

## **CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE**

Casualty Actuarial and Statistical (C) Task Force March 23, 2026, Minutes  
Casualty Actuarial and Statistical (C) Task Force Feb. 10, 2026, Minutes (Attachment One)  
    Schedule P Proposed Changes for Exposure (Attachment One-A)  
    Summary of Schedule P Proposed Changes (Attachment One-B)  
Casualty Actuarial and Statistical (C) Task Force Dec. 19, 2025, Minutes (Attachment Two)  
Statistical Data (C) Working Group March 12, 2026, Minutes (Attachment Three)  
    Statistical Data (C) Working Group Dec. 17, 2025, Minutes (Attachment Three-A)

## Draft Pending Adoption

Draft: 4/1/26

Casualty Actuarial and Statistical (C) Task Force  
San Diego, California  
March 23, 2026

The Casualty Actuarial and Statistical (C) Task Force met in San Diego, CA, March 23, 2026. The following Task Force members participated: D.J. Bettencourt, Chair, represented by Christian Citarella (NH); Angela L. Nelson, Vice Chair, represented by Julie Lederer and Brad Gerling (MO); Mark Fowler represented by Charles Hale (AL); Ricardo Lara represented by Tina Shaw (CA); Joshua Hershman represented by Wanchin Chou (CT); Michael Yaworsky represented by Richie Frederick (FL); Doug Ommen represented by Travis Grassel (IA); Holly W. Lambert represented by Lawrence Steinert (IN); Vicki Schmidt represented by Nicole Boyd (KS); Timothy J. Temple represented by Nichole Torblaa (LA); Robert L. Carey represented by Sandra Darby (ME); Anita G. Fox represented by Kevin Dyke (MI); Grace Arnold represented by Phil Vigliaturo (MN); Eric Dunning represented by Nguyen Thai (NE); Susan Ochs represented by John Swierczynna (NJ); Ned Gaines represented by Gennady Stolyarov (NV); Judith L. French represented by Tom Botsko (OH); Glen Mulready represented by Andy Schallhorn (OK); Michael Humphreys represented by Michael McKenney (PA); Michael Wise represented by Will Davis (SC); Amanda Crawford represented by Nicole Elliott and Mark Worman (TX); Kaj Samsom represented by Zoie Y. Swaim (VT); Patty Kuderer represented by William Wilder (WA); and Allan L. McVey represented by Justin Parr (WV).

### 1. Adopted its Feb. 10, 2026; Dec. 19, 2025; and 2025 Fall National Meeting Minutes

Citarella said the Task Force met Feb. 10, 2026; Dec. 19, 2025; and Dec. 9, 2025. During its Feb. 10, 2026, meeting, the Task Force took the following action: 1) exposed Schedule P (“Phase 2”) for a 45-day public comment period ending March 26. During its Dec. 19, 2025, meeting, the Task Force took the following action: 1) adopted the *2022/2023 Auto Insurance Database Report* (Auto Report).

The Task Force also met March 17 and Feb. 3 in regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to discuss rate filing issues.

Additionally, the Task Force held Predictive Analytics Book Club meetings on Jan. 27 and Feb. 24. The meetings included a presentation from Dorothy Andrews (NAIC) and Roberto Perez (NAIC) on large language models (LLMs) and a presentation from Raymond Sheh (Johns Hopkins University) on Shapley values.

Botsko made a motion, seconded by Dyke, to adopt the Task Force’s Feb. 10, 2026 (Attachment One); Dec. 19, 2025 (Attachment Two); and Dec. 9, 2025 (see *NAIC Proceedings – Fall 2025, Casualty Actuarial and Statistical (C) Task Force*) minutes. The motion passed unanimously.

### 2. Adopted the Report of the Statistical Data (C) Working Group

Darby said the Statistical Data (C) Working Group met March 12, 2026, and Dec. 17, 2025. During these meetings, the Working Group discussed edits to the *Statistical Handbook of Data Available to Insurance Regulators*.

Darby made a motion, seconded by Chou, to adopt the report of the Statistical Data (C) Working Group, including its March 12, 2026 (Attachment Three) and Dec. 17, 2025 (Attachment Three-A) minutes. The motion passed unanimously.

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### 3. Received a Report on a Homeowners Rate Regulation White Paper Charge

Citarella said that the Property and Casualty Insurance (C) Committee is considering the following charge for the Task Force: “Draft a white paper that explains how homeowners’ insurance rates are regulated across states, with particular attention to public questions and academic claims regarding potential cross-state subsidization of catastrophic losses.”

Shana Oppenheim (NAIC) outlined the need for a rate regulation white paper as a new charge for the Task Force through the federal and media lens. Oppenheim stated that federal policymakers are increasingly framing insurance affordability as a systemic economic risk rather than a state-only issue. Sen. Sheldon Whitehouse (D-NY) has repeatedly warned that rising homeowners’ insurance costs and non-renewals threaten mortgage availability, housing values, and broader financial stability—explicitly analogizing the risk to a pre-2008 style economic shock if left unaddressed. This framing elevates insurance rate regulation from a technical state matter to a macro prudential concern, drawing in the U.S. Department of the Treasury (Treasury Department), Financial Stability Oversight Council (FSOC), and congressional committees with jurisdiction beyond insurance. An implication for the NAIC is that, absent a clear, evidence-based explanation of how state rate regulation works—and its tradeoffs—federal actors will fill the gap with their own narratives.

Congressional proposals, such as Sen. Adam Schiff’s (D-CA) Incorporating National Support for Unprecedented Risks and Emergencies (INSURE) Act, assume that rate regulation is part of the problem but lack a shared factual baseline. The INSURE Act responds to insurer exits and premium increases by proposing a federal reinsurance backstop premised on the view that markets are failing under climate pressure. While the bill does not directly preempt state rate regulation, it implicitly questions whether existing state frameworks can accommodate rapidly rising catastrophe risk without federal intervention. Oppenheim said a white paper would allow the NAIC to clarify what rate regulation can and cannot do, and where federal tools may complement—rather than substitute for—state authority.

Academic literature is now being cited to argue that rate regulation distorts risk signals. The Harvard Business School and Federal Reserve working paper finds that in more heavily regulated states, rates adjust less frequently and by smaller amounts after losses, leading insurers to cross-subsidize by raising rates in less regulated states. The authors explicitly question whether insurance pricing can still function as a signal for climate adaptation under current regulatory frictions. Oppenheim said that without a regulator-authored response, this research risks being treated as a definitive indictment of rate regulation rather than one input into a more nuanced policy discussion.

Oppenheim said that media narratives increasingly portray rate regulation as opaque and politically constrained. For example, New York Times coverage consistently highlights consumer confusion, affordability pressures, and perceived inconsistencies in how insurance prices are set, often without explaining the regulatory standards or consumer protections involved. The absence of a clear, accessible explanation from regulators allows a simplified storyline: rates are either “suppressed” for political reasons or “spiking” without accountability. Oppenheim said a white paper can serve as a media-ready explainer, improving baseline understanding before misinformation hardens.

Federal oversight bodies are already asking the NAIC to justify its approach. Members of Congress, including Sen. Whitehouse, have formally pressed the NAIC for updates on how state regulation is responding to climate-related insurance risk, citing Treasury/Federal Insurance Office (FIO) findings on regulatory gaps. Rate regulation sits at the center of these concerns, even when not explicitly named. Oppenheim said proactively articulating the rationale, limits, and evolution of rate regulation positions the NAIC as a policy leader rather than a respondent.

## Draft Pending Adoption

Oppenheim summarized that a white paper would allow the NAIC to reframe the debate around tradeoffs instead of ideology. The current federal and media conversation often treats rate regulation as either consumer protection or market distortion. The evidence, including the Harvard paper, shows that the reality is more complex: balancing affordability, availability, solvency, and risk signaling under accelerating catastrophe losses. She said a white paper can credibly re-center the discussion on regulatory tradeoffs, state diversity, and data-driven oversight—areas in which the NAIC has unique authority.

### 4. Received a Report on the AI Systems Evaluation Tool and Pilot

Scott Sobel (NAIC) gave an update on the Big Data and Artificial Intelligence (H) Working Group's artificial intelligence (AI) systems evaluation tool and pilot process. The Working Group finalized the initial draft of the tool, which is a document consisting of four exhibit questionnaires. The tool represents the NAIC's latest step to adopt examination and related processes for the regulation of insurance companies' use of AI. The tool gives regulators an optional resource to assist in evaluating a company's use of AI systems and assessing potential risks.

Sobel said state insurance regulators are currently piloting the tool to test it prior to adoption. The pilot officially started earlier this month, meaning all regulators are cleared to send inquiries related to the tool. The pilot group of regulators is meeting weekly to coordinate the selection of companies and to share insights on anticipated responses to the tool.

Sobel stated that the decision of when to use the tool is a domestic regulatory decision. Regulators are generally engaging their domestic companies to ensure the use of the tool is explained and understood. Where a company is part of a group, regulators are coordinating among pilot group members or reaching out to non-pilot states to ensure everyone is aware of the inclusion of the company in the pilot. Most of the pilot states have selected one to 10 insurance companies, with two states sending inquiries to more than 10 companies.

Regulators have also been tasked with using the tool in support of a mix of regulatory processes, including to support a market conduct exam, financial exam, financial analysis, and as part of a more general regulatory inquiry. Communication throughout the pilot process is important, so the pilot states' regulators are collaborating and sharing information to create a feedback loop and learn from each other.

