

MISSISSIPPI MARKET ANALYSIS DATA CALL
HO POLICY HISTORICAL DATA

EXPLANATION CONCERNING REVISIONS

The Market Analysis Data Call ("Data Call") which was initially issued on 12/15/2014 has been revised as per this document to reflect changes necessitated by the passage of House Bill No. 739 (the "Clarity Act") by the Mississippi Legislature and signed by the Governor. The principal changes include expanding the policy scope of the Data Call to include additional policy types (HO-4 and HO-6), adding an additional Category (policy limits), extending the time scope to include calendar year 2014 data, and extending the due date to on or before October 1, 2015.

1. **DATA CALL:** The Mississippi Commissioner of Insurance ("Commissioner") pursuant to Miss Code Ann. § 83-5-205(4), is issuing a market analysis data call related to homeowners insurance policies issued by specified property and casualty companies and the Mississippi Windstorm Underwriting Association ("MWUA") in order to allow the Department of Insurance ("MID" or "Department") to perform a geographic comparison and market analysis of premiums and losses.
2. **CONFIDENTIALITY:** Pursuant to Miss. Code Ann. § 83-5-209(7), all data reported to the Commissioner or his designee as part of this market analysis shall be considered as confidential and privileged materials and afforded all protections from disclosure allowed under the aforementioned statute. However, the Commissioner as part of his analysis will compile the data on an aggregate basis and may release that aggregate data, but will not release any company specific data. The Commissioner will also prepare a report on his findings and conclusions, which shall be a public record.
3. **AUTHORITY:** This market analysis data call is made pursuant to Miss Code Ann. § 83-5-205(4).
4. **DUE DATE:** The requested data must be received by MID on or before October 1, 2015.
5. **COMPANY SCOPE:** To ensure that the market analysis is meaningful and is a proper reflection of Mississippi's homeowners market, the MID has separately analyzed the carriers writing homeowners insurance in Mississippi since 2004 in order to compile the list of companies that are subject to this market analysis data call ("Participating Insurers"). The Participating Insurers include admitted carriers, non-admitted carriers and the MWUA whose combined writings encompass over 90% of the homeowners insurance premiums written in Mississippi since 2004.
6. **POLICY SCOPE:** This data call applies to personal lines property insurance for owner occupied policies that provide at least protection for loss to the structure, as well as HO-4 and HO-6 policies. More specifically:

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- The policy scope INCLUDES the following types of policies and forms:

For owner-occupied properties: Homeowner HO-2, HO-3, HO-5, HO-6, HO-8; dwelling package policies; mobile home/manufactured home policies, and standard dwelling / fire.

For renter-occupied properties: Homeowner HO-4 policies.

- The policy scope EXCLUDES monoline earthquake, monoline flood, other monoline policies other than fire structure and monoline wind, creditor-placed property insurance, condominium association insurance and commercial insurance.

7. **TIME SCOPE:** In the Spreadsheet (as defined below), information is to be reported on a calendar year basis for calendar years 2004 through 2014. All Participating Insurers are required to provide the requested data for each year from 2004 through 2014, regardless whether they were amongst the top 20 writing companies in every one of those years.
8. **GEOGRAPHIC SCOPE:** Zip code refers to the zip code of the insured location - not to the billing or mailing address. If a zip code has been identified as being an insured location but not included on the list provided in the Spreadsheet, please provide data for that zip along with an explanation in Category M (Explanations).
9. **REPORTING FORMAT:** Each Participating Insurer is required to provide the requested data by completing a Microsoft Excel template spreadsheet (“Spreadsheet”) prepared by the Department and submitting it electronically via email.

Policy Scope: Data should be provided for all policies within the scope described in Paragraph 6 above, and not for any other policies.

By Calendar Year, by Zip Code: Unless otherwise specified, each data field must be provided by zip code for each calendar year from 2004 through 2014, on a calendar year basis. In the Spreadsheet, each row shall represent the data for a single zip code in a single calendar year.

By Policy Category: The Participating Insurer must assign each policy to a category based on the types of perils covered, and report the aggregate result (by calendar year, by zip code) for each such category where so indicated in the data field descriptions. A description of each Policy Category is provided in the Definitions section below.

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By Peril: If possible¹, the Participating Insurer must split each policy into one or more categories based on the types of perils covered where so indicated in the data field descriptions, and report the aggregate result (by calendar year, by zip code) for each such category. A description of each Peril is provided in the Definitions section below.

