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May 13, 2025

Attn: Sandra Darby
Chair, NAIC Statistical Data Working Group

Re: NAIC Statistical Handbook Sections 8 Comments

Dear Ms. Darby:

Thank you for the opportunity for Insurance Services Office, Inc. (ISO) to provide comments on Sections 8 of the NAIC Statistical Handbook.

For you to best understand our perspective, please note that Insurance Services Office, Inc. (ISO) is licensed as a rating and/or advisory organization under state insurance law in all 50 states, the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands and operates as a statistical agent through its ISO Data, Inc. subsidiary. ISO provides information, including statistics, underwriting and claims information, actuarial analyses, policy language, and consulting and technical services in connection with multiple lines of property/casualty insurance, as well as information about specific properties. Our customers include insurers and reinsurers, as well as agents, brokers, self-insureds, risk managers, financial services firms, regulators, and various government agencies.

This letter will address section 8 exclusively and we anticipate submitting additional comments on Sections 1 – 3 on a future date.

Consistent with our prior comments, our markup of Section 8 (attached) – Dwelling Fire and Allied Reports focuses on enhancing the current Handbook to address data not available elsewhere while also balancing needed detail with ease of reporting for insurers.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'LP', with a stylized flourish extending to the right.

Laura Panesso

SECTION 8

DWELLING FIRE AND ALLIED LINES REPORTS

1.1 Introduction

This section details specific reporting requirements for and features of dwelling fire and allied lines annual statistical compilations. The basis for the annual compilation is the Model Dwelling Fire and Allied Lines Statistical Plan that has been adopted by the NAIC.

1.2 Scope of Dwelling Fire and Allied Lines Data

Dwelling insurance, for purposes of this section, encompasses all dwelling policy forms.

This section covers dwelling insurance written through the voluntary market, as well as buildings and personal property insured through the various state residual market mechanisms such as FAIR plans.

1.3 Dwelling Coverages

A dwelling policy provides property coverage for one-family to four-family dwellings. Each dwelling policy form differs with respect to the type and amount of coverage provided for the insured's dwelling building and personal property.

Property coverages include:

- (1) Damage to the insured's dwelling and certain attached structures.
- (2) Damage or theft of personal property on the insured's premises.
- (3) Additional living expenses or fair rental value if the insured's dwelling is damaged and cannot be inhabited.
- (4) Additional coverages such as debris removal and improvements, alterations and additions.

1.4 Dwelling Policies

Dwelling forms differ in the perils covered under each form. They are:

- Standard (excluding Vandalism and Malicious Mischief)

Basic named perils coverage for insured's dwelling. Perils covered include fire, lightning and internal explosion. Perils that can be added on to this policy form for an additional premium are windstorm, hail, volcanic eruption, external explosion, smoke, aircraft, riot or civil commotion and vehicles.

- Standard (including Vandalism and Malicious Mischief)

Basic named-perils coverage as described above, with coverage for vandalism and malicious mischief added as an additional named-peril.

- Broad

Broad named-perils coverage for insured's dwelling. Perils covered include fire, lightning, internal or external explosion, windstorm, hail, riot or civil commotion, vandalism and malicious mischief, aircraft, vehicle damage to the insured's dwelling by a named insured or relative, smoke, smoke from a fireplace, glass breakage, falling objects, weight of ice, snow or sleet and accidental discharge or overflow of water or steam and peril of burglars.

- Special

Special "all-risks" coverage for insured's dwelling. Personal property of the insured is covered by the same perils as named in the Broad Form.

- Dwelling Policies other than the above

1.5 Statistical Plan Reporting Requirements

The minimum data items required for dwelling reporting are specified in the Model Dwelling Fire and Allied Lines Statistical Plan. They are:

- Company Identifier
- Type of Business
- Transaction Identifier and Amount
- Accounting/Calendar Date
- Loss Date (For Losses and Claims Only)
- ~~Experience Period~~
- State
- ~~Territory~~
- ZIP Indicator
- Line of Business
- Policy Form
- Construction Type
- Property Mitigation Designation
- Protection Code
- Occupancy/Coverage

- Type of Loss
- Deductible Amount

- Amount of Insurance
- Year of Construction
- Exposure
- Claim Count

The required data items are to be reported for direct business only. Therefore, reporting shall not include premiums received from or losses paid to other carriers on account of reinsurance assumed by the reporting carrier; nor, shall any deductions be made by the reporting carrier for premiums added to or for losses recovered from other carriers on account of reinsurance ceded. Losses are to be reported net as to third party recoveries (salvage and subrogation).

1.6 Who Reports Data: Minimum Reporting Standards for Insurers

The statutory requirements to report statistics applies to all licensed insurers. In establishing the standards for reporting to the statistical agents, regulators recognize the need for efficiency by permitting companies with limited premium volume to report less detailed statistics.

The Model Regulation, therefore, has established the following standards for statistical reporting.

All insurers licensed to write dwelling policies are required to report statistics at least annually:

- (1) An insurer must report in accordance with the Model Dwelling Fire and Allied Lines Statistical Plan if it is in the top 90th percentile of the total statewide written premium for dwelling fire and allied lines, or its total written premium for dwelling fire and allied lines for that state is greater than \$100,000.
- (2) An insurer that does not meet the above criterion must report its statewide experience by line of business and type of business in accordance with the specifications of dwelling fire and allied lines statistical plan adopted by the Commissioner.

1.7 Specific Report Features

The standard annual report for dwelling fire and allied lines has the following specific features.

