

# 2023 Market Conduct Annual Statement Ratios

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## Property & Casualty (Private Passenger Auto & Homeowner)

Ratio 1. **The number of claims closed without payment compared to the total number of claims closed**

$$\left( \frac{[\text{\# of claims closed without payment}]}{[\text{\# of claims closed with payment}] + [\text{\# of claims closed without payment}]} \right)$$

Ratio 2. **Percentage of claims unprocessed at the end of the period**

$$\left( \frac{\begin{array}{l} \text{\# of claims open at the Beginning of period} + \text{\# of claims opened during period} \\ - \text{\# of claims closed with payment} - \text{\# of claims closed without payment} \end{array}}{\text{\# of claims open at the beginning of period} + \text{\# of claims opened during the period}} \right)$$

Ratio 3. **Percentage of claims paid beyond 60 days**

$$\left( \frac{[\text{total \# of claims settled beyond 60 days}]}{[\text{total \# of claims settled for all durations}]} \right)$$

Ratio 4. **Non-renewals to policies in force**

$$\left( \frac{[\text{\# of non - renewals}]}{[\text{\# of policies in force}]} \right)$$

Ratio 5. **Cancellations over 60 days to policies in force**

$$\left( \frac{[\text{\# of cancellations 60 days or more after the effective date}]}{[\text{\# of policies in force}]} \right)$$

Ratio 6. **Cancellations under 60 days to new policies issued**

$$\left( \frac{[\text{\# of cancellations that occur in the first 59 days after effective date}]}{[\text{\# of new policies issued}]} \right)$$

Ratio 7. **Suits opened during the period to claims closed without payment**

$$\left( \frac{[\text{\# of suits open during the period}]}{[\text{\# of claims closed without payment}]} \right)$$

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## Life & Annuity

### Schedule 1 - Individual Cash Value Products (ICVP)

Ratio 1. **The number of replacements issued compared to the number of new policies issued**

$$\left( \frac{[\text{\# of replacement policies issued}]}{[\text{\# of new policies issued}]} \right)$$

Ratio 2. **The number of policies replaced where the age of the insured at replacement was greater than or equal to 65 compared to the total number of replacements**

$$\left( \frac{[\text{\# of replacements where age} \geq 65]}{[\text{\# of replacements where age} < 65] + [\text{\# of replacements where age} \geq 65]} \right)$$

Ratio 3. **The number of surrenders compared to the number of policies issued**

$$\left( \frac{[\text{\# of surrenders}]}{[\text{\# of new policies issued}]} \right)$$

Ratio 4. **The number of policies surrendered through 10 years from policy issue compared to the total number of surrenders**

$$\left( \frac{[\text{\# of surrenders} < 2\text{ years from issuance}] + [\text{\# of surrenders } 2 - 5\text{ years from issuance}] + [\text{\# of surrenders } 6 - 10\text{ years from issuance}]}{[\text{Total surrendered during the period}]} \right)$$

Ratio 5. **The number of claims paid beyond 60 days from the date of due proof of loss compared to the number of claims paid**

$$\left( \frac{[\text{\# of claims paid beyond 60 days}]}{[\text{\# of claims paid within 30 days}] + [\text{\# of claims paid within 31 - 60 days}] + [\text{\# of claims paid beyond 60 days}]} \right)$$

Ratio 6. **The number of claims denied, resisted or compromised compared to the number of claims closed**

$$\left( \frac{[\text{\# of claims denied, resisted or compromised}]}{[\text{\# of claims paid within 30 days}] + [\text{\# of claims paid within 31 - 60 days}] + [\text{\# of claims paid beyond 60 days}] + [\text{\# of claims denied, resisted or compromised}]} \right)$$

Ratio 7. **The number of complaints received directly from consumers per 1,000 policies in force**

$$\left( \frac{[\text{\# of complaints received from consumers}]}{([\text{\# of policies in force}] \div 1,000)} \right)$$

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## ***Schedule 2 - Individual Non-Cash Value Products (INCVP)***

- Ratio 1. **The number of replacements issued compared to the number of policies issued**
- Ratio 5. **The number of claims paid beyond 60 days from the date of due proof of loss compared to the number of claims paid**
- Ratio 6. **The number of claims denied, resisted or compromised compared to the number of claims closed**
- Ratio 7. **The number of complaints received directly from consumers per 1,000 policies in force**

## ***Schedule 3 - Individual Fixed Annuities (IFA) and***

## ***Schedule 4 - Individual Variable Annuities (IVA)***

***(Separate ratios are provided for each schedule)***

- Ratio 1. **The number of replacements issued compared to the number of contracts issued**
- Ratio 2. **The number of contracts replaced where the age of the annuitant at Replacement was > 80 to the total number of replacements**

$$\left( \frac{[\text{\# of replacements where age > 80}]}{[\text{\# of replacements issued during the period}]} \right)$$

