

## Red Tape Review Rule Report (Due: September 1, 20 23 )

<b>Department Name:</b>	Department of Insurance and Financial Services-Insurance Division	<b>Date:</b>	8/31/2023	<b>Total Rule Count:</b>	7
<b>IAC #:</b>	191	<b>Chapter/ SubChapter/ Rule(s):</b>	60.4	<b>Iowa Code Section Authorizing Rule:</b>	§515A.7
<b>Contact Name:</b>	Angela Burke Boston	<b>Email:</b>	angela.burke.boston@iid.iowa.gov	<b>Phone:</b>	(515) 654-6543

**PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE**

**What is the intended benefit of the rule?**

Chapter 60 clarifies and guides insurers regarding the deviations in workers compensation filings as permitted under Iowa Code §515A.7.

**Is the benefit being achieved? Please provide evidence.**

Yes. This rule making is proposed pursuant to Executive Order 10.

**What are the costs incurred by the public to comply with the rule?**

There are no known costs.

**What are the costs to the agency or any other agency to implement/enforce the rule?**

There are no known costs.

**Do the costs justify the benefits achieved? Please explain.**

The proposed rules remove duplicative language.

**Are there less restrictive alternatives to accomplish the benefit?**  YES  NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The Division did not find any less restrictive alternatives.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

**PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE**

191—60.4

**RULES PROPOSED FOR REPEAL (list rule number[s]):**

None.

**RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):**

The following rulemaking action proposed:

ITEM 1. Amend rule 191—60.4(515A) as follows:

**191—60.4 (515A) Rate or manual rule filing.**

**60.4(1)** Every insurer, either on its own or via a licensed rating organization, shall file with the division, pursuant to provisions of Iowa Code chapter 515A, every manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use.

*a.* ~~An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings on its behalf.~~

~~b.~~ Every insurer shall adhere to the filings made on its behalf by a rating organization except that any such insurer may file a deviation from the class rates, schedules, rating plans, or rules, or a combination thereof, at any time during the year and, once approved, need only be refiled to propose changes to any filing ~~for approval by the division.~~

~~c.~~ Deviations may be filed at any time during the year and, once approved, need only be refiled to propose changes to the approved deviations filing.

**60.4(2)** An insurer may file for approval by the division a uniform percentage rate deviation to be applied to the class rates of the rating organization's filing.

a. A rate deviation from the approved class rates of a rating organization shall not exceed 15 percent nor shall it cause the rate charged a policyholder to exceed the approved assigned risk rates, but must state whether or not the proposed deviation is to be applied to minimum premiums.

b. In the event that an insurer has an existing approved filing for which the deviation results in rates above those approved for the assigned risk, the insurer must use the same deviation as approved for the assigned risk effective the same date as the approval of the assigned risk rates. A filing must be made confirming use of the new deviation on that date.

~~c.~~ A filing must specify whether or not the proposed deviation is to be applied to minimum premiums.

**60.4(3)** Schedule rating may be used by any company, regardless of whether that company has an approved deviation. The maximum modification allowed for schedule rating is 15 percent for individual policies.

***\*For rules being re-promulgated with changes, you may attach a document with suggested changes.***

**METRICS**

<b>Total number of rules repealed:</b>	<b>0</b>
<b>Proposed word count reduction after repeal and/or re-promulgation</b>	<b>32</b>
<b>Proposed number of restrictive terms eliminated after repeal and/or re-promulgation</b>	<b>0</b>

**ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?**

None.