

II. MARKETING SECTION (Continued)

7. DIRECT BUSINESS PRICE MONITORING: Please provide the requested pricing and policy count information on direct business separately for Renewed policies and New policies for the calendar years listed. Information should be provided for the 10 largest annual statement lines, sublines, or segments based on countrywide direct premiums written shown in Column (1) of Part 1B of the NAIC's 2008 Underwriting and Investment Exhibit and the total new and renewal direct premiums for the 10 largest lines, sublines, and/or segments provided should represent at least 75% of the total all lines countrywide direct premiums written for the rating unit. The remaining balances should be captured in the lines labeled "All Other."

The information provided should represent the countrywide average and pricing changes should include the cumulative effect of all changes that occurred during the calendar year, but should exclude the effects of changing exposures. Please complete only if total direct business accounted for more than 10% of your RATING UNIT'S total net premiums written

7a. RENEWED POLICIES: Please provide the requested information on premiums charged to policyholders on policies renewed during the calendar years listed. A policy is considered a renewal if a similar policy was provided to the insured in the previous calendar year. For example, if an insured purchased a homeowners policy in the previous year, and then purchased an auto policy and another homeowners policy in the current year, the auto policy is considered new, whereas the homeowners policy is considered renewed.

(01) Annual Statement Line of Business, Subline, or Segment	(02) Calendar Year	(03) DPW on Policies Renewed (\$000)	(04) Number of Policies Renewed	(05) Average Change in DPW due to Filed Rate Changes %	(06) Average Rate Modification due to Schedule Credits/Debits %	(07) Average Rate Modification due to Other Pricing Adjustments %	(08) Total Average Change in Pricing %	(09) Price Level Indexed to 2006 Price Level	(10) Description of Material Changes to Terms & Conditions that went into effect during each calendar year and whether or not the impact is included in the pricing changes provided in columns (05) through (08).
1.	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
2.	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
3.	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
4.	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
5.	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
6.	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
7.	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
8.	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
9.	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
10.	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
11. All other Renewed Policies	2006						X X X	1.000	
	2007							1.000	
	2008							1.000	
12. Total Renewed Policies	2006						X X X	1.000	X X X
	2007							1.000	
	2008							1.000	

Notes:

- Column (01): Rating Units may provide information at the annual statement line of business, subline, or segment level. For example, Auto Physical Damage rate changes could be provided for All Auto Physical Damage combined, or split into Commercial Auto Physical Damage and Personal Auto Physical Damage as long as the sum of the new and renewal premiums from the largest 10 lines, sublines, or segments provided represent at least 75% of the rating unit's total direct written premium. The categories selected will also be used for the new policy information requested in question 7(b).
- Column (04): Number of Policies Renewed - A policy should be counted for each line, subline, or segment provided. For example, if separate information is provided for Personal Auto Liability and Personal Auto Physical Damage, then an insured who purchases both coverages should be counted in each subline. However, if the information is provided as Total Personal Auto, then an insured who purchases both coverages would only be counted as one policy in Total Personal Auto.
- Column (05): Average change in Direct Premiums Written due to filed rate changes should only reflect rate changes that were put into effect during the calendar year. Unapproved or outstanding filed rate changes should be excluded. Types of rate changes to be included in this column are changes to loss costs, loss cost multipliers, base rates, rate deviations, increased limits multipliers, experience rating plans, etc. that are filed with the DOI and put into effect. Average rate change should be a weighted average based upon expiring premium.
- Column (06): Average rate modification due to Schedule (Credits)/Debits should be included in this column and should reflect the impact on the renewal price charged to the policyholder. For example, if a 10% schedule credit is given on the renewal policy, then the calendar year rate modification would be shown as -10%. Conversely, if a 5% schedule debit was given in the calendar year, then the calendar year rate modification would be shown as +5%. Average modification should be a weighted average based upon renewal premiums prior to schedule credits and debits.
- Column (07): Average rate modification due to Other Pricing adjustments would include the impact of any non-filed pricing adjustments, other than Schedule Credits/Debits and exposure changes, and would include changes due to experience rating plans, A-rated plans, etc. For example, if poor experience results in a 10% increase in premiums charged under the existing experience rating plan, then the rate modification would be shown as +10%. Average modification should be a weighted average based upon renewal premiums prior to Other Pricing adjustments.
- Column (10): Please describe any material changes to terms and conditions during the year and whether or not the impact of these changes on pricing were included in columns (05) through (08). Examples could include the impact of excluding terrorism, changing deductibles, including identity theft coverage for no additional charge, etc. An impact on pricing is considered material if the impact affects pricing by more than +/- 5%.

II. MARKETING SECTION (Continued)

7b. NEW POLICIES: Please provide the requested information on premiums charged to policyholders on new policies written during the calendar years listed. A policy is considered new if a similar policy was not provided to the insured in the previous calendar year. For example, if an insured purchased a homeowners policy in the previous year, and then purchased an auto policy and another homeowners policy in the current year, the auto policy is considered new, whereas the homeowners policy is considered renewed.

(01) Annual Statement Line of Business, Subline, or Segment	(02) Calendar Year	(03) DPW on New Policies (\$000)	(04) Number of New Policies	(05) Average Rate Modification due to Schedule Credits/Debits %	(06) Average Rate Modification due to Other Pricing Adjustments %	(07) New Policies Price Level Relative to Renewal Price Level	(08) Total DPW on New & Renewed Policies (\$000)	(09) Change in Total DPW %	(10) Total Number of New & Renewed Policies	(11) Retention Rate based on Policy Counts %
1.	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
2.	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
3.	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
4.	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
5.	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
6.	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
7.	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
8.	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
9.	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
10.	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
11. All other New Policies	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				
12. Total New Policies	2006					1.000		X X X		X X X
	2007					1.000				
	2008					1.000				

Notes:

Column (04): Number of New Policies - A policy should be counted for each line, subline, or segment provided. For example, if separate information is provided for Personal Auto Liability and Personal Auto Physical Damage, then an insured who purchases both coverages should be counted in each subline. However, if the information is provided as Total Personal Auto, then an insured who purchases both coverages would only be counted as one policy in Total Personal Auto.

