

Homeowner and Private Passenger Auto MCAS Proposed Lawsuit Reporting

The Subject Matter Expert group proposes the following for the Home and Private Passenger Auto MCAS Lawsuit reporting:

- Remove the Lawsuit data elements from the claims reporting section
- Create a new reporting section for the Lawsuit data elements
- Report the Lawsuit data elements by claims coverage type and add reporting for “Non-claim Related Lawsuits”
- Update the definition of Lawsuits to accommodate the new reporting structure

Below for your review, you’ll find:

- A redline version of showing the Homeowner line of business Data Call and Definitions updates
- A clean version of the proposed updates

Schedule 2 – Homeowners Claims Activity, Counts Reported by Claimant and by Coverage

ID	Description
2-39	Number of lawsuits open at beginning of the period
2-40	Number of lawsuits opened during the period
2-41	Number of lawsuits closed during the period
2-42	Number of lawsuits open at end of period
2-43	Number of lawsuits closed with consideration for the consumer.

Schedule 4 – Lawsuit Activity

Reporting Breakdown

Dwelling (includes – Other Structures)	Claim related lawsuits
Personal Property	
Liability	
Medical Payments	
Loss of Use	
Non-claim Related Lawsuits	Non-claim related lawsuits

ID	Description
4-53	Number of lawsuits open at beginning of the period
4-54	Number of lawsuits opened during the period
4-55	Number of lawsuits closed during the period
4-56	Number of lawsuits open at end of period
4-57	Number of lawsuits closed with consideration for the consumer

Homeowner and Private Passenger Auto MCAS Proposed Lawsuit Reporting

Definitions:

In determining what business to report for a particular state, unless otherwise indicated in these instructions, all companies should follow the same methodology/definitions used to file the Financial Annual Statement (FAS) and its corresponding state pages. Exclude lender-placed or creditor-placed policies.

Lawsuit – ~~A court proceeding to recover a right to a claim, including lawsuits for arbitration cases.~~ An action brought in a court of law in which one party, the plaintiff, claims to have incurred a loss as a result of the action of another party, the defendant.

Exclude:

- Subrogation claims where lawsuit is filed by the company against the tortfeasor.
- Non-lawsuit legal activity or litigation filed by an insurer, including, but not limited to: request to compel an independent medical examination, an examination under oath, and declaratory judgment actions filed by an insurer.
- Arbitrations, mediation, appraisal, or any other form of dispute resolution not brought in a court of law.

For purposes of reporting lawsuit for Homeowner / Private Passenger Auto products:

- 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.
- Include all lawsuits, whether or not a hearing or proceeding before the court occurred.
- 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.
- With the exception of class action lawsuits, report a lawsuit with two or more complainants as one lawsuit.
- With the exception of class action lawsuits, report a lawsuit in the jurisdiction in which the policy was issued.
- Report claim related lawsuits broken out by coverage as outlined in the schedule.
- Report non-claim related lawsuits in aggregate as outlined in the schedule.

Calculation Clarification:

- ~~Lawsuits should be reported on the same basis as claims. One lawsuit should be reported for each / claimant / coverage combination, regardless of the number of actual suits filed.~~
- ~~One lawsuit with two claimants would be reported as two lawsuits as any awards/payments made would be made to the claimants individually.~~
- ~~One lawsuit filed seeking damages for multiple coverages should be reported as one lawsuit for each applicable coverage.~~
- ~~Lawsuits should be reported in the state in which the claim was reported on this statement.~~
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Treatment of ~~class action lawsuits~~Class Action Lawsuits:

- Report the opening and closing of a class action lawsuit once in each state in which a potential class member resides.

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- Include an explanatory note with your submission state the number of class action lawsuits included in the data and the general cause of the action.

Property & Casualty Market Conduct Annual Statement
Homeowner Data Call & Definitions
(Draft: 11/10/2021)

Schedule 4 – Lawsuit Activity

Reporting Breakdown

Dwelling (includes – Other Structures)	Claim related lawsuits
Personal Property	
Liability	
Medical Payments	
Loss of Use	
Non-claim Related Lawsuits	Non-claim related lawsuits

ID	Description
4-53	Number of lawsuits open at beginning of the period
4-54	Number of lawsuits opened during the period
4-55	Number of lawsuits closed during the period
4-56	Number of lawsuits open at end of period
4-57	Number of lawsuits closed with consideration for the consumer

Definitions:

In determining what business to report for a particular state, unless otherwise indicated in these instructions, all companies should follow the same methodology/definitions used to file the Financial Annual Statement (FAS) and its corresponding state pages. Exclude lender-placed or creditor-placed policies.

Lawsuit – An action brought in a court of law in which one party, the plaintiff, claims to have incurred a loss as a result of the action of another party, the defendant.

Exclude:

- Subrogation claims where lawsuit is filed by the company against the tortfeasor.
- Non-lawsuit legal activity or litigation filed by an insurer, including, but not limited to: request to compel an independent medical examination, an examination under oath, and declaratory judgment actions filed by an insurer.
- Arbitrations, mediation, appraisal, or any other form of dispute resolution not brought in a court of law.

For purposes of reporting lawsuit for Homeowner / Private Passenger Auto products:

- 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.
- Include all lawsuits, whether or not a hearing or proceeding before the court occurred.
- 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.

Property & Casualty Market Conduct Annual Statement
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- With the exception of class action lawsuits, report a lawsuit with two or more complainants as one lawsuit.
- With the exception of class action lawsuits, report a lawsuit in the jurisdiction in which the policy was issued.
- Report claim related lawsuits broken out by coverage as outlined in the schedule.
- Report non-claim related lawsuits in aggregate as outlined in the schedule.

Treatment of Class Action Lawsuits:

- Report the opening and closing of a class action lawsuit once in each state in which a potential class member resides.
- Include an explanatory note with your submission state the number of class action lawsuits included in the data and the general cause of the action.