TO: Phil Vigliaturo, Chair; Rich Piazza, Vice Chair

 Casualty Actuarial and Statistical (C) Task Force

FROM: Jake Garn, Utah Chief Financial Examiner, Chair

 Blanks (E) Working Group

DATE: May 28, 2021

RE: 2021-11BWG – New Supplement to Detail Direct Exposures Written and Earned
 2021-13BWG – Exhibit of Other Liabilities by Lines of Business

The Blanks (E) Working Group exposed two proposals at its May 26 meeting. Interested parties asked that the proposals be concurrently referred to the Casualty Actuarial and Statistical (C) Task Force for comment. Some concerns expressed by interested parties were in the reporting breakout level of exposures in proposal 2021-11BWG, indicating that there are mid-term cancellations and additions as well as multi-auto policies, which may be difficult to record. Interested parties also indicated that the additional breakout in proposal 2021-13BWG could affect the accuracy of the incurred but not reported amounts. The Working Group would like the Task Force to review the proposals and evaluate any issues that may affect the work of the Task Force, as well as comment on the interested parties’ concerns.

In proposal 2021-11BWG, the sponsor requests the addition of a new Property and Casualty annual statement supplement to capture “Direct Exposures Written” and “Direct Exposures Earned,” which will be reported initially only for annual statement line 2.5 (Private Flood), line 4 (Homeowners), line 19.1 (PPA No Fault), line 19.2 (PPA Liability) and line 21.1 (PPA Physical Damage). The sponsor requests a first quarter 2022 effective date.

In proposal 2021-13BWG, the sponsor requests the addition of a new supplement to capture premium and loss data on a more granular level for annual statement line 17.1, line 17.2 and line 17.3 of the Exhibit of Premiums and Losses (State Page) – Other Liability. The purpose of this proposal is to provide state insurance regulators greater detail of the premium and losses of these diverse lines of business. The sponsor requests an annual 2022 effective date.

To facilitate the sponsors’ effective dates and the Blanks (E) Working Group time frame, NAIC staff request that comments be provided by June 25 to Mary Caswell (NAIC) at mcaswell@naic.org.

cc: Kris DeFrain, NAIC, Director, Research and Actuarial Department