent of modification, and attach supporting data and/or rationale for the modification.</b>	
B. Loss Cost Modification Expressed as a Factor (see examples below):		
	Current Modifier:	Proposed Modifier:

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3 - 7 BELOW.

3. Development of Expected Loss Ratio:		
<b>An exhibit with supporting expense history must be attached. Five years of expense history is required for Fire insurance. Three years of expense history is required for all other lines.</b>		
	Current	Proposed
A. Total Production Expense:	%	%
B. General Expense:	%	%
C. Taxes, Licenses & Fees:	%	%
D. Underwriting Profit & Contingencies	%	%
E. Other (Explain)	%	%
F. Total	%	%
4. Expected Loss Ratio: $ELR = 100\% - 3F$ :	%	%
5. Company Formula Loss Cost Multiplier: = (Proposed 2B / Proposed #4):		
6. Company Selected Loss Cost Multiplier:		
Explain any differences between 5 and 6:		

7. Total Rate level change for the coverages to which this page applies:	<input style="width: 90%;" type="text"/> %
--	--

Example 1: If your company's loss cost modification is -10%, a factor  $(1.00 - .10) = .90$  should be used.  
 Example 2: If your company's loss cost modification is +15%, a factor  $(1.00 + .15) = 1.15$  should be used.

**NORTH DAKOTA DEPARTMENT OF INSURANCE**  
**Insurer Rate Filing - Adoption of Advisory Organization Prospective**  
**Loss Costs Reference Filing Form NDPC300**  
**Expense Constant Supplement**

SFN 51681 (5/98) Page 3

CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

Insurer Name:

3. Development of Expected Loss Ratio:

**An exhibit with supporting expense history must be attached. Five years of expense history is required for Fire insurance. Three years of expense history is required for all other lines.**

	Overall	Expense Provisions	
		Variable	Fixed
A. Total Production Expense:			
B. General Expense:			
C. Taxes, Licenses & Fees:			
D. Underwriting Profit & Contingencies			
E. Other (Explain)			
F. Total			

4A. Expected Loss Ratio:  $ELR = 100\% - \text{Overall } 3F$ :

4B. Variable Expected Loss Ratio =  $100\% - \text{Variable } 3F$ :

5. Formula Expense Constant:  $[(1.00 / 4A) - (1.00 / 4B)] \times \text{Average Underlying Loss Cost}$ :

6. Formula Variable Loss Cost Multiplier:  $(2B / 4B)$ :

7. Selected Expense Constant:

8. Selected Variable Loss Cost Multiplier:

9. Explain any differences between 5 and 7, and 6 and 8:

10. Total Rate level change for the coverages to which this page applies:

%

**NORTH DAKOTA DEPARTMENT OF INSURANCE**

**Consent to Rate Application Form NDPC400**

SFN 51683 (5/98)

Please file and approve the following rates, which I understand are Excess of those rates otherwise filed with the North Dakota Department of Insurance

Company Name	NAIC #
Company Address	
.....	
.....	
Company Representative	Date

**POLICY INFORMATION**

Type of Business	
Location(s) of Risk	
.....	
.....	
Description of Coverage	
.....	
.....	
Policy Number	Effective Dates/Term of Policy
Policy Limits	
Filed Manual Premium	Proposed Premium

**APPLICANT INFORMATION**

I am agreeable to paying this premium because of the following reason(s)	
.....	
.....	
Name of Insured (Applicant)	
Mailing Address	
.....	
.....	
Signature of Named Insured	Date