Property & Casualty (Private Passenger Auto & Homeowner)

Ratio 1. The number of claims closed without payment compared to the total number of claims closed
\[
\frac{\# \text{ of claims closed without payment}}{\# \text{ of claims closed with payment} + \# \text{ of claims closed without payment}}
\]

Ratio 2. Percentage of claims unprocessed at the end of the period
\[
\frac{\# \text{ of claims open at the beginning of period} + \# \text{ of claims opened during the period}}{\# \text{ of claims open at the beginning of period} + \# \text{ of claims opened during the period}}
\]

Ratio 3. Percentage of claims paid beyond 60 days
\[
\frac{\text{total \# of claims settled beyond 60 days}}{\text{total \# of claims settled for all durations}}
\]

Ratio 4. Non-renewals to policies in force
\[
\frac{\# \text{ of non-renewals}}{\# \text{ of policies in force}}
\]

Ratio 5. Cancellations over 60 days to policies in force
\[
\frac{\# \text{ of cancellations 60 days or more after the effective date}}{\# \text{ of policies in force}}
\]

Ratio 6. Cancellations under 60 days to new policies issued
\[
\frac{\# \text{ of cancellations that occur in the first 59 days after effective date}}{\# \text{ of new policies issued}}
\]

Ratio 7. Suits opened during the period to claims closed without payment
\[
\frac{\# \text{ of suits open during the period}}{\# \text{ of claims closed without payment}}
\]
Life & Annuity

Schedule 1 - Individual Cash Value Products (ICVP)

Ratio 1. The number of replacements issued compared to the number of new policies issued
\[
\frac{\text{[#of replacement policies issued]}}{\text{[#of new policies issued]}}
\]

Ratio 2. The number of policies replaced where the age of the insured at replacement was greater than or equal to 65 compared to the total number of replacements
\[
\frac{\text{[#of replacements where age } \geq 65]}{\text{[#of replacements where age } < 65] + \text{[#of replacements where age } \geq 65]}
\]

Ratio 3. The number of surrenders compared to the number of policies issued
\[
\frac{\text{[#of surrenders]}}{\text{[#of new policies issued]}}
\]

Ratio 4. The number of policies surrendered through 10 years from policy issue compared to the total number of surrenders
\[
\frac{\text{[#of surrenders < 2 years from issuance] + [#of surrenders 2 – 5 years from issuance]}}{\text{[#of surrenders 6 – 10 years from issuance]}}
\]

Ratio 5. The number of claims paid beyond 60 days from the date of due proof of loss compared to the number of claims paid
\[
\frac{\text{[#of claims paid beyond 60 days]}}{\text{[#of claims paid within 30 days] + [#of claims paid within 31 - 60 days] + [#of claims paid beyond 60 days]}}
\]

Ratio 6. The number of claims denied, resisted or compromised compared to the number of claims closed
\[
\frac{\text{[#of claims denied, resisted or compromised]}}{\text{[#of claims paid within 30 days] + [#of claims paid within 31 - 60 days] + [#of claims paid beyond 60 days] + [#of claims denied, resisted or compromised]}}
\]

Ratio 7. The number of complaints received directly from consumers per 1,000 policies in force
\[
\frac{\text{[#of complaints received from consumers]}}{\text{([#of policies in force] ÷ 1,000) }}
\]
2021 Market Conduct Annual Statement Ratios

Schedule 2 - Individual Non-Cash Value Products (INCVP)

Ratio 1. The number of replacements issued compared to the number of policies issued

Ratio 5. The number of claims paid beyond 60 days from the date of due proof of loss compared to the number of claims paid

Ratio 6. The number of claims denied, resisted or compromised compared to the number of claims closed

Ratio 7. The number of complaints received directly from consumers per 1,000 policies in force

Schedule 3 - Individual Fixed Annuities (IFA) and Schedule 4 - Individual Variable Annuities (IVA)
(Separate ratios are provided for each schedule)

Ratio 1. The number of replacements issued compared to the number of contracts issued

Ratio 2. The number of contracts replaced where the age of the annuitant at Replacement was > 80 to the total number of replacements

\[
\left( \frac{\text{# of replacements where age } > 80}{\text{# of replacements issued during the period}} \right)
\]

