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Statistical Data (C) Working Group

Virtual Meeting

June 15, 2022

The Statistical Data (C) Working Group of the Casualty Actuarial and Statistical (C) Task Force met June 15, 2022. The following Working Group members participated: Sandra Darby, Chair (ME); Wanchin Chou, Vice Chair, George Bradner, and Qing He (CT); David Christhilf (DC); Arthur Schwartz (LA); Cynthia Amann and Jo LeDuc (MO); Christian Citarella (NH); Alexander Vajda (NY); Andrew Schallhorn and Landon Hubbart (OK); Ying Liu (OR); and Brian Ryder (TX). Also participating were: Luciano Gobbo (CA); Tate Flott (KS); Mari Kindberg and David Dombrowski (MT); and Mike Andring (ND).

1. Adopted its May 18 Minutes

The Working Group met May 18 to hear a presentation form the Center for Economic Justice (CEJ) on statistical data collection.

Ms. Amann made a motion, seconded by Mr. Vajda, to adopt the Working Group’s May 18 minutes (Attachment - ). The motion passed unanimously.

1. Adopted an Accelerated Timeline for Auto Premium and Exposure Data Collection

Ms. Darby said discussion with statistical agents has found that most submitting statistical agents could provide the written premium and exposure data for auto insurance by November following the end of the data year. She said other statistical agents indicated that they would be able to adjust their timelines to the Working Group’s requested date. She said Texas data would be available toward the end of November following the end of the data year. Ms. Darby said NAIC staff would need about eight weeks to check the submitted data and compile the full report. She said that after review from this Working Group and the Casualty Actuarial and Statistical (C) Task Force, the publication would be available for release about three months into the following year.

Ms. Darby said the data is currently provided about 18 months after the end the data period. She said the accelerated timeline would speed up the publishing of the *Auto Insurance Database Report* (Auto Report) to about nine months sooner.

Mr. Chou made a motion, seconded by Ms. Amann, to move up the reporting timeline for auto premium and exposure data to Dec. 1 following the end of the data year.

1. Discussed Proposed Changes to NAIC Statistical Reports

Mr. Schwartz said he has proposed changes to the statistical reports that would include data that would be more useful than what is currently in the reports. He said he is open to these additional elements being published after the average premium reports, as the average premium is much more important to have in a timely manner.

Mr. Schwartz said the *Competition Database Report* (Competition Report) should show the breakout of the market share by different types of insurance companies. He said whether a company is a stock, mutual, risk retention group (RRG), or surplus carrier would affect how it is viewed in an analysis of market competition. Mr. Vajda asked where residual market insurers would fit in to the new proposed columns. Jennifer Gardner (NAIC) said the report does currently include RRGs and surplus lines carriers. She said residual markets are not included because most of them do not report on the NAIC Annual Statement. Mr. Schwartz said he would still like to see additional columns for breaking out stock and mutual companies. Ms. Gardner said those columns replace the columns that currently show the last five-year average.

Mr. Bradner agreed that he would like to see a breakout of residual markets in this report. He said that states could require the residual markets to report their data for this report. Ms. Gardner said she would have to research which residual markets might already report on the NAIC annual statement, but the Working Group could look at collecting the data separate from the annual statement and add it into the Competition Report.

Birny Birnbaum (CEJ) said the Property Insurance Plans Service Office (PIPSO) and AIPSO collect the residual market information. Mr. Bradner said not all state residual markets may provide that data currently. He said if PIPSO and AIPSO could provide that data, it would be a simple way to add the data into the report. He said there is an issue that there are different kinds of residual markets. He said some are assigned risk plans where the risk is assigned to different companies. He said in that case, companies would need to break out their voluntary experience from their assigned risk experience. He said having the residual market data is a good indicator of disruption in the market if a residual market is growing in a certain state. Ms. Gardner said the residual market should be an appendix to the current report in order to not skew the number of insurers shown in the report. Mr. Citarella said states would likely see indicators of an increase in residual market growth before this data would even be available. Mr. Bradner agreed and said this data would just be in addition to other data the department would receive, such as consumer complains. Ms. LeDuc said Missouri receives updates from its residual markets on at least an annual basis, if not quarterly.

Mr. Schwartz said in the *Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative United Owners Insurance* (Homeowners Report), he would like to see a chart of average premium by state. He said these premiums would need to be tempered by the average policy limit, as well as the number of homes insured in that particular state. He said the Census Bureau can provide the number of owner-occupied homes versus the number of rental homes, as well as the number of homes insured under a Fair Access to Insurance Requirements Plan (FAIR Plan). He said he would also like to include flood insurance data, including the number of homes insured in a flood zone and how many homes are insured via the National Flood Insurance Program (NFIP) and how many homes are insured by private flood insurance. Mr. Bradner said that the Federal Emergency Management Agency (FEMA) flood data is hard to obtain and that much of the private flood insurance is written by surplus lines carriers, but he would like to be able to see that information included in the report. He said it would be most useful to state insurance regulators to have all of this information available in a Tableau dashboard that each state insurance regulator can use to drill down the data in their state.

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

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