

July 14, 2017

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

RE: RSMo. §374.018 Issuance of No-Action Letters by Director
Auto-Owners Insurance Company #0280-18988

Dear Ms. Lindley-Myers:

Auto-Owners Insurance Company (hereinafter the "Company") respectfully requests a "no-action letter" pursuant to RSMo. §374.018. Specifically, the Company requests that the Department allow the Company to extend its current transition plan for an additional three (3) years in order to reduce premium displacement for its policyholders.

The Company originally implemented its transition plan effective 11/23/2014, due to the implementation of a new rating plan, and filed the original factors within AOIC-129619468. Following the original implementation, the Company has filed to revise its transition factors to achieve its overall proposed percentage change on an ultimate basis each year. At the upcoming 2017 rate change, the Company will still have 35.6% of its book of business that has not finished transitioning to its full premium.

The Company understands that Bulletin 16-05 states that carriers may not extend a previously filed rate stability rule, but since the bulletin was not in place at the time that the Company originally implemented its new rating plan, the Company requests an extension. The factors used in the three-year extension would adhere to all other guidelines referenced within Bulletin 16-05. This will allow the Company to comply with Bulletin 16-05, while avoiding large rate swings for numerous insureds. If the Company were to move policyholders all the way to their full premium in a single year, increases as high as 45.4% would be seen for some insureds, due solely to transitioning.

If any additional information is needed, please contact Betsy Cornwell at (800) 346-0346 ext. 3434 or cornwell.betsy@aoins.com. We appreciate your review of this request, and look forward to your decision.

Sincerely,

Michael A. Wykes
Director, Personal Lines Actuarial
Auto-Owners Insurance Company