

Alabama Liability Insurance Coverage Data Call

Alabama Department of Insurance

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Table of Contents

Scope of Work	3
Data Call Process Overview	3
Analysis of Claims and Exposure Data	4
Introduction	4
Summary of Data Records Received.....	6
Legal Claims Increasing Over Time.....	6
Concentration of Legal Claims by County.....	9
Impact of Higher Legal Claims on Average Paid Amounts	11
Increase in Average Loss Costs are driving higher Rates	14
Higher Average Paid Losses in Legal Claims.....	15
Average Defense Containment Costs for Litigated Claims	16
Full Limit Claims.....	17
Other Potential Drivers of Increases	18
Reporting Delay	18
Settlement Delay	19
Increase in Large Losses.....	21
Qualitative Analysis	22
Supplemental Actuarial Analysis.....	22
Current Conditions Questionnaire.....	22
Summary of Key Themes	22
Premium Cost Drivers.....	23
Glossary of Terms	26
Listing of Acronyms	27
Appendix A: Data Call	28
Appendix B: Data Collection and Consolidation Process	29
Process Overview Summary.....	29
Data Collection and Import Process	29
Data Quality Review and Data Correction	29
Data Dictionaries.....	31
Database Support for Analytical Reporting.....	31
Appendix C: High-level Data Statistics	35
Information by Line of Business.....	35
Information by Closed Claim Flag.....	36
Information by Legal Flag	36

Scope of Work

Risk & Regulatory Consulting, LLC (“RRC” or “Contractor”) issued a data call and performed an analysis of the effects of liability insurance coverage on insurance claim costs. The data call included 990 Alabama carriers writing personal and commercial auto, medical professional liability, other professional liability, personal and commercial umbrella and commercial general liability coverage (excluding Homeowners).

RRC’s scope of the engagement with the Alabama Department of Insurance (“ALDOI”) was limited to analyzing and summarizing the Insurer’s data and information. The analysis, summaries and observations in this Report are based solely on the data submitted by the Insurers. All data submissions were self-reported by the Insurers without audit or independent verification. The scope of work was limited to collecting, reviewing and correcting (as needed), summarizing, and analyzing the data provided by the Insurers. The work performed by the analysis team did not include suggesting any actions or making any decisions based on the data analysis.

Due to delays in receiving data in the required format and the volume of data received, some data anomalies could not be corrected, which may have impacted the identification of additional trends. These matters were discussed with the ALDOI and are expected to be addressed in subsequent data calls and analyses.

Upon completion of the analysis, this report (Report) was drafted in coordination with the ALDOI.

Data Call Process Overview

The ALDOI commenced a data call (“Data Call”) of 990 Insurers writing personal and commercial auto, medical professional liability, other professional liability, personal and commercial umbrella, and commercial general liability (excluding homeowners) transacting business in the state of Alabama for accident dates between January 1, 2015, and December 31, 2024 (“Period of Review”). The Data Call requested the following data and documents:

- a) Affidavit
- b) Entity Summary Information
- c) Line of Business (“LOB”) Claims Information
- d) Supplemental Actuarial Analysis (or other statistical analysis) readily available of the risks due to litigation that inform premiums and any analyses that review the impact of litigation to cost escalation in Alabama
- e) Current Conditions Questionnaire
- f) LOB Exposure Information

The Data Call notification letter, instructions, and submission file templates can be found in Appendix A.

RRC was engaged by the ALDOI to collect and analyze the data received from the Insurers as noted above. The Contractor evaluated the reasonableness of the data provided by the Insurers and made further inquiries of the Insurers as deemed necessary. Additionally, with ALDOI agreement, an affidavit was obtained from the Insurers attesting to the accuracy, completeness and integrity of the data provided to the ALDOI. The Contractor did not independently verify the Insurers’ data and performed

no procedures to confirm completeness of the data provided by the Insurers; therefore, the Contractor makes no representations regarding the accuracy or integrity of the data and information submitted by the Insurers. Contractor personnel participated in this engagement in their capacity as Market Conduct Examiners, Data Analysts, and Actuaries under the direction and supervision of the ALDOI. The Contractor provides no legal interpretations or opinions, which remain the sole responsibility of the ALDOI.

Appendix B outlines the procedures used for data collection, consolidation, and subsequent transformations, while Appendix C provides a summary of key data fields received.

Analysis of Claims and Exposure Data

Introduction

A summary of our analysis of detailed claims and exposure data received is as follows:

- Data was received from 439 insurers, representing \$19.5 billion in total paid losses. During validation, numerous data quality issues were identified; therefore, the analysis focused on submissions from insurers with more than \$5 million in total paid losses. This approach reduced the dataset to 171 Insurers, which was further reduced to 167 insurers due to variances between requested reporting files and missing critical data fields. The final 167 Insurers account for \$18.8 billion, or 97%, of the total paid losses received.
- Upon review by the analysis team, certain records were found to contain invalid values for Line of Business, claim feature, open/closed status, litigated indicator, or closed year. For tables that require these fields, we have omitted invalid records. Additionally, claims with Collision features were excluded to focus the analysis on liability coverage.

The impact of restricting to the 167 Insurers (as described above) and excluding collision features and open claims is shown in the table below. Unless otherwise stated, the subsequent tables include only records from the 167 Insurers, excluding collision features and open claims.