### 5. Received Liaison Reports

Botsko reported that the Property and Casualty Risk-Based Capital (E) Working Group adopted wildfire to the risk-based capital (RBC) catastrophe risk charge (Rcat) calculation as part of a four-year project to include the solvency concerns that catastrophes bring to companies. Additionally, the Risk-Based Capital Investment Risk and Evaluation (E) Working Group continued its discussion on collateralized loan obligation (CLO) structured investments and the charges associated with that. While it primarily affects life insurance companies, it will have some residual effect on property/casualty (P/C) companies in the RBC calculation.

Citarella reported that the Third-Party Data and Models (H) Working Group is continuing discussions on its third-party framework document.

### 6. Heard Updates on Activities and Research from Professional Actuarial Associations

The American Academy of Actuaries (Academy), Actuarial Standards Board (ASB), Actuarial Board for Counseling and Discipline (ABCD), Casualty Actuarial Society (CAS), and Society of Actuaries (SOA) provided reports on current activities and research.

## **Draft Pending Adoption**

Having no further business, the Casualty Actuarial and Statistical (C) Task Force adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/C CMTE/2026\_Spring/CASTF/032326 Minutes CASTF SpNM

Draft: 3/16/26

Casualty Actuarial and Statistical (C) Task Force  
Virtual Meeting  
February 10, 2026

The Casualty Actuarial and Statistical (C) Task Force met Feb. 10, 2026. The following Task Force members participated: D.J. Bettencourt, Chair, represented by Christian Citarella (NH); Angela L. Nelson, Vice Chair, represented by Julie Lederer (MO); Heather Carpenter represented by Sian Ng-Ashcraft (AK); Mark Fowler represented by Charles Hale (AL); Ricardo Lara represented by Tina Shaw (CA); Joshua Hershman represented by Wanchin Chou (CT); Michael Yaworsky represented by Richie Frederick (FL); Doug Ommen represented by Travis Grassel and Jordan Esbrook (IA); Holly W. Lambert represented by Lawrence Steinert (IN); Vicki Schmidt represented by Nicole Boyd (KS); Timothy J. Temple represented by Nichole Torblaa (LA); Marie Grant represented by Walter Dabrowski (MD); Robert L. Carey represented by Sandra Darby (ME); Anita G. Fox represented by Kevin Dyke (MI); Grace Arnold represented by Phil Vigliaturo (MN); Eric Dunning represented by Nguyen Thai (NE); Ned Gaines represented by Gennady Stolyarov (NV); Judith L. French represented by Tom Botsko (OH); Glen Mulready represented by Andy Schallhorn (OK); Michael Humphreys represented by Michael McKenney (PA); Michael Wise represented by Will Davis (SC); Amanda Crawford represented by Nicole Elliott and Miriam Fisk (TX); Kaj Samsom represented by Rosemary Raszka (VT); Patty Kuderer represented by William Wilder (WA); and Allan L. McVey represented by Juanita Wimmer (WV).

1. Heard Opening Remarks

Citarella stated that the chairs and vice chairs of the working groups under the Task Force would remain the same for 2026. Citarella said Fisk will continue to serve as chair of the Actuarial Opinion (C) Working Group, with Lederer as vice chair, and Darby will continue to serve as chair of the Statistical Data (C) Working Group, with Brad Gerling (MO) as vice chair.

2. Adopted the Report of the Actuarial Opinion (C) Working Group

Fisk reported that the Actuarial Opinion (C) Working Group completed a significant amount of work in 2025 and plans to next meet in June.

Fisk made a motion, seconded by Darby, to adopt the report of the Actuarial Opinion (C) Working Group. The motion passed unanimously.

3. Adopted the Report of the Statistical Data (C) Working Group

Darby reported that the Statistical Data (C) Working Group is updating the *Statistical Handbook of Data Available to Insurance Regulators*. Last year's statistical reports will be sent to the Task Force for adoption soon.

Darby made a motion, seconded by Botsko, to adopt the report of the Statistical Data (C) Working Group. The motion passed unanimously.

4. Discussed its 2026 Work Plan

Citarella said potential discussion items for 2026 include telematics models and programs in personal and commercial lines, social inflation, and actuarial issues related to title insurance.

5. Exposed Proposed Changes to Schedule P

Lederer proposed changes to the Schedule P instructions. She said this is the second phase of the updates following those adopted in 2025. The Task Force exposed the proposed Schedule P instructions for a 45-day public comment period ending March 26 (Attachment One-A). Also attached were summaries of proposed changes to assist reviewers of the proposal (Attachment One-B).

Lederer said another phase, Phase 3, will be needed to discuss some potentially more complex changes to the instructions.

6. Discussed Rate Filing Training

Citarella said the Task Force will develop some basic training to aid in the review of rate filings. Bradner requested that the training be recorded for new rate review staff members. Darby added that the NAIC Rate Model Review team's generalized linear model (GLM) rate model review training is proving very useful for her staff. Kris DeFrain (NAIC) said the NAIC's Education and Training team has worked with state insurance regulators to identify training needs, and rate filing review training was identified. DeFrain said the Task Force or NAIC staff should coordinate with the Education and Training team.

Having no further business, the Casualty Actuarial and Statistical (C) Task Force adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/C CMTE/2026\_Spring/CASTF/021026 min.docx

## SCHEDULE P

1. There are seven parts and the interrogatories within Schedule P. Part 1 provides detailed information on losses and loss expenses. Part 2 provides a history of incurred losses and defense & cost containment (DCC) expenses. Part 3 provides a history of loss and DCC payments. Part 4 provides a history of bulk and incurred but not reported (IBNR) reserves. Part 5 provides a history of claims. Part 6 provides a history of premiums earned. Part 7 provides a history of loss sensitive contracts. Schedule P Interrogatories provides for additional calculation and explanation of various amounts.
2. Earned premium is on a calendar year basis in Part 1, an exposure year basis in Part 6, and a policy year basis in Part 7. Except in Part 7, which shows policy year experience, losses incurred should be assigned to the year in which the event occurred that triggered coverage under the contract. This may be a date of accident (occurrence policies), a date of report (claims made policies), a policy issue date (tail policies), or a date of discovery (fidelity and surety). Hereafter, this is called the “incurred year.”
3. Schedule P displays ten years of historical data for all lines of business.
4. Report all dollar amounts in Schedule P in thousands of dollars (\$000 omitted), by either rounding or truncating. Claim counts should be reported as whole numbers.
5. The lines of business in Schedule P are groupings of the lines of business used on the state page. In some cases, the heading of the line of business has been expanded for clarity. Business reported on the Aggregate write-ins for other lines of business line of the State Page should be included in the Other Liability sections of Schedule P.
6. Data for Annual Statement Line 17.3 – Excess Workers’ Compensation should be reported as Other Liability – Occurrence as appropriate for the contractual terms of the policy.
7. Schedule P includes only the data for the reporting entity identified on the Jurat page of the Annual Statement. Do not include consolidated data for affiliated companies except in a Combined Annual Statement. If the reporting entity participates in a pooling agreement, show only its share of the business, not the total for all participants.
8. Retroactive reinsurance should not be reflected in Schedule P. The transferor in such an agreement must record, without recognition of the retroactive reinsurance, its loss and loss adjustment expense reserves on a gross basis on its balance sheet and in all schedules and exhibits. The transferee in such an agreement must exclude the retroactive reinsurance from its loss and loss expense reserves and from its schedules and exhibits.
9. Schedule P, Part 1 should be gross of non-tabular discount and net of tabular discount. The other parts of Schedule P should be gross of all discounts so that the annual statement user can make effective use of the triangles in Parts 2, 3, and 4. Workpapers relating to any discount amounts must be available for examination upon request. The tabular reserve discount does not need to be shown separately. Discounting is governed by *SSAP No. 65—Property and Casualty Contracts*.
10. The reserves for unpaid losses and loss adjustment expenses should take into account the explicit or implicit impacts of the various factors affecting claim frequency or ultimate claim cost.
11. The reserves reported are expected to represent the ultimate amounts to be paid, including anticipated inflation.
12. In those instances where a reporting entity files an amended annual statement as a result of a restatement of previous year earned premium, losses or loss adjustment expenses, Schedule P must be restated and included in the amended annual statement.

### **The Prior Row:**

13. The “prior” row contains data for all incurred years prior to the most recent 10 years. The calculation of the prior row differs by Part and Section.

**Pooling:**

14. Many insurers have a pooling arrangement with affiliated companies, approved by the domiciliary commissioner, in which the business written is reallocated among the affiliated companies according to a specified percentage. Some affiliated companies may be part of the pool and some may not, and some lines may be included, and some may not. The premiums and losses are to be reported in Schedule P after such pooling arrangements, not before.
15. Pooled business ceded is that which, if retained instead of ceded, would be pooled among the affiliated companies that are party to the pooling agreement. Any such business that is ceded by the pool participants to non-pooled companies before the pooling distribution among the participating companies is considered pooled business ceded. Non-pooled business includes all direct, assumed, and ceded business not subject to pooling, as well as any pooled business that is ceded after the pooling distribution has been made.
16. Direct and Assumed columns include the participation in any pool. In addition, all direct business not pooled plus assumed business from other than the pool is to be included. Ceded columns include the company's participation in the pool such as any ceding by the company to companies independent of the pool.
17. Claim counts should be reported in accordance with the pooling arrangement and should reflect the company's proportionate share of the total number of claims. If the company's losses are 40% of the pool, then 40% of the claim count should be reported.
18. The pooling percentage is to reflect the company's participation in the pool as of year-end. When changes to pooling agreements impact previous incurred years, historical data values in Schedule P Parts 1 through 6 should be restated based on the new pooling percentage. This should be done to present meaningful development patterns in Schedule P. When pooling changes only impact future incurred years, no restatement of historical values should be made. Any significant changes in the pooling arrangements should be reported in the Schedule P Interrogatories. An illustration for reporting pooled business, Exhibit A, follows.

