

## **CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE**

Casualty Actuarial and Statistical (C) Task Force Aug. 10, 2021, Minutes

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## Draft Pending Adoption

Draft: 9/21/21

Casualty Actuarial and Statistical (C) Task Force  
Virtual Meeting (*in lieu of meeting at the 2021 Spring National Meeting*)  
August 10, 2021

The Casualty Actuarial and Statistical (C) Task Force met August 10, 2021. The following Task Force members participated: Grace Arnold, Chair, represented by Phil Vigliaturo (MN); James J. Donelon, Vice Chair, represented by Nichole Torblaa (LA); Lori K. Wing-Heier represented by Katie Hegland (AK); Jim L. Ridling represented by Daniel Davis (AL); Evan G. Daniels represented by Tom Zuppan (AZ); Ricardo Lara represented by Mitra Sanandajifar and Lynne Wehmueller (CA); Michael Conway represented by Mitchell Bronson (CO); Andrew N. Mais represented by Wanchin Chou (CT); Karima M. Woods represented by David Christhilf (DC); David Altmaier represented by Sandra Starnes (FL); Colin M. Hayashida represented by Randy Jacobson (HI); Doug Ommen represented by Travis Grassel (IA); Dana Popish Severinghaus represented by Reid McClintock (IL); Vicki Schmidt represented by Nicole Boyd (KS); Kathleen A. Birrane represented by Walter Dabrowski (MD); Eric A. Cioppa represented by Sandra Darby (ME); Anita G. Fox represented by Kevin Dyke (MI); Chlora Lindley-Myers represented by Cynthia Amann (MO); Troy Downing (MT); Mike Causey represented by Arthur Schwartz (NC); Chris Nicolopoulos represented by Christian Citarella (NH); Russell Toal represented by Anna Krylova (NM); Barbara D. Richardson represented by Gennady Stolyarov (NV); Judith L. French represented by Tom Botsko (OH); Glen Mulready represented by Andrew Schallhorn (OK); Andrew R. Stolfi represented by David Dahl (OR); Jessica K. Altman represented by James DiSanto (PA); Raymond G. Farmer represented by Will Davis (SC); Doug Slape represented by Miriam Fisk (TX); Michael S. Pieciak represented by Rosemary Raszka (VT); Mike Kreidler represented by Eric Slavich (WA); James A. Dodrill represented by Juanita Wimmer (WV); and Jeff Rude represented by Tana Howard (WY). Also participating was: Gordon Hay (NE).

### 1. Adopted its July 13, June 8, May 11, and March 9 Minutes

Mr. Vigliaturo said the Task Force met July 13, June 8, and May 11. During these meetings, the Task Force adopted responses to the Blanks (E) Working Group and a request for NAIC staff to gather information about statistical reports.

The Task Force also met May 20 and April 20 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss rate filing issues.

The Task Force held the following Predictive Analytics Book Club meetings: Sam Madden (Cambridge Mobile Telematics) presented on telematics in March and Radost Wenman (Pinnacle Actuarial Resources) presented on generalized linear models (GLMs) to generalized additive models (GAMs) in April. In June, the American Academy of Actuaries (Academy) arranged presentations for the NAIC's Insurance Summit. Dorothy Andrews (Academy) and Hao Li (Verisk) presented on big data and modeling; Howard Kunst (CoreLogic) and Matt Chamberlain (Milliman) presented on catastrophe modeling; James Guszczka (Center for Advanced Study in Behavioral Sciences—CASBS at Stanford University), Dani Bauer (University of Wisconsin-Madison), and Birny Birnbaum (Center for Economic Justice—CEJ) presented on ethics in analytics, Ms. Andrews and Sam Kloese (NAIC) presented on GAMs; Michael Regier (Verisk) and Tim Hagan (Verisk) presented on regularization methods; Jonathan Fesenmeyer (Allstate) and Evan Petzoldt (Allstate) presented on geographic rating in personal lines insurance pricing; and Caolan Kovach-Orr (Verisk) and Vahid Meimand (Verisk) presented on tree-based models. In July, Larry Baeder (Milliman) presented on interpretable machine learning for insurance.

Ms. Darby made a motion, seconded by Mr. Grassel, to adopt the Task Force's July 13 (Attachment One), June 8 (Attachment Two), May 11 (Attachment Three), and March 9 (*see NAIC Proceedings – Spring 2021, Casualty Actuarial and Statistical (C) Task Force*) minutes. The motion passed unanimously.

### 2. Adopted the Report of the Actuarial Opinion (C) Working Group

Ms. Krylova said the Actuarial Opinion (C) Working Group generally agreed that 2020 Statement of Actuarial Opinion submissions were fine but that some additional regulatory guidance would be helpful. Topics under discussion include reconciliation to Schedule P and a Board of Director's review of qualification documentation. The actuarial opinion instructions will be revised to eliminate reference to the Casualty Actuarial Society's (CAS) principles due to the CAS' rescission of the reserving principles.

Ms. Krylova made a motion, seconded by Mr. Dyke, to adopt the report of the Actuarial Opinion (C) Working Group, including its July 22 (Attachment Four) and July 1 (Attachment Five) minutes. The motion passed unanimously.

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### 3. Adopted the Report of the Statistical Data (C) Working Group

Mr. Vigliaturo said he appointed Ms. Darby as chair of the Statistical Data (C) Working Group. Ms. Darby said the Working Group has not met recently, but NAIC staff are reviewing auto and home data submissions.

### 4. Discussed the U.S. Qualification Standard

Mr. Vigliaturo said the Academy's Committee on Qualifications released the second exposure draft of the U.S. Qualification Standards with a comment deadline of Aug. 20. Mr. Stolyarov said the changes made by the Academy were responsive to the comments the Task Force submitted on the first draft. He said he had preliminary discussions with NAIC staff about the second exposure draft, and some issues need discussion in regulator-to-regulator session. He said he is not sure another comment letter needs to be submitted, but state insurance regulators should discuss the issues and see if they can come to any agreement. Mr. Schwartz said he has some additional comments for discussion during the regulator-to-regulator session. He said one issue is that a new requirement was added in the second draft to require one hour of continuing education (CE) on bias topics.

Mr. Vigliaturo asked if anyone objected to a plan to meet in regulator-to-regulator session followed by an e-vote of any comment letter the following week. No objections were voiced. Mr. Vigliaturo said the deadline for comments is Aug. 20.

### 5. Received a Report on Project #2019-49: Retroactive Reinsurance Exception

Mr. Hay said he would present a proposal for discussion at the Fall National Meeting.

### 6. Adopted a Charge for the Statistical Data (C) Working Group and Discussed Proposal 2021-11BWG

Mr. Vigliaturo said the Task Force unanimously adopted a motion during its July 13 meeting to inform the Blanks (E) Working Group the Task Force is ready to provide guidance regarding the implementation of proposal 2021-11BWG if that proposal moves forward. The Blanks (E) Working Group met July 22 and took the following action: 1) deferred the revised proposal for comment until Oct. 22; 2) decided to send the revised proposal to the Task Force for review and comment; and 3) decided to send a referral to the Financial Analysis Solvency Tools (E) Working Group and the Financial Analysis (E) Working Group for review and comment about whether the information in the proposal would be useful for regulating for solvency purposes.

Mr. Birnbaum presented the changes made to the proposal (Attachment Six) since the Task Force's July 13 meeting. He said the proposed additions would provide timely and useful information for financial and market analysis, the proposed additions are financial and not statistical data, and the proposed additions do not conflict with nor replace the Task Force's statistical reporting. He asked the Task Force to support the proposal in its response to the Blanks (E) Working Group.

Mr. Chou asked whether an alternative option to speed up the statistical report of premium and exposure information would have a similar impact as the proposal. Mr. Birnbaum said then the blanks proposal would not be necessary. Currently, the statistical reporting machine does not provide that data until a year and a half after the end of the experience period. He said reinventing the statistical reporting system is not a short-term project. Ralph Blanchard (Travelers) said the premium and loss information at the policy form level is statistical information because it is not captured in financial reporting systems today.

Ms. Starnes asked whether the quarterly reporting would include data by state or only nationwide. Mr. Birnbaum said it would be nationwide only on the quarterly statements. He said the information is still useful although it would be helpful to have by state information. Mr. Davis asked how the data would be used. Mr. Birnbaum replied that it might not be as useful to actuaries, but could be quite valuable to financial and market analysts.

Ms. Darby said NAIC staff gathered information in response to the request adopted by the Task Force on July 13 to provide the data and normal reporting times for the *Auto Insurance Database Report* and the *Dwelling, Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance Report* (Homeowners Report).

Ms. Darby said data for the *Auto Insurance Database Report* is obtained from four statistical agents—American Association of Insurance Services (AAIS), Insurance Services Office (ISO), Independent Statistical Services (ISS), and National Independent Statistical Service (NISS)—and four state entities—the California Department of Insurance (DOI), Massachusetts Commonwealth Automobile Reinsurers, Maryland Automobile Insurance Fund (MAIF), and the Texas DOI. Data received in 2021 would be for 2018/2019. The two years refer to written and earned premiums. For instance, in 2021, written exposures would be reported for 2019, and earned exposures would be reported for 2018. There are additional caveats, like earned exposures, and incurred claims for Texas are not available at all. Therefore, the Texas pure premium, frequency, and severity

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cannot be calculated. The NAIC currently receives two separate files from each entity—one for premiums and exposures and a second file for claims and losses. Currently, the timing for which each file is received is substantially the same.

Ms. Darby said data for the Homeowners Report is received from four statistical agents: the AAIS, the ISO, the NISS, and the American Property Casualty Insurance Association (APCIA); the California DOI; the Texas DOI; and multiple residual market programs. The reported data is two years behind the current calendar year. For example, 2019 data is reported in 2021. This report only includes premium and exposure data, all of which is included in one file.

For both publications, Ms. Darby said requests for data are sent to statistical agents, states, and residual market organizations in late January, with final data due from all entities in July. If all goes well, the data is clean and states are responsive regarding the state law section of the publication. Then the report can be completed in early fall. In recent years, there have been data concerns that needed to be addressed prior to release of the publications. There are fluctuations in the data due to different companies reporting to statistical agents from one year to the next, which can result in significant year-over-year (YOY) changes to premium and exposure data provided.

Ms. Darby said the information contained in both the *Auto Insurance Database Report* and Homeowners Report is voluntarily reported to the NAIC and not required through a data-sharing agreement. If the timeline were to be revised, all reporting entities would need to voluntarily agree to the change. Otherwise, there may need to be a formal agreement in place to get everyone on the same timeline going forward. Additionally, the Statistical Data (C) Working Group members would need to sign off on the changes, as they oversee the publications and any amendments would need to be considered for adoption. In terms of next steps, the Working Group can draft a letter, requesting that all of the organizations providing content for each report provide input and participate in a meeting to discuss the feasibility of an expedited timeline for reporting. Ms. Darby said the Task Force could additionally consider producing the reports in different formats or at different timelines, such as the earlier suggestion to consider reporting premium and loss data separately, along separate timelines. Again, the Task Force would need to confirm that each entity can abide by the expedited timeline and that they continue to be willing to do so under the voluntary nature of the reporting agreement.

Mr. Dyke said he is concerned about the quality checks that might be lost by receiving this data directly from companies. He said there is a robust data quality process that statistical reporting agents use. He is also concerned about potential misuse of the data. He said use of the data at a company level to identify trends could be misleading. For example, he said if there is more premium written in downtown Detroit, MI, then the average statewide premium would be higher but would not be a premium trend.

Mr. Chou made a motion, seconded by Mr. Dahl, to ask the Statistical Data (C) Working Group to gather information about whether the timeline can be sped up on receipt of premium and exposure information from outside parties. The Working Group should report back to the Task Force before Oct. 12. The motion passed unanimously. Mr. Birnbaum expressed concern whether the statistical reporting study can be completed prior to the deadline to respond to the Blanks (E) Working Group.

### 7. Received a Report on the NAIC Rate Model Reviews

Mr. Vigliaturo asked for a shortened report on rate model reviews due to time constraints during the meeting. Kris DeFrain (NAIC) said there are 30 states contracted with the NAIC using a Rate Review Support Services Agreement. She said the NAIC rate review team has produced 60 technical reports, with 47 standard GLMs, six regularized GLMs, 11 tree-based models (which includes random forests and GBMs), and five GAMs. She said there are sometimes more than one model in a filing. NAIC staff asked the Task Force if it would review the issues being evaluated for non-GLM models and provide guidance.

### 8. Heard Reports from Professional Actuarial Associations

Lauren Cavanaugh (Academy) said the Academy's Casualty Practice Council formed a racial equity task force to address racial equity in the context of property/casualty (P/C) insurance. Comment letters were submitted to the NAIC and Colorado. Two issue briefs were published by the auto committee: 1) COVID-19; and 2) consumer cost of auto insurance. The Federal Insurance Office (FIO) asked for information on the availability and affordability of auto insurance. Derek Freihaut (Academy) said the Committee on Property and Liability Financial Reporting (COPLFR) is conducting its opinion seminar in December and is working on the law manual and practice note. He said COPLFR is seeking a regulatory member(s).

Brian Fannin (CAS) provided the CAS' research report (Attachment Seven). Dale Hall (Society of Actuaries—SOA) provided the SOA's research report (Attachment Eight).

## **Draft Pending Adoption**

Having no further business, the Casualty Actuarial and Statistical (C) Task Force adjourned.

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Draft: 7/20/21

Casualty Actuarial and Statistical (C) Task Force  
Virtual Meeting  
July 13, 2021

The Casualty Actuarial and Statistical (C) Task Force met July 13, 2021. The following Task Force members participated: Grace Arnold, Chair, represented by Phil Vigliaturo (MN); James J. Donelon, Vice Chair, represented by Nichole Torblaa (LA); Lori K. Wing-Heier represented by Sian Ng-Ashcraft (AK); Evan G. Daniels represented by Tom Zuppan (AZ); Ricardo Lara represented by Lynne Wehmuller (CA); Michael Conway represented by Mitchell Bronson (CO); Andrew N. Mais represented by Wanchin Chou (CT); Karima M. Woods represented by David Christhlf (DC); David Altmaier represented by Sandra Starnes (FL); Colin M. Hayashida represented by Randy Jacobson (HI); Doug Ommen represented by Travis Grassel (IA); Dana Popish Severinghaus represented by Judy Mottar (IL); Vicki Schmidt represented by Nicole Boyd (KS); Kathleen A. Birrane represented by Ron Coleman and Walter Dabrowski (MD); Eric A. Cioppa represented by Sandra Darby (ME); Anita G. Fox represented by Kevin Dyke (MI); Chlora Lindley-Myers represented by Cynthia Amann (MO); Troy Downing represented by Mari Kindberg (MT); Mike Causey represented by Kevin Conley and Arthur Schwartz (NC); Chris Nicolopoulos represented by Christian Citarella (NH); Marlene Caride represented by Carl Sornson (NJ); Russell Toal represented by Anna Krylova (NM); Barbara D. Richardson represented by Gennady Stolyarov (NV); Judith L. French represented by Tom Botsko (OH); Glen Mulready represented by Andrew Schallhorn (OK); Andrew R. Stolfi represented by Ying Liu (OR); Jessica K. Altman represented by Kevin Clark (PA); Raymond G. Farmer represented by Will Davis and Michael Wise (SC); Doug Slape represented by J'ne Byckovski (TX); Michael S. Picciak represented by Rosemary Raszka (VT); Mike Kreidler represented by Manabu Mizushima (WA); James A. Dodrill represented by Juanita Wimmer (WV); and Jeff Rude represented by Donna Stewart (WY).

1. Adopted Responses to Referrals from the Blanks (E) Working Group

Mr. Vigliaturo said the Task Force exposed the two referrals from the Blanks (E) Working Group and received comments (Attachment One-A). State insurance regulators and interested parties presented highlights from their written comments. Birny Birnbaum (Center for Economic Justice—CEJ) referred to a July 12 letter responding to specific comments submitted (Attachment One-B) and proposed some changes to proposal 2021-11BWG. The revised proposal is attached (Attachment One-C).

State regulatory discussion about proposal 2021-11BWG included: limitations on the use of average premiums (mostly to evaluate changes over time); a desire to get premium and exposure data earlier than the NAIC statistical reports; a question whether statistical reports could be published with more recent data; a question whether market data should be in the statutory financial statements; a question whether data compilation would be costly for insurers; a comment that states have the ability to issue data calls to get this type of information; a comment that data is not vital from a solvency standpoint so should not be in the statutory financial statements; and a desire to improve methods for reporting statistical data to the NAIC.

Mr. Birnbaum explained that the statistical reports cannot be sped up because the statistical agents collect claims data in addition to premium and exposures. He said claims need to develop some before reporting. He added there are four statistical agents and two states that submit data, and then there is a significant amount of NAIC staff time taken to evaluate the data and fix reporting errors. He said use of data calls would result in a greater expense to insurers, and the reporting would not be uniform from one state to another.

Ms. Torblaa made a motion, seconded by Mr. Davis, to inform the Blanks (E) Working Group that the Task Force does not support proposal 2021-11BWG, but if the proposal does move forward for adoption, then the Task Force would offer additional guidance on the content. Discussion included it being premature to decide whether to support the proposal. Mr. Stolyarov requested a roll call vote. The motion failed 9-17 with four abstentions.

Mr. Schwartz made a motion, seconded by Mr. Jacobson, to request NAIC staff provide documentation to see sources of data for the auto and home reports and the time frames it takes to collect each of those pieces of data. The motion passed unanimously.

Mr. Stolyarov made a motion, seconded by Ms. Darby, to inform the Blanks (E) Working Group that the Task Force is ready to provide guidance regarding the implementation of proposal 2021-11BWG if that proposal moves forward. Furthermore, the

Task Force requests that Mr. Birnbaum submit the most current up-to-date version of the proposal for further consideration and suggestions from the Task Force. The motion passed unanimously.

Discussion about proposal 2021-13BWG included: a desire to have the proposed additional other liability data; a potential to add foster care other liability; a comment that the number of pieces seems too detailed; and a comment that incurred but not reported (IBNR) reserves are likely not available at this level of detail for most companies.

Ms. Torblaa made a motion, seconded by Mr. Davis, to inform the Blanks (E) Working Group that the Task Force supports proposal 2021-13BWG (with or without modification to the proposed lines of business), but it recommends that the reporting of IBNR be modified to be reporting of case reserves because the IBNR is likely not available at this level of detail. The motion passed unanimously.

## 2. Discussed Exposure of the Academy's U.S. Qualification Standards

Mr. Vigliaturo said the Task Force commented on the first exposure draft of the American Academy of Actuaries (Academy) U.S. Qualification Standards. A second exposure has been released. Mr. Stolyarov and Mr. Schwartz volunteered to draft a comment letter for the Task Force's consideration.

Having no further business, the Casualty Actuarial and Statistical (C) Task Force adjourned.

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July 6, 2021

Phil Vigliaturo  
Chair  
Casualty Actuarial and Statistical (C) Task Force  
National Association of Insurance Commissioners (NAIC)

c/o: Kris DeFrain  
kdefrain@naic.org

Re: 2021 NAIC Blanks Proposals *2021-11BWG* and *2021-13BWG*

Dear Mr. Vigliaturo:

On behalf of the Committee on Property and Liability Financial Reporting (COPLFR) of the American Academy of Actuaries,<sup>1</sup> I appreciate this opportunity to provide comments on the proposed changes to the financial requirements exposed by the Blanks (E) Working Group of the National Association of Insurance Commissioners (NAIC) which requested the Casualty Actuarial and Statistical (C) Task Force (CASTF) to review and evaluate the proposals and provide it with comments on issues that might affect the work of the CASTF or on interested parties concerns. The CASTF requested public comments on June 8, 2021, to be submitted with a deadline of July 7, 2021.

COPLFR appreciates your consideration of our comments.

The exposed two proposals that we would like to provide comment on.

- I. *2021-11BWG- Add a new annual statement supplement to the Property and Casualty (P/C) statement to capture exposure data for Annual Statement Lines 2.5, 4, 19.1, 19.2 and 21.2 of the Exhibit of Premiums and Losses. Add a column to the Quarterly Parts 1 and 2 to capture exposure data for these annual statement lines for the quarter.*

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<sup>1</sup> The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.



II. *2021-13BWG- Add a new supplement to capture premium and loss data for Annual Statement Lines 17.1, 17.2 and 17.3 of the Exhibit of Premiums and Losses (State Page) – Other Liability by more granular lines of business.*

We believe that the potential benefit that may be derived by the public from having access to additional reported information needs to be considered relative to the effort to obtain the additional information. We also believe that the quality and consistency of the data that would be provided under the proposals are a concern, and that the proposals should ensure the additional data will serve the intended use.

The level of detail that would be requested by the two exposure drafts is not regularly captured in typical company financial data systems. It will require time for each company to clarify the detailed requirements and then additional lead time to implement within individual company systems to ensure quality data can be provided.

The value of the reported data will depend on what is available from each specific company. Additional granularity of some data may still only be achieved through judgment and allocations made at the individual company level. This often makes detailed information less valuable once obtained and aggregated to the industry level. In addition, requesting data with unclear requirements and with definitions not commonly used across the industry is not likely to produce consistent and useful quality data.

Specific issues that we would like to point out, given the currently provided details of these two proposals, are separately discussed below.

2021-11BWG

- Definition of exposure—A clearer definition of how exposure should be calculated for each requested line is needed. Some lines where this additional information is requested contain significant issues related to mix of exposure.
  - For example, “Homeowners line 4” contains exposures varying in type including owner occupied, apartment renters, condo owners, and mobile home owners, with significantly varying lines of amount of insurance per exposure.
  - For Auto lines, would exposure for a policy having Comprehensive & Collision coverage be measured similarly to a policy containing only one Physical Damage coverage?

Comparisons year over year within each company will be distorted when there are material changes in mix across these various types of exposures. Comparisons between companies could also be distorted. We recognize that this aggregated information is regularly used to compare premium but comparing *average* premiums could be distorted.

- Calendar date alignment—We note that the timing for the source of exposure data requested (that is available currently in company ratemaking systems) may not match the financial reporting data for financial premium. Exposures are typically maintained in detailed policy-based systems along with policy premium and are provided on a policy year basis. They are often separate from financial reporting systems where premium is on

a calendar-year-earned basis. While premiums from ratemaking and financial systems could be reconciled, they might not provide a precise match. We note that data from ratemaking systems is already available and provided when requested by regulators or through specific data calls and filing inquiries.

- Existing alternative data sources—Some of the data requested is already available through statistical plan reporting which may meet the intended need. Statistical plan data is primarily available to regulators (the restricted availability is intended to protect the proprietary nature of each company's data).

Changes that COPLFR would suggest that would *improve* the proposal (2021-11BWG):

- Include a complete and clear definition of exposure and calculation for each line proposed, particularly as respects the crossing (or overlap) of calendar time periods. Clear specifications ensure greater consistency across companies reporting.
- Definitions that account or minimize distortions from mix would be recommended.
- If these requests move forward to requirements, we respectfully suggest a 2023 implementation date as the earliest date for achievement of those requests.
- We recommend that flood coverage (Annual Statement Line 2.5) be removed from the proposal, as flood has a mix of both Personal and Commercial policies, written on both primary and excess bases.

