


Ask a Regulator

Sharon Li, FCAS
Rate Regulation Branch
California Department of Insurance

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Recently Adopted Regulations

▶ Pay–Drive (Usage based auto insurance)

Effective Oct. 2009

- 2nd mandatory rating factor – Annual miles driven
- Sequential analysis and Rating factor weight requirement
- Estimated miles vs. Verified actual miles
- Odometer reading and Technological devices
- 3 years later, California has a handful of companies/groups with Verified mileage programs.
- California encourages insurers to offer Verified mileage program.

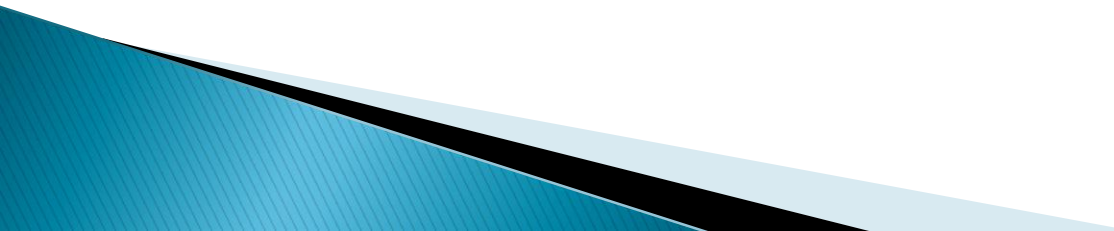
Recently Adopted Regulations

▶ Principally At Fault Regulation (re: auto accident)

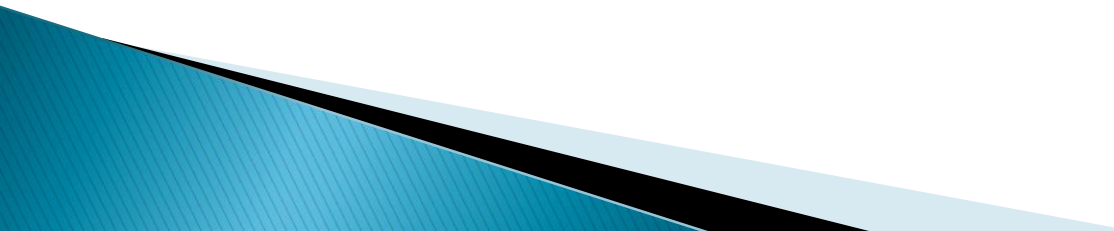
Effective 12/11/2011

- 1st mandatory rating factor – Driving safety record
- Good driver discount
- Driver's actions or omissions were at least 51% of the “legal cause” of the accident, and
 - Either the accident resulted in bodily injury or death, or
 - For an accident that resulted only in damage to property, the “total loss or damage” caused by the accident exceeded “\$1000”.
- Changed the standard from “proximate cause” to “legal cause”.
- Replaced the “any one person” standard with “total loss or damage” and increased the threshold from \$750 to \$1000.
- Clarified the procedures that a driver's insurer and any subsequent insurer of a driver must follow to determine the driver was principally at-fault for an accident.

Pending Regulations

- ▶ **Pet Insurance**
 - ▶ **Specialty Insurance**
 - ▶ **Prior Approval (MacKay)**
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Current/Recent Issues

- ▶ Forced-placed insurance – 2012
 - ▶ Medical malpractice –2011
 - ▶ “Excess” rate project – current
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Best Practices

Prior Approval Rate Filings

- ▶ Completeness of data with clear labeling
 - ▶ Consistencies among the ratemaking data, the various supporting exhibits, and the insurer's reported financial data
 - ▶ The most actuarially sound selections
 - ▶ All data tables in excel format
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