CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE

Casualty Actuarial and Statistical (C) Task Force
Phoenix, Arizona
March 16, 2024

The Casualty Actuarial and Statistical (C) Task Force met in Phoenix, AZ, March 16, 2024. The following Task Force members participated: D.J. Bettencourt, Chair, represented by Christian Citarella (NH); Chlora Lindley-Myers, Vice Chair, represented by Cynthia Amann and Julie Lederer (MO); Lori K. Wing-Heier represented by Sian Ng-Ashcraft (AK); Barbara D. Richardson represented by Tom Zuppan (AZ); Ricardo Lara represented by Mitra Sanandajifar (CA); Andrew N. Mais represented by Wanchin Chou and Qing He (CT); Michael Yaworsky represented by Richie Frederick (FL); Doug Ommen represented by Travis Grassel (IA); Amy L. Beard represented by Patrick O'Connor (IN); Vicki Schmidt represented by Nicole Boyd (KS); Timothy J. Temple represented by Nichole Torblaa (LA); Kathleen A. Birrane represented by Bill Fawcett (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 Michael Muldoon (NE); Judith L. French represented by Tom Botsko (OH); Glen Mulready represented by Andrew Schallhorn (OK); Michael Humphreys represented by Michael McKenney (PA); Alexander S. Adams Vega represented by Glorimar Santiago (PR); Michael Wise represented by Will Davis (SC); Cassie Brown represented by J'ne Byckovski and Miriam Fisk (TX); Kevin Gaffney represented by Rosemary Raszka (VT); Mike Kreidler represented by Eric Slavich (WA); and Allan L. McVey represented by Ellen Potter (WV). Also participating was: Tomasz Serbinowski (UT).

1. Adopted its Feb. 14, 2024; Feb. 13, 2024; and 2023 Fall National Meeting Minutes

Citarella said the Task Force met Feb. 13, 2024, and conducted an e-vote that ended Feb. 14. During its Feb. 13 meeting, the Task Force took the following action: adopted a motion to allow the NAIC rate model review team to modify its workload process from a strict first-come, first-served process to one that also considers special circumstances (e.g., 30-day deadlines, a state has requested few reviews, a state has an emergency request). The Feb. 14 e-vote included adoption of the *2020/2021 Auto Insurance Database Report* (Auto Report)*.*

The Task Force also met March 12, 2024; Feb. 20, 2024; Jan. 16, 2024; and Dec. 16, 2023, in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss rate filing issues. The Task Force held its Predictive Analytics Book Club meetings Feb. 27 and Jan. 30. On Feb. 27, Dorothy Andrews (NAIC) presented "Where Does Bias Hide?" on behalf of the American Academy of Actuaries' (Academy's) Data Science and Analytics Committee. On Jan. 30, Matt Moore (Highway Loss Data Institute—HLDI) presented "ADAS, Marijuana, Teens, and Theft."

Botsko made a motion, seconded by Chou, to adopt the Task Force's Feb. 14, 2024 (Attachment One); Feb. 13, 2024 (Attachment Two); and Dec. 1, 2023, (*see NAIC Proceedings – Fall 2023, Casualty Actuarial and Statistical (C) Task Force*) minutes. The motion passed unanimously.

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

Fisk said the Actuarial Opinion (C) Working Group conducted an e-vote that ended Jan. 5 to adopt its proposed changes to the 2024 Statement of Actuarial Opinion (SAO) instructions for property and title. The proposal was exposed by the Blanks (E) Working Group for a public comment period ending April 23. The Actuarial Opinion (C) Working Group plans to meet in late spring or early summer to begin discussing potential changes to the 2025 SAO instructions and the 2024 regulatory guidance.

Fisk made a motion, seconded by Darby, to adopt the report of the Actuarial Opinion (C) Working Group, including its Jan. 5 (Attachment Three) minutes. The motion passed unanimously.

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

Darby said the Statistical Data (C) Working Group met Dec. 11, 2023, to discuss changes to the *Report on Profitability by Line by State* (Profitability Report) and the *Competition Database Report* (Competition Report). These discussions focused on formatting already-adopted changes and updating language to match those formatting updates. During the Dec. 11 meeting, the Working Group received updates on the *2021 Homeowners Report* (Home Report) and the 2020/2021 Auto Report. Both reports have since been published.

Due to the changes adopted for the Profitability and Competition Reports, the reports were delayed but are now with the Task Force for consideration of adoption. Voting on the adoption of these reports ends March 20.

Currently, NAIC staff are checking data received for the 2022 Home Report. Data for the *2022 Auto Database Average Premium Supplement* has been checked and will be sent to the Working Group for review this month. The Working Group plans to meet in April to discuss the *2022 Auto Database Average Premium Supplement* and the 2022 homeowners' data and outline a work plan for the remainder of the year.

Darby made a motion, seconded by Grassel, to adopt the report of the Statistical Data (C) Working Group, including its Dec. 11, 2023, minutes (Attachment Four). The motion passed unanimously.

4. Discussed Schedule P

Kris DeFrain (NAIC) said the Task Force's proposal to require all data triangles in Schedule P to include 10 years of data has been adopted by the Blanks (E) Working Group for 2024 implementation. As a result, the financial groups will need to define short-tailed versus long-tailed lines of business rather than rely on Schedule P. Previously, the short-term lines were those in Schedule P with only two years of data, and "long-term" lines were those with 10 years of data.

DeFrain said the Blanks (E) Working Group received a comment letter when the proposal was exposed for comment. The comments were out of the scope of that proposal but contained suggestions to improve other Schedule P instructions. The Task Force agreed to draft a proposal to improve Schedule P instructions.

5. Adopted Comments on the Exposed ASOP No. 12, *Risk Classification*

Lederer said representatives from California, Connecticut, Louisiana, Missouri, New Hampshire, Oregon, and Pennsylvania discussed the exposed Actuarial Standard of Practice (ASOP) No. 12, *Risk Classification*, Feb. 22 and discussed draft comments March 5. She said the comments reflect the consensus reached by the representatives on areas of regulatory importance. Lederer said any individual can submit additional comments to the Actuarial Standards Board (ASB) if desired.

Lederer said the comments fall into two main categories: 1) a request for clarification; and 2) a recommendation to replace material removed from the current version of ASOP No. 12.

Chou made a motion, seconded by Davis, to adopt the comments (Attachment Five) and send them to the ASB. The motion passed unanimously.

6. Discussed the NAIC Rate Model Review Team's GLM Information Needs

Sam Kloese (NAIC) said the list of generalized linear modeling (GLM) information needs was first presented at the 2023 Fall National Meeting and discussed at the Task Force's Feb. 13 meeting. He said the plan is to use this list to help expedite NAIC rate model reviews. Kloese said the idea is that state insurance regulators would make sure companies have provided the standard list of items before sending the model review request to the team. This process could potentially remove one round of objections, which would help finish the model review sooner.

Citarella suggested gathering a small group of Task Force members to discuss the list with NAIC staff. The Task Force discussed the creation of a procedures handbook that could include this list of information items. DeFrain said the team is trying to find ways to improve processes and efficiency to get the queue shorter than it currently is (three or more months). She said at some point, maybe after the third objection, the state insurance regulator could arrange a call with the NAIC and the company.

Citarella added that he has found the Shared Model Database, where all NAIC reports are stored, to be quite valuable. He said he relies on it because it is unusual for New Hampshire to be the first state to review the model. Citarella said he can find the models in the database easily and finds the reviews useful for his work.

Dyke asked if states using the NAIC services would be required to change their checklist. DeFrain said it is not required, but it is encouraged. She said she encourages the list even for states that do not use the NAIC service. Muldoon said Nebraska updated its checklist by adding some items to this list. He said it would allow Nebraska to send a rate model to the team for review and make the NAIC's review similar to its own state review.

Serbinowski asked whether adding a list of modifications state insurance regulators required to the database would be possible. DeFrain said it would require regulatory action because the NAIC does not always know what modifications are required.

