



## Administrative and Notification Requirements

- (1) For the first phase, insurers should notify policyholders of their right to request an explanation of the rate increase in accordance with the judicial opinion. For example, a state may want to provide guidance that a prominent disclaimer may be at the beginning of required to be included on the first page.

- a. Auto-related factors: ~~change in~~ car garaging location, driving record, miles driven, number of drivers, and number of vehicles,
  - b. Property related factors: ~~change in~~ age, location, and value,
  - c. Demographic factors: ~~change in~~ age, credit history, education, gender, marital status, and occupation,
  - d. Other factors: ~~change in~~ claims history, discounts, fees and surcharges, premium capping, ~~automatic inflationary increases,~~ and ~~date an in e rate plan changes.~~
  - e. Factors not listed above as primary are ~~considered as~~ optional factors. Insurers may include additional optional factors not listed in this section, if applicable to the premium increase.
- (2) For the second phase, insurers ~~must shall~~ include the primary factors in the premium change notice ~~processed for renewals,~~ if applicable to the premium increase, ~~with any premium change notices processed for renewals.~~
- (3) If insurers include composite rating variables in their premium change explanation, the premium increase attributed to the composite rating variables should be explained.
- (4) If insurers use estimated dollars, a reasonable explanation should be provided ~~about on~~ the degree of accuracy ~~the estimated dollars achieve,~~ ~~as specifically applied to that policy and premium increase.~~
- (5) Insurers may include premium change explanations for all premium increases beyond those required.
- (6) If an insurer already has a ~~premium increase notification~~ ~~acceptable~~ ~~the State~~ regulator, ~~the regulator may it could be allowed~~ ~~the insurer~~ to continue to use the process that is in place.

[REMOVED THIS EXAMPLE:]

~~Phase 2: Auto/Homeowners Insurance Premium Increase Notice Example~~  
~~Your auto/homeowners insurance premium is increasing.~~



• Reason 2 raised your premium \$B

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- ~~Reasons~~ Factor 5 raised your premium \$E

Please call your agent or our Customer Service Representative at (xxx) xxx-xxxx with any questions.

Phase 2: Homeowners ————— Insurance Policy Premium Increase Notice  
Example

Your homeowners ————— insurance policy premium is increasing.

Your current homeowners h—me—ne— insurance policy premium [~~for what period~~] is \$1,175 [~~how often~~].

Each insurer files a rating plan with the state insurance department ~~for their approval~~.  
According to the rating plan we filed with your state, your anticipated renewal policy premium is ~~would increase to~~ \$2,121 ~~the next time you renew your policy, which is scheduled for [date]~~.

However, the next time you renew your policy your premium increase will be limited to only \$88, resulting in a renewal premium of \$1,257.

Your policy premium will continue to increase with each of the next [how many] renewals

- Reasons **Factor 3** raised your premium