#### 2021-13-BWG

- Granularity and definition—The (29) proposed components of additional reporting for Other Liability will require clear definition (or instruction) on how to map class plan or package policies to these new required sublines of Other Liability. Significant judgment will be necessary at the individual company level depending on the policies written by that company. It is not clear that the proposed sublines are exclusively defined to eliminate overlap, nor that they will subsequently add up to the whole (e.g., internet liability vs cyber; employee benefit liability vs. fiduciary; one package policy covering three sublines of liability). A particular policy type could possibly be matched to one reporting line or another, generating inconsistency across companies, or year after year as policy changes evolve or new products are distributed. It is not clear why more granularity of data would not be put into the statistical data requirements, rather than being added into the Annual Statement. The proposal notes an additional Appendix defining the 29 granular pieces, but we do not find those proposed components included in the exposure draft for review.
- Credibility/Quality (IBNR)—We note that further subdividing the Liability data, already sparse in areas, will not necessarily provide valuable additional information across all the data elements requested. Inclusion of Incurred But Not Reported (IBNR) reserves at this new granular level of detail will most likely be arrived at through a company-determined allocation process. Liability is generally a low frequency / high severity line of business. Actuarial reserves for Liability are necessarily analyzed at higher levels of aggregated data to arrive at meaningful estimates and to reduce volatility in those reserve estimates

over time. While some companies may segment Liability into credible pieces given their business profile, likely no company utilizes the (29) sublines proposed in their derivation of IBNR reserves.

- Inconsistency with the underlying policies—We find that this breakout of a broad type/cause of loss product such as Liability would be excessive and also is not consistent with the purpose of the General Liability policy, which is to provide broader aggregated coverage across a variety of situations which by themselves may not be as easily or affordably insurable.
- Preparation—The proposed breakouts of Other Liability as currently listed as the sublines requested would not be consistently defined across companies. If this list will continue to change, it should be noted that the value and quality of the information would be reduced with each change, and each change would require additional company preparation time as well as discretion to report. Given appropriate time to prepare systems for this change, the quality of the data would improve.

Changes that COPLFR would suggest that would *improve* the proposal (2021-13-BWG):

- Remove the requirement to include IBNR reserves from this new granular level of Liability reporting.
- Clearly define the sublines and eliminate any overlap or redundancies. Balance the additional information requested with the value added by collecting that additional granularity. For example, what is the difference between cyber and internet liability? Where would you categorize a package Liability policy that provides coverage across three of the above proposed sublines?
- Please provide and expose for comment the Appendix noted in the proposal that clearly defines the lines and coverages requested.
- Provide sufficient lead time for system preparation and implementation to improve the quality of data obtained. If these requests move forward to requirements, we respectfully suggest a 2023 implementation date as the earliest date for achievement of those requests.

COPLFR appreciates this opportunity to provide comments to the NAIC Blanks Working Group (and CASTF). We hope these observations are helpful, and we welcome further discussion. If you have any questions about our comments, please contact Rob Fischer, the Academy's casualty policy analyst, at [fischer@actuary.org](mailto:fischer@actuary.org).

Sincerely,

Derek Freihaut, MAAA, FCAS  
Chairperson  
Committee on Property and Liability Financial Reporting  
American Academy of Actuaries



July 7, 2021

Phil Vigliaturo, Chair  
Casualty Actuarial and Statistical (C) Task Force  
NAIC Central Office  
1100 Walnut, Suite 1500  
Kansas City, MO 64106-2197

Attn: Kris DeFrain, Director, Research and Actuarial Department

VIA Electronic Mail: [kdefrain@naic.org](mailto:kdefrain@naic.org)

RE: Blanks Proposals

Dear Casualty Actuarial and Statistical Task Force Committee Members:

The American Property Casualty Insurance Association (APCIA)<sup>1</sup> appreciates the opportunity to provide feedback to the National Association of Insurance Commissioners' (NAIC) Casualty Actuarial and Statistical (C) Task Force (CASTF) on the two referrals from the Blanks (E) Working Group. APCIA has significant concerns with both proposals and respectfully requests that CASTF not support their adoption.

**New Supplement to Capture Property/Casualty Direct Exposure Written and Direct Exposure Earned**

During CASTF's initial discussion of the exposure for a new annual supplement to the financial statement for property and casualty direct exposure written and direct exposure earned, there was support for the proposition that this proposal would provide more timely information. Unfortunately, using this proposal to gain more timely information will lead to misleading data for both regulators and the public. Additionally, the public nature of these filings will offer competitor insight into proprietary information. As noted by at least one regulator on the call, regulators already have tools available to them to obtain necessary timely data. For example, regulators have the authority to review company data if they have concerns, and the Schedule P and Actuarial Statement of Opinion in the Annual Statement and rate filing submissions can also elicit the data sought. Even if this data is insufficient, the regulators have access to detailed market conduct data. Finally, regulators and industry worked well together to develop a data call under difficult circumstances to provide necessary information during the pandemic. APCIA struggles to identify why regulators need this new publicly available supplement data when there are many additional avenues to obtain this information.

Significantly, this proposal will sacrifice timely data for misleading data. The defined Exposure counts may, in some instances, not be appropriately inclusive of the coverage reported under the respected Annual Statement Line of Business. The Interested Party comment letter filed with the Blanks Working Group

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<sup>1</sup> Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, protecting families, communities, and businesses in the U.S. and across the globe.

provides the following useful example: “If ASL 4 Homeowners Exposures is all inclusive, the proposal to count written and earned ‘residences’ would include an array of policies ranging from rental policies to mansions, resulting in an average premium that has no real value to users. If ASL 4 Exposure does not include condo and/or rental policies, then the average premium would be misleadingly inflated.”

The consequences of misleading data, availability of alternative sources for timely information, and impact of the availability of proprietary information to competitors all suggest that this proposal should not be advanced.

**New Supplement to Capture Property/Casualty Premium and Loss Data**

APCIA notes that this proposal has some ambiguities and ultimately will not provide the insights that may be sought. For instance, there will be inconsistencies in reporting as companies use their individual judgment to identify how a package policy would fit into the new sublines and there is some question as to whether the reporting method will eliminate overlap or just cause additional confusion.

Further, this proposal will require a significant amount of work to retool systems to be able to capture the information as requested. The resulting capital and human resource costs are not necessary when regulators can request this detail from individual companies on a case-by-case basis or through a data call.

Thank you for the opportunity to comment. APCIA encourages members of CASTF to review the comment letters that have already been submitted to the Blanks Working Group for additional observations.

Respectfully submitted,

Angela Gleason

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June 25, 2021

Mr. Jake Garn, Chair  
Blanks Working Group  
National Association of Insurance Commissioners  
1100 Walnut St.  
Kansas City, MO 64106

SUBJECT: Blanks Working Group ("BWG") proposals exposed during the conference call on May 26, 2021

Dear Mr. Garn:

Interested parties ("IPs") appreciate the opportunity to review and comment on the 5 proposals that were exposed during a conference call by BWG on Wednesday, May 26, 2021.

**2021-10** [Exposed changes remove language in Line 4.1 of the quarterly General Interrogatories Part 1 that requires filing of a quarterly merger/history form, which does not function with the database system as currently designed. The annual form shall still be required. Anticipated effective date is 1<sup>st</sup> Quarter 2022]

IPs have no comments.

**2021-11** [Exposed changes to add a new annual statement supplement in the Property/Casualty Statement to capture direct exposures written and direct exposures earned which will be reported for Annual Statement Lines 2.5, 4, 19.1, 19.2 and 21.2; also, add a column to the Quarterly Parts 1 and 2 to capture exposure data for these annual statement lines for the quarter. Anticipated effective date is 1<sup>st</sup> Quarter 2022 / Annual 2022]

IPs do not support 2021-11BWG for several reasons. Primarily, we are concerned that a fatal flaw exists at the core of this proposal, which, if adopted, would result in the reporting of misleading information and potentially provide competitors with proprietary information. We believe that there is no benefit to providing information on a timely basis if that information is misleading. The fatal flaw and additional concerns are outlined in the following discussion.

Fatal flaw: IPs believe that this proposal, if adopted, would result in misleading information and provide competitor insight into proprietary information.

The proposal focuses on collecting defined Exposure counts of specific ASLs, while presenting and analyzing it with total Premiums reported in the respective ASL. These defined Exposure counts may in some instances not be appropriately inclusive of the coverage reported under the respective ASL. For example, if ASL 4 Homeowners Exposures is all inclusive, the proposal to count written and earned "residences" would include an array of policies ranging from rental policies to mansions, resulting in an average premium that has no real value to users. If ASL 4 Exposure does not include condo and/or rental policies, then the average premium would be misleadingly inflated. For ASL 19.2 auto policies, if Premiums include, but Exposures exclude, miscellaneous vehicles, such as golf carts, private passenger trailers, and all-terrain vehicles, the average premium would be inflated. Furthermore, how misleading this broadly applied average may be for any individual company depends on the size and mix of their business reported under each ASL impacted by the proposal. This information, taken out of context, could be negatively construed and lead to detrimental results for companies. At the same time, publicizing Exposure counts by company would provide competitors with proprietary information.

The existing reports cited in this proposal (i.e. "Auto Database Report" and "Dwelling, Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owners" reports) may be distributed with a time lag, but they also have important context and underlying details, such as business line detail, which helps analyze and understand the data. The "Dwelling, Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owners" report issued in 2020 was almost 200 pages of data and narrative and included the fact that some of the information came from residual market data providers. The "Auto Database Report" issued in February 2021 was 255 pages and also acknowledged "Written premium and written exposure data were obtained from AAIS, ISO, ISS, NISS, the California Department of Insurance, the Texas Department of Insurance, MAIF, and the M-CAR". Additionally, the existing reports provide aggregate information and do not reveal company specific details. If the primary reason for this proposal is faster information, perhaps a more prudent approach would be a discussion with CASTF regarding whether opportunities exist in the process to produce quicker publication of existing reports.

Additional concerns:

1. The proposal's justification included a comment that "...the severe time lag between actual experience and reporting fails to inform the public or policymakers of recent trends or outcomes and can, consequently, mislead the public and policymakers." However, other data exists in quarterly and annual financial filings, and in rate filings, that can be used to identify meaningful trends. We would contend that the proposal, if adopted, would result in misleading information for which detailed clarification would not exist at the same time. This could have detrimental results to companies and the states in which they do business.
2. It is unclear to IPs why the disclosures in this proposal are needed. Regulators already have the authority to review a company's data and operation if they have specific concerns. There is also a significant amount of company-level and more granular data and information available to regulators in Schedule P and the Actuarial Statement of Opinion in the annual statement, as well as in rate filing submissions. In addition, statistical data may be provided via statistical agents (e.g. ISO) rather than from individual companies. And, if this vast amount of data is insufficient for a regulatory need, regulators also have access to companies' detailed market conduct data. IPs strongly believe these data sources obviate any need for the highly sensitive public disclosures contemplated in this proposal.
3. The proposal's justification included, "Consider how valuable timely average premium values would have been for personal lines as the pandemic unfolded." How would this data have been used? Is this to suggest that misleading average premiums would have been used as actionable information toward insurers? To what end? At this point, we are still seeing longer-reaching pandemic impacts such as repair/replacement cost increases due to unexpected supply shortages. Taking today's general average premium per exposure out of context and adding a prospective narrative would be misleading and the possibility of it is concerning.
4. Does the definition of Exposure match that used for Exposure in the cited existing reports? If not, this would result in a disconnect between the proposed annual reporting and the cited existing reports.
5. Providing statistical data via financial reporting. Statistical data may be provided via statistical agents, such as ISO, rather than directly from individual companies. Therefore, not all companies have this Exposure information available today, or may not be available as defined, and would require enough time to implement. However, IPs do not believe this is a cost that would benefit policyholders or regulators.

IPs recommend that this exposure be rejected and that the regulators consider the need for 'Exposure' data within the annual statement filing process.



**2021-12** [Exposed changes to modify the Analysis of Operations by Lines of Business – Accident and Health for Life\Fraternal entities by adding and deleting lines to capture health specific data captured on the Health Analysis of Operations by Lines of Business but not on the Life\Fraternal Analysis of Operations page; also, add new crosschecks for the new lines and new crosschecks to the Analysis of Operations by Lines of Business – Summary to map the lines on the accident and health page to the summary. The purpose of the proposal is to modify the Analysis of Operations by Lines of Business – Accident and Health for Life\Fraternal entities to capture health specific data points captured on the Health Analysis of Operations page. Anticipated effective date is Annual 2022]

IPs offer the following general comments and request an extended comment period for this item to allow additional time for further evaluation. Since the suggested effective date is Annual 2022, there is still time to review, analyze and revise this proposal.

- The NAIC recently implemented changes to the 2019 annual statement for Life/Fraternal entities modifying the Analysis of Operations by Lines of Business (ANAOPS) to provide a more detailed breakdown by product group with a corresponding Summary page; considerable time and cost was spent by the NAIC and industry to develop and capture the revised reporting requirements. To comply with this proposal, the NAIC and industry would be required to develop and implement additional system updates again. This proposal requires more granular details, specifically for lines 1 and 9, which may not be readily available.
- The proposed changes would result in inconsistencies between the ANAOPS – Summary page and the ANAOPS – Lines of Business pages by creating different lines. The changes would negate current validations the NAIC has in place between the Summary and the detail pages, making the flow of information difficult to follow.
- The format changes suggested in this proposal would be in direct conflict with the tying in of data that the Schedule H proposal (2021-14BWG) is trying to achieve.
- Instead of the proposed changes to modify the existing ANAOPS – Accident and Health page, IPs recommend that consideration be given to retaining the current ANAOPS structure by developing an alternative method to capture the additional data separately. In addition, clarity would be needed on how certain products would be reflected in certain lines (e.g. LTC and DI benefits in lines 9.1 and 9.6). Perhaps the sponsors of this proposal and 2021-14BWG could collaborate on alternative reporting methods.
- IPs recommend making the following editorial revisions if this item moves forward as exposed:
  - On page 2 of the PDF, the instructions for 'Line 1.6' should be changed from "in the Exhibit, Part 1" to "in Exhibit 1, Part 1".
  - On page 3 of the PDF, the instructions for 'Line 7.2' should be changed from "Aggregated at Line 8.3" to "Aggregated at Line 7.2".
  - On page 5 of the PDF, the instructions for 'Line 9.5' should be changed from "Hospital/Medical Benefits on Line 9.2" to "Hospital/Medical Benefits on Line 9.1".

**2021-13** [Exposed changes add a new supplement (*Exhibit of Other Liabilities By Lines Of Business*) to the Property annual statement to capture premium and loss data for Annual Statement Lines 17.1, 17.2 & 17.3 of the Exhibit of Premiums and Losses (State Page) – Other Liability to provide regulators more granular detail of the premium and losses of the diverse lines of business reported on such lines. Anticipated effective date is Annual 2022]

IPs offer the following comments, but also request an extended comment period for this item to allow additional time to further evaluate the significant proposed changes to the Property statement. Since the suggested effective date is Annual 2022, there is still time to review, analyze and revise this proposal.

- Business reported in ASL 17 is not usually internally managed to this proposed level of granularity; therefore, data infrastructure does not exist to capture or calculate all the requested data at this level (i.e. IBNR). A large expenditure of both NAIC and industry resources would be required to achieve this level of reporting. Regulators could request this detailed information from individual companies on a case-by-case basis where there is concern or the data seems relevant and meaningful. In addition, data calls could be used.
- If this item moves forward as exposed, IPs recommend that a new question be added to the 2022 Supplemental Exhibits and Schedules Interrogatories related to the filing of this new exhibit.
- IPs recommend making the following editorial revision if this item moves forward as exposed:
  - On page 2 of the PDF, the reference “Line 26 – All Other” should be “Line 29 – All Other”.

**2021-14** [Exposed changes expand the number of lines of business reported on Schedule H (*Accident and Health Exhibit*) to match the lines of business reported on the Health Statement and modify the instructions to be uniform between life/fraternal and property. The purpose of the proposal is to bring uniformity in the accident and health lines of business used on Schedule H with other schedules and exhibits in the annual statement. Anticipated effective date is Annual 2022]

IPs request an extended comment period for this item to allow interested parties additional time to evaluate the impacts to the Life/Fraternal and Property blanks. Since the suggested effective date is Annual 2022, there is still time to review, analyze, and revise this proposal as needed.

IPs recommend the following editorial revisions:

Use a consistent description for the 2 Comprehensive Hospital and Medical lines of business throughout 2020-33BWG\_Modified (*Health ASLs – Property Blank*) and 2021-14BWG (*Schedule H*) as indicated below.

- Comprehensive (Hospital and Medical) Individual
- Comprehensive (Hospital and Medical) Group

2020-33BWG\_Modified:

Underwriting & Investment Exhibit I Parts 1, 1A, 1B, 2, and 2A

13.1 Comprehensive (hospital and medical) individual

13.2 Comprehensive (hospital and medical) group

Insurance Expense Exhibit Parts II and III

13.1 Comprehensive Individual

13.2 Comprehensive Group

Exhibit of Premiums and Losses (Statutory Page 14)

13.1 Comprehensive (hospital and medical) Individual

13.2 Comprehensive (hospital and medical) Group

Quarterly PART 1 – LOSS EXPERIENCE and PART 2 – DIRECT PREMIUMS WRITTEN

13.1 Comprehensive (hospital and medical) individual

13.2 Comprehensive (hospital and medical) group

Appendix P&C LOB

13 Comprehensive (Hospital and Medical)

2021-14BWG:

Underwriting & Investment Exhibit I Parts 1, 1A, 1B, 2, and 2A

13.1 Comprehensive Individual Accident and Health

13.2 Comprehensive Group Accident and Health

Schedule H column headings:

Comprehensive (Hospital and Medical) Individual

Comprehensive (Hospital and Medical) Group

Tip Tipton, CPA  
Accounting Policy Manager  
Thrivent

Randy Hefel  
NAIC Liaison  
SOVOS

CC: Kim Hudson, Vice-Chair, California  
Mary Caswell, NAIC  
Calvin Ferguson, NAIC  
Keith Bell, Travelers  
Rose Albrizio, Equitable Financial

July 7, 2021

Mr. Phil Vigliaturo, Chair,  
Casualty Actuarial and Statistical (C) Task Force

Re: 2021-11BWG

Dear Chair,

We appreciate the opportunity to submit the following comments on the 2021-11BWG proposal.

As the NAIC puts it, "The public wants two things from insurance regulators: They want solvent insurers who are financially able to make good on the promises they have made, and they want insurers to treat policyholders and claimants fairly. All regulatory functions will fall under either solvency regulation or market regulation to meet these two objectives."

We support the idea to have more timely report of current NAIC Homeowners Report and Auto Report. We also appreciate the spirit of this proposal to address regulatory concerns regarding the needed average written and average earned premium for residential property and personal auto coverages in a far more timely fashion for market regulation. That said, we do not believe the proposal appropriately addresses the root causes of problems, nor do we believe that the proposal as currently drafted would meet the market regulation needs to provide accurate statistical reports in a timely manner.

Current NAIC Homeowners Report has 5 tables with statistics for house-years by state and countrywide by policy type, policy form, amount of insurance, and average premiums by policy form/amount of insurance by homeowners owner-occupied and tenants. NAIC Auto Report has 5 tables with statistics for average premiums and expenditures for Liability, Collision and Comprehensive. The Auto Report also has many tables for voluntary/residual, limits, and others by coverage. Although current NAIC statistics reports have significant time lag, it does provide the accuracy and consistency for the needed statistics. To create a supplement to those specific annual statement lines (ASL) without clearly defined statistics and accuracy, the benefits are very limited if not also very confusing.

It is better to be late than incomplete or inaccurate. Different companies in different states may have different market segment mix in term of coverage forms, house value, etc. 2021-11BWG proposal with aggregate level exposures by state may create misleading results and conclusions. Similar situations will also exist in the personal auto coverages. More exposures information with more granulated details is available in the current NAIC Homeowners Report and Auto Report as described above, with some time lag.

As an alternative, we would suggest looking at the current NAIC statistics reports and identify the root causes of problems in time delay. If companies are using timely data to grow their business strategically, NAIC and regulators should be able to work with the industry to improve the time lag. Are the problems coming from delay reporting in specific few companies? Are the problems coming from too many required statistics in the process? Are the problems coming from inconsistent reporting databases?

We appreciate the consideration of our comments and look forward to discussing on a future call.

Best Regards,

Wanchin W. Chou, FCAS, MAAA, CPCU, CSPA  
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Office Phone: 860-297-3943

cc: Kris DeFrain, NAIC, Qing He, Amy Waldhauer

**From:** Nichole Torblaa <Nichole.Torblaa@ldi.la.gov>  
**Sent:** Tuesday, July 6, 2021 4:02 PM  
**To:** DeFrain, Kris <kdefrain@naic.org>  
**Subject:** Louisiana Comments regarding 2021-11BWG and 2021-13BWG Exposure Drafts

Louisiana does not support moving either Blanks proposal 2021-11BWG or 2021-13BWG forward at this time.

#### **Proposal 2021-11BWG**

2021-11BWG proposes a new annual statement supplement to the Property and Casualty (P/C) statement to capture exposure data for Annual Statement Lines 2.5, 4, 19.1, 19.2 and 21.2 of the Exhibit of Premiums and Losses. It adds a column to the Quarterly Parts 1 and 2 to capture exposure data for these annual statement lines for the quarter. According to the author, "This AS and QS Blanks proposal would allow the calculation of average written and average earned premium for residential property and personal auto coverages in a far more timely fashion."

Louisiana believes it is premature to consider the proposed changes to financial statement exhibits and that this proposal should be studied by CASTF before changes to financial exhibits are made. If more current average premiums are needed, CASTF should create a supplemental report, to existing CASTF reports, that includes average premium on a timelier reporting schedule.

- Louisiana characterizes the data requested to be general/actuarial/rate information and not information that improves solvency regulation. The purpose and context of the AS and QS statements is the monitoring and regulation of company solvency. The proposed data does not fit within the context of solvency's financial statements for collection, even if convenient. When discussing with Louisiana financial analysts, their comment is they have never felt this type of data was needed and, if made available by this proposal, would probably not be analyzed. If needed, our financial analyst would request such data on a case-by-case basis (which has never been done in Louisiana).
- The expense to companies to build a system to report the requested information outweighs its value to state regulators.
  - The collection of this data will require companies to build a new system to capture and report exposure details.
  - The collection of this new data, unless validated/audited, will be of limited value.
  - The proposal, though resulting in more current calculation of average premiums, will have its own set of issues, e.g., reliability when comparing state data because it only reports on the aggregation across coverages and forms; it is not a separate reporting by coverage or form as with the existing CASTF reports.
  - Even though the average premiums from CASTF's "Auto Database Report" and "Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owners' Insurance Report: Data for XXXX" may be "stale," the average premium rankings do not change significantly over the course of two years and the reported average premiums remain useful for comparison purposes. The proposed data

collection and frequency (quarterly) would not add great value above the existing reports' primary use.

- An increase in expenses to companies will be passed along to consumers in the form of higher premiums.
- Lastly and importantly, the collection of more timely average premium data, to supplement the existing CASTF "Auto Database Report" and "Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owners' Insurance Report: Data for XXXX", can easily, efficiently, and effectively be requested by CASTF as a supplemental report (either annual or quarterly). Such supplemental report can be integrated into the existing CASTF report workstream and can be reported upon either annually or quarterly. This new report would be for just average premiums (no loss data) and would not be expensive to create or disruptive to financial reporting requirements and systems.

### **Proposal 2021-13BWG**

2021-13BWG proposes adding a new supplement to capture premium and loss data for Annual Statement Lines 17.1, 17.2 and 17.3 of the Exhibit of Premiums and Losses (State Page) – Other Liability by more granular lines of business. The purpose of this proposal is to provide regulators more granular detail of the premium and losses of the diverse lines of business reported on Annual Statement Lines 17.1, 17.2 & 17.3 of the Exhibit of Premiums and Losses (State Page).

Louisiana believes it is premature to consider the proposed changes to financial statement exhibits and that this proposal should be studied by CASTF before changes to financial exhibits are made. If more detailed liability data is needed, CASTF could create a supplemental report that includes average premium on a timelier reporting schedule.