7. Heard Activity and Research Reports from Professional Actuarial Associations

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

8. Discussed Other Matters

Botsko said there are multiple ad hoc groups working on capital adequacy issues. He said there are four issues he wants to share: 1) there is the question of how to adjust risk-based capital (RBC) and/or financial examinations for companies that have risky geographic concentration; 2) there is a discussion about how investments should be incorporated or potentially incorporated into RBC, including questions about whether they should be separated and whether there should be an additional or separate charge for them; 3) the preamble to RBC was edited and a new section was added to clarify some things about how RBC is confidential; 4) based on the preamble and confidentiality, there is a question about whether some reporting should be removed from the financial statement. Botsko said there are RBC numbers in the five-year history that some wish to remove. He said some believe there is no problem because the data has been there for 30 years, and others say that information is too often misused.

Amann said the Cybersecurity (H) Working Group is close to finalizing the Cyber Event Reporting Plan (CERP). She said there have been recent cyber issues in the industry, and the Working Group will discuss whether its work plan needs to be adjusted. Chou said the Academy's Cyber Risk Committee is presenting, and he recommends participating. He said the Working Group now has charges on both cybersecurity and cyber coverage.

Draft Pending Adoption

The Catastrophe Insurance (C) Working Group is moving forward with its charge on the risk mitigation plans. Amann said the Catastrophe Primer (formerly known as the Catastrophe Modeling Handbook) is being updated. Chou said catastrophe risk still includes climate change, and those interested should join the Catastrophe Risk (E) Subgroup to review some of the catastrophe models from vendors.

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

SharePoint/NAIC Support Staff Hub/C Cte/2024 Spring/Minutes CASTF 03162024

Draft: 3/11/24

<div align="center">

Casualty Actuarial and Statistical (C) Task Force
E-Vote
February 14, 2024

</div>

The Casualty Actuarial and Statistical (C) Task Force conducted an e-vote that concluded Feb. 14, 2024. The following Task Force members participated: D.J. Bettencourt, Chair, represented by Christian Citarella (NH); Ricardo Lara represented by Lynne Wehmueller (CA); Andrew N. Mais represented by Wanchin Chou (CT); Karima M. Woods represented by David Christhilf (DC); Doug Ommen represented Travis Grassel (IA); Amy L. Beard represented by Scott Shover (IN); Timothy N. Schott 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 Thomas Botsko (OH); Glen Mulready represented by Andrew Schallhorn (OK); Andrew R. Stolfi represented by David Dahl (OR); Michael Humphreys represented by Michael McKenney (PA); Michael Wise represented by Will Davis (SC); Cassie Brown represented by J'ne Byckovski (TX); Kevin Gaffney represented by Rosemary Raszka (VT); Mike Kreidler represented by Eric Slavich (WA); and Allan L. McVey represented by Juanita Wimmer (WV).

1. Adopted the 2020/2021 Auto Report

The Task Force conducted an e-vote to consider adoption of the 2020/2021 *Auto Insurance Database Report* (Auto Report). The motion passed unanimously.

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

SharePoint/NAIC Support Staff Hub/Member Meetings/C CMTE/2024_Spring/CASTF/021424 Auto evote min.docx

Draft: 3/13/2024

Casualty Actuarial and Statistical (C) Task Force
Virtual Meeting
February 13, 2024

The Casualty Actuarial and Statistical (C) Task Force met Feb. 13, 2024. The following Task Force members participated: D.J. Bettencourt, Chair, represented by Christian Citarella (NH); Chlora Lindley-Myers, Vice Chair, represented by Julie Lederer (MO); Lori K. Wing-Heier represented by Sian Ng-Ashcraft (AK); Mark Fowler represented by Charles Hale (AL); Ricardo Lara represented by Mitra Sanandajifar and Lynne Wehmueller (CA); Andrew N. Mais represented by Wanchin Chou (CT); Karima M. Woods represented by David Christhilf (DC); Michael Yaworsky represented by Catherine Chen and Peshala Disanayaka (FL); Doug Ommen represented by Travis Grassel (IA); Amy L. Beard represented by Larry Steinert (IN); Vicki Schmidt represented by Craig VanAalst (KS); Kathleen A. Birrane represented by Walter Dabrowski (MD); Timothy N. Schott represented by Sandra Darby (ME); Anita G. Fox represented by Kevin Dyke (MI); Grace Arnold represented by Phil Vigliaturo (MN); Eric Dunning represented by Michael Muldoon (NE); Alice T. Kane represented by Melissa Robertson (NM); Judith L. French represented by Tom Botsko (OH); Glen Mulready represented by Andrew Schallhorn (OK); Andrew R. Stolfi represented by David Dahl (OR); Michael Humphreys represented by Michael McKenney (PA); Cassie Brown represented by J'ne Byckovski and Miriam Fisk (TX); Kevin Gaffney represented by Rosemary Raszka (VT); and Allan L. McVey represented by Juanita Wimmer (WV).

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

Fisk said the Actuarial Opinion (C) Working Group submitted a proposal to the Blanks (E) Working Group with changes to the 2024 Property/Casualty (P/C) Opinion and the 2024 Title Opinion instructions.

The proposed P/C Opinion instructions would limit the requirement to send qualification documentation to a company's board of directors only at the initial appointment and not annually thereafter. The reason is that while the qualification documentation provides useful information to the board and state insurance regulators, the information does not change significantly from year to year. The proposed Title Opinion instructions include changes to make them as consistent as possible with the P/C instructions. These proposed changes were adopted by the Actuarial Opinion (C) Working Group via e-vote Jan. 3.

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

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

Kris DeFrain (NAIC) said the Statistical Data (C) Working Group adopted the *Report on Profitability by Line by State* (Profitability Report) and the *Competition Database Report* (Competition Report). The Task Force will be asked to review those reports as soon as it finishes its e-vote on the 2020/2021 *Auto Insurance Database Report* (Auto Report).

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

3. Discussed its 2024 Charges and Work Plan

Citarella presented the Task Force's 2024 charges and a proposed 2024 work plan (Attachment Two-A). He reminded the Task Force of its mission and goals and the charges that were newly created for 2024. Citarella said each item in the work plan is mapped to the 2024 charges. He said a priority will be to investigate the challenges of regulating cyber liability insurance products and assess our data needs to understand this new area of risk. He said the Task Force will also adapt its work plan to address any issues that arise during the year.

Chou said the cybersecurity issues will need to be coordinated with the Cybersecurity (H) Working Group. He said he also invited the American Academy of Actuaries (Academy) Committee on Cyber Risk to come speak at a Cybersecurity (H) Working Group meeting.

4. Discussed the NAIC Rate Model Review Team's Model Review Scheduling

DeFrain said the NAIC Rate Model Review Team currently operates on a first-come, first-served basis when it schedules its states' filing review requests. State insurance regulators initially agreed to the first-come, first-served method in hopes it would be the fairest method to help the most states. The method worked well when the queue was short. Now that the queue is long (with a wait time of more than three months), the only states that can use the service are those that can wait that long to respond to the filing. DeFrain said the Rate Model Review Team is hoping to modify the first-come, first-served method slightly by leaving some openings for: 1) states that have a deadline for response, such as 30 days; 2) states that have requested little assistance during the prior 12 months; 3) emergency requests; and 4) other special circumstances. She emphasized that under the planned method, state insurance regulators would still receive a proposed delivery date at the beginning of the process for a filing review. That date would not change over time due to this new method. DeFrain said that if a motion is wanted, she suggests the Task Force's motion could be to allow NAIC staff to modify its workload process from a strict first-come, first-served process to one that also considers special circumstances.

Citarella agreed with the proposal. He said New Hampshire has not used the process, primarily because the queue is too long. Insurers will likely file an increasing number of models, so this resource is greatly needed. Vigliaturo asked if there is a possibility of increasing the number of staff on the NAIC Rate Model Review Team because the workload is so large. DeFrain said the 2024 budget includes hiring another actuary. She said this does not solve the problem of queues longer than 30 days. She said instead of one new position, the team needs three additional actuaries to meet current demand and get the queue under 30 days. Vigliaturo asked if the Task Force could adopt a motion to increase staffing. After discussion, Citarella said he and DeFrain would talk to leadership to find out how such a need should be handled. Citarella said that with future reviews of vendor models and data reviews, there will be more staff needs down the line.