Claim Data Summary of Data Exclusion Impacts	
Scenario	Total Paid
167 Insurers	\$19,173,005,004
167 Insurers Ex Collision	\$13,187,706,772
167 Insurers Ex Collision and Open Claims	\$12,768,046,262

Table 1 – Data Exclusion Summary¹

The analysis team’s review of data submitted by the Insurers for all LOBs combined, produced the following insights:

- The percentage of legal claims has increased over time, for most lines of business reviewed.
- There is a concentration of Legal Claims in certain counties.
- Increases in the legal percentage appear to be driving up average claim amounts, above the Consumer Price Index (“CPI”) rate of increase.
- Rising average claim amounts appear to be contributing to higher loss costs and, consequently, increased rates.
- Legal Claims are prevalent for Auto-BI, Umbrella, GL, MPL and PL, and these claims have substantially higher average paid losses.
- Average Defense and Containment Costs (DCC) for litigated claims are increasing over time.
- A greater proportion of claims are reaching full or near-full policy limits, primarily driven by legal claims.
- Other potential drivers of increases include reporting delays and settlement delays.
- There is a noticeable increase in large losses.

The dataset was divided into ‘Legal’ and ‘Non-Legal’ records using various results from the data provided and / or some constructed fields based on the data provided. See Appendix B for information about the ‘Legal Flag’ construction.

Note that, unless stated otherwise, the charts and tables in this section are reviewing total paid (loss + DCC) amounts. Record counts are reviewed, recognizing that some claims may include multiple claim

¹ The \$19.2 billion shown in Table 1 differs from the \$19.5 billion referenced on page 4. The \$19.2 billion reflects the total paid amount (loss+DCC) for the 167 Insurers after removing duplicate claims, as discussed later in the report, whereas the \$19.5 billion reflects the total paid loss amount for all Insurers that submitted data.

features. References to severity relate to severity per claim feature.

Summary of Data Records Received

Table 2 is a summary, by line of business, of the 4.9 million records we received from the 167 Insurers.

Line of Business Claim Data All Records for 167 Companies Included		
Line of Business	Record Count	Total Paid Amount (\$m)
Private Passenger Auto Liability	4,646,165	14,711
Commercial Auto Liability	213,566	2,420
Personal Umbrella	549	126
Commercial Umbrella	2,729	398
General Liability	69,214	1,092
Medical Professional Liability	4,361	186
Other Professional Liability	9,068	242
Total	4,945,652	19,173

Table 2 – Summary of Record Count and Paid Amounts – All Records

Legal Claims Increasing Over Time

Litigated / legal claims represent a growing portion of the total paid amount.

Table 3 Below is the corresponding table for Private Passenger Auto Liability claims, which account for a substantial portion of both record counts and total paid losses in the dataset. The table reflects a similar upward trend in legal record counts and paid amounts for litigated claims over time. The table summarizes total claims, and paid loss amounts by closed year. Overall, the percentage of legal claims in Alabama has increased in both claim counts and dollar amounts. Additionally, the average paid loss per claim has risen significantly over the past five years, suggesting that increasing claim severity is likely influenced by legal involvement.

Total Records and Legal Percentages					
All LOB, All Claim Features Except Collision					
Closed Year	Record Count	Total Paid Amount (\$)	Average Paid Per Record (\$)	% Legal by Count	% Legal by Dollar
2020	359,493	1,259,982,944	3,505	10%	51%
2021	374,581	1,372,247,291	3,663	10%	50%
2022	364,446	1,530,985,043	4,201	10%	52%
2023	344,627	1,698,908,033	4,930	12%	53%
2024	340,753	1,733,500,061	5,087	13%	54%

Table 3 – Total Records and Legal Percentages (All LOBs, All features except for Collision)

Below is the corresponding table for Private Passenger Auto Liability claims, which account for a substantial portion of both record counts and total paid losses in the dataset. The table reflects a similar upward trend in legal record counts and paid amounts for litigated claims over time.

Total Records and Legal Percentages					
PPAL, All Claim Features Except Collision					
Closed Year	Record Count	Total Paid Amount (\$)	Average Paid Per Record (\$)	% Legal by Count	% Legal by Dollar
2020	336,805	897,074,568	2,663	9%	44%
2021	352,009	959,185,590	2,725	9%	44%
2022	340,334	1,057,955,378	3,109	9%	43%
2023	320,742	1,121,427,186	3,496	11%	43%
2024	317,873	1,145,896,980	3,605	12%	46%

Table 4 – Total Records and Legal Percentages (PPAL, All Features except for Collision)

The table below presents data for Commercial Umbrella and Personal Umbrella coverage. Between 2020 and 2024, the proportion of legal claims increased, while legal claim dollars exhibited volatility. The spike in paid losses in 2023 is attributed to an increase in large claims including one \$15 million claim. Although 2024 remains elevated compared to earlier years, average paid losses per record have risen sharply since 2020.

Total Records and Legal Percentages					
CU and PU, All Claim Features Except Collision					
Closed Year	Record Count	Total Paid Amount (\$)	Average Paid Per Record (\$)	% Legal by Count	% Legal by Dollar
2020	313	40,946,343	130,819	35%	72%
2021	261	55,247,630	211,677	29%	40%
2022	308	48,422,275	157,215	29%	55%
2023	370	109,770,907	296,678	35%	55%
2024	335	86,520,300	258,270	42%	54%

Table 5 – Total Records and Legal Percentages (CU and PU, All Features except for Collision)

For Medical Professional Liability claims, almost all (98%+) of claims with payment are legal claims.