Ratio 3. The number deferred annuity contracts issued to annuitants more than 80 years old compared to total deferred annuities issued

\[
\left( \frac{\text{# of new deferred contracts issued where age was } > 80}{\text{# of new deferred contracts issued during period}} \right)
\]

Ratio 4. The number of contracts surrendered through 10 years from contract issue compared to the total number of surrenders

Ratio 7. The number of complaints received directly from consumers per 1,000 contracts in force
Long Term Care

Schedule 1 - General

Ratio 1. The percentage of replacements to new business issued
\[
\left( \frac{\# \text{of internal replacement policies issued} + \# \text{of external replacement policies issued}}{\# \text{of new business policies issued}} \right)
\]

Ratio 2. The number of complaints per 1,000 policies in-force as of the end of the reporting period
\[
\left( \frac{\# \text{of complaints received from consumers}}{\left( \frac{\# \text{of policies in force}}{1,000} \right)} \right)
\]

Schedule 2 - Claimants

Ratio 3. The average number of claimants per policy in-force
\[
\left( \frac{\# \text{of claimants approved for benefits at the end of the period}}{\# \text{of policies in - force}} \right)
\]

Schedule 3 – Claimant Requests Denied/Not Paid

Ratio 4. The percentage of denied claimant requests to new claimants
\[
\left( \frac{\# \text{of requests denied or not paid}}{\# \text{of new claimants during the period} + \# \text{of pending claimant requests at the beginning of period}} \right)
\]

Schedule 4 – Claimant Request Determination Timeliness

Ratio 5. The percentage of claim determination made more than 60 days from notice of claim
\[
\left( \frac{\# \text{of claim determinations made within 60 to 90 days} + \text{claim determinations made beyond 90 days}}{\text{Total \# of claim determinations made}} \right)
\]

Schedule 5 – Benefit Payment Requests

Ratio 6. The percentage of benefit payment requests denied
\[
\left( \frac{\# \text{of payment requests denied or not paid}}{\text{total requests received + total requests pending at beginning of period}} \right)
\]

Schedule 6 – Benefit Payment Request Timeliness

Ratio 7. The percentage of benefit request payments made more than 60 days from notice of request
\[
\left( \frac{\# \text{of benefit requests paid within 60 to 90 days} + \text{benefit requests paid beyond 90 days}}{\text{total \# of benefit payments paid}} \right)
\]
Ratio 8. **The percentage of benefit request denials made more than 60 days from notice of request**

\[
\left( \frac{\text{benefit requests denied or not paid within 60 to 90 days + benefit requests denied or not paid beyond 90 days}}{\text{total # of benefit requests denied or not paid}} \right)
\]

**Schedule 7 - Lawsuits**

Ratio 9. **The percentage of lawsuits closed with consideration for the consumer**

\[
\left( \frac{\text{# of lawsuits closed with consideration for consumer}}{\text{total # of lawsuits closed during the period}} \right)
\]
Health

Both In-Exchange and Out-of-Exchange Markets

Ratio 1. The number of claim denials to the total number of claims received (Excluding Pharmacy)
\[
\left( \frac{\# \text{ of claim denials for in-network claims} + \# \text{ of claim denials for out-of-network claims}}{\# \text{ of claims received}} \right)
\]

Ratio 2. Percentage of in-network claims (Excluding Pharmacy)
\[
\left( \frac{\# \text{ of claims submitted by network providers}}{\# \text{ of claims received}} \right)
\]

Ratio 3. Percentage of out-of-network claims (Excluding Pharmacy)
\[
\left( \frac{\# \text{ of claims submitted by out-of-network providers}}{\# \text{ of claims received}} \right)
\]

Note: Ratios 2 and 3 are not calculable for Pharmacy.