Dyke asked whether the NAIC can make changes to its process and report the change to the Task Force rather than vote on it. He said that given there was no actual vote for the first-come, first-served method initially, the state insurance regulators do not need to vote now. DeFrain said most of the principles were developed by the Big Data (EX) Working Group (now called the Big Data and Artificial Intelligence (H) Working Group), and there has been no change to principles since then. She said this is the first time a change to the principles is being requested and it is up to the Task Force whether to effectively give the team a nod of approval or officially vote on it. Citarella said it might be better to have a vote so that states acknowledge they agreed to this revised plan (where the state insurance regulator that asks first might not get the earliest deadline). DeFrain said the minutes can reflect agreement or a vote, but the vote is more definitively approved.

Byckovski asked if there were concerns about members of the Task Force voting who do not have the Rate Review Support Services Agreement with the NAIC. DeFrain said she believes it is fair for all members to vote because it

is part of the NAIC budget for all states. She said 37 states currently have the agreement with the NAIC, and she expects that the number of states might increase with the first communication to the commissioners about issues being sent soon after the National Meeting. DeFrain said the models are also getting more complex and harder to review; also, one rate filing could contain five models.

Dyke said it might be useful to develop a procedure manual that would codify the principles and processes. DeFrain said the team has an internal procedures manual that could be split into a regulatory procedure manual and an internal procedures manual that describes who on the team does what. Dyke said it would be helpful to differentiate between what the state insurance regulators decide and what the team needs internally. He said he hoped the regulatory manual would be short.

Chou made a motion, seconded by Darby, to allow NAIC staff to modify its workload process from a strict first-come, first-served process to one that also considers special circumstances. The motion passed unanimously.

5. Discussed the NAIC Rate Model Review Team's GLM Information Needs

DeFrain said that without the full staffing of this team, the team is trying to add efficiency. She said one idea is to document the NAIC Rate Model Review Team's needs to review a generalized linear model (GLM) so that states could: 1) modify their or create a model checklist; or 2) compare information in the model to the NAIC checklist and create an objection to gather all information before asking the states to review. She said some information items in the NAIC white paper have not proved to be essential in the team's review process, so it proposes to deviate from the white paper to narrow the list of items needed up-front in the filing. She said adopting this NAIC checklist might also lead to revising the white paper's appendix.

Sam Kloese (NAIC) said the checklist was first presented at the 2023 Fall National Meeting. He said the items on the list are built from what team members found they were often asking in the first round of objections and responses. He said having that information up front could potentially limit one round of objections, thereby shortening the review process. Kloese said the proposal shows information needs provided in two categories: "essential information" and "sometimes needed information." The items labeled "essential information" are those needed for a full-scope initial assessment. The label "sometimes needed information" is meant for items that may be useful if something appears non-standard about the modeling approach. Kloese said the list is also divided by category. He walked through the list's content.

Kloese said some items, such as indicated and selected factors, are requested to be submitted in Excel. He said that would speed up the process of those parts of the analysis so the team could automate some reviews. Darby suggested the information be requested in both Excel and PDF form. The PDF form is needed so the information is included in the System for Electronic Rates & Forms Filing (SERFF) pipeline, which is a compilation of all documents in the filing. Excel files are not added to the pipeline.

Citarella asked for a few more weeks for state insurance regulators to review the document and submit written comments to the NAIC. Grassel thanked the team for its work on this and noted that as SERFF functions are improved, this could help with states' and NAIC's rate model reviews in the future. Citarella said it might be 2026 before the state insurance regulators see that functionality implemented.

Chou asked if the shared model database is built in a way that makes the review process more efficient. While the database has company, line of business, model name, and other information, he thinks it should be even more detailed. In addition to the name of the telematics model, the database could include coding of whether telematic data is from a telematics device, global positioning system (GPS), or something else. He said that information would be helpful in the future to find the exact filing of when the company filed specific parts of their model.

DeFrain said the group compiles data dictionaries but has not gathered information as specific as proposed. She suggested that Chou meet with NAIC staff to discuss this further. Potentially, regulatory actuaries might need to meet and decide what columns or notes should be added to the database.

6.   Discussed Liaison Positions

Citarella said liaison positions were created in 2023 whereby Task Force members who are monitoring other NAIC committee work are asked to bring interesting developments to the Task Force and to share the Task Force's activities with other NAIC groups. He provided a list of last year's liaisons and asked if anyone on the list wished to have their positions reassigned to another member. Citarella said there are a couple of openings this year in the: Title Insurance (C) Task Force, the Statutory Accounting Principles (E) Working Group, and the Third-Party Data and Models (H) Task Force. Grassel volunteered to be the liaison for the third-party work. The revised liaison list, as discussed on the call, is attached (Attachment Two-B).

Citarella said he does not expect the liaisons to report at every meeting. He asked liaisons to let him know if there is a topic of interest to present. Citarella also thanked numerous NAIC staff for keeping him apprised of issues.

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

SharePoint/NAIC Support Staff Hub/Member Meetings/C CMTE/2024_Spring/CASTF/021324 min.docx

Tuesday, Feb. 13, 2024

CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE
2024 CHARGES AND WORKPLAN

The mission of the Casualty Actuarial and Statistical (C) Task Force is to identify, investigate, and develop solutions to actuarial problems and statistical issues in the property/casualty (P/C) insurance industry.

The Task Force's goals are to assist state insurance regulators with:
1) maintaining the financial health of P/C insurers;
2) ensuring that P/C insurance rates are not excessive, inadequate, or unfairly discriminatory; and
3) ensuring that appropriate data regarding P/C insurance markets are available.

Ongoing Support of NAIC Programs, Products, or Services

1. The **Casualty Actuarial and Statistical (C) Task Force** will:

A. Provide reserving, pricing, ratemaking, statistical, and other actuarial support to NAIC committees, task forces, and/or working groups. Propose changes to the appropriate work products, with the most common work products noted below, and present comments on proposals submitted by others relating to casualty actuarial and statistical matters. Monitor the activities regarding casualty actuarial issues, including the development of financial services regulations and statistical reporting, including disaster.

   i. Property and Casualty Insurance (C) Committee: Ratemaking, reserving, or data issues.
   ii. Blanks (E) Working Group: Property/casualty (P/C) annual financial statement, including Schedule P; P/C quarterly financial statement; P/C quarterly and annual financial statement instructions, including the Statement of Actuarial Opinion (SAO) and Actuarial Opinion Summary Supplement.
   iii. Capital Adequacy (E) Task Force: P/C risk-based capital (RBC) report.
   iv. Statutory Accounting Principles (E) Working Group: *Accounting Practices and Procedures Manual* (AP&P Manual) and review and provide comments on statutory accounting issues being considered under *Statement of Statutory Accounting Principles (SSAP) No. 65—Property and Casualty Contracts*.
   v. Speed to Market (D) Working Group: P/C actuarial sections of the *Product Filing Review Handbook*.

B. Monitor national casualty actuarial developments and consider regulatory implications.
   i. Casualty Actuarial Society (CAS): Statements of Principles and Syllabus of Basic Education.
   ii. American Academy of Actuaries (Academy): Standards of Practices, Council on Professionalism, and Casualty Practice Council.
   iii. Society of Actuaries (SOA): Anticipated changes to education pathways.
   iv. Federal legislation.

C. Facilitate discussion among state insurance regulators regarding rate filing issues of common interest across the states through the scheduling of regulator-only conference calls.

D. Conduct the following predictive analytics work:
   i. Facilitate training and the sharing of expertise through predictive analytics webinars (Book Club).
   ii. Coordinate with the Innovation, Cybersecurity, and Technology (H) Committee and the Life Actuarial (A) Task Force on the tracking of new uses of artificial intelligence (AI), auditing algorithms, product development, and other emerging regulatory issues. Discuss regulatory oversight of AI and machine learning (ML) in insurers' ratemaking, reserving, and other activities.
   iii. With the NAIC Rate Model Team's assistance, discuss guidance for the regulatory review of models used in rate filings.

