

May 27, 2023
Center for Economic Justice

CEJ suggests the following addition to the explanatory notes for Ratios 4 and 5:

(4) The above calculation is the total number of days for all insurers to a decision on denied claims divided by the total number of denied claims for all insurers to produce the statewide average time to a decision.

(5) The above calculation is the total number of days for all insurers to a decision on approved claims divided by the total number of approved claims for all insurers to produce the statewide average time to a decision.

On Ratios 7 and 8 -- the title refers to "policies in force during the period." The denominator is not the number of policies in force. If the intent is policies in force, then you would use the average of policies in force at beginning and end of the period. However, the current denominator is a better measure of policy activity against which to measure cancellations, so CEJ suggests changing the title from "policies in force during the period" simply to "policies during the period" while leaving the formula unchanged.

For Ratios 14 and 15, we suggest changing the names to Average Dollars of Commission per Policy and Percentage Commissions to Written Premium, respectively, to more clearly distinguish between the two ratios.

Thanks,

Birny