No Blank / Empty Cells in Data Call Response: Participating Insurers need not provide any data related to zip codes in which they had no policies of the type described above in the "Policy Scope" paragraph. In the responses that are provided, there should be no empty cells for any reported year or zip code. Rather than leaving a data field blank, the Participating Insurer should utilize one of the following responses:

Responses in Lieu of Blank Cells		
Response	Short Description	Use Response When...
"0"	Zero	There are no policies in force, no losses, no premiums, etc. that fit the criteria specified in the data field in a particular zip code and year.
"NAV"	Not Available	The data field is not recorded by the insurer in its IT system or otherwise readily available.
"NA"	Not Applicable	The data field is not relevant (e.g. the wind exclusion factor in a zip code where wind is not permitted to be excluded).
"OTH"	Other (Explain)	None of the above responses is appropriate. If used, the Participating Insurer must include an explanation for doing so with its response.

10. **COLUMN HEADINGS / DATA REQUESTED** in the Spreadsheet.
Note: see Definitions section below for additional descriptions of the data requested. Unless otherwise specified below, all the requested data should be provided on a calendar year basis.

¹ We expect that all Participating Insurers should be able to split losses by peril, but not all will be able to split premiums by peril. In the event that data related to a particular Policy Category or Peril is not available, the Participating Insurer should respond "NAV" to indicate the data is not available.

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Category	Field No.	Description
A		SCOPE
A	1	NAIC CODE
A	2	COMPANY NAME
A	3	CALENDAR YEAR - <i>Begin with year 2004 and repeat through year 2014</i>
A	4	<i>ZIP CODE - Data shall be reported for each Mississippi Zip Code in which the Participating Insurer had insurance policies within the Policy Scope described above in Paragraph 6. All zip codes in the State of Mississippi are included in the "Zip Codes" worksheet of the Spreadsheet.</i>
B		DIRECT PREMIUM WRITTEN ("DPW") by Policy Category (in dollars)
B	5	DPW: Total
B	6	DPW: Wind Only Excl. Named Storm ²
B	7	DPW: Wind Only Incl. Named Storm ²
B	8	DPW: All Other Excl. Wind
B	9	DPW: All Other Incl. Wind but Excl. Named Storm ²
B	10	DPW: All Other Incl. Wind and Named Storm ²
C		DIRECT PREMIUM WRITTEN by Peril (in dollars)
C		<p><i>Notes regarding Direct Premium Written by Peril:</i></p> <ul style="list-style-type: none"> <i>If data is not available by peril, respond "NAV" to fields 11 through 14</i> <i>Participating Insurers that rate the peril of Wind separately from non-Wind related perils but that do not separately rate Hurricanes or Named Storms should report fields 11 and 12 only to the extent possible, but should respond to field 13.</i>
C	11	DPW: Hurricane or Named Storm
C	12	DPW: Other Wind
C	13	DPW: Wind Subtotal
C	14	DPW: All Other Perils

² Participating Insurers that rate by hurricane rather than named storm should replace "Named Storm" with "Hurricane" and clearly note that they have done so in their response.

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Category	Field No.	Description
D		DIRECT PREMIUM EARNED ("DEP") by <u>Policy Category</u> (in dollars)
D	15	DEP: Total
D	16	DEP: Wind Only Excl. Named Storm ²
D	17	DEP: Wind Only Incl. Named Storm ²
D	18	DEP: All Other Excl. Wind
D	19	DEP: All Other Incl. Wind but Excl. Named Storm ²
D	20	DEP: All Other Incl. Wind and Named Storm ²
E		DIRECT PREMIUM EARNED by <u>Peril</u> (in dollars)
E		<p><i>Notes regarding Direct Premium Earned by Peril:</i></p> <ul style="list-style-type: none"> • <i>If data is not available by peril, respond "NAV" to fields 21 through 24</i> • <i>Participating Insurers that rate the peril of Wind separately from non-Wind related perils but that do not separately rate Hurricanes or Named Storms should report fields 21 and 22 only to the extent possible, but should respond to field 23.</i>
E	21	DEP: Hurricane or Named Storm
E	22	DEP: Other Wind
E	23	DEP: Wind Subtotal
E	24	DEP: All Other Perils
F	25	WIND EXCLUSION FACTOR (as % of total premium)
F		<p><i>Note: If the Participating Insurer has provided Direct Premium Written and Direct Premium Earned by Peril, respond "NA" to field 25. Otherwise, provide the Wind Exclusion Factor for zip codes in Coastal Counties and respond "NA" for Inland Counties. If Wind Exclusion Factor is not readily available for years prior to 2014 please respond "NAV" for those years.</i></p>