E. Research cyber liability insurance and discuss regulatory data needs.

The **Actuarial Opinion (C) Working Group** will:

A. Propose revisions to the following as needed, especially to improve actuarial opinions, actuarial opinion summaries, and actuarial reports, as well as the regulatory analysis of these actuarial documents and loss and premium reserves:
   i. *Financial Analysis Handbook.*
   ii. *Financial Condition Examiners Handbook.*
   iii. *Annual Statement Instructions—Property/Casualty.*
   iv. Regulatory guidance to appointed actuaries and companies.
   v. Other financial blanks and instructions, as needed.

B. Assess the need for changes to the Property and Casualty Statement of Actuarial Opinion instructions upon release of the SOA's proposed changes to its education pathways.

The **Statistical Data (C) Working Group** will:

A. Consider updates and changes to the *Statistical Handbook of Data Available to Insurance Regulators*.

B. Consider updates and developments, provide technical assistance, and oversee the production of the following reports and databases. Periodically, evaluate the demand and utility versus the costs of production of each product.
   i. *Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/ Cooperative Unit Owner's Insurance* (Homeowners Report).
   ii. *Auto Insurance Database Report* (Auto Report).
   iii. *Competition Database Report* (Competition Report).
   iv. *Report on Profitability by Line by State Report* (Profitability Report).

C. Enhance the expedited reporting and publication of average auto and average homeowners' premium portions of the annual Auto Report and Homeowners Report*.*

2024 CASTF WORKPLAN
DECIDE PRIORITY TOPICS

CHARGE 1.A.:
- Telematics' Pricing
- Schedule P Instructions Improvements (see comment letter)
- D&O Supplement
- Cyber Supplement and/or Schedule P Cyber Line of Business
- Premium Deficiency Reserves

CHARGE 1.B.:
- ASB's Exposed ASOPs
- SOA Education with the Actuarial Opinion (C) Working Group

CHARGE 1.C.:
- Regulator-Only Rate Filing Issues Discussions

CHARGE 1.D.:
- Predictive Analytics Webinars (Book Club)
- Assist with Market Conduct of P/C Rate and Underwriting Models
- Assist with H Cte.'s Third-Party Data and Model Reviews, as requested.
- Adopt Additional Model Type Appendices (GLM, Tree-Based, and GAM Appendices are already adopted) to the *Regulatory Review of Predictive Analytics* white paper.
- NAIC Rate Model Review Team's Efficiency Project including GLM Information Needs

CHARGE 1.E.:
- Research cyber liability insurance and discuss regulatory data needs.

Tuesday, Feb. 13, 2024

CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE

2024 LIAISONS

EXECUTIVE COMMITTEE
- Special (EX) Committee on Race and Insurance— Phil Vigliaturo (MN)
- Climate and Resiliency (EX) Task Force— George Bradner (CT)

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE
- Catastrophe Insurance (C) Working Group—Wanchin Chou (CT)
- Workers' Compensation (C) Task Force—Michael McKenney (PA), primary, and Sandra Darby (ME), alternate
- Title Insurance (C) Task Force—OPEN

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE
- Speed to Market (D) Working Group—Thomas Botsko (OH) in consultation with Maureen Motter (OH)

SERFF
- System for Electronic Rates & Forms Filing (SERFF) Product Steering Committee's (PSC's) SERFF Modernization Project—Sandra Darby (ME)

FINANCIAL CONDITION (E) COMMITTEE
- Capital Adequacy (E) Task Force—Thomas Botsko (OH)
- Property and Casualty Risk-Based Capital (E) Working Group—Thomas Botsko (OH)
- Catastrophe Risk (E) Subgroup of the Property and Casualty Risk-Based Capital (E) Working Group—Wanchin Chou (CT)
- Blanks (E) Working Group—Michael McKenney (PA)
- Statutory Accounting Principles (E) Working Group—OPEN

INNOVATION, CYBERSECURITY, AND TECHNOLOGY (H) COMMITTEE
- Innovation, Cybersecurity, and Technology (H) Committee—Christian Citarella (NH)
- Big Data and AI (H) Working Group—Christian Citarella (NH)
- Cybersecurity (H) Working Group—Cynthia Amann (MO)
- Third-Party Data and Models (H) Task Force—Travis Grassel (IA)

Draft: 1/23/24

<div align="center">

Actuarial Opinion (C) Working Group
E-Vote
January 5, 2024

</div>

The Actuarial Opinion (C) Working Group of the Casualty Actuarial and Statistical (C) Task Force conducted an e-vote that concluded Jan. 5, 2024. The following Working Group members participated: Miriam Fisk, Chair (TX); Julie Lederer, Vice Chair (MO); Susan Andrews (CT); David Christhilf (DC); Chantel Long (IL); Sandra Darby (ME); and Tom Botsko (OH).

1. Adopted the 2024 Property and Title SAO Instructions Proposal

The Working Group conducted an e-vote to consider adoption of the blanks proposal for the 2024 Statement of Actuarial Opinion (SAO) instructions for property and title insurance (Attachment Three-A). The motion passed unanimously.

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

SharePoint/NAIC Support Staff Hub/Member Meetings/C CMTE/2024_Spring/CASTF/AOWG/010524 SAO Blanks evote min.docx

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: 11/15/2023	**FOR NAIC USE ONLY**
	Agenda Item # 2023-16BWG MOD
CONTACT PERSON: Kris DeFrain	Year 2024
	Changes to Existing Reporting [X]
TELEPHONE: 816-783-8229	New Reporting Requirement [ ]
EMAIL ADDRESS: kdefrain@naic.org	**REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT**
ON BEHALF OF: Casualty Actuarial and Statistical (C) Task Force	No Impact [X]
	Modifies Required Disclosure [ ]
NAME: Christian Citarella	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? [No]
TITLE: Chair of CASTF	***If Yes, complete question below***
AFFILIATION: New Hampshire Insurance Department	**DISPOSITION**
ADDRESS:	[ ] Rejected For Public Comment
	[ ] Referred To Another NAIC Group
	[ ] Received For Public Comment
	[X] Adopted Date 02/21/2024
	[ ] Rejected Date
	[ ] Deferred Date
	[ ] Other (Specify)

BLANK(S) TO WHICH PROPOSAL APPLIES

[X] **ANNUAL STATEMENT**   [X] **INSTRUCTIONS**   [X] **CROSSCHECKS**
[   ] **QUARTERLY STATEMENT**   [X] **BLANK**

[   ] Life, Accident & Health/Fraternal   [   ] Separate Accounts   [   ] Title
[X] Property/Casualty   [   ] Protected Cell   [   ] Other _____
[   ] Health   [   ] Health (Life Supplement)   [   ] Life (Health Supplement)

Anticipated Effective Date: Annual 2024

IDENTIFICATION OF ITEM(S) TO CHANGE

Change Schedule P to show 10 years of data and a "prior" row for all lines of business beginning in 2024. This modifies requirements for seven lines of business that currently only show 2 years of data and a "prior" row.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

See Next Page

IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL

Not available elsewhere

NAIC STAFF COMMENTS

Comment on Effective Reporting Date:

Other Comments:

**   This section must be completed on all forms.   **Revised 11/17/2022**

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

While all 10 years of accident-year data are required for every line of business to produce summary data and comply with risk-based capital (RBC) requirements, only 2 years of accident-year data is required to be shown in the Schedule P exhibits for seven lines of business: the property lines of business, pet insurance plans, and financial guaranty/mortgage guaranty business. Some of the current 2-year lines of business are experiencing significant loss development after 2 years. A review of industry aggregate Schedule P—Part 2 results across these 2-year lines shows the prior line regularly has 25% or more of the reported one-year loss development. The information for more accident years will aid regulatory review of reserves for these lines.

P/C companies currently maintain 10 years of data for the current "short-tailed" lines to prepare the Schedule P Summaries and report for Risk-Based Capital (RBC). There are multiple reasons for the proposed change: 1) The 2-year reporting requires unneeded calculations that can easily result in errors on the "prior row." 2) With all lines having 10 years of data, Schedule P will be easier to understand because one would be able to reconcile the summary data and line of business data. 3) Given current technology, there seems to be no material time, printing or cost savings derived by only showing two years of data for six lines of business.

We recommend this change from two to ten years of data be completed in one step, because the data for ten years has been collected and stepwise progression would be prone to issues akin to those in the 2-year lines.