- Louisiana characterizes the data requested to be general/actuarial/rate information and not information that improves solvency regulation. The purpose and context of the AS and QS statements is the monitoring and regulation of company solvency. The proposed data does not fit within the context of solvency's financial statements for collection, even if convenient. When discussing with Louisiana financial analysts, their comment is they have never felt this type of refined data was needed and, if made available by this proposal, would probably not be analyzed. If needed, our financial analyst would request such data on a case-by-case basis (which has never been done in Louisiana).
- The expense to companies to build a system to report the requested information outweighs its value to state regulators.
  - The collection of this data will require companies to build a new system to capture and report the refined premium, exposure, loss, and expense details.
  - The collection of this new data, unless validated/audited, will be of limited value.
  - Louisiana would not be interested in having this data available. The collection of more detailed other liability data can easily be requested by individual states on a case-by-



case basis. Such a state request would not be as expensive to create or disruptive to financial reporting requirements impacting the entire commercial industry.

- An increase in expenses to companies will be passed along to consumers in the form of higher premiums.

Regards,  
Nichole Torblaa

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July 2, 2021

NAIC Casualty Actuarial and Statistical (C) Task Force  
c/o Kris DeFrain - [kdefrain@naic.org](mailto:kdefrain@naic.org)  
1100 Walnut Street, Suite 1500  
Kansas City, MO 64106-2197

**RE: 2021-11BWG and 2021-13BWG**

Dear Chair, Vice Chair, and Task Force Members:

On behalf of the member companies of the National Association of Mutual Insurance Companies<sup>1</sup> we respectfully submit these comments which are responsive to the proposed changes to the annual and quarterly statement blanks that, if adopted, would add a new annual statement supplement to capture direct exposures written and direct exposures earned for certain lines of business (2021-11BWG). It would also add a new exhibit in the statement of Premium and Losses (State Page) to capture more details regarding certain line of business premium and loss data (2021-13BWG). We submit these comments in hopes that regulators will join us in the effort to protect and educate consumers with relevant, timely information so that they may find the right product, at the right price, at the right time.

Although there is a strong desire to partner with regulators to resolve several outstanding issues, the NAMIC membership opposes both proposals as exposed. Further, we have specifically requested the Blanks (E) Working Group reject Agenda Item 2021-11BWG and provide an extended comment period for Agenda Item 2021-13BWG. NAMIC members support the Interested Parties comment letter (dated June 25, 2021) to the Financial Condition Blanks Working Group, stating their opposition to agenda item 2021-11BWG and their request for an extended comment period for Agenda Item 2021-13BWG. However, it is impossible to support an effective date for Annual 2022 for either proposal. We respectfully request that an effective date not be established until a policy decision is made as to whether the information requested serves a specific regulatory need. This shall include

<sup>1</sup> The National Association of Mutual Insurance Companies is the largest property/casualty insurance trade group with a diverse membership of more than 1,400 local, regional, and national member companies, including seven of the top 10 property/casualty insurers in the United States. NAMIC members lead the personal lines sector representing 66 percent of the homeowner's insurance market and 53 percent of the auto market. Through our advocacy programs we promote public policy solutions that benefit NAMIC member companies and the policyholders they serve and foster greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.



a full cost/benefit analysis for each proposal to ensure that the information being requested is meaningful and relevant to the consumer and the costs associated with implementation and compliance for both regulator and industry don't outweigh the benefits.

The following comments are offered on each individual agenda item.

#### 2021-11BWG

Agenda item 2021-11BWG proposes to add a new annual statement supplement to the Property and Casualty annual statement to capture direct exposures written and direct exposures earned. In addition, the proposal would also require new quarterly reporting on Part 1 – Loss Experience to capture the number of direct earned exposures and Part 2 – Direct Premium Written to capture the number of direct written exposures. Both the annual statement proposed change and the proposed changes to the quarterly statement are focused on the private flood (Line 2.5), homeowners (Line 4), private passenger auto no-fault (Line 19.1), other private passenger liability (Line 19.2), and private passenger auto physical damage (Line 21.1) lines of business.

The stated justification for agenda item 2021-11BWG is to obtain average personal auto and homeowners' premiums (as well as private flood) per exposure in a more-timely manner. The quarterly and annual statement should not be used to collect meaningless or incomplete data elements, as it runs the risk of misleading consumers and takes away from regulators core mission to educate consumers and efficiently regulate a competitive insurance marketplace. Because the annual reports produced by the NAIC that include average personal auto and homeowners' premiums are typically published 24 months after the end of the experience period, some believe there is validity in obtaining this information sooner. However, there are significant flaws with how the proposal is constructed, including using exposure counts to calculate average premium. If the proposal is adopted as exposed, it will produce misleading results that instead of educating consumers on average premium values will have the opposite effect. The mission of insurance regulators is often to educate and protect consumers, rather than support proposals that provide inaccurate and misleading information and consumer confusion.

To the best of our knowledge, exposure counts are not required anywhere else in the annual or quarterly statement; however, exposure counts are required for certain direct state reporting filings, but those filings are at the policy level. The purpose of those filings is to provide policy level information to the Statistical Agency in order to illustrate the direct relationship between the premium being written and the exposures. Nevertheless, it is difficult to see what value the regulator would get with exposure counts, absent other significant data elements at the policy level, and the risk of misinterpretation by consumers far outweighs the benefits.



Therefore, in addition to capturing information that appears useless in the calculation of average premium values, there is a valid concern that the data will create false impressions and unintended consequences for all parties involved. Regulators should be aware that exposure counts are typically included as part of the rating filing. This information may already be in the possession of the regulator. Consequently, there is concern with exposing this proprietary data on annual statements especially if unnecessary. One must consider the regulatory purpose of requiring reporting entities to produce this information more than once, if at all. Further, it is imperative to consider why the request is only for a limited set of information. Absent other pertinent data elements, this information is meaningless in achieving the objective of obtaining average personal auto and homeowners' premium per exposure.

NAMIC implores the working group to take a measured approach in arriving at conclusions on these action items in order to ascertain the benefit of requiring this information be provided with the costs in terms of regulatory compliance for both regulator and industry given the potential futility of outcome. NAMIC specifically requests that statistical data not be included on the annual/quarterly statement blanks and encourages the working group to instead look for opportunities to assist the NAIC in speeding up the process of publishing its' annual report of average personal auto and homeowners' premiums. Further, NAMIC encourages the working group to have ongoing conversations with industry to find a solution that is amenable, amendable, timely, and achieves the objective of protecting and educating the consumers we all serve.

#### 2021-13BWG

Agenda Item 2021-13BWG proposes to add a new "Exhibit of Other Liabilities by Line of Business" that if adopted would require all reporting entities that report "other liability" on Line 17 of the Exhibit of Premiums and Losses to prepare this new exhibit annually. The stated purpose of the exhibit is to provide more information on the "diverse lines of business filed on Annual Statement Line 17" and includes 28 different liability lines of business requiring the reporting of the following direct business categories: written premium, earned premium, unearned premium reserve, losses paid, losses incurred, losses unpaid, defense and cost containment paid, DCC incurred, and DCC unpaid.

To implement this new exhibit would require significant changes to how insurers manage the business reported on Line 17, including systems updates to track the additional granularity required in the proposed reporting. While Other Liability encompasses a sizable portion of premiums written by property/casualty insurers<sup>2</sup>, it remains unclear what regulatory purpose would be served by dividing this LOB into 28 sub-LOBs. NAMIC members request

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<sup>2</sup> Direct premiums written in 2020 for property/casualty insurers reporting on Line 17.1, 17.2 - Other Liability totaled \$91 billion or 12.5% of total premiums written - NAIC 2020 Market Share Report.



additional time to comment on this proposal, as many of the new categories in the exhibit have not been defined, nor included in the Annual Statement Instructions.

Further, NAMIC members request the working group defer making any policy decision on whether to collect these data elements from all reporting entities until a cost/benefit study has been conducted. This study should factor in the cost of doing individual data calls as opposed to creating a new reporting supplement requirement for all reporting entities to comply with. As regulators consider their role in promoting a stable and competitive environment for consumers and insurers, top of mind should be how to balance what information from insurers is meaningful and relevant to the consumer but also would not put insurance companies at a competitive disadvantage. This issue strikes at the heart of that balance and requires a more deliberative process and additional time to consider. At very minimum, the regulators should take the necessary steps to protect consumers from misinformation and confusion.

\* \* \* \* \*

NAMIC appreciates the opportunity to take part in the process. Thank you for your consideration of these comments on this matter of importance to NAMIC, its member companies, and their policyholders. If there are any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Jonathan Rodgers". The signature is written in a cursive, flowing style.

Jonathan Rodgers  
Director of Financial and Tax Policy  
National Association of Mutual Insurance Companies



**Comments of the Center for Economic Justice to the  
NAIC Blanks Working Group and Casualty Actuarial and Statistical Task Force**

**Response to Comments on Blanks Proposal 2021-11BWG**

**July 12, 2021**

CEJ offers the following responses to comments submitted on Blanks Proposal 2021-11BWG. The proposal would add earned exposure and written exposure data elements for the personal auto and homeowners lines of business to the annual and quarterly financial statements. For the annual statement, the reporting would be by-state in new exhibits that pull written premium and earned premium for the relevant lines of business from the Exhibit of Premiums and Losses (State Page). For the quarterly statements, earned exposures and written exposures would be added to Part 1 and Part 2, respectively.

We have already amended our proposal to remove the private flood line of business.

The benefits of the additions are significant, as set out in the proposal. Most important, with the additions, regulators and the public would be able to identify trends in exposures and average premium for the largest personal lines of property casualty insurance in a time frame to make this information useful.

CEJ has offered to work with interested parties to strengthen the proposal and address any shortcomings. No interested party has reached out to CEJ. Further, only one interested party has offered “suggestions” for improvements, but those “suggestions” were non-specific and were criticisms of the proposal incorrectly framed as “suggestions.”

CEJ organizes our response to the commenters by category of comment.

**1. “Misleading data for regulators and the public.”**

The most common objection among the commenters is that the average written and earned premiums calculated from the proposed financial statement additions would be “misleading data for regulators and the public.” A representative comment comes from the interested parties:

“If ASL 4 Homeowners Exposures is all inclusive, the proposal to count written and earned ‘residences’ would include an array of policies ranging from rental policies to mansions, resulting in an average premium that has no real value to users. If ASL 4 Exposure does not include condo and/or rental policies, then the average premium would be misleadingly inflated.”

“For ASL 19.2 auto policies, if Premiums include, but Exposures exclude, miscellaneous vehicles, such as golf carts, private passenger trailers, and all-terrain vehicles, the average premium would be inflated. Furthermore, how misleading this broadly applied average may be for any individual company depends on the size and mix of their business reported under each ASL impacted by the proposal. This information, taken out of context, could be negatively construed and lead to detrimental results for companies.”

***The claim of “misleading” is without merit for several reasons.***

***First, commenters point to the two statistical reports as providing information that is not misleading. Yet, the average premium that could be calculated from the proposed additions are the same average premium calculations found in the two statistical reports. It is unclear how the same average premium calculation can be simultaneously misleading and relevant information***

The proposed additions will permit the calculation of average homeowners premium by dividing premium by exposure. This is the same calculation found in the total column of Table 4 of that report, including a report by state and countrywide aggregate.<sup>1</sup> While the report also provides average premium by homeowners policy form, the fact that an aggregate average premium is calculated and presented demonstrates that regulators who publish the report and industry who have never objected to this metric do not find aggregate average premium “misleading.”

The same response applies to the “misleading” claim for personal auto. The auto database report provides several average premium calculations. One is “average expenditure” which is the sum of liability, collision and comprehensive premium divided by liability written exposures. A second is combined average premium which is the sum of liability premium divided by liability written exposures, collision premium divided by collision written exposures and comprehensive premium divided by comprehensive written exposures.<sup>2</sup>

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<sup>1</sup> <https://content.naic.org/sites/default/files/publication-hmr-zu-homeowners-report.pdf>

<sup>2</sup> <https://content.naic.org/sites/default/files/publication-aut-pb-auto-insurance-database.pdf> at page 3.

The proposed addition permits the exact same calculation of average expenditure as found in the auto database and a very similar calculation to the combined average premium calculation.

***Second, commenters seem to be complaining about the basic concept of an average.*** Interested parties complain that any average premium calculation will be misleading because it combines different types of policies and different vehicles – “policies ranging from rental policies to mansions, resulting in an average premium that has no real value to users.”

By this logic, every average premium calculation found in the two statistical reports are “misleading.” For example, even within the average premium calculation by policy form in the homeowners statistical report, that average premium averages the premiums from small homes to mansions. The average premium calculations in the auto database average premiums for old and new vehicles for inexpensive vehicles and expensive vehicles and for different liability limits.

The nature of the average statistic is that it is a description of different outcomes. Consider some of the most highly-used statistics – average home prices, average family income or the unemployment rate. Each is a summary statistic of widely varying situations – the average of home prices for small, medium, large and massive homes in different locations, the average of income for different professions and family composition and the average of unemployment across different industries and markets. ***Yet, these statistics are recognized as useful, despite these limitations, predominantly because they permit a timely analysis of changes over time. That is precisely what the proposed additions to the annual and quarterly statement will permit.***

***Third, while interested parties argue that the proposed additions will produce “misleading” average premium calculations, they ignore the fact that the current statistical reports produce misleading information.*** The current statistical reports are misleading because they present average premium values that are two to three years old. In March 2021, the NAIC issued a press release and released the auto database report with average premium calculations for 2018. Some states – with low average premiums – issued press releases citing the report. We suggest it is far more misleading to release average premium data for 2018 in March 2021 than any of the concerns raised by interested parties with the blanks proposal. When someone reads that press release or references the average premium calculation in the two statistical reports, they will be misled into thinking that the data are somehow relevant and timely.



## 2. **“Provide Competitors with Proprietary Information”**

Interested parties offer the claim of “proprietary information” without evidence or explanation. Presumably, the claim of “proprietary information” is offered to suggest that if written and earned exposures were reported, reporting companies would suffer competitive harm – that, somehow, competitors could use the written and earned exposure data – by state on an annual basis and countrywide on a quarterly basis – to learn the competitor’s strategy.

*Interested parties provide no evidence or even an explanation for this claim because it is an absurd claim. First, we know that the insurer achieving the fastest growth over the last decade – Progressive – provides the number of policies in force along with written and earned premium on a monthly basis – broken out not just for personal auto but by personal auto sold through agency versus direct channels.<sup>3</sup> The fact that the fastest growing personal auto insurer – the one with the most to lose by providing “proprietary” information – voluntarily provides exposure counts on a monthly basis explodes the interested parties’ “proprietary” argument,*

*Second, it is unclear why or how any competitor would or could use this exposure information to gain some competitive advantage.* Putting aside the fact that the quarterly exposure counts are countrywide and the annual counts are by state – aggregates too large to gain any meaningful insight for competitive purposes – insurers have access to many other data sources to gain far more timely and granular competitive insight. Insurers have real-time access to competitors’ rate filings as well as competitor quoting information, among other sources.

*Third, the financial statements contain public information far more relevant and useful for competitors to ascertain another insurers’ business strategy.* Consider the detailed reporting of loss reserves and changes in loss reserves by line of business. Using this information, a competitor could assess the loss reserving strategy of other insurers. Or consider the detailed reporting of investments – literally every stock and bond bought, held and sold. A competitor could use this information to assess the investment strategy of other insurers. Or consider the detailed reporting of every reinsurance agreements. A competitor could assess other insurers’ use of affiliated and unaffiliated reinsurance strategies. In contrast, the highly-aggregated exposure data cannot possibly provide the same types of insights.

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<sup>3</sup> <https://ml.globenewswire.com/Resource/Download/5cef1e8f-b788-4e83-9daa-2f1cf5cd9d33>

### 3. **”Costs outweigh benefits”**

Interested parties argue that benefits are lacking for 2021-11BWG and costs are significant. Again, interested parties’ claims are without evidence or support. Louisiana, for example, claims that “Expense to companies outweighs benefits,” “Require[s] companies to build a new system to capture and report exposure details,” and “Unless validated/audited will be of limited value.”

***It is unclear why the costs of providing this information will be material to insurers and consumers.*** The new data elements – written exposures and earned exposures – are routinely captured in the course of insurers’ business, routinely used in insurers’ personal auto and residential property insurance rate filings and reported by many insurers in pay-for public reports – Fast Track reports:

The Fast Track Monitoring System was developed to provide insurance professionals with a sampling of significant data by line of insurance at the earliest possible date. Participation in the Fast Track Monitoring System for Private Passenger Automobile involves the reporting of quarterly loss ratio data and claim cost and frequency data on an accelerated basis, so that it is received by the statistical agent within 45 days of the end of each quarter. The statistical agents collecting Fast Track data are Independent Statistical Service, Inc. (ISS), National Independent Statistical Service (NISS), and ISO Data, Inc.

For personal auto insurance, fast track data included earned exposures – “earned car years” and “earned house years” – for personal auto and homeowners, respectively.

Given the widespread use by insurers of these exposure metrics, it is unclear why “new systems to capture” the data would be required. While the data elements may need to be pulled from different data pools within an insurers’ overall information system, that is no different from other information reported in the annual and quarterly financial statements.

Further, the relevant cost metric for evaluation is the marginal cost of reporting additional data in the financial statements. We suggest that marginal cost is low in absolute terms and lower in relative terms to the many other changes and additions to the annual and quarterly statements that occur each year.

***Let’s put the cost in perspective relative to premiums.*** According to data published by the NAIC,<sup>4</sup> in 2020, there was \$110 billion in homeowners (line 4) written premium and \$249 billion in personal auto (lines 19.1, 19.2 and 21.1) written premium. Now let’s assume a preposterously large marginal cost for insurers of, say, \$10 million to report the new data elements. That would represent less than 3/1000ths of a percent of premium – or less than 3

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<sup>4</sup> [https://content.naic.org/sites/default/files/web\\_market\\_share\\_property\\_casualty.pdf](https://content.naic.org/sites/default/files/web_market_share_property_casualty.pdf)

cents for a policy with a \$1,000 premium. Of course, the marginal cost of second and later years' reporting would be far less than the initial reporting. So the cost per premium dollar would be much lower when considered over a multiple year period.

***The benefits are significant and clearly outweigh any costs to insurers. First, the benefits to the proposal additions include more timely data that is clearly of interest to regulators and the public.*** While the two statistical reports have much useful information beyond average premium calculations, it is unclear what purpose is served by publishing average premium in these reports since the data are so old and not relevant for current analysis.

Imagine if insurers were to make rate filings in March 2021 with data only through year-end 2018. No regulator would accept such stale data. Or imagine that any of the other data in the annual statement were that stale – 2018 investments instead of 2020 investments reported in March 2021. The relevance of timely data is no less true for exposure counts and average premium.

***Second, the most significant benefit for both financial and market analysis is the ability to track trends in exposures and average premium on a timely, quarterly basis.*** As with most indices or major averages, it is the analysis of changes over time that provide the most useful information. The proposed additions will create the opportunity for this type of timely analysis of changes over time.

***Third, the proposal is, by far, the most efficient method of capturing this important information.*** Some commenters suggested that regulators have other means of collecting these data – from rate filings or special data calls. There is no existing, timely data collection of these data elements. Rate filings are not a comprehensive or uniform or timely source of the data since insurers do not routinely make complete rate filings on a quarterly basis or include the relevant information in every rate filing. Special data calls are far more expensive for insurers than routine ongoing reporting and are far less reliable for data quality. By adding the data elements to existing, routine reporting, the data will be reported using the most efficient and common data reporting tools and provide comprehensive and uniform reporting.

***Fourth, regulators, insurers and the public benefit with reporting of and publishing of current experience.*** As noted above, we believe it is far misleading to issue average premium data in March 2021 – which will likely be misinterpreted as current information – than any alleged problems with “averages.”

***Fifth, the proposal provides new data elements that will make other information in the annual and quarterly statements more useful.*** For example, the availability of exposure counts offers new and improved opportunities to analyze changes in written and earned premiums.

***Sixth, the proposal provides relevant information to interested stakeholders, including academics, policy-makers and other third parties who routinely publish “average premium” information. A major benefit of the proposal is the availability of relevant and timely public information from a respected source.*** Right now, there are a variety of websites that publish “average premium” values based on a variety of methodologies – none of which are as reliable as those available with the proposed financial statement additions.

***In summary, the benefits of the proposed addition far outweigh the costs to insurers.***

**4. “Improve the timeliness of the current statistical reports instead.”**

Some commenters suggested, as alternatives to the proposed financial statement additions, speeding up the production of the current statistical reports or issuing special data calls or culling information from existing sources. ***None of these suggested alternatives are a viable substitute for the proposed financial statement additions.***

***First, the proposal is not intended to replace the existing statistical reports because those reports have far more information than simply average premium.*** Most importantly, the statistical reports include claims information – and that is the source of the lengthy delay between the experience period and the publication of the reports. Simply stated, claims take time to develop, so matching claims to exposures requires time for the claims to be reported and settled.

***In addition, the nature of the data collection for the statistical reports requires a far lengthier and complicated process than the proposed financial statement additions.*** To produce the statistical reports, the NAIC must gather data from several statistical agents and several individual states and then combine and audit those data. In contrast, the proposed financial statement additions involve direct reporting from insurers to the NAIC through an existing reporting document and, consequently, will always be much faster than the reporting and compilation associated with the statistical reports.

***Second, as discussed above, there are no other timely sources of the data in a comprehensive and uniform manner.*** Rate filings cannot generate comprehensive and uniform data. Fast Track data is reported by only a portion of the industry and is not readily available to the public.

***Third, as discussed above, special data calls are far more inefficient, costly and less reliable than routine financial statement reporting and don’t permit the critical use of timely analyzing trends in average premium over time.*** Insurers have long complained about the cost of special data calls, so when insurers argue against routine reporting of data through existing reporting instruments, we can be certain that the complaint is not about cost.

## 5. "Clearer definitions of exposure are needed."

The Academy comments include the following as suggestions that would "improve the proposal."

Include a complete and clear definition of exposure and calculation for each line proposed, particularly as respects the crossing (or overlap) of calendar time periods. Clear specifications ensure greater consistency across companies reporting; and

Definitions that account or minimize distortions from mix would be recommended.

***While we welcome the opportunity to improve the proposal, we cannot identify the problems alleged by the Academy.*** Of note is the fact that the Academy has not offered the proposed guidance it alleges that insurers seek. Comments for blanks proposals routinely offer the specific wording in the comments to implement the concepts they propose. But, not for this proposal.

The Academy argues that additional, clearer definitions are needed to address the fact that the homeowners lines contains different policy forms. Yet, it is unclear how any reporting company could misinterpret the proposed instruction which refer to either an insured vehicle or an insured property.

The proposed definitions are:

*A Written Exposure for Annual Statement Line 4 is defined as a single residential property for which coverage was written at any time during the calendar reporting period and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.*

*A Written exposure for Annual Statement Lines 19.1, 19.2 and 21.1 is defined as single motor vehicle for which coverage was written at any time during the calendar reporting year and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.*

*An Earned Exposure for Annual Statement Line 4 is defined as the fraction of the calendar reporting year for which a single residential property had coverage in force.*

*An Earned Exposure for Annual Statement Lines 19.1, 19.2 and 21.2 is defined as the fraction of the calendar reporting year for which a single motor vehicle had coverage in force.*

***Given these definitions, the Academy “suggestions” make no sense. First, it is crystal clear how exposures should be calculated for each line of business – the definitions are industry standard for two of the most common metrics in insurance.*** The Academy’s complaint that homeowners include a variety of homeowners policy forms has no relevance for defining an exposure. Given the proposed instructions, it is unclear how an insurer could misinterpret an exposure for a renter’s policy form or a condo policy form. Similarly, it is unclear how an insurer could misinterpret an exposure for a motorcycle or a mobile home written on a personal auto policy form.