Total Records and Legal Percentages					
Closed Year	MPL, All Claim Features Except Collision				
	Record Count	Total Paid Amount (\$)	Average Paid Per Record (\$)	% Legal by Count	% Legal by Dollar
2020	405	9,661,923	23,857	62%	98%
2021	367	11,678,019	31,820	72%	99%
2022	269	16,983,362	63,135	71%	100%
2023	471	17,926,230	38,060	79%	99%
2024	398	23,471,770	58,974	74%	99%

Table 6 – Total Records and Legal Percentages (MPL, All Features except for Collision)

Tables 7, 8, and 9 present data for Commercial Auto Liability, General Liability, and Other Professional Liability. Severity for all three lines of business have increased between 2020 and 2024. Legal claims have risen in Commercial Auto Liability and General Liability; Other Professional Liability has remained relatively stable across years.

Total Records and Legal Percentages					
Closed Year	CAL, All Claim Features Except Collision				
	Record Count	Total Paid Amount (\$)	Average Paid Per Record (\$)	% Legal by Count	% Legal by Dollar
2020	14,992	197,632,107	13,183	22%	67%
2021	14,745	214,765,230	14,565	23%	64%
2022	16,314	253,506,791	15,539	23%	72%
2023	16,111	266,274,126	16,527	25%	72%
2024	15,417	284,650,150	18,463	26%	71%

Table 7 – Total Records and Legal Percentages (CAL, All Features except for Collision)

Total Records and Legal Percentages					
Closed Year	GL, All Claim Features Except Collision				
	Record Count	Total Paid Amount (\$)	Average Paid Per Record (\$)	% Legal by Count	% Legal by Dollar
2020	6,178	94,078,071	15,228	24%	68%
2021	6,459	100,038,160	15,488	23%	71%
2022	6,405	132,513,830	20,689	24%	72%
2023	5,895	148,412,632	25,176	29%	79%
2024	5,697	160,740,856	28,215	31%	65%

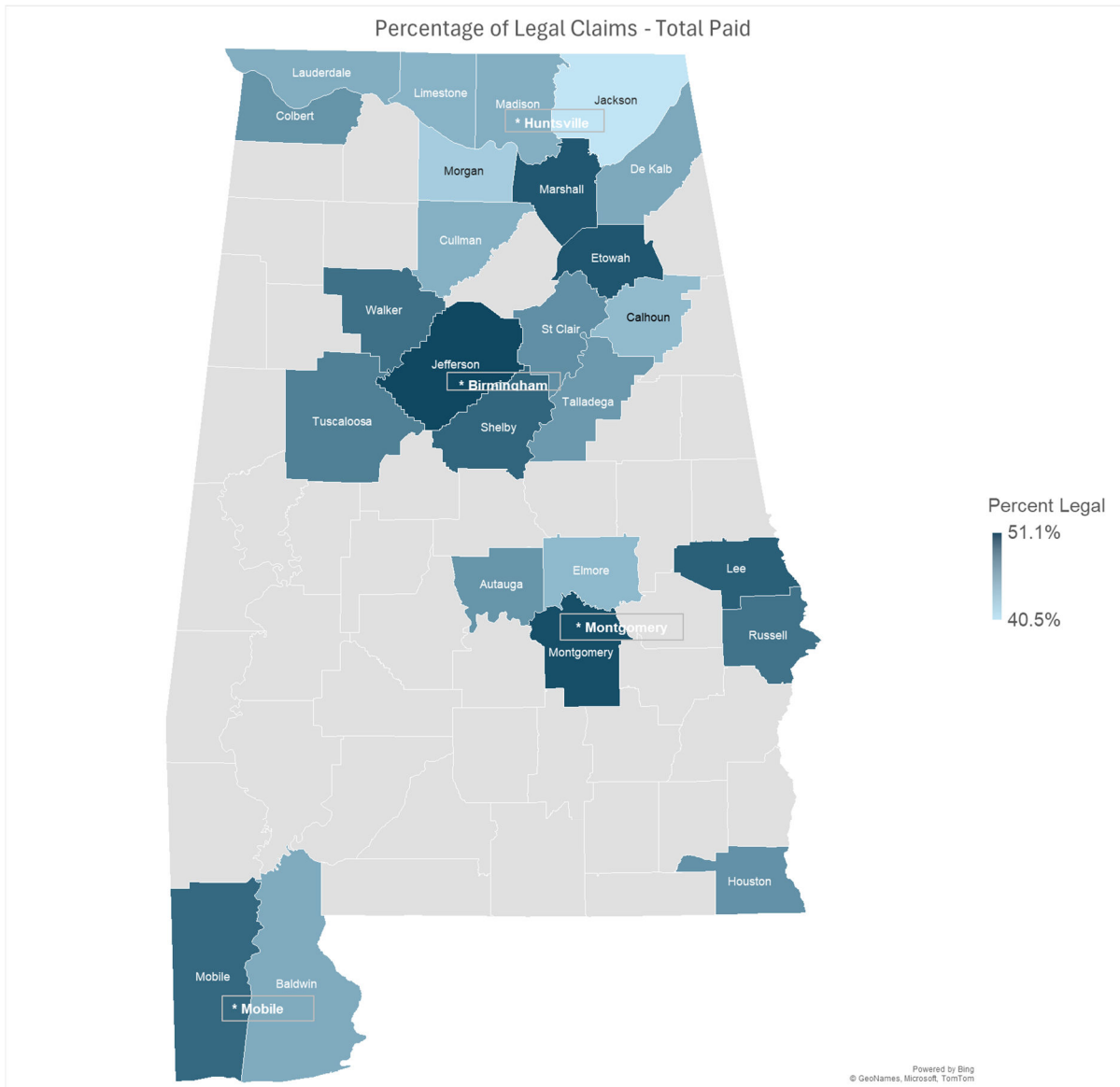
Table 8 – Total Records and Legal Percentages (GL, All Features except for Collision)