ANNUAL STATEMENT INSTRUCTIONS – PROPERTY/CASUALTY

<u>**SCHEDULE P**</u>

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 expenses. Part 3 provides a history of loss and defense & cost containment 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.

Schedule P is intended to display ten years of historical data for all lines of business.

Detail Eliminated To Conserve Space

SCHEDULE P – PART 1

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.

Detail Eliminated To Conserve Space

Line 1, "Prior," Columns 4 through 11should only reflect amounts paid or received in the current calendar year.

ANNUAL STATEMENT BLANK – PROPERTY/CASUALTY

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P – PART 1I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)
($000 OMITTED)

	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported
Years in Which Premiums Were Earned and Losses Were Incurred	Direct and Assumed	Ceded	Net (Cols. 1 – 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Direct and Assumed
1. Prior	XXX	XXX	XXX	....	....	....	....	....	....		....	XXX
2. 2015	....	....	....	....	....	....	....	....	....		....	XXX
3. 2016	....	....	....	....	....	....	....	....	....		....	XXX
4. 2017	....	....	....	....	....	....	....	....	....		....	XXX
5. 2018	....	....	....	....	....	....	....	....	....		....	XXX
6. 2019	....	....	....	....	....	....	....	....	....		....	XXX
7. 2020	....	....	....	....	....	....	....	....	....		....	XXX
8. 2021	....	....	....	....	....	....	....	....	....		....	XXX
9. 2022	....	....	....	....	....	....	....	....	....		....	XXX
10. 2023	....	....	....	....	....	....	....	....	....		....	XXX
11. 2024	....	....	....	....	....	....	....	....	....		....	XXX
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		Direct and Assumed
1.	....	....	....	....	....	....	....	....	....	....	....	....	....
2.	....	....	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....	....	....
12.													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	....	....	XXX	....	....
2.	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

SCHEDULE P – PART 1J – AUTO PHYSICAL DAMAGE
($000 OMITTED)

	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported
Years in Which Premiums Were Earned and Losses Were Incurred	Direct and Assumed	Ceded	Net (Cols. 1 – 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Direct and Assumed
1. Prior................	XXX	XXX	XXX	....	....	....	....	....	....	....	....	XXX
2. 2015................	....	....	....	....	....	....	....	....	....	....	....	
3. 2016................	....	....	....	....	....	....	....	....	....	....	....	
4. 2017................	....	....	....	....	....	....	....	....	....	....	....	
5. 2018................	....	....	....	....	....	....	....	....	....	....	....	
6. 2019................	....	....	....	....	....	....	....	....	....	....	....	
7. 2020................	....	....	....	....	....	....	....	....	....	....	....	
8. 2021................	....	....	....	....	....	....	....	....	....	....	....	
9. 2022................	....	....	....	....	....	....	....	....	....	....	....	
10. 2023................	....	....	....	....	....	....	....	....	....	....	....	
11. 2024................	....	....	....	....	....	....	....	....	....	....	....	
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		Direct and Assumed
1.	....	....	....	....	....	....	....	....	....	....	....	....	....
2.	....	....	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....	....	....
12.													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	....	....	XXX	....	....
2.	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

SCHEDULE P – PART 1K – FIDELITY/SURETY
($000 OMITTED)

	Premiums Earned			Loss and Loss Expense Payments						10	11	12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				Number of Claims Reported
Years in Which Premiums Were Earned and Losses Were Incurred	Direct and Assumed	Ceded	Net (Cols. 1 – 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Direct and Assumed
1. Prior................	XXX	XXX	XXX	....	....	....	....	....	....	....	....	XXX
2. 2015.................	....	....	....	....	....	....	....	....	....	....	....	XXX
3. 2016.................	....	....	....	....	....	....	....	....	....	....	....	XXX
4. 2017.................	....	....	....	....	....	....	....	....	....	....	....	XXX
5. 2018.................	....	....	....	....	....	....	....	....	....	....	....	XXX
6. 2019.................	....	....	....	....	....	....	....	....	....	....	....	XXX
7. 2020.................	....	....	....	....	....	....	....	....	....	....	....	XXX
8. 2021.................	....	....	....	....	....	....	....	....	....	....	....	XXX
9. 2022.................	....	....	....	....	....	....	....	....	....	....	....	XXX
10. 2023.................	....	....	....	....	....	....	....	....	....	....	....	XXX
11. 2024.................	....	....	....	....	....	....	....	....	....	....	....	XXX
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		Direct and Assumed
1.	....	....	....	....	....	....	....	....	....	....	....	....	....
2.	....	....	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....	....	....
12.													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	....	....	XXX	....	....
2.	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

SCHEDULE P – PART 1L – OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)
($000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								Number of Claims Reported
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	12
				4	5	6	7	8	9			
	Direct and Assumed	Ceded	Net (Cols. 1 – 2)	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Direct and Assumed
1. Prior	XXX	XXX	XXX	....	....	....	....	....	....	....	....	XXX
2. 2015	....	....	....	....	....	....	....	....	....	....	....	XXX
3. 2016	....	....	....	....	....	....	....	....	....	....	....	XXX
4. 2017	....	....	....	....	....	....	....	....	....	....	....	XXX
5. 2018	....	....	....	....	....	....	....	....	....	....	....	XXX
6. 2019	....	....	....	....	....	....	....	....	....	....	....	XXX
7. 2020	....	....	....	....	....	....	....	....	....	....	....	XXX
8. 2021	....	....	....	....	....	....	....	....	....	....	....	XXX
9. 2022	....	....	....	....	....	....	....	....	....	....	....	XXX
10. 2023	....	....	....	....	....	....	....	....	....	....	....	XXX
11. 2024	....	....	....	....	....	....	....	....	....	....	....	XXX
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		Direct and Assumed
1.	....	....	....	....	....	....	....	....	....	....	....	....	....
2.	....	....	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....	....	....
12.													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33	Inter-Company Pooling Participation Percentage	35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	....	....	XXX	....	....
2.	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

Detail Eliminated To Conserve Space

SCHEDULE P – PART 1S – FINANCIAL GUARANTY/MORTGAGE GUARANTY
($000 OMITTED)

	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported
Years in Which Premiums Were Earned and Losses Were Incurred	Direct and Assumed	Ceded	Net (Cols. 1 – 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Direct and Assumed
1. Prior.................	XXX	XXX	XXX	....	....	....	....	....	....	....	....	XXX
2. 2015.................	....	....	....	....	....	....	....	....	....	....	....	XXX
3. 2016.................	....	....	....	....	....	....	....	....	....	....	....	XXX
4. 2017.................	....	....	....	....	....	....	....	....	....	....	....	XXX
5. 2018.................	....	....	....	....	....	....	....	....	....	....	....	XXX
6. 2019.................	....	....	....	....	....	....	....	....	....	....	....	XXX
7. 2020.................	....	....	....	....	....	....	....	....	....	....	....	XXX
8. 2021.................	....	....	....	....	....	....	....	....	....	....	....	XXX
9. 2022.................	....	....	....	....	....	....	....	....	....	....	....	XXX
10. 2023.................	....	....	....	....	....	....	....	....	....	....	....	XXX
11. 2024.................	....	....	....	....	....	....	....	....	....	....	....	XXX
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		Direct and Assumed
1.	....	....	....	....	....	....	....	....	....	....	....	....	....
2.	....	....	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....	....	....
12.													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	....	....	XXX	....	....
2.	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

SCHEDULE P – PART 1T - WARRANTY
($000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported
	Direct and Assumed	Ceded	Net (Cols. 1 – 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Direct and Assumed
1. Prior................	XXX	XXX	XXX	....	....	....	....	....	....	....	....	XXX
2. 2015................	....	....	....	....	....	....	....	....	....	....	....	
3. 2016................	....	....	....	....	....	....	....	....	....	....	....	
4. 2017................	....	....	....	....	....	....	....	....	....	....	....	
5. 2018................	....	....	....	....	....	....	....	....	....	....	....	
6. 2019................	....	....	....	....	....	....	....	....	....	....	....	
7. 2020................	....	....	....	....	....	....	....	....	....	....	....	
8. 2021................	....	....	....	....	....	....	....	....	....	....	....	
9. 2022................	....	....	....	....	....	....	....	....	....	....	....	
10. 2023................	....	....	....	....	....	....	....	....	....	....	....	
11. 2024................	....	....	....	....	....	....	....	....	....	....	....	
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		Direct and Assumed
1.	....	....	....	....	....	....	....	....	....	....	....	....	....
2.	....	....	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....	....	....
12.													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	....	....	XXX	....	....
2.	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