Standard Annual Report

- All dwelling policy experience shown by line of business

Reports available on request

- All lines of business combined in the following separate exhibits:
 - A. Policy Form
 - B. Territory
 - C. Construction/Protection – each construction shown separately for protected and unprotected
 - D. Type of Loss

Except for the Territory Report, all reports are provided on a statewide basis. Voluntary market and residual market data will be combined.

Exposures (house years) and premiums are shown on an earned basis. Losses and claims will be on an incurred basis. Loss adjustment expenses will be included.

Five calendar/accident years will be exhibited for each report.

All reports include at least the experience of companies meeting the criteria specified in part (1) of the minimum standards.

1.8 Time Frame

Statistical agents distribute dwelling fire and allied lines annual reports approximately 15 months after the end of the calendar or accident year. This allows for loss evaluation and statistical agent processing and compilation.

Model Dwelling Fire and Allied Lines Statistical Plan

LIST OF DATA ITEMS

1. Company Identifier
2. Type of Business
3. Transaction Identifier and Amounts
- ~~4.~~ Accounting/Calendar Date
- ~~4.5.~~ Loss Date (For Losses and Claims Only)
- ~~5.~~ Experience Period
6. State
- ~~7.~~ Territory
- ~~8.7.~~ ZIP Indicator
- ~~9.8.~~ Line of Business
- ~~10.9.~~ Policy Form
- ~~11.10.~~ Construction Type
- ~~11.~~ Property Mitigation Designation
12. Protection Code
13. Occupancy/Coverage
14. Type of Loss
15. Deductible Amount
16. Amount of Insurance
17. Year of Construction
18. Exposure
19. Claim Count

DATA ITEMS

1. Company Identifier

Experience is to be reported by the company number assigned by the statistical agent.

Note: Statistical agents will be required to convert company numbers to NAIC group and company code numbers, if requested.

2. Type of Business

- Voluntary
- Residual Market (FAIR Plan)

3. Transaction Identifier and Amounts

Identify the following items and the respective amounts:

- Written Premiums
- Paid Losses (excluding allocated loss adjustment expense)
- ~~Paid allocated loss adjustment expense~~
- Outstanding Losses (excluding allocated loss adjustment expense)
- Outstanding allocated loss adjustment expense

4. Accounting/Calendar Date
Accounting Year – Reflects the reporting year.

5. ~~Experience Period~~Loss Date

For losses and claims, ~~the basis is accident year; for all other data the basis is calendar year; report the date of loss~~

6. State Indicator

Experience is to be reported by the state code applicable to the dwelling location.

~~7. Territory Indicator~~

~~Common industry territorial breakdowns currently in use will be maintained.~~

~~8.7.~~ ZIP Indicator

This will be the 5-digit ZIP code of the residence or other property insured.

~~9.8.~~ Line of Business – Dwelling Policies

- Fire Property Damage
- Extended Coverage including Vandalism and Malicious Mischief
- All Other

~~10.9.~~ Policy Form Code

- Dwelling Policies
 - Standard (not including V & MM)
 - Broad
 - Special
 - Standard (including V & MM)
 - Dwelling Policies other than the above

~~11.10.~~ Construction Type

- Frame (not otherwise classified)
- Brick Veneer, Stone Veneer or Masonry Veneer
- Brick, Stone or Masonry
- Fire Resistive
- Aluminum or Plastic siding over frame
- Mobilehomes or Trailers
- Manufactured Home
- Specially/Specifically Rated not Fire Resistive
- All Other Constructions

11. [Property Mitigation Designation](#)

- [IBHS Fortified Home, Silver](#)
- [IBHS Fortified Home, Gold](#)
- [IBHS Fortified Roof](#)
- [IBHS Wildfire Prepared Home](#)

12. Protection Code

- Protected (1-8)
- Unprotected (9+)

13. Occupancy/Coverage

- Seasonal
 - Building only
 - Contents only
 - Buildings and Contents combined, when written as such
- [Other Than Seasonal](#)
 - [Building Only](#)
 - [Contents Only](#)
 - Buildings and Contents combined, when written as such

14. Type of Loss Codes

- Fire, Lightning, and Removal
- Wind and Hail
- [Water Damage and Freezing](#)
- [Wildfire](#)
- Vandalism and Malicious Mischief
- All Other

15. Deductible – Deductible size applies to Wind and Hail where different from another peril(s)

- Amounts
 - ~~\$50~~
 - ~~\$100~~
 - ~~\$101-199~~
 - ~~\$200-249~~
 - \$250
 - \$500
 - \$1,000
 - [\\$1,500](#)
 - [\\$2,000](#)

—	<u>\$2,500</u>
—	<u>\$3,000</u>
—	<u>\$3,500</u>
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—	<u>\$7,500</u>
—	<u>\$10,000</u>
—	<u>\$15,000</u>
—	<u>\$20,000</u>
—	<u>1%</u>
—	<u>2%</u>
—	<u>3%</u>
—	<u>4%</u>
—	<u>5%</u>
—	<u>7.5%</u>
—	<u>10%</u>
—	<u>Greater than \$20,000</u>
—	<u>All Other Flat Deductibles</u>
—	<u>Greater than 10%</u>
—	<u>All Other Percentage Deductibles</u>
—	<u>All Other</u>

16. Amount of Insurance

Amount of Insurance on dwelling in thousands of dollars.
Amounts over \$9,998,500 will be reported as \$9,999,000.

17. Year of Construction

Year of construction or year of renovation of the dwelling. Not applicable to contents or to dwellings built prior to 1960.

18. Exposure Basis

The exposure base is written dwelling months

19. Claim Count

- Number Paid
- Number Outstanding
- Number Closed without Payment