P&C Actuarial Opinion Summary (AOS) Statistics
to be discussed on 11/20/2019 AOWG call

Background
• Data in companies’ Statement of Actuarial Opinion (SAO) Exhibits A and B are filed in both print and data capture format. SAO data can be queried/analyzed/summarized easily.
• Companies file their AOS with their domiciliary state directly. AOS data is not submitted electronically to the NAIC.

AOS Statistics Project
• Several states have voluntarily provided aggregate data from their domestic insurers’ AOSs.
• The information provided by the states is then combined. This allows us to look at overall trends in:
  o Carried reserve position relative to Appointed Actuaries’ estimates
  o Type of actuarial estimates provided by Appointed Actuaries
• The information is typically presented during various presentations at the CLRS and the American Academy of Actuaries’ Seminar on Effective P/C Loss Reserve Opinions

Data collected
• Number of companies where AOS included each type of estimate:
  o Point estimate only
  o Range of estimates only
  o Point estimate and range
• Number of companies where AOS showed carried reserves were:
  o More than 10% below actuary’s estimate
  o Between 5% and 10% below (including 10%)
  o Between 0% and 5% below (including 5%)
  o Equal to actuary’s estimate
  o Between 0% and 5% above (including 5%)
  o Between 5% and 10% above (including 10%)
  o More than 10% above
• Gross and net is collected separately, although some states only provide net
• All data excludes companies with zero carried reserves
• Carried vs. estimate based on point estimate if provided, midpoint of range if no point estimate provided
Who currently participates?
- IL, NY, OH, PA, TX have provided data going back through 2006.
- More recently, CT and MN began providing data, and MO plans to provide data this year.
- The 7 states providing data in 2018 represented approximately 1/3 of the total number of companies with non-zero carried net reserves found in the electronic SAO data.

What is required to begin participating?
- The first year a state participates, we request a total of 5 years of data – the current year plus the previous 4 years. In subsequent years, only the current year would need to be provided.
- The deadline for submitting data is typically the beginning of August, to allow time for the information to be included in slides for the CLRS.
- Contact Miriam Fisk (Miriam.Fisk@tdi.texas.gov). She will send you the spreadsheet template.

Texas AOS data process
In Texas, an intern enters information from each AOS we receive into an internal database. The information captured includes:
- Appointed Actuary’s estimates (gross and net)
- Whether the Appointed Actuary’s estimates include only a point estimate, only a range, or both (gross and net)
- Carried reserves (gross and net)
Once the data is in the database, it’s quick and easy to summarize using queries.

Questions for AOWG
What do other states do with AOS information?

Do states not currently providing data have concerns about participating?
  Confidentiality?
  Time and effort required to compile the data?
  Other?

Other comments/questions/concerns?
Type of Actuarial Estimate (Net)

![Graph showing the type of actuarial estimate for different years.](image)

- **2014**
- **2015**
- **2016**
- **2017**
- **2018**

Legend:
- **Point**
- **Range**
- **Point & Range**

![Graph showing the comparison of different years.](image)

- **2014**
- **2015**
- **2016**
- **2017**
- **2018**

Legend:
- **Point**
- **Range**
- **Point & Range**
Carried Reserves vs. Actuarial Estimate* (Net)
* Midpoint of range if no point estimate provided. Point estimate if provided.