- Ratio 3. **The number deferred annuity contracts issued to annuitants more than 80 years old compared to total deferred annuities issued**

$$\left( \frac{[\text{\# of new deferred contracts issued where age was > 80}]}{[\text{\# of new deferred contracts issued during period}]} \right)$$

- Ratio 4. **The number of contracts surrendered through 10 years from contract issue compared to the total number of surrenders**
- Ratio 7. **The number of complaints received directly from consumers per 1,000 contracts in force**

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## Long Term Care

### **Schedule 1 - General**

Ratio 1. **The percentage of replacements to new business issued**

$$\left( \frac{[\text{\# of internal replacement policies issued} + \text{\# of external replacement policies issued}]}{[\text{\# of new business policies issued}]} \right)$$

Ratio 2. **The number of complaints per 1,000 policies in-force as of the end of the reporting period**

$$\left( \frac{[\text{\# of complaints received from consumers}]}{([\text{\# of policies in force}] \div 1,000)} \right)$$

### **Schedule 2 - Claimants**

Ratio 3. **The average number of claimants per policy in-force**

$$\left( \frac{[\text{\# of claimants approved for benefits at the end of the period}]}{[\text{\# of policies in - force}]} \right)$$

### **Schedule 3 – Claimant Requests Denied/Not Paid**

Ratio 4. **The percentage of denied claimant requests to new claimants**

$$\left( \frac{[\text{\# of requests denied or not paid}]}{[\text{\# of new claimants during the period} + \text{\# of pending claimant requests at the beginning of period}]} \right)$$

### **Schedule 4 – Claimant Request Determination Timeliness**

Ratio 5. **The percentage of claim determination made more than 60 days from notice of claim**

$$\left( \frac{[\text{\# of claim determinations made within 60 to 90 days} + \text{claim determinations made beyond 90 days}]}{[\text{Total \# of claim determinations made}]} \right)$$

### **Schedule 5 – Benefit Payment Requests**

Ratio 6. **The percentage of benefit payment requests denied**

$$\left( \frac{[\text{\# of payment requests denied or not paid}]}{[\text{total requests received} + \text{total requests pending at beginning of period}]} \right)$$

### **Schedule 6 – Benefit Payment Request Timeliness**

Ratio 7. **The percentage of benefit request payments made more than 60 days from notice of request**

$$\left( \frac{[\text{\# of benefit requests paid within 60 to 90 days} + \text{benefit requests paid beyond 90 days}]}{[\text{total \# of benefit payments paid}]} \right)$$

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Ratio 8. **The percentage of benefit request denials made more than 60 days from notice of request**

$$\left( \frac{[\text{benefit requests denied or not paid within 60 to 90 days} + \text{benefit requests denied or not paid beyond 90 days}]}{[\text{total \# of benefit requests denied or not paid}]} \right)$$

## **Schedule 7 - Lawsuits**

Ratio 9. **The percentage of lawsuits closed with consideration for the consumer**

$$\left( \frac{[\text{\# of lawsuits closed with consideration for consumer}]}{[\text{total\# of lawsuits closed during the period}]} \right)$$

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## Health

### ***Both In-Exchange and Out-of-Exchange Markets***

Ratio 1. **The number of claim denials to the total number of claims received (Excluding Pharmacy)**

$$\left( \frac{[\# \text{ of claim denials for in - network claims } + \# \text{ of claim denials for out - of - network claims }]}{[\# \text{ of claims received }]} \right)$$

Ratio 2. **Percentage of in-network claims (Excluding Pharmacy)**

$$\left( \frac{[\# \text{ of claims submitted by network providers }]}{[\# \text{ of claims received }]} \right)$$

Ratio 3. **Percentage of out-of-network claims (Excluding Pharmacy)**

$$\left( \frac{[\# \text{ of claims submitted by out - of - network providers }]}{[\# \text{ of claims received }]} \right)$$

***Note: Ratios 2 and 3 are not calculable for Pharmacy.***

Ratio 4. **Percentage of in-network claims paid within 30 days (Excluding Pharmacy)**

$$\left( \frac{[\# \text{ of claims paid within 0 to 30 days for in - network services }]}{[\# \text{ of paid claims for in - network services }]} \right)$$

Ratio 5. **Percentage of in-network claims denied within 30 days (Excluding Pharmacy)**

$$\left( \frac{[\# \text{ of claims denied within 0 to 30 days for in - network services }]}{[\# \text{ of claim denials for in - network claims }]} \right)$$

Ratio 6. **Percentage of out-of-network claims paid within 30 days (Excluding Pharmacy)**

$$\left( \frac{[\# \text{ of claims paid within 0 to 30 days for out - of - network services }]}{[\# \text{ of claims paid for out - of - network services }]} \right)$$