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Category	Field No.	Description
G		DIRECT LOSSES INCURRED ("DLI") by <u>Policy Category</u> (in dollars)
G		<i>Note: Do not include IBNR; do not deduct reinsurance recoveries; provide net of deductibles and other (non-reinsurance) recoveries.</i>
G	26	DLI: Total
G	27	DLI: Wind Only Excl. Named Storm
G	28	DLI: Wind Only Incl. Named Storm
G	29	DLI: All Other Excl. Wind
G	30	DLI: All Other Incl. Wind but Excl. Named Storm
G	31	DLI: All Other Incl. Wind and Named Storm
H		DIRECT LOSSES INCURRED by <u>Peril</u> (in dollars)
H		<i>Note: Do not include IBNR; do not deduct reinsurance recoveries; provide net of deductibles and other (non-reinsurance) recoveries.</i>
H	32	DLI: Hurricane or Named Storm
H	33	DLI: Non-Named Wind Catastrophe
H	34	DLI: Other Wind
H	35	DLI: Wind Subtotal
H	36	DLI: Other Non-Named Catastrophe
H	37	DLI: All Other Perils
I		DIRECT ALLOCATED LOSS ADJUSTMENT EXPENSES ("ALAE") by <u>Policy Category</u> (in dollars)
I		<i>Note: Do not include IBNR; do not deduct reinsurance recoveries; provide net of deductibles and other (non-reinsurance) recoveries.</i>
I	38	ALAE: Total
I	39	ALAE: Wind Only Excl. Named Storm
I	40	ALAE: Wind Only Incl. Named Storm
I	41	ALAE: All Other Excl. Wind
I	42	ALAE: All Other Incl. Wind but Excl. Named Storm
I	43	ALAE: All Other Incl. Wind and Named Storm

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Category	Field No.	Description
J		DIRECT ALLOCATED LOSS ADJUSTMENT EXPENSES <u>by Peril</u> (in dollars)
J		<i>Note: Do not include IBNR; do not deduct reinsurance recoveries; provide net of deductibles and other (non-reinsurance) recoveries.</i>
J	44	ALAE: Hurricane or Named Storm
J	45	ALAE: Non-Named Wind Catastrophe
J	46	ALAE: Other Wind
J	47	ALAE: Wind Subtotal
J	48	ALAE: Other Non-Named Catastrophe
J	49	ALAE: All Other Perils
K		EARNED HOUSE YEARS ("EHY") <u>by Policy Category</u> (in number of houses)
K		<i>Note: Earned House Years should not be greater than zero in a zip code / year with no Earned Premium. See Definitions section below for additional information.</i>
K	50	EHY: Total
K	51	EHY: Wind Only Excl. Named Storm
K	52	EHY: Wind Only Incl. Named Storm
K	53	EHY: All Other Excl. Wind
K	54	EHY: All Other Incl. Wind but Excl. Named Storm
K	55	EHY: All Other Incl. Wind and Named Storm
L		POLICY LIMITS ("PLA") <u>by Coverage Type</u> (in dollars)
L		<i>Note: In field 56, provide the sum of the Coverage A amount (i.e. the maximum coverage for damage to the primary structure / dwelling) for all policies in the applicable year / zip code. In field 57, provide the sum of the Coverage C amount (i.e. the maximum coverage for damage to contents / personal property) for all policies in the applicable year / zip code for which this data is readily available via electronic download.</i>
L	56	PLA: Coverage A Total
L	57	PLA: Coverage C Total
M	58	EXPLANATIONS. Provide explanations for any responses of "OTH" as described above in Paragraph 9.

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11. **DEFINITIONS:**

Coastal Counties means George, Hancock, Harrison, Jackson, Pearl River and Stone Counties in the state of Mississippi.

Direct Allocated Loss Adjustment Expenses by Peril means Loss Adjustment Expenses (Direct) that are assignable or allocable to specific claims, aggregated by Peril.

Direct Allocated Loss Adjustment Expenses by Policy Category means Loss Adjustment Expenses (Direct) that are assignable or allocable to specific claims, aggregated by Policy Category.

Direct Losses Incurred by Peril means all losses sustained within the indicated calendar year resulting from the perils included in the Peril, whether paid or not. Exclude IBNR; do not deduct reinsurance recoveries; provide net of deductibles and other (non-reinsurance) recoveries.

Direct Losses Incurred by Policy Category means all losses sustained within the indicated calendar year resulting from all perils covered by the policies within the Policy Category, whether paid or not. Exclude IBNR; do not deduct reinsurance recoveries; provide net of deductibles and other (non-reinsurance) recoveries.

Direct Premium Earned means total premiums earned, without any adjustments for the ceding of any portion of these premiums to a reinsurer. This data should be consistent with the Direct Premiums Earned amount reported in the Exhibit of Premiums and Losses (Statutory Page 14) in the Annual Statement.

