

policyholder of such cancellation. Insurers shall provide notice to the insured as set forth in s. 631.36 (2) (b), Stats.

(b) No cancellation under s. 631.36 (2) (a), Stats., of any war risks coverage contained in an aircraft insurance policy is effective until at least 7 days after the 1st class mailing or delivery of a written notice to the policyholder.

History: Emerg. cr. eff. 7-1-77; cr. Register, November, 1977, No. 263, eff. 12-1-77; am. (1), (4) and (5), Register, May, 1987, No. 377, eff. 6-1-87; am. (1) and (2), renum. (3) (a), (4) and (5) to be (3) (c), (4) (a) and (5) (a), cr. (3) (a) and (d), (4) (b) and (5) (b), Register, July, 1990, No. 415, eff. 8-1-90.

**Ins 6.78 Exemption from filing of rates. (1) PURPOSE.** The purpose of this section is to exempt from the filing requirements of s. 625.13, Stats., those rates for risks which have been customarily written on a consent-to-rate basis and certain title insurance rates, if having been determined that such filing is not necessary to protect policyholders and the public. This rule implements and interprets ss. 625.04, 625.13, and 625.15, Stats.

(2) SCOPE. This section applies to the following lines or classes of insurance:

(a) The classes specified in Ins 6.75 (2) (a), (d), (e), (f), (g), (h), (i), (j), (l), (m), and (n).

(b) Individual rate modifications that are a reduction from the filed title insurance rate.

(3) EXEMPT FILINGS. If a specific risk in a line or class of insurance set forth in (2) (a) above is of the type which is customary written on a consent-to-rate basis wherein the insured agrees to accept a rate that is different from the insurer's filed rates, the consent-to-rate shall not be filed with the commissioner, provided:

(a) The insurer keeps for at least 1 year after the expiration date of the policy;

1. Record of the rate development; and

2. The written application signed by the insured stating the insured's reason for requesting the rate.

(b) Prior to entering into such insurance agreements in Wisconsin the insurer has notified the commissioner of insurance of its intention so to do, identifying the contemplated lines and classes of insurance.

(4) EXEMPT FILING. If a title insurance rate as set forth in sub. (2) (b) is a downward deviation of an existing filed rate, the rate shall not be filed with the commissioner provided that all of the following apply:

(a) The insurer keeps for at least five years after the inception date of the policy the following information:

1. The filed rate and premium and the deviated rate and premium;

2. The effective date of the policy and the location and description of the risk;

3. The reason for the deviation; and

4. A record of the deviated rate development.

(b) Prior to entering into such insurance agreements in Wisconsin, the insurer has notified the commissioner of its intentions to do so, identifying the contemplated rate deviation program.

History: Cr. Register, January, 1980, No. 289, eff. 2-1-80; am. (1), (2) and (3) (intro.), cr. (4), Register, February, 1993, No. 446, eff. 3-1-93; reprinted to restore dropped copy in (3), Register, May, 1993, No. 449.

**Ins 6.785 Exemption from rate filing requirements. (1) PURPOSE.** This section is intended to exempt certain classes of property and casualty rates from the rate filing requirements. This section implements and interprets ss. 625.04, 625.13 and 625.15, Stats.

(2) **SCOPE.** This section applies to the lines or classes of insurance which are listed in s. Ins 6.75 (2) (a), (d), (e), (f), (g), (h), (i), (j), (l), (m) and (n) of direct insurance written on risks or operations in this state subject to s. 625.03, Stats., and which are exempted under the consent-to-rate provision of s. Ins 6.78.

(3) **FINDINGS.** The commissioner of insurance finds that for certain classes of business certain risks within other classes of business and certain situations, the rate filing requirements set forth in s. 625.13, Stats., are unnecessary to achieve the purposes of ch. 625, Stats. The commissioner bases this finding on the following reasons:

(a) The manual rate, classification or form is inappropriate because it does not adequately reflect the exposure represented by the risk;

(b) The risk is so different from other risks that no single manual rate or classification could be representative of all such risks;

(c) The risk belongs to a classification that does not develop enough experience to warrant sufficient credibility for rate-making purposes; or

(d) The risk involves a new product or coverage as to which there are no appropriate analogous exposures for rate-making purposes.

(4) **RATE FILING EXEMPTION.** The following rates shall not be filed with the commissioner by the insurer or rate service organization on behalf of the insurer provided the insurer complies with sub. (7):

(a) The rate for an individual risk written under a rating rule class filed with the commissioner which must be accompanied by a certification by a qualified actuary that the rate under the rating rule class cannot be objectively rated for at least one of the following reasons:

1. The class generates insufficient loss experience to be reliably used in rating;

2. The class loss experience is so volatile as to make it unreliable;

3. Prospective losses for this class are likely to change rapidly and unpredictably; or

4. Risks within the class are so dissimilar that a single rate would not be representative of all risks in the class.

(b) Rates for excess liability insurance provided in an amount not less than \$1,000,000 in excess of a specified retained limit provided such retained limit is not less than:

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1. \$350,000 per occurrence as respects those exposures covered by underlying insurance; or

2. \$10,000 per occurrence as respects those exposures not covered by underlying insurance.

(c) Rates for risks developing annual products liability and completed operations insurance premiums of \$5,000 or more at the basic limit.

(d) Rates for risks developing annual increased limits written premium determined by customary rating procedures of \$5,000 or more.

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