

## Risk Classification Data Call

### Instructions

This Risk Classification Data Call is meant to meet several objectives, first described in the NAIC’s Property and Casualty Insurance (C) Committee charges.

- Evaluate how insurers use credit-based insurance scores.
- Determine how current economic conditions have affected policyholder premiums related to credit-based insurance scores.

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m “Underwriting” describes the standards under which the insurer issues, refuses to issue, renews, refuses to cancels or limits coverage for automobile insurance to persons within this state.

m “Tier Placement” describes a situation where the insurer has multiple rating plans within a single company.

m “Company Placement” describes a situation where the insurer has a different rating plan for each affiliate, but single rating plan for each affiliate.

Respond to this data call on a company basis. If multiple affiliates are operating in this state, complete the document

es of four tables (Tables I-V) as well as a series of additional questions (Additional Information) to be answered as le.

**Company is asked to submit the following information:**

**State:**

**Name of Company:**

**Cocode:**

**Contact Information**

**Name:**

**Phone number:**

**E-mail:**

**Data Call Questions**

**Use of Risk Classifications in Private Passenger Auto Insurance**

**TABLE I**

**Check all that apply. If a risk factor is used for both company placement and**

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**Effect of Risk Classifications in Private Passenger Auto Insurance**

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	<b>% Distribution of policyholders receiving discount or surcharge from the average value</b>												
<b>Risk Classification</b>	<-50%	<-40% ≥-50%	<-30% ≥-40%	<-20% ≥-30%	<-10% ≥-20%	<-1% ≥-10%	≥-1% ≤1%	>1% ≤10%	>10% ≤20%	>20% ≤30%	>30% ≤40%	>40% ≤50%	>50%
Prior Limits													
Multi-policy Discounts													

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17.

a. For renewal business, what was the range of scores obtained in each year by decile, from worst to best?

Calendar Year	1st Decile Range	2nd Decile Range	3rd Decile Range	4th Decile Range	5th Decile Range	6th Decile Range	7th Decile Range	8th Decile Range	9th Decile Range	10th Decile Range
2005										
2006										
2007										
2008										
2009										

b. For new business, what was the range of insurance scores obtained in each year by decile, from worst to best?

Calendar Year	1st Decile Range	2nd Decile Range	3rd Decile Range	4th Decile Range	5th Decile Range	6th Decile Range	7th Decile Range	8th Decile Range	9th Decile Range	10th Decile Range
2005										
2006										
2007										
2008										
2009										

**c. In total (renewal business plus new business), what was the range of insurance scores obtained in each year by decile, from worst to best?**

**d. Over this time period, did the company make material changes to its model or recalibrate its model such that a current in-force policyholder would have received a different score if the revised model had been used when the in-force policies were originally written?**

**e. If so, please explain.**

**18.**

**a. What is the name of your current credit-based insurance scoring model?**

**b. When did you begin using it?**

**19.**

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- c. In 2009?
- 21. Of those policies in Q20, what percentage received a premium increase due to credit-based insurance scoring
  - a. In 2007?
  - b. In 2008?
  - c. In 2009?
- 22. Of those policies in Q20, what percentage received a premium decrease due to credit-based insurance scoring
  - a. In 2007?
  - b. In 2008?
  - c. In 2009?

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