

December 17, 2021

Teresa Cooper  
Market Analysis Manager  
NAIC Central Office  
1100 Walnut Street, Suite 1500  
Kansas City, MO 64106-2197

VIA Electronic Mail: [tcooper@naic.org](mailto:tcooper@naic.org); [Rebecca.Rebholz@wisconsin.gov](mailto:Rebecca.Rebholz@wisconsin.gov)

RE:      MCAS – Proposed Expansion of Lawsuit Data to be Collected for Private Passenger Auto  
            and Homeowners Insurance

Dear Ms. Cooper:

The American Property Casualty Insurance Association (APCIA)<sup>1</sup> appreciates the opportunity to provide comments on proposed new data elements for the collection of lawsuit-related information for both the private passenger automobile (PPA) and homeowners (HO) insurance Market Conduct Annual Statement (MCAS).

#### Proposed Lawsuit Definition

The proposed definition states, “Include only lawsuits brought by an applicant for insurance, a policyholder or claimant as a plaintiff against the reporting insurer or its agent as a defendant.” APCIA suggests that “agent” be defined. The definition goes on to say, “If one lawsuit seeks damages under two or more policies, count the number of policies involved as the number of lawsuits. For example, if one lawsuit seeks damages under three policies, count the action as three lawsuits.” APCIA requests that this language be clarified to account for instances where the multiple policies involved are issued by different insurers.

The proposed definition provides for the exclusion of “[a]rbitrations, mediation, appraisal, or any other form of dispute resolution not brought in a court of law.” APCIA supports this exclusion, but request that it be amended to exclude homeowners and private passenger appraisal matters filed in a court of law and interpleader actions filed by an insurance company.

---

<sup>1</sup> The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions-protecting families, communities, and businesses in the U.S. and across the globe.

In addition, APCIA has two state-specific questions:

- For Michigan, should lawsuits filed by a medical provider for payment under MI PIP continue to be counted as the medical provider may not fit the definition of applicant for insurance, policy holder or claimant?
- Would a Pennsylvania writ of summons be considered a lawsuit under the new definition, if so at what point should the matter be counted? When the summons is served or only when the complaint is filed?

#### Collection of New Lawsuit Data

APCIA recognizes the need to expand the collection of lawsuit data for both claims-related and non-claims-related lawsuits and understand that other MCAS lines of business collect both. However, not only is the data for other lines of business not broken out by claim-related and non-claims-related suits, it is certainly not required to be reported by coverage, as is proposed for claims-related suits for both private passenger auto and homeowners. APCIA respectfully requests that the coverage breakout for claims-related lawsuit data be deleted.

APCIA members have provided consistent feedback indicating that data on lawsuits may not be captured in internal systems as claims-related vs. non-claims related. Further, the reporting of claims-related lawsuit data by coverage will be a resource-intensive undertaking. Companies do not typically maintain lawsuit data by coverage and systems changes will absolutely be necessary to be able to automate the collection and reporting of this data by coverage.

Should the Working Group determine that there is a strong regulatory need for data by coverage type for claims-related lawsuits, APCIA trusts that Working Group recognizes the programming and process changes that companies would have to undertake in order to comply. Industry is best equipped to provide requested data to regulators when given the most generous possible lead time to develop internal procedures and make necessary systems changes required to ensure complete and accurate data is indeed reported. A delay of at least a year in collecting the claims lawsuit data by coverage will afford insurers more time to assess their internal systems and make programming changes, or changes to internal processes, to ensure they are accurately reporting the data necessary.

\*\*\*\*

Thank you for the opportunity to provide comments. If you have any questions or would like to discuss any of our comments further, please let us know.

Respectfully Submitted,



Lisa Brown  
Sr. Director, Market Conduct and Counsel