SCHEDULE P – PART 1U – PET INSURANCE PLANS
($000 OMITTED)

	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported
Years in Which Premiums Were Earned and Losses Were Incurred	Direct and Assumed	Ceded	Net (Cols. 1 – 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Direct and Assumed
1. Prior.................	XXX	XXX	XXX	....	....	....	....	....	....	....	....	XXX
2. 2015.................	....	....	....	....	....	....	....	....	....	....	....	XXX
3. 2016.................	....	....	....	....	....	....	....	....	....	....	....	XXX
4. 2017.................	....	....	....	....	....	....	....	....	....	....	....	XXX
5. 2018.................	....	....	....	....	....	....	....	....	....	....	....	XXX
6. 2019.................	....	....	....	....	....	....	....	....	....	....	....	XXX
7. 2020.................	....	....	....	....	....	....	....	....	....	....	....	XXX
8. 2021.................	....	....	....	....	....	....	....	....	....	....	....	XXX
9. 2022.................	....	....	....	....	....	....	....	....	....	....	....	XXX
10. 2023.................	....	....	....	....	....	....	....	....	....	....	....	XXX
11. 2024.................	....	....	....	....	....	....	....	....	....	....	....	XXX
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			Direct and Assumed
1.	....	....	....	....	....	....	....	....	....	....	....	....	....
2.	....	....	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....	....	....
12.													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	....	....	XXX	....	....
2.	....	....	....	....	....	....	....	....	....	....	....
3.	....	....	....	....	....	....	....	....	....	....	....
4.	....	....	....	....	....	....	....	....	....	....	....
5.	....	....	....	....	....	....	....	....	....	....	....
6.	....	....	....	....	....	....	....	....	....	....	....
7.	....	....	....	....	....	....	....	....	....	....	....
8.	....	....	....	....	....	....	....	....	....	....	....
9.	....	....	....	....	....	....	....	....	....	....	....
10.	....	....	....	....	....	....	....	....	....	....	....
11.	....	....	....	....	....	....	....	....	....	....	....
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

Detail Eliminated To Conserve Space

SCHEDULE P – PART 2I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR-END ($000 OMITTED)										DEVELOPMENT	
	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 One Year	12 Two Year
1. Prior												
2. 2015												
3. 2016	XXX											
4. 2017	XXX	XXX										
5. 2018	XXX	XXX	XXX									
6. 2019	XXX	XXX	XXX	XXX								
7. 2020	XXX	XXX	XXX	XXX	XXX							
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P – PART 2J – AUTO PHYSICAL DAMAGE

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	11 One Year	12 Two Year
1. Prior												
2. 2015												
3. 2016	XXX											
4. 2017	XXX	XXX										
5. 2018	XXX	XXX	XXX									
6. 2019	XXX	XXX	XXX	XXX								
7. 2020	XXX	XXX	XXX	XXX	XXX							
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P – PART 2K – FIDELITY, SURETY

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	11 One Year	12 Two Year
1. Prior												
2. 2015												
3. 2016	XXX											
4. 2017	XXX	XXX										
5. 2018	XXX	XXX	XXX									
6. 2019	XXX	XXX	XXX	XXX								
7. 2020	XXX	XXX	XXX	XXX	XXX							
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P – PART 2L – OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

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	11 One Year	12 Two Year
1. Prior												
2. 2015												
3. 2016	XXX											
4. 2017	XXX	XXX										
5. 2018	XXX	XXX	XXX									
6. 2019	XXX	XXX	XXX	XXX								
7. 2020	XXX	XXX	XXX	XXX	XXX							
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

⯈━━━━━━━━ Detail Eliminated To Conserve Space ━━━━━━━━⯇

SCHEDULE P – PART 2S – FINANCIAL GUARANTY/MORTGAGE GUARANTY

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	11 One Year	12 Two Year
1. Prior												
2. 2015												
3. 2016	XXX											
4. 2017	XXX	XXX										
5. 2018	XXX	XXX	XXX									
6. 2019	XXX	XXX	XXX	XXX								
7. 2020	XXX	XXX	XXX	XXX	XXX							
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P – PART 2T – WARRANTY

1. Prior												
2. 2015												
3. 2016	XXX											
4. 2017	XXX	XXX										
5. 2018	XXX	XXX	XXX									
6. 2019	XXX	XXX	XXX	XXX								
7. 2020	XXX	XXX	XXX	XXX	XXX							
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P – PART 2U – PET INSURANCE PLANS

1. Prior												
2. 2015												
3. 2016	XXX											
4. 2017	XXX	XXX										
5. 2018	XXX	XXX	XXX									
6. 2019	XXX	XXX	XXX	XXX								
7. 2020	XXX	XXX	XXX	XXX	XXX							
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

Detail Eliminated To Conserve Space

SCHEDULE P – PART 3I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR-END ($000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024		
1. Prior	000	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
2. 2015	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
3. 2016	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
4. 2017	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
5. 2018	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
6. 2019	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
7. 2020	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	XXX	XXX
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	XXX	XXX
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	XXX	XXX
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	XXX	XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	XXX	XXX

SCHEDULE P – PART 3J – AUTO PHYSICAL DAMAGE

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	11	12
1. Prior	000	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
2. 2015	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
3. 2016	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
4. 2017	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
5. 2018	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
6. 2019	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
7. 2020	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	XXX	XXX
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	XXX	XXX
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	XXX	XXX
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	XXX	XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	XXX	XXX

SCHEDULE P – PART 3K – FIDELITY/SURETY

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	11	12
1. Prior	000	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
2. 2015	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
3. 2016	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
4. 2017	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
5. 2018	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
6. 2019	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
7. 2020	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	XXX	XXX
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	XXX	XXX
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	XXX	XXX
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	XXX	XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	XXX	XXX

SCHEDULE P – PART 3L – OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

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	11	12
1. Prior	000	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
2. 2015	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
3. 2016	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
4. 2017	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
5. 2018	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
6. 2019	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
7. 2020	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	XXX	XXX
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	XXX	XXX
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	XXX	XXX
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	XXX	XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	XXX	XXX

Detail Eliminated To Conserve Space

SCHEDULE P – PART 3S – FINANCIAL GUARANTY/MORTGAGE GUARANTY

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	11	12
1. Prior	000	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
2. 2015	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
3. 2016	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
4. 2017	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
5. 2018	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
6. 2019	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	-----------	XXX	XXX
7. 2020	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	-----------	XXX	XXX
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	-----------	XXX	XXX
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	-----------	XXX	XXX
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	-----------	XXX	XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-----------	XXX	XXX

SCHEDULE P – PART 3T - WARRANTY

1. Prior	000	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
2. 2015	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
3. 2016	XXX	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
4. 2017	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
5. 2018	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
6. 2019	XXX	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	XXX	XXX
7. 2020	XXX	XXX	XXX	XXX	XXX	.....	.....	.....	.....	.....	XXX	XXX
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	.....	.....	XXX	XXX
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	.....	XXX	XXX
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	XXX	XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	XXX	XXX

SCHEDULE P – PART 3U – PET INSURANCE PLANS

1. Prior	000	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
2. 2015	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
3. 2016	XXX	.....	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
4. 2017	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
5. 2018	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	.....	XXX	XXX
6. 2019	XXX	XXX	XXX	XXX	.....	.....	.....	.....	.....	.....	XXX	XXX
7. 2020	XXX	XXX	XXX	XXX	XXX	.....	.....	.....	.....	.....	XXX	XXX
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	.....	.....	XXX	XXX
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	.....	XXX	XXX
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	XXX	XXX
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	XXX	XXX

Detail Eliminated To Conserve Space

         2023-16BWG_Modified Sch P Update

SCHEDULE P – PART 4I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR-END ($000 OMITTED)									
	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024
1. Prior	....	....	....	....	....	....	....	....	....	....
2. 2015	....	....	....	....	....	....	....	....	....	....
3. 2016	XXX	....	....	....	....	....	....	....	....	....
4. 2017	XXX	XXX	....	....	....	....	....	....	....	....
5. 2018	XXX	XXX	XXX	....	....	....	....	....	....	....
6. 2019	XXX	XXX	XXX	XXX	....	....	....	....	....	....
7. 2020	XXX	XXX	XXX	XXX	XXX	....	....	....	....	....
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....	....
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....

