Volume V
Issue 3

July 1999

Published quarterly by
National Association of
Insurance Commissioners

NAIC Research Quarterly

1996 Dwelling Fire, Home-owners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance

Market Distribution and Average Cost By Policy Form and Amount of Insurance

By Natalai Webster Hughes (NAIC/SSO)

The purpose of the homeowners report is to provide information about premium and exposure data for dwelling fire insurance policies and for homeowners insurance package policies, which include both owner-occupied and tenants and condominium/cooperative unit owners policy forms.

Review of Non-Insurance Data in the NAIC's 1999 Automobile Insurance Database Report

By NAIC Staff

The purpose of the original series of reports, first released in 1990, was to provide state regulators with a collection of data they may use to examine the cost to insurers to provide personal automobile insurance coverage to the marketplace.

Securitization and Insurance: Could This Be Big?

By Ray Spudeck (NAIC/SSO)

While a lot of exposure has been given to the convergence of banking and insurance, it is also true that the insurance industry and Wall Street are coming together in an historically unprecedented fashion. Innovations in modeling and financial engineering have created new financial markets and securities that could change the face of the insurance industry in profoundly fundamental ways.

Aggregate Property/Casualty Loss Ratio Data, by Line of Business

By Teresa Walker (NAIC/SSO)

Tables 1 and 2, in this article, provide aggregate earned premium and incurred loss data by line of business for property/casualty insurers filing financial data with the NAIC for years 1994 through 1998.

NAIC Research Quarterly
July 1999, Volume V, Issue 3

NAIC Executive Headquarters,
2301 McGee St.
Kansas City, MO 64108
(816) 842-3600
www.naic.org

Address corrections requested.
Please mail the old address label with the correction to the
NAIC Publications Department at the Kansas City office.

ISBN 0-89382-674-X

National Association of Insurance Commissioners
Publications Department
(816) 783-8300
fax (816) 460-7593
pubdist@naic.org

Published quarterly by the NAIC for insurance regulators, professionals and consumers.

The National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico and the Virgin Islands. The NAIC provides its members with a forum for discussing common interests and for working cooperatively on regulatory matters that transcend the boundaries of their own jurisdictions.

National Association of Insurance Commissioners
Publications Department
(816) 783-8300
RSH-ZS 99-4
Printed in the United States of America

Contents

1996 Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/ Cooperative Unit Owner's Insurance

Market Distribution and Average Cost By Policy Form and Amount of Insurance

by Natalai Webster Hughes (NAIC/SSO)

In April 1999, the NAIC Statistical (Technical) Task Force adopted and released the *1996 Dwelling Fire, Homeowners Owner-Occupied and Homeowners Tenant and Condominium/ Cooperative Unit Owner's Insurance Report* (the homeowners report). The report, first issued in January 1998 with 1995 data, was scheduled for release in November 1998; however, data providers requested that written permission to receive data for the annual report be obtained individually from each state. This permission was received from all states for this and future reports. Accordingly, the report is now scheduled for annual release in the fall and will contain data for the second year prior to the report year. A 1997 report will be issued in November 1999.

The following information represents the narrative that accompanies definitions, data tables and graphical illustrations included in the report. References to specific tables and charts (figures) within the following text are referring to actual tables and graphs found within the homeowners report. These tables are not a part of the following article. To order the homeowners report, contact the NAIC Publications Department at (816) 374-7259.

Purpose of Report

The purpose of the homeowners report is to provide information about premium and exposure data for dwelling fire insurance policies and for homeowners insurance package policies, which include both owner-occupied and tenants and condominium/cooperative unit owners policy forms. The report contains descriptions of the data and a discussion about how the data may be associated with certain economic, demographic and natural phenomenon that may impact premiums and coverage amounts. Since this is the first published version of this report, market trends cannot yet be identified.

Data

The data compiled for the publication consist of written exposures, calculated in house-years, and aggregate written premiums by state and countrywide for the 1996 data year. Premium and exposure information was collected for all states and the District of Columbia. The data are displayed in five tables. Three tables show individual state and countrywide[1] exposures grouped by policy form, policy type and by amount of insurance coverage, divided into ranges, with percentages of total exposures provided. The last two tables display by state and

[1] In this report, the term "countrywide" will refer to all states in the United States and the District of Columbia. U.S. territories are excluded.

countrywide average premiums, calculated by dividing premiums by exposures, for each policy form and range of insurance coverage. Percentages of totals are provided.

Policy forms included in the report are described in detail in the following section. The amount of coverage ranges for the dwelling fire and homeowners owner-occupied policy forms differ from those for the homeowners tenant and condominium insurance because the premium data for the latter two forms do not include coverage for the residential structure.

Data for all states except Texas and California are provided by the American Association of Insurance Services (AAIS); the Insurance Services Office, Inc. (ISO); the National Association of Independent Insurers (NAII); and the National Independent Statistical Service (NISS). Texas data were obtained from the Texas Department of Insurance. In 1995, the Texas department developed its own home insurance policy forms that were similar, but not identical, to homeowner policy forms used countrywide. Beginning in 1997, however, home insurers writing in Texas were permitted to use the same forms used in other states. California data, included this year for the first time, were provided by the California Department of Insurance. The state began collecting homeowners data in 1998 starting with the 1996 data year. State Farm Insurance Company, the largest home insurance writer in Illinois, provided its own premium and exposure data for that state because it does not report its Illinois business to a statistical agent.

Limitations on the Data

Average premium is an imperfect measure of the relative "price" of insurance because of wide variations in economic conditions and real estate values from state to state. Even when comparing identical policy forms and amounts of insurance, the property being insured may significantly differ by state. These market differences are explored in more detail in a later section.

Policy Forms/Types

Data for the report was collected for eight policy forms that are grouped into three broad categories (policy types) for comparison purposes:

Dwelling fire policy (one family, owner occupied, non-seasonal buildings)

- Indicated by DW: Protects building only; covered perils include fire and may customarily include "extended coverage;" however, premium data collected for dwelling fire policies in this report include only the dwelling fire coverage.

Homeowners package policies for owner-occupied dwelling (1-4 family units)

- HO-1: Basic "named-perils"[2] coverage on buildings and personal property.
- HO-2: Broad named-perils coverage on buildings and personal property; provides coverage for more perils than HO-1 package.
- HO-3: Provides "all-risks"[3] coverage on buildings, broad named-peril coverage on personal property; most common package written.
- HO-5: Provides all-risks coverage on buildings and personal property; form not in common use.
- HO-8: Repair cost coverage for a dwelling whose replacement cost greatly exceeds its market value. Personal property, theft and additional coverages provided are similar to coverages provided under an HO-1 policy.

Homeowners package policies for tenants, condominium and cooperative unit owners

- HO-4 (Renter's Insurance): Broad named-

[2] Insurers against any loss incurred by the insured because of a peril named in the policy (I. e., fire, lightning, hail, etc.)

[3] Insures against risks of direct loss except losses specifically stated in the policy as exempt from coverage.

perils coverage for the personal property of tenants.

- HO-6 (Condo/Co-op Insurance): Broad named-perils coverage for personal property of condominium or cooperative unit owners, as well as certain building items in which the unit owner may have an insurable interest.

Premium data for the dwelling fire policies in this report do not include an amount for extended coverage (allied lines). Also, unlike homeowners policies, dwelling policies do not provide coverage for contents or liability unless additional contents coverage is purchased. Premium data for owner-occupied homeowners policies represent a "package" of coverages for buildings, contents and liability. Accordingly, in each coverage range the average premium for the dwelling fire policy represents less coverage than the corresponding homeowners policies. Homeowners tenants and condominium policies are similar to owner-occupied policies with respect to covered perils, contents coverage and liability. However, there is no building coverage other than the condo/co-op owner's insurable interest.

Analysis of the Data

Table 1 of the report provides exposure data in house years by policy type. A countrywide total of 62,334,737.5 house years were reported in 1996. Although this appears to be a significant increase from the total of 54,285,616.6 exposures in 1995, the reader should keep in mind that exposure data for California (6,550,957 house years) was added to the report for the first time this year. In 1996, homeowners owner-occupied policy exposures again accounted for 82.9 percent of overall exposures countrywide. Tenant and condominium policy exposures accounted for 14.4 percent of the total, while dwelling fire exposures made up the remaining 2.7 percent, changes of -.1 and +.1 percent respectively. Exposure data for the eight individual policy forms is provided in Table 2. Despite the addition of California data in 1996, the distribution of exposures by policy *form* changed only slightly from 1995. The HO-3 accounted for 72.1 percent of all policy exposures and remains the most common policy sold by far.