**SCHEDULE P**

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**The Prior Row:**

13. The “prior” row contains data for all incurred years prior to the most recent 10 years. The calculation of the prior row differs by Part and Section.

**Pooling:**

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15. Pooled business ceded is that which, if retained instead of ceded, would be pooled among the affiliated companies that are party to the pooling agreement. Any such business that is ceded by the pool participants to non-pooled companies before the pooling distribution among the participating companies is considered pooled business ceded. Non-pooled business includes all direct, assumed, and ceded business not subject to pooling, as well as any pooled business that is ceded after the pooling distribution has been made.
16. Direct and Assumed columns include the participation in any pool. In addition, all direct business not pooled plus assumed business from other than the pool is to be included. Ceded columns include the company's participation in the pool such as any ceding by the company to companies independent of the pool.
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18. The pooling percentage is to reflect the company's participation in the pool as of year-end. When changes to pooling agreements impact previous incurred years, historical data values in Schedule P Parts 1 through 6 should be restated based on the new pooling percentage. This should be done to present meaningful development patterns in Schedule P. When pooling changes only impact future incurred years, no restatement of historical values should be made. Any significant changes in the pooling arrangements should be reported in the Schedule P Interrogatories. An illustration for reporting pooled business, Exhibit A, follows.

**EXHIBIT A**

**POOLED BUSINESS – SCHEDULE P REPORTING EXAMPLE**

This example has been prepared as a clarification of the NAIC *Annual Statement Instructions* to demonstrate how business subject to pooling among affiliated companies should be incorporated in the “Direct + Assumed” and the “Ceded” columns of Schedule P for each affiliated company.

- Company A – The lead company; does the pooling and cedes some business before pooling.
- Company B – Cedes some pool business before ceding to Company A for pooling.
- Company C – Cedes business after pooling.
- Company D – Cedes nothing except to the pool.

Sample Situation

	<u>Company A</u>	<u>Company B</u>	<u>Company C</u>	<u>Company D</u>	<u>Total</u>
<u>Pool Business:</u>					
1. Direct & Assumed (a)	90,000	15,000	10,000	5,000	120,000
2. Pool Assembly Assumed (Ceded)	25,000	(10,000)	(10,000)	(5,000)	-
3. (Ceded) Before Pooling Dist. (a)	<u>(15,000)</u> (c)	<u>(5,000)</u> (b)	-	-	<u>(20,000)</u>
4. Net Before Pooling Dist.	100,000	-	-	-	100,000
5. Pooling Dist. Assumed (Ceded)	<u>(25,000)</u>	<u>15,000</u>	<u>7,000</u>	<u>3,000</u>	-
6. Net Retained – Amount	75,000	15,000	7,000	3,000	100,000
– Percent Specified	75%	15%	7%	3%	100%
<u>Non-Pool Business:</u>					
7. Direct & Assumed (e)	5,000	4,000	-	-	9,000
8. (Ceded)	<u>(2,000)</u> (e)	<u>(1,000)</u> (e)	<u>(5,000)</u> (d)	-	<u>(8,000)</u>
9. Net	3,000	3,000	(5,000)	-	1,000
<u>Total Business:</u>					
10. Direct & Assumed Before Pooling	95,000	19,000	10,000	5,000	129,000
11. Pool Assembly Assumed (Ceded)	25,000	(10,000)	(10,000)	(5,000)	-
12. (Ceded) Other Than Pooling	(17,000)	(6,000)	(5,000)	-	(28,000)
13. Pooling Dist. Assumed (Ceded)	<u>(25,000)</u>	<u>15,000</u>	<u>7,000</u>	<u>3,000</u>	-
14. Net	<u>78,000</u>	<u>18,000</u>	<u>2,000</u>	<u>3,000</u>	<u>101,000</u>

- |  |
|--|
| <ul style="list-style-type: none"> <li>(a) Business which, if retained, would be pooled</li> <li>(b) Ceded before pool assembly in Line 2</li> <li>(c) Ceded before pooling distribution in Line 5, before and/or after pool assembly in Line 2</li> <li>(d) Ceded after pooling distribution in Line 5</li> <li>(e) Business which, if retained, would not be pooled</li> </ul> |
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Schedule P Reporting

Reporting Principle for Pool Business – Each company reports its share/percent of the total pooled “Direct + Assumed” and the total pooled “Ceded” business respectively.

<u>Direct + Assumed</u>						
15.	Pool % of Line 1, Total Col.	90,000	18,000	8,400	3,600	120,000
16.	Non-Pooled (Line 7)	<u>5,000</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>9,000</u>
17.	Total	95,000	22,000	8,400	3,600	129,000
<u>(Ceded)</u>						
18.	Pool % of Line 3, Total Col.	(15,000)	(3,000)	(1,400)	(600)	(20,000)
19.	Non-Pooled (Line 8)	<u>(2,000)</u>	<u>(1,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(8,000)</u>
20.	Total	<u>(17,000)</u>	<u>(4,000)</u>	<u>(6,400)</u>	<u>(600)</u>	<u>(28,000)</u>
21.	Total Net	78,000	18,000	2,000	3,000	101,000

**SCHEDULE P – PART 1**

1. Premiums earned and losses paid, unpaid, and incurred should reconcile with the Statement of Income page. Part 1 – Summary is the total of the Schedule P lines.
2. The columnar headings provide instructions necessary for completion.
  - a. “Assumed” means reinsurance assumed, including from affiliated pooling agreements, but excluding any non proportional reinsurance assumed reported as a separate line and reported accordingly.
  - b. “Direct” means as directly written, but not if part of an affiliated pooling agreement.
  - c. “Ceded” means reinsurance ceded on business so reported as direct or assumed.
3. The number of claims reported is to be cumulative by incurred year. The number of claims reported in each incurred year is equal to the number of open claims at the end of the current year plus cumulative claims closed with or without payment in current and previous calendar years.
4. If the company changes its method of counting claims, the new method should be disclosed in Schedule P Interrogatories, Interrogatory 7.
5. Number of Claims Reported, Column 12, applies to Auto Liability (commercial and private passenger), Workers’ Compensation, Medical Professional Liability, Homeowners/Farmowners Multiple Peril, Commercial Multiple Peril, Other Liability, Products Liability Auto Physical Damage and Warranty only. This column may be left blank in all other lines, including the Summary. For each year, this Column should include the cumulative number of claims reported through the annual statement date for pooled and non-pooled business. Number of Claims Outstanding, Column 25, must be reported for all lines, except Non-proportional assumed reinsurance – Property, Liability and Financial Lines. For reporting entities reporting on a pooling basis, the pooling percentage should be applied to claim count as well as dollar amounts. Indicate in the Interrogatories whether claim count information is reported per claim or per claimant.
6. Cumulative salvage and subrogation received and losses and expenses paid should be reported for each specified incurred year.
7. In Schedule P, Part 1, salvage and subrogation received should be reported net of reinsurance, if any. Loss payments are to be reported net of salvage and subrogation received in Schedule P.

The workpapers that show a reconciliation explaining reinsurance, discounting, and salvage and subrogation adjustments should be available for examination on request.

8. The loss adjustment expenses from the Underwriting and Investment Exhibit, Part 3, are separated into one of two categories: DCC or A&O. In projecting the necessary reserves for these expenses, actuaries use a different approach for each of the two types of expenses.
9. DCC expenses include defense, litigation and medical cost containment expenses, whether internal or external. DCC include, but are not limited to, the following items:
  - a. Surveillance expenses;
  - b. Fixed amounts for medical cost containment expenses;
  - c. Litigation management expenses;
  - d. Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by accident year;
  - e. Fees or salaries for appraisers, private investigators, hearing representatives, reinspectors and fraud investigators, if working in defense of a claim, and fees or salaries for rehabilitation nurses, if such cost is not included in losses;
  - f. Attorney fees incurred owing to a duty to defend, even when other coverage does not exist; and
  - g. The cost of engaging experts.