SCHEDULE P – PART 4J – AUTO PHYSICAL DAMAGE

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	....	....	....	....	....	....	....	....	....	....
2. 2015	....	....	....	....	....	....	....	....	....	....
3. 2016	XXX	....	....	....	....	....	....	....	....	....
4. 2017	XXX	XXX	....	....	....	....	....	....	....	....
5. 2018	XXX	XXX	XXX	....	....	....	....	....	....	....
6. 2019	XXX	XXX	XXX	XXX	....	....	....	....	....	....
7. 2020	XXX	XXX	XXX	XXX	XXX	....	....	....	....	....
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....	....
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....

SCHEDULE P – PART 4K – FIDELITY/SURETY

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	....	....	....	....	....	....	....	....	....	....
2. 2015	....	....	....	....	....	....	....	....	....	....
3. 2016	XXX	....	....	....	....	....	....	....	....	....
4. 2017	XXX	XXX	....	....	....	....	....	....	....	....
5. 2018	XXX	XXX	XXX	....	....	....	....	....	....	....
6. 2019	XXX	XXX	XXX	XXX	....	....	....	....	....	....
7. 2020	XXX	XXX	XXX	XXX	XXX	....	....	....	....	....
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....	....
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....

SCHEDULE P – PART 4L – OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

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	....	....	....	....	....	....	....	....	....	....
2. 2015	....	....	....	....	....	....	....	....	....	....
3. 2016	XXX	....	....	....	....	....	....	....	....	....
4. 2017	XXX	XXX	....	....	....	....	....	....	....	....
5. 2018	XXX	XXX	XXX	....	....	....	....	....	....	....
6. 2019	XXX	XXX	XXX	XXX	....	....	....	....	....	....
7. 2020	XXX	XXX	XXX	XXX	XXX	....	....	....	....	....
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....	....
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....

Detail Eliminated To Conserve Space

SCHEDULE P – PART 4S – FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior										
2. 2015										
3. 2016	XXX									
4. 2017	XXX	XXX								
5. 2018	XXX	XXX	XXX							
6. 2019	XXX	XXX	XXX	XXX						
7. 2020	XXX	XXX	XXX	XXX	XXX					
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P – PART 4T - WARRANTY

1. Prior										
2. 2015										
3. 2016	XXX									
4. 2017	XXX	XXX								
5. 2018	XXX	XXX	XXX							
6. 2019	XXX	XXX	XXX	XXX						
7. 2020	XXX	XXX	XXX	XXX	XXX					
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P – PART 4U – PET INSURANCE PLANS

1. Prior										
2. 2015										
3. 2016	XXX									
4. 2017	XXX	XXX								
5. 2018	XXX	XXX	XXX							
6. 2019	XXX	XXX	XXX	XXX						
7. 2020	XXX	XXX	XXX	XXX	XXX					
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

Detail Eliminated To Conserve Space

SCHEDULE P – PART 5T – WARRANTY

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR-END									
	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024
1. Prior	....	....	....	....	....	....	....	....	....	....
2. 2015	....	....	....	....	....	....	....	....	....	....
3. 2016	XXX	....	....	....	....	....	....	....	....	....
4. 2017	XXX	XXX	....	....	....	....	....	....	....	....
5. 2018	XXX	XXX	XXX	....	....	....	....	....	....	....
6. 2019	XXX	XXX	XXX	XXX	....	....	....	....	....	....
7. 2020	XXX	XXX	XXX	XXX	XXX	....	....	....	....	....
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....	....
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR-END									
	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024
1. Prior	....	....	....	....	....	....	....	....	....	....
2. 2015	....	....	....	....	....	....	....	....	....	....
3. 2016	XXX	....	....	....	....	....	....	....	....	....
4. 2017	XXX	XXX	....	....	....	....	....	....	....	....
5. 2018	XXX	XXX	XXX	....	....	....	....	....	....	....
6. 2019	XXX	XXX	XXX	XXX	....	....	....	....	....	....
7. 2020	XXX	XXX	XXX	XXX	XXX	....	....	....	....	....
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....	....
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....

SECTION 3

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR-END									
	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024
1. Prior	....	....	....	....	....	....	....	....	....	....
2. 2015	....	....	....	....	....	....	....	....	....	....
3. 2016	XXX	....	....	....	....	....	....	....	....	....
4. 2017	XXX	XXX	....	....	....	....	....	....	....	....
5. 2018	XXX	XXX	XXX	....	....	....	....	....	....	....
6. 2019	XXX	XXX	XXX	XXX	....	....	....	....	....	....
7. 2020	XXX	XXX	XXX	XXX	XXX	....	....	....	....	....
8. 2021	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....	....
9. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....	....
10. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....	....
11. 2024	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	....

W:\QA\BlanksProposals\2023-16BWG_Modified.docx

Draft: 3/25/2024

Statistical Data (C) Working Group
Virtual Meeting
December 11, 2023

The Statistical Data (C) Working Group of the Casualty Actuarial and Statistical (C) Task Force met Dec. 11, 2023. The following Working Group members participated: Sandra Darby, Chair (ME); Qing He, Vice Chair, and George Bradner (CT); Charles Hale (AL); Arthur Schwartz and John Sobhanian (LA); Cynthia Amann (MO); Christian Citarella (NH); Tom Botsko (OH); Andrew Schallhorn (OK); and David Dahl (OR). Also participating was: Luciano Gobbo (CA).

1.   Discussed Changes to the NAIC *Report on Profitability by Line by State*

Starting with the NAIC's *Report on Profitability by Line by State* (Profitability Report), Darby discussed where to place the new sections—mutual and reciprocal and stocks—in the report. She said the current section, which is a total, cannot be replaced with the two new sections because mutual and reciprocal and stocks will not add up to the total. Darby suggested either putting the two new sections directly after the total or putting the two new sections at the end in an appendix.

Schwartz referenced a paper by Richard Roth about fundamental differences between mutual and reciprocal, stock insurers, and long-term profitability. Schwartz stated that his original proposal was only to add mutual and reciprocal and stocks as a countrywide basis and not in its entirety by line and by state.

Darby asked whether a countrywide breakout could be provided, and NAIC staff responded that it could. Darby asked the Working Group if it wanted to include both the countrywide breakout and the by state, by line breakout, which was already produced.

Birny Birnbaum (Center for Economic Justice—CEJ) suggested that leaving by state and by line would be beneficial to states when they are assessing competition in their markets. Birnbaum said nationwide totals will vary dramatically across states because of different percentages of mutual and reciprocal and stock companies in a state.

Bradner made a motion, seconded by Citarella, to add the countrywide mutual and reciprocal and stocks pages to the report. The motion passed unanimously.

Darby then read the suggested language for the Profitability Report:

> State insurance regulators may want to distinguish between types of insurers if the profitability metrics are used in the context of a rate filing. To show the difference in the profitability metrics for Mutual and Reciprocal insurers separately from Stock insurers, the NAIC provided this information in appendices beginning with the 2022 data year.

> A stock insurance company is defined as a business owned by stockholders. A mutual insurance company is a privately held insurer owned by its policyholders, operated as a non-profit that may or may not be incorporated.

Birnbaum suggested softening the language of the first paragraph:

The report provides profitability by line for all insurers and is also broken out for stock insurers only and for mutual and reciprocal insurers only starting with the 2022 data year.

A stock insurance company is defined as a business owned by stockholders. A mutual insurance company is a privately held insurer owned by its policyholders and operating as a nonprofit that may or may not be incorporated.

