Forms Experts Program

Domain Name: Premium Increase

Document Control Information

Document Information

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| Document Author | Saurabh Jain |
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1. Functional Domain

Premium Increase

2. Business Justification

This notice is sent to the customer if the Premium is increased due to some specified reasons.This form als0 offers the Exclusion of driver(s) due to whom Premium has increased.This is included in the Offer to Exclude section of the form.

* Must be sent 47 days prior to the effective date of the increase (renewal term effective date).
* The basis for the action, including,at a minimum:
* 1. If the premium increase is due wholly or partly to an accident the form needs to include the name of the driver and date of the accident. If At-Fault then state that he driver was at fault.
* 2. If the premium is due wholly or partly to a violation the form needs to include the name of the driver, date of the vio,ation, and desctiption of the violation.
* 3. If due to claim(s), a description of each claim and any other information that is the basis for the insurer’s action.
* If insured decides to accept the offer of exclusion then they will sign and return this form to the company. It will go through the proper channels for review and handling.
* Underwriting will determine when AA43MD (Named Driver Exclusion) form will be presented to the insured for signature. This form must be signed before the driver(s) can be excluded from the policy.

The resons for Premium increase are briefly explained below

1. **Removal of Discounts**

* Clean Driver – This scenario is applicable when the Driver no more qualifies for Clean Driver i.e. driver has received more than 1 driving point and this causes the Premium increase
* Smart Driver – This scenario is applicable when Driver no more qualifies for Smart Driver For e.g. he gets married and this cases the Premium increase
* Defensive Driver – The driver does not qualify for Defensive driver For e.g. the policy effective date is now more that 3 years from the defensive driver completion date.

1. **Retiering** – All the policies are classified under various Tiers based on the various factors.In retiering the tier changes for the policy.The various reasons are

* Activity – The tier was changes due to Violation/Accident/Claims Activity
* Membership Experience – The tier was changed since ERS Activity factor was changed during renewal rate
* Late Payments – The tier has changed due to Reinstatement factor change

1. **Surcharge(s) Violation/Accident/Claims Activity** – There is a surcharge related to Violation/Accident/Claims Activity due to which Premium has increased

3. List of forms covered under the domain

| Form No. | State initials | Form Name |
| --- | --- | --- |
| AA71MDA | MD | NOTICE OF PREMIUM INCREASE (15% OR LESS) |
| AA71MDB | MD | NOTICE OF PREMIUM INCREASE (GREATER THAN 15%) |

4. Analysis of Business Requirements

## Common Requirements

N/A

## State-specific Requirements

| Form No. | State initials | Form Name | Form Description and its Business Use |
| --- | --- | --- | --- |
| AA71MDA | MD | NOTICE OF PREMIUM INCREASE (15% OR LESS) | * Form is generated when the Premium increase is 15% or less * The reason along with the violation details is displayed on the form * An option to Protest against is listed in the form * Offer to Exclude driver is also part of this form |
| AA71MDB | MD | NOTICE OF PREMIUM INCREASE (GREATER THAN 15%) | * Form is generated when the Premium increase is more than 15% * The reason along with the violation details is displayed on the form * An option to Protest against is listed in the form * Offer to Exclude driver is also part of this form |

## Related Change Requests (if any)

| CR No. | CR Name | States Impacted | CR Description and its Business Use |
| --- | --- | --- | --- |
| CR387 | Automating Detailed Trigger for Premium Increase Reasons | MD | As part of PAS6 implementation detailed reasons are being added to provide more clarity on the Reason for increase of Premium.  The following reasons are being added in form of Checkboxes as part of this Change Request. The Categories and sub-categories are mentioned below   * Removal of Discount * Clean Driver * Smart Driver * Defensive Driver * Retiering due to * Activity * Membership Experience * Late Payments * Surcharge(s) Violation/Accident/Claims Activity |

* 1. **References to Documents**

[CR387 Automating Detailed Trigger for Premium Increase Reasons](https://ekm1.stage.exigengroup.com/EKMWiki/index.php/CR387_Automating_Detailed_Trigger_for_Premium_Increase_Reasons)

5. Key Understanding of Design requirements, (form wise)

## AA71MDA Notice Of Premium Increase (15% Or Less)

### System/UI Impact

| Page | Yes/No | Page Section |
| --- | --- | --- |
| Forms | | No | N/A | |
| Documents | | No | N/A | |
| GODD | | No | N/A | |
| Related UW Rule/Task | | No | N/A | |

