

**70A.05 RATING METHODS.**

The compliance of rates with the standards of section 70A.04 shall be determined by considering the following matters:

(1) **Factors in rates.** Due consideration shall be given to past and prospective loss and expense experience within and outside this state, to a reasonable provision for catastrophe hazards and contingencies, to clearly discernible trends within and outside this state, to dividends or savings allowed or returned by insurers to their policyholders, members or subscribers, and to all other relevant factors, including the judgment of underwriters and raters.

(2) **Classification.** Risks may be classified by any reasonable method for the establishment of rates and minimum premiums. Classifications may not be based on race, color, creed or national origin. Rates thus produced may be modified for individual risks in accordance with rating plans or schedules which establish standards for measuring probable variations in hazards, expenses, or both.

(3) **Profits.** The rates may contain an allowance permitting a profit that is not unreasonable.

**History:** 1969 c 958 s 5