Figure 1 (in the report and following here) shows the percentage breakdown of exposures for owner-occupied homeowners policy forms. Countrywide, 86.9 percent of these exposures were written on the HO-3 form.

Figure 2 shows the percentage breakdown of countrywide exposures for the tenant and condo/co-op policy forms. Of these, 66.8 percent were written on the HO-4 form.

Table 3 presents countrywide and by state exposure data divided among each range of insurance amounts. In this table dwelling fire policy data and data for the owner-occupied policy forms are grouped together, and data for the HO-4 and HO-6 forms are grouped together. Countrywide, about 70 percent of dwelling fire and owner-occupied policies are written for insurance coverage amounts between $50,000 and $150,000. Tenant and condominium policies do not provide coverage for the building, therefore, the distribution of exposures for these types of policies are concentrated at significantly lower amounts. Table 3 shows that approximately 64 percent of the exposures for the HO-4 and HO-6 forms are concentrated at amounts below $32,000 and almost 95 percent of these policies are written for less than $75,000 in coverage.

Table 4, which provides premium and exposure percentages by form, also groups data for the dwelling fire and the owner-occupied forms. The HO-3 form accounts for the largest percentage of total exposures in each coverage range except the "under $25,000" range where the dwelling fire form accounts for about 58 percent of the total. No other policy form accounts for more than 25 percent of the total exposures in any coverage range. In fact, most policy forms account for less than 10 percent of the total exposures in each range.

Figure 3 in the report provides a comparison of dwelling fire and homeowners owner-occupied policy exposures by amounts of insurance coverage. The comparison shows that dwelling fire policies are most prevalent in the lower coverage ranges. At insurance coverage amounts up to $24,999, dwelling fire exposures accounted for 57.9 percent of the countrywide total, the largest percentage for all dwelling and owner-occupied forms. Coverages between $25,000-$49,000 in dwelling fire policies represent 20.6 percent of total exposures, then drop to 3.3 percent at insurance amounts of $50,000-$74,999. At coverage amounts greater than $75,000 dwelling fire exposures account for less than 1 percent of the total for these forms.

Figure 4 in the report compares HO-4 and HO-6 policy forms by coverage amounts. Countrywide, the HO-4 (tenants) form represents more policies written at lower coverage amounts. At coverage amounts greater than $44,000 the majority of exposures are written on the HO-6 (condo/co-op) form.

Tables 4 and 5 display by state average premiums for each policy form. Examining the average premium data countrywide for dwelling fire and owner-occupied homeowners policies, some expected results occur. In general, the average premium increases as the amount of coverage increases for all policy types. Dwelling fire premiums are lower in all coverage ranges when compared to homeowners premiums. This is influenced, in part, by the exclusion of contents, other perils, etc., that homeowners packages cover.

Some counterintuitive results also appear in the data. The HO-2 package might be expected to have a higher average premium than the HO-1 since it provides more extensive coverage. However, in Figure 5 of the report, a graph shows that for coverage amounts of $25,000 through $99,999, HO-1 average premiums are higher than HO-2 premiums. Presumably, this is a result of differences in the types of properties that tend to be insured on HO-1 forms versus those that tend to be insured on HO-2 and HO-3 forms.

Another counterintuitive result, displayed in Figure 6 of the report, is that for coverage of $125,000 and above, HO-2 policies usually had higher average premiums than the more common HO-3 package. As the number of HO-2 policies written in high coverage ranges is relatively small, this result presumably occurs because of differing mixes of business.

Factors Affecting the Cost of Insurance

Many factors affect the cost of home insurance. These factors affect wide differences in average premiums throughout the United States. A primary reason for this countrywide variation is the value of real estate and, as a subset of this, construction costs. In general, real estate values and construction costs tend to be higher in areas of greater population densities, where scarcity of land puts upward pressure on land and property values. Other areas with relatively higher real estate values include tourist areas, where there is an influx of money from outside the community, and areas of rapid economic development.

Construction costs vary based on the type of residence being built, availability of building materials and input factors driven by local climate and regulations, such as value added designs to reduce damages to the structure from earthquakes or hurricanes. As shown in Figures 7 and 8, these variations in costs are reflected in the wide range that exists throughout the United States in the median amounts of insurance purchased.

Catastrophe Exposure

Degree of exposure to catastrophe also affects the cost of insurance to homeowners. Brush and forest fires, tornadoes, high winds, hail, freezing rain, snow storms, hurricanes, earthquakes and civil disturbances are some common types of catastrophes that occur in the United States. Although exposure to catastrophe exists in all areas, some communities are more prone to certain types than others. Brush and forest fires are more common in the West. Hurricane exposure is greater in areas near the Gulf of Mexico and the Atlantic and Pacific Oceans. Exposure to tornado damage is greatest in the central and southeastern United States even though tornadoes can and do occur in nearly every state. Earthquake exposure also exists throughout the country since faults are located in all regions. Most recently there have been catastrophic earthquakes in the West, yet there are predictions that even greater earthquakes will occur in the New Madrid area in the Midwest. Civil disturbances, also, are not specific to any geographic area, but have typically occurred in larger urban areas.

Since 1989, catastrophes have been occurring with greater frequency and severity and in the last decade, have become an even greater consideration in the pricing of home insurance. For the five-year period 1986-1991, total insured losses for catastrophes (in 1996 dollars) were just under $20 billion. Since 1992, however, total catastrophe losses have spiraled to more than $74 billion.[4] In fact, until 1996, an event was considered a catastrophe when insured losses totaled $5 million. Beginning in 1997, an event was no longer considered a "catastrophe" by the Property Services Office unless it resulted in insured losses that totaled $25 million or more. Figure 9 shows, in chronological order, major catastrophes from 1989 to 1998 (in dollar values at time of loss). Although most of the major catastrophes are caused by earthquakes and hurricanes, note that when all catastrophes in U.S. history are converted to 1996 dollars, the Oakland fire, the 1992 Los Angeles riot, winter storms in 1993 and the 1993 California brush fires rank among the worst.[5]

Between 1967 and 1988, the number of tornadoes in the United States exceeded 1,000 in only two of those years. However, the number of tornadoes has exceeded 1,000 in each year from 1990 through 1995.[6] It is possible that the numbers have increased from better reporting rather than from an actual increase in the number of tornadoes, but these figures serve to emphasize the variability and unpredictability of catastrophe losses. The impact that the various catastrophes described above have on rates from state to state must be considered in any evaluation of average premiums.

Other Variables to Consider

Several other variables impact the frequency and severity of home insurance losses and contribute to its cost. Loss experience and premiums among states and regions will vary considerably because of unique combinations of these variables. The following are some of the more significant variables to consider in understanding these differences.

Building Structures: Recent losses from natural disasters, especially hurricanes and earthquakes, have increased awareness of the importance of minimizing the potential for damage to both new and existing structures. This is one reason why many municipalities in high-risk areas are implementing more stringent building codes. The types of building materials used in construction also affect premiums because of an increased cost to repair or replace expensive materials or an increased risk of loss inherent in structures, such as wood-frame houses. Specialized building features, such as the wood shingle roof which is prone to hailstorm and lightening damage, can ultimately impact premiums in areas where they are becoming increasingly popular.

Urban/Rural Issues: When trending data over several years, it is important to consider the impact of urbanization. Urban areas tend to have more renters than rural areas. The District of Columbia, for example, is entirely urban. Almost one third of the policy types in 1996 were tenant or condo/co-op policies, which reflects the high number of transient government employees and contractors living there. States with large numbers of seasonal workers and those with popular tourist and retirement locations may also tend to have higher percentages of tenant and condo/co-op policyholders. Not surprisingly, Florida, a major retirement state, and New York , which has a significantly high number of tenants and condo/co-op owners in New York City, also have relatively high percentages of exposures for the HO-4 and HO-6 policies.

Large cities often have higher burglary and crime rates that affect the cost of insurance in states with large urban areas.[7] Catastrophic riots are generally an urban phenomenon and arson is the leading cause of residential fires in many metropolitan areas.[8] On the other hand, an area's level of fire protection is a major criterion in home insurance rating, and in rural areas, heating system malfunctions are the principal causes of residential fires.[9] Also, it is

---

4 *Insurance Issues Update*, Insurance Information Institute

5 Source: Fact Book 1998 Property/Casualty Insurance Facts—National Fire Data Center (United States Fire Association)

6 Source: National Climatic Data Center, NESDIS, NOAA, U.S. Department of Commerce, and Insurance Information Institute

rarely cost-feasible for rural areas to maintain the level of fire protection available to urban residents.