Ratio 7. **Percentage of out-of-network claims denied within 30 days (Excluding Pharmacy)**

$$\left( \frac{[\# \text{ of claims denied within 0 to 30 days for out - of - network services }]}{[\# \text{ of claims denied for out - of - network services }]} \right)$$

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Ratio 8. **Percentage of claims paid (Pharmacy Only)**

$$\left( \frac{[\# \text{ of claims paid for in - network services } + \# \text{ of claims paid for out - of - network services }]}{[\# \text{ of claims received }]} \right)$$

Ratio 9. **Insured co payment responsibility to covered lives (Excluding Pharmacy)**

$$\left( \frac{[\text{insured co payment responsibility}]}{[(\text{member months for policies issued } + \text{member months for policies renewed})/12]} \right)$$

Ratio 10. **Insured coinsurance responsibility to covered lives (Excluding Pharmacy)**

$$\left( \frac{[\text{coinsurance responsibility}]}{[(\text{member months for policies issued } + \text{member months for policies renewed})/12]} \right)$$

Ratio 11. **Insured deductible responsibility to covered lives (Excluding Pharmacy)**

$$\left( \frac{[\text{deductible responsibility}]}{[(\text{member months for policies issued } + \text{member months for policies renewed})/12]} \right)$$

Ratio 12. **Cost sharing responsibility to covered lives (Pharmacy Only)**

$$\left( \frac{[\text{insured co payment responsibility } + \text{coinsurance responsibility } + \text{deductible responsibility}]}{[(\text{member months for policies issued } + \text{member months for policies renewed})/12]} \right)$$

Ratio 13. **Adverse determination grievances per 1,000 member months**

$$\left( \frac{[\# \text{ of customer requests for internal reviews of grievances involving adverse determinations}]}{[(\text{member months for policies issued } + \text{member months for policies renewed})/1000]} \right)$$

Ratio 14. **Adverse determinations overturned to total grievances involving adverse determinations**

$$\left( \frac{[\# \text{ of adverse determinations overturned}]}{[\# \text{ of customer requests for internal review of grievances involving adverse determinations}]} \right)$$

Ratio 15. **Adverse determinations upheld to total grievances involving adverse determinations**

$$\left( \frac{[\# \text{ of adverse determinations upheld}]}{[\# \text{ of customer requests for internal review of grievances involving adverse determinations}]} \right)$$

Ratio 16. **Grievances not involving adverse determinations per 1,000 member months**

$$\left( \frac{[\# \text{ of requests for internal reviews of grievances not involving adverse determinations}]}{[(\text{member months for policies issued } + \text{member months for policies renewed})/1000]} \right)$$

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Ratio 17. **Customer requested appeals on final adverse determinations to an external review organization (ERO) per 1,000 member months**

$$\left( \frac{[\text{\# of customer requested appeals on final adverse determinations to an ERO}]}{[(\text{member months for policies issued} + \text{member months for policies renewed})/1\,000]} \right)$$

Ratio 18. **Final adverse determinations upheld upon request for external review to number of requested appeals on final adverse determinations to an external review organization (ERO)**

$$\left( \frac{[\text{\# of final adverse determinations upheld upon request for external review}]}{[\text{\# of customer requested appeals on final adverse determinations to an ERO}]} \right)$$

Ratio 19. **Final adverse determinations overturned upon request for external review to number of requested appeals on final adverse determinations to an external review organization (ERO)**

$$\left( \frac{[\text{\# of final adverse determinations overturned upon request for external review}]}{[\text{\# of customer requested appeals on final adverse determinations to an ERO}]} \right)$$



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## Lender Placed Insurance (Auto and Home)

### *Both Single Interest and Dual Interest*

#### **Claims**

Ratio 1. **Number of claims closed without payment to total number of claims closed**

$$\left[ \frac{(\text{\#of claims closed without payment})}{(\text{\#of claims closed with payment}) + (\text{\# of claims closed without payment})} \right]$$

Ratio 2. **Claims open at the end of the period to total claims during the period**

$$\left[ \frac{(\text{\#of claims open at the beginning of period} + \text{\#of claims opened during period} - \text{\#of claims closed with payment} - \text{\#of claims closed without payment})}{(\text{\# of claims open at the beginning of period} + \text{\# of claims opened during the period})} \right]$$

Ratio 3. **Claims paid beyond 60 days to total claims closed with payment**

$$\left[ \frac{(\text{\#of claims settled 61 – 90 days} + \text{\#of claims settled 91 – 180 days} + \text{\#of claims settled 181 – 365 days} + \text{\#of claims settled beyond 365 days})}{\text{total \# of claims closed with payment}} \right]$$