10. A&O expenses are loss adjustment expenses other than DCC. These expenses include, but are not limited to, the following items:
  - a. Fees and expenses of adjusters and settling agents;
  - b. Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by calendar year;
  - c. Attorney fees incurred in the determination of coverage, including litigation between the reporting entity and the policyholder;
  - d. Fees or salaries for appraisers, private investigators, hearing representatives, reinspectors and fraud investigators, if working in the capacity of an adjuster; and
  - e. Adjustment expenses arising from claims related lawsuits such as extra contractual obligations and bad faith lawsuits.
11. The foregoing list is not intended to be all-inclusive. We are relying on the reporting entities to use reasonable judgment in particular situations.
12. Reporting entities should assign the DCC expenses to the incurred year in which the associated losses were assigned. Reporting entities may assign the A&O expenses in any justifiable way among the incurred years. The preferred way is to apportion these expenses in proportion to the number of claims reported, closed, or outstanding each year.
13. **Please Note:** This instruction is intended solely to give guidance on reporting loss adjustment expenses in Schedule P in the annual statement. It is not intended to provide guidance on the types of expenses to include in loss adjustment expenses. These definitions of DCC expense and A&O expense are not intended to affect insurance or reinsurance agreements or other contractual agreements.
14. Column 24 is equal to Column 13 – Column 14 + Column 15 – Column 16 + Column 17 – Column 18 + Column 19 – Column 20 + Column 21 – Column 22.
15. Column 28, “Net,” equals Column 26 – Column 27, which equals Column 11 + Column 24.
16. Columns 32 and 33 require reporting of the discount, if any, as included on any line in Page 3 on liabilities for unpaid losses and expenses, in regard to non-tabular losses and expenses. (See definition of tabular reserves under Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses in the instructions for the Notes to Financial Statements.) Columns 35 and 36 are the Column 24 unpaid losses and expenses net of the discount in Columns 32 and 33. Columns 35 and 36 must be completed and should agree with net balance sheet reserves after discount. If the reporting entity reports on a pooling basis, then the percentage of that pool reported herein should be entered in Column 34. If some of the business is pooled and some is not, leave Column 34 blank and explain in Interrogatory 7.2 of the Schedule P Interrogatories.
17. Report in Column 23 the estimated amount of anticipated salvage and subrogation that has been taken as credit (netted) in the reserves for unpaid losses and loss adjustment expenses reported in Column 24. (Note: Column 23 is a memo column only as the amounts contained therein have already been taken into consideration in Columns 13 through 20.)
18. The definitions of the named lines are the same as used on the State Pages.
19. All proportional reinsurance must be allocated to appropriate lines.
20. As used in this instruction “non-proportional reinsurance” means reinsurance in excess of retention by the ceding company, and “proportional reinsurance” means fixed percentage of all losses.
21. For contracts that afford both proportional and non-proportional reinsurance, allocate premiums and losses to their component parts.

**Prior Row:**

22. In the prior row for losses and expenses paid and salvage and subrogation received (columns 4 through 10), report only losses and expenses paid and salvage and subrogation received in the current calendar year for all incurred years prior to the most recent ten years.
23. Column 4 - 5 + 6 - 7 in the prior row equals column 10 - 9 in the Part 3 prior row.
24. The unpaid losses and loss expenses on the prior row are the unpaid losses and loss expenses as of the annual statement date for all incurred years prior to the most recent ten years.
25. The prior row should show the number of claims outstanding in the Summary and for all lines except Non-proportional assumed reinsurance – Property, Liability and Financial Lines. This row equals the number of claims outstanding as of the annual statement date for all incurred years prior to the most recent ten years.
26. There is no reporting required on the prior row for earned premiums, incurred loss and loss expenses, loss and loss expense percentages, or the inter-company pooling participation percentages.

**SCHEDULE P – PARTS 1A THROUGH 1U**

1. “Claims-made Earned Premiums” shall include earned premiums arising from any policy where the predominant exposure is claims-made, but “Claims-made Earned Premiums” shall not include “Tail Earned Premiums.”
2. “Occurrence Earned Premiums” are all premiums which are not claims-made.
3. “Tail Earned Premiums” applicable to a claims-made insurance program are to be included in the occurrence Part for the respective line.
4. The following rules apply to accounting for claims-made losses:
  - a. The “incurred” date shall be the report date for losses attributable to claims-made (but not “tail” forms).
  - b. Losses shall be booked to the report year that is consistent with the report year definition contained in the policy.
6. The rule for accounting for losses incurred on tail policies is that such losses must be assigned to the year in which the policy was issued and are to be included in the Occurrence Part for the respective line.

**SCHEDULE P – PARTS 2, 3, AND 4**

1. Schedule P, Part 2 provides a loss and expense development overview to test the adequacy of the reporting entity's reserves. Schedule P, Part 3 shows the payment patterns for cash flow projections, discounting calculations, and actuarial projections. Schedule P, Part 4 is an exhibit showing the historical bulk and IBNR reserves as reported. Part 4 does not show a development of these reserves, and it will not, by itself, provide a test of the adequacy of these reserves.
2. Schedule P, Parts 2, 3 and 4 have parallel formats and are the basic exhibits for actuarial and financial analyses. The same Line Titles that applied to Schedule P, Part 1 also apply to Parts 2, 3 and 4.
  - a. All amounts in Schedule P, Parts 2, 3, and 4 are reported net of reinsurance.
  - b. Parts 2 and 3 show cumulative amounts by incurred year.
  - b. All amounts are to be reported net of salvage and subrogation paid and anticipated.
  - c. All amounts in Parts 2 and 4 must be reported gross of both tabular and non-tabular discounting.
  - d. In part 2, the "Development" in Column 11 and 12 should be the current year less the first previous year (for 1-year development) or second previous year (for 2-year development), showing the (redundant) or adverse development.

**Loss Adjustment Expenses:**

3. The triangles include only the DCC loss adjustment expenses. The reason for this is that DCC adjustment expenses correlate with loss amounts, but the A&O expenses do not.

**Bulk and IBNR Reserves:**

4. The Bulk and IBNR reserves for losses and expenses are intended to include reserves for incurred but not reported claims, reopened claims, development on case reserves of reported claims, and aggregate reserves on newly reported claims without specific case reserves. The Bulk and IBNR reserves are the actuarially determined reserves and are included in the losses unpaid and loss expenses unpaid reported in Schedule P, Parts 1 and 2. The Bulk and IBNR reserves do not include case reserves established on individual claims.
5. The Bulk and IBNR reserves in Part 4 include DCC expenses, unlike the reserves reported in the Underwriting and Investment Exhibit, Part 2A.

**Prior Row:**

5. Part 2, Line 1, Column 1 should show the loss and DCC expense reserves (case + bulk + IBNR) as of December 31 of the year in the column heading for all incurred years prior to the year in the column heading. For example, if the year in Column 1 is 20XX, Line 1 of Column 1 should show the loss and DCC expense reserves as of December 31, 20XX for incurred years 20XX-1 and prior.

The subsequent development each year across Line 1 relates to these reserves. For example, Column 2 of Line 1 shows the loss and DCC expense payments in calendar year 20XX+1 on incurred years 20XX-1 and prior plus the reserves (case + bulk + IBNR) as of year-end 20XX+1 on incurred years 20XX-1 and prior. Column 3 shows the payments in calendar years 20XX+1 and 20XX+2 on incurred years 20XX-1 and prior plus the reserves (case + bulk + IBNR) as of year-end 20XX+2 on incurred years 20XX-1 and prior.

This example shows how to calculate the Part 2, Line 1, Column 1 value for the 2024 annual statement. This calculation uses information from Parts 2 through 4 of the 2023 annual statement.

Annual Statement for the Year 2023 of the XYZ Insurance Company  
Schedule P – Part 2  
Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 Omitted)

Years in Which Losses Were Incurred	1 2014	2 2015	3 2016	4 2017	5 2018	6 2019	7 2020	8 2021	9 2022	10 2023
1. Prior		830,000								
2. 2014		430,000								

Annual Statement for the Year 2023 of the XYZ Insurance Company  
Schedule P – Part 3  
Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 Omitted)

Years in Which Losses Were Incurred	1 2014	2 2015	3 2016	4 2017	5 2018	6 2019	7 2020	8 2021	9 2022	10 2023
1. Prior		180,000								
2. 2014		150,000								

Annual Statement for the Year 2023 of the XYZ Insurance Company  
Schedule P – Part 4  
Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 Omitted)

Years in Which Losses Were Incurred	1 2014	2 2015	3 2016	4 2017	5 2018	6 2019	7 2020	8 2021	9 2022	10 2023
1. Prior		420,000								
2. 2014		210,000								

Annual Statement for the Year 2024 of the XYZ Insurance Company  
Schedule P – Part 2  
Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 Omitted)

Years in Which Losses Were Incurred	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024
1. Prior	<b>930,000</b>									
2. 2015										

Case reserves on net losses and DCC expenses for incurred years 2014 and prior as of 12/31/15:  
 $830,000 + 430,000 - (180,000 + 150,000) - (420,000 + 210,000) = 300,000$

Bulk and IBNR reserves on net losses and DCC expenses for incurred years 2014 and prior as of 12/31/15:  
 $420,000 + 210,000 = 630,000$

Case and bulk and IBNR reserves on net losses and DCC expenses for incurred years 2014 and prior as of 12/31/15:  
 $300,000 + 630,000 = \mathbf{930,000}$

The Part 2, Line 1, Column 1 value in the current year's annual statement (930,000) equals:  
 Part 2, Line 1, Column 2 in the prior year's annual statement (830,000)  
 + Part 2, Line 2, Column 2 in the prior year's annual statement (430,000)  
 - Part 3, Line 1, Column 2 in the prior year's annual statement (180,000)  
 - Part 3, Line 2, Column 2 in the prior year's annual statement (150,000).