Economic Considerations: Economic phenomena have a significant impact on home insurance premiums. Mortgage and consumer interest rate and inflation have an effect on the values of real estate, property and contents (as consumers purchase more expensive durable goods), which in turn affects the required amount of insurance. Additionally, inflation increases the dollar amount of insurance premiums over time.

Other: Since heating systems are a principal cause of residential fires, warmer climates tend to minimize that particular risk. However, other common causes of fires, such as careless smoking, cooking, electrical problems and children playing with matches are not peculiar to any geographic region. Wood-burning fireplaces, multi-car garages, wood decks, etc., are usually not considered part of the dwelling when determining the value of the residence for insurability; however, there is generally an increased cost to insure home with these kinds of appurtenances. On the other hand, added features that reduce the risk of loss, such as security systems and fire detection devises, will often qualify a home for premium discounts.

Summary

Many factors affect home insurance premiums and losses. Real estate values, building and construction costs, catastrophes, urban/rural issues and economic phenomena result in wide variations in premiums, not only by region or state, but on local levels as well. Although the data in this report does not provide the necessary information for a thorough analysis of the affect of these factors on home insurance premiums, it is important to recognize the connections discussed in this narrative.

[7] Source: U.S. Bureau of the Census.
[8] Source: Fact Book 1998, Property/Casualty Insurance--National Fire Data Center (United States Fire Association)
[9] Source: National Fire Data Center (United States Fire Association)

Figure 1
Percent of Owner-Occupied Written Exposures
By Policy Form Countrywide

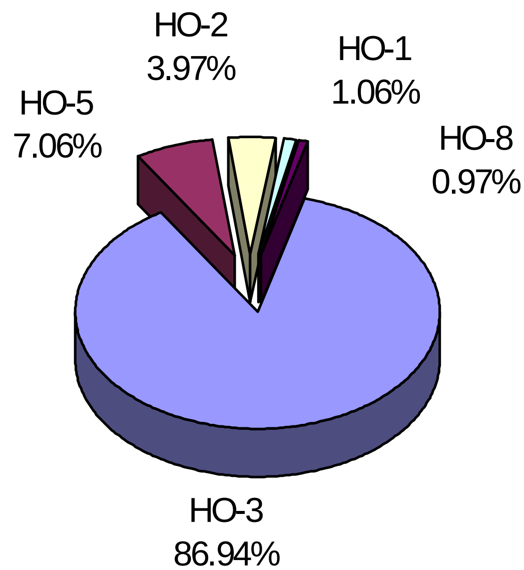


Figure 2
Percent of Tenant and Condominium/Co-op Written Exposures by
Policy Form Countrywide

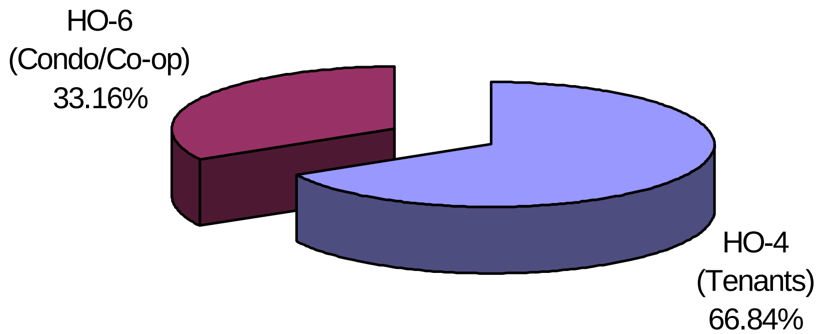


Figure 3
Percent Comparison of Dwelling Fire and Homeowner Owner-Occupied Written Exposures by Amount of Insurance

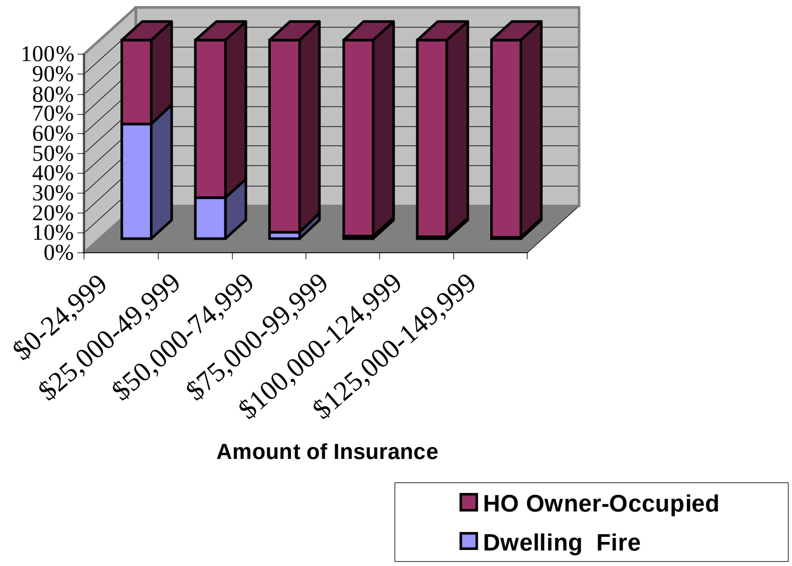


Figure 4
Percent Comparison of Tenants and Condo/Co-op Written Exposures by Amount of Insurance

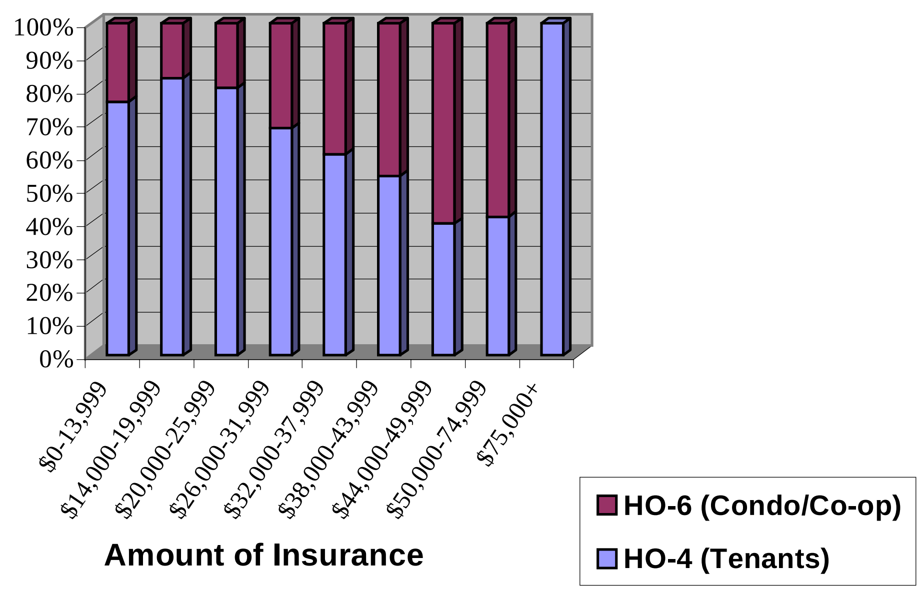


Figure 5
Average Premium Comparison of HO-1 and HO-2 Policies by Amount of Insurance

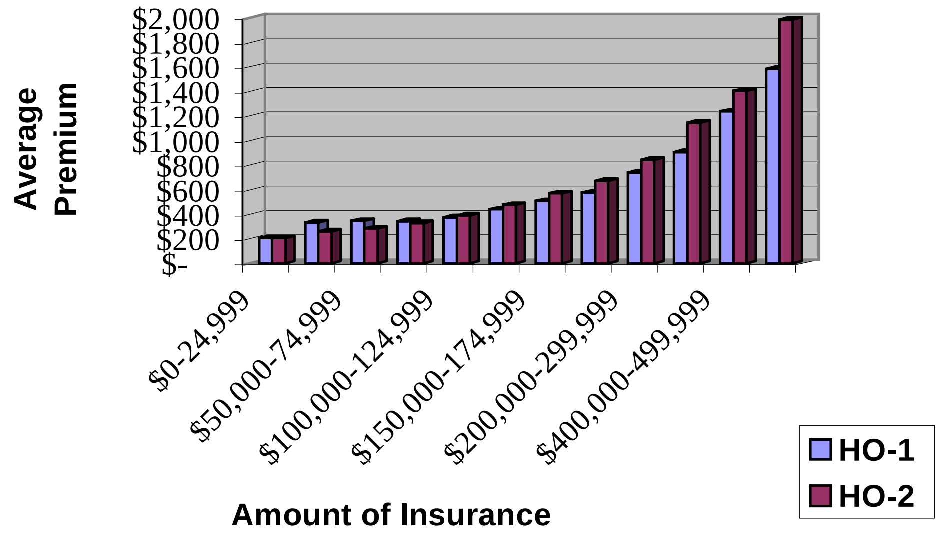


Figure 6
Average Premium Comparison of HO-2 and HO-3 Policies at Insurance Amounts of $125,000+