Ratio 4. **Loss Ratio – Incurred claims to earned premium**

$$\left[ \frac{(\text{dollars of claims incurred during the period})}{(\text{dollar amount of premium earned during the period})} \right]$$

#### **Cancellations**

Ratio 5. **Master policy cancellations to master policies in force at beginning of the period**

$$\left[ \frac{(\text{total \#of master policy cancellations})}{(\text{total \#of master policies in force at beginning of period})} \right]$$

Ratio 6. **A. Flat cancellations beyond 45 days to total flat cancellations: Certificates**

$$\left[ \frac{(\text{\#of certificates flat cancelled beyond 45 days})}{(\text{total \#of certificates flat cancelled during the period})} \right]$$

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## **B. Flat cancellations beyond 45 days to total flat cancellations: Individual policies**

$$\left[ \frac{(\text{\#of individual policies flat cancelled beyond 45 days})}{(\text{total \#of individual policies flat cancelled during the period})} \right]$$

### Ratio 7. **A. Total cancelations to coverages issued - Certificates**

$$\left[ \frac{(\text{\#of certificates flat cancelled during the period}) + \text{\#of certificates cancelled for reasons other than flat cancellations during the period}}{\text{\# of certificates written during the period}} \right]$$

### **B. Total cancelations to coverages issued – Individual policies**

$$\left[ \frac{(\text{\#of individual policies flat cancelled during the period}) + \text{\#of individual policies cancelled for reasons other than flat cancellations during the peirod}}{\text{\# of individual policies written during the period}} \right]$$

### Ratio 8. **A. Flat cancellations to total cancellations - Certificates**

$$\left[ \frac{(\text{\# of certificates flat cancelled during the period})}{(\text{\# of certificates flat cancelled during the period}) + \text{\#of certificates cancelled for reasons other than flat cancellations}} \right]$$

### **B. Flat cancellations to total cancellations – Individual policies**

$$\left[ \frac{(\text{\#of individual policies flat cancelled during the period})}{(\text{\#of individual policies flat cancelled during the period}) + \text{\#of individual policies cancelled for reasons other than flat cancellations}} \right]$$

### Ratio 9. **A. Flat cancellations to coverages written – Certificates**

$$\left[ \frac{(\text{\#of certificates flat cancelled during the period})}{(\text{\#of certificates written during the period})} \right]$$

### **B. Flat cancellations to coverages written – Individual policies**

$$\left[ \frac{(\text{\#of individual policies flat cancelled during the period})}{(\text{\#of individual policies written during the period})} \right]$$

### Ratio 10. **A. Total cancellations to average exposures – Certificates**

$$\left[ \frac{(\text{\#of certificates flat cancelled during the period}) + \text{\#of certificates cancelled for reasons other than flat cancellations}}{\text{\#of certificates written during the period/average gross placement rate}} \right]$$

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## B. Total cancellations to average exposures – Individual policies

$$\left[ \frac{\begin{array}{l} \text{(#of individual policies flat cancelled during the period} \\ \text{+ #of individual policies cancelled for reasons other than flat cancellations)} \end{array}}{\text{#of individual policies written during the period/average gross placement rate}} \right]$$

### Ratio 11. A. Total flat cancellations to average exposures – Certificates

$$\left[ \frac{\text{(#of certificates flat cancelled during the period)}}{\text{#of individual policies written during the period/average gross placement rate}} \right]$$

### B. Total flat cancellations average exposures – Individual policies

$$\left[ \frac{\text{(#of individual polciies flat cancelled during the period)}}{\text{(#of individual policies written during the period/average gross placement rate)}} \right]$$

## Suits

### Ratio 12. Suits opened during the period to claims closed without payment

$$\left[ \frac{\text{(#of suits open during the period)}}{\text{(# of claims closed without payment during the period)}} \right]$$

### Ratio 13. Suits closed with consideration for the consumer to suits closed

$$\left[ \frac{\text{(#of suits closed during the period with consideration for the borrower)}}{\text{(#of suits closed during the period)}} \right]$$

### Ratio 14. Suits open at beginning of period to sum of certificates in force and individual policies in force at beginning of the period

$$\left[ \frac{\text{(#of suits open at the beginning of the period)}}{\begin{array}{l} \text{(#of certificates in force at beginning of period} \\ \text{+ #of individual policies in force at beginning of period)} \end{array}} \right]$$

### Ratio 15. Suits opened during the period to sum of average coverages in force

$$\left[ \frac{\text{(#of suits opened during the period)}}{\begin{array}{l} \text{(#of certificates in force at beginning + certificates in force at end)} \\ \text{+ (#individual policies in force beginning + #individual policies in force end)} \end{array}} \right]$$