6. In Part 3, Line 1, Column 1, the amount entered should always be zero.\* In Line 1, Column 2, the amount should be the loss and DCC expense payments made in that calendar year on the reserves reported in Part 2, Line 1, Column 1. (These payments are also included in Part 2, Line 1, Column 2.) For example, if the year in Column 1 is 20XX, Column 2 of Line 1 shows the loss and DCC expense payments in calendar year 20XX+1 on incurred years 20XX-1 and prior. Column 3 shows the payments in calendar years 20XX+1 and 20XX+2 on incurred years 20XX-1 and prior. (These payments are also

included in Part 2, Line 1, Column 3.) Columns 4 through 10 should continue to cumulate the payments in the same way and tie into the Part 2 “prior” row.

*\*Line 1 only shows payments made subsequent to the establishment of reserves as of the earliest evaluation date in the table. For example, in the 2024 annual statement, the earliest evaluation date is year-end 2015, and Part 3 only shows payments made subsequent to the establishment of reserves as of year-end 2015. This explains why the amount in Line 1, Column 1 of Part 3 has to be zero, since there can be no payments made in 2015 subsequent to the establishment of reserves as of year-end 2015.*

7. Part 4, Line 1 shows the bulk and IBNR reserves at each year-end (using the year in the column heading) for all incurred years prior to the most recent 10. For example, if the year in Column 1 is 20XX, Line 1 of Column 1 should show the loss and DCC expense bulk and IBNR reserves as of December 31, 20XX for incurred years 20XX-1 and prior.

#### **SCHEDULE P – PART 5**

1. Part 5, Section 1 shows the cumulative number of claims closed with loss payment. Column 10 of Part 5, Section 1 ties to Column 11 of Part 3, except for the values in the Prior Row. Lines 3 through 11 of Column 11 of Part 3 of the prior year’s Schedule P tie to Lines 2 through 10 of Column 9 of Part 5, Section 1 of the current Schedule P. Similarly, Part 3 of older years’ Schedule P maps to Columns 1 through 8 of the current year’s Part 5, Section 1.
2. Part 5, Section 2 shows the number of claims outstanding as of the year-end in the column header. Column 10 of Part 5, Section 2 ties to Column 25 of Part 1. Lines 3 through 11 of Column 25 of Part 1 of the prior year’s Schedule P tie to Lines 2 through 10 of Column 9 of Part 5, Section 2 of the current Schedule P. Similarly, Column 25 of Part 1 of older years’ Schedule P maps to Columns 1 through 8 of the current year’s Part 5, Section 2.
3. Part 5, Section 3 shows the cumulative number of claims reported. Column 10 of Part 5, Section 3 ties to Column 12 of Part 1, except for the Prior Row. Lines 3 through 11 of Column 12 of Part 1 of the prior year’s Schedule P tie to Lines 2 through 10 of Column 9 of Part 5, Section 3 of the current Schedule P. Similarly, Part 1 of older years’ Schedule P maps to Columns 1 through 8 of the current year’s Part 5, Section 3.
2. All claim count information reported in Schedule P should be on a “direct and assumed” basis. “Direct and assumed” means direct plus the proportion of a pool plus proportional reinsurance assumed. The same percentage used for dollar amounts should also be used for the claim counts.

#### **Prior Row:**

3. In Section 1, the Prior Row should show the number of claims closed with loss payment in the calendar year corresponding to the column header for all incurred years prior to the most recent 10 years.
4. In Section 2, the Prior Row should show the number of claims outstanding as of the year-end in the column header for all incurred years prior to the most recent 10 years.
5. In Section 3, the Prior Row should show the number of claims reported in the calendar year corresponding to the column header for all incurred years prior to the most recent 10 years. Even though Schedule P, Part 1, Column 12, does not require prior row information, reporting entities should have this information available. If not, reasonable estimates should be made.

#### **SCHEDULE P – PART 6**

1. For Schedule P, Part 6, the premiums to be reported are exposure or coverage year cumulative earned premiums, recalculated each subsequent year to reflect audits, retrospective adjustments based on loss experience, accounting lags, etc. Mechanically, the written premium file would be restated and the earned premium calculation repeated each year. Premium adjustments for policy periods that cover more than one calendar year should be proportionately distributed between the calendar years covered by the policy period.

For example (adapted from Feldblum’s “Completing and Using Schedule P,” eighth edition, June 2003), suppose that a retrospectively rated workers’ compensation policy is issued on October 1, 2013, for a \$10,000 premium. On December 15, 2014, the payroll audit calls for an additional \$1,000 of premium. On July 1, 2015, the first retrospective adjustment calls for no additional or return premium. On July 1, 2016, the second retrospective adjustment calls for an additional premium of \$5,500. Part 6 for this policy, through December 31, 2016, would be completed as follows:

Annual Statement for the Year 2022 of the XYZ Insurance Company  
Schedule P – Part 6  
Cumulative Premiums Earned Direct and Assumed at Year End

Years in Which Premiums Were Earned and Losses Were Incurred	1 2013	2 2014	3 2015	4 2016	...
1. Prior					
2. 2013	2,500	2,750	2,750	4,125	
3. 2014		8,250	8,250	12,375	
...					
13. Earned Premiums (Sch P-Pt. 1)	2,500	8,500	0	5,500	

- At December 31, 2013, the exposure year 2013 earned premium is \$2,500 ( $=\$10,000 \times 0.25$ ).
  - At September 30, 2014, the exposure year 2013 earned premium is \$2,500, and the exposure year 2014 earned premium is \$7,500 ( $=\$10,000 \times 0.75$ ).
  - The payroll audit is distributed over the policy term, so on December 31, 2014, the exposure year 2013 earned premium is \$2,750 ( $=\$2,500 + 0.25 \times \$1,000$ ) and the exposure year 2014 earned premium is \$8,250 ( $=\$7,500 + 0.75 \times \$1,000$ ).
  - The retrospective premiums are allocated to exposure years in proportion to the coverage period. At December 31, 2016, the exposure year 2013 earned premium is \$4,125 ( $=\$2,750 + 0.25 \times \$5,500$ ) and the exposure year 2014 earned premium is \$12,375 ( $=\$8,250 + 0.75 \times \$5,500$ ).
2. The objective is to develop earned premiums by exposure year of coverage consistent with the loss and DCC expense by incurred year. The difference between Sections 1 and 2 should equal the total net earned premiums.
  3. A further objective is to determine a more accurate loss and DCC expense ratio and to be able to project the earned but unbilled premiums, which may be an asset or liability. The reporting entity may use any method to recalculate the premiums which will achieve this objective.
  4. Column 11 is for informational purposes and shows the distribution of premiums earned during the current year. Premiums as reported in Schedule P, Part 1, Columns 1 or 2, are also shown at the bottom of the exhibit to demonstrate the relationship and to show how Part 6 reconciles with Part 1.
  5. The layout of Sections 1 and 2 is the same. Section 1 shows direct and assumed premiums, while Section 2 shows ceded.
  6. NOTE: Purchased tail coverage policies are issued in the year that the coverage is effective. Free extended tail coverage is issued in the year the coverage is triggered.

**Prior Row:**

7. The Prior Row should show the incremental earned premium adjustment in the calendar year corresponding to the column header for all incurred years prior to the most recent 10 years. For Columns 1 through 9, the value in Row 1 for the column corresponding to year 20XX can be determined from the previous year's Schedule P, Part 6 as the sum of Rows 1 and 2 for the column corresponding to year 20XX minus Row 2 for the column corresponding to year 20XX-1.

**SCHEDULE P – PART 7**

1. Only the experience on contracts that meet the following definition should be included in Part 7.

Loss sensitive contracts shall meet the following criteria:

- a. Contracts where an increase in losses on a policy can cause an increase in net payment (by the insured) for that policy.
  - b. The amount of additional payment (by the insured) must be at least 75% (50% for reinsurance contracts) of the additional losses, before application of aggregate and per accident/claimant limits or caps.
  - c. The net amount paid (by the insured) must also be able to differ by at least 20% (10% for reinsurance contracts), from highest to lowest possible charge in reaction to the loss experience.
  - d. The maximum possible payment by the insured should also be at least 15% (7.5% for reinsurance contracts) above what the insured would pay based on expected loss experience. In other words, the maximum charge should not approximate the expected charge.
  - e. The additional payment shall be in the form of additional premiums or additional commissions.
  - f. The additional losses and corresponding payments must flow through the income and balance sheets and cannot be “off-balance sheet.” For example, a deductible feature does not make a contract “loss sensitive” under this definition, as neither the losses under the deductible nor the reimbursements for these losses flow through the income statement.
2. Part 7 is only required of reporting entities who claim a reduction in their Risk-Based Capital for Loss Sensitive Contracts. Such reporting entities must complete the entire schedule in each year that they claim such credit.
  3. Part 7A provides experience on primary contracts. Part 7B provides experience on reinsurance contracts.

**Section 1: Current Year Loss and LAE Reserves and Net Written Premium:**

4. Column (1) should agree with the net loss and loss adjustment expense reserves (undiscounted) reported in the corresponding Part 1 of Schedule P.
5. Column (2) should reflect the corresponding values for Loss Sensitive Contracts only. Primary Loss Sensitive should include direct losses and expenses unpaid less reinsurance on those direct losses and expenses. Reinsurance Loss Sensitive should include unpaid assumed losses and expenses less any retrocessions on those losses and expenses.
6. Column (4) x 1000 should agree with the net written premiums reported in the Underwriting and Investment Exhibit.
7. Column (5) should reflect the corresponding premium for Loss Sensitive Contracts only. Primary Loss Sensitive should include direct premiums written on loss sensitive contracts less reinsurance on those direct premiums. Reinsurance Loss Sensitive should include assumed loss sensitive premiums less any retroceded premiums.
8. Columns (3) and (6) are ratios of (2) to (1) and (5) to (4), respectively. Express as percentages showing one decimal place (e.g., 24.2%).