***Similarly, the complaint / “suggestion” regarding “crossing (or overlap) of calendar time periods” is clearly addressed in the definitions.*** There are few concepts in property casualty insurance more widely used than written exposure and earned exposure. The difference between the two measures of exposure relates specifically to what portion of the exposure is counted within a calendar year. The proposed definitions directly address – with industry standards – how to measure exposures that may overlap reporting periods.

**6. “The requested information is not solvency related and shouldn’t be in the AS and QS.”**

***This comment from Louisiana is deeply flawed in two major respects – the data do have relevance for financial oversight and the financial statements include much information that is not “solvency-related.”***

***We strongly believe that the addition of exposure elements to the annual and quarterly financial statements will assist financial analysts, as well as market analysts.*** The addition of exposure data permits financial analysts to better understand and assess changes in premium from one reporting period to the next. Change in quarterly premium written and earned can be better understood with related exposure counts – is the insurer’s premium change a result of changes in average premium per exposure or simply changes in exposure?

***Further, the financial statements include a variety of information not related to insurer solvency, including, for example, the new private flood supplement, the credit insurance experience exhibit, the bail bond supplement and Schedule T Exhibit of Premiums Written.*** While not solvency related, these parts of annual statement reporting provide necessary information for regulators to carry out statutory responsibilities. These non-solvency exhibits and supplements in the financial statements because it is the most efficient and effective method of collecting comprehensive and uniform data from insurers to meet a specific regulatory purpose. That same rationale applies to the proposed 2021-11BWG.

Thank you for your consideration. We urge both CASTF and Blanks to support proposal 2021-11BWG.

**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p style="text-align: right;">DATE: <u>04/15/2021</u></p> <p>CONTACT PERSON: <u>Birny Birnbaum</u></p> <p>TELEPHONE: <u>512 784 7663</u></p> <p>EMAIL ADDRESS: <u>birny@cej-online.org</u></p> <p>ON BEHALF OF: <u>Center for Economic Justice</u></p> <p>NAME: <u>Birny Birnbaum</u></p> <p>TITLE: <u>Director</u></p> <p>AFFILIATION: <u>NAIC Designated Consumer Representative</u></p> <p>ADDRESS: <u>1701A South Second St</u> <u>Austin, TX 78704</u></p>	<p style="text-align: center;"><b>FOR NAIC USE ONLY</b></p> <p>Agenda Item # <u>2021-11BWG MOD</u> Year <u>2022</u> Changes to Existing Reporting <input checked="" type="checkbox"/> [ X ] New Reporting Requirement <input type="checkbox"/> [ ]</p> <p style="text-align: center;"><b>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</b></p> <p>No Impact <input checked="" type="checkbox"/> [ X ] Modifies Required Disclosure <input type="checkbox"/> [ ]</p> <p style="text-align: center;"><b>DISPOSITION</b></p> <p>[ <input type="checkbox"/> ] Rejected For Public Comment [ <input checked="" type="checkbox"/> ] Referred To Another NAIC Group <u>CASTF</u> [ <input checked="" type="checkbox"/> ] Received For Public Comment [ <input type="checkbox"/> ] Adopted Date _____ [ <input type="checkbox"/> ] Rejected Date _____ [ <input type="checkbox"/> ] Deferred Date _____ [ <input type="checkbox"/> ] Other (Specify) _____</p>
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**BLANK(S) TO WHICH PROPOSAL APPLIES**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> ANNUAL STATEMENT       | <input checked="" type="checkbox"/> INSTRUCTIONS  | <input checked="" type="checkbox"/> CROSSCHECKS |
| <input checked="" type="checkbox"/> QUARTERLY STATEMENT    | <input checked="" type="checkbox"/> BLANK         |   |
| <input type="checkbox"/> Life, Accident & Health/Fraternal | <input type="checkbox"/> Separate Accounts        | <input type="checkbox"/> Title                  |
| <input checked="" type="checkbox"/> Property/Casualty      | <input type="checkbox"/> Protected Cell           | <input type="checkbox"/> Other _____            |
| <input type="checkbox"/> Health                            | <input type="checkbox"/> Health (Life Supplement) |   |

Anticipated Effective Date: ~~1<sup>st</sup> Quarter~~-Annual 2022

**IDENTIFICATION OF ITEM(S) TO CHANGE**

Add a new annual statement supplement to capture exposure data for Annual Statement Lines 2-5, 4, 19.1, 19.2 and 21.2.  
Add a column to the Quarterly Parts 1 and 2 to capture exposure data for these annual statement lines for the quarter.

\*\*\*See Next Page For More Details\*\*\*

**REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE\*\***

\*\*\*See Next Page For Details\*\*\*

**NAIC STAFF COMMENTS**

Comment on Effective Reporting Date: \_\_\_\_\_

Other Comments:

\*\* This section must be completed on all forms.

Revised 7/18/2018

## IDENTIFICATION OF ITEM(S) TO CHANGE

Add a new annual statement supplement to the Property and Casualty annual statement to capture “Direct Exposures Written” and “Direct Exposures Earned” which will be reported, initially only for Annual Statement Lines ~~2.5 (Private Flood)~~, 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add one column to property casualty quarterly statement Part 1 Loss experience between current columns 1 and 2 for “Direct Exposures Earned” only for only for Lines ~~2.5 (Private Flood)~~, 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add one column to property casualty quarterly statement Part 2 Direct Premium Written between current columns 1 and 2 for “Direct Exposures Written” only for only for Lines ~~2.5 (Private Flood)~~, 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add instructions for reporting the additional data elements, consisting of definitions and examples for the new data elements.

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## REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE\*\*

The average written and average earned premium per exposure is an important metric for a variety of regulatory and public policy purposes. The NAIC annually produces reports of average personal auto and homeowners premiums, but the data in these reports are old and stale for timely assessment of absolute average premium and changes in average premium over time. Both reports are typically produced 24 months after the end of the experience period and 36 months after the beginning of the experience period. Homeowners average premiums for 2018 was published in January 2021 in the “Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owners’ Insurance Report: Data for 2018.” Personal auto average premiums for 2018 was published in March 2021 in the “Auto Database Report.” While there are valid reasons for the length of time needed to produce these reports – primarily because these reports contain information beyond average premium – the average premium numbers lose significant relevance because of their age.

This AS and QS Blanks proposals would allow the calculation of average written and average earned premium for residential property and personal auto coverages in a far more timely fashion – within three to four months following the reporting year instead of 24 months and would provide timely and useful quarterly information. The benefits of timelier average premium data are considerable. Timely average premium data would permit financial analysts to utilize changes in average premium as part of financial analysis. Similarly, the more-timely average premium data would become a valuable tool for market regulation analysts, including, but not limited to, an added data point for use with the Market Conduct Annual Statement. Last, but not least, this proposal would allow the NAIC to calculate and publish average annual premium data for residential property and personal auto insurance by state in a time frame to both make the data meaningful for describing market conditions and to inform individual state regulators and policymakers of actual changes in personal lines average premiums – as opposed to expected changes gleaned from rate filings.

Consider how valuable timely average premium values would have been for personal lines as the pandemic unfolded. Consider also the value of quarterly data for average premium for personal lines versus only an annual average. The lack of timeliness of the average premium values means that these data have very limited or no use for either financial or market analysis. The lack of timeliness also means that the data are no use in informing public policy debates about personal lines insurance costs. In addition, the severe time lag between actual experience and reporting fails to inform the public or policymakers of recent trends or outcomes and can, consequently, mislead the public and policymakers.



ANNUAL STATEMENT INSTRUCTIONS – PROPERTY

**DIRECT PREMIUM AND EXPOSURES**  
**Annual Statement Lines ~~2.5~~, 4, 19.1, 19.2 and 21.1**  
**Allocated by States and Territories**

This supplement must be filed with the NAIC by March 1 each year.

This supplement should be completed by those reporting entities that write direct business reported on the Exhibit of Premiums and Losses for each Annual Statement Lines (ASL) listed below. A separate page will be completed for each ASL.

ASL 2.5 (Private Flood)

ASL 4 (Homeowners)

- Excluding Renters, Condominiums and Co-ops
- Renters, Condominiums and Co-ops

ASL 19.1 (Private Passenger Auto No-Fault – Personal Injury Protection)

ASL 19.2 (Other Private Passenger Auto Liability)

ASL 21.1 (Private Passenger Auto Physical Damage).

Column 1 – Direct Premiums Written

The amounts reported for each line should agree with the amounts reported for the corresponding Annual Statement Line in Column 1, Line 35 of the Exhibit of Premiums and Losses for that state.

Line 59 (Part 1 plus Part 2) should equal Line 4, Column 1, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 3) should equal Line 19.1, Column 1, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 4) should equal Line 19.2, Column 1, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 5) should equal Line 21.1, Column 1, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Column 2 – Direct Written Exposures

A Written Exposure for Annual Statement Lines ~~2.5~~ and 4 is defined as a single residential property for which coverage was written at any time during the calendar reporting period and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

A Written exposure for Annual Statement Lines 19.1, 19.2 and 21.1 is defined as single motor vehicle for which coverage was written at any time during the calendar reporting year and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as one (1.0) written exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 written exposure.

Column 3 – Direct Premiums Earned

The amounts reported for each line should agree with the amounts reported for the corresponding Annual Statement Line in Column 2, Line 35 of the Exhibit of Premiums and Losses for each state.

Line 59 (Part 1 plus Part 2) should equal Line 4, Column 2, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 3) should equal Line 19.1, Column 2, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 4) should equal Line 19.2, Column 2, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 5) should equal Line 21.1, Column 2, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Column 4 – Direct Earned Exposures

An Earned Exposure for Annual Statement Lines ~~2.5 and 4~~ is defined as the fraction of the calendar reporting year for which a single residential property had coverage in force.

An Earned Exposure for Annual Statement Lines 19.1, 19.2 and 21.2 is defined as the fraction of the calendar reporting year for which a single motor vehicle had coverage in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as 0.5 earned exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 earned exposure.

**QUARTERLY STATEMENT INSTRUCTIONS – PROPERTY**

**PART 1 – LOSS EXPERIENCE**

Column 1 – Direct Premiums Earned

Display direct premiums earned by line of business. The total must agree with the Statement of Income Page 4, Direct Premiums Earned Line 1.1, Column 1.

Column 2 – Direct Earned Exposures

An Earned Exposure for Annual Statement Lines ~~2.5~~ and 4 is defined as the fraction of the calendar reporting year for which a single residential property had coverage in force.

An Earned Exposure for Annual Statement Lines 19.1, 19.2 and 21.2 is defined as the fraction of the calendar reporting year for which a single motor vehicle had coverage in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as 0.5 earned exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 earned exposure.

Column ~~2~~3 – Direct Losses Incurred

Display direct losses incurred by line of business. The total must agree with the Statement of Income Page 4, Direct Losses Incurred Line 2.1, Column 1.

Column ~~3~~4 – Direct Loss Percentage

Column ~~2~~3 (Direct Losses Incurred)/Column 1 (Direct Premiums Earned) multiplied by 100.

Column ~~4~~5 – Prior Year to Date Direct Loss Percentage

Display year-to-date direct loss percentages by line of business for the same quarter of the prior year.

Line 30 – Warranty

Data for this line should be reported prospectively (i.e., Prior year amounts need not be restated) starting with the 2008 reporting year.

**PART 2 – DIRECT PREMIUMS WRITTEN**

Column 1 – Current Quarter

Display current quarter direct premiums written by line of business.

Column 2 – Direct Written Exposures

A Written Exposure for Annual Statement Lines 2.5 and 4 is defined as a single residential property for which coverage was written at any time during the calendar reporting period and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

A Written exposure for Annual Statement Lines 19.1, 19.2 and 21.1 is defined as single motor vehicle for which coverage was written at any time during the calendar reporting year and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as one (1.0) written exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 written exposure.

Column 23 – Current Year to Date

Display year-to-date direct premiums written.

Column 34 – Prior Year, Year to Date

Display year-to-date direct premiums written from the same quarter of the prior year.

Line 30 – Warranty

Data for this line should be reported prospectively (i.e., Prior year amounts need not be restated) starting with the 2008 reporting year.

ANNUAL STATEMENT BLANK – PROPERTY

<b><u>DIRECT PREMIUM AND EXPOSURES</u></b> <b><u>Allocated by States and Territories</u></b> For The Year Ended December 31, 20____ (To Be Filed by March 1)				
<b><u>Private Flood</u></b> <b><u>Annual Statement Line 2.5</u></b>				
	1	2	3	4
	Direct Premiums Written	Direct Exposures Written	Direct Premiums Earned	Direct Exposures Earned
1. Alabama.....AL				
2. Alaska.....AK				
3. Arizona.....AZ				
4. Arkansas.....AR				
5. California.....CA				
6. Colorado.....CO				
7. Connecticut.....CT				
8. Delaware.....DE				
9. District of Columbia.....DC				
10. Florida.....FL				
11. Georgia.....GA				
12. Hawaii.....HI				
13. Idaho.....ID				
14. Illinois.....IL				
15. Indiana.....IN				
16. Iowa.....IA				
17. Kansas.....KS				
18. Kentucky.....KY				
19. Louisiana.....LA				
20. Maine.....ME				
21. Maryland.....MD				
22. Massachusetts.....MA				
23. Michigan.....MI				
24. Minnesota.....MN				
25. Mississippi.....MS				
26. Missouri.....MO				
27. Montana.....MT				
28. Nebraska.....NE				
29. Nevada.....NV				
30. New Hampshire.....NH				
31. New Jersey.....NJ				
32. New Mexico.....NM				
33. New York.....NY				
34. North Carolina.....NC				
35. North Dakota.....ND				
36. Ohio.....OH				
37. Oklahoma.....OK				
38. Oregon.....OR				
39. Pennsylvania.....PA				
40. Rhode Island.....RI				
41. South Carolina.....SC				
42. South Dakota.....SD				
43. Tennessee.....TN				
44. Texas.....TX				
45. Utah.....UT				
46. Vermont.....VT				
47. Virginia.....VA				
48. Washington.....WA				
49. West Virginia.....WV				
50. Wisconsin.....WI				
51. Wyoming.....WY				
52. American Samoa.....AS				
53. Guam.....GU				
54. Puerto Rico.....PR				
55. US Virgin Islands.....VI				
56. Northern Mariana Islands.....MP				
57. Canada.....CAN				
58. Aggregate Other Alien.....OT				
59. Total				

**DIRECT PREMIUM AND EXPOSURES**  
**Allocated by States and Territories**  
For The Year Ended December 31, 20\_\_  
(To Be Filed by March 1)

**Part 1 – Homeowners (Excluding Renters, Condominiums and Co-ops)**  
**Annual Statement Line 4**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama..... AL	.....	.....	.....	.....
2. Alaska..... AK	.....	.....	.....	.....
3. Arizona..... AZ	.....	.....	.....	.....
4. Arkansas..... AR	.....	.....	.....	.....
5. California..... CA	.....	.....	.....	.....
6. Colorado..... CO	.....	.....	.....	.....
7. Connecticut..... CT	.....	.....	.....	.....
8. Delaware..... DE	.....	.....	.....	.....
9. District of Columbia..... DC	.....	.....	.....	.....
10. Florida..... FL	.....	.....	.....	.....
11. Georgia..... GA	.....	.....	.....	.....
12. Hawaii..... HI	.....	.....	.....	.....
13. Idaho..... ID	.....	.....	.....	.....
14. Illinois..... IL	.....	.....	.....	.....
15. Indiana..... IN	.....	.....	.....	.....
16. Iowa..... IA	.....	.....	.....	.....
17. Kansas..... KS	.....	.....	.....	.....
18. Kentucky..... KY	.....	.....	.....	.....
19. Louisiana..... LA	.....	.....	.....	.....
20. Maine..... ME	.....	.....	.....	.....
21. Maryland..... MD	.....	.....	.....	.....
22. Massachusetts..... MA	.....	.....	.....	.....
23. Michigan..... MI	.....	.....	.....	.....
24. Minnesota..... MN	.....	.....	.....	.....
25. Mississippi..... MS	.....	.....	.....	.....
26. Missouri..... MO	.....	.....	.....	.....
27. Montana..... MT	.....	.....	.....	.....
28. Nebraska..... NE	.....	.....	.....	.....
29. Nevada..... NV	.....	.....	.....	.....
30. New Hampshire..... NH	.....	.....	.....	.....
31. New Jersey..... NJ	.....	.....	.....	.....
32. New Mexico..... NM	.....	.....	.....	.....
33. New York..... NY	.....	.....	.....	.....
34. North Carolina..... NC	.....	.....	.....	.....
35. North Dakota..... ND	.....	.....	.....	.....
36. Ohio..... OH	.....	.....	.....	.....
37. Oklahoma..... OK	.....	.....	.....	.....
38. Oregon..... OR	.....	.....	.....	.....
39. Pennsylvania..... PA	.....	.....	.....	.....
40. Rhode Island..... RI	.....	.....	.....	.....
41. South Carolina..... SC	.....	.....	.....	.....
42. South Dakota..... SD	.....	.....	.....	.....
43. Tennessee..... TN	.....	.....	.....	.....
44. Texas..... TX	.....	.....	.....	.....
45. Utah..... UT	.....	.....	.....	.....
46. Vermont..... VT	.....	.....	.....	.....
47. Virginia..... VA	.....	.....	.....	.....
48. Washington..... WA	.....	.....	.....	.....
49. West Virginia..... WV	.....	.....	.....	.....
50. Wisconsin..... WI	.....	.....	.....	.....
51. Wyoming..... WY	.....	.....	.....	.....
52. American Samoa..... AS	.....	.....	.....	.....
53. Guam..... GU	.....	.....	.....	.....
54. Puerto Rico..... PR	.....	.....	.....	.....
55. US Virgin Islands..... VI	.....	.....	.....	.....
56. Northern Mariana Islands..... MP	.....	.....	.....	.....
57. Canada..... CAN	.....	.....	.....	.....
58. Aggregate Other Alien..... OT	.....	.....	.....	.....
59. Total	.....	.....	.....	.....

**Part 2 – Homeowners (Renters, Condominiums and Co-ops)**  
**Annual Statement Line 4**

	1 Direct Premiums Written	2 Direct Exposures Written	3 Direct Premiums Earned	4 Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total				

**Part 3 – Private Passenger Auto No-Fault (Personal Injury Protection)**  
**Annual Statement Line 19.1**

	1 Direct Premiums Written	2 Direct Exposures Written	3 Direct Premiums Earned	4 Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total				



**Part 4 – Other Private Passenger Auto Liability**  
**Annual Statement Line 19.2**

	1 Direct Premiums Written	2 Direct Exposures Written	3 Direct Premiums Earned	4 Direct Exposures Earned
1. Alabama..... AL	.....	.....	.....	.....
2. Alaska..... AK	.....	.....	.....	.....
3. Arizona..... AZ	.....	.....	.....	.....
4. Arkansas..... AR	.....	.....	.....	.....
5. California..... CA	.....	.....	.....	.....
6. Colorado..... CO	.....	.....	.....	.....
7. Connecticut..... CT	.....	.....	.....	.....
8. Delaware..... DE	.....	.....	.....	.....
9. District of Columbia..... DC	.....	.....	.....	.....
10. Florida..... FL	.....	.....	.....	.....
11. Georgia..... GA	.....	.....	.....	.....
12. Hawaii..... HI	.....	.....	.....	.....
13. Idaho..... ID	.....	.....	.....	.....
14. Illinois..... IL	.....	.....	.....	.....
15. Indiana..... IN	.....	.....	.....	.....
16. Iowa..... IA	.....	.....	.....	.....
17. Kansas..... KS	.....	.....	.....	.....
18. Kentucky..... KY	.....	.....	.....	.....
19. Louisiana..... LA	.....	.....	.....	.....
20. Maine..... ME	.....	.....	.....	.....
21. Maryland..... MD	.....	.....	.....	.....
22. Massachusetts..... MA	.....	.....	.....	.....
23. Michigan..... MI	.....	.....	.....	.....
24. Minnesota..... MN	.....	.....	.....	.....
25. Mississippi..... MS	.....	.....	.....	.....
26. Missouri..... MO	.....	.....	.....	.....
27. Montana..... MT	.....	.....	.....	.....
28. Nebraska..... NE	.....	.....	.....	.....
29. Nevada..... NV	.....	.....	.....	.....
30. New Hampshire..... NH	.....	.....	.....	.....
31. New Jersey..... NJ	.....	.....	.....	.....
32. New Mexico..... NM	.....	.....	.....	.....
33. New York..... NY	.....	.....	.....	.....
34. North Carolina..... NC	.....	.....	.....	.....
35. North Dakota..... ND	.....	.....	.....	.....
36. Ohio..... OH	.....	.....	.....	.....
37. Oklahoma..... OK	.....	.....	.....	.....
38. Oregon..... OR	.....	.....	.....	.....
39. Pennsylvania..... PA	.....	.....	.....	.....
40. Rhode Island..... RI	.....	.....	.....	.....
41. South Carolina..... SC	.....	.....	.....	.....
42. South Dakota..... SD	.....	.....	.....	.....
43. Tennessee..... TN	.....	.....	.....	.....
44. Texas..... TX	.....	.....	.....	.....
45. Utah..... UT	.....	.....	.....	.....
46. Vermont..... VT	.....	.....	.....	.....
47. Virginia..... VA	.....	.....	.....	.....
48. Washington..... WA	.....	.....	.....	.....
49. West Virginia..... WV	.....	.....	.....	.....
50. Wisconsin..... WI	.....	.....	.....	.....
51. Wyoming..... WY	.....	.....	.....	.....
52. American Samoa..... AS	.....	.....	.....	.....
53. Guam..... GU	.....	.....	.....	.....
54. Puerto Rico..... PR	.....	.....	.....	.....
55. US Virgin Islands..... VI	.....	.....	.....	.....
56. Northern Mariana Islands..... MP	.....	.....	.....	.....
57. Canada..... CAN	.....	.....	.....	.....
58. Aggregate Other Alien..... OT	.....	.....	.....	.....
59. Total				