Total Records and Legal Percentages					
Closed Year	PL, All Claim Features Except Collision				
	Record Count	Total Paid Amount (\$)	Average Paid Per Record (\$)	% Legal by Count	% Legal by Dollar
2020	793	20,584,946	25,958	55%	64%
2021	740	31,332,661	42,341	55%	89%
2022	816	21,603,407	26,475	53%	90%
2023	1,038	35,096,952	33,812	47%	66%
2024	1,031	32,219,790	31,251	54%	93%

Table 9 – Total Records and Legal Percentages (PL, All Features except for Collision)

Concentration of Legal Claims by County

The map below illustrates the percentage of legal paid claims by county in Alabama. Policyholder zip codes were matched to their respective counties, and total paid losses (including DCC) were classified as legal or non-legal. To improve clarity, counties with less than \$100 million in total paid dollars were excluded, highlighting legal paid loss percentages in counties with significant exposure. The \$100 million threshold was chosen to capture counties with substantial losses while reducing noise from smaller exposures.



Map 1 – Percentage (Total Paid) of Legal Claims by County

The most populous cities in Alabama include Huntsville, Birmingham, Mobile, Montgomery, and Tuscaloosa, located in Jefferson, Montgomery, Mobile, and Tuscaloosa counties.² Marshall, Montgomery, Jefferson, Etowah, Russell, Lee, Walker, Shelby, and Mobile Counties, have legal paid loss percentages of 48% or higher. Three of these counties rank among the state’s most populous; however, smaller counties such as Marshall may also represent litigation hotspots despite their lower population.

² [Alabama Cities by Population \(2025\): https://www.alabama-demographics.com/cities_by_population](https://www.alabama-demographics.com/cities_by_population)

Impact of Higher Legal Claims on Average Paid Amounts

The charts below illustrate cumulative changes in the average paid loss and DCC amounts by closed year compared to the cumulative Consumer Price Index (CPI), using 2019 as a base year. Chart 1 displays valid data for all lines of business and shows that average claim amounts have increased at a significantly faster rate than CPI. By 2024, the cumulative CPI is approximately 23%, while the average liability severity has increased by about 59%.

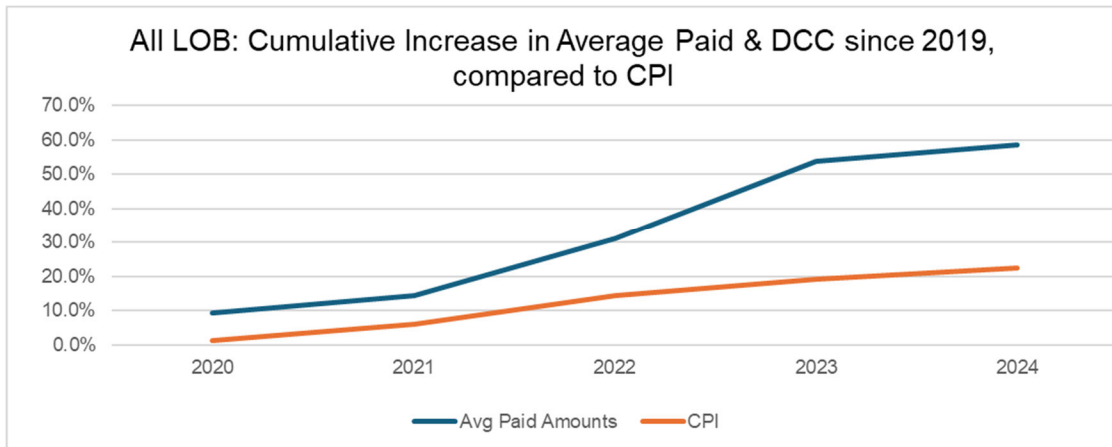


Chart 1 –Change in Average Paid Compared to the CPI, All LOB

The PPAL chart below follows a similar pattern to the chart above, where we note increases in average paid losses above 44%.

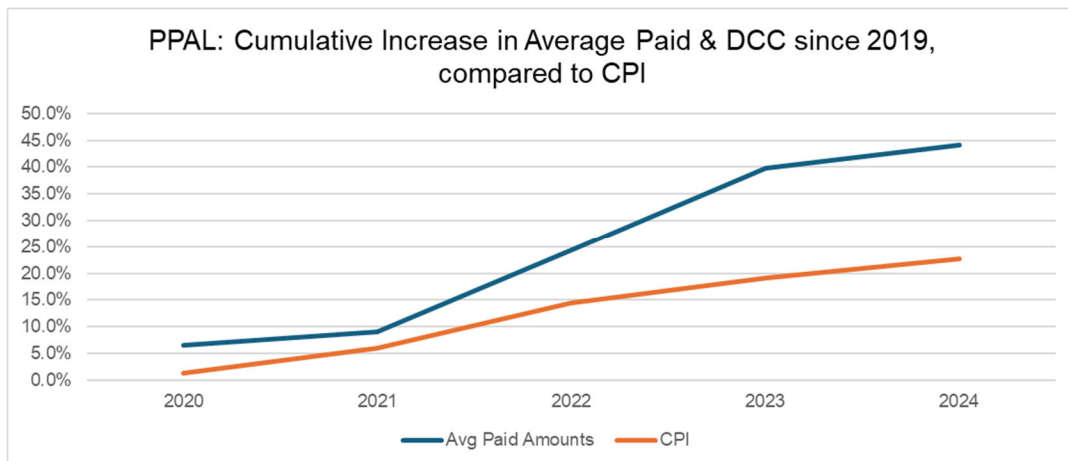


Chart 2 –Change in Average Paid Compared to the CPI, PPAL only

Chart 3 presents data specific to CAL only. The variance between the cumulative CPI and average severity trend is greater in 2020 than what was observed across all lines of business, and this gap continues to expand through 2024.

