



Illinois Department of Insurance

JB PRITZKER
Governor

DANA POPISH SEVERINGHAUS
Director

April 29, 2022

RE: Market Conduct – Market Analysis Q&A

The Illinois Department of Insurance is currently conducting a review of premium and loss results for private passenger automobile lines of business. The interrogatory is for the period of January 1, 2019 through December 31, 2021. The original [letter](#) was dated March 16, 2022.

In response to questions received, we are sending clarification on certain items in the original letter.

- We have received questions about our reference to accident quarter for all items. We would like to provide a clarification. Consistent with Schedule P guidance, requested data items should be provided by the quarter in which the premiums or exposures were earned and the losses were incurred. While we referenced accident quarter, some of the items might be more accurately reported by calendar quarter. Data segmentation, reporting basis, and definitions should be the same as those used for Schedule P of the statutory statements, except data should be by quarter instead of year.
- Data should be specific to Illinois, not countrywide.
- All Illinois premiums and exposures should be reported, regardless of whether there are claims on those policies.
- The exposure base is a vehicle year so each quarter represents 0.25 earned vehicle exposures of a full year exposure.
- Item (2) should include any and all expenses other than loss adjustment expenses (Defense and Cost Containment Expenses + Adjusting and Other) and COVID-19 related Credit/Refund/Dividend accounted for as an expense.
- If a company does not have a reasonable method of obtaining accident quarter or calendar quarter data, they may report annual data by putting the full year data in the 4th quarter cell for each year and noting that in the response. If a company can reasonably report data on a quarterly basis however, that is the preferred approach.

As a reminder, please submit the requested information electronically to the Department at DOI.MarketConduct@illinois.gov by **May 15, 2022**. In the response, please include a response for each Company within the group including the NAIC Company Code (CoCode) and Group Code. This information is being collected in accordance with 215 ILCS 5/132, 132.5(f), 404(1)(a) and 404(1)(c). Data items (2) through (9) will be made available for public review with the company individually identified on the Department of Insurance website no later than June 30, 2022. This publicly available information includes the calculations of post-refund combined ratio, pre-refund combined ratio, and claims severity. Data item (1) will be made available on an all company weighted average frequency basis but will not be publicly released on an individual company basis.

Springfield Office
320 W. Washington Street
Springfield, Illinois 62767
(217) 782-4515

Chicago Office
122 S. Michigan Ave., 19th Floor
Chicago, Illinois 60603
(312) 814-2420

Please note, if data is provided without objection, with exception of individual company exposure data, the data will be made public. If data is not submitted or submitted as confidential, the Department will pursue other methods of obtaining and publishing this data.
Should you have any additional questions, please do not hesitate to contact me directly. Thank you for your prompt attention to this inquiry.

Sincerely,



Erica Weyhenmeyer, CPCU, MCM, PIR, AIE
Assistance Deputy Director & Chief Market Conduct Examiner
Illinois Department of Insurance
320 W. Washington, 5th Floor
Springfield, IL 62767
Erica.Weyhenmeyer@illinois.gov