**Part 5 – Private Passenger Auto Physical Damage**  
**Annual Statement Line 21.1**

	1 Direct Premiums Written	2 Direct Exposures Written	3 Direct Premiums Earned	4 Direct Exposures Earned
1. Alabama..... AL	.....	.....	.....	.....
2. Alaska..... AK	.....	.....	.....	.....
3. Arizona..... AZ	.....	.....	.....	.....
4. Arkansas..... AR	.....	.....	.....	.....
5. California..... CA	.....	.....	.....	.....
6. Colorado..... CO	.....	.....	.....	.....
7. Connecticut..... CT	.....	.....	.....	.....
8. Delaware..... DE	.....	.....	.....	.....
9. District of Columbia..... DC	.....	.....	.....	.....
10. Florida..... FL	.....	.....	.....	.....
11. Georgia..... GA	.....	.....	.....	.....
12. Hawaii..... HI	.....	.....	.....	.....
13. Idaho..... ID	.....	.....	.....	.....
14. Illinois..... IL	.....	.....	.....	.....
15. Indiana..... IN	.....	.....	.....	.....
16. Iowa..... IA	.....	.....	.....	.....
17. Kansas..... KS	.....	.....	.....	.....
18. Kentucky..... KY	.....	.....	.....	.....
19. Louisiana..... LA	.....	.....	.....	.....
20. Maine..... ME	.....	.....	.....	.....
21. Maryland..... MD	.....	.....	.....	.....
22. Massachusetts..... MA	.....	.....	.....	.....
23. Michigan..... MI	.....	.....	.....	.....
24. Minnesota..... MN	.....	.....	.....	.....
25. Mississippi..... MS	.....	.....	.....	.....
26. Missouri..... MO	.....	.....	.....	.....
27. Montana..... MT	.....	.....	.....	.....
28. Nebraska..... NE	.....	.....	.....	.....
29. Nevada..... NV	.....	.....	.....	.....
30. New Hampshire..... NH	.....	.....	.....	.....
31. New Jersey..... NJ	.....	.....	.....	.....
32. New Mexico..... NM	.....	.....	.....	.....
33. New York..... NY	.....	.....	.....	.....
34. North Carolina..... NC	.....	.....	.....	.....
35. North Dakota..... ND	.....	.....	.....	.....
36. Ohio..... OH	.....	.....	.....	.....
37. Oklahoma..... OK	.....	.....	.....	.....
38. Oregon..... OR	.....	.....	.....	.....
39. Pennsylvania..... PA	.....	.....	.....	.....
40. Rhode Island..... RI	.....	.....	.....	.....
41. South Carolina..... SC	.....	.....	.....	.....
42. South Dakota..... SD	.....	.....	.....	.....
43. Tennessee..... TN	.....	.....	.....	.....
44. Texas..... TX	.....	.....	.....	.....
45. Utah..... UT	.....	.....	.....	.....
46. Vermont..... VT	.....	.....	.....	.....
47. Virginia..... VA	.....	.....	.....	.....
48. Washington..... WA	.....	.....	.....	.....
49. West Virginia..... WV	.....	.....	.....	.....
50. Wisconsin..... WI	.....	.....	.....	.....
51. Wyoming..... WY	.....	.....	.....	.....
52. American Samoa..... AS	.....	.....	.....	.....
53. Guam..... GU	.....	.....	.....	.....
54. Puerto Rico..... PR	.....	.....	.....	.....
55. US Virgin Islands..... VI	.....	.....	.....	.....
56. Northern Mariana Islands..... MP	.....	.....	.....	.....
57. Canada..... CAN	.....	.....	.....	.....
58. Aggregate Other Alien..... OT	.....	.....	.....	.....
59. Total				

**SUPPLEMENTAL EXHIBITS AND SCHEDULES  
INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

- |   | <u>RESPONSES</u> |
|---|------------------|
| <b>MARCH FILING</b>   |                  |
| 1. Will an actuarial opinion be filed by March 1?   | .....            |
| 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?                                 | .....            |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?   | .....            |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?              | .....            |
| <b>APRIL FILING</b>   |                  |
| 5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?                            | .....            |
| 6. Will Management's Discussion and Analysis be filed by April 1?   | .....            |
| 7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?  | .....            |
| <b>MAY FILING</b>   |                  |
| 8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?                         | .....            |
| <b>JUNE FILING</b>  |                  |
| 9. Will an audited financial report be filed by June 1?   | .....            |
| 10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | .....            |

The following supplemental reports are required to be filed as part of your statement filing **if your company is engaged in the type of business covered by the supplement. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below.** If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

- |  |       |
|--|-------|
| <b>MARCH FILING</b>  |       |
| 11. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?   | ..... |
| 12. Will the Financial Guaranty Insurance Exhibit be filed by March 1?   | ..... |
| 13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 14. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?   | ..... |
| 15. Will the Trusted Surplus Statement be filed with the state of domicile and the NAIC by March 1?  | ..... |
| 16. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?   | ..... |
| 17. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?  | ..... |
| 18. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?  | ..... |
| 19. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?   | ..... |
| 20. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 21. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?  | ..... |
| 22. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 23. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 24. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? | ..... |
| 25. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?       | ..... |
| 26. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?                     | ..... |
| 27. Will the Supplemental Schedule for Reinsurance Counterparty Reporting Exception – Asbestos and Pollution contracts be filed with the state of domicile and the NAIC by March 1?                  | ..... |
| 28. Will the Direct Premium and Exposures Supplement be filed with NAIC by March 1?  | ..... |

- |   |       |
|---|-------|
| <b>APRIL FILING</b>   |       |
| <del>2829.</del> Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?  | ..... |
| <del>2930.</del> Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?  | ..... |
| <del>3031.</del> Will the Accident and Health Policy Experience Exhibit be filed by April 1?  | ..... |
| <del>3432.</del> Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?                                    | ..... |
| <del>3233.</del> Will the regulator-only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?       | ..... |
| <del>3334.</del> Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1?                         | ..... |
| <del>3435.</del> Will the Life, Health & Annuity Guaranty Association Assessable Premium Exhibit – Parts 1 and 2 be filed with the state of domicile and the NAIC by April 1? | ..... |
| <del>3536.</del> Will the Private Flood Insurance Supplement be filed with the state of domicile and the NAIC by April 1?   | ..... |

- |   |       |
|---|-------|
| <b>AUGUST FILING</b>  |       |
| <del>3637.</del> Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | ..... |

**Explanation:**

**Bar Code:**

**QUARTERLY STATEMENT BLANK – PROPERTY**

**PART 1 – LOSS EXPERIENCE**

Line of Business	Current Year to Date				45 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Earned Exposures	23 Direct Losses Incurred	34 Direct Loss Percentage	
1. Fire .....		XXX			
2.1 Allied Lines .....		XXX			
2.2 Multiple Peril Crop .....		XXX			
2.3 Federal Flood .....		XXX			
2.4 Private Crop .....		XXX			
2.5 Private Flood .....		XXX			
3. Farmowners Multiple Peril .....		XXX			
4. Homeowners Multiple Peril .....		XXX			
5.1 Commercial Multiple Peril (Non-Liability Portion) .....		XXX			
5.2 Commercial Multiple Peril (Liability Portion) .....		XXX			
6. Mortgage Guaranty .....		XXX			
8. Ocean Marine .....		XXX			
9. Inland Marine .....		XXX			
10. Financial Guaranty .....		XXX			
11.1 Medical Professional Liability—Occurrence .....		XXX			
11.2 Medical Professional Liability—Claims-Made .....		XXX			
12. Earthquake .....		XXX			
13.1 Comprehensive Individual Accident and Health .....		XXX			
13.2 Comprehensive Group Accident and Health .....		XXX			
14. Credit A&H (Group and Individual) .....		XXX			
15.1 Vision Only .....		XXX			
15.2 Dental Only .....		XXX			
15.3 Disability Income .....		XXX			
15.4 Medicare Supplement .....		XXX			
15.5 Medicaid Title XIX .....		XXX			
15.6 Medicare Title XVIII Exempt from State Taxes or Fees .....		XXX			
15.7 Long-Term Care .....		XXX			
15.8 Federal Employees Health Benefits Plan Premium .....		XXX			
15.9 Other Health .....		XXX			
16. Workers' Compensation .....		XXX			
17.1 Other Liability—Occurrence .....		XXX			
17.2 Other Liability—Claims-Made .....		XXX			
17.3 Excess Workers' Compensation .....		XXX			
18.1 Products Liability—Occurrence .....		XXX			
18.2 Products Liability—Claims-Made .....		XXX			
19.1 Private Passenger Auto No-Fault (Personal Injury Protection) ..		XXX			
19.2 Other Private Passenger Auto Liability .....		XXX			
19.3 Commercial Auto No-Fault (Personal Injury Protection) .....		XXX			
19.4 Other Commercial Auto Liability .....		XXX			
21.1 Private Passenger Auto Physical Damage .....		XXX			
21.2 Commercial Auto Physical Damage .....		XXX			
22. Aircraft (all perils) .....		XXX			
23. Fidelity .....		XXX			
24. Surety .....		XXX			
26. Burglary and Theft .....		XXX			
27. Boiler and Machinery .....		XXX			
28. Credit .....		XXX			
29. International .....		XXX			
30. Warranty .....		XXX			
31. Reinsurance-Nonproportional Assumed Property .....	XXX	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability .....	XXX	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX	XXX	XXX
34. Aggregate Write-Ins for Other Lines of Business .....		XXX			
35. TOTALS .....		XXX			
<b>DETAILS OF WRITE-INS</b>					
3401. ....		XXX			
3402. ....		XXX			
3403. ....		XXX			
3498. Sum. of remaining write-ins for .... Line 34 from overflow page		XXX			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		XXX			

**PART 2 – DIRECT PREMIUMS WRITTEN**

Line of Business	Current Quarter		23 Current Year to Date Direct Premiums Written	24 Prior Year to Date
	1 Direct Premiums Written	2 Direct Written Exposures		
1. Fire .....		XXX		
2.1 Allied Lines .....		XXX		
2.2 Multiple Peril Crop .....		XXX		
2.3 Federal Flood .....		XXX		
2.4 Private Crop .....		XXX		
2.5 Private Flood .....		XXX		
3. Farmowners Multiple Peril .....		XXX		
4. Homeowners Multiple Peril .....		XXX		
5.1 Commercial Multiple Peril (Non-Liability Portion) .....		XXX		
5.2 Commercial Multiple Peril (Liability Portion) .....		XXX		
6. Mortgage Guaranty .....		XXX		
8. Ocean Marine .....		XXX		
9. Inland Marine .....		XXX		
10. Financial Guaranty .....		XXX		
11.1 Medical Professional Liability—Occurrence .....		XXX		
11.2 Medical Professional Liability—Claims-Made .....		XXX		
12. Earthquake .....		XXX		
13.1 Comprehensive Individual Accident and Health .....		XXX		
13.2 Comprehensive Group Accident and Health .....		XXX		
14. Credit A&H (Group and Individual) .....		XXX		
15.1 Vision Only .....		XXX		
15.2 Dental Only .....		XXX		
15.3 Disability Income .....		XXX		
15.4 Medicare Supplement .....		XXX		
15.5 Medicaid Title XIX .....		XXX		
15.6 Medicare Title XVIII Exempt from State Taxes or Fees .....		XXX		
15.7 Long-Term Care .....		XXX		
15.8 Federal Employees Health Benefits Plan Premium .....		XXX		
15.9 Other Health .....		XXX		
16. Workers' Compensation .....		XXX		
17.1 Other Liability—Occurrence .....		XXX		
17.2 Other Liability—Claims-Made .....		XXX		
17.3 Excess Workers' Compensation .....		XXX		
18.1 Products Liability—Occurrence .....		XXX		
18.2 Products Liability—Claims-Made .....		XXX		
19.1 Private Passenger Auto No-Fault (Personal Injury Protection) ..		XXX		
19.2 Other Private Passenger Auto Liability .....		XXX		
19.3 Commercial Auto No-Fault (Personal Injury Protection) .....		XXX		
19.4 Other Commercial Auto Liability .....		XXX		
21.1 Private Passenger Auto Physical Damage .....		XXX		
21.2 Commercial Auto Physical Damage .....		XXX		
22. Aircraft (all perils) .....		XXX		
23. Fidelity .....		XXX		
24. Surety .....		XXX		
26. Burglary and Theft .....		XXX		
27. Boiler and Machinery .....		XXX		
28. Credit .....		XXX		
29. International .....		XXX		
30. Warranty .....		XXX		
31. Reinsurance-Nonproportional Assumed Property .....	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability .....	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX	XXX
34. Aggregate Write-Ins for Other Lines of Business .....		XXX		
35. TOTALS .....		XXX		
<b>DETAILS OF WRITE-INS</b>				
3401. ....		XXX		
3402. ....		XXX		
3403. ....		XXX		
3498. Sum. of remaining write-ins for ... Line 34 from overflow page		XXX		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		XXX		

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Draft: 7/6/21

Casualty Actuarial and Statistical (C) Task Force  
Virtual Meeting  
June 8, 2021

The Casualty Actuarial and Statistical (C) Task Force met June 8, 2021. The following Task Force members participated: Grace Arnold, Chair, represented by Phil Vigliaturo (MN); James J. Donelon, Vice Chair, represented by Rich Piazza (LA); Lori K. Wing-Heier represented by Katie Hegland (AK); Jim L. Ridling represented by Daniel Davis (AL); Evan G. Daniels represented by Tom Zuppan (AZ); Ricardo Lara represented by Mitra Sanandajifar and Lynne Wehmueller (CA); Michael Conway represented by Mitchell Bronson (CO); Andrew N. Mais represented by Wanchin Chou (CT); Colin M. Hayashida represented by Randy Jacobson (HI); Doug Ommen represented by Travis Grassel (IA); Dana Popish Severinghaus represented by Judy Mottar (IL); Vicki Schmidt represented by Nicole Boyd (KS); Kathleen A. Birrane represented by Robert Baron and Walter Dabrowski (MD); Eric A. Cioppa represented by Sandra Darby (ME); Anita G. Fox represented by Kevin Dyke (MI); Chlora Lindley-Myers represented by Cynthia Amann and Jo LeDuc (MO); Troy Downing represented by Mari Kindberg (MT); Mike Causey represented by Kevin Conley and Arthur Schwartz (NC); Marlene Caride represented by Carl Sornson (NJ); Russell Toal represented by Anna Krylova (NM); Barbara D. Richardson represented by Gennady Stolyarov (NV); Judith L. French represented by Tom Botsko (OH); Glen Mulready represented by Andrew Schallhorn (OK); Andrew R. Stolfi represented by TK Keen (OR); Jessica K. Altman represented by Kevin Clark, Jim DiSanto, and Michael McKenney (PA); Raymond G. Farmer represented by Will Davis (SC); Doug Slape represented by Miriam Fisk (TX); Michael S. Pieciak represented by Rosemary Raszka (VT); Mike Kreidler represented by Eric Slavich (WA); James A. Dodrill represented by Juanita Wimmer (WV); and Jeff Rude represented by Donna Stewart (WY).

1. Exposed the Referrals from Blanks (E) Working Group

Mr. Vigliaturo said the Blanks (E) Working Group sent the Task Force two referrals (Attachment Two-A).

Birny Birnbaum (Center for Economic Justice—CEJ) described his proposal, 2021-11BWG; its purpose; and its benefits (Attachment Two-B). He said his proposal would add a new annual statement supplement to capture exposure data for specific lines of business and add a column to the Quarterly Part 1 and Part 2 to capture exposure data for the same lines of business. He stated the Task Force's *Auto Insurance Database Report* and *Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance Report* (Homeowners Report) include similar information but are published so late that its data is old. He asked the Task Force to provide suggestions for improvement to the proposal, support the proposal, and support implementation for annual statement 2021 reporting. Mr. Birnbaum said the reporting should not be difficult for companies or cost much.

Mr. Stolyarov said he supports the proposal to gain insights earlier. Mr. Jacobson said the definition of "exposure" may vary across different parties. Mr. Chou said homeowner averages are affected by the distribution of companies' issued owners or others forms. Typical contract types and average premiums would not be comparable from one company to another. He also asked whether the Best's Aggregate & Averages could be used instead of this proposal. Mr. Conley asked about the exposure definition for auto physical damage. Mr. Birnbaum verified that if an auto had comprehensive and collision coverage, one exposure would be reported; if it only had comprehensive coverage, the number of exposures would still be one. Mr. Schwartz said there are issues with the requested data not being homogeneous to produce useable information. Mr. McKenney said reporting on the new flood insurance supplement was fraught with errors and that he feared similar reporting issues with this proposal because it would need to be verified by someone. Mr. Birnbaum said this proposal should be easier for companies to complete accurately because it flows with information already reported. Mr. Will Davis said from a solvency perspective, he does not believe having this data in the annual statement would be useful. He said he can obtain information from the actuarial report and other sources already. He said the state can issue a data call if there is need for market information. Ralph Blanchard (Travelers) expressed concerns about the timing and accuracy and said that if the proposal passes, the reporting should be delayed until 2023. He said statistical information should not be in the annual statement. Mr. Birnbaum said the averages resulting from this reporting would be similar to what is produced by the Statistical Data (C) Working Group when it reports average home insurance or auto insurance premium by state.

Mr. Chou made a motion, seconded by Mr. Piazza, to exposed proposal 2021-11BWG for a 30-day public comment period ending July 7, 2021.

Mr. Vigliaturo said the second proposal referred to the Task Force, 2021-13BWG, would add an exhibit to provide more granular detail for the diverse lines of business reported as “other liability.” He said this proposal from a New Hampshire state insurance regulator would not affect any of the Task Force’s statistical reports. Mr. Schwartz asked how the data would be used. He said he is interested in adding another line to report liability for foster parents. Mr. Slavich said the proposal would capture most data required to be reported in an annual data call for Washington. He said he would like to see the report expanded in a couple of places. Mr. Blanchard said the biggest issue is that asking for incurred but not reported (IBNR) reserves at the proposed level of detail is problematic. He suggested a focus on case reserves instead.

Mr. Piazza made a motion, seconded by Mr. Slavich, to expose proposal 2021-13BWG for a 30-day public comment period ending July 7, 2021.

Having no further business, the Casualty Actuarial and Statistical (C) Task Force adjourned.

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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: May 28, 2021

RE: 2021-11BWG – New Supplement to Detail Direct Exposures Written and Earned  
2021-13BWG – Exhibit of Other Liabilities by Lines of Business

The Blanks (E) Working Group exposed two proposals at its May 26 meeting. Interested parties asked that the proposals be concurrently referred to the Casualty Actuarial and Statistical (C) Task Force for comment. Some concerns expressed by interested parties were in the reporting breakout level of exposures in proposal 2021-11BWG, indicating that there are mid-term cancellations and additions as well as multi-auto policies, which may be difficult to record. Interested parties also indicated that the additional breakout in proposal 2021-13BWG could affect the accuracy of the incurred but not reported amounts. The Working Group would like the Task Force to review the proposals and evaluate any issues that may affect the work of the Task Force, as well as comment on the interested parties' concerns.

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 2.5 (Private Flood), line 4 (Homeowners), line 19.1 (PPA No Fault), line 19.2 (PPA Liability) and line 21.1 (PPA Physical Damage). The sponsor requests a first quarter 2022 effective date.

In proposal 2021-13BWG, the sponsor requests the addition of a new supplement to capture premium and loss data on a more granular level for annual statement line 17.1, line 17.2 and line 17.3 of the Exhibit of Premiums and Losses (State Page) – Other Liability. The purpose of this proposal is to provide state insurance regulators greater detail of the premium and losses of these diverse lines of business. The sponsor requests an annual 2022 effective date.

To facilitate the sponsors' effective dates and the Blanks (E) Working Group time frame, NAIC staff request that comments be provided by June 25 to Mary Caswell (NAIC) at [mcaswell@naic.org](mailto:mcaswell@naic.org).

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

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Washington, DC 444 North Capitol Street NW, Suite 700, Washington, DC 20001-1509	p   202 471 3990	f   816 460 7493
Kansas City 1100 Walnut Street NW, Suite 1500, Kansas City, MO 64106-2197	p   816 842 3600	f   816 783 8175
New York One New York Plaza, Suite 4210, New York, NY 20004	p   212 398 9000	f   212 382 4207

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[www.naic.org](http://www.naic.org)



**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p style="text-align: right;">DATE: <u>04/15/2021</u></p> <p><b>CONTACT PERSON:</b> <u>Birny Birnbaum</u></p> <p><b>TELEPHONE:</b> <u>512 784 7663</u></p> <p><b>EMAIL ADDRESS:</b> <u>birny@cej-online.org</u></p> <p><b>ON BEHALF OF:</b> <u>Center for Economic Justice</u></p> <p><b>NAME:</b> <u>Birny Birnbaum</u></p> <p><b>TITLE:</b> <u>Director</u></p> <p><b>AFFILIATION:</b> <u>NAIC Designated Consumer Representative</u></p> <p><b>ADDRESS:</b> <u>1701A South Second St</u> <u>Austin, TX 78704</u></p>	<p style="text-align: center;"><b><u>FOR NAIC USE ONLY</u></b></p> <p>Agenda Item # <u>2021-11BWG</u> Year <u>2022</u> Changes to Existing Reporting <input checked="" type="checkbox"/> [ X ] New Reporting Requirement <input type="checkbox"/> [ ]</p> <p style="text-align: center;"><b><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></b></p> <p>No Impact <input checked="" type="checkbox"/> [ X ] Modifies Required Disclosure <input type="checkbox"/> [ ]</p> <p style="text-align: center;"><b><u>DISPOSITION</u></b></p> <p><input type="checkbox"/> [ ] Rejected For Public Comment <input checked="" type="checkbox"/> [ X ] Referred To Another NAIC Group CASTF <input checked="" type="checkbox"/> [ X ] Received For Public Comment <input type="checkbox"/> [ ] Adopted Date _____ <input type="checkbox"/> [ ] Rejected Date _____ <input type="checkbox"/> [ ] Deferred Date _____ <input type="checkbox"/> [ ] Other (Specify) _____</p>
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**BLANK(S) TO WHICH PROPOSAL APPLIES**

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> [ X ] ANNUAL STATEMENT     | <input checked="" type="checkbox"/> [ X ] INSTRUCTIONS | <input checked="" type="checkbox"/> [ X ] CROSSCHECKS |
| <input checked="" type="checkbox"/> [ X ] QUARTERLY STATEMENT  | <input checked="" type="checkbox"/> [ X ] BLANK        |   |
| <input type="checkbox"/> [ ] Life, Accident & Health/Fraternal | <input type="checkbox"/> [ ] Separate Accounts         | <input type="checkbox"/> [ ] Title                    |
| <input checked="" type="checkbox"/> [ X ] Property/Casualty    | <input type="checkbox"/> [ ] Protected Cell            | <input type="checkbox"/> [ ] Other _____              |
| <input type="checkbox"/> [ ] Health                            | <input type="checkbox"/> [ ] Health (Life Supplement)  |   |

Anticipated Effective Date: 1<sup>st</sup> Quarter 2022

**IDENTIFICATION OF ITEM(S) TO CHANGE**

Add a new annual statement supplement to capture exposure data for Annual Statement Lines 2.5, 4, 19.1, 19.2 and 21.2.  
Add a column to the Quarterly Parts 1 and 2 to capture exposure data for these annual statement lines for the quarter.

\*\*\*See Next Page For More Details\*\*\*

**REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE\*\***

\*\*\*See Next Page For Details\*\*\*

**NAIC STAFF COMMENTS**

Comment on Effective Reporting Date: \_\_\_\_\_

Other Comments:

**\*\* This section must be completed on all forms.**

**Revised 7/18/2018**

## IDENTIFICATION OF ITEM(S) TO CHANGE

Add a new annual statement supplement to the Property and Casualty annual statement to capture “Direct Exposures Written” and “Direct Exposures Earned” which will be reported, initially only for Annual Statement Lines 2.5 (Private Flood), 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add one column to property casualty quarterly statement Part 1 Loss experience between current columns 1 and 2 for “Direct Exposures Earned” only for lines 2.5 (Private Flood) 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add one column to property casualty quarterly statement Part 2 Direct Premium Written between current columns 1 and 2 for “Direct Exposures Written” only for lines 2.5 (Private Flood) 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add instructions for reporting the additional data elements, consisting of definitions and examples for the new data elements.

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## REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE\*\*

The average written and average earned premium per exposure is an important metric for a variety of regulatory and public policy purposes. The NAIC annually produces reports of average personal auto and homeowners premiums, but the data in these reports are old and stale for timely assessment of absolute average premium and changes in average premium over time. Both reports are typically produced 24 months after the end of the experience period and 36 months after the beginning of the experience period. Homeowners average premiums for 2018 was published in January 2021 in the “Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owners’ Insurance Report: Data for 2018.” Personal auto average premiums for 2018 was published in March 2021 in the “Auto Database Report.” While there are valid reasons for the length of time needed to produce these reports – primarily because these reports contain information beyond average premium – the average premium numbers lose significant relevance because of their age.

This AS and QS Blanks proposals would allow the calculation of average written and average earned premium for residential property and personal auto coverages in a far more timely fashion – within three to four months following the reporting year instead of 24 months and would provide timely and useful quarterly information. The benefits of timelier average premium data are considerable. Timely average premium data would permit financial analysts to utilize changes in average premium as part of financial analysis. Similarly, the more-timely average premium data would become a valuable tool for market regulation analysts, including, but not limited to, an added data point for use with the Market Conduct Annual Statement. Last, but not least, this proposal would allow the NAIC to calculate and publish average annual premium data for residential property and personal auto insurance by state in a time frame to both make the data meaningful for describing market conditions and to inform individual state regulators and policymakers of actual changes in personal lines average premiums – as opposed to expected changes gleaned from rate filings.