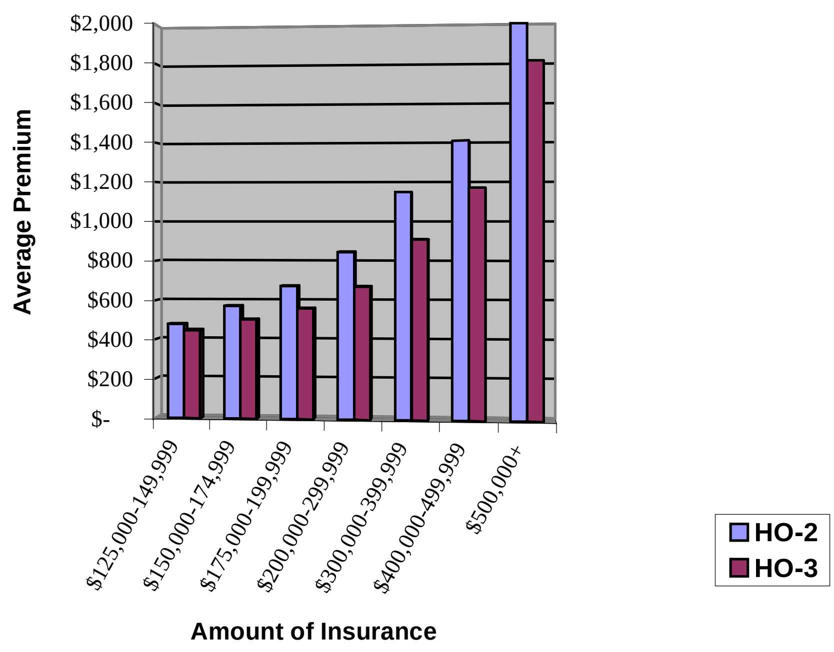
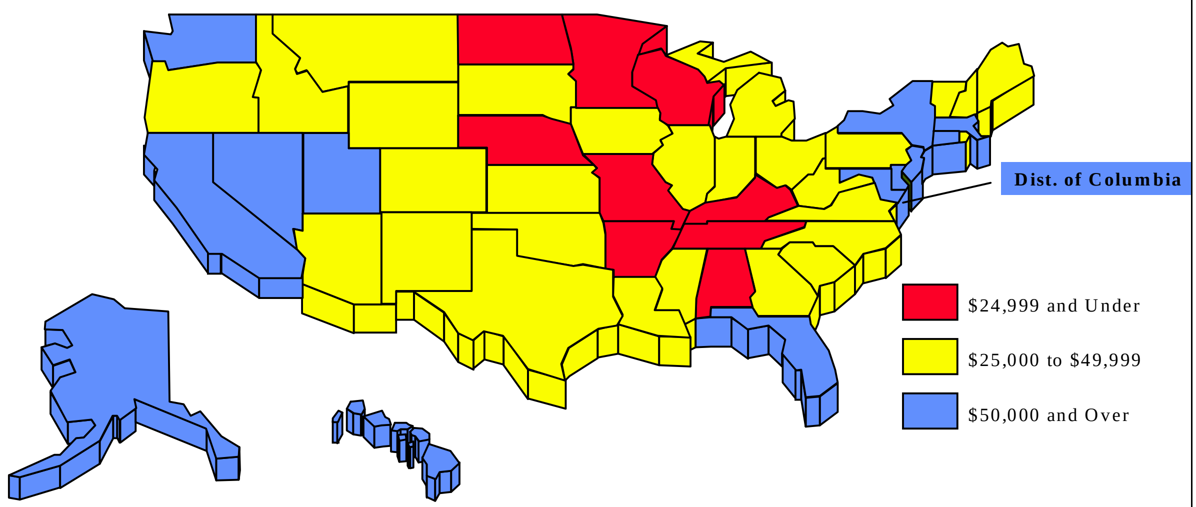
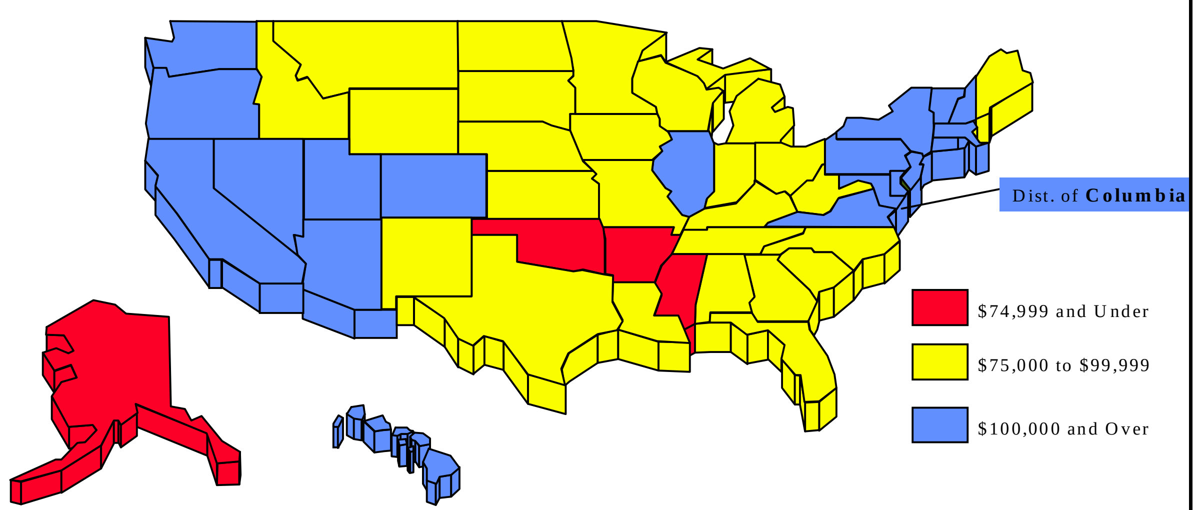


Figure7
1996 Dwelling Fire Median Amount of Insurance



Source: NAIC

Figure 8
1996 Homeowners Median Amount of Insurance



Source: NAIC

Figure 9
Major Catastrophes

Month/Year	Catastrophe	Estimated Insured Loss[5]
September, 1989	Hurricane Hugo	$4,195,000,000
October, 1989	Loma Prieta Earthquake	$960,000,000
October, 1991	Oakland, CA Fire	$1,700,000,000
April-May, 1992	Los Angeles Riots	$775,000,000
August, 1992	Hurricane Andrew	$15,500,000,000
September, 1992	Hurricane Iniki	$1,600,000,000
March, 1993	20 State Winter Storm	$1,750,000,000
October-November, 1993	California Brush Fires	$950,000,000
January, 1994	Northridge Earthquake	$12,500,000,000
May, 1995	Texas/New Mexico Storms	$1,135,000,000
October, 1995	Hurricane Opal	$2,100,000,000
September, 1996	Hurricane Fran	$1,600,000,000
September, 1998	Hurricane Georges	$2,900,000,000

* Property Claim Services Division of the American Insurance Services Group, Inc.; Insurance Information Institute

Review of Non-Insurance Data in the NAIC's 1999 Automobile Insurance Database Report

by NAIC Staff

The NAIC, under the direction of the Statistical (Technical) Task Force, is set to publish the Automobile Insurance Database report again in 1999. The purpose of the original series of reports, first released in 1990, was to provide state regulators with a collection of data they may use to examine the cost to insurers to provide personal automobile insurance coverage to the marketplace.

Much of the research done on auto insurance cost factors indicate the data in this report correlate with the cost of insurance, which have led to their inclusion in this report. Although not all the data in this report will be found in mainstream auto insurance research, data may be included (such as some data in the insurance laws section) because it may be expected to affect the cost of private auto insurance.

Data coverage in this report is shown by state and includes years 1993-1997, where these years are available.[1] As in the last report, published in 1993, data included in the 1999 report covers both insurance specific data as well as non-insurance specific data. The report provides data covering seven areas: 1) insurance data; 2) traffic conditions; 3) medical costs; 4) crime statistics; 5) auto repair costs; 6) economic/ demographic data; and 7) state laws. Refer to Table 1 for a summary of table contents. This article discusses the data included in the last six areas of the report. A description and source of the data and a discussion on the limitation of the use of the currently proposed data are provided in this article.

