

2705.1800 USE OF RATEMAKING REPORT.

A. After the ratemaking report has been filed with the commissioner, insurers may develop and use rates based upon the pure premium base rates contained in the report. Insurers may also develop and use rates based upon any reasonable factors which are not inconsistent with Minnesota Statutes, sections 79.50 to 79.62.

B. If an insurer uses the pure premium base rates contained in the ratemaking report, then the insurer may calculate rates by:

(1) application of trend factors based on the analysis provided by the data service organization or on the insurer's own interpretations of underlying data;

(2) application of loss development factors reflecting expected development beyond that in the pure premium base rate schedule to the ultimate loss level;

(3) application of a factor to reflect the insurer's expected expense requirements;

(4) application of any other factor based on the analysis provided by the data service organization or on the insurer's own interpretation of underlying data.

C. Insurers may adjust premiums by application of discount factors as defined in Minnesota Statutes, section 79.52, subdivision 8, and merit rating as defined in Minnesota Statutes, section 79.52, subdivision 9. Insurers may use their own filed and approved plans or plans developed by a data service organization in which they maintain membership.

D. An insurer shall not refuse to write insurance for an employer solely because:

(1) the employer was denied coverage by another insurer, whether by cancellation or nonrenewal or refusal to offer coverage; or

(2) the employer was insured through the assigned risk plan.

E. All data and calculations used to calculate rates from the pure premium base rate schedule shall be clearly documented.

Statutory Authority: *MS s 45.023; 79.51; 79.55 to 79.61*

History: *8 SR 2273; 31 SR 323*

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