**Sections 2 and 3: Loss Development:**

9. In each row of Section 2 display the reported estimate of ultimate losses and DCC expense on all Loss Sensitive Contracts issued (i.e., with inception dates) in that year. Each reported estimate should be the estimate of cumulative ultimate loss and DCC expense as of the calendar year-end corresponding to the column header, not the incremental amounts incurred during each calendar year. The resulting data should display the reported estimate of ultimate losses and DCC expense on a Policy Year basis.

One reasonability benchmark that can be used to verify that the data is presented on a Policy Year basis is to compare the magnitude of an issue year's ultimate loss and DCC expense estimates as of twelve months and as of twenty-four months. The valuation as of twenty-four months should be approximately twice as great as the valuation as of twelve months. (For example, Issue Year 2004 estimate of ultimate losses and DCC expense at year-end 2005 should be approximately twice as great as the estimate of Issue Year 2004 ultimate losses and DCC expense at year-end 2004.) This reasonability benchmark assumes roughly even policy writings throughout the year. If a company's writings are proportionately greater in the first half of the year than the second half of the year, the valuation as of twelve months can reasonably be expected to be greater than 50% of the twenty-four-month valuation.

10. In each row of Section 3 show the bulk and IBNR reserves included in Section 2.

**Sections 4 and 5: Premium Development:**

11. In Section 4 of Schedule P for each year of issue, display the net earned premiums reported as of the calendar year-end corresponding to the column header. Each reported estimate should be the estimate of cumulative net earned premium as of each year-end, not the incremental amounts earned during each calendar year. The resulting data should display the reported estimate of net earned premium on a Policy Year basis.

One reasonability benchmark that can be used to verify that the data is presented on a Policy Year basis is to compare the magnitude of an issue year's net earned premium as of twelve months and as of twenty-four months. The valuation as of twenty-four months should be approximately twice as great as the valuation as of twelve months. This reasonability benchmark assumes roughly even policy writings throughout the year. If a company's writings are proportionately greater in the first half of the year than the second half of the year, the valuation as of twelve months can reasonably be expected to be greater than 50% of the twenty-four-month valuation.

A second reasonability benchmark that can be used to verify the data presentation is to examine the ratio of Section 2 incurred loss and allocated expenses to Section 4 net earned premiums. The ratio of incurred losses to net earned premiums should all be similar at each valuation date. If Section 2 data is not on a policy year basis, but Section 4 is, or vice versa, the ratios as of twelve months will look very different than the ratios as of twenty-four months.

12. In Section 5 show separately any bulk assets or liabilities for future additional premiums or return of premiums included in the earned premium in Section 4. An entry denoting the expectation of future additional premiums should be displayed as a positive value. An entry denoting the expectation of future return premiums should be displayed as a negative value.
13. (Part 7B only): Loss Sensitive Reinsurance Contracts must be segmented between those on which premium is the adjustable element, and those on which commissions paid to the cedant are adjustable with losses. The premium development schedule (Sections 4 and 5, Part 7B) should only include the experience of contracts with a variable premium.

**Sections 6 and 7 (Part 7B only): Commission Development:**

14. For all reinsurance contracts where the commission paid to the cedant varies with losses, display the development of that commission in Section 6 and display any assets or liabilities accrued in respect of the commission in Section 7. An entry denoting the expectation of future additional commissions to be paid should be displayed as a negative value. An entry denoting the expectation of future return commissions should be displayed as a positive value.

**Prior Row:**

15. The "Prior" row in Sections 2 and 3 should display the reported estimate of ultimate losses and DCC Expense on a Policy Year basis for all policy years ten or more years older than the current policy year.
16. The "Prior" row in Sections 4 and 5 should display the reported estimate of net earned premium on a Policy Year basis for all policy years ten or more years older than the current policy year.

**Formulas for Schedule P, Parts 2-4**

**Schedule P – Part 2 – Incurred Net Losses and Defense and Cost Containment Reported at Year-End**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Prior</b>	Case + Bulk + IBNR rsvs on <2016 @ Ye 2016	paid in 2017 + rsvs on < 2016 @ ye 2017	paid 2017 thru 2018 + rsvs on < 2016 @ ye 2018	paid 2017 thru 2019 + rsvs on < 2016 @ ye 2019	paid 2017 thru 2020 + rsvs on < 2016 @ ye 2020	paid 2017 thru 2021 + rsvs on < 2016 @ ye 2021	paid 2017 thru 2022 + rsvs on < 2016 @ ye 2022	paid 2017 thru 2023 + rsvs on < 2016 @ ye 2023	paid 2017 thru 2024 + rsvs on < 2016 @ ye 2024	paid 2017 thru 2025 + rsvs on < 2016 @ ye 2025
<b>2016</b>	paid in 2016 + rsvs on 2016 @ ye 2016	paid thru 2017 + rsvs on 2016 @ ye 2017	paid thru 2018 + rsvs on 2016 @ ye 2018	paid thru 2019 + rsvs on 2016 @ ye 2019	paid thru 2020 + rsvs on 2016 @ ye 2020	paid thru 2021 + rsvs on 2016 @ ye 2021	paid thru 2022 + rsvs on 2016 @ ye 2022	paid thru 2023 + rsvs on 2016 @ ye 2023	paid thru 2024 + rsvs on 2016 @ ye 2024	paid thru 2025 + rsvs on 2016 @ ye 2025
<b>2017</b>		paid in 2017 + rsvs on 2017 @ ye 2017	paid thru 2018 + rsvs on 2017 @ ye 2018	paid thru 2019 + rsvs on 2017 @ ye 2019	paid thru 2020 + rsvs on 2017 @ ye 2020	paid thru 2021 + rsvs on 2017 @ ye 2021	paid thru 2022 + rsvs on 2017 @ ye 2022	paid thru 2023 + rsvs on 2017 @ ye 2023	paid thru 2024 + rsvs on 2017 @ ye 2024	paid thru 2025 + rsvs on 2017 @ ye 2025
<b>2018</b>			paid in 2018 + rsvs on 2018 @ ye 2018	paid thru 2019 + rsvs on 2018 @ ye 2019	paid thru 2020 + rsvs on 2018 @ ye 2020	paid thru 2021 + rsvs on 2018 @ ye 2021	paid thru 2022 + rsvs on 2018 @ ye 2022	paid thru 2023 + rsvs on 2018 @ ye 2023	paid thru 2024 + rsvs on 2018 @ ye 2024	paid thru 2025 + rsvs on 2018 @ ye 2025
<b>2019</b>				paid in 2019 + rsvs on 2019 @ ye 2019	paid thru 2020 + rsvs on 2019 @ ye 2020	paid thru 2021 + rsvs on 2019 @ ye 2021	paid thru 2022 + rsvs on 2019 @ ye 2022	paid thru 2023 + rsvs on 2019 @ ye 2023	paid thru 2024 + rsvs on 2019 @ ye 2024	paid thru 2025 + rsvs on 2019 @ ye 2025
<b>2020</b>					paid in 2020 + rsvs on 2020 @ ye 2020	paid thru 2021 + rsvs on 2020 @ ye 2021	paid thru 2022 + rsvs on 2020 @ ye 2022	paid thru 2023 + rsvs on 2020 @ ye 2023	paid thru 2024 + rsvs on 2020 @ ye 2024	paid thru 2025 + rsvs on 2020 @ ye 2025
<b>2021</b>						paid in 2021 + rsvs on 2021 @ ye 2021	paid thru 2022 + rsvs on 2021 @ ye 2022	paid thru 2023 + rsvs on 2021 @ ye 2023	paid thru 2024 + rsvs on 2021 @ ye 2024	paid thru 2025 + rsvs on 2021 @ ye 2025
<b>2022</b>							paid in 2022 + rsvs on 2022 @ ye 2022	paid thru 2023 + rsvs on 2022 @ ye 2023	paid thru 2024 + rsvs on 2022 @ ye 2024	paid thru 2025 + rsvs on 2022 @ ye 2025
<b>2023</b>								paid in 2023 + rsvs on 2023 @ ye 2023	paid thru 2024 + rsvs on 2023 @ ye 2024	paid thru 2025 + rsvs on 2023 @ ye 2025
<b>2024</b>									paid in 2024 + rsvs on 2024 @ ye 2024	paid thru 2025 + rsvs on 2024 @ ye 2025
<b>2025</b>										paid in 2025 + rsvs on 2025 @ ye 2025

**Notes** Figures are net of reinsurance, subrogation, and salvage.

	Reserves Only. Subsequent development relates only to subsequent payments and reserves.
	From Part 1: Column 11 - (Column 8 - Column 9) + Column 24 - (Column 21 - Column 22), plus any tabular discount netted from the loss reserves in Column 24

