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American Association of Insurance Services

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January 19 , 2017

Via Email

Aaron Brandenburg
Statistical Information Manager
abrandenburg@naic.org

RE: Proposed Data Collection for the Purpose of Studying Affordability and Availability of Private Passenger Automobile Insurance

Dear Mr. Brandenburg:

The American Association of Insurance Services, Inc. ("AAIS") submits these comments in response to the proposal by the Auto Insurance (C/D) Working Group of the Property and Casualty Insurance (C) Committee and the Market Regulation and Consumer Affairs (D) Committee regarding the collection of data to analyze the affordability and availability of private passenger automobile insurance (the "proposed data call").

For decades, AAIS has been a licensed statistical agent in 51 jurisdictions, maintaining property, general liability, and automobile statistical plans. Over 700 insurers, including many of the largest national carriers, rely on AAIS, and nearly 150 companies use the AAIS Statistical Data Management Application to meet their statistical reporting needs. Accordingly, AAIS is well-placed to comment on the viability of the proposed data call.

Referring to the categories of data listed the working group's proposal dated December 1, 2016, AAIS already collects data regarding premiums, exposures, loss counts, loss amounts, coverage, policy limits, deductibles, and voluntary and residual markets. AAIS currently provides much of this data to the NAIC at the state level and can provide such data at a ZIP code level.



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AAIS does not collect data regarding the number of applicants, number of applicants written, number of refusals to write, and number of complaints at either the ZIP code or state level. Such information may be maintained by insurers, though we suspect likely by only larger carriers.

AAIS is unsure of how the NAIC defines the remaining data element of "Driver risk-class." The working group should specifically define that term and allow industry representatives to further comment before the proposed data call progresses any further. AAIS further requests that the working group clarify the frequency with which the data subject to this proposed data call will be collected.

Moreover, AAIS would like to respond to the testimony presented by the Insurance Services Office, Inc. ("ISO") at the working group's December 10, 2016 meeting. At that meeting, ISO offered to act as a conduit for the data subject to the proposed data call. AAIS urges the NAIC to consider the effects of using a single entity for data collection. Each statistical agent presently submits data to the NAIC separately. Anointing a single statistical agent to collect data would prejudice other statistical agents and foster an anti-competitive environment. The existing statistical agents are capable of aiding the working group in gathering data and AAIS would caution you against stifling competition. Further, if the working group does progress with data collection through the statistical reporters, it would be prudent to allow a sufficient amount of time for the current statistical reporters to amend the statistical plans to allow for collection and additional time for companies to identify how that data may efficiently be collected and relayed to their statistical agents.

If you have any questions, please do not hesitate to contact me at the phone number or email below.

Respectfully,

Robin Westcott
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