Traffic Statistics

This data is reprinted from the Highway Statistics series published annually by the Federal Highway Administration under the U.S. Department of Transportation. The data in the 1999 Automobile Insurance Database are the same as in the 1993 report.

Included are fatal and non-fatal accident rates and traffic density measurements. The rates are based on either vehicle miles or the number of registered vehicles in each state. Accident rates based on vehicle miles measure the number of accidents occurring for every 100 million vehicle miles within a state. Accident rates based on vehicle registration measure the number of accidents occurring for every 1,000 vehicles registered in a state. In either case, a higher accident rate indicates that automobile accidents occur, on average, with more frequency. Traffic density measured by vehicle miles per highway miles provides a measure of congestion on a state's roadways. Traffic density measured by vehicle miles per registered vehicle is essentially the average mileage an automobile is driven in a year, which is regarded as an important factor in determining the cost to an insurer for insuring a risk.

Medical Cost Statistics

This year's report uses the average cost per hospital stay in place of average hospital room charges used in the 1993 report. This data is supplied by the American Hospital Association's *Hospital Statistics (1993-1997)* publication. Average hospital room charges provide information about the inflationary effect of

[1] One major exception to this is the insurance loss information. Because of the development periods for this information used by the contributing sources, the report is only able to provide years 1994-96 of this data.

hospital care but does not provide any information about the effects of the duration of a hospital stay. Many automobile accident victims require much more than one day of hospitalization. The average cost per hospital stay provides a measure of how much a person or insurer would expect to spend each time a person visits a hospital. This amount, however, is based on the cost of *all* hospitalizations, not hospitalizations as a result of automobile accidents. The number of physicians provides a measure of the relative accessibility to professional health care within a state, which may impact the relative cost of treating a patient in the event of an automobile accident.

Crime Statistics

Criminal activity, especially automobile theft, can prove to be a major determinant of the cost of automobile insurance. The Federal Bureau of Investigation publishes the data on vehicle thefts in the *Uniform Crime Reports (1993-1997)*. The vehicle thefts table shows the number of automobile thefts that occurred for every 1,000 registered vehicles. The statistic provides a measure of the average frequency automobile thefts occur in a state.

Auto Repair Costs

Automobile repair costs also tend to reappear in automobile insurance cost research. Since most of the automobile repair costs are incurred through traditional automobile insurance, the 1999 report includes gross collision repair costs. This data is produced by Automatic Data Processing and printed in the *NAII Greenbook*. This year's report, however, only includes gross costs since changes in the component costs included in the 1993 report[2] are reflected in changes in the gross cost data as well.

Economic/Demographic Statistics

Demographic and economic characteristics are important factors in determining automobile insurance costs. Two tables included in this report are population density and per capital disposable income. Population density, or the number of persons per square mile of area, has shown to be highly correlated with insurance costs in several pieces of research. Per capital disposable income is the income a person has after taxes to use at his or her discretion. Several pieces of research have indicated that income has a statistically significant influence on the cost of personal insurance.

Average annual pay, which was included in the 1993 report, has been removed since changes in this statistic would be expected to closely resemble changes in per capital disposable income if the tax effect component were removed. Tax liability, in all likelihood, would have no bearing on the cost of personal automobile insurance.

State Law Information

Data in this section tends not to be empirical in nature, but a look at regulatory structure, state laws, legal requirements and legal and regulatory enforcement guidelines. The first two tables outline each state's rate regulation requirements that apply to the process that insurers must adhere to in the state when it files a rate change with regulators. The particular form of rate regulation in a state may affect the cost an insurer faces in distributing its product within a state.

The next set of statistical tables outline the mandatory insurance requirements for drivers in the state including whether a state has a no-fault system in place that restricts or eliminates the rights of motorists suing for economic losses as a result of an automobile accident. The Financial Responsibility/Compulsory Limits table provides minimum amounts of bodily injury and property damage coverage a motorist is required to carry. The remaining tables provide legal information pertaining to drunk driving laws and maximum speed limits in each state.

Cautions Using the Data

Several cautions should be mentioned about this data. First, interstate comparisons of data

[2] The 1993 report included component costs of parts, labor and other (comprised of towing and

should not be done without examining many additional variables simultaneously. No useful information can be learned by directly comparing between a sparsely populated rural Midwestern state and a densely populated Northeastern industrial state. Changes in a host of other variables, determined by thorough theoretical examination, need to be considered when making such a comparison.

Secondly, much of the data in a report such as this includes proxy data, or data that closely measures some aspect of insurance costs. A good example of proxy data is the average cost per hospital stay. Only a part of all hospital stays is for automobile accident-related injuries. This data also includes the cost of disease treatment, sports injuries, etc. that do not directly impact automobile insurance costs. Yet this data provides a good measure of the change in the cost of a hospital stay from year to year across states. Statistical analysis of such data can provide information about the amount of the change in hospital costs attributable to the change in cost of insurance.

Although average data in this report represents what is typical to expect in a state, it cannot necessarily be representative of a smaller geographic unit in a state, such as a county, city or ZIP code. Hence, it is extremely difficult, if not downright dangerous, to apply state figures as typifying a particular market in a state.

Adoption of Report

As of the publication of this article, the tables described have been proposed to the Statistical (Technical) Task Force for their consideration to include in the report. The Task Force plans to review and vote on adoption of the Automobile Insurance Database report for 1999 at the October 1999 NAIC Fall National Meeting in Atlanta. Upon adoption, the report will be prepared and distributed by the NAIC. Any persons or organizations interested in obtaining this report may do so by contacting the NAIC Publications Department at (816) 374-7259.

Table 1
Proposed Data for the 1999 Automobile Insurance Database Report

Insurance Data
State Average Auto Expenditures and Premiums, 1993-1997
State Loss Ratio Data for Private Passenger Auto, 1993-1997
Private Passenger Auto Voluntary Business, 1994-1996
Private Passenger Auto Residual Business, 1994-1996
Traffic Data
Combined Fatal and Non-Fatal Injury Accident Rates (by vehicle miles), 1993-1997
Fatal Accident Rates (by vehicle-miles), 1993-1997
Non-Fatal Injury Accident Rates (by vehicle miles), 1993-1997
Combined Fatal and Non-Fatal Injury Accident Rates (by registered vehicles), 1993-1997
Fatal Accident Rate (by registered vehicles), 1993-1997
Non-Fatal Injury Accident Rates (by registered vehicles), 1993-1997
Traffic Density (by vehicle miles), 1993-1997
Traffic Density (by registered vehicles), 1993-1997
Medical Data
Average Cost Per Hospital Stay, 1993-1996
Number of Physicians, 1993-1997
Crime Data
Vehicle Thefts, 1993-1997
Auto Repair Cost Data
Auto Repair Costs Per Claim, 1993-1997
Economic/Demographic Data
Population Density by State, 1993-1997
Disposable Income, 1993-1997
State Law Data
Rate Filing Laws - Private Passenger Auto Insurance, 1993-1997
State Auto Liability Insurance Laws, 1993-1997
Automobile Financial Responsibility/Compulsory Limits, 1993-1997
Automobile Seat Belt Laws, 1993-1997
Drunk Driving Laws, 1993-1997
Maximum Speed Limits, 1993-1997

Securitization and Insurance: Could This Be Big?

Ray Spudeck (NAIC/SSO)

As the financial services industry continues to evolve, the traditional lines between industries and institutions are becoming ever more blurred. While a lot of exposure has been given to the convergence of banking and insurance, it is also true that the insurance industry and Wall Street are coming together in an historically unprecedented fashion. Innovations in modeling and financial engineering have created new financial markets and securities that could change the face of the insurance industry in profoundly fundamental ways.