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## Complaints

Ratio 16. **Total complaints to coverages written**

$$\left[ \frac{\begin{array}{l} \text{(#of complaints received directly from the DOI)} \\ + \text{#of complaints received directly from any person or entity other than the DOI)} \end{array}}{\begin{array}{l} \text{(#of certificates issued during the period)} \\ + \text{#of individual policies issued during the period)} \end{array}} \right]$$

Ratio 17. **Total complaints to claims opened**

$$\left[ \frac{\begin{array}{l} \text{(#of complaints received directly from the DOI)} \\ + \text{#of complaints received directly from any person or entity other than the DOI)} \end{array}}{\text{# of claims opened during the period}} \right]$$

## Placement Rate

Ratio 18. **Average gross placement rate**

First calculate industry aggregate sum of average exposures by coverage:

$$\sum \text{all insurers} \left[ \frac{\begin{array}{l} \text{(#of certificates issued during the period)} \\ + \text{#of individual policies issued during the period)} \end{array}}{\text{average gross placement rate}} \right]$$

Then calculate aggregate average gross placement rate by coverage by dividing the sum of industry coverages written for a coverage by the sum of the industry number of exposures:

$$\frac{\sum \text{all insurers} \left( \begin{array}{l} \text{(#of certificates issued during the period)} \\ + \text{#of individual policies issued during the period)} \end{array} \right)}{\sum \text{all insurers (number of average exposures)}}$$

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## Disability Income

Ratio 1. **Percentage of claims denied**

$$\left( \frac{[\text{Number of claims denials during reporting period (21)}]}{[\text{Number of claims denials during reporting period (21)}] + [\text{Number of paid claims closed during reporting period (22)}]} \right)$$

Ratio 2. **Percentage of claims processed with initial decision after 45 days**  
*Short-Term Only*

$$\left( \frac{[\text{Number of claims processed with initial claim decision over 45 days (28)}]}{[\text{Number of claims processed with initial claim decision within 1-14 days (25)}] + [\text{Number of claims processed with initial claim decision within 15-30 days (26)}] + [\text{Number of claims processed with initial claim decision within 31-45 days (27)}] + [\text{Number of claims processed with initial claim decision over 45 days (28)}]} \right)$$

Ratio 3. **Percentage of claims processed with initial decision after 90 days**  
*Long-Term Only*

$$\left( \frac{[\text{Number of claims processed with initial claim decision over 90 days (33)}]}{[\text{Number of claims processed with initial claim decision within 1-30 days (30)}] + [\text{Number of claims processed with initial claim decision within 31-60 days (31)}] + [\text{Number of claims processed with initial claim decision within 61-90 days (32)}] + [\text{Number of claims processed with initial claim decision over 90 days (33)}]} \right)$$

Ratio 4. **The number of complaints received directly from any entity other than the DOI per 1,000 individual policies in force during the reporting period**

$$\left( \frac{[\text{Number of complaints received directly from any entity other than the DOI (83)}]}{\left( \frac{([\text{Number of policies beginning of the reporting period (67)}]}{+[\text{Number of policies at the end of the reporting period (75)}] \div 2} \right) \div 1000} \right)$$

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Ratio 5. **The number of complaints received directly from any entity other than the DOI per 1,000 lives covered on group policies**

$$\left( \frac{[\text{Number of complaints received directly from any entity other than the DOI (83)}]}{\left( \frac{([\text{Number of lives covered at the beginning of the reporting period (76)}] + [\text{Number of lives covered at the end of the reporting period (82)}]) \div 2}{1000} \right)} \right)$$

Ratio 6. **The number of complaints relating to group policies to average number of group policies in force during the reporting period**

$$\left( \frac{[\text{Number of complaints received directly from any entity other than the DOI (83)}]}{\left( \frac{([\text{Number of policies in force at beginning of reporting period (67)}] + [\text{Number of policies in force at end of the reporting period (75)}]) \div 2}{1} \right)} \right)$$

Ratio 7. **The percentage of lawsuits closed with consideration for the consumer**

$$\left( \frac{[\text{Number of lawsuits closed with consideration for consumer (87)}]}{[\text{Total number of lawsuits closed during the period (86)}]} \right)$$

Ratio 8. **Insurer non-renewals and cancellations to average policies in force**

$$\left( \frac{[\text{Number of insurer non-renewals (71)}] + [\text{Number of insurer cancellations (72)}]}{\left( \frac{([\text{Number of policies in force at the beginning of the reporting period (67)}] + [\text{Number of policies in force at the end of the reporting period (75)}]) \div 2}{1} \right)} \right)$$

Ratio 9. **Covered lives affected by insurer non-renewals and cancellations to average policies in force**

*Group only*

$$\left( \frac{[\text{Number of lives covered under insurer non-renewals (79)}] + [\text{Number of lives covered under insurer cancellations (80)}]}{\left( \frac{([\text{Number of lives covered under policies in force at the beginning of the reporting period (76)}] + [\text{Number of lives covered under policies in force at the end of the reporting period (82)}]) \div 2}{1} \right)} \right)$$

