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.

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

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

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State:

Name of Company:

Cocode:

Contact Information

Name:

Phone number:

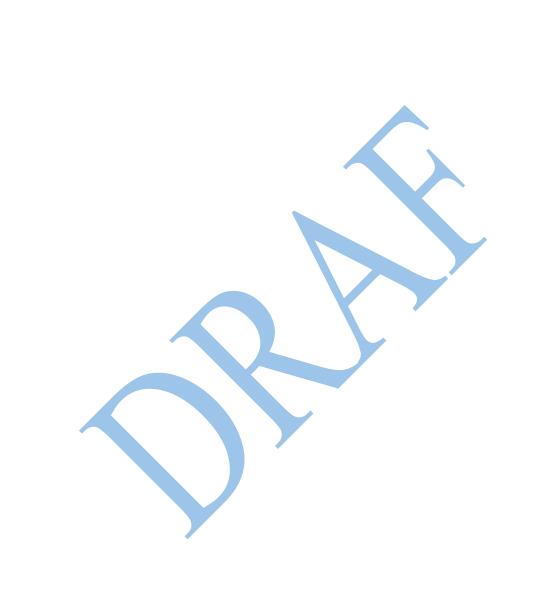
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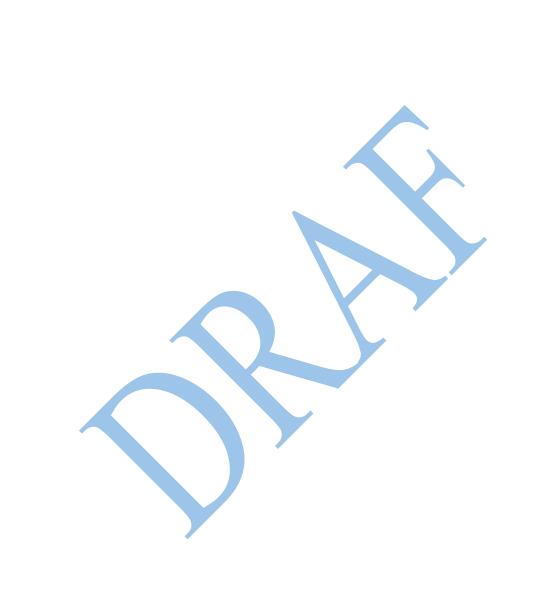
Data Call Questions

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







Effect of Risk Classifications in Private Passenger Auto Insurance









| | % Distribution of policyholders receiving discount or surcharge from the average value | | | | | | | | | | | | | | |
|----------------|--|--------------|--------------|------------------|------------------|------------------|----------------|-------------|-----------------|-----------------|-----------------|-----------------|--------|--|--|
| Risk | <-50% | <-40% | <-30% | <-20% | <-10% | <-1% | ≥-1% | >1% | >10% | >20% | >30% | >40% | >50% | | |
| Classification | <-30 % | <u>≥-50%</u> | <u>≥-40%</u> | <u>></u> -30% | <u>></u> -20% | <u>></u> -10% | <u><</u> 1% | ≤10% | <u><</u> 20% | <u><</u> 30% | <u><</u> 40% | <u><</u> 50% | /50 /0 | | |
| Prior Limits | | | | | | | | | | | | | | | |
| Multi-policy | | | | | | | | | | | | | | | |
| Discounts | | | | | | | | | | | | | | | |









17.

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

| | | 1st | | 2nd | | 3rd | | 4th | | 5th | | 6th | | 7th | | 8th | | 9th | | 10th | |
|---|----------|--------|--|--------|--|-----------|------------|--------|-----|---------|--|--------|--|--------|--|-------|--------|-------|--------|-------|--|
| (| Calendar | Decile | | Decile | | Decile De | | Decile | | Decile | | Decile | | Decile | | cile | Decile | | Decile | | |
| | Year | Range | | Range | | Ra | Range Rang | | nge | e Range | | Range | | Range | | Range | | Range | | 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?

| | 1st | | 1st 2nd | | 3rd 4t | | th 5th | | th | 6 | 6th 7th | | 8th | | 9th | | 10th | | | |
|----------|--------|---|---------|--|--------|--|--------|---|--------|---|---------|---------------|-------|--------|-------|--------|-------|--------|-------|--|
| Calendar | Decile | | Decile | | Decile | | Decile | | Decile | | De | Decile Decile | | Decile | | Decile | | Decile | | |
| Year | Range | | Range | | Range | | Range | | Range | | Range | | Range | | Range | | Range | | 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.

- 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?