Ratio 4. Percentage of in-network claims paid within 30 days (Excluding Pharmacy)
\[
\left( \frac{\# \text{ of claims paid within 0 to 30 days for in-network services}}{\# \text{ of paid claims for in-network services}} \right)
\]

Ratio 5. Percentage of in-network claims denied within 30 days (Excluding Pharmacy)
\[
\left( \frac{\# \text{ of claims denied within 0 to 30 days for in-network services}}{\# \text{ of claim denials for in-network claims}} \right)
\]

Ratio 6. Percentage of out-of-network claims paid within 30 days (Excluding Pharmacy)
\[
\left( \frac{\# \text{ of claims paid within 0 to 30 days for out-of-network services}}{\# \text{ of claims paid for out-of-network services}} \right)
\]

Ratio 7. Percentage of out-of-network claims denied within 30 days (Excluding Pharmacy)
\[
\left( \frac{\# \text{ of claims denied within 0 to 30 days for out-of-network services}}{\# \text{ of claims denied for out-of-network services}} \right)
\]
Ratio 8. **Percentage of claims paid (Pharmacy Only)**
\[
\left( \frac{\text{# of claims paid for in-network services} + \text{# of claims paid for out-of-network services}}{\text{# of claims received}} \right)
\]

Ratio 9. **Insured co payment responsibility to covered lives (Excluding Pharmacy)**
\[
\left( \frac{\text{insured co payment responsibility}}{\text{(member months for policies issued} + \text{member months for policies renewed)/12}} \right)
\]

Ratio 10. **Insured coinsurance responsibility to covered lives (Excluding Pharmacy)**
\[
\left( \frac{\text{coinsurance responsibility}}{\text{(member months for policies issued} + \text{member months for policies renewed)/12}} \right)
\]

Ratio 11. **Insured deductible responsibility to covered lives (Excluding Pharmacy)**
\[
\left( \frac{\text{deductible responsibility}}{\text{(member months for policies issued} + \text{member months for policies renewed)/12}} \right)
\]

Ratio 12. **Cost sharing responsibility to covered lives (Pharmacy Only)**
\[
\left( \frac{\text{insured co payment responsibility} + \text{coinsurance responsibility} + \text{deductible responsibility}}{\text{(member months for policies issued} + \text{member months for policies renewed)/12}} \right)
\]

Ratio 13. **Adverse determination grievances per 1,000 member months**
\[
\left( \frac{\text{# of customer requests for internal reviews of grievances involving adverse determinations}}{\text{(member months for policies issued} + \text{member months for policies renewed)/1000}} \right)
\]

Ratio 14. **Adverse determinations overturned to total grievances involving adverse determinations**
\[
\left( \frac{\text{# of adverse determinations overturned}}{\text{# of customer requests for internal review of grievances involving adverse determinations}} \right)
\]

Ratio 15. **Adverse determinations upheld to total grievances involving adverse determinations**
\[
\left( \frac{\text{# of adverse determinations upheld}}{\text{# of customer requests for internal review of grievances involving adverse determinations}} \right)
\]

Ratio 16. **Grievances not involving adverse determinations per 1,000 member months**
\[
\left( \frac{\text{# of requests for internal reviews of grievances not involving adverse determinations}}{\text{(member months for policies issued} + \text{member months for policies renewed)/1000}} \right)
\]
Ratio 17. **Customer requested appeals on final adverse determinations to an external review organization (ERO) per 1,000 member months**

\[
\left( \frac{\text{# of customer requested appeals on final adverse determinations to an ERO}}{(\text{member months for policies issued + member months for policies renewed})/1000} \right)
\]

Ratio 18. **Final adverse determinations upheld upon request for external review to number of requested appeals on final adverse determinations to an external review organization (ERO)**

\[
\left( \frac{\text{# of final adverse determinations upheld upon request for external review}}{\text{# of customer requested appeals on final adverse determinations to an ERO}} \right)
\]

Ratio 19. **Final adverse determinations overturned upon request for external review to number of requested appeals on final adverse determinations to an external review organization (ERO)**

\[
\left( \frac{\text{# of final adverse determinations overturned upon request for external review}}{\text{# of customer requested appeals on final adverse determinations to an ERO}} \right)
\]
Lender Placed Insurance (Auto and Home)

Both Single Interest and Dual Interest

**Claims**

Ratio 1. **Number of claims closed without payment to total number of claims closed**
\[
\frac{\text{#of claims closed without payment}}{\text{(total #of claims closed with payment) + (# of claims closed without payment)}}
\]