### Impacted Stories

| Type | Story # *(enter story # or N/A if form doesn’t require update to state specific story. Any legacy EKM story #s within the listed combo templates should be included in the story writing analysis)* |
| --- | --- |
| Form Content & Triggers | 880-709MD - Form Content and Triggers - Notice of Premium Increase - 15 Percentage or Less |
| Documents Page | N/A |
| GODD Page | N/A |
| Forms Page | N/A |
| RFI | N/A |
| Packet/Print Story | 880-880MD - Packet Combo   * 130-345CL - Renewal |

### Signature Rules(if any)

* Signature lines present for the Named Insured on the Protest and Offer to Exclude Page

### Document Content and Applicable Triggers

* **Renewal** – The form is generated as part of Renewal Packet if the conditions are satisfied
* **Triggers**

1. Renewal Premium is greated than Previous team Premium.

2) The premium increase is due in whole or part to one or more of the following conditions AND the increase due to these conditions is 15% or less :

* Removal of Discount: Clean Driver, Smart Driver, Defensive Driver
* Retiering:, Activity, Membership Experience, Late Payments
* Surcharge(s) Violation/Accident/Claims Activity

### Key pointers to keep in mind

Calculation for Premium is mentioned below

Policy must have Current Premium, Renewal Premium without Accident, and Renewal Premium with Accident.

**Example:**

Current Premium\* = $1500

Renewal Premium (no accident, but could have other endorsements) = $2200

Renewal Premium (with accident) = $2500

Renewal Premium (with accident) – Renewal Premium (no accident) = Qualifying Activity (increase in premium due to accident)

$2500 - $2200 = $300

Qualifying Activity (increase in premium due to accident) / Renewal Premium (without accident)

$300 / $2200 ~ 14%

If premium increase 15% or less due to accidents, use form AA71MDA.

If premium increase greater than 15% due to accidents, use form AA71MDB

* + 1. **References to Documents**

[880-709MD - Form Content and Triggers - Notice of Premium Increase - 15 Percentage or Less](https://ekm1.stage.exigengroup.com/EKMWiki/index.php/880-709MD_-_Form_Content_and_Triggers_-_Notice_of_Premium_Increase_-_15_Percentage_or_Less)

## AA71MDB Notice Of Premium Increase (Greater Than 15%)

### System/UI Impact

| Page | Yes/No | Page Section |
| --- | --- | --- |
| Forms | | No | N/A | |
| Documents | | No | N/A | |
| GODD | | No | N/A | |
| Related UW Rule/Task | | No | N/A | |

### Impacted Stories

| Type | Story # *(enter story # or N/A if form doesn’t require update to state specific story. Any legacy EKM story #s within the listed combo templates should be included in the story writing analysis)* |
| --- | --- |
| Form Content & Triggers | 880-710MD - Form Content and Triggers - Notice of Premium Increase - Greater than 15 Percentage |
| Documents Page | N/A |
| GODD Page | N/A |
| Forms Page | N/A |
| RFI | N/A |
| Packet/Print Story | 880-880MD - Packet Combo   * 130-345CL - Renewal |

### Signature Rules(if any)

* Signature lines present for the Named Insured on the Protest and Offer to Exclude Page

### Document Content and Applicable Triggers

* **Renewal** – The form is generated as part of Renewal Packet if the conditions are satisfied
* **Triggers**

1. Renewal Premium is greated than Previous team Premium.

2) The premium increase is due in whole or part to one or more of the following conditions AND the increase due to these conditions is 15% or less :

* Removal of Discount: Clean Driver, Smart Driver, Defensive Driver
* Retiering:, Activity, Membership Experience, Late Payments
* Surcharge(s) Violation/Accident/Claims Activity

### Key pointers to keep in mind

Calculation for Premium is mentioned below

Policy must have Current Premium, Renewal Premium without Accident, and Renewal Premium with Accident.

**Example:**

Current Premium\* = $1500

Renewal Premium (no accident, but could have other endorsements) = $2200

Renewal Premium (with accident) = $2500

Renewal Premium (with accident) – Renewal Premium (no accident) = Qualifying Activity (increase in premium due to accident)

$2500 - $2200 = $300

Qualifying Activity (increase in premium due to accident) / Renewal Premium (without accident)

$300 / $2200 ~ 14%

If premium increase 15% or less due to accidents, use form AA71MDA.

If premium increase greater than 15% due to accidents, use form AA71MDB

* + 1. **References to Documents**

[880-710MD - Form Content and Triggers - Notice of Premium Increase - Greater than 15 Percentage](https://ekm1.stage.exigengroup.com/EKMWiki/index.php/880-710MD_-_Form_Content_and_Triggers_-_Notice_of_Premium_Increase_-_Greater_than_15_Percentage)

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