Botsko made a motion, seconded by Dahl, to accept the language offered by Birnbaum. The motion passed unanimously.

2.   Discussed Changes to the NAIC *Competition Database Report*

Darby discussed how to add the extra columns, mutual and reciprocal, stock, and market share of the top 20 market share to the *Competition Database Report*.

Steve Kincaid (NAIC) said adding to the current page would be tight. Kincaid suggested either using a smaller font or an extra page. Birnbaum suggested creating the table on a legal-size sheet. The Working Group agreed putting on a legal-size sheet would make sense.

Darby asked if the Competition Report needed to be delayed due to changes, if an addendum needed to be added later, or if the report should be released without changes this year. The Working Group decided to let NAIC staff work on adding the columns and providing a single report with changes.

3. Received an Update on the Homeowners Report and Auto Report

Darby reported the 2021 *Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance Report* (Homeowners Report) is with the Casualty Actuarial and Statistical (C) Task Force, and the 2022 Homeowners Report is going to be out later this spring on the expedited timeline. Darby said to expect the Homeowners Report to be released in the spring going forward.

Darby reported that the 2019–2020 *Auto Insurance Database Report* (Auto Report) had a data issue that was corrected, and now the data is currently with the Working Group to review. Darby said if there are no issues, the report will be voted on and moved to the Casualty Actuarial and Statistical (C) Task Force.

Aaron Brandenburg (NAIC) added that the 2021 Homeowners Report did go through the Casualty Actuarial and Statistical (C) Task Force and will go out to commissioners for embargo soon. It will then be released to the public. Brandenburg said that data for the 2022 Homeowners Report is being collected now. Brandenburg reminded the group that California data is collected every other year. Darby said NAIC staff will research whether the Working Group had previously decided to leave California out of the reports when the data is not available.

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

SharePoint/NAIC Support Staff Hub/Member Meetings/C CMTE/2023_Fall/CASTF/SDWG/StatDataWGmin_1030

Title of Exposure Draft: Risk Classification (for All Practice Areas)

Comment Deadline: May 1, 2024

Instructions: Please review the exposure draft, and give the ASB the benefit or your recommendations by completing this comment template. Please fill out the tables within the section below, adding rows as necessary. Sample for completing the template provided at the following link: http://www.actuarialstandardsboard.org/email/2020/ASB-Comment-Template-Sample.docx

Each completed comment template received by the comment deadline will receive consideration by the drafting committee and the ASB. The ASB accepts comments by email. Please send to comments@actuary.org and include the phrase 'ASB COMMENTS' in the subject line. Please note: Any email not containing this exact phrase in the subject line will be deleted by our system's spam filter.

The ASB posts all signed comments received to its website to encourage transparency and dialogue. Comments received after the deadline may not be considered. Anonymous comments will not be considered by the ASB nor posted to the website. Comments will be posted in the order that they are received. The ASB disclaims any responsibility for the content of the comments, which are solely the responsibility of those who submit them.

I.   **Identification:**

Name of Commentator / Company

II.   **ASB Questions (If Any). Responses to any transmittal memorandum questions should be entered below.**

Question No.	Commentator Response

III. **Specific Recommendations:**

Section # (e.g. 3.2.a)	Commentator Recommendation (Please provide recommended wording for any suggested changes)	Commentator Rationale (Support for the recommendation)
2.1	We recommend that this definition be discussed by the task force and revised for clarity.	1. The phrase "The result of actions regarding an element of choice taken by risk subjects" is unclear. 2. This definition appears to lack the key feature of adverse selection: the information asymmetry between the risk subject and the administrator of the financial or personal security system.
2.8	We recommend that this definition be discussed by the task force and revised.	The definition of "unintended bias" doesn't appear to capture the concept of "bias." Rather, this appears to be a definition for "unintended impacts" or "unintended outcomes." This definition would be satisfied if a risk classification system put everyone into the same class, but most would not consider that "unintended bias."

		With an unclear definition it is unclear what the actuary is supposed to do in Section 3.4.
3.2	Consider adding "A risk classification system assigns each risk to a risk class based on the results of measuring or observing its risk characteristics," which is in the current ASOP No. 12.	The concept of being able to measure or observe the risk characteristics is important. ASOP No. 25 on credibility defines risk characteristics as "Measurable or observable factors or characteristics that are used to assign each risk to one of the risk classes of a risk classification system."
3.2.6	Consider changing "The actuary should take into account whether the risk characteristics can be objectively determined" back to "The actuary should select risk characteristics that are capable of being objectively determined," which is the language in the current ASOP No. 12.	The exposure draft appears to weaken the language in the current ASOP. Objectivity is important when selecting risk characteristics.
3.2.6	In the second sentence of this section, when describing what is meant by "objectively determined," use "and" instead of "or."	The word "and" should be used because the class should be both 1) based on verifiable facts and 2) not easily manipulated.
3.2.7	Consider making subsections a. and b. their own paragraphs, such that section 3.2 would have 11 paragraphs instead of the current nine.	1. Subsections a. and b. don't appear related to the concept of practicality. 2. Subsection a. is one of the hallmarks of risk classification and making it a subsection seems to diminish its importance. In addition, we recommend considering adding definitions of credibility and homogeneity given the importance to this work.
4.3	Consider changing this to "Nothing in this standard is intended to require the actuary to disclose confidential information, except where required by statute or regulation."	Certain state statutes say that anything associated with or supporting a rate application is subject to public inspection.

IV.   General Recommendations (If Any):

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)
Add "Rates within a risk classification system would be considered equitable if differences in rates reflect material differences in expected cost for risk characteristics," from section 3.2.1 of the current ASOP No. 12.	The current ASOP 12 refers to "expected cost" twice. Both statements about "expected cost" are proposed to be removed from the ASOP completely. Putting this statement back in is helpful for describing one of the key purposes of risk classification.
The current ASOP references risk classification as "the classification of individuals or entities into groups intended to reflect the relative likelihood of expected outcomes" (section 1.2), and the definition of "risk classification system" in section 2.10 states that risks are assigned to groups "based upon the expected cost or benefit of the coverage or services provided." Consider adding similar language to sections 1.2 or 2.5 of the exposed ASOP.	The exposed ASOP doesn't appear to state the purpose of risk classification or tie risk classification to expected outcomes. Some information is provided in the background section of the appendix, but it would be helpful if the body of the ASOP referenced why an actuary might want to classify risks into groups. ASOP No. 25 on credibility defines a "risk classification system" as "A system used to assign risks to groups based upon the expected cost or benefit of the coverage or services provided."

	This definition, which aligns with that in the current ASOP, seems more useful and practical than the definition of "risk classification framework" in section 2.5 of the exposed ASOP.
Section 3.2.3 is important but would benefit from more clarity.	1. Section 3.2.3 says, "The actuary should have a rational explanation that the relationship between a risk characteristic and a risk measure is not obscure, irrelevant, or arbitrary." What is an example of an obscure, irrelevant, or arbitrary relationship that nevertheless results in a useful risk predictor? 2. Section 3.2.3 says, "Whether it is appropriate to use a risk characteristic may depend on societal, regulatory, and industry practices or may depend on the scope and context of the actuary's work." Is this saying there are exceptions where class rates can deviate from expected cost? If so, this may run afoul of state statutes against "unfair discrimination." Furthermore, is this the actuary's responsibility or a management decision? If it may be the actuary's responsibility, we suggest adding "legislative and judicial pressures."
It appears that the exposure draft has combined sections 3.2.5, 3.2.6, and 3.2.7 of the current ASOP into the second sentence of section 3.2.8. It might be useful to keep these as separate sections and state that the actuary should consider these external influences.	Section 3.2.8 suggests that the actuary needs to consider external influences "that have the potential for material adverse impacts" and then gives examples of external influences. Rather, it's important to consider these external influences (applicable law and business, government, and industry practices) in every risk classification project, whether or not they could lead to material adverse impacts.
Consider addressing unfair discrimination in the standard.	The draft discusses "unintended bias" but does not mention "unfair discrimination." "Unfair discrimination" is the language used in many states' rating statutes. If addressed, the ASOP should state that the definition can vary by state.

V.   Signature:

Commentator Signature	Date