

# TDI DRAFT CONCEPT FOR CATASTROPHE DATA CALLS

## Background

Since the Hurricane Ike and Harvey data calls, insurers have requested that TDI use the standard NAIC catastrophe data call or develop a standardized catastrophe data call that insurers can program into their systems well in advance of any catastrophe.

In response, TDI staff has developed the following draft concepts for catastrophe data calls. These draft concepts also incorporate lessons learned from the Hurricane Harvey data call. This includes simplifying the data call and providing for a more automated data handling process.

## Data Elements for Reporting

Insurers will be required to report the following data elements. Data elements shown with a "\*" are data elements that are **not** currently part of the NAIC Catastrophe Data Call.

Data Element	Lines of Insurance Required
Number of reported claims	Each listed line of insurance
Number of claims closed with payment	Each listed line of insurance
Number of claims closed without payment	Each listed line of insurance
Amount of direct losses paid	Each listed line of insurance
Amount of direct case incurred losses	Each listed line of insurance
Average number of days to close a claim*	Residential property only
Estimated ultimate direct incurred loss*	All ZIP codes and lines of insurance combined
Estimated ultimate net incurred loss*	All ZIP codes and lines of insurance combined

## Lines of Insurance Required to Report

Insurers will be required to report data for each of the following lines of insurance. However, for a specific catastrophe, TDI **may** further limit the lines of insurance that companies are required to report. Lines of insurance shown with a "\*" are lines that are **not** part of the NAIC catastrophe data call.

Lines of Insurance	
1. Residential property – ACV policies*	6. Commercial automobile phys. dam.
2. Residential property – RCV policies*	7. Federal flood insurance*
3. Commercial property (other than business interruption)	8. Private flood insurance
4. Business interruption	9. All other lines of insurance <sup>1</sup>
5. Private passenger automobile phys. dam.	

## Companies Required to Report

All companies, including surplus lines companies and farm mutual companies, that either:

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<sup>1</sup>Excluding workers' compensation, credit, fidelity, surety, warranty, and any type of liability insurance (for example, medical malpractice, general liability, products liability, and automobile liability).

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- wrote more than **\$1 million** in Texas direct written premium in total for the specified lines in the **prior calendar year**; or
- are expected to write more than **\$1 million** in Texas direct written premium in the catastrophe year and are specifically required by TDI to report. Insurers required by TDI to report are only required to report data for residential property and private passenger automobile.

**Exceptions:** Surplus lines companies will not be required to report any data for residential property or private passenger automobile insurance.

Specified lines of insurance used to determine the \$1 million reporting threshold are:

Fire	Ocean marine
Allied lines	Inland marine
Multiple peril crop	Earthquake
Federal flood	Private passenger auto physical damage
Private crop	Commercial auto physical damage
Private flood	Aircraft
Farmowners	Boiler and machinery
Homeowners	Aggregate write-ins for other lines
Commercial multiple peril (non-liability)	

## Other Reporting Requirements

- Insurance companies must report their data by **ZIP code** for all specified ZIP codes. TDI will specify the ZIP codes, which will vary depending on the catastrophe.
- TDI will provide easy response options for companies that meet the reporting requirement but do not have exposures or claims to report for a particular catastrophe.
- Companies will not be required to report more frequently than **weekly**.
- Companies must provide one submission per company.
  - Companies may not provide submissions by group.
  - Companies that write through multiple Managing General Agents (MGAs) or programs, must report their data for all MGAs or programs combined. Submissions by MGA or program will not be accepted.

NAIC data call template currently allows for group reporting instead of company reporting.

- TDI will not accept data from MGAs, insurance agents, or insurance agencies, unless:
  - the MGA, insurance agent, or insurance agency has permission from the insurance company to report on the insurance company's behalf; **and**
  - submissions sent by the MGA, insurance agent, or insurance agency are **complete submissions** for the company and include data for **all** MGAs and programs written by the company in Texas.

## **TDI DRAFT CONCEPT FOR CATASTROPHE DATA CALLS**

- Companies will **not** be able to alter the reporting form in **any** way. Except for the area where companies must enter their information and data, the reporting form will be **locked and protected**.
- The reporting form will contain edits or data flags to ensure the data is complete and passes data reasonability checks. TDI will publish all applicable edits and data flags before insurers are required to report. **Each submission must pass all edits and data flags. TDI will not accept any submissions that fail any edit or data flag.**