Ratio 2. **Claims open at the end of the period to total claims during the period**
\[
\frac{\text{(#of claims open at the beginning of period + #of claims opened during period}}{\text{− #of claims closed with payment − #of claims closed without payment)}}{\text{(# of claims open at the beginning of period + # of claims opened during the period)}}
\]

Ratio 3. **Claims paid beyond 60 days to total claims closed with payment**
\[
\frac{\text{(#of claims settled 61 − 90 days + #of claims settled 91 − 180 days + #of claims settled 181 − 365 days + #of claims settled beyond 365 days)}}{\text{total # of claims closed with payment}}
\]

Ratio 4. **Loss Ratio – Incurred claims to earned premium**
\[
\frac{\text{(dollars of claims incurred during the period)}}{\text{(dollar amount of premium earned during the period)}}
\]

**Cancellations**

Ratio 5. **Master policy cancellations to master policies in force at beginning of the period**
\[
\frac{\text{(total #of master policy cancellations)}}{\text{(total #of master policies in force at beginning of period)}}
\]

Ratio 6. **A. Flat cancellations beyond 45 days to total flat cancellations: Certificates**
\[
\frac{\text{(#of certificates flat cancelled beyond 45 days)}}{\text{(total #of certificates flat cancelled during the period)}}
\]
B. Flat cancellations beyond 45 days to total flat cancellations: Individual policies

\[
\frac{\text{(#of individual policies flat cancelled beyond 45 days)}}{\text{(total #of individual policies flat cancelled during the period)}}
\]

Ratio 7. A. Total cancellations to coverages issued - Certificates

\[
\frac{\text{(#of certificates flat cancelled during the period} \quad + \quad \text{#of certificates cancelled for reasons other than flat cancellations during the period)}}{\text{# of certificates written during the period}}
\]

B. Total cancellations to coverages issued – Individual policies

\[
\frac{\text{(#of individual policies flat cancelled during the period} \quad + \quad \text{#of individual policies cancelled for reasons other than flat cancellations during the period)}}{\text{# of individual policies written during the period}}
\]

Ratio 8. A. Flat cancellations to total cancellations - Certificates

\[
\frac{\text{(# of certificates flat cancelled during the period})}{\text{(# of certificates flat cancelled during the period} \quad + \quad \text{#of certificates cancelled for reasons other than flat cancellations)}}
\]

B. Flat cancellations to total cancellations – Individual policies

\[
\frac{\text{(#of individual policies flat cancelled during the period})}{\text{(#of individual policies flat cancelled during the period} \quad + \quad \text{#of individual policies cancelled for reasons other than flat cancellations)}}
\]

Ratio 9. A. Flat cancellations to coverages written – Certificates

\[
\frac{\text{(#of certificates flat cancelled during the period)}}{\text{(#of certificates written during the period)}}
\]

B. Flat cancellations to coverages written – Individual policies

\[
\frac{\text{(#of individual policies flat cancelled during the period)}}{\text{(#of individual policies written during the period)}}
\]

Ratio 10. A. Total cancellations to average exposures – Certificates

\[
\frac{\text{( #of certificates flat cancelled during the period} \quad + \quad \text{#of certificates cancelled for reasons other than flat cancellations)}}{\text{#of certificates written during the period/average gross placement rate}}
\]


B. Total cancellations to average exposures – Individual policies
\[
\left( \frac{\text{# of individual policies flat cancelled during the period} + \text{# of individual policies cancelled for reasons other than flat cancellations}}{\text{# of individual policies written during the period/average gross placement rate}} \right)
\]

Ratio 11. A. Total flat cancellations to average exposures – Certificates
\[
\left( \frac{\text{# of certificates flat cancelled during the period}}{\text{# of certificates written during the period/average gross placement rate}} \right)
\]

B. Total flat cancellations average exposures – Individual policies
\[
\left( \frac{\text{# of individual policies flat cancelled during the period}}{\text{# of individual policies written during the period/average gross placement rate}} \right)
\]

Suits
Ratio 12. Suits opened during the period to claims closed without payment
\[
\left( \frac{\text{# of suits open during the period}}{\text{# of claims closed without payment during the period}} \right)
\]

Ratio 13. Suits closed with consideration for the consumer to suits closed
\[
\left( \frac{\text{# of suits closed during the period with consideration for the borrower}}{\text{# of suits closed during the period}} \right)
\]

