

2024 Market Conduct Annual Statement Ratios

Pet Insurance

Public Ratios

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. Percentage of claims paid (full or partial) beyond 60 days

$$\left(\frac{[\text{total \# of claims closed during the period with full payment beyond 60 days } (\sum 3-83 \text{ through } 3-86) + \text{total \# of claims closed during the period with partial payment beyond 60 days } (\sum 3-89 \text{ through } 3-92)]}{[\text{total \# of claims during the period with full and partial payment closed over all durations } (\sum 3-81 \text{ through } 3-92)]} \right)$$

Ratio 3. 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 4. Cancellations during “Right to Examine and Return Policy” period

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

Ratio 5. Cancellations/terminations at the policy/certificate-holder’s request

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

Ratio 6. Lawsuits opened during the period to claims closed without payment

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

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Ratio 7. 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 8. The number of complaints received directly from any entity other than the DOI per 1,000 policies in-force during the period

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

Non-Public Ratios

Ratio 9. 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 10. 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 11. Percentage of claims unprocessed at the end of the period

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

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Ratio 12. The number of claims closed without payment beyond 60 days compared to the total number of claims closed without payment

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

Ratio 13. Pre-existing condition - closed without payments to total claims closed without payment

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

Ratio 14. Ineligibility - closed without payments to total claims closed without payment

$$\left(\frac{([\text{\#of claims closed during the period without payment due to ineligibility } (3 – 99)])}{[\text{\#of claims closed during the period without payment } (3-77)]} \right)$$

Ratio 15. Waiting period - closed without payments to total claims closed without payment

$$\left(\frac{([\text{\#of claims closed during the period without payment due to waiting period } (3 – 101)])}{[\text{\#of claims closed during the period without payment } (3-77)]} \right)$$

Ratio 16. Maximum benefit limit - closed without payments to total claims closed without payment

$$\left(\frac{([\text{\#of claims closed during the period without payment due to maximum benefit limit } (3 – 102)])}{[\text{\#of claims closed during the period without payment } (3-77)]} \right)$$

Ratio 17. Less than deductible - closed without payments to total claims closed without payment

$$\left(\frac{([\text{\#of claims closed during the period without payment due to claim amount less than deductible } (3 – 103)])}{[\text{\#of claims closed during the period without payment } (3-77)]} \right)$$

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Ratio 18. Inadequate documentation - closed without payments to total claims closed without payment

$$\left(\frac{[\text{\#of claims closed during the period without payment due to inadequate documentation (3 - 104)}]}{[\text{\#of claims closed during the period without payment (3-77)}]} \right)$$

Ratio 19. Hereditary disorder exclusion - closed without payments to total claims closed without payment

$$\left(\frac{[\text{\#of claims closed during the period without payment due to hereditary disorder exclusion (3 - 105)}]}{[\text{\#of claims closed during the period without payment (3-77)}]} \right)$$

Ratio 20. Congenital anomaly or disorder exclusion - closed without payments to total claims closed without payment

$$\left(\frac{[\text{\#of claims closed during the period without payment due to congenital anomaly or disorder exclusion (3 - 106)}]}{[\text{\#of claims closed during the period without payment (3-77)}]} \right)$$

Ratio 21. Chronic condition exclusion - closed without payments to total claims closed without payment

$$\left(\frac{[\text{\#of claims closed during the period without payment due to chronic condition exclusion (3 - 107)}]}{[\text{\#of claims closed during the period without payment (3-77)}]} \right)$$

Ratio 22. Other reasons - closed without payments to total claims closed without payment

$$\left(\frac{[\text{\#of claims closed during the period without payment due to other reasons (3 - 108)}]}{[\text{\#of claims closed during the period without payment (3-77)}]} \right)$$

Ratio 23. Inadequate documentation - closed with partial payments to total claims closed with partial payment

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

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Ratio 24. Maximum benefit limit - closed with partial payments to total claims closed with partial payment

$$\left(\frac{[\text{\#of claims closed during the period with partial payment due to maximum benefit limit (3 - 109)}]}{[\text{\#of claims closed during the period with partial payment (3-72)}]} \right)$$

Ratio 25. Other reasons - closed with partial payments to total claims closed with partial payment

$$\left(\frac{[\text{\#of claims closed during the period with partial payment due to other reasons (3 - 111)}]}{[\text{\#of claims closed during the period with partial payment (3-72)}]} \right)$$

Ratio 26. Percentage of policies in-force during the period that provided accident-only coverage

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

Ratio 27. Percentage of policies in-force during the period that provided illness-only coverage

$$\left(\frac{[\text{\#of policy/certificates in-force during the period that provided illness-only coverage (2-30 + 2-31)}]}{[\text{\#of policies/certificates in force during the period (\sum (2-28 through 2-37))]} \right)$$

Ratio 28. Percentage of policies in-force during the period that included accident and illness coverage

$$\left(\frac{[\text{\#of policy/certificates in-force during the period that included accident and illness coverage (2-32 + 2-33)}]}{[\text{\#of policies/certificates in force during the period (\sum (2-28 through 2-37))]} \right)$$

Ratio 29. Percentage of policies in-force during the period that included wellness coverage (other than a wellness only policy)

$$\left(\frac{[\text{\#of policy/certificates in-force during the period that included wellness coverage (2-34 + 2-35)}]}{[\text{\#of policies/certificates in force during the period (\sum (2-28 through 2-37))]} \right)$$

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Ratio 30. Percentage of policies in-force during the period that included wellness as an insurance benefit (and did not cover accident and/or illness)

$$\left(\frac{[\text{\# of policy/certificates in-force during the period that included wellness as an insurance benefit (2-36 + 2-37)}]}{[\text{\# of policies/certificates in force during the period } (\sum (2-28 \text{ through } 2-37))]} \right)$$

Ratio 31. Applications denied for health status or condition to total applications received

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

Ratio 32. 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 33. 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 34. Percentage Commissions to Written Premium

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

Ratio 35. Lawsuits to Policies/Certificates in force during the period

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

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Ratios To Be Dropped

Ratio 23. 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 3. Percentage of claims closed with full payment beyond 60 days (combined 3&4 for all claims)

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

Ratio 4. Percentage of claims closed with partial payment beyond 60 days (combined 3&4 for all claims)

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

Ratio 13. Percentage paid on partial payments of the amount requested on partial payments

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