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Sent: Monday, July 11, 2022 10:55 AM
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Subject: Travel MCAS Ratios

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Good morning John and Rebecca,

Arizona supports the CEJ's recommendation to add the Loss Ratio to the Travel MCAS Scorecard Ratios. Travel Coverage is reported on the Financial Annual Statement under Line 9 - Inland Marine, which includes several other lines of business so there is no separate calculation for Travel in the loss ratios currently available. The Travel MCAS will already have the data available to calculate a Travel Loss Ratio based upon the total dollar amount of claims closed with payment for all coverages (Item 29) / the total dollar amount of direct written premiums for all coverages (Sum of Items 44, 45 and 46).

Market Analysis includes the review of loss ratios to identify potential concerns if a company's loss ratio is either too high which may result in higher rates or administrative changes that could adversely impact consumers or too low which may indicate that the company is not paying all contractual obligations in accordance with their policy provisions.

By adding the missing Loss Ratio to this line of business, it will assist Market Analysts with their Market Analysis review by establishing an average for the travel line of business and as a tool to review each company individually.

Unfortunately, I will not be able to make this week's call due to mandatory training; however, my staff will be on the call.

In the meantime, please let me know if you have any questions.

Thank you,

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