

May 17, 2018

Chlora Lindley-Myers, DIFP Director
Truman State Office Building
Room 530
PO Box 690
Jefferson City, MO 65102

RE: Request for No-Action Letter for USAA Renters

Dear Ms. Lindley-Myers:

United Services Automobile Association, USAA-Casualty Insurance Company, USAA-General Indemnity Company, and Garrison Property and Casualty Insurance Company (collectively referred to as USAA Group) respectively request a "no-action letter" pursuant to RSMo. §374.018 regarding Bulletin 16-05.

USAA Group's Renters rate cap rule was last modified in approved filing USAA-130533185 effective 10/15/2016 and was designed to gradually phase in significant changes to USAA Group's Renters rating plan. USAA Group understands that Bulletin 16-05 does not permit the extension of previously filed rate stability rules. However, as mentioned in our January 23, 2018 letter regarding our Homeowners rating plan, USAA Group's IT systems cannot be readily adapted to meet all of the specifications of Bulletin 16-05. In particular, USAA Group's systems limit the *total* premium change at renewal to +/- \$100, which includes the impact of rate changes and normal variations such as increases in coverage due to inflation. Based on our understanding, applying the rate cap to these normal variations resulting from changes in policyholder characteristics is not permissible under Bulletin 16-05 nor is it permissible to have a perpetual rate cap. However, the immediate removal of the Renters rate cap would result in policyholder disruption. Therefore, we request that USAA Group be allowed to use its existing rate cap rule until October 15, 2019, which is three years after the effective date of USAA Group's last Renters filing, to allow all policyholders to reach their ultimate rates.

If the department would like additional information to evaluate USAA Group's request, please contact Ruben Rodriguez at (210) 355-5132. We appreciate your consideration.

Sincerely,



Nicolas Boivin
Pricing Director
United Services Automobile Association

May 17, 2018

Chlora Lindley-Myers, DIFP Director
Truman State Office Building
Room 530
PO Box 690
Jefferson City, MO 65102

RE: Request for No-Action Letter for USAA Dwelling Fire


Dear Ms. Lindley-Myers:

United Services Automobile Association, USAA-Casualty Insurance Company, USAA-General Indemnity Company, and Garrison Property and Casualty Insurance Company (collectively referred to as USAA Group) respectively request a "no-action letter" pursuant to RSMo. §374.018 regarding Bulletin 16-05.

USAA Group's Dwelling Fire rate cap rule was last modified in approved filing USAA-129719595 effective 10/31/2014 and was designed to gradually phase in significant changes to USAA Group's Dwelling Fire rating plan. USAA Group understands that Bulletin 16-05 does not permit the extension of previously filed rate stability rules. However, as mentioned in our January 23, 2018 letter regarding our Homeowners rating plan, USAA Group's IT systems cannot be readily adapted to meet all of the specifications of Bulletin 16-05. In particular, USAA Group's systems limit the *total* premium change at renewal to +/- 25%, which includes the impact of rate changes and normal variations such as increases in coverage due to rebuild cost estimates. Based on our understanding, applying the rate cap to these normal variations resulting from changes in policyholder characteristics is not permissible under Bulletin 16-05. However, since the immediate removal of the Dwelling Fire rate cap would result in policyholder disruption and the Dwelling Fire rule was approved with a termination date of December 31, 2019, we ask that the rule be allowed to remain in effect until that date.

If the department would like additional information to evaluate USAA Group's request, please contact Ruben Rodriguez at (210) 355-5132. We appreciate your consideration.

Sincerely,


Nicolas Boivin
Pricing Director
United Services Automobile Association