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**Ratio 10. Average pending benefit determinations to claims received**

$$\left( \frac{([\text{Number of pending benefit determinations, beginning of reporting period (17)}] + [\text{Number of pending benefit determinations, end of reporting period (23)}]) \div 2}{[\text{Number of claims received during the reporting period (19)}]} \right)$$

**Ratio 11. Rescissions after two years from issuance to total rescissions**

$$\left( \frac{[\text{Number of rescissions after two years from policy issue (74)}]}{[\text{Number of rescissions within two years from policy issue (73)}] + [\text{Number of rescissions after two years from policy issue (74)}]} \right)$$

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## Private Flood

Same Ratios Apply Separately for First Dollar Coverage (stand-alone plus endorsements)  
and Excess Coverage (stand-alone plus endorsements)

Ratio 1. **Number of claims closed without payment compared to total number of claims closed**

$$\left( \frac{[\text{Number of claims closed during the period, without payment (55)}]}{[\text{Number of claims closed with payment (54)}] + [\text{Number of claims closed without payment (55)}]} \right)$$

Ratio 2. **Percentage of claims unprocessed at the end of the period**

$$\left( \frac{\text{Number of claims open at the beginning of period (52)} + \text{Number of claims opened during period (53)} - \text{Number of claims closed with payment (54)} - \text{Number of claims closed without payment (55)}}{\text{Number of claims open at the beginning of period (52)} + \text{Number of claims opened during the period (53)}} \right)$$

Ratio 3. **Percentage of claims paid beyond 60 days**

$$\left( \frac{[\text{total number of claims closed with payment beyond 60 days (sum of 60 through 63)}]}{[\text{total number of claims closed with payment for all durations (sum of 58 through 63)}]} \right)$$

Ratio 4. **Company-initiated non-renewals to policies in force**

$$\left( \frac{[\text{number of company-initiated non-renewals (76)}]}{[\text{number of private flood policies or endorsements in force at the end of the reporting period (73)}]} \right)$$

Ratio 5. **Company-initiated cancellations over 60 days to policies in force**

$$\left( \frac{[\text{number of company-initiated cancellations that occur 60 days or more after the effective date (80 and 81)}]}{[\text{number of private flood policies or endorsements in force at the end of the reporting period (73)}]} \right)$$

Ratio 6. **Company-initiated cancellations under 60 days to new policies issued**

$$\left( \frac{[\text{number of company-initiated cancellations that occur in the first 59 days after effective date (79)}]}{[\text{number of private flood policies or endorsements written during the reporting period (72)}]} \right)$$



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Ratio 7. **Suits opened during the period to claims closed without payment**

$$\left( \frac{[\text{number of lawsuits opened during the period (83)}]}{[\text{number of claims closed during the reporting period, without payment (55)}]} \right)$$

Ratio 8. **Percentage of lawsuits closed with consideration for the consumer**

$$\left( \frac{[\text{number of lawsuits closed during the period with consideration for the consumer (85)}]}{[\text{number of lawsuits closed during the period (84)}]} \right)$$

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## Short-Term Limited Duration Insurance

Ratio 1. **The number of claims denied, rejected or returned to the total number of claims paid, denied, rejected or returned**

$$\left( \frac{[\# \text{ of claim denied, rejected or returned (89)]}{[\# \text{ of claims pending at beginning of period (87) + \# \text{ of claims received (88) ] - \# \text{ of claims pending at end of period (99)}} \right)$$

Ratio 2. **Pre-existing Condition Denials to Total Denials**

$$\left( \frac{[\# \text{ of claim denied, rejected or returned as subject to pre – existing condition exclusion (94)]}{[\# \text{ of claims denied, rejected or returned (89)]} \right)$$

Ratio 3. **Prior Authorizations Denied to the Total Number of Prior Authorizations Received During the Period**

$$\left( \frac{[\text{total } \# \text{ of prior auths denied during the period (82)]}{[\# \text{ of prior auths received during the period (79 + 80)]} \right)$$

Ratio 4. **Member Months for Policies/Certificates Renewed/Reissued which had an option to renew/reissue without Underwriting to Total Member Month for Policies/Certificates Renewed/Reissued**

$$\left( \frac{[\# \text{ of member months on policies renewed/reissued without underwriting (61)]}{[\text{total } \# \text{ of member months on total number of policies renewed/reissued during the period (60) ]} \right)$$

Ratio 5. **Cancellations During Free Look Period**

$$\left( \frac{[\# \text{ of policies/certificates cancelled during free look period (65)]}{[\text{total } \# \text{ of policies issued during the period (51 all STLDI columns) ]} \right)$$

