TO: Phil Vigliaturo, Chair; Rich Piazza, Vice Chair

 Casualty Actuarial and Statistical (C) Task Force

FROM: Jake Garn, Utah Chief Financial Examiner, Chair

 Blanks (E) Working Group

DATE: July 29, 2021

RE: 2021-11BWG – New Supplement to Detail Direct Exposures Written and Earned

The Blanks (E) Working Group met on July 22 to further discuss the attached proposal. There were interested parties that asked for the proposal to be rejected and others suggested improvements. Interested parties did agree to the deferral to allow more time for review and comment. They also requested that a copy of the modified proposal be sent to the Task Force for review and comment. In addition, a referral has been sent to the Financial Analysis Solvency Tools (E) Working Group and the Financial Analysis (E) Working Group for review and comment. Interested parties asked for the additional referrals to evaluate the regulatory need for the data and how it might be used in solvency monitoring.

In proposal 2021-11BWG, the sponsor requests the addition of a new Property and Casualty annual statement supplement to capture “Direct Exposures Written” and “Direct Exposures Earned,” which will be reported initially only for annual statement line 4 (homeowners excluding renters, condominiums and co-ops), line 19.1 (PPA No Fault), line 19.2 (PPA Liability) and line 21.1 (PPA Physical Damage). The modifications that were requested by the Task Force had been made in the attached proposal.

If the Task Force has any additional questions, concerns or comments, please provide them to the Blanks (E) Working Group via NAIC staff. Comments should be provided by September 22 to Mary Caswell (NAIC) at mcaswell@naic.org and Cavin Ferguson (NAIC) at cferguson@naic.org.

cc: Kris DeFrain, NAIC, Director, Research and Actuarial Department