Column (05): Average rate modification due to Schedule (Credits)/Debits should be included in this column and should reflect the impact on the price charged to the policyholder on new policies. For example, if a 10% schedule credit is given on a new policy, then the calendar year rate modification would be shown as -10%. Conversely, if a 5% schedule debit was given in the calendar year, then the calendar year rate modification would be shown as +5%. Average modification should be a weighted average based upon premiums prior to the application of schedule credits and debits.

Column (06): Average rate modification due to Other Pricing adjustments would include the impact of any non-filed pricing adjustments, other than Schedule Credits/Debits and exposure changes, and would include changes due to experience rating plans, A-rated plans, etc. For example, if poor experience results in a 10% increase in premiums charged under the existing experience rating plan, then the rate modification would be shown as +10%. Average modification should be a weighted average based upon renewal premiums prior to Other Pricing adjustments.

7c. SIGNIFICANT PRODUCTION CHANGES: Please provide an explanation for significant fluctuations in individual line, subline, or segment premium volume noted in question 7(b) column (09) where changes in direct premiums written exceeded positive or negative 10% in the current year. For example, reasons may include expansion/(reduction) strategies, rate changes, new coverages, new states, or changes in policy limits or policy forms.

- (1) _____
- (2) _____
- (3) _____
- (4) _____
- (5) _____

IV. OPERATIONS SECTION (Continued)

25a.CATASTROPHE EXPOSURE: _____
(Hurricane, Earthquake (incl. Fire), Tornado/Hail, Winter Storm/Freeze, All Perils Combined, or None)

25b.CATASTROPHE LOSS ANALYSIS METHODOLOGY: _____
(Actuarial, Computer Modeling, Other, None)

If "Other", please explain: _____

25i.For the data used in the generation of the Catastrophe Loss Estimates provided in question 26, please provide the requested percentages based on Total Insured Values (TIV*) for property exposures separately for Personal business and Commercial business. For Workers Compensation data, please provide the requested percentages based on payroll. Responses should be post-geocoding.

(01) Category of data	Percentage of Data Containing Known Attributes**		
	(02) Personal Property %	(03) Commercial Property %	(04) Workers' Comp %
Location of Insured Properties/Workers Coded to the following level of detail:			
1. Exact Street Address			
2. Zip Code			
3. City			
4. County			
5. Other (please explain)			
(_____)			
6. Total of lines 1 through 5 (must sum to 100%)			
Characteristics of Property Insured or Property Containing Insured Workers:			
7. Occupancy Type			
8. Year Built			
9. Year of Last Substantial Risk Mitigation			
10. Construction Type			
11. Number of Stories			
Workers Comp Characteristics:			
12. Employee Count	X X X	X X X	
13. Payroll	X X X	X X X	

* Total Insured Value (TIV) is defined in the SRQ instructions.

** The percentage of data brought into the model that had known information for that category of data. For example, if 80% of the rating unit's personal lines data was given a value for year built, then show 80% in column (02) line 8.

25j. Please indicate if any of the data used in the calculation of the Catastrophe Loss Estimate provided in question 26 contains bulk coded data. Bulk coding of data includes methods, programs, or procedures that assign a pre-determined value or default value to a required data field when the actual value is unknown or missing and the assigned value is not verified for accuracy. This does not include geo-coding.

(01) Type of Business Using Bulk Coding Methods	(02) Category of Data Containing Bulk Coded Data (i.e. Occupancy, etc)	(03) Percent of Data Containing Bulk Coded Data	(04) Explanation/Reason for Bulk coding
1.			
2.			
3.			
4.			
5.			

25k.For the data used in the generation of the Catastrophe Loss Estimates provided in question 26, please provide the requested values and percentages based on Total Insured Values (TIV*) for property exposures separately for Personal business and Commercial business. For Workers Compensation data, please provide the requested percentages based on payroll.

(01) Category of data	Most Frequently Observed Value			Percentage of Data Containing the Most Frequently Observed Value		
	(02) Personal Property	(03) Commercial Property	(04) Workers' Comp	(05) Personal Property %	(06) Commercial Property %	(07) Workers' Comp %
1. Occupancy Type						
2. Year Built or Year of Last Risk Mitigation						
3. Construction Type						
4. Number of Stories						

25l.Please explain the methods used to verify the accuracy of data used in the Catastrophe Loss Estimate provided in question 26. This does not include geocoding. Please provide information for the five most important elements in determining the Catastrophe Loss Estimate. Examples include replacement cost, TIV, construction type, year built, occupancy type, etc. Verification methods include on-site inspection, third party vendors, software, independent audit, etc.

(01) Type of Business Verified	(02) Category of Data Verified (i.e. Occupancy, TIV, etc.)	(03) Percent of Data Verified	(04) Methods Used to Verify Data and Frequency of Verification	(05) Verification Performed By

25m.How are multiple location accounts handled when coding:

- TIV for Commercial Properties Insured _____
- Payroll & Employee Counts for WC Insureds _____

25n.

- Do any of the property policies used to generate the catastrophe loss estimate provide time element coverages that are unlimited? (Yes/No) _____
- If Yes, what percentage of the the total property TIV is associated with these policies? _____
- If Yes, how is the unlimited time element exposure captured in the calculation of the catastrophe loss estimate? _____