Ratio 6. **Claims Appeals per Claims Denied, Rejected, and Returned**

$$\left( \frac{[\# \text{ of claims appeals pending at beginning (104) + \# \text{ of claims appeals received (105)]}{[\# \text{ of claim denied, rejected or returned (89) ]} \right)$$

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Ratio 7. **Claims Appeals In which the Company Claims Decision is Overturned**

$$\left( \frac{[\text{Number of Claim Decision Appeals Resulting in Decisions Overturned or Modified during the period (107)}]}{[\text{\# of claims appeals pending at beginning (104) + \# of claims appeals received (105)}]} \right)$$

Ratio 8. **Number of Complaints received per 1,000 Policies/Certificates In Force During the Period**

$$\left( \frac{[\text{\# of complaints received by company (112) + complaints received through DOI (113)}]}{[(\text{policies/certificates in force at beginning (48) + policies/certificates issued (51) } ]} \right)$$

Ratio 9. **Percentage of Lawsuits Closed with Consideration for the Consumer**

$$\left( \frac{[\text{\# of lawsuits closed with consideration for the consumer (118)}]}{[\text{\# of lawsuits closed during the period (117)}]} \right)$$

Ratio 10. **Lawsuits to Policies/Certificates In Force During the Period**

$$\left( \frac{[\text{\# of lawsuits opened during the period (116)}]}{[(\text{policies/certificates in force at beginning (48) + policies/certificates issued (51) } ]} \right)$$

Ratio 11. **Renewal/Reissue Applications Denied to Total Renewal/Reissue Applications**

$$\left( \frac{[\text{\# of renewal/reissue applications denied during the period (125)}]}{[\text{\# of renewal/reissue applications received during the period (122)}]} \right)$$

# 2023 Market Conduct Annual Statement Ratios

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## Travel

**Ratio 1. The number of claims closed without payment compared to the total number of claims closed**

$$\left( \frac{[\text{\#of claims closed without payment (20)}]}{[\text{\#of claims closed with payment (19)}] + [\text{\#of claims closed without payment (20)}]} \right)$$

**Ratio 2. Percentage of claims unprocessed at the end of the period**

$$\left( \frac{\begin{array}{l} \text{claims open at the Beginning of period (17) + claims opened during period (18)} \\ - \text{of claims closed with payment (19) - of claims closed without payment (20)} \end{array}}{\begin{array}{l} \text{\# of claims open at the Beginning of period (17) + \# of claims opened during the period (18)} \end{array}} \right)$$

**Ratio 3. Percentage of claims paid beyond 30 days**

$$\left( \frac{[\text{total \#of claims settled beyond 30 days (24+25)}]}{[\text{total \#of claims settled for all durations (23+24+25)}]} \right)$$

**Ratio 4. The percentage of lawsuits closed with consideration for the consumer**

$$\left( \frac{[\text{\#of lawsuits closed with consideration for consumer (34)}]}{[\text{total \# of lawsuits closed during the period (32)}]} \right)$$

# 2023 Market Conduct Annual Statement Ratios

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## Other Health

Ratio 1. **The number of claims denied, rejected or returned to the total number of claims closed**

$$\left( \frac{[\text{Total \# of claims denied, rejected or returned (66)}]}{\left[ \begin{array}{l} [\text{\# of claims pending at beginning of period (64)}] \\ + [\text{\# of claims received (include non-clean claims) (65)}] \\ - [\text{\# of claims pending at end of period (72)}] \end{array} \right]} \right)$$

Ratio 2. **Pre-existing Condition Denials to Total Denials**

$$\left( \frac{[\text{\# of denied, rejected, or returned as subject to pre – existing condition exclusion (68)}]}{[\text{Total \# of claims denied, rejected or returned (66)}]} \right)$$

Ratio 3. **Inadequate Documentation Denials to Total Denials**

$$\left( \frac{[\text{\# of denied, rejected or returned due to failure to provide adequate documentation (69)}]}{[\text{Total \# of claims denied, rejected or returned (66)}]} \right)$$

Ratio 4. **Average Number of Days to a Decision on Denied Claims**

$$\left( \frac{\left[ \begin{array}{l} [\text{Total \# of claims denied, rejected or returned (66)}] \\ * [\text{Average \# of days from receipt of claim to decision for denied claims (74)}] \end{array} \right]}{[\text{Total \# of claims denied, rejected or returned (66)}]} \right)$$