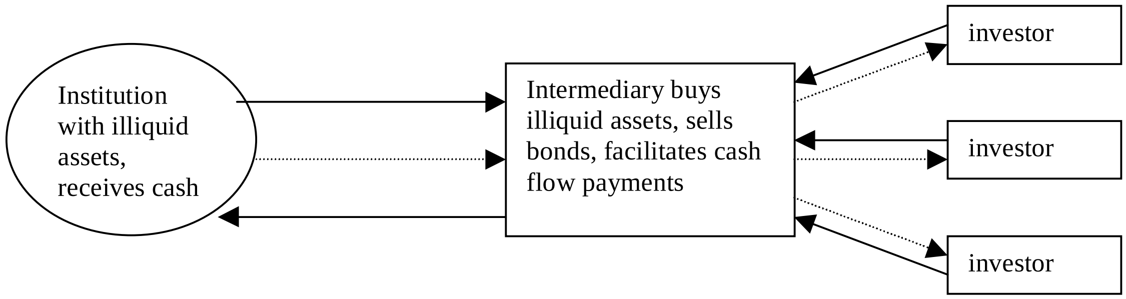
Several innovations are of particular import to the insurance field. By taking advantage of possibilities created through intermediation and contract design, it is now possible to create liquidity for asset classes that were previously illiquid. This securitization process has previously been used to help resolve the regulatory crises faced in the banking industry with respect to non-performing international loans (Brady bonds) and to revitalize the mortgage lending industry (mortgage backed securities). This process is currently being applied to the catastrophic risk faced by property insurers. From one transaction in 1994 with a face value of $85 million, in 1998 the market grew to 18 transactions with a face value of around $2.5 billion. While still early in the catastrophe season, it appears that this market is continuing to grow.

What is particularly interesting about these catastrophe instruments is that, in the traditional logic of financial markets, catastrophe risk would have been among the last of the risks to be "securitized." As the discussion below suggests, the more traditional types of risks that are likely candidates for securitization are those that are relatively homogeneous and have payoff structures that can reasonably be quantified. Thus, many of the more traditional risks that insurers underwrite regularly would actually be more likely candidates for securitization. As the insurance industry becomes more familiar with the securitization process, it may well be the case that continued use of these techniques could fundamentally alter the nature of the industry and the operations of the companies themselves. If true, these changes could have major implications for the nature and scope of state insurance regulation.

To understand the dynamics that these financial market activities could bring to the insurance industry, it is probably useful to examine the structure of a securitization. It is important to note that, in addition to providing liquidity where it was previously lacking, this process also acts as a risk transfer mechanism. Because of the structure of the securitization securities, the risk of non-performance or default moves to the investment community and does not remain on the balance sheet of the creator of the security.

A simplified schematic of a securitization process shows how this is accomplished. The holder of an asset or a class of assets that is illiquid can sell them to an intermediary. In a typical securitization, the intermediary then rebundles the assets into a pool and uses this pool as collateral to borrow in the financial market. The cash flows of the underlying assets are used as repayment for the financial market borrowings. See the following illustration.

The solid lines moving from right to left show an institution selling the illiquid assets to the



intermediary and receiving cash. The intermediary then packages these assets and sells bonds against them to investors. The dotted lines show, from left to right, the flow of cash from the underlying asset through the intermediary, to the investors.

The "borrowing" firm then collects the payments on the underlying contracts and forwards them to the intermediary, who in turn then passes the payments received out to the security holders according to the contract provisions of the securitized bond. Notice that in the event of a default, the bond holders claim is not against the originating institution, but rather against the intermediary. This process then serves, in effect, as a risk transfer mechanism. The originating institution not only transfers the underlying asset risk, but also frees up funds to acquire new business and earns service fee income from processing the payments.

Most of the underlying assets in these transactions are financial contracts with specified cash flows (such as mortgages, credit card receivables, and so forth). The key to making this process work is that the underlying securities can be pooled into relatively homogeneous classes. This allows the intermediary information about the nature of the underlying contracts they are offering and provides the purchasers with a clearer idea of the promised cash flows they are purchasing when they buy the bond.

The purchasers of these bonds are often attracted to the combination of the rate of return that is offered on the security and, in many cases perhaps more importantly, the risk characteristics of the security relative to a portfolio of more traditional investment instruments. Most of the risk inherent in the cash flows accruing to these securities is subject to a different set of considerations than is the risk inherent in most other traditional investments. The result is that the risk of these instruments tends to have a fairly weak correlation with the risk contained in an existent portfolio.

How then, could these be used in the insurance industry? Certainly many of the risks insurers underwrite by definition share many of the desirable properties necessary for a securitization. Risks are identifiable and payments can be reasonably modeled. It is not out of the realm of possibility then for some insurers to decide to transfer some of the components of their business exposure to the financial markets. Examples that come to mind include many of the personal property lines as well as health lines and life contracts. Alternatively, an insurer could choose to segregate a component of the business risk of a line and securitize that piece. For example, an insurer might want to remove the "diabetes" risk from their health business, or remove the uninsured motorist risk from their auto lines. Conceptually, this is entirely feasible.

If this securitization occurs, insurers would have an interesting set of strategic decisions to make. Primarily, they would have to determine their core assets, or their core competencies. Are they best as a full service insurer? Or is their strength in claims processing? Is their brand name and/or their distribution channel their primary strength? If the firm's distribution channels were its most strategically valuable asset, logic would suggest that they would be better served by securitizing the risks of the business they write. Who would buy these bonds? Perhaps a mutual fund, a pension fund, or likely another insurer whose strategic asset is its underwriting and risk management expertise.

This world obviously raises a number of questions for regulators. Do existing regulatory schemes continue to protect consumers in a market where some insurers may not hold any of the claims risk? Who should regulate such a firm and how? What should be regulated? Should standards, rules and regulations be the same for a full service insurer as they would be for one that is primarily a claims processing facility or a marketing and distribution network? Do regulators have a role in the market for these securities? If so, where, why and how?

The innovations of the financial market place are coming full tilt toward the insurance industry. A number of initiatives at the state levels and at the NAIC are designed to deal with this innovation. In addition, a number of educational initiatives are being considered. Currently, the Research staff at the NAIC is completing a financial markets primer, designed to explain the basic nature and operation of the financial markets and the major categories of securities. Moreover, a second primer, relating to derivatives and more exotic financial securities is under way.

Aggregate Property/Casualty Loss Ratio Data, by Line of Business

By Teresa Walker (NAIC/SSO)

Tables 1 and 2 on the following pages provide aggregate earned premium and incurred loss data by line of business for property/casualty insurers filing financial data with the NAIC for years 1994 through 1998. The earned premium data was taken from the property/casualty Underwriting and Investment Exhibit, Part 2, and is equal to the net premiums written plus unearned premiums for the prior year minus unearned premiums for the current year. The incurred loss data was taken from the property/casualty Underwriting and Investment Exhibit, Part 3, and is equal to the net losses paid less salvage plus net losses unpaid for the current year minus net losses unpaid for the prior year. This data is used to calculate the loss ratios shown in Table 3.

The loss ratio is used to measure an insurer's success in controlling insured losses. By reviewing the aggregate data in Tables 1 through 3, it can be seen that the loss ratio trends vary between the different property/casualty lines of business. For example, it appears that the average group accident and health loss ratio is higher than the average burglary and theft loss ratio. Certain events can also be depicted. The earthquake loss ratio in 1994 is much higher than the earthquake loss ratios in 1995 through 1998. In January 1994, the Northridge earthquake in California caused extreme damage amounting to very large insurance claims.

It appears that there are missing data in the tables. This is caused by the changes made to the property/casualty lines of business reported in the NAIC annual financial statements. For example, the "glass" line of business was taken out of the NAIC property/casualty financial statement reporting beginning with data year 1997.

Table 4 shows the number of property/casualty insurers that filed annual financial data with the NAIC for data years 1994 through 1998. The premium and loss information presented in Tables 1 and 2 are not taken from the same set of insurers for each year because of the changes in companies reporting to the NAIC from year-to-year. Likewise, some of the growth in premium volume shown in Chart 1 is because of the increasing number of insurers reporting to the NAIC. From 1994 to 1998 there was an increase of eighty property/casualty insurers reporting annual financial data to the NAIC. This increase takes into account companies that have merged or ceased business as well as those that have began business or have just become required by their state to file with the NAIC. Also, the data presented in this article are still undergoing quality assurance review and may contain some reporting errors.