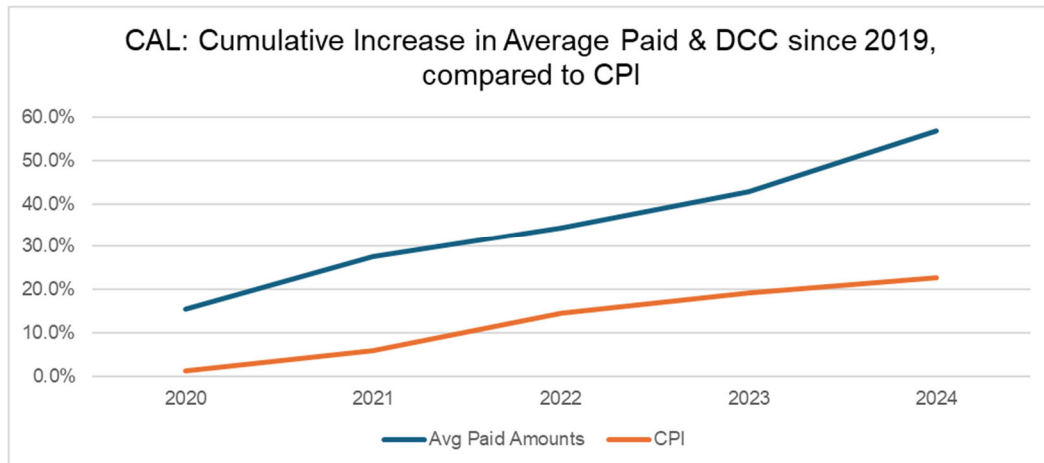


Chart 3 –Change in Average Paid Compared to the CPI, CAL only

General liability average claim trend has experienced large trend increases since 2019.

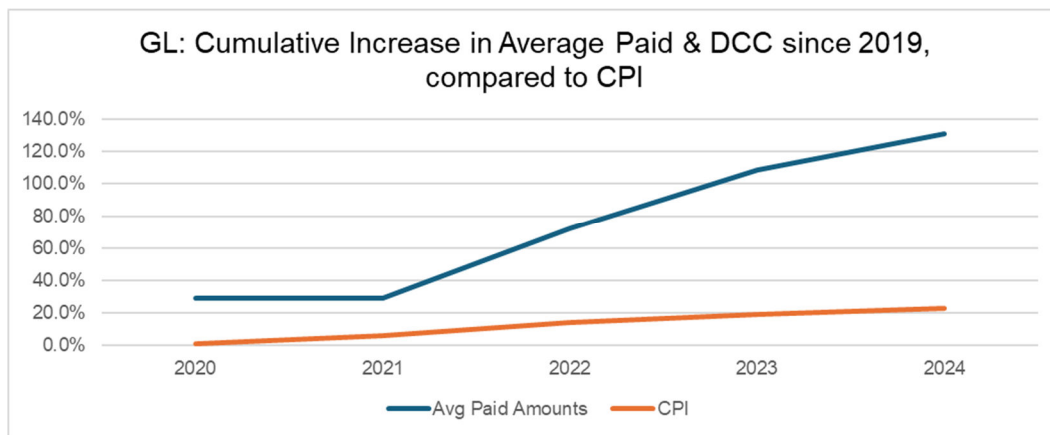


Chart 4 –Change in Average Paid Compared to the CPI, GL only

Commercial and Personal Umbrella coverage tends to be more volatile due to the lower frequency of reported claims compared to other lines of business. However, the trend is significant - average paid losses in 2024 are approximately 200% higher than in 2019.

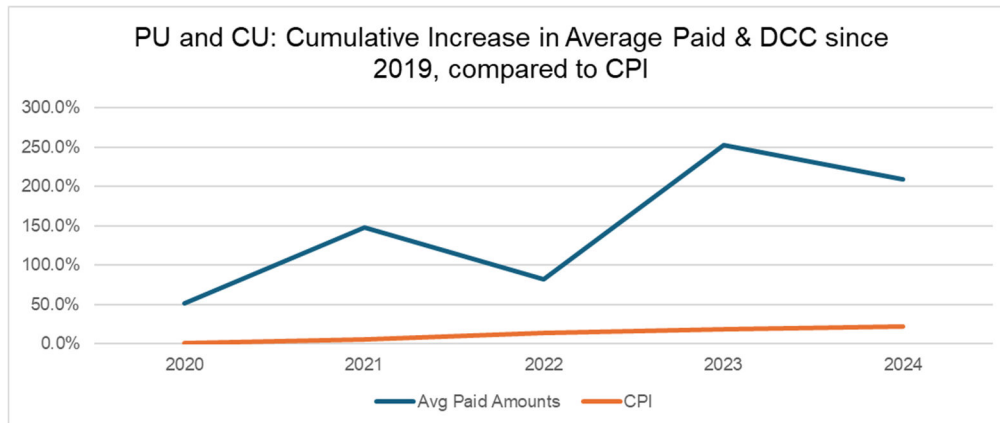


Chart 5 –Change in Average Paid Compared to the CPI, Umbrella only

Medical Professional Liability has some volatility similar to Umbrella coverage, but still exhibits a trend that significantly outpaces the cumulative CPI.