- *Note: 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.*

# 2023 Market Conduct Annual Statement Ratios

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## Other Health

### Ratio 5. **Average Number of Days to a Decision on Approved Claims**

$$\left( \frac{\begin{array}{l} \text{[# of claims pending at beginning of period (64)]} \\ + \text{[# of claims received (include non-clean claims) (65)]} \\ - \text{[# of claims pending at end of period (72)]} \\ - \text{[Total # of claims denied, rejected or returned (66)]} \end{array}}{\begin{array}{l} \text{[# of claims pending at beginning of period (64)]} \\ + \text{[# of claims received (include non-clean claims) (65)]} \\ - \text{[# of claims pending at end of period (72)]} \\ - \text{[Total # of claims denied, rejected or returned (66)]} \end{array}} * \text{[Average # of days from receipt of claim to decision for approved claims (76)]} \right)$$

- *Note: 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.*

### Ratio 6. **Cancellations During Free Look Period**

$$\left( \frac{\text{[# of policies/certificates cancelled during free look period (54)]}}{\text{[# of new policies/certificates issued during the period (50)]}} \right)$$

### Ratio 7. **Cancellations by Policyholder to Total Policies/Certificates During the Period**

$$\left( \frac{\text{[# of policy/certificate terminations and cancellations initiated by the policyholder/certificate holder during the period (53)]}}{\begin{array}{l} \text{[# of policies/certificates in force at beginning of period (47)]} \\ + \text{[# of new policies/certificates issued during the period (50)]} \end{array}} \right)$$

### Ratio 8. **Cancellations by Company to Total Policies/Certificates During the Period**

$$\left( \frac{\begin{array}{l} \text{# of policies/certificates cancelled by the company} \\ \text{for any reason other than non-payment during the period (57)]} \end{array}}{\begin{array}{l} \text{[# of policies/certificates in force at beginning of period (47)]} \\ + \text{[# of new policies/certificates issued during the period (50)]} \end{array}} \right)$$

# 2023 Market Conduct Annual Statement Ratios

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## Other Health

Ratio 9. **Loss Ratio**

$$\left( \frac{[\text{Aggregate dollar amount of paid claims during the period (78)}]}{[\text{Direct written premium (45)}]} \right)$$

Ratio 10. **Number of Complaints received per 1,000 Policies/Certificates In Force During the Period and Claims During the Period**

$$\left( \frac{\left[ \frac{[\text{\# of complaints received by company (other than through the DOI) (81)}] + [\text{\# of complaints received through DOI (82)}]}{\left[ \frac{[\text{\# of policies/certificates in force at beginning of period (47)}] + [\text{\# of new policies/certificates issued during the period (50)}]}{[\text{\# of claims pending at beginning of period (64)}] + [\text{\# of claims received (include non-clean claims) (65)}] / 1,000} \right]}{[\text{\# of claims pending at end of period (72)}]} \right)$$

Ratio 11. **Number of Complaints Resulting in Claims Reprocessing to Total Complaints**

$$\left( \frac{[\text{\# of complaints resulting in claims reprocessing (83)}]}{\left[ \frac{[\text{\# of complaints received by company (other than through the DOI) (81)}]}{+ [\text{\# of complaints received through DOI (82)}]} \right]} \right)$$

Ratio 12. **Percentage of Lawsuits Closed with Consideration for the Consumer**

$$\left( \frac{[\text{\# of lawsuits closed during the period with consideration for the consumer (87)}]}{[\text{\# of lawsuits closed during the period (86)}]} \right)$$

# 2023 Market Conduct Annual Statement Ratios

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## Other Health

Ratio 13. **Lawsuits opened per 1,000 Policies/Certificates In Force During the Period and Claims During the Period**

$$\left( \frac{[\# \text{ of lawsuits opened during the period (85)}]}{\left[ \begin{array}{l} [\# \text{ of policies/certificates in force at beginning of period (47)}] \\ + [\# \text{ of new policies/certificates issued during the period (50)}] \end{array} \right]} + \left[ \begin{array}{l} [\# \text{ of claims pending at beginning of period (64)}] \\ + [\# \text{ of claims received (include non-clean claims) (65)}] \\ - [\# \text{ of claims pending at end of period (72)}] \end{array} \right] / 1,000 \right)$$

Ratio 14. **Average Dollars of Commission Per Policy/Certificate**

$$\left( \frac{\left[ \begin{array}{l} [\text{Commissions paid during the reporting period (99)}] \\ - [\text{Unearned commissions returned to company on} \\ \text{policies/certificates sold during the period (100)}] \end{array} \right]}{[\# \text{ of new policies/certificates issued during the period (50)}]} \right)$$

Ratio 15. **Percentage Commissions to Written Premium**

$$\left( \frac{\left[ \begin{array}{l} [\text{Commissions paid during the reporting period (99)}] \\ - [\text{Unearned commissions returned to company on} \\ \text{policies/certificates sold during the period (100)}] \end{array} \right]}{[\text{Direct written premium (45)}]} \right)$$

*Note: It is unclear to what extent commissions are paid on events other than new business (e.g., such as renewals)*