Consider how valuable timely average premium values would have been for personal lines as the pandemic unfolded. Consider also the value of quarterly data for average premium for personal lines versus only an annual average. The lack of timeliness of the average premium values means that these data have very limited or no use for either financial or market analysis. The lack of timeliness also means that the data are no use in informing public policy debates about personal lines insurance costs. In addition, the severe time lag between actual experience and reporting fails to inform the public or policymakers of recent trends or outcomes and can, consequently, mislead the public and policymakers.

ANNUAL STATEMENT INSTRUCTIONS – PROPERTY

**DIRECT PREMIUM AND EXPOSURES**  
**Annual Statement Lines 2.5, 4, 19.1, 19.2 and 21.1**  
**Allocated by States and Territories**

This supplement must be filed with the NAIC by March 1 each year.

This supplement should be completed by those reporting entities that write direct business reported on the Exhibit of Premiums and Losses for each Annual Statement Lines (ASL) listed below. A separate page will be completed for each ASL.

ASL 2.5 (Private Flood)

ASL 4 (Homeowners)

ASL 19.1 (Private Passenger Auto No-Fault – Personal Injury Protection)

ASL 19.2 (Other Private Passenger Auto Liability)

ASL 21.1 (Private Passenger Auto Physical Damage).

Column 1 – Direct Premiums Written

The amounts reported for each line should agree with the amounts reported for the corresponding Annual Statement Line in Column 1, Line 35 of the Exhibit of Premiums and Losses for that state.

Column 2 – Direct Written Exposures

A Written Exposure for Annual Statement Lines 2.5 and 4 is defined as a single residential property for which coverage was written at any time during the calendar reporting period and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

A Written exposure for Annual Statement Lines 19.1, 19.2 and 21.1 is defined as single motor vehicle for which coverage was written at any time during the calendar reporting year and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as one (1.0) written exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 written exposure.

Column 3 – Direct Premiums Earned

The amounts reported for each line should agree with the amounts reported for the corresponding Annual Statement Line in Column 2, Line 35 of the Exhibit of Premiums and Losses for each state.

Column 4 – Direct Earned Exposures

An Earned Exposure for Annual Statement Lines 2.5 and 4 is defined as the fraction of the calendar reporting year for which a single residential property had coverage in force.

An Earned Exposure for Annual Statement Lines 19.1, 19.2 and 21.2 is defined as the fraction of the calendar reporting year for which a single motor vehicle had coverage in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as 0.5 earned exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 earned exposure.

**QUARTERLY STATEMENT INSTRUCTIONS – PROPERTY**

**PART 1 – LOSS EXPERIENCE**

Column 1 – Direct Premiums Earned

Display direct premiums earned by line of business. The total must agree with the Statement of Income Page 4, Direct Premiums Earned Line 1.1, Column 1.

Column 2 – Direct Earned Exposures

An Earned Exposure for Annual Statement Lines 2.5 and 4 is defined as the fraction of the calendar reporting year for which a single residential property had coverage in force.

An Earned Exposure for Annual Statement Lines 19.1, 19.2 and 21.2 is defined as the fraction of the calendar reporting year for which a single motor vehicle had coverage in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as 0.5 earned exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 earned exposure.

Column 23 – Direct Losses Incurred

Display direct losses incurred by line of business. The total must agree with the Statement of Income Page 4, Direct Losses Incurred Line 2.1, Column 1.

Column 34 – Direct Loss Percentage

Column 23 (Direct Losses Incurred)/Column 1 (Direct Premiums Earned) multiplied by 100.

Column 45 – Prior Year to Date Direct Loss Percentage

Display year-to-date direct loss percentages by line of business for the same quarter of the prior year.

Line 30 – Warranty

Data for this line should be reported prospectively (i.e., Prior year amounts need not be restated) starting with the 2008 reporting year.

**PART 2 – DIRECT PREMIUMS WRITTEN**

Column 1 – Current Quarter

Display current quarter direct premiums written by line of business.

Column 2 – Direct Written Exposures

A Written Exposure for Annual Statement Lines 2.5 and 4 is defined as a single residential property for which coverage was written at any time during the calendar reporting period and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

A Written exposure for Annual Statement Lines 19.1, 19.2 and 21.1 is defined as single motor vehicle for which coverage was written at any time during the calendar reporting year and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as one (1.0) written exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 written exposure.

Column 23 – Current Year to Date

Display year-to-date direct premiums written.

Column 34 – Prior Year, Year to Date

Display year-to-date direct premiums written from the same quarter of the prior year.

Line 30 – Warranty

Data for this line should be reported prospectively (i.e., Prior year amounts need not be restated) starting with the 2008 reporting year.

ANNUAL STATEMENT BLANK – PROPERTY

**DIRECT PREMIUM AND EXPOSURES**

**Allocated by States and Territories**

For The Year Ended December 31, 20

(To Be Filed by March 1)

**Private Flood**

**Annual Statement Line 2.5**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL				
2. Alaska.....AK				
3. Arizona.....AZ				
4. Arkansas.....AR				
5. California.....CA				
6. Colorado.....CO				
7. Connecticut.....CT				
8. Delaware.....DE				
9. District of Columbia.....DC				
10. Florida.....FL				
11. Georgia.....GA				
12. Hawaii.....HI				
13. Idaho.....ID				
14. Illinois.....IL				
15. Indiana.....IN				
16. Iowa.....IA				
17. Kansas.....KS				
18. Kentucky.....KY				
19. Louisiana.....LA				
20. Maine.....ME				
21. Maryland.....MD				
22. Massachusetts.....MA				
23. Michigan.....MI				
24. Minnesota.....MN				
25. Mississippi.....MS				
26. Missouri.....MO				
27. Montana.....MT				
28. Nebraska.....NE				
29. Nevada.....NV				
30. New Hampshire.....NH				
31. New Jersey.....NJ				
32. New Mexico.....NM				
33. New York.....NY				
34. North Carolina.....NC				
35. North Dakota.....ND				
36. Ohio.....OH				
37. Oklahoma.....OK				
38. Oregon.....OR				
39. Pennsylvania.....PA				
40. Rhode Island.....RI				
41. South Carolina.....SC				
42. South Dakota.....SD				
43. Tennessee.....TN				
44. Texas.....TX				
45. Utah.....UT				
46. Vermont.....VT				
47. Virginia.....VA				
48. Washington.....WA				
49. West Virginia.....WV				
50. Wisconsin.....WI				
51. Wyoming.....WY				
52. American Samoa.....AS				
53. Guam.....GU				
54. Puerto Rico.....PR				
55. US Virgin Islands.....VI				
56. Northern Mariana Islands.....MP				
57. Canada.....CAN				
58. Aggregate Other Alien.....OT				
59. Total				

**Homeowners**  
**Annual Statement Line 4**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total				



**Private Passenger Auto No-Fault (Personal Injury Protection)**  
**Annual Statement Line 19.1**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total	.....	.....	.....	.....

**Other Private Passenger Auto Liability**  
**Annual Statement Line 19.2**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total				

**Private Passenger Auto Physical Damage**  
**Annual Statement Line 21.1**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total				

**SUPPLEMENTAL EXHIBITS AND SCHEDULES  
INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

- |   | <u>RESPONSES</u> |
|---|------------------|
| <b>MARCH FILING</b>   |                  |
| 1. Will an actuarial opinion be filed by March 1?   | .....            |
| 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?                                 | .....            |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?   | .....            |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?              | .....            |
| <b>APRIL FILING</b>   |                  |
| 5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?                            | .....            |
| 6. Will Management's Discussion and Analysis be filed by April 1?   | .....            |
| 7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?  | .....            |
| <b>MAY FILING</b>   |                  |
| 8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?                         | .....            |
| <b>JUNE FILING</b>  |                  |
| 9. Will an audited financial report be filed by June 1?   | .....            |
| 10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | .....            |

The following supplemental reports are required to be filed as part of your statement filing **if your company is engaged in the type of business covered by the supplement. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below.** If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

- |  |       |
|--|-------|
| <b>MARCH FILING</b>  |       |
| 11. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?   | ..... |
| 12. Will the Financial Guaranty Insurance Exhibit be filed by March 1?   | ..... |
| 13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 14. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?   | ..... |
| 15. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 16. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?   | ..... |
| 17. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?  | ..... |
| 18. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?  | ..... |
| 19. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?   | ..... |
| 20. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 21. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?  | ..... |
| 22. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 23. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 24. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? | ..... |
| 25. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?       | ..... |
| 26. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?                     | ..... |
| 27. Will the Supplemental Schedule for Reinsurance Counterparty Reporting Exception – Asbestos and Pollution contracts be filed with the state of domicile and the NAIC by March 1?                  | ..... |
| 28. Will the Direct Premium and Exposures Supplement be filed with NAIC by March 1?  | ..... |

- |   |       |
|---|-------|
| <b>APRIL FILING</b>   |       |
| 2829. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?   | ..... |
| 2930. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?   | ..... |
| 3031. Will the Accident and Health Policy Experience Exhibit be filed by April 1?   | ..... |
| 3132. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?                                     | ..... |
| 3233. Will the regulator-only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?        | ..... |
| 3334. Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1?                          | ..... |
| 34,35. Will the Life, Health & Annuity Guaranty Association Assessable Premium Exhibit – Parts 1 and 2 be filed with the state of domicile and the NAIC by April 1? | ..... |
| 3536. Will the Private Flood Insurance Supplement be filed with the state of domicile and the NAIC by April 1?  | ..... |

- |  |       |
|--|-------|
| <b>AUGUST FILING</b>   |       |
| 3637. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | ..... |

**Explanation:**

**Bar Code:**

QUARTERLY STATEMENT BLANK – PROPERTY

**PART 1 – LOSS EXPERIENCE**

Line of Business	Current Year to Date				Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Earned Exposures	23 Direct Losses Incurred	34 Direct Loss Percentage	
1. Fire.....		XXX			
2.1 Allied Lines.....		XXX			
2.2 Multiple Peril Crop.....		XXX			
2.3 Federal Flood.....		XXX			
2.4 Private Crop.....		XXX			
2.5 Private Flood.....		XXX			
3. Farmowners Multiple Peril.....		XXX			
4. Homeowners Multiple Peril.....		XXX			
5.1 Commercial Multiple Peril (Non-Liability Portion).....		XXX			
5.2 Commercial Multiple Peril (Liability Portion).....		XXX			
6. Mortgage Guaranty.....		XXX			
8. Ocean Marine.....		XXX			
9. Inland Marine.....		XXX			
10. Financial Guaranty.....		XXX			
11.1 Medical Professional Liability—Occurrence.....		XXX			
11.2 Medical Professional Liability—Claims-Made.....		XXX			
12. Earthquake.....		XXX			
13.1 Comprehensive Individual Accident and Health.....		XXX			
13.2 Comprehensive Group Accident and Health.....		XXX			
14. Credit A&H (Group and Individual).....		XXX			
15.1 Vision Only.....		XXX			
15.2 Dental Only.....		XXX			
15.3 Disability Income.....		XXX			
15.4 Medicare Supplement.....		XXX			
15.5 Medicaid Title XIX.....		XXX			
15.6 Medicare Title XVIII Exempt from State Taxes or Fees.....		XXX			
15.7 Long-Term Care.....		XXX			
15.8 Federal Employees Health Benefits Plan Premium.....		XXX			
15.9 Other Health.....		XXX			
16. Workers' Compensation.....		XXX			
17.1 Other Liability—Occurrence.....		XXX			
17.2 Other Liability—Claims-Made.....		XXX			
17.3 Excess Workers' Compensation.....		XXX			
18.1 Products Liability—Occurrence.....		XXX			
18.2 Products Liability—Claims-Made.....		XXX			
19.1 Private Passenger Auto No-Fault (Personal Injury Protection) ..		XXX			
19.2 Other Private Passenger Auto Liability.....		XXX			
19.3 Commercial Auto No-Fault (Personal Injury Protection).....		XXX			
19.4 Other Commercial Auto Liability.....		XXX			
21.1 Private Passenger Auto Physical Damage.....		XXX			
21.2 Commercial Auto Physical Damage.....		XXX			
22. Aircraft (all perils).....		XXX			
23. Fidelity.....		XXX			
24. Surety.....		XXX			
26. Burglary and Theft.....		XXX			
27. Boiler and Machinery.....		XXX			
28. Credit.....		XXX			
29. International.....		XXX			
30. Warranty.....		XXX			
31. Reinsurance-Nonproportional Assumed Property.....	XXX	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability.....	XXX	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines.....	XXX	XXX	XXX	XXX	XXX
34. Aggregate Write-Ins for Other Lines of Business.....		XXX			
35. TOTALS.....		XXX			
<b>DETAILS OF WRITE-INS</b>					
3401. ....		XXX			
3402. ....		XXX			
3403. ....		XXX			
3498. Sum. of remaining write-ins for ... Line 34 from overflow page		XXX			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		XXX			

**PART 2 – DIRECT PREMIUMS WRITTEN**

Line of Business	Current Quarter		23 Current Year to Date Direct Premiums Written	34 Prior Year to Date
	1 Direct Premiums Written	2 Direct Written Exposures		
1. Fire.....		XXX		
2.1 Allied Lines.....		XXX		
2.2 Multiple Peril Crop.....		XXX		
2.3 Federal Flood.....		XXX		
2.4 Private Crop.....		XXX		
2.5 Private Flood.....		XXX		
3. Farmowners Multiple Peril.....		XXX		
4. Homeowners Multiple Peril.....		XXX		
5.1 Commercial Multiple Peril (Non-Liability Portion).....		XXX		
5.2 Commercial Multiple Peril (Liability Portion).....		XXX		
6. Mortgage Guaranty.....		XXX		
8. Ocean Marine.....		XXX		
9. Inland Marine.....		XXX		
10. Financial Guaranty.....		XXX		
11.1 Medical Professional Liability—Occurrence.....		XXX		
11.2 Medical Professional Liability—Claims-Made.....		XXX		
12. Earthquake.....		XXX		
13.1 Comprehensive Individual Accident and Health.....		XXX		
13.2 Comprehensive Group Accident and Health.....		XXX		
14. Credit A&H (Group and Individual).....		XXX		
15.1 Vision Only.....		XXX		
15.2 Dental Only.....		XXX		
15.3 Disability Income.....		XXX		
15.4 Medicare Supplement.....		XXX		
15.5 Medicaid Title XIX.....		XXX		
15.6 Medicare Title XVIII Exempt from State Taxes or Fees.....		XXX		
15.7 Long-Term Care.....		XXX		
15.8 Federal Employees Health Benefits Plan Premium.....		XXX		
15.9 Other Health.....		XXX		
16. Workers' Compensation.....		XXX		
17.1 Other Liability—Occurrence.....		XXX		
17.2 Other Liability—Claims-Made.....		XXX		
17.3 Excess Workers' Compensation.....		XXX		
18.1 Products Liability—Occurrence.....		XXX		
18.2 Products Liability—Claims-Made.....		XXX		
19.1 Private Passenger Auto No-Fault (Personal Injury Protection) ..		XXX		
19.2 Other Private Passenger Auto Liability.....		XXX		
19.3 Commercial Auto No-Fault (Personal Injury Protection).....		XXX		
19.4 Other Commercial Auto Liability.....		XXX		
21.1 Private Passenger Auto Physical Damage.....		XXX		
21.2 Commercial Auto Physical Damage.....		XXX		
22. Aircraft (all perils).....		XXX		
23. Fidelity.....		XXX		
24. Surety.....		XXX		
26. Burglary and Theft.....		XXX		
27. Boiler and Machinery.....		XXX		
28. Credit.....		XXX		
29. International.....		XXX		
30. Warranty.....		XXX		
31. Reinsurance-Nonproportional Assumed Property.....	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines.....	XXX	XXX	XXX	XXX
34. Aggregate Write-Ins for Other Lines of Business.....		XXX		
35. TOTALS.....		XXX		
<b>DETAILS OF WRITE-INS</b>				
3401. ....		XXX		
3402. ....		XXX		
3403. ....		XXX		
3498. Sum. of remaining write-ins for ....Line 34 from overflow page		XXX		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		XXX		

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**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p style="text-align: right;">DATE: <u>04/15/2021</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Patricia Gosselin</u></p> <p>TITLE: _____</p> <p>AFFILIATION: <u>New Hampshire Insurance Department</u></p> <p>ADDRESS: <u>215 S. Fruit St., Ste. 14</u> <u>Concord, NH 03301</u></p>	<p style="text-align: center;"><b><u>FOR NAIC USE ONLY</u></b></p> <p>Agenda Item # <u>2021-13BWG</u> Year <u>2022</u> Changes to Existing Reporting <input checked="" type="checkbox"/> [ X ] New Reporting Requirement <input type="checkbox"/> [ ]</p> <p style="text-align: center;"><b><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></b></p> <p>No Impact <input type="checkbox"/> [ ] Modifies Required Disclosure <input type="checkbox"/> [ ]</p> <p style="text-align: center;"><b><u>DISPOSITION</u></b></p> <p><input type="checkbox"/> [ ] Rejected For Public Comment <input type="checkbox"/> [ ] Referred To Another NAIC Group <u>CASTF</u> <input checked="" type="checkbox"/> [ X ] Received For Public Comment <input type="checkbox"/> [ ] Adopted Date _____ <input type="checkbox"/> [ ] Rejected Date _____ <input type="checkbox"/> [ ] Deferred Date _____ <input type="checkbox"/> [ ] Other (Specify) _____</p>
---	---

**BLANK(S) TO WHICH PROPOSAL APPLIES**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> [ X ] ANNUAL STATEMENT     | <input type="checkbox"/> [ X ] INSTRUCTIONS           | <input checked="" type="checkbox"/> [ X ] CROSSCHECKS |
| <input type="checkbox"/> [ ] QUARTERLY STATEMENT               | <input type="checkbox"/> [ X ] BLANK                  |   |
| <input type="checkbox"/> [ ] Life, Accident & Health/Fraternal | <input type="checkbox"/> [ ] Separate Accounts        | <input type="checkbox"/> [ ] Title                    |
| <input checked="" type="checkbox"/> [ X ] Property/Casualty    | <input type="checkbox"/> [ ] Protected Cell           | <input type="checkbox"/> [ ] Other _____              |
| <input type="checkbox"/> [ ] Health                            | <input type="checkbox"/> [ ] Health (Life Supplement) |   |

Anticipated Effective Date: Annual 2022

**IDENTIFICATION OF ITEM(S) TO CHANGE**

Add a new supplement to capture premium and loss data for Annual Statement Lines 17.1, 17.2 & 17.3 of the Exhibit of Premiums and Losses (State Page) – Other Liability by more granular lines of business.

**REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE\*\***

The purpose of this proposal is to provide regulators more granular detail of the premium and losses of the diverse lines of business reported on Annual Statement Lines 17.1, 17.2 & 17.3 of the Exhibit of Premiums and Losses (State Page).

**NAIC STAFF COMMENTS**

Comment on Effective Reporting Date: \_\_\_\_\_

Other Comments:

**\*\* This section must be completed on all forms.**

**Revised 7/18/2018**

**ANNUAL STATEMENT INSTRUCTIONS – PROPERTY**

**Exhibit of Other Liabilities by Lines of Business**  
**As Reported on Line 17 of The Exhibit of Premiums and Losses**

All reporting entities reporting “Other Liability” on Line 17 of the Exhibit of Premiums and Losses must prepare this exhibit. The exhibit is to be prepared and filed by all reporting entities no later than March 1 of each year.

The purpose of the Exhibit of Other Liabilities by Lines of Business is to provide more information on the diverse lines of business filed on Annual Statement Line 17. The exhibit should be reported on a direct basis (before assumed and ceded reinsurance).

For definitions of the products reported on Lines 1 through 28, see the appendix of these instructions. Line 26 – All Other will include all products not reported on Lines 1 through 28.

Column 1 – Written Premium

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 1, Line 17.1 + Line 17.2 + Line 17.3.

Column 2 – Earned Premium

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 2, Line 17.1 + Line 17.2 + Line 17.3.

Column 3 – Unearned Premium Reserve

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 4, Line 17.1 + Line 17.2 + Line 17.3.

Column 4 – Losses Paid (Deducting Salvage)

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 5, Line 17.1 + Line 17.2 + Line 17.3.

Column 5 – Losses Incurred

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 6, Line 17.1 + Line 17.2 + Line 17.3.

Column 6 – Losses Unpaid

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 7, Line 17.1 + Line 17.2 + Line 17.3.

Column 7 – Defense and Cost Containment Paid

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 8, Line 17.1 + Line 17.2 + Line 17.3.

Column 8 – Defense and Cost Containment Incurred

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 9, Line 17.1 + Line 17.2 + Line 17.3.

Column 9 – Defense and Cost Containment Unpaid

Line 30 should equal Exhibit of Premiums and Losses Grand Total Page Column 10, Line 17.1 + Line 17.2 + Line 17.3.



**ANNUAL STATEMENT BLANK – PROPERTY**

**SUPPLEMENT FOR THE YEAR OF THE**

Affix Bar Code Above

**EXHIBIT OF OTHER LIABILITIES BY LINES OF BUSINESS  
 AS REPORTED ON LINE 17 OF THE EXHIBIT OF PREMIUMS AND LOSSES  
 (To Be Filed by March 1)**

NAIC Group Code..... NAIC Company Code.....

Company Name.....

	1 Written Premium	2 Earned Premium	3 Unearned Premium Reserve	4 Losses Paid (deducting salvage)	5 Losses Incurred	6 Losses Unpaid	7 Defense and Cost Containment Paid	8 Defense and Cost Containment Incurred	9 Defense and Cost Containment Unpaid
Direct Business Only									
1. Completed Operations Liability.....									
2. Construction and Alteration Liability.....									
3. Contingent Liability.....									
4. Contractual Liability.....									
5. Elevators and Escalators Liability.....									
6. Errors and Omissions Liability/Professional Liability/Other Than Medical.....									
7. Environmental Pollution Liability.....									
8. Excess and Umbrella Liability.....									
9. Liquor Liability.....									
10. Personal Injury Liability.....									
11. Premises and Operations Liability.....									
12. Excess Workers' Compensation.....									
13. Commercial General Liability.....									
14. Comprehensive Personal Liability.....									
15. Day Care Centers.....									
16. Directors and Officers Liability.....									
17. Employee Benefit Liability.....									
18. Employers' Liability.....									
19. Employment Practices Liability.....									
20. Fire Legal Liability.....									
21. Municipal Liability.....									
22. Nuclear Energy Liability.....									
23. Veterinarian.....									
24. Internet Liability.....									
25. Cyber Liability.....									
26. Fiduciary Liability.....									
27. Premises and Operations (O.I.&T and M&C).....									
28. Professional Errors and Omissions Liability.....									
29. All Other.....									
30. Total ASL 17 – Other Liability (Sum of Lines 1 through 29)									

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Draft: 5/27/21

Casualty Actuarial and Statistical (C) Task Force  
Virtual Meeting  
May 11, 2021

The Casualty Actuarial and Statistical (C) Task Force met May 11, 2021. The following Task Force members participated: Grace Arnold, Chair, represented by Phil Vigliaturo (MN); James J. Donelon, Vice Chair, represented by Rich Piazza (LA); Lori K. Wing-Heier represented by Katie Hegland (AK); Jim L. Ridling represented by Daniel Davis (AL); Evan G. Daniels represented by Vanessa Darrah and Tom Zuppan (AZ); Ricardo Lara represented by Giovanni Muzzarelli, Mitra Sanandajifar and Lynne Wehmueller (CA); Michael Conway represented by Mitchell Bronson and Sydney Sloan (CO); Andrew N. Mais represented by George Bradner, Wanchin Chou and Qing He (CT); Karima M. Woods represented by David Christhlf (DC); Colin M. Hayashida represented by Randy Jacobson (HI); Doug Ommen, Travis Grassel and Andria Seip (IA); Dana Popish Severinghaus represented by Anthony Bredel and Reid McClintock (IL); Vicki Schmidt represented by Nicole Boyd (KS); Kathleen A. Birrane represented by Ron Coleman (MD); Eric A. Cioppa represented by Sandra Darby (ME); Anita G. Fox represented by Kevin Dyke (MI); Chlora Lindley-Myers represented by Cynthia Amann and LeAnn Cox (MO); Troy Downing represented by Mari Kindberg (MT); Mike Causey represented by Kevin Conley and Arthur Schwartz (NC); Chris Nicolopoulos represented by Christian Citarella (NH); Russell Toal represented by Anna Krylova (NM); Judith L. French represented by Tom Botsko (OH); Glen Mulready represented by Andrew Schallhorn (OK); Jessica K. Altman represented by Michael McKenney (PA); Raymond G. Farmer represented by Karl Bitzky (SC); Doug Slape represented by J'ne Byckovski, Miriam Fisk, Eric Hintikka and Bethany Sims (TX); Michael S. Pieciak represented by Rosemary Raszka (VT); Mike Kreidler represented by Eric Slavich (WA); and Jeff Rude represented by Donna Stewart (WY). Also participating was: Halina Smosna (NY).