Table 1
Property/Casualty Earned Premiums
1994-1998

Line of Business	1994	1995	1996	1997	1998
Fire	4,844,272,054	5,109,445,241	5,302,798,045	4,962,635,394	4,873,871,961
Allied Lines	2,848,259,019	3,075,167,024	3,371,855,897	3,600,390,512	3,708,552,255
Farmowners multiple peril	1,116,504,635	1,186,880,233	1,222,661,429	1,334,835,126	1,399,010,336
Homeowners multiple peril	21,968,407,527	23,179,546,648	24,707,502,056	26,075,049,817	28,041,668,014
Commercial multiple peril	17,425,213,909	18,298,895,134	18,720,881,728	18,787,642,206	18,775,909,235
Mortgage guaranty	1,734,221,226	2,073,664,780	2,504,291,080	2,868,414,148	3,046,617,036
Ocean marine	1,701,727,328	1,898,367,314	1,993,249,063	1,905,502,384	1,845,155,226
Inland marine	4,786,990,931	5,001,511,885	5,371,870,120	5,659,676,324	5,698,929,281
Financial guaranty	664,098,892	555,855,340	669,224,692	755,047,394	930,900,779
Medical malpractice - occurrence	5,030,759,446	1,559,884,989	1,500,719,351	1,468,901,230	1,532,493,415
Medical malpractice - claims made	—	3,358,394,905	3,454,923,865	3,573,012,786	3,686,269,649
Earthquake	616,728,218	887,673,269	1,168,679,583	982,738,635	643,011,452
Group accident and health	5,939,267,206	5,752,693,453	6,661,638,075	7,317,708,719	7,883,362,635
Credit A&H (group and individual)	277,888,414	304,125,790	338,047,040	354,447,703	416,213,943
Other accident and health	2,385,941,331	2,518,427,200	2,437,834,885	2,401,540,033	2,467,760,001
Workers' compensation	34,470,113,822	31,354,112,374	29,290,086,637	27,434,787,520	26,529,735,685
Other liability - occurrence	16,077,066,858	11,278,519,115	11,011,744,733	11,720,183,448	11,183,566,367
Other liability - claims made	—	5,100,493,305	5,833,053,300	5,653,342,920	5,984,692,634
Products liability - occurrence	1,865,644,059	1,573,009,442	1,553,008,584	1,467,372,699	1,467,475,672
Products liability - claims made	—	188,879,313	243,337,351	262,073,781	165,072,061
Private passenger auto liability	73,040,308,985	64,507,416,172	67,401,208,620	69,919,190,837	70,602,877,015
Commercial auto liability	—	12,126,511,984	12,473,924,458	12,751,243,765	12,769,601,288
Auto physical damage	38,772,660,470	40,958,205,991	43,774,904,450	47,256,279,653	50,597,200,827
Aircraft (all perils)	806,272,574	853,715,997	954,559,334	932,553,496	882,589,263
Fidelity	915,938,762	896,601,453	898,180,197	842,824,065	801,136,924
Surety	2,268,288,808	2,498,761,761	2,523,679,400	2,565,739,636	2,716,879,204
Glass	16,396,778	15,268,016	14,016,458	—	—
Burglary and theft	125,925,420	127,609,673	122,001,144	131,802,529	114,535,093
Boiler and machinery	797,659,730	815,245,435	837,929,188	838,854,622	814,424,320
Credit	355,066,013	468,391,773	550,652,812	612,072,070	556,617,952
International	461,881,252	525,103,199	471,850,938	438,202,862	471,280,685
Reinsurance A					
Reinsurance B					
Reinsurance C					
Reinsurance D					
Aggregate write-ins	1,626,222,974	1,650,132,131	1,908,098,493	2,115,937,972	2,138,113,895
Total	**$242,939,726,641**	**$249,698,510,339**	**$259,288,413,006**	**$266,990,004,286**	**$272,745,524,103**

Table 2
Property/Casualty Incurred Losses
1994-1998

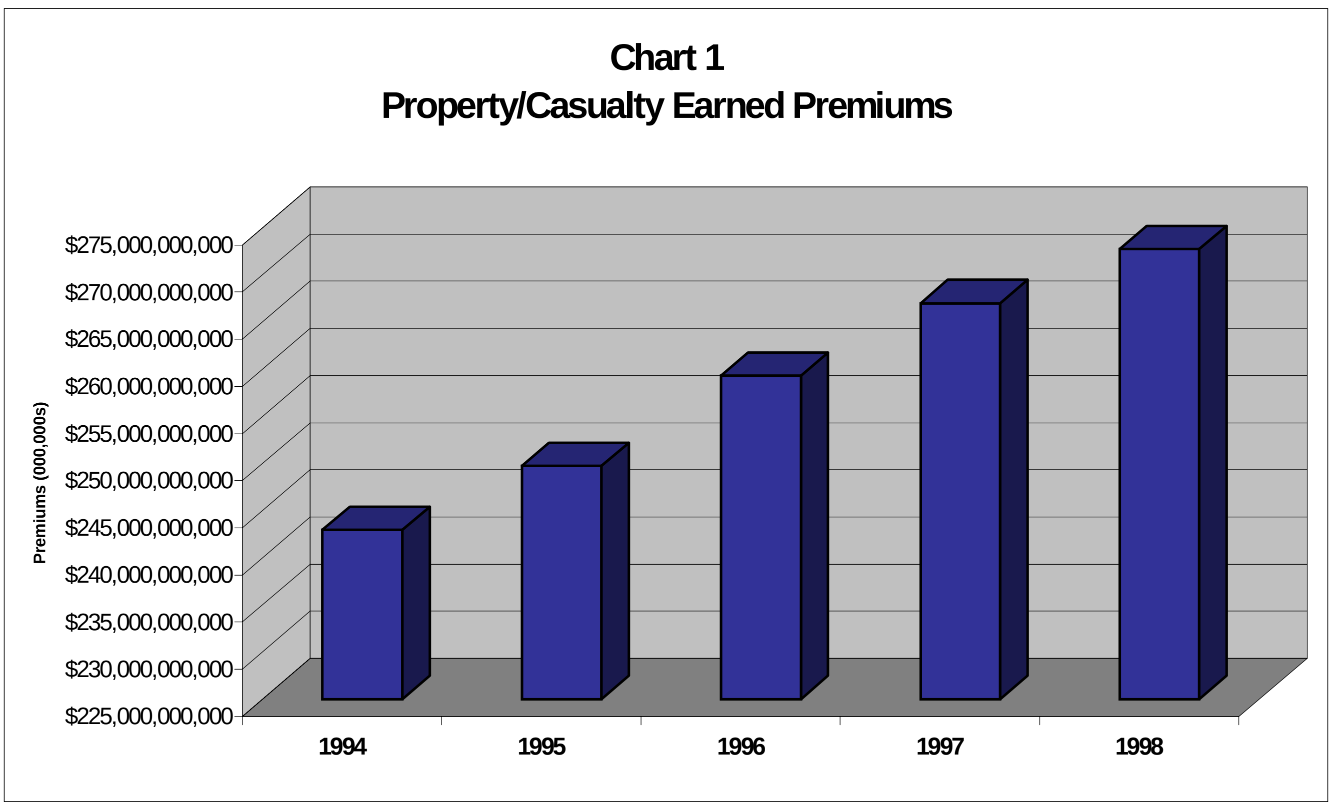
Line of Business	1994	1995	1996	1997	1998
Fire	3,106,448,429	3,274,081,189	2,830,219,137	2,652,527,843	3,073,053,094
Allied Lines	2,074,537,296	2,389,427,575	2,515,735,331	2,133,445,083	2,829,428,651
Farmowners multiple peril	760,092,483	824,371,285	998,511,678	887,859,911	1,012,199,043
Homeowners multiple peril	16,460,539,241	16,157,674,996	19,445,092,578	14,988,487,409	18,336,625,104
Commercial multiple peril	11,235,670,754	10,984,972,631	11,946,332,043	11,080,282,145	12,337,714,371
Mortgage guaranty	1,280,297,136	1,320,482,774	1,535,351,188	1,427,383,527	1,205,690,730
Ocean marine	1,137,511,998	1,007,911,526	1,011,664,613	1,088,307,973	1,237,187,366
Inland marine	2,639,932,702	2,406,174,535	3,011,515,678	2,913,480,933	3,097,181,408
Financial guaranty	164,989,215	73,748,038	28,814,650	43,718,377	72,143,630
Medical malpractice - occurrence	2,533,165,199	383,395,841	500,467,667	674,432,872	805,161,502
Medical malpractice - claims made	—	1,960,525,194	2,179,044,721	2,013,404,112	2,200,140,971
Earthquake	4,756,741,053	295,861,439	212,257,427	139,915,145	94,556,766
Group accident and health	4,549,395,893	4,558,544,779	5,350,950,810	6,111,474,260	6,434,704,050
Credit A&H (group and individual)	128,337,985	119,121,638	115,167,886	94,093,581	92,942,851
Other accident and health	1,588,530,418	1,725,208,130	1,456,485,855	1,531,230,707	1,579,125,553
Workers' compensation	21,405,377,392	18,502,249,886	16,989,670,710	15,777,226,022	16,904,664,627
Other liability - occurrence	10,768,082,343	10,177,282,464	8,235,236,269	7,824,230,029	7,843,750,241
Other liability - claims made	—	2,411,933,914	2,824,434,299	2,352,022,422	2,539,755,596
Products liability - occurrence	1,467,823,419	1,665,835,171	1,414,773,967	950,784,032	1,013,135,737
Products liability - claims made	—	101,095,287	178,407,091	76,984,941	58,499,712
Private passenger auto liability	50,967,033,220	43,190,558,018	43,663,052,737	43,176,883,658	43,689,465,108
Commercial auto liability	—	8,525,561,398	8,372,261,390	8,881,265,110	9,191,905,913
Auto physical damage	23,686,663,921	26,719,138,321	30,545,784,974	30,567,386,149	32,416,539,188
Aircraft (all perils)	594,989,864	529,711,833	730,875,217	620,208,878	746,826,163
Fidelity	313,069,532	270,170,263	415,901,384	493,360,139	528,447,015
Surety	629,372,813	729,860,202	645,374,685	605,810,891	624,661,912
Glass	4,564,603	1,943,516	1,888,957	—	—
Burglary and theft	28,600,610	24,835,952	31,571,108	31,471,806	22,215,586
Boiler and machinery	369,031,171	360,503,015	363,796,086	341,275,287	430,853,858
Credit	99,118,277	190,864,908	205,012,556	220,488,742	198,292,830
International	371,303,115	424,221,496	694,234,800	254,026,927	363,024,870
Reinsurance A					
Reinsurance B					
Reinsurance C					
Reinsurance D					
Aggregate write-ins	1,253,817,104	1,183,761,411	1,428,671,844	1,195,127,860	1,395,520,876
Total	**$164,375,037,186**	**$162,491,028,625**	**$169,878,559,336**	**$161,148,596,771**	**$172,375,414,322**

