

QUESTION: I have a company that increased an insured's renewal premium by over \$1,000 because of a deer collision claim (payout was \$6,000 for a comprehensive claim). I do not have any other company that re-tiers in this manner at renewal due to claims. I know they are not re-tiering when the rate is in the insured's favor, so I am curious what the law says about this. Can they pick and choose what to re-tier for at renewal?

ANSWER: New York has an insurance regulation that governs multi-tier programs for personal auto – you can find the whole thing [here](#). Here's a couple of things:

- The regulation requires insurers to [file their multi-tier programs](#) with the New York State Department of Financial Services and receive approval. If this carrier filed its program in the last 12 years, a copy of the rules is probably available online.
- The regulation also governs [movements between tiers](#):

(b)(1) The underwriting rules governing potential movement among the tiers shall be, to the extent feasible, mutually exclusive, shall be objective and shall not be applied so as to result in a rate that would violate Article 23.

(2) An insured shall not be moved to a different tier based upon subjective judgment.

(3) The underwriting rules governing tier movement, and any changes thereto, shall be filed with the superintendent as part of an insurer's multi-tier program.

(c) The underwriting rules governing potential tier movement shall permit an insured to be moved to a higher rated tier only upon the end of the required policy period, as defined in section 3425, notwithstanding changes in underlying exposure during the required policy period. Changes in underlying exposure during the required policy period may be reflected in the premium in accordance with the rating rules of the specific tier. Should a policy become eligible for midterm cancellation for the reasons stated in section 3425(c)(1)(B), in lieu of cancellation an insurer may up-tier that policy midterm.

(d) An insurer shall not move an insured from a lower rated tier to a higher rated tier and simultaneously impose a surcharge on the insured's premium based solely on the same accidents and violations of the insured's driving record.

Nothing in this necessarily prevents the insurer from moving your client to a higher-rated tier because of the deer collision, but the filing must allow for it.