

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**PERSONAL AUTO MULTI-TIER FILING COMPLIANCE QUESTIONNAIRE**

<b>COMPANY</b>	<b>Co. File No.</b>
<b>Company Contact:</b>	<b>Phone Number:</b>
<b>E-Mail Address:</b>	

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Section 2349 of the Insurance Law and Regulations 100 (11 NYCRR Part 169), 150 (11 NYCRR Part 154), and 182 (11 NYCRR Part 221). Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

**Pursuant to §2349 and Regulation 150 (11 NYCRR 154), All multi-tier programs must be filed for approval.**

**I. General Rules**

- a. Filed program shall describe insurer's multi-tier marketing and underwriting objectives, and their interaction with the Department's NYAIP depopulation initiatives (TCP, TOP). [§2349(a)(1);154.1(b)] YES  NO
- b. Filing must contain an explanation of rate differentials, maximum uptiering increase, and territorial rate comparison of highest rated tier's rates to NYAIP. [154.1(c); 154.1(d)] YES  NO
- c. Sample "uptier notice" must be submitted; must specify reason for tier movement & show premium. [154.1(e); 154.4(a)] YES  NO
- d. Sample "disclosure notice" must be submitted, to be included with all renewals; must explain multi-tier program, give name and toll-free number of contact person at insurer; also should state prominently that rates of certain tier(s) may be higher than that of the NYAIP. [154.1(f); 154.4(b)] YES  NO

**II. Underwriting / Rating Issues**

- a. Initial Tier Placement criteria do NOT need to be filed with the Department. However, the insurer must submit affirmation of initial tier placement rules' compliance with [154.2(a)(2)]. YES  NO
- b. Tier movement rules must be mutually exclusive, objective, not in violation of New York Insurance Law Article 23. [154.2(b)(1)] YES  NO
- c. Tier movement shall not be based on subjective judgment. [154.2(b)(2)] YES  NO
- d. Tier movement rules must be filed as part of program. [154.2(b)(3)] YES  NO
- e. Underwriting rules may only permit uptiering upon renewal, unless due to underlying changes in exposure, and only according to specific tier's rating rules; may also uptier in lieu of mid-term cancellation. [154.2(c)] YES  NO
- f. Are rate deviations based on agent/brokers' commission level? YES  NO

**III. Uptiering / Nonrenewal Limitations**

- a. Insurer must state in the filing that it shall keep records on; number of new policies issued, uptiering notices sent on policies which were renewed and nonrenewed, all other nonrenewals & conditional renewals. [154.3(c)(1)] YES  NO
- b. Filing must contain explanation of selection criteria for uptiering policies in a given territory where 3% limit is exceeded. [154.3(d)] YES  NO
- c. Rating rules must provide for annual review of all insureds for appropriate tier placement and correction. [154.3(f)] YES  NO

**NOTE: All citations in Brackets are to the applicable sections of Regulations 100 and 150 and Section 2349 of the Insurance Law.**

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- |   |                                     |                                     |                                    |
|---|-------------------------------------|-------------------------------------|------------------------------------|
| <p>d. Is the tier designation indicated on the declarations page? [154.4(c)]</p>  | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p>  |                                    |
| <p>e. Does the filing contain the company's plan to monitor effectiveness of multi-tier program in AIP depopulation (factors such as number of policies written, new business, previous insurers of new policies, etc., captured by territory)? [(154.5)]</p>   | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p>  |                                    |
| <b>IV. Tier Movement</b>  |                                     |                                     |                                    |
| <p>a. Is an insured moved to a higher tier based upon whether or not physical damage coverage is maintained?</p>  |                                     | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p> |
| <p>b. Are any of the tier movement criteria based on "lifestyle" factors (e.g. residence, employment) which have no direct relation to the coverage?</p>  |                                     | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p> |
| <p>c. Do rating rules provide SOLELY for upward tier movement?</p>  |                                     | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p> |
| <p>d. Tiering applicable to single "minor" accidents should contain a reference to a "threshold" below which such accidents will not be considered.</p>   | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p>  |                                    |
| <p>e. Filing should describe how current policies (if any) will integrate into multi-tier program.</p>  | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p>  |                                    |
| <p>f. Is there tier movement for any items which also subject the insured to a surcharge (and surcharge is not eliminated upon movement)? [154.2(d)], Regulation 100 [§169.1(d)(2)]</p>   |                                     | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p> |
| <p>g. Is there movement to a higher tier (premium increase) solely due to an accident that does not result in aggregate property damage in excess of \$2,000 (unless the accident results in bodily injury, or if the insured has more than one accident in the tiering experience period)? [NYIL §2335(a)]</p>   |                                     | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p> |
| <p>h. Does the filing state the maximum number of years it would take an insured, who is initially written in the highest-rated tier, to eventually reach the lowest-rated tier (assuming the policy meets all criteria in the tier movement rule) under the proposed multi-tier structure. If the insurer utilizes credit information as a criteria in the tier movement rule, this length of time must also be contemplated, assuming the insured's credit score remains unchanged and/or attains an "average" score.</p> | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p>  |                                    |
| <p>i. If credit information is used for initial tier placement and/or in the Tier Movement rules, has the required submission for compliance with Regulation 182 (11 NYCRR 221) been filed with the Department?</p>   | <p>YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p>  |                                    |

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