1. Discussed the CAS's Rescission of the SOP

Mr. Vigliaturo said there has been a development at the Casualty Actuarial Society (CAS) regarding its rescission of the Statement of Principles (SOP). Jessica Leong (CAS) said the CAS Board decided to reinstate the "Statement of Principles Regarding Property and Casualty Insurance Ratemaking" as it relates to U.S. regulated ratemaking.

Many Task Force members and interested parties expressed contentment with this action and do not desire to move forward with any further action. Mr. Schwartz said there was consideration by members of the Society of Actuaries (SOA) in the 1980s of copying the document for life and health insurance; he encouraged that action to be taken. Gennady Stolyarov (NV) issued a written statement, saying the immediate need for action is resolved. In the longer term, Mr. Schwartz said he is supportive of the NAIC adopting a similar statement of principles that would not be subject to the unilateral decisions of a private organization. Mr. Bradner said he would not support the NAIC having a competing document with the CAS principles. J. Robert Hunter (Consumer Federation of America—CFA) said he plans to present issues to address in the future.

Mr. Davis questioned whether the initial rescindment was made because of a desire to use price optimization. Ms. Leong said the actions were in no way due to a desire to do price optimization. She said the topic was never discussed by the Board in making its decisions. She said the rescindment action was taken to "clean up shop" because of the duplication with actuarial standards of practice (ASOPs). Mr. Hunter said the decision to rescind the SOP occurred at the same time as much debate on price optimization, and they seemed linked.

Birny Birnbaum (Center for Economic Justice—CEJ) suggested that the CAS reflect on the need for transparency and inclusion. He said CAS processes should be improved in relation to public policy and social issues. Ms. Smosna said Article 9 of the CAS's constitution states that no opinion with respect to public interest shall be publicly expressed except in matters in the professional competence for actuaries, and only then with a two-thirds vote of the Board. Mr. Hunter said the CAS has begun to address some public issues. He said a paper was issued on rating factors, coauthored with the Insurance Information Institute (III), which was discussed for two years without anyone knowing. He said it was a biased and inaccurate statement, and it misconstrued his position on the impact of some rating variables on the poor.

The Task Force decided to take no immediate action to develop ratemaking principles. Mr. Vigliaturo said if members want to have the NAIC develop something in the future, suggestions should be submitted to NAIC staff.

Having no further business, the Casualty Actuarial and Statistical (C) Task Force adjourned.

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Draft: 8/9/21

Actuarial Opinion (C) Working Group  
Virtual Meeting  
July 22, 2021

The Actuarial Opinion (C) Working Group of the Casualty Actuarial and Statistical (C) Task Force met July 1, 2021. The following Working Group members participated: Anna Krylova, Chair (NM); Susan Andrews and Amy Waldhauer (CT); David Christhif (DC); Judy Mottar (IL); Brock Bubar (ME); Gordon Hay (NE); Tom Botsko (OH); Andrew Schallhorn (OK); and James DiSanto (PA). Also participating were: Kevin Dyke (MI); and Arthur Schwartz (NC).

1. Discussed SAO Instructions

Ms. Krylova said two proposals were introduced during the Working Group's July 1 meeting. One is to set a deadline for providing qualification documentation to the Board. The second is to require additional language that asserts the actuary's compliance with respect to the qualification documentation provided to the Board. She said both changes would require changes to the Statement of Actuarial Opinion (SAO) instructions. She said the deadline to propose instruction changes for 2021 has passed, but the Working Group could propose these changes for 2022 instructions. Ms. Krylova said she will draft proposed instructions for the Working Group's consideration.

Ms. Krylova said the Working Group previously discussed the Casualty Actuarial Society (CAS) Board's rescission of its Statements of Principles and subsequent reinstatement of the Statement of Principles on Ratemaking with the caveat that it is for reference for U.S. regulated ratemaking. The SAO instructions mention the group of Statements of Principles, but the Statement of Principles on Reserving was not reinstated. Mr. Dyke said the SAO instructions also mention "principles" generally in another section, but he said he interprets that as referring to the CAS principles. The Working Group decided both should be removed. The Blanks (E) Working Group is expected to make these editorial changes for the 2021 instructions.

2. Discussed Schedule P Reconciliation

Ms. Krylova said the Working Group agreed during its July 1 meeting to add guidance about Schedule P reconciliation. Michelle Iarkowski (American Academy of Actuaries—Academy) said based on her reviews of reconciliations during regulatory financial examinations, she compiled the following issues: 1) a reconciliation showed data from the company's systems reconciled to Schedule P, but there was no reconciliation of the data used for the actuarial analysis to Schedule P; 2) guidance is needed regarding whether the Schedule P reconciliation should be for direct and assumed or net of reinsurance amounts. Mr. Botsko said the choice of the reconciliation data (direct and assumed vs. net) could be left to the actuary, but state insurance regulators should require the actuary explain why he or she chose one over the other; 3) guidance is needed regarding the manner that loss adjustment expenses (LAEs) need to be reconciled. Adjusting and other (A&O) expenses are usually reconciled separately. Sometimes defense and cost containment (DCC) expenses are reconciled separately; 4) reconciliation for claim counts and earned premiums is optional, but there is no requirement to document why the reconciliation was not done. She said she has never seen a reconciliation for claim counts and suggests state insurance regulators consider removing reference to claims counts in the Regulatory Guidance on Property and Casualty Statutory Statements of Actuarial Opinion (Regulatory Guidance). Mr. Hay said he has never seen an actuary's letter to the auditor saying claim counts were a material part of the actuarial review. Ralph Blanchard (Travelers) said flexibility is needed, so dictating a specific approach does not make sense. He said the claim counts were initially put into Schedule P so when a company needed to be taken over, the receiver would have an idea of the amount of claims handling needed. Mr. Schwartz agreed that claim count definitions vary by company and line of business, and he does not believe reconciliation would be useful; and 5) the actuary needs to explain "material" differences in the reconciliation, but there is no requirement to state that differences are deemed immaterial when the amount is more than rounding differences. Mr. Botsko said the word "material" is vague, and state insurance regulators might need to add clarity.

Ms. Iarkowski said the Regulatory Guidance could include these topics with an aim for the actuary to communicate that the data used is reconciled to Schedule P. She said a reconciliation of all data in total, all coverages and loss elements combined, does not give her confidence in the financial examination that the actuary used the correct data. Ms. Krylova said she would draft some language for the Regulatory Guidance to add clarity on the issues mentioned and remove the claim count reference in the Schedule P reconciliation section.

3. Discussed Board Review of Qualification Documentation

Ms. Krylova said Connecticut submitted some proposed language regarding review of actuarial qualification documentation. The proposed wording is: “If the Board of the holding company reviews the qualification documents of the appointed actuary who signs the opinion of all companies in a specific pool, the Board minutes of the statutory entity have to say that they reviewed that holding company’s assessment regarding the qualification documents and find it appropriate for their statutory entity.”

Mr. Blanchard said for Travelers, that means there would be 40 responses to say “yes.” He said he does not see a value with such a statement, and the holding company’s assessment should be sufficient. Ms. Andrews said the wording would address the need of a specific entity being reviewed in a financial analysis and would address corporate governance for an individual entity. Mr. Blanchard asked whether the holding company’s assessment could be reviewed instead because this just creates paperwork without additional value. Mr. Hay wondered if the holding company’s Board would provide such information to the pool or affiliates and said he does not believe he needs any prescribed language from the individual entity. He said he would review the pool as a statutory entity. Mr. Blanchard suggested the review should be conducted by who will receive the actuarial opinion and hear the report. Ms. Iarkowski said there are differences in practice and that she could not find guidance. Ms. Krylova said it would seem helpful to add some clarity to ensure fairness in financial exams.

Having no further business, the Actuarial Opinion (C) Working Group adjourned.

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Draft: 7/6/21

Actuarial Opinion (C) Working Group  
Virtual Meeting  
July 1, 2021

The Actuarial Opinion (C) Working Group of the Casualty Actuarial and Statistical (C) Task Force met July 1, 2021. The following Working Group members participated: Anna Krylova, Chair (NM); Miriam Fisk, Vice Chair (TX); Susan Andrews and Qing He (CT); David Christhif (DC); Judy Mottar, Chantel Long, and Anthony Bredel (IL); Sandra Darby (ME); Gordon Hay (NE); Tom Botsko (OH); and Kevin Clark and James DiSanto (PA). Also participating was: Kevin Dyke (MI).

1. Discussed Reviews of 2020 SAO

The Working Group discussed financial reviews of insurance companies' Statements of Actuarial Opinion (SAO). Mr. Botsko said he had more than the average number of newly appointed actuaries. He said the new actuaries complied with the requirements and wrote good opinions with one exception. Ms. Fisk said this is the first year for more specific attestation and that a handful of actuaries in Texas did not provide the correct attestation. Ms. Andrews said some did not correctly attest on the Casualty Actuarial Society (CAS) website to meet both general and specific qualification standards. Mr. Hay said he had two actuaries who used language to address submission of documents to the Board of Directors. He suggested improving the SAO instructions, but the Working Group noted that the opportunity to change 2022 instructions has passed. Ms. Krylova said more guidance could be added to the 2021 *Regulatory Guidance on Property and Casualty Statutory Statements of Actuarial Opinion* (Regulatory Guidance).

Michelle Iarkowski (American Academy of Actuaries—Academy) said there is no deadline for providing the qualification documentation, so one could issue the opinion without having completed the documentation and/or submitted the documentation to the Board. Some actuaries provide it to the Audit Committee in March or April after the opinion is issued. Ms. Andrews questioned whether the document should be delivered to the Board before an opinion is issued. Mr. Hay said the qualification documents do not have to be with the Board when the Board makes its decision about continued appointment of the appointed actuary. Ms. Andrews said new actuaries must submit the document before initially appointed, so the issue occurs only with renewals. Ms. Andrews said the Board's governance responsibilities are to annually evaluate the qualifications of the appointed actuary. Mr. DiSanto said it gets complicated because in Pennsylvania, a Board is not required to reappoint an actuary each year; once appointed, the actuary remains until specifically unappointed. Mr. Dyke said it seems there are two separate issues: 1) whether the documentation is not being included in work papers; and 2) whether the Board is reviewing the documentation. Ms. Krylova said it seems there is consensus to consider setting a deadline for submission of qualification documentation to the Board. She said the Working Group would need to consider qualification standards allowing an actuary to document how continuing education (CE) will be completed by the end of March when writing the SAO.

2. Discussed Issues with Schedule P Reconciliation

Mr. Botsko said some opining actuaries did not follow the annual statement instructions about Schedule P reconciliation. For example, when pool percentages change, the actuary reconciled on a total basis versus by company by line. The actuary applied materiality for the reason to conduct the reconciliation on a total basis. Ms. Iarkowski said another reconciliation issue is some consulting actuaries have been reconciling to Schedule P based on the data provided to the actuary rather than the final actuarial exhibits. Mr. Hay said the actuary sometimes does not provide information such as who did the reconciliation and additional information. He has asked the actuary to be more specific, but the actuary has not done that. Mr. Dyke said some actuaries might be conflating the reliance on data requirement and the separate issue of Schedule P reconciliation. He said the Schedule P reconciliation is a higher bar. Ms. Andrews suggested the Working Group consider requiring documentation of who performed the Schedule P reconciliation. The Working Group agreed the problem is mostly a compliance issue, and they can consider additional guidance this year.

3. Discussed 2021 Regulatory Guidance

Ms. Krylova said the CAS Board rescinded its multiple Statements of Principles. The CAS Board subsequently decided to reinstate the Statement of Principles on Ratemaking with the caveat that it is for reference for U.S. regulated ratemaking. The SAO instructions mention the group of Statements of Principles. The Statement of Principles on Reserving was not reinstated. Ms. Krylova wondered if the caveat should be mentioned in the instructions even though it is a header and not part of the title. Mr. Dyke said the reason for reference to the Statements of Principles seems to be about the development of reserves using

“accepted” principles. The Statement of Principles on Reserving was not reinstated. The Working Group might need to make revisions.

Ms. Iarkowski asked whether state insurance regulators want the qualification documentation submitted to all companies in a group that use one appointed actuary. Ms. Andrews said the state insurance regulators have to review the companies in their state. The companies in a group can be domiciled in different states. Mr. Blanchard said it would seem the Board of the holding company should be involved rather than the individual entities where the Boards can be made up of senior management. Ms. Andrews said the financial review process does not have the appointed actuary analysis at a group level. Ms. Iarkowski said guidance would be helpful.

Having no further business, the Actuarial Opinion (C) Working Group adjourned.

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**NAIC BLANKS (E) WORKING GROUP**

**Blanks Agenda Item Submission Form**

<p style="text-align: right;">DATE: <u>04/15/2021</u></p> <p><b>CONTACT PERSON:</b> <u>Birny Birnbaum</u></p> <p><b>TELEPHONE:</b> <u>512 784 7663</u></p> <p><b>EMAIL ADDRESS:</b> <u>birny@cej-online.org</u></p> <p><b>ON BEHALF OF:</b> <u>Center for Economic Justice</u></p> <p><b>NAME:</b> <u>Birny Birnbaum</u></p> <p><b>TITLE:</b> <u>Director</u></p> <p><b>AFFILIATION:</b> <u>NAIC Designated Consumer Representative</u></p> <p><b>ADDRESS:</b> <u>1701A South Second St</u> <u>Austin, TX 78704</u></p>	<p style="text-align: center;"><b><u>FOR NAIC USE ONLY</u></b></p> <p>Agenda Item # <u>2021-11BWG</u> Year <u>2022</u> Changes to Existing Reporting <input checked="" type="checkbox"/> [ X ] New Reporting Requirement <input type="checkbox"/> [ ]</p> <p style="text-align: center;"><b><u>REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</u></b></p> <p>No Impact <input checked="" type="checkbox"/> [ X ] Modifies Required Disclosure <input type="checkbox"/> [ ]</p> <p style="text-align: center;"><b><u>DISPOSITION</u></b></p> <p><input type="checkbox"/> [ ] Rejected For Public Comment <input checked="" type="checkbox"/> [ X ] Referred To Another NAIC Group CASTF, FAWG and FAST <input type="checkbox"/> [ ] Received For Public Comment <input type="checkbox"/> [ ] Adopted Date _____ <input type="checkbox"/> [ ] Rejected Date _____ <input checked="" type="checkbox"/> [ X ] Deferred Date <u>07/22/2021</u> <input type="checkbox"/> [ ] Other (Specify) _____</p>
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**BLANK(S) TO WHICH PROPOSAL APPLIES**

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> [ X ] ANNUAL STATEMENT     | <input checked="" type="checkbox"/> [ X ] INSTRUCTIONS | <input checked="" type="checkbox"/> [ X ] CROSSCHECKS |
| <input checked="" type="checkbox"/> [ X ] QUARTERLY STATEMENT  | <input checked="" type="checkbox"/> [ X ] BLANK        |   |
| <input type="checkbox"/> [ ] Life, Accident & Health/Fraternal | <input type="checkbox"/> [ ] Separate Accounts         | <input type="checkbox"/> [ ] Title                    |
| <input checked="" type="checkbox"/> [ X ] Property/Casualty    | <input type="checkbox"/> [ ] Protected Cell            | <input type="checkbox"/> [ ] Other _____              |
| <input type="checkbox"/> [ ] Health                            | <input type="checkbox"/> [ ] Health (Life Supplement)  |   |

Anticipated Effective Date: Annual 2022

**IDENTIFICATION OF ITEM(S) TO CHANGE**

Add a new annual statement supplement to capture exposure data for Annual Statement Lines 4, 19.1, 19.2 and 21.2. Add a column to the Quarterly Parts 1 and 2 to capture exposure data for these annual statement lines for the quarter.

\*\*\*See Next Page For More Details\*\*\*

**REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE\*\***

\*\*\*See Next Page For Details\*\*\*

**NAIC STAFF COMMENTS**

Comment on Effective Reporting Date: \_\_\_\_\_

Other Comments:

\*\* This section must be completed on all forms.

Revised 7/18/2018

## IDENTIFICATION OF ITEM(S) TO CHANGE

Add a new annual statement supplement to the Property and Casualty annual statement to capture “Direct Exposures Written” and “Direct Exposures Earned” which will be reported, initially only for Annual Statement Lines 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add one column to property casualty quarterly statement Part 1 Loss experience between current columns 1 and 2 for “Direct Exposures Earned” only for only for Lines 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add one column to property casualty quarterly statement Part 2 Direct Premium Written between current columns 1 and 2 for “Direct Exposures Written” only for only for Lines 4 (Homeowners), 19.1 (PPA No Fault), 19.2 (PPA Liability) and 21.1 (PPA Physical Damage).

Add instructions for reporting the additional data elements, consisting of definitions and examples for the new data elements.

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## REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE\*\*

The average written and average earned premium per exposure is an important metric for a variety of regulatory and public policy purposes. The NAIC annually produces reports of average personal auto and homeowners premiums, but the data in these reports are old and stale for timely assessment of absolute average premium and changes in average premium over time. Both reports are typically produced 24 months after the end of the experience period and 36 months after the beginning of the experience period. Homeowners average premiums for 2018 was published in January 2021 in the “Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owners’ Insurance Report: Data for 2018.” Personal auto average premiums for 2018 was published in March 2021 in the “Auto Database Report.” While there are valid reasons for the length of time needed to produce these reports – primarily because these reports contain information beyond average premium – the average premium numbers lose significant relevance because of their age.

This AS and QS Blanks proposals would allow the calculation of average written and average earned premium for residential property and personal auto coverages in a far more timely fashion – within three to four months following the reporting year instead of 24 months and would provide timely and useful quarterly information. The benefits of timelier average premium data are considerable. Timely average premium data would permit financial analysts to utilize changes in average premium as part of financial analysis. Similarly, the more-timely average premium data would become a valuable tool for market regulation analysts, including, but not limited to, an added data point for use with the Market Conduct Annual Statement. Last, but not least, this proposal would allow the NAIC to calculate and publish average annual premium data for residential property and personal auto insurance by state in a time frame to both make the data meaningful for describing market conditions and to inform individual state regulators and policymakers of actual changes in personal lines average premiums – as opposed to expected changes gleaned from rate filings.

Consider how valuable timely average premium values would have been for personal lines as the pandemic unfolded. Consider also the value of quarterly data for average premium for personal lines versus only an annual average. The lack of timeliness of the average premium values means that these data have very limited or no use for either financial or market analysis. The lack of timeliness also means that the data are no use in informing public policy debates about personal lines insurance costs. In addition, the severe time lag between actual experience and reporting fails to inform the public or policymakers of recent trends or outcomes and can, consequently, mislead the public and policymakers.



ANNUAL STATEMENT INSTRUCTIONS – PROPERTY

**DIRECT PREMIUM AND EXPOSURES**  
**Annual Statement Lines 2.5, 4, 19.1, 19.2 and 21.1**  
**Allocated by States and Territories**

This supplement must be filed with the NAIC by March 1 each year.

This supplement should be completed by those reporting entities that write direct business reported on the Exhibit of Premiums and Losses for each Annual Statement Lines (ASL) listed below. A separate page will be completed for each ASL.

ASL 4 (Homeowners)

- Excluding Renters, Condominiums and Co-ops
- Renters, Condominiums and Co-ops

ASL 19.1 (Private Passenger Auto No-Fault – Personal Injury Protection)

ASL 19.2 (Other Private Passenger Auto Liability)

ASL 21.1 (Private Passenger Auto Physical Damage).

Column 1 – Direct Premiums Written

The amounts reported for each line should agree with the amounts reported for the corresponding Annual Statement Line in Column 1, Line 35 of the Exhibit of Premiums and Losses for that state.

Line 59 (Part 1 plus Part 2) should equal Line 4, Column 1, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 3) should equal Line 19.1, Column 1, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 4) should equal Line 19.2, Column 1, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 5) should equal Line 21.1, Column 1, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Column 2 – Direct Written Exposures

A Written Exposure for Annual Statement Lines 4 is defined as a single residential property for which coverage was written at any time during the calendar reporting period and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

A Written exposure for Annual Statement Lines 19.1, 19.2 and 21.1 is defined as single motor vehicle for which coverage was written at any time during the calendar reporting year and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as one (1.0) written exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 written exposure.

Column 3 – Direct Premiums Earned

The amounts reported for each line should agree with the amounts reported for the corresponding Annual Statement Line in Column 2, Line 35 of the Exhibit of Premiums and Losses for each state.

Line 59 (Part 1 plus Part 2) should equal Line 4, Column 2, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 3) should equal Line 19.1, Column 2, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 4) should equal Line 19.2, Column 2, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Line 59 (Part 5) should equal Line 21.1, Column 2, Line 35 of the Exhibit of Premiums and Losses (GT Page)

Column 4 – Direct Earned Exposures

An Earned Exposure for Annual Statement Lines 4 is defined as the fraction of the calendar reporting year for which a single residential property had coverage in force.

An Earned Exposure for Annual Statement Lines 19.1, 19.2 and 21.2 is defined as the fraction of the calendar reporting year for which a single motor vehicle had coverage in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as 0.5 earned exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 earned exposure.

QUARTERLY STATEMENT INSTRUCTIONS – PROPERTY

**PART 1 – LOSS EXPERIENCE**

Column 1 – Direct Premiums Earned

Display direct premiums earned by line of business. The total must agree with the Statement of Income Page 4, Direct Premiums Earned Line 1.1, Column 1.

Column 2 – Direct Earned Exposures

An Earned Exposure for Annual Statement Lines 4 is defined as the fraction of the calendar reporting year for which a single residential property had coverage in force.

An Earned Exposure for Annual Statement Lines 19.1, 19.2 and 21.2 is defined as the fraction of the calendar reporting year for which a single motor vehicle had coverage in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as 0.5 earned exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 earned exposure.

Column 23 – Direct Losses Incurred

Display direct losses incurred by line of business. The total must agree with the Statement of Income Page 4, Direct Losses Incurred Line 2.1, Column 1.

Column 34 – Direct Loss Percentage

Column 23 (Direct Losses Incurred)/Column 1 (Direct Premiums Earned) multiplied by 100.

Column 45 – Prior Year to Date Direct Loss Percentage

Display year-to-date direct loss percentages by line of business for the same quarter of the prior year.

Line 30 – Warranty

Data for this line should be reported prospectively (i.e., Prior year amounts need not be restated) starting with the 2008 reporting year.

**PART 2 – DIRECT PREMIUMS WRITTEN**

Column 1 – Current Quarter

Display current quarter direct premiums written by line of business.

Column 2 – Direct Written Exposures

A Written Exposure for Annual Statement Lines 4 is defined as a single residential property for which coverage was written at any time during the calendar reporting period and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

A Written exposure for Annual Statement Lines 19.1, 19.2 and 21.1 is defined as single motor vehicle for which coverage was written at any time during the calendar reporting year and remained in force through the end of the calendar reporting year. If the coverage was written and cancelled within the calendar reporting year, the written exposure is the fraction of the year the coverage was in force.

Examples. Assume a homeowners policy is written on July 1 during the reporting year and remains in force through the end of the reporting year. This activity would be reported as one (1.0) written exposure.

Assume a private passenger policy with No-Fault, Liability and Physical Damage coverages was written on April 1 and cancelled by the insured on July 1. This activity would be reported as 0.25 written exposure.

Column 23 – Current Year to Date

Display year-to-date direct premiums written.

Column 34 – Prior Year, Year to Date

Display year-to-date direct premiums written from the same quarter of the prior year.

Line 30 – Warranty

Data for this line should be reported prospectively (i.e., Prior year amounts need not be restated) starting with the 2008 reporting year.

ANNUAL STATEMENT BLANK – PROPERTY

**DIRECT PREMIUM AND EXPOSURES**  
**Allocated by States and Territories**  
For The Year Ended December 31, 20\_\_\_\_  
(To Be Filed by March 1)

**Part 1 – Homeowners (Excluding Renters, Condominiums and Co-ops)**  
**Annual Statement Line 4**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total				

**Part 2 – Homeowners (Renters, Condominiums and Co-ops)**  
**Annual Statement Line 4**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total				

**Part 3 – Private Passenger Auto No-Fault (Personal Injury Protection)**  
**Annual Statement Line 19.1**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total	.....	.....	.....	.....

**Part 4 – Other Private Passenger Auto Liability**  
**Annual Statement Line 19.2**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total				



**Part 5 – Private Passenger Auto Physical Damage**  
**Annual Statement Line 21.1**

	<u>1</u> Direct Premiums Written	<u>2</u> Direct Exposures Written	<u>3</u> Direct Premiums Earned	<u>4</u> Direct Exposures Earned
1. Alabama.....AL	.....	.....	.....	.....
2. Alaska.....AK	.....	.....	.....	.....
3. Arizona.....AZ	.....	.....	.....	.....
4. Arkansas.....AR	.....	.....	.....	.....
5. California.....CA	.....	.....	.....	.....
6. Colorado.....CO	.....	.....	.....	.....
7. Connecticut.....CT	.....	.....	.....	.....
8. Delaware.....DE	.....	.....	.....	.....
9. District of Columbia.....DC	.....	.....	.....	.....
10. Florida.....FL	.....	.....	.....	.....
11. Georgia.....GA	.....	.....	.....	.....
12. Hawaii.....HI	.....	.....	.....	.....
13. Idaho.....ID	.....	.....	.....	.....
14. Illinois.....IL	.....	.....	.....	.....
15. Indiana.....IN	.....	.....	.....	.....
16. Iowa.....IA	.....	.....	.....	.....
17. Kansas.....KS	.....	.....	.....	.....
18. Kentucky.....KY	.....	.....	.....	.....
19. Louisiana.....LA	.....	.....	.....	.....
20. Maine.....ME	.....	.....	.....	.....
21. Maryland.....MD	.....	.....	.....	.....
22. Massachusetts.....MA	.....	.....	.....	.....
23. Michigan.....MI	.....	.....	.....	.....
24. Minnesota.....MN	.....	.....	.....	.....
25. Mississippi.....MS	.....	.....	.....	.....
26. Missouri.....MO	.....	.....	.....	.....
27. Montana.....MT	.....	.....	.....	.....
28. Nebraska.....NE	.....	.....	.....	.....
29. Nevada.....NV	.....	.....	.....	.....
30. New Hampshire.....NH	.....	.....	.....	.....
31. New Jersey.....NJ	.....	.....	.....	.....
32. New Mexico.....NM	.....	.....	.....	.....
33. New York.....NY	.....	.....	.....	.....
34. North Carolina.....NC	.....	.....	.....	.....
35. North Dakota.....ND	.....	.....	.....	.....
36. Ohio.....OH	.....	.....	.....	.....
37. Oklahoma.....OK	.....	.....	.....	.....
38. Oregon.....OR	.....	.....	.....	.....
39. Pennsylvania.....PA	.....	.....	.....	.....
40. Rhode Island.....RI	.....	.....	.....	.....
41. South Carolina.....SC	.....	.....	.....	.....
42. South Dakota.....SD	.....	.....	.....	.....
43. Tennessee.....TN	.....	.....	.....	.....
44. Texas.....TX	.....	.....	.....	.....
45. Utah.....UT	.....	.....	.....	.....
46. Vermont.....VT	.....	.....	.....	.....
47. Virginia.....VA	.....	.....	.....	.....
48. Washington.....WA	.....	.....	.....	.....
49. West Virginia.....WV	.....	.....	.....	.....
50. Wisconsin.....WI	.....	.....	.....	.....
51. Wyoming.....WY	.....	.....	.....	.....
52. American Samoa.....AS	.....	.....	.....	.....
53. Guam.....GU	.....	.....	.....	.....
54. Puerto Rico.....PR	.....	.....	.....	.....
55. US Virgin Islands.....VI	.....	.....	.....	.....
56. Northern Mariana Islands.....MP	.....	.....	.....	.....
57. Canada.....CAN	.....	.....	.....	.....
58. Aggregate Other Alien.....OT	.....	.....	.....	.....
59. Total				

**SUPPLEMENTAL EXHIBITS AND SCHEDULES  
INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

- |   | <u>RESPONSES</u> |
|---|------------------|
| <b>MARCH FILING</b>   |                  |
| 1. Will an actuarial opinion be filed by March 1?   | .....            |
| 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?                                 | .....            |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?   | .....            |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?              | .....            |
| <b>APRIL FILING</b>   |                  |
| 5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?                            | .....            |
| 6. Will Management's Discussion and Analysis be filed by April 1?   | .....            |
| 7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?  | .....            |
| <b>MAY FILING</b>   |                  |
| 8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?                         | .....            |
| <b>JUNE FILING</b>  |                  |
| 9. Will an audited financial report be filed by June 1?   | .....            |
| 10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | .....            |

The following supplemental reports are required to be filed as part of your statement filing **if your company is engaged in the type of business covered by the supplement. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below.** If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

- |  |       |
|--|-------|
| <b>MARCH FILING</b>  |       |
| 11. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?   | ..... |
| 12. Will the Financial Guaranty Insurance Exhibit be filed by March 1?   | ..... |
| 13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 14. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?   | ..... |
| 15. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 16. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?   | ..... |
| 17. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?  | ..... |
| 18. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?  | ..... |
| 19. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?   | ..... |
| 20. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 21. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?  | ..... |
| 22. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 23. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?   | ..... |
| 24. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? | ..... |
| 25. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?       | ..... |
| 26. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?                     | ..... |
| 27. Will the Supplemental Schedule for Reinsurance Counterparty Reporting Exception – Asbestos and Pollution contracts be filed with the state of domicile and the NAIC by March 1?                  | ..... |
| 28. Will the Direct Premium and Exposures Supplement be filed with NAIC by March 1?  | ..... |

- |   |       |
|---|-------|
| <b>APRIL FILING</b>   |       |
| 2829. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?   | ..... |
| 2930. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?   | ..... |
| 3031. Will the Accident and Health Policy Experience Exhibit be filed by April 1?   | ..... |
| 3132. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?                                     | ..... |
| 3233. Will the regulator-only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?        | ..... |
| 3334. Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1?                          | ..... |
| 34,35. Will the Life, Health & Annuity Guaranty Association Assessable Premium Exhibit – Parts 1 and 2 be filed with the state of domicile and the NAIC by April 1? | ..... |
| 3536. Will the Private Flood Insurance Supplement be filed with the state of domicile and the NAIC by April 1?  | ..... |

- |  |       |
|--|-------|
| <b>AUGUST FILING</b>   |       |
| 3637. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | ..... |

**Explanation:**

**Bar Code:**

QUARTERLY STATEMENT BLANK – PROPERTY

**PART 1 – LOSS EXPERIENCE**

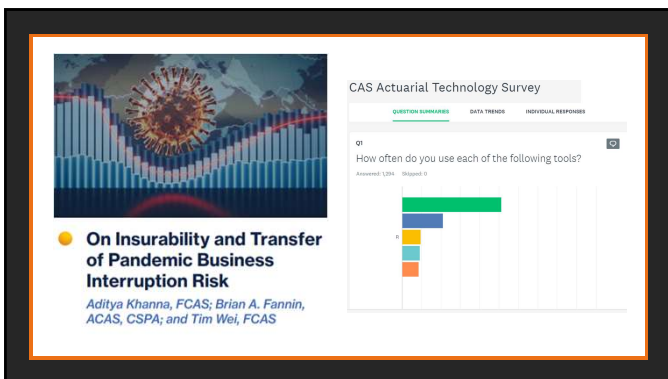
Line of Business	Current Year to Date				Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Earned Exposures	23 Direct Losses Incurred	34 Direct Loss Percentage	
1. Fire.....		XXX			
2.1 Allied Lines.....		XXX			
2.2 Multiple Peril Crop.....		XXX			
2.3 Federal Flood.....		XXX			
2.4 Private Crop.....		XXX			
2.5 Private Flood.....		XXX			
3. Farmowners Multiple Peril.....		XXX			
4. Homeowners Multiple Peril.....		XXX			
5.1 Commercial Multiple Peril (Non-Liability Portion).....		XXX			
5.2 Commercial Multiple Peril (Liability Portion).....		XXX			
6. Mortgage Guaranty.....		XXX			
8. Ocean Marine.....		XXX			
9. Inland Marine.....		XXX			
10. Financial Guaranty.....		XXX			
11.1 Medical Professional Liability—Occurrence.....		XXX			
11.2 Medical Professional Liability—Claims-Made.....		XXX			
12. Earthquake.....		XXX			
13.1 Comprehensive Individual Accident and Health.....		XXX			
13.2 Comprehensive Group Accident and Health.....		XXX			
14. Credit A&H (Group and Individual).....		XXX			
15.1 Vision Only.....		XXX			
15.2 Dental Only.....		XXX			
15.3 Disability Income.....		XXX			
15.4 Medicare Supplement.....		XXX			
15.5 Medicaid Title XIX.....		XXX			
15.6 Medicare Title XVIII Exempt from State Taxes or Fees.....		XXX			
15.7 Long-Term Care.....		XXX			
15.8 Federal Employees Health Benefits Plan Premium.....		XXX			
15.9 Other Health.....		XXX			
16. Workers' Compensation.....		XXX			
17.1 Other Liability—Occurrence.....		XXX			
17.2 Other Liability—Claims-Made.....		XXX			
17.3 Excess Workers' Compensation.....		XXX			
18.1 Products Liability—Occurrence.....		XXX			
18.2 Products Liability—Claims-Made.....		XXX			
19.1 Private Passenger Auto No-Fault (Personal Injury Protection) ..		XXX			
19.2 Other Private Passenger Auto Liability.....		XXX			
19.3 Commercial Auto No-Fault (Personal Injury Protection).....		XXX			
19.4 Other Commercial Auto Liability.....		XXX			
21.1 Private Passenger Auto Physical Damage.....		XXX			
21.2 Commercial Auto Physical Damage.....		XXX			
22. Aircraft (all perils).....		XXX			
23. Fidelity.....		XXX			
24. Surety.....		XXX			
26. Burglary and Theft.....		XXX			
27. Boiler and Machinery.....		XXX			
28. Credit.....		XXX			
29. International.....		XXX			
30. Warranty.....		XXX			
31. Reinsurance-Nonproportional Assumed Property.....	XXX	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability.....	XXX	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines.....	XXX	XXX	XXX	XXX	XXX
34. Aggregate Write-Ins for Other Lines of Business.....		XXX			
35. TOTALS.....		XXX			
<b>DETAILS OF WRITE-INS</b>					
3401. ....		XXX			
3402. ....		XXX			
3403. ....		XXX			
3498. Sum. of remaining write-ins for ...Line 34 from overflow page		XXX			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		XXX			

**PART 2 – DIRECT PREMIUMS WRITTEN**

Line of Business	Current Quarter		Current Year to Date Direct Premiums Written	Prior Year to Date
	1 Direct Premiums Written	2 Direct Written Exposures		
1. Fire.....		XXX		
2.1 Allied Lines.....		XXX		
2.2 Multiple Peril Crop.....		XXX		
2.3 Federal Flood.....		XXX		
2.4 Private Crop.....		XXX		
2.5 Private Flood.....		XXX		
3. Farmowners Multiple Peril.....		XXX		
4. Homeowners Multiple Peril.....		XXX		
5.1 Commercial Multiple Peril (Non-Liability Portion).....		XXX		
5.2 Commercial Multiple Peril (Liability Portion).....		XXX		
6. Mortgage Guaranty.....		XXX		
8. Ocean Marine.....		XXX		
9. Inland Marine.....		XXX		
10. Financial Guaranty.....		XXX		
11.1 Medical Professional Liability—Occurrence.....		XXX		
11.2 Medical Professional Liability—Claims-Made.....		XXX		
12. Earthquake.....		XXX		
13.1 Comprehensive Individual Accident and Health.....		XXX		
13.2 Comprehensive Group Accident and Health.....		XXX		
14. Credit A&H (Group and Individual).....		XXX		
15.1 Vision Only.....		XXX		
15.2 Dental Only.....		XXX		
15.3 Disability Income.....		XXX		
15.4 Medicare Supplement.....		XXX		
15.5 Medicaid Title XIX.....		XXX		
15.6 Medicare Title XVIII Exempt from State Taxes or Fees.....		XXX		
15.7 Long-Term Care.....		XXX		
15.8 Federal Employees Health Benefits Plan Premium.....		XXX		
15.9 Other Health.....		XXX		
16. Workers' Compensation.....		XXX		
17.1 Other Liability—Occurrence.....		XXX		
17.2 Other Liability—Claims-Made.....		XXX		
17.3 Excess Workers' Compensation.....		XXX		
18.1 Products Liability—Occurrence.....		XXX		
18.2 Products Liability—Claims-Made.....		XXX		
19.1 Private Passenger Auto No-Fault (Personal Injury Protection) ..		XXX		
19.2 Other Private Passenger Auto Liability.....		XXX		
19.3 Commercial Auto No-Fault (Personal Injury Protection).....		XXX		
19.4 Other Commercial Auto Liability.....		XXX		
21.1 Private Passenger Auto Physical Damage.....		XXX		
21.2 Commercial Auto Physical Damage.....		XXX		
22. Aircraft (all perils).....		XXX		
23. Fidelity.....		XXX		
24. Surety.....		XXX		
26. Burglary and Theft.....		XXX		
27. Boiler and Machinery.....		XXX		
28. Credit.....		XXX		
29. International.....		XXX		
30. Warranty.....		XXX		
31. Reinsurance-Nonproportional Assumed Property.....	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines.....	XXX	XXX	XXX	XXX
34. Aggregate Write-Ins for Other Lines of Business.....		XXX		
35. TOTALS.....		XXX		
<b>DETAILS OF WRITE-INS</b>				
3401. ....		XXX		
3402. ....		XXX		
3403. ....		XXX		
3498. Sum. of remaining write-ins for ....Line 34 from overflow page		XXX		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		XXX		

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Hachemeister Prize (2021): <a href="#">AGLM: A Hybrid Modeling Method of GLM and Data Science Techniques</a>
E-Forum COVID-19 essays
Disparate impact
Social inflation
New Python package for reserving
Cannabis research w/CIA
CASCOR IFRS 17

# Professional Education

Recent and Future PE Events	<ul style="list-style-type: none"><li>• <a href="#">R Bootcamp</a></li><li>• <a href="#">Python workshop</a></li><li>• <a href="#">Casualty Loss Reserve Seminar</a></li><li>• <a href="#">CAS International Webinar: New Thinking for Pricing Climate Risk</a></li><li>• <a href="#">CAS International Webinar: On Insurability and Transfer of Pandemic Business Interruption Risk</a></li><li>• <a href="#">2021 In Focus Virtual Seminar: Bridging the Gap: Technical Analysis vs Business Strategy for Tomorrow's Culturally Empowered Actuary</a></li></ul>
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W:\National Meetings\2021\Summer\TF\CasAct\CAS Research Presentation (reduced).pdf



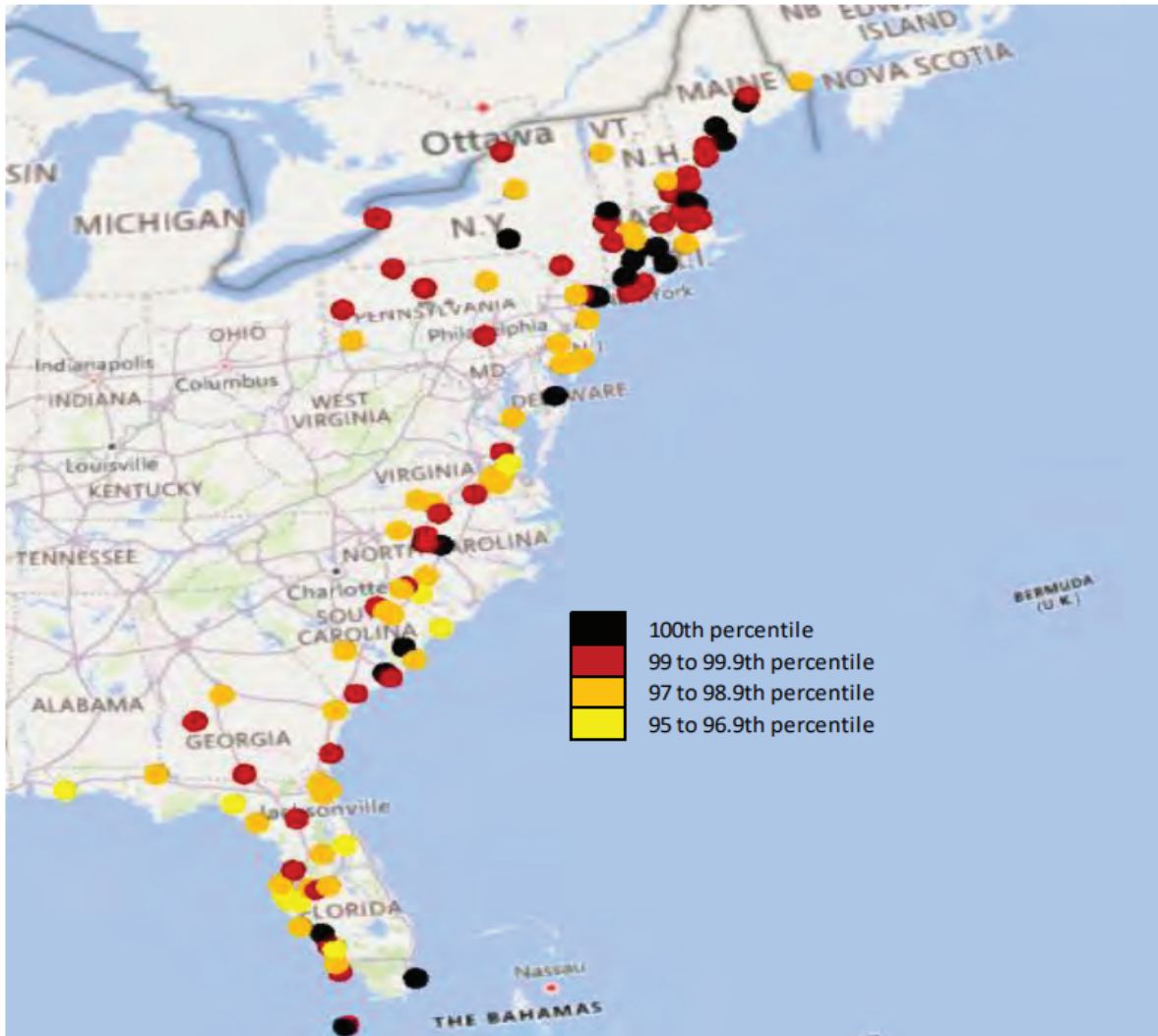
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SOA.ORG

CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE  
August 2021  
Society of Actuaries (SOA) Actuarial Research and Education Update

- Highlights of Recent Research Reports
  
- *Business Interruption Insurance Compendium*
  - Released May 2021
  - <https://www.soa.org/resources/research-reports/2021/business-interruption-insurance/>
  - Includes articles, papers, program proposals and legislative notes that provide insight into Business Interruption Insurance and the effects of the coronavirus (COVID-19) pandemic on its current and future state of coverage.
  
- *Actuarial Weather Extremes*
  - Monthly reports that identifies and examines unusual or extreme single-day or multi-day weather events across North America
  - <https://www.soa.org/resources/research-reports/2019/weather-extremes/>
  - Special Report on Hurricane Elsa, July 5 - 11
  - <https://www.soa.org/globalassets/assets/files/resources/research-report/2021/exhibits-weather-extremes-elsa.pdf>
  
- New Education Offering
  
- Launch of “Ethical and Responsible Use of Data and Predictive Models” Certificate Program
- Website launching later this week: [www.soa.org/ERUcert](http://www.soa.org/ERUcert)



**Figure 2**  
Total Rainfall Produced by Hurricane Elsa, Ranked Against Historical Data (source: GHCN data)



CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE





# Ethical and Responsible Use of Data and Predictive Models Certificate Program

As the insurance industry works more with big data, artificial intelligence (AI) and predictive analytics, there is a new set of ethical questions to consider. The potential for more decision-making to be in the control of algorithms raises significant new risks to the insurance profession and adds complexity for regulators.

It is important for actuaries, data scientists, regulators and others who work in the insurance industry, to understand ethical and responsible data use and model construction guidelines. These guidelines will provide greater assurance that appropriate procedures are used for data acquisition and manipulation, and also for the building, use and maintenance of predictive models.

The Society of Actuaries (SOA) is deeply committed to the importance of responsible data usage and has created a first-of-its-kind Ethical and Responsible Use of Data and Predictive Models Certificate Program.

Participants should expect an extremely comprehensive and rigorous curriculum where they will learn about ethical and responsible data usage through seven self-guided modules, three instructor-led webinars, and a graded, take-home final assessment. Upon passing the final assessment, participants will receive a certificate recognizing their expertise in the Ethical and Responsible Use of Data and Predictive Models from the SOA.

This course does not assume a knowledge of predictive analytics in particular but does assume a familiarity with financial modeling and working with actuarial data.

## **PARTICIPANT PROFILES**

- Actuaries working with big data, AI, and machine learning, and those who are responsible for signing off on model results and for communicating to the C-suite and to regulators
- Data scientists and other professionals working with big data, AI and machine learning models in insurance

## **BENEFITS OF THE CERTIFICATE**

- Allows the bearer of the certificate to show that as a data-ethics trained individual, their filing work carries a certain level of assurance that they are following an ethical framework
- Helps ensure actuarial teams and data teams are speaking the same language and operating under the same umbrella of best practices
- Provides assurance for regulators that the individual has a deep understanding of ethical issues and how market and regulatory context affects models
- Helps to mitigate risks associated with the many ethical questions the industry is facing with big data on the frontier of actuarial science
- Offers a framework with ethical criteria to consider when working with predictive models and algorithms
- Provides practical instruction, soft skills integration, and a level of rigor consistent with current SOA credentials

To learn more about this program, visit [soa.org/ERUcert](https://soa.org/ERUcert)