

**CHAPTER 130. REQUIREMENTS FOR FILING FOR A  
DECREASE IN CURRENTLY APPROVED RATES**

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**Authority**

The provisions of this Chapter 130 issued under The Insurance Department Act of 1921 (40 P. S. §§ 1—321); The Insurance Company Law of 1921 (40 P. S. §§ 341—991); sections 206, 506, 1501 and 1502 of The Administrative Code of 1929 (71 P. S. §§ 66, 186, 411 and 412); sections 1—11 of The Casualty and Surety Rate Regulatory Act (40 P. S. §§ 1181—1191); and sections 1—18 of The Fire, Marine and Inland Marine Rate Regulatory Act (40 P. S. §§ 1221—1238), unless otherwise noted.

**Source**

The provisions of this Chapter 130 adopted June 6, 1980, effective June 7, 1980, 10 Pa.B. 2329, unless otherwise noted.

**§ 130.1. Purpose.**

This chapter is to promote competition among insurers for the benefit of the insurance consuming public by permitting insurers subject to the Fire and Marine Rate Act or the Casualty and Surety Rate Act, or both, to effect expeditiously certain decreases in a rate filing currently approved by the Department when, in an insurer's judgment economic or competitive reasons or conditions warrant such a decrease. A further purpose is to enable an insurer to return to the currently approved rate level without delay or regulatory review when, in its judgment, the conditions or reasons for the decrease no longer pertain.

**§ 130.2. Definitions.**

The following words and terms, when used in this chapter, have the following meanings unless the context clearly indicates otherwise:

*Bureau*—The Bureau of Regulation of Rates and Policies of the Department.

*Casualty and Surety Rate Act*—The Casualty and Surety Rate Regulatory Act (40 P. S. §§ 1181—1199).

*Commissioner*—The Insurance Commissioner of the Commonwealth.

*Department*—The Insurance Department of the Commonwealth.

*Director*—The Director of the Bureau.

*Fire and Marine Rate Act*—The Fire, Marine and Inland Marine Rate Regulatory Act (40 P. S. §§ 1221—1238).

*Insurer*—An insurance company, association or exchange authorized to transact insurance business in this Commonwealth which files its rates independently under the Fire and Marine Rate Act or the Casualty and Surety Rate Act, or both; a member or subscriber of a rating organization on whose behalf rate

filings are made under the aforesaid acts by a rating organization; or a rating organization itself licensed under either or both of the aforesaid acts.

**§ 130.3. Filing requirements.**

An insurer subject to the Fire and Marine Rate Act or the Casualty and Surety Rate Act, or both, to effect a decrease in rates currently approved by the Department, shall comply with the following filing requirements:

(1) The insurer by a rate filing shall notify the Director; Bureau of Regulation of Rates and Policies; Insurance Department; Harrisburg, Pennsylvania 17120 at least 30 days prior to the date it wants to put into effect a decrease in rates currently approved for it by the Department. In the rate filing, the insurer shall state the basis for the decrease in rates and its agreement that the decrease in rate filing shall remain in effect for at least 3 months from the effective date. Within a 15-day period following the filing of a proposed decrease in rates, the Commissioner will notify the insurer of the unacceptability of the filing for a decrease in rates. The Commissioner will only find unacceptable a decrease in rate filing if, in his opinion, the decrease in rates may have a tendency or capacity to imperil the financial condition of the filing insurer.

(2) The decrease in rate filing may be up to 10% from the currently approved rates and shall apply to policyholders either by coverage or line of insurance.

(3) After a filing has been in effect for 3 months or more, an insurer may automatically withdraw its decrease or a portion thereof by so notifying the Director; Bureau of Regulation of Rates and Policies; Insurance Department; Harrisburg, Pennsylvania 17120 at least 30 days prior to the withdrawal date.

**Cross References**

This section cited in 31 Pa. Code § 153.3 (relating to simplified review of company merger, assumption or name change form and rate filings—statement of policy).

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