Ratio 14. Suits open at beginning of period to sum of certificates in force and individual policies in force at beginning of the period
\[
\left( \frac{\text{# of suits open at the beginning of the period}}{\text{# of certificates in force at beginning of period + # of individual policies in force at beginning of period}} \right)
\]

Ratio 15. Suits opened during the period to sum of average coverages in force
\[
\left( \frac{\text{# of suits opened during the period}}{\text{# of certificates in force at beginning + certificates in force at end + (# individual policies in force beginning + # individual policies in force end)/2}} \right)
\]
Complaints

Ratio 16. **Total complaints to coverages written**
\[
\frac{\text{(#of complaints received directly from the DOI} \ + \text{#of complaints received directly from any person or entity other than the DOI)}}{\text{(#of certificates issued during the period} \ + \text{#of individual policies issued during the period)}}
\]

Ratio 17. **Total complaints to claims opened**
\[
\frac{\text{(#of complaints received directly from the DOI} \ + \text{#of complaints received directly from any person or entity other than the DOI)}}{\text{# of claims opened during the period}}
\]

Placement Rate

Ratio 18. **Average gross placement rate**

First calculate industry aggregate sum of average exposures by coverage:
\[
\sum_{\text{all insurers}} \frac{\text{(#of certificates issued during the period} \ + \text{#of individual policies issued during the period)}}{\text{average gross placement rate}}
\]

Then calculate aggregate average gross placement rate by coverage by dividing the sum of industry coverages written for a coverage by the sum of the industry number of exposures:
\[
\frac{\sum_{\text{all insurers}} \text{(#of certificates issued during the period} \ + \text{#of individual policies issued during the period)}}{\sum_{\text{all insurers}} \text{(number of average exposures)}}
\]
Disability Income

Ratio 1. **Percentage of claims denied**
\[
\frac{\text{[Number of claims denials during reporting period (21)]}}{\text{[Number of claims denials during reporting period (21)]} + \text{[Number of paid claims closed during reporting period (22)]}}
\]

Ratio 2. **Percentage of claims processed with initial decision after 45 days**
*Short-Term Only*

\[
\frac{\text{[Number of claims processed with initial claim decision over 45 days (28)]}}{\text{[Number of claims processed with initial claim decision within 1-14 days (25)]} + \text{[Number of claims processed with initial claim decision within 15-30 days (26)]} + \text{[Number of claims processed with initial claim decision within 31-45 days (27)]} + \text{[Number of claims processed with initial claim decision over 45 days (28)]}}
\]

Ratio 3. **Percentage of claims processed with initial decision after 90 days**
*Long-Term Only*

\[
\frac{\text{[Number of claims processed with initial claim decision over 90 days (33)]}}{\text{[Number of claims processed with initial claim decision within 1-30 days (30)]} + \text{[Number of claims processed with initial claim decision within 31-60 days (31)]} + \text{[Number of claims processed with initial claim decision within 61-90 days (32)]} + \text{[Number of claims processed with initial claim decision over 90 days (33)]}}
\]

Ratio 4. **The number of complaints received directly from any entity other than the DOI per 1,000 individual policies in force during the reporting period**

\[
\frac{\text{[Number of complaints received directly from any entity other than the DOI (83)]}}{\left(\frac{\text{[Number of policies beginning of the reporting period (67)]} + \text{[Number of policies at the end of the reporting period (75)]}}{2}\right) \times 1000}
\]
Ratio 5. **The number of complaints received directly from any entity other than the DOI per 1,000 lives covered on group policies**

\[
\left( \frac{\text{[Number of complaints received directly from any entity other than the DOI (83)]}}{\left( \frac{\text{[Number of lives covered at the beginning of the reporting period (76)]}}{2} + \frac{\text{[Number of lives covered at the end of the reporting period (82)]}}{2} \right) \div 1000} \right)
\]

Ratio 6. **The number of complaints relating to group policies to average number of group policies in force during the reporting period**

\[
\left( \frac{\text{[Number of complaints received directly from any entity other than the DOI (83)]}}{\left( \frac{\text{[Number of policies in force at beginning of reporting period (67)]}}{2} + \frac{\text{[Number of policies in force at end of the reporting period (75)]}}{2} \right)} \right)
\]