Direct Premium Written means total premiums received without any adjustments for the ceding of any portion of these premiums to a reinsurer. This data should be consistent with the Direct Premiums Written amount reported in the Exhibit of Premiums and Losses (Statutory Page 14) in the Annual Statement.

Earned House Years means the number of houses insured for a given period of coverage. For example, a one year policy effective 4/1/2008 would represent 0.75 Earned House Years during calendar year 2008, and 0.25 Earned House Years during calendar year 2009.

Inland Counties means all counties in Mississippi other than the Coastal Counties (as defined above).

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Loss Adjustment Expenses (Direct) means expected payments for costs to be incurred in connection with the adjustment and recording of direct incurred losses and can be classified into two broad categories which are Defense and Cost Containment (DCC) and Adjusting and Other (AO). These categories are defined in SSAP No. 55 and also the NAIC Annual Statement Instructions.

Policy Category: The Participating Insurer must assign each policy to a category based on the types of perils covered, and report the aggregate result (by calendar year, by zip code) for each such category where so indicated in the data field descriptions. A description of each Policy Category follows below. Note that the Total category should encompass all of the other categories, which should be mutually exclusive of one another.

- a. **Total** means all policies. The amounts reported for the remaining Policy Categories should sum to the amount reported in the Total category.
- b. **Wind Only Excl. Named Storm³** means all policies that cover the peril of Wind and Hail excluding Named Storms, but do not cover any other perils.
- c. **Wind Only Incl. Named Storm⁴** means all policies that cover the perils of Wind and Hail including Named Storms, but do not cover any other perils.
- d. **All Other Excl. Wind** means all policies that do not cover the perils of Wind and Hail.
- e. **All Other Incl. Wind but Excl. Named Storm⁴** means all policies that cover the perils of Wind and Hail excluding Named Storms, and that also cover any other peril.
- f. **All Other Incl. Wind and Named Storm⁴** means all policies that cover the perils of Wind and Hail including Named Storms, and that also cover any other peril.

Peril: If possible⁵, the Participating Insurer must split each requested amount based on the types of Perils covered, and report the aggregate result (by calendar year, by zip code) for each such Peril. A description of each Peril follows below. With the exception of "(d) Wind Subtotal," each Peril should be mutually exclusive of every other Peril. Participating Insurers that are not able to split the data into all of the categories below should respond "NAV" where the data is unavailable. In the event that a Participating

³ Participating Insurers that rate by hurricane rather than named storm should replace "Named Storm" with "Hurricane" and clearly note that they have done so in their response.

⁴ Participating Insurers that rate by hurricane rather than named storm should replace "Named Storm" with "Hurricane" and clearly note that they have done so in their response.

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Insurer is unable to provide data for (a) Named Storm, (b) Non-Named Wind Catastrophe and (c) Other Wind separately, the Participating Insurer should still provide responses to Perils (d), (e) and (f) to the extent possible. The reported results should sum to the amount reported in the "Total" Policy Category as described above.

- a. **Hurricane or Named Storm** means a storm that has been officially named by the National Weather Service, National Oceanic Atmospheric Administration or other major meteorological authority.
- b. **Non-Named Wind Catastrophe**⁶ means any windstorm, winter storm, thunderstorm, hail storm, tornado or other wind-driven event that has a catastrophe number assigned by Insurance Services Office ("ISO") but that is not a Named Storm (as defined above).
- c. **Other Wind**⁶ means any windstorm or winter storm other than a Named Storm or Non-Named Wind Catastrophe (as defined above).
- d. **Wind Subtotal** means the sum of (a), (b) and (c) above.
- e. **Other Non-Named Catastrophe**⁷ means any event other than a Named Storm or a Non-Named Wind Catastrophe (as defined above) that has a catastrophe number assigned by Insurance Services Office ("ISO").
- f. **All Other Perils**⁷ means any peril not included in (a) through (e) above.

Wind Exclusion Factor means the percentage reduction in premium offered on policies that exclude coverage for the peril of Wind.

Questions may be directed to msdatacall@mid.ms.gov.

⁵ We expect that all Participating Insurers should be able to split losses by peril, but not all will be able to split premiums by peril. In the event the requested information is not available, respond with "NAV".

⁶ Non-Named Wind Catastrophe is not a requested data field for data call categories C (Direct Premium Written by Peril) or E (Direct Premium Earned by Peril). For those categories, "Other Wind" should include all wind-related losses other than from Hurricane or Named Storm.

⁷ Other Non-Named Catastrophe is not a requested field for data call category C (Direct Premium Written by Peril) or E (Direct Premium Earned by Peril). For those data fields, "All Other Perils" means any peril other than Wind.