**Schedule P-- Part 3 – Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year-End**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
Prior	000	paid in 2017 on < 2016*	paid 2017 thru 2018 on < 2016	paid 2017 thru 2019 on < 2016	paid 2017 thru 2020 on < 2016	paid 2017 thru 2021 on < 2016	paid 2017 thru 2022 on < 2016	paid 2017 thru 2023 on < 2016	paid 2017 thru 2024 on < 2016	paid 2017 thru 2025 on < 2016		
2016	paid in 2016 on 2016	paid thru 2017 on 2016	paid thru 2018 on 2016	paid thru 2019 on 2016	paid thru 2020 on 2016	paid thru 2021 on 2016	paid thru 2022 on 2016	paid thru 2023 on 2016	paid thru 2024 on 2016	paid thru 2025 on 2016		
2017		paid in 2017 on 2017	paid thru 2018 on 2017	paid thru 2019 on 2017	paid thru 2020 on 2017	paid thru 2021 on 2017	paid thru 2022 on 2017	paid thru 2023 on 2017	paid thru 2024 on 2017	paid thru 2025 on 2017		
2018			paid in 2018 on 2018	paid thru 2019 on 2018	paid thru 2020 on 2018	paid thru 2021 on 2018	paid thru 2022 on 2018	paid thru 2023 on 2018	paid thru 2024 on 2018	paid thru 2025 on 2018		
2019				paid in 2019 on 2019	paid thru 2020 on 2019	paid thru 2021 on 2019	paid thru 2022 on 2019	paid thru 2023 on 2019	paid thru 2024 on 2019	paid thru 2025 on 2019		
2020					paid in 2020 on 2020	paid thru 2021 on 2020	paid thru 2022 on 2020	paid thru 2023 on 2020	paid thru 2024 on 2020	paid thru 2025 on 2020		
2021						paid in 2021 on 2021	paid thru 2022 on 2021	paid thru 2023 on 2021	paid thru 2024 on 2021	paid thru 2025 on 2021		
2022							paid in 2022 on 2022	paid thru 2023 on 2022	paid thru 2024 on 2022	paid thru 2025 on 2022		
2023								paid in 2023 on 2023	paid thru 2024 on 2023	paid thru 2025 on 2023		
2024									paid in 2024 on 2024	paid thru 2025 on 2024		
2025										paid in 2025 on 2025		

**Notes:** Figures are net of reinsurance.  
 Figures are net of salvage and subrogation received.  
 \* "on < 2016" here means "on net loss and DCC expense reserves established by the company as of 12/31/16 for incurred years prior to 2016"

From Part 1: Column 4 - Column 5 + Column 6 - Column 7  
 (or Column 11 - (Column 8 - Column 9))

**Schedule P - Part 4 - Bulk and INBR Reserves on Net Losses and DCC Expenses  
Reported at Year End**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Prior</b>	rsvs ye 2016 on < 2016	rsvs ye 2017 on < 2016	rsvs ye 2018 on < 2016	rsvs ye 2019 on < 2016	rsvs ye 2020 on < 2016	rsvs ye 2021 on < 2016	rsvs ye 2022 on < 2016	rsvs ye 2023 on < 2016	rsvs ye 2024 on < 2016	rsvs ye 2025 on < 2016
<b>2016</b>	rsvs ye 2016 on 2016 ay	rsvs ye 2017 on 2016 ay	rsvs ye 2018 on 2016 ay	rsvs ye 2019 on 2016 ay	rsvs ye 2020 on 2016 ay	rsvs ye 2021 on 2016 ay	rsvs ye 2022 on 2016 ay	rsvs ye 2023 on 2016 ay	rsvs ye 2024 on 2016 ay	rsvs ye 2025 on 2016 ay
<b>2017</b>		rsvs ye 2017 on 2017 ay	rsvs ye 2018 on 2017 ay	rsvs ye 2019 on 2017 ay	rsvs ye 2020 on 2017 ay	rsvs ye 2021 on 2017 ay	rsvs ye 2022 on 2017 ay	rsvs ye 2023 on 2017 ay	rsvs ye 2024 on 2017 ay	rsvs ye 2025 on 2017 ay
<b>2018</b>			rsvs ye 2018 on 2018 ay	rsvs ye 2019 on 2018 ay	rsvs ye 2020 on 2018 ay	rsvs ye 2021 on 2018 ay	rsvs ye 2022 on 2018 ay	rsvs ye 2023 on 2018 ay	rsvs ye 2024 on 2018 ay	rsvs ye 2025 on 2018 ay
<b>2019</b>				rsvs ye 2019 on 2019 ay	rsvs ye 2020 on 2019 ay	rsvs ye 2021 on 2019 ay	rsvs ye 2022 on 2019 ay	rsvs ye 2023 on 2019 ay	rsvs ye 2024 on 2019 ay	rsvs ye 2025 on 2019 ay
<b>2020</b>					rsvs ye 2020 on 2020 ay	rsvs ye 2021 on 2020 ay	rsvs ye 2022 on 2020 ay	rsvs ye 2023 on 2020 ay	rsvs ye 2024 on 2020 ay	rsvs ye 2025 on 2020 ay
<b>2021</b>						rsvs ye 2021 on 2021 ay	rsvs ye 2022 on 2021 ay	rsvs ye 2023 on 2021 ay	rsvs ye 2024 on 2021 ay	rsvs ye 2025 on 2021 ay
<b>2022</b>							rsvs ye 2022 on 2022 ay	rsvs ye 2023 on 2022 ay	rsvs ye 2024 on 2022 ay	rsvs ye 2025 on 2022 ay
<b>2023</b>								rsvs ye 2023 on 2023 ay	rsvs ye 2024 on 2023 ay	rsvs ye 2025 on 2023 ay
<b>2024</b>									rsvs ye 2024 on 2024 ay	rsvs ye 2025 on 2024 ay
<b>2025</b>										rsvs ye 2025 on 2025 ay

**Notes:** Figures are net of reinsurance.

From Part 1: Column 15 - Column 16 + Column 19 - Column 20, plus any tabular discount netted from the reserves in Part 1

**Earned Premium Development for Schedule P, Part 6**

Example

Rows 1 and 2 of the 2023 Part 6 are shown because these rows can be used to calculate Row 1 of the 2024 Part 6.

Annual Statement for the Year 2023 of the XYZ Insurance Company  
Schedule P – Part 6  
Cumulative Premiums Earned Direct and Assumed at Year End

Year in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										
	1	2	3	4	5	6	7	8	9	10	11
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Current Year Premiums Earned
1. Prior	9,900	1,900	1,200	(1,500)	(2,400)	2,100	(300)	(1,100)	0	0	0
2. 2014	112,000	121,000	126,100	126,600	126,000	127,500	126,300	124,500	124,500	124,400	(100)
...											

Annual Statement for the Year 2024 of the XYZ Insurance Company  
Schedule P – Part 6  
Cumulative Premiums Earned Direct and Assumed at Year End

Year in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										
	1	2	3	4	5	6	7	8	9	10	11
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current Year Premiums Earned
1. Prior	10,900	6,300	(1,000)	(3,000)	3,600	(1,500)	(2,900)	0	(100)	0	0
2. 2015	130,000	139,000	146,000	146,000	146,000	144,000	142,000	142,000	143,000	143,000	0
3. 2016		164,000	181,000	187,000	187,000	186,000	185,000	182,000	182,000	182,000	0
4. 2017			213,000	234,000	239,000	241,000	240,000	235,000	233,000	233,000	0
5. 2018				217,000	225,000	229,000	229,000	227,000	222,000	222,000	0
6. 2019					239,000	252,000	256,000	258,000	255,000	253,000	(2,000)
7. 2020						253,000	256,000	259,000	259,000	255,000	(4,000)
8. 2021							258,000	280,000	285,000	284,000	(1,000)
9. 2022								263,000	285,000	289,000	4,000
10. 2023									279,000	294,000	15,000
11. 2024										305,000	305,000

Attachment One-A  
 Casualty Actuarial and Statistical (C) Task Force  
 3/23/2026

12. Totals											317,000
13. Earned Premiums (Sch P-Pt. 1)	140,900	179,300	236,000	241,000	255,600	267,500	258,100	280,000	296,900	317,000	

## **Categories of Schedule P Phase 2 proposals**

### **1. Correcting incorrect information**

- Corrected “Earned premium is on a calendar year basis.” in the overview section to “Earned premium is on a calendar year basis in Part 1, an exposure year basis in Part 6, and a policy year basis in Part 7.”

### **2. Moving content without changing the content**

- Moved “Claim counts should be reported as whole numbers” from the 1A-1U section to the overview section because this applies to all parts of Schedule P

### **3. Making minor improvements**

- Brought the DCC and A&O descriptions into alignment with the current version of SSAP No. 55

### **4. Increasing clarity without changing the meaning**

- Added descriptions for prior year rows and some example exhibits

### **5. Correcting information that used to be true based on old annual statement blanks but is no longer true**

- Deleted “Non-proportional assumed reinsurance – Property, Liability and Financial Lines can be summed together as reported.” from this language in the Part 1 section: “Premiums earned and losses paid, unpaid, and incurred should reconcile with the Statement of Income page. Part 1 – Summary is the total of the Schedule P lines. Non-proportional assumed reinsurance – Property, Liability and Financial Lines can be summed together as reported.” It looks like the three nonproportional assumed reinsurance lines used to not be shown separately and explicitly in other areas of the annual statement besides Schedule P. (E.g., I checked the 1994 annual statement blank. The state pages did not have lines for reinsurance, and the Underwriting and Investment Exhibits had four lines for reinsurance [numbered 30A through 30D] that were not further specified beyond “Reinsurance”.) But that is no longer true (on, for example, the state pages and the UW&I pages). So it no longer seems necessary to mention summing here.