Ratio 7. **The percentage of lawsuits closed with consideration for the consumer**

\[
\left( \frac{\text{Number of lawsuits closed with consideration for consumer (87)}}{\text{Total number of lawsuits closed during the period (86)}} \right)
\]

Ratio 8. **Insurer non-renewals and cancellations to average policies in force**

\[
\left( \frac{\text{[Number of insurer non-renewals (71) + Number of insurer cancellations (72)]}}{\left( \frac{\text{[Number of policies in force at the beginning of the reporting period (67)]}}{2} + \frac{\text{[Number of policies in force at the end of the reporting period (75)]}}{2} \right)} \right)
\]

Ratio 9. **Covered lives affected by insurer non-renewals and cancellations to average policies in force**

*Group only*

\[
\left( \frac{\text{[Number of lives covered under insurer non-renewals (79)]} + \text{[Number of lives covered under insurer cancellations (80)]}}{\left( \frac{\text{[Number of lives covered under policies in force at the beginning of the reporting period (76)]}}{2} + \frac{\text{[Number of lives covered under policies in force at the end of the reporting period (82)]}}{2} \right)} \right)
\]
Ratio 10. **Average pending benefit determinations to claims received**

\[
\left( \frac{\left( \text{Number of pending benefit determinations, beginning of reporting period (17)} \right) \ + \ \text{Number of pending benefit determinations, end of reporting period (23))} \ + \ 2}{\text{Number of claims received during the reporting period (19)}} \right)
\]

Ratio 11. **Rescissions after two years from issuance to total rescissions**

\[
\frac{\text{Number of rescissions after two years from policy issue (74)}}{\text{Number of rescissions within two years from policy issue (73)}} \ + \text{Number of rescissions after two years from policy issue (74)}
\]
Private Flood

Same Ratios Apply Separately for First Dollar Coverage (stand-alone plus endorsements) and Excess Coverage (stand-alone plus endorsements)

Ratio 1. Number of claims closed without payment compared to total number of claims closed

\[
\left( \frac{\text{Number of claims closed during the period, without payment (55)}}{\text{Number of claims closed with payment (54)} + \text{Number of claims closed without payment (55)}} \right)
\]

Ratio 2. Percentage of claims unprocessed at the end of the period

\[
\left( \frac{\text{Number of claims open at the beginning of period (52)} + \text{Number of claims opened during period (53)}}{\text{Number of claims open at the beginning of period (52)} + \text{Number of claims opened during the period (53)}} - \text{Number of claims closed with payment (54)} - \text{Number of claims closed without payment (55)} \right)
\]

Ratio 3. Percentage of claims paid beyond 60 days

\[
\left( \frac{\text{total number of claims closed with payment beyond 60 days (sum of 60 through 63)}}{\text{total number of claims closed with payment for all durations (sum of 58 through 63)}} \right)
\]

Ratio 4. Company-initiated non-renewals to policies in force

\[
\left( \frac{\text{number of company-initiated non-renewals (76)}}{\text{number of private flood policies or endorsements in force at the end of the reporting period (73)}} \right)
\]

Ratio 5. Company-initiated cancellations over 60 days to policies in force

\[
\left( \frac{\text{number of company-initiated cancellations that occur 60 days or more after the effective date (80 and 81)}}{\text{number of private flood policies or endorsements in force at the end of the reporting period (73)}} \right)
\]

Ratio 6. Company-initiated cancellations under 60 days to new policies issued

\[
\left( \frac{\text{number of company-initiated cancellations that occur in the first 59 days after effective date (79)}}{\text{number of private flood policies or endorsements written during the reporting period (72)}} \right)
\]
Ratio 7.  **Suits opened during the period to claims closed without payment**

\[
\frac{\text{[number of lawsuits opened during the period (83)]}}{\text{[number of claims closed during the reporting period, without payment (55)]}}
\]

Ratio 8.  **Percentage of lawsuits closed with consideration for the consumer**

\[
\frac{\text{[number of lawsuits closed during the period with consideration for the consumer (85)]}}{\text{[number of lawsuits closed during the period (84)]}}
\]