Table 3
Property/Casualty Loss Ratios by Line of Business
1994-1998

Line of Business	1994	1995	1996	1997	1998
Fire	64.13%	64.08%	53.37%	53.45%	63.05%
Allied Lines	72.84%	77.70%	74.61%	59.26%	76.29%
Farmowners multiple peril	68.08%	69.46%	81.67%	66.51%	72.35%
Homeowners multiple peril	74.93%	69.71%	78.70%	57.48%	65.39%
Commercial multiple peril	64.48%	60.03%	63.81%	58.98%	65.71%
Mortgage guaranty	73.83%	63.68%	61.31%	49.76%	39.57%
Ocean marine	66.84%	53.09%	50.75%	57.11%	67.05%
Inland marine	55.15%	48.11%	56.06%	51.48%	54.35%
Financial guaranty	24.84%	13.27%	4.31%	5.79%	7.75%
Medical malpractice - occurrence	50.35%	24.58%	33.35%	45.91%	52.54%
Medical malpractice - claims made	—	58.38%	63.07%	56.35%	59.68%
Earthquake	771.29%	33.33%	18.16%	14.24%	14.71%
Group accident and health	76.60%	79.24%	80.32%	83.52%	81.62%
Credit A&H (group and individual)	46.18%	39.17%	34.07%	26.55%	22.33%
Other accident and health	66.58%	68.50%	59.75%	63.76%	63.99%
Workers' compensation	62.10%	59.01%	58.00%	57.51%	63.72%
Other liability - occurrence	66.98%	90.24%	74.79%	66.76%	70.14%
Other liability - claims made	—	47.29%	48.42%	41.60%	42.44%
Products liability - occurrence	78.68%	105.90%	91.10%	64.79%	69.04%
Products liability - claims made	—	53.52%	73.32%	29.38%	35.44%
Private passenger auto liability	69.78%	66.95%	64.78%	61.75%	61.88%
Commercial auto liability	—	70.31%	67.12%	69.65%	71.98%
Auto physical damage	61.09%	65.24%	69.78%	64.68%	64.07%
Aircraft (all perils)	73.80%	62.05%	76.57%	66.51%	84.62%
Fidelity	34.18%	30.13%	46.30%	58.54%	65.96%
Surety	27.75%	29.21%	25.57%	23.61%	22.99%
Glass	27.84%	12.73%	13.48%	—	—
Burglary and theft	22.71%	19.46%	25.88%	23.88%	19.40%
Boiler and machinery	46.26%	44.22%	43.42%	40.68%	52.90%
Credit	27.92%	40.75%	37.23%	36.02%	35.62%
International	80.39%	80.79%	147.13%	57.97%	77.03%
Reinsurance A					
Reinsurance B					
Reinsurance C					
Reinsurance D					
Aggregate write-ins	77.10%	71.74%	74.87%	56.48%	65.27%
Total	**67.66%**	**65.07%**	**65.52%**	**60.36%**	**63.20%**

Table 4
Property /Casualty Insurers Filing Financial Data with the NAIC

Year	Number of Companies
1994	2687
1995	2697
1996	2713
1997	2744
1998	2767



NAIC Education & Training Department

Regulator-only Programs

(all held in Kansas City, MO)

August through December 1999

SOLVENCY

Financial Examiners
August 9-13

Regulating for Solvency
October 18-21

Managed Care Organization
Risk-Based Capital Seminar
November 15-16

INFORMATION TECHNOLOGY

Automating the Examination Process
September 22-24

Auditing Interconnected Networks
November 3-5

Public Programs

August through December 1999

ANNUAL STATEMENT

HMO Annual Statement Preparation Workshop
September 27-30, Dallas
October 25-28, Charlotte

Life Annual Statement Preparation Workshop
November 8-12, Charlotte

P&C Annual Statement Preparation Workshop
October 11-15, St. Louis

Current Issues

CLE Seminar: Close to the Edge - Issues of Law and Regulation at the End of the 20th Century
October 2, Atlanta

Note: the Regulatory Issues Forum, September 16-17, Washington, D.C., has been cancelled.

For more information on any of the programs listed above or to receive a 1999 program catalog, contact the NAIC Education and Training Department at 816-889-6840 (fax), 816-374-7192 (phone) or etrainin@naic.org (e-mail).
The 1999 catalog is found on the Internet, www.naic.org, under "Products & Services."

Recent NAIC Publications

1. Annual Statement Instructions for filing 1999 annual statements (Call to order specific lines of insurance)
2. 1999 Annual Statement Blanks (Call to order specific lines of insurance)
3. Long-Term Care Insurance Experience Reports (#LTC-LR)
4. Credit Life and Accident and Health Insurance Loss Ratios (#CRE-LB)
5. Credit Life and Accident and Health Experience by State (#CRE-LO)
6. Credit Reports and Insurance Underwriting White Paper (#CRU-OM)
7. Insurers' Distribution of Assets (#IDA-BU)
8. Insurers' Medium and Lower Quality Bond Holdings (#IML-ZU)
9. Insurers' Long-Term Mortgage Loan and Real Estate Investments (#MTR-PU)
10. IRIS Ratio Results (#IRS-ZM)
11. Listing of Companies (#LOC-ZM)
12. Market Share Report for Property/Casualty (#MSR-PB)
13. Market Share Report for Life (#MSR-LB)
14. Medicare Supplement Loss Ratios Report (#MED-BB)
15. Guide to Compliance With State Audit Requirements (#CPA-ZM)
16. Insurance Availability & Affordability Task Force Final Report (#IAA-PB)
17. Statistical Compilation of Annual Statement Information for Life/Health Insurance Companies (#STA-LS)
18. Statistical Compilation of Annual Statement Information for Property/Casualty Insurance Companies (#STA-PS)
19. Statistical Compilation and Market Share Reports for Accident and Health Insurance Companies (#STA-HB)
20. Compilation of Minutes (#CMP-ZS)
21. Proceedings of the NAIC (#PRC-ZS)
22. NAIC News (#NEW-ZS)
23. Quarterly Listing of Alien Insurers (#QLY-AS) Quarterly Listing Supplement (#QLS-AS)
24. Using the NAIC Insurance Regulatory Information System (Call to order specific lines of insurance)
25. Federalism and Insurance Regulation: Basic Source Materials (#FIR-ZB)
26. Compendium of State Laws on Insurance Topics (#CSL-ZM)
27. State Average Expenditures & Premiums for Personal Automobile Insurance (#AUS-PB)
28. Retaliation: A Guide to State Retaliatory Taxes, Fees, Deposits and Other Requirements (#RET-ZM)
29. Marketing Insurance Over the Internet (#MOI-OP)
30. Sales and Marketing Practices, Auditing and Accounting Procedures and Products of Insurers Utilizing the Home Service System (#HSR-PB)
31. Profitability By Line By State (#PBL-PB)

To order, contact the NAIC Publications Department
(816) 374-7259 or fax (816) 460-7593