



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Bulletin PC-71

October 15, 2012

(Amendment of Bulletin PC-63-01 dated 4/21/09)

To: All Companies Licensed to Write Property and Casualty Insurance
Re: Exemption of Certain Commercial Lines Property and Casualty Policy Forms, Rates and Rules

This Bulletin is intended to amend Bulletin PC-63-01 dated April 21, 2009 and to extend the Connecticut Insurance Department's (the "Department") program to exempt certain commercial lines coverages from the rate, rule and form filing review procedures set forth in Connecticut General Statutes section 38a-676 and the accompanying regulations (the "Program").

A. Claims-Made Filings Exempted from Review.

The Department hereby adds *claims-made* rate, rule and form filings to the listing of coverages eligible for exemption under Appendix A (attached) *except* for professional liability claims-made insurance policies issued in this state to medical professionals as defined in Conn. Gen. Stat. section 38a-976. This action is being taken pursuant to the authority granted to the Insurance Commissioner under Connecticut General Statutes Section 38a-692 and constitutes a ruling by the Commissioner exempting certain commercial lines forms, rates and rules from being subject to the Department's review.

The Department wishes to remind companies that an officer of the insurer must continue to certify that filings exempted under Appendix A comply with applicable Connecticut insurance laws and regulations. Also, the exemption cannot be used if the filing has been previously disapproved by the Department. As we advised in Bulletin PC-63 and Bulletin PC-63-01, the Department has established an audit process where select "exempt" commercial filings will receive a complete Department review to determine the insurer's compliance with all applicable Connecticut insurance laws.

B. Forms, Rates and Rules Not Exempted Under this Bulletin

As a reminder to filers, this Bulletin does not extend the Department's rate, rule and filing exemption to other coverages including: (i) those used in the personal lines market; (ii) commercial lines policy forms not listed in Appendix A; (iii) professional liability insurance policies issued to medical professionals or (iv) filings made by an Insurance Rating or Advisory Organization.

C. Effective Date

This Bulletin is effective for claims-made rate, rule and form filings, except as provided above, made on or after October 15, 2012. PC 63-01 remains in effect except as modified by this Bulletin PC-71.

Any questions concerning this Bulletin may be directed to George Bradner, Director, Property and Casualty Division at: george.bradner@ct.gov or (860) 297-3866.

Thomas B. Leonardi
Insurance Commissioner

APPENDIX A

Pursuant to this Bulletin, the following commercial lines are exempted from the filing, rate and rule review requirements of Connecticut General Statutes Section 38a-676:

- Claims-made policies as defined in section 38a-327-1 *et seq.* of the Regulations of Connecticut State Agencies *except* for professional liability claims-made insurance policies issued in this state to medical professionals as defined in Conn. Gen. Stat. section 38a-976.
- Manuscript policies and endorsements issued to not more than three (3) insureds in Connecticut;
- Commercial inland marine (form, rate and rule filings) Note: rates and rules are not required to be filed under Connecticut law. However, if insurer chooses to submit these filing types,– they may be submitted as ‘Exempt’;
- ‘Following form’ commercial excess and umbrella (form, rate and rule filings);
- Commercial excess and umbrella policies if the underlying policy provides limits of at least \$1 million (form, rate and rule filings);
- Commercial policies or endorsements for: expropriate coverage; kidnap and ransom coverage; political risk coverage; extortion risk coverage; computer fraud coverage; or trade credit risk (form, rate and rule filings);
- Commercial crime/burglary & theft; commercial credit; crop/hail; mortgage guaranty and commercial flood; commercial earthquake; boiler and machinery; commercial identity theft (form, rate and rule filings);
- Fidelity and Surety Bonds other than bail bonds (form, rate and rule filings);
- Manufacturer Output policies with total INSURED VALUES of at least \$8,000,000 (form, rate and rule filings);
- Highly Protected Risk policies covering: (form, rate and rule filings)
 1. Structures that have a design and degree of protection which, together with efficient specialized inspection and engineering services, will have the effect of reducing the relative importance of such factors as exposure, and quality of public fire protection;
 2. Structures that have fire-resistive or incombustible, heavy timber or other approved construction, in good state of preservation and repair;
 3. Structures that are equipped with fire protection or loss prevention equipment in all physical areas where such protection is necessary;
 4. Structures that are provided with satisfactory watchman or alarm service or its equivalent; or
 5. Structures that are protected by adequate public/private exterior fire protection system embracing an adequate number of hydrants, hose and necessary miscellaneous equipment with adequate water supply; and
- Commercial Travel –Baggage (form, rate and rule filings). Note: this exemption does *not* extend to products that include Accident/Health coverage.