

2024 Market Conduct Annual Statement Ratios

Pet Insurance

Ratio 1. **The number of claims closed without payment compared to the total number of claims closed.**

$$\left(\frac{[\text{\#of claims closed without payment during the period (3-77)}]}{[\text{\#of claims closed during the period (3-68)}]} \right)$$

*Ratio 2. **The number of claims closed with partial payment compared to the total number of claims closed.**

$$\left(\frac{[\text{\#of claims closed with partial payment during the period (3-72)}]}{[\text{\#of claims closed during the period (3-68)}]} \right)$$

*Ratio 3. **The number of claims closed with full payment compared to the total number of claims closed.**

$$\left(\frac{[\text{\#of claims closed with full payment during the period (3-69)}]}{[\text{\#of claims closed during the period (3-68)}]} \right)$$

Ratio 4. Percentage of claims unprocessed (open?) at the end of the period

$$\left(\frac{\text{Number of claims open at the beginning of period (3-66) + Number of claims opened during period (3-67)} - \text{Number of claims closed during the period (3-68)}}{\text{\# of claims open at the beginning of period (3-66) + \# of claims opened during the period (3-67)}} \right)$$

*Ratio 5. **Percentage paid on partial payments of the amount requested on partial payments**

$$\left(\frac{[\text{Dollar amount of claims closed with partial payment during the period (3-74)}]}{[\text{Dollar amount requested for claims closed with partial payment during the period (3-73)}]} \right)$$

Ratio 6. **Percentage of claims closed with full payment beyond 60 days**

$$\left(\frac{[\text{total \#of claims closed during the period with full payment beyond 60 days } (\sum 3-83 \text{ through } 3-86)]}{[\text{total \#of claims during the period with full payment closed over all durations } (\sum 3-81 \text{ through } 3-86)]} \right)$$

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Ratio 7. **Percentage of claims closed with partial payment beyond 60 days**

$$\left(\frac{[\text{total \#of claims closed during the period with partial payment beyond 60 days } (\sum 3-89 \text{ through } 3-92)]}{[\text{total \#of claims closed during the period with partial payment over all durations } (\sum 3-87 \text{ through } 3-92)]} \right)$$

Ratio 8. **Percentage of claims closed without payment beyond 60 days**

$$\left(\frac{[\text{total \#of claims closed during the period without payment beyond 60 days } (\sum 3-95 \text{ through } 3-98)]}{[\text{total \#of claims closed during the period without payment over all durations } (\sum 3-93 \text{ through } 3-98)]} \right)$$

Ratio 9. **Pre-existing condition - closed without payments to total claims closed without payment (inadequate documentation?)**

$$\left(\frac{[\text{\#of claims closed during the period without payment due to pre – existing condition exclusion } (3 – 100)]}{[\text{\#of claims closed during the period without payment } (3-77)]} \right)$$

Ratio 10. **Inadequate documentation - closed with partial payments to total claims closed with partial payment**

$$\left(\frac{[\text{\#of claims closed during the period with partial payment due to inadequate documentation } (3 – 110)]}{[\text{\#of claims closed during the period with partial payment } (3-72)]} \right)$$

Ratio 11. **Percentage of policies in-force during the period that provided only accident coverage**

$$\left(\frac{[\text{\#of policy/certificates in-force during the period that included accident-only coverage } (2-28 + 2-29)]}{[\text{\#of policies/certificates in force during the period } (\sum (2-28 \text{ through } 2-37))]} \right)$$

Ratio 12. **Non-renewals to policies in force**

$$\left(\frac{[\text{\#of company initiated policy/certificates non – renewals during the period } (2-46+2-47)]}{[\text{\#of policies/certificates in force during the period } (\sum (2-28 \text{ through } 2-37))]} \right)$$

Ratio 13. **Percentage of policies returned under “Right to Examine and Return the Policy” provision**

$$\left(\frac{[\text{\# of policies/certificates returned during the period under "Right to Examine" } (2-38 + 2-39)]}{[\text{total \# of policies issued during the period } (2-49 + 2-50)]} \right)$$

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Ratio 14. **Cancellations/terminations at the policy/certificate holders request**

$$\left(\frac{[\text{\# of cancellation/terminations during the period at the policy/certificate holders request (2-40+2-41)}]}{[\text{total \# of cancellation/terminations during the period } (\Sigma 2-40 \text{ through } 2-45)]} \right)$$

Ratio 15. **Applications denied for health status or condition to total applications received**

$$\left(\frac{[\text{\# of applications denied for health status or conduction during the period (2-61)}]}{[(\text{\# of applications received during the period (2-60)})]} \right)$$

Ratio 16. **Percentage of policies/certificates issued with a pre-existing condition exclusion**

$$\left(\frac{[\text{\# of policies/certificates issued with a pre-existing condition exclusion during the period (2-64)}]}{[\text{total \# of policies issued during the period (2-49 + 2-50)]} \right)$$

Ratio 17. **Loss Ratio**

$$\left(\frac{[\text{Dollar amount of paid claims closed with full payment during the period (3-70)}] + [\text{Dollar amount of claims closed with partial payment during the period (3-74)}]}{[\text{Direct earned premium during the period (2-58)}]} \right)$$

Ratio 18. **Average Dollars of Commission Per Policy/Certificate**

$$\left(\frac{[\text{Commissions incurred during the period (4-113)}] - [\text{Unearned commissions returned to company during the period (4-114)}]}{[\text{total \# of policies issued during the period (2-49 + 2-50)]} \right)$$

Ratio 19. **Percentage Commissions to Written Premium**

$$\left(\frac{[\text{Commissions incurred during the period (4-113)}] - [\text{Unearned commissions returned to company during the period (4-114)}]}{[\text{Direct written premium during the period (2-57)}]} \right)$$

Note: It is unclear to what extent commissions are paid on events other than new business (e.g., such as renewals)

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Ratio 20. **Lawsuits to Policies/Certificates in force during the period**

$$\left(\frac{[\text{\# of lawsuits opened during the period (5-117)}]}{([\text{\# of policies/certificates in force during the period } (\sum (2-28 \text{ through } 2-37))]} \right)$$

Ratio 21. **Lawsuits opened during the period to claims closed without payment**

$$\left(\frac{[\text{\# of lawsuits opened during the period (5-117)}]}{([\text{\# of claims closed during the period without payment (3-77)}]} \right)$$

Ratio 22. **Percentage of lawsuits closed with consideration for the consumer**

$$\left(\frac{[\text{Number of lawsuits closed with consideration for consumer (5-120)}]}{[\text{Number of lawsuits closed during the period (5-118)}]} \right)$$

Ratio 23. **The number of complaints per 1,000 policies in-force during the period**

$$\left(\frac{[\text{\# of complaints received directly from any person or entity other than the DOI (5-115)}]}{([\text{\# of policies/certificates in force during the period } (\sum (2-28 \text{ through } 2-37)) \div 1,000]} \right)$$