Draft: 2/9/26

Casualty Actuarial and Statistical (C) Task Force  
E-Vote  
December 19, 2025

The Casualty Actuarial and Statistical (C) Task Force conducted an e-vote that concluded Dec. 19, 2025. The following Task Force members participated: D.J. Bettencourt, Chair, represented by Christian Citarella (NH); Heather Carpenter represented by Sian Ng-Ashcraft (AK); Ricardo Lara represented by Mitra Sanandajifar (CA); Joshua Hershman represented by Wanchin Chou (CT); Karima W. Woods represented by David A. Christhilf (DC); Doug Ommen represented by Travis Grassel (IA); Holly W. Lambert represented by Larry Steinert (IN); Timothy J. Temple represented by Nichole Torblaa (LA); Robert L. Carey represented by Sandra Darby (ME); Anita G. Fox represented by Kevin Dyke (MI); Grace Arnold represented by Phil Vigliaturo (MN); Judith L. French represented by Tom Botsko (OH); Glen Mulready represented by Andy Schallhorn (OK); Michael Wise represented by Will Davis (SC); Cassie Brown represented by Nicole Elliott (TX); Patty Kuderer represented by William Wilder (WA); and Allan L. McVey (WV).

1. Adopted the 2022/2023 Auto Report

The Task Force conducted an e-vote to consider adoption of the *2022/2023 Auto Insurance Database Report* (Auto Report). The motion passed unanimously.

Having no further business, the Casualty Actuarial and Statistical (C) Task Force adjourned.

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Draft: 3/17/26

Statistical Data (C) Working Group  
Virtual Meeting  
March 12, 2026

The Statistical Data (C) Working Group of the Casualty Actuarial and Statistical (C) Task Force met March 12, 2026. The following Working Group members participated: Sandra Darby, Chair, (ME); Brad Gerling, Vice Chair (MO); Charles Hale and Kyle Ogden (AL); Lori Dreaver Munn (AZ); George Bradner (CT); David A. Christhlf (DC); Colton Schulz (ND); Christian Citarella (NH); Alexander Vajda (NY); Tom Botsko (OH); Landon Hubbart (OK); and David Dahl (OR). Also participating were: Borwen Lee (FL); Julie Rachford (IL); John Sobhanian and Niles Watson (LA); Arthur Schwartz (MD); Phillip Glasovatz and Chris Slovinski (MI); Kelsey McElroy (MN); Will Davis (SC); Eric Scott (TN); and Jeff Grothman (WI).

1. Adopted its Dec. 17, 2025, Meeting Minutes

The Working Group met Dec. 17, 2025, to discuss comments on Sections 1, 2, 3, 5, 7, and 8 of the *Statistical Handbook of Data Available to Regulators* (Handbook).

Gerling made a motion, seconded by Munn, to adopt the Working Group's Dec. 17, 2025, minutes (Attachment Three-A). The motion passed unanimously.

2. Discussed Comments on Handbook Sections 1, 2, 3, 5, 7, and 8

Darby said the Working Group's work plan for 2026 is to continue receiving and reviewing comments on the previously discussed sections of the Handbook, including those on homeowners and mobilehomeowners, dwelling fire and allied lines, private passenger auto (PPA), and pet insurance. Darby said the Working Group will open the remaining personal lines sections on farmowners and comprehensive personal liability reports before it looks into Sections 1, 2, and 3. She said these beginning sections cover reporting to the states through annual and fast-track reporting. She encouraged the Working Group to consider ways to improve the reporting mechanism. Darby said the Working Group will work through the personal lines sections and Sections 1, 2, and 3 before finalizing the updated version of the Handbook. She said the commercial lines sections will be addressed in 2027.

Darby said NAIC staff will distribute a redlined version of the Handbook to highlight the changes made so far. She said the Working Group plans to meet April 8 and will begin by addressing any outstanding comments on these changes. She said she would also encourage Working Group members, interested regulators, and interested parties to submit comments on the newly opened farmowners section.

Schwartz said he would like to take another look at the homeowners section to look for possible data elements that should be included but are not currently.

Munn asked about the status of the Insurance Service Office (ISO) data dictionary and whether that project would be useful to the data and definitions found in this Handbook. Schulz said the Data Call (H) Study Group is an index of all data the NAIC regularly collects, including financial annual statement data and statistical data covered in this Handbook. He said the Working Group is not working to define the data elements, but is collecting them to reduce redundant data calls.

Nancy Clark (ISO) said the ISO has built a glossary into its regulatory data exchange. She said this includes data elements collected by the NAIC as well as state-specific data calls. She said this service is available to regulators.

Darby said that once data elements have been finalized, the Working Group should review data definitions to ensure they remain consistent with data collected elsewhere.

Having no further business, the Statistical Data (C) Working Group adjourned.

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Draft: 3/5/26

Statistical Data (C) Working Group  
Virtual Meeting  
December 17, 2025

The Statistical Data (C) Working Group of the Casualty Actuarial and Statistical (C) Task Force met Dec. 17, 2025. The following Working Group members participated: Sandra Darby, Chair, and Erica Sanderson (ME); Brad Gerling, Vice Chair (MO); Kyle Ogden and Ken Williamson (AL); Lori Dreaver Munn (AZ); Qing He (CT); David A. Christhilf (DC); Colton Schulz and Mike Andring (ND); Sean Rosene (NH); Alexander Vajda (NY); Tom Botsko (OH); and Landon Hubbard (OK). Also participating were: Luciano Gobbo (CA); Sun Min (FL); Julie Rachford (IL); John Sobhanian (LA); Arthur Schwartz (MD); Laurie Dyke, Phillip Glasovatz and Chris Slovinski (MI); Mari Kindberg and Ashley Perez (MT); Nicholas Vogl (NC); Kaleb Short and Eric Scott (TN); Kathy Stajduhar (UT); William Wilder (WA); and Jeff Grothman (WI).

1. Discussed Comments on Handbook Sections 1, 2, 3, 5, 7, and 8

Darby said the Working Group had previously looked at an outline for a new pet insurance section in the *Statistical Handbook of Data Available to Regulators* (Handbook). She said that Lori Weyuker (InsurTech Consultant), an independent consultant and pet insurance actuary, will provide insight into the types of data regulators may be interested in collecting on pet insurance. Darby said the Working Group will walk through the proposed data elements to obtain Weyuker's professional opinion on how best to structure and collect the data.

Weyuker asked about the historical purpose of statistical data. Darby said this data has been used to compare against rate filings and to look at the industry-wide history of a particular line of business.

Darby asked if collecting paid losses, paid allocated loss adjustment expenses, outstanding losses, and outstanding loss adjustment expenses makes sense for pet insurance. Schwartz said these elements should be discussed in conjunction with the type of loss. Weyuker said the listed data elements should be easy for companies to report. She said other elements that are drivers of loss and would be good information to collect are age and breed of pet. Weyuker said prescription drug information and veterinarian-specific information would also help inform cost drivers. She said spay-and-neuter coverage is another cause of loss.

Schwartz said this data set will help with regulatory activities such as rate reviews and reserve reviews. He said that after receiving a rate filing from a pet insurance company, he would be able to use this statistical data set to compare the trends in the data set with those used in the rate filing.

Gerling said the Working Group had previously discussed adding a "type of pet" data element. Darby agreed it was important to add this element to the data set.

Schulz asked Weyuker what data she would want to know about a state's pet insurance market if she were looking to expand business into that state. Weyuker said she would look at the market saturation, the prices premium competitors charge, and the most popular types of dogs and cats in that state. She said she would like to look at the current distribution channels and how consumers are purchasing pet insurance, whether it is directly to consumers or through veterinary offices.

Darby said she would like to consider the pet's age as a data element. Weyuker said buckets of ages make sense for this data element. She said for dogs, one bucket would be 0 to 1 year old, and the next would be 1 to 5 years old. She said the size of the pet can affect life expectancy, with small dogs living longer than larger ones. She said

that after seven years, the age factor is not as specific. She said felines would have different buckets than canines because they have much longer life spans.

Darby said for the data element "Coverage Type," the Working Group adjusted the proposed coverage type options to align with what is collected by the Market Conduct Annual Statement (MCAS). She said the Handbook may need some caveat language that describes the difference between wellness and insurance in states where wellness only is not considered an insurance product.

Darby said during the previous meeting, the Working Group looked at how MCAS collects claim count information. She said it is not necessary to collect as much detail through statistical data as MCAS is collecting. Schwartz agreed that, because pet insurance claims are generally paid and closed quickly, it is only necessary to collect the paid claim count and paid losses. Gerling said he would not need to see the claim count broken out by partial and full payments.

Darby asked whether emergency veterinary offices would be coded differently by companies than regular veterinary offices. Weyuker said that is something companies will do because specialty vets tend to be cost drivers. Darby asked whether there has been consideration of insurers contracting with veterinarians, similar to human health insurance. Weyuker said the topic has been discussed, and she believes a PPO-type arrangement would help with overall costs.

Having no further business, the Statistical Data (C) Working Group adjourned.

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