Auto Insurance:

Affordability and Uninsured Motorist Issues

Joint Interim Study
on Uninsured Motorists
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Overview

- NAIC Activity
- Recent studies and other activity
- Auto Insurance Data

Auto Insurance (C/D) Study Group

- Formed in 2012
- Issued Compendium of Reports in 2014
- Developing optional date template for states to use

Compendium of Reports

- Prior NAIC Work
- Summaries of other work
  - IRC Uninsured Motorist Study
  - IRC "No Pay, No Play" Study
- Studies, Reports and Surveys

Compendium of Reports

- Industry and Consumer Perspectives
- Summary of State Laws
- State Survey Concerning Programs and Initiatives Related to Availability and Affordability of Auto Insurance

Data Template

- Voluntary Tool for States
- Determine what factors are being used
- Potential effect of each factor
- May be adopted later this year

Consumer Report Study

- Two-year study released August 2015
- Focuses on factors seemingly unrelated to driving ability
  - Credit scoring
  - Marital status
  - Price Optimization
- Called for state commissioner action

IRC Study

- Ratio of auto insurance expenditure to income
- Found that auto insurance has become more affordable in all but four states in the 2010s
- Found that auto insurance has become more affordable for low and moderate income

FIO Affordability Study

- Comments due on methodology and data Aug. 31
- Current proposal would create an index of auto liability insurance costs compared to average income
- Proposed index of 2%

Price Optimization

- NAIC's Casualty Actuarial and Statistical Task Force – draft white paper
- Final white paper to be issued in Fall

NAIC's Auto Insurance Database

- Issued Annually
- Shows average expenditures and average premiums for personal auto insurance by state
- Includes factors that affect insurance – state laws, density, miles driven, crime, repair costs, accident rates

QUESTIONS??