



STATE OF CONNECTICUT
INSURANCE DEPARTMENT

Bulletin PC-63-01
May 1, 2009
(Replacement of PC-63 1/7/08)

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

The Connecticut Insurance Department's (the "Department") pilot program to exempt certain commercial lines filings as promulgated under 38a-692 from Department review is extended until further notice.

Details of the filings eligible for exemption can be found attached in Appendix A which has been revised and expanded to include eligibility to additional commercial lines and to clarify the eligibility of current eligible exempt lines.

A. Commissioner's Ruling and Statutory Authority

This action is being taken pursuant to the authority granted to the Insurance Commissioner under Conn. Gen. Stat. Section 38a-692 and constitutes a ruling by the Commissioner exempting certain commercial line forms, rates and rules from being subject to the Department's review. Pursuant to Conn. Gen. Stat. Section 38a-694, the purposes of allowing this exemption are (i) to encourage more efficient and economic marketing practices by insurers for these product lines and (ii) to provide price and other information to enable consumers to purchase suitable for their needs and to foster competitive insurance markets. Therefore, the Commissioner hereby exempts from the review requirements of Conn. Gen. Stat. Section 38a-676, the forms, rates and rules for the commercial product lines listed in Appendix A, attached hereto and made a part of this Bulletin, unless or until notified of any change to this position by the Insurance Commissioner.

B. Commercial Lines Filings Exempted from Review

To continue assessing the effectiveness of this program, the Department will continue to require companies to provide the commercial forms, rates and rule filings (and/or any amendments or endorsements thereto) exempted by this Bulletin.

The cover letter and CT Transmittal Form for paper filings must identify the filing as "Exempt" with an explanation that the insurer intends to use the forms, rates and/or rules under the exemption provided by this Bulletin. SERFF filers must identify exempt filings with the

appropriate 'Exempt' designation in the Filing Type field. Insurers are still responsible for following the Department's filing requirements as outlined in SERFF and CT Bulletin PC-62.

An officer of the insurer must certify that the filing complies with applicable Connecticut insurance laws and regulations and that the filing has not been previously disapproved by the Department. The Department has established an audit process where select "exempt" filings will receive a complete Department review to determine the insurer's compliance with all applicable Connecticut insurance laws. If it is determined that an exempt filing is not in compliance with CT law, the insurer will be notified and expected to make all revisions necessary to immediately bring the filing into compliance and reissue contracts that are in violation of Connecticut Insurance Laws or Regulations.

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

The Commissioner's action hereunder extends solely to the commercial product lines of insurance identified in Appendix A. This Bulletin does not extend to any other policy forms, rates or rules required to be filed under Connecticut law including, but not limited to: (i) those used in the personal lines market; (ii) commercial lines policy forms not listed in Appendix A; or (iii) filings made by an Insurance Rating or Advisory Organization. Insurers are required to continue to follow the Department's filing procedures set forth in Bulletin PC-62 for those forms not exempted under this PC-63.

Insurers are cautioned that the Commissioner's actions under this Bulletin do not include a review exemption for the following lines of commercial insurance:

- workers' compensation;
- excess workers' compensation,
- medical malpractice;
- professional liability;
- environmental impairment liability;
- policies affording claims made coverage;
- policies issued to municipalities and other local government entities;
- or, any other form, rate or rule filing (including a policy form filing that contains coverages for both an exempt and non-exempt line of business) not set forth in the attached Appendix A.

D. Continuing Authority of the Commissioner; Compliance with Laws

The Department wishes to make clear that the Commissioner retains complete and full authority to rescind this Bulletin at any time. Notwithstanding the filing review exemption for certain commercial line forms, rates and rules described above, such filings must comply with all other applicable Connecticut laws and regulations.

E. Effective Date

The original Bulletin was effective for filings received by the Department on or after February 1, 2008. This revised Bulletin extends the exemption processes beyond the original one year pilot

period and is being continued until further notice is given by the Commissioner to terminate the process.

F. Questions

Any questions concerning this Bulletin may be directed to George Bradner, Director, Property and Casualty Division (860) 297-3866.



Thomas R. Sullivan
Insurance Commissioner

APPENDIX A

Pursuant to this Bulletin, the following commercial lines are exempted from the filing review requirements of Conn. Gen. Stat. Section 38a-676 except as provided under B. above:

- Manuscript policies and endorsements issued to not more than three (3) insureds in Connecticut (excluding claims-made products)
- Commercial inland marine (form, rate and rule filings) [rates and rules are not required to be filed under Connecticut law, if insurer chooses to submit these filing types – they may also be submitted as exempt]
- Following form commercial excess and umbrella (form, rate and rule filings) – (excluding claims-made products)
- Commercial excess and umbrella policies if the underlying policy provides limits of at least \$1 million (form, rate and rule filings) – (excluding claims-made and excess workers compensation products)
- 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 (form, rate and rule filings) **new*****
- Commercial Credit (form, rate and rule filings)
- Crop and hail (form, rate and rule filings)
- Mortgage guaranty (form, rate and rule filings)
- Commercial flood insurance (form, rate and rule filings)
- Commercial earthquake insurance (form, rate and rule filings) **new*****
- Boiler and machinery (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.
- Commercial Identity Theft (form, rate and rule filings) **new*****