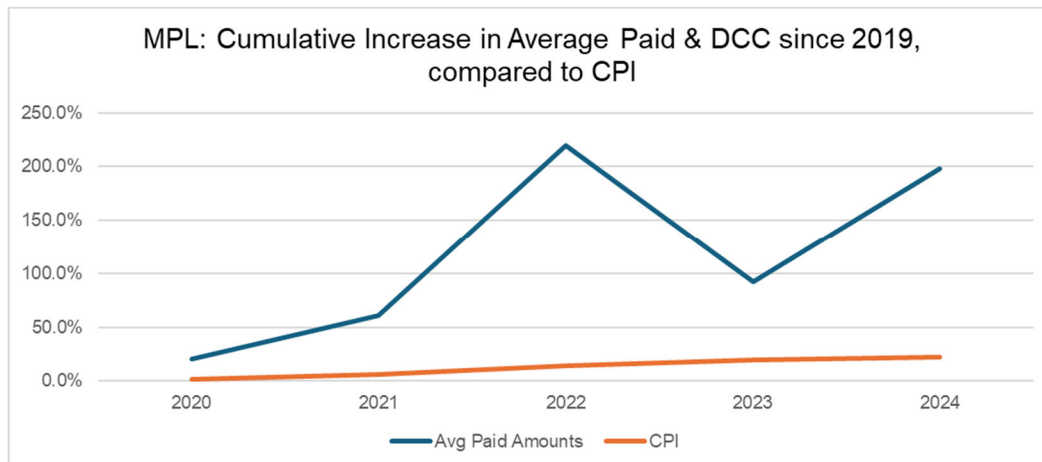


Chart 6 –Change in Average Paid Compared to the CPI, MPL only

Other Professional Liability experience appears highly volatile and lacks credibility, with average loss trends swinging dramatically from year to year.

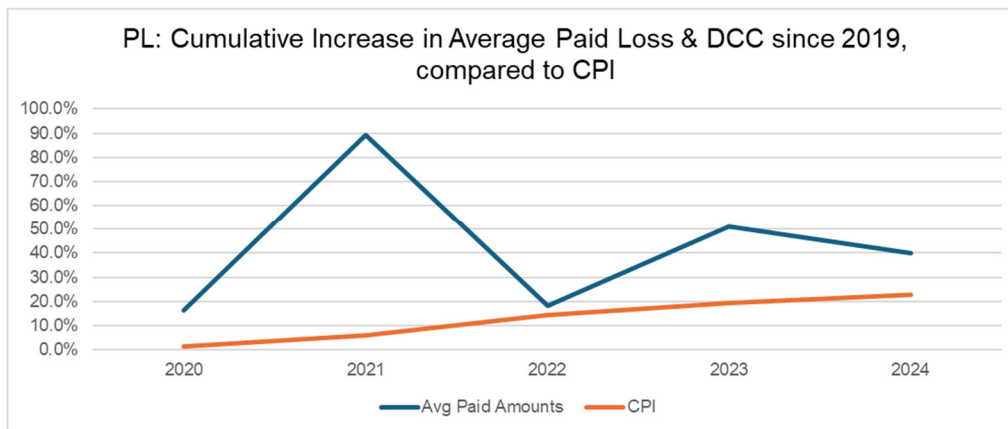


Chart 7 –Change in Average Paid Compared to the CPI, PL only

Increase in Average Loss Costs are driving higher Rates

The chart below compares the trend in ultimate loss cost (total paid losses with development³ applied divided by car year exposures), cumulative CPI, and earned premiums for Personal Passenger Auto Liability from 2015 to 2024. This chart shows that through 2022, rate changes tracked closely with CPI. Since 2022, both rates and ultimate loss costs have increased substantially above the CPI. Based on our analysis of legal claims, this increase may be at least partially driven by the growth in legal claims.

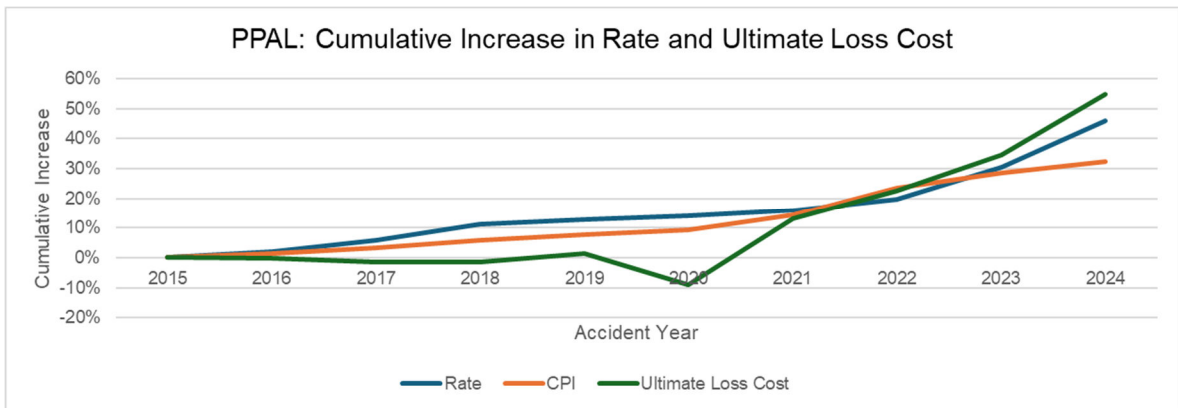


Chart 8 –Relationship between Ultimate Loss Costs and Premium, PPAL only

The chart below presents similar data for Commercial Auto Liability.⁴ In 2024, both ultimate loss costs and rates exceed cumulative CPI. Based on our analysis of legal claims, this increase may be at least partially driven by increasing legal claims.

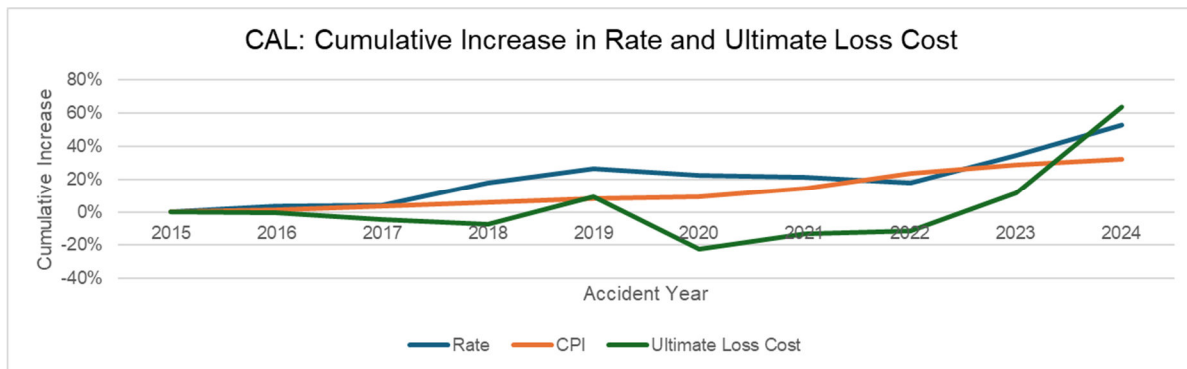


Chart 9 –Relationship between Ultimate Loss Costs and Premium, CAL only

³ Development is based on a review of industry loss development, prepared by S&P Global, using Schedule P information for PPAL.

⁴ Development is based on a review of industry loss development, prepared by S&P Global, using Schedule P information for CAL.

The chart below presents similar data for Personal Umbrella.⁵ Ultimate loss costs are significantly higher than cumulative CPI. Based on our analysis of legal claims, this increase may be at least partially driven by increasing legal claims.

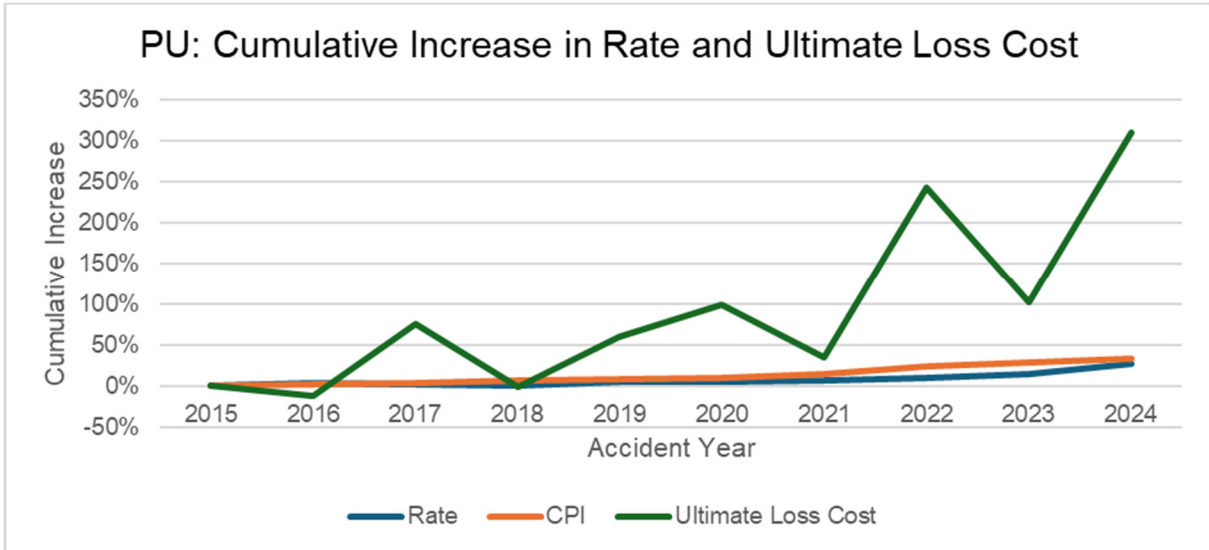


Chart 10 –Relationship between Ultimate Loss Costs and Premium, PU only

Higher Average Paid Losses in Legal Claims

The chart below summarizes closed claim data across all lines of business for closed years 2015 through 2024. Personal Passenger Auto Liability and Commercial Auto Liability are shown separately for Bodily Injury claims and for claims excluding Bodily Injury. Overall, legal claims are most prevalent in Commercial and Personal Auto Liability Bodily Injury claims, as well as in Umbrella, General Liability, Medical Professional Liability, and Other Professional Liability lines of business.

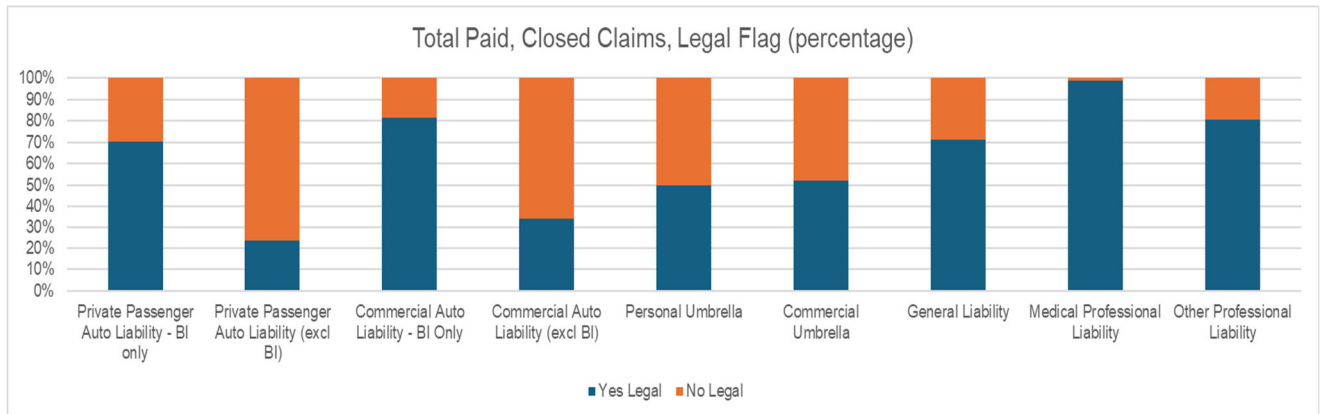


Chart 11 – Total Paid Legal Percentages for Closed Claims by LOB

The following charts show the average paid loss dollars for closed claims, segmented by legal flag. Across all lines of business, legal claims exhibit substantially higher average paid losses. Umbrella

⁵ Development is based on a recent ISO filing, ISOF-132604899.

coverage is shown in a separate chart due to the disproportionate scale of these losses compared to other lines of business.

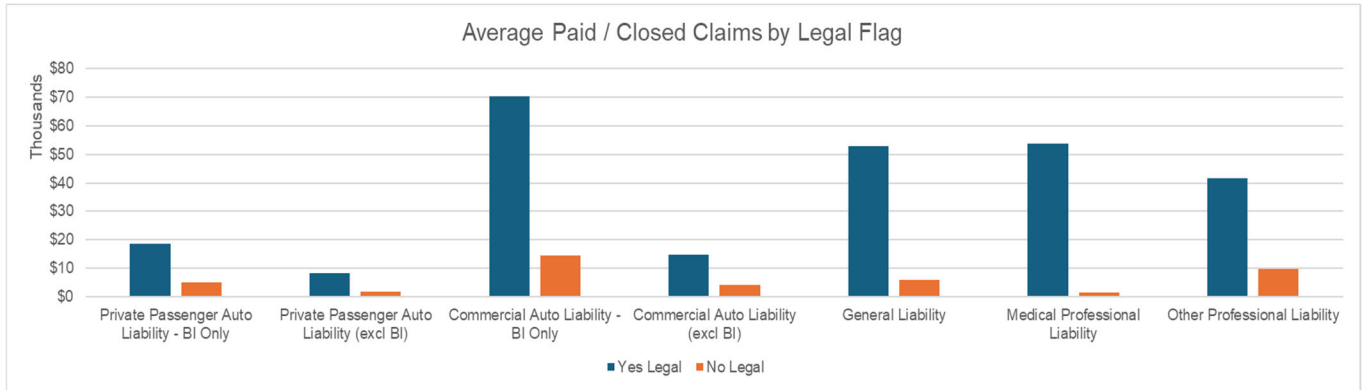


Chart 12 – Average Paid for Closed Claims by LOB, excluding Umbrella

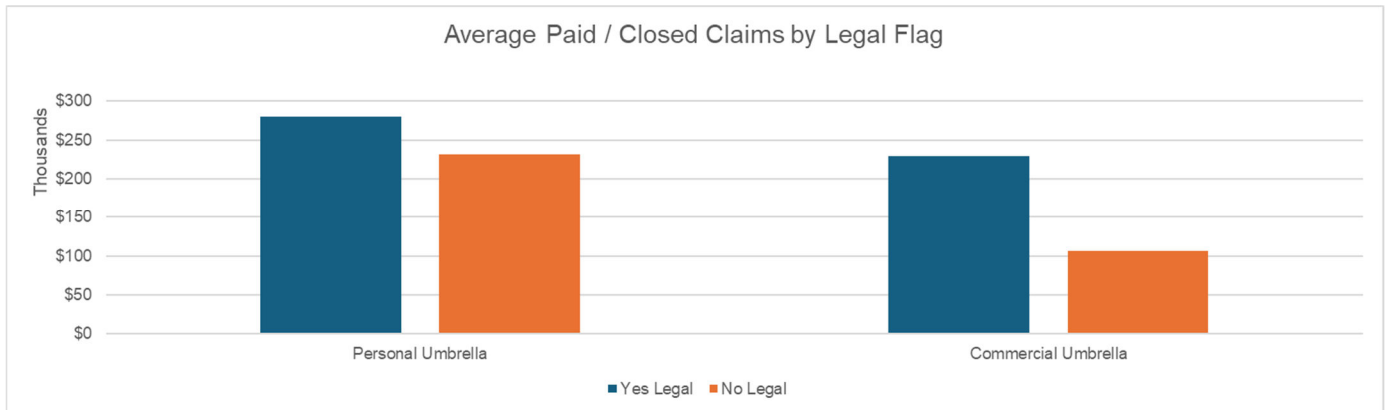


Chart 13 – Average Paid for Closed Claims by LOB, including Umbrella only

Average Defense Containment Costs for Litigated Claims

Chart 14 displays average defense containment costs for closed claims across all lines of business for closure years 2020 through 2024. Average legal defense costs have increased from \$1,536 in 2020 to \$2,028 in 2024, