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Statistical Data (C) Working Group

Virtual Meeting

March 10, 2022

The Statistical Data (C) Working Group of the Casualty Actuarial and Statistical (C) Task Force met March 10, 2022. The following Task Force members participated: Sandra Darby, Chair (ME); Wanchin Chou, Vice Chair, and Qing He (CT); Daniel Davis (AL); David Christhilf (DC); Cynthia Amann (MO); Christian Citarella (NH); Alexander Vajda (NY); Tom Botsko (OH); David Dahl (OR); and Brian Ryder (TX). Also participating were: Luciano Gobbo (CA); Randy Jacobson (HI); Anthony Bredel (IL); Brenda Johnson (KS); Nichole Torblaa (LA); Regan Hess (MT); Chris Aufenthie and Mike Andring (ND); and Eric Lowe (VA).

1. Discussed Changes to the Timeline of the Auto Database Report

Ms. Darby said that during the Working Group’s Jan. 27 meeting, it voted to collect 2020 and 2021 data for homeowners from statistical agents and residual markets. She said the request has been sent out and that while the *2020 Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance Report* (Homeowners Report) could be released at the end of 2022, the 2021 Homeowners Report would likely be published in early 2023 due to the timeline that certain statistical agents receive and send their data to the NAIC.

Ms. Darby said during that meeting, the Working Group also discussed the timeline of the *Auto Insurance Database Report* (Auto Report), and she had asked NAIC staff to mock up a new version of the Auto Report tables with previous year data. She said Table 1A through Table 5 show written premium and exposure. She said based on previous conversations about this topic, the Working Group knows the Texas previous year data would not be able to be provided. Mr. Ryder said Texas is having internal discussions on the best way to present its data, but it currently find it acceptable to put “N/A” or leave blank the space for its previous year data.

Ms. Darby said adding previous data year written premium and exposure to Table 1A through Table 5 would satisfy the charge from the Casualty Actuarial and Statistical (C) Task Force to speed up the report of average premiums for auto insurance. Mr. Dahl said he agrees this would satisfy the charge. There was no disagreement from Working Group members.

Ms. Darby said during the last meeting of the Working Group, there was discussion about the comparison of premiums and exposure to the loss data. She said this data starts in Table 6 of the Auto Report. She said statistical agents have already commented that they cannot speed up submission of loss data, and there was concern that earned premium data may not directly correlate to the loss data if premium data could be submitted faster than loss data. She said the mock-up of the Auto Report tables shows a possible additional appendix in which to display the earned premium and exposure data. Mr. Chou said the earned premium data should be published as soon as it is available.

Theresa Szwast (National Independent Statistical Service—NISS) said while earned premium can be provided somewhat faster than it currently is, it could be provided even faster if it was not requested at a coverage level. She said if it was provided in a similar matter as the data in Table 1A through Table 5, which groups all liability coverage together, then it could be provided much faster than the current submission time. Birny Birnbaum (Center for Economic Justice—CEJ) asked how much longer the data broken down by coverage type would take to submit. Ms. Szwast said that data is closely related to their claims system and, therefore, could only be provided at the same time as the claims and loss data.

Mr. Birnbaum said the report currently provides average premium and average expenditure calculations. He said without having the earned exposures broken down by coverage, the report would not show both calculations. Mr. Citarella said policies have different coverages included and, therefore, the total earned exposures would not reflect what the earned exposures by coverage type shows.

Mr. Citarella said he understands that it takes time for the statistical agents to be able to submit the data broken down by coverage type. He said the exact timing of data submission is still an open question. Laura Panesso (Insurance Service Office—ISO) said the ISO could provide earned premium and exposure data in the same time frame as the written premium and could provide the loss data mid-year for the prior data year. Ms. Darby said she would like NAIC staff to gather more specific time frame data from submitting statistical agents so the Working Group can evaluate the full time frame for the Auto Report during its next meeting.

1. Discussed the Need for Updates to the Statistical Handbook of Data Available to Insurance Regulators

Ms. Darby said she would like the Working Group to hold open meetings monthly to review and suggest changes to the *Statistical Handbook of Data Available to Insurance Regulators.* She said she would like to work on one section of the Handbook at a time, and she opened Section 1 of the handbook for comment.

Having no further business, the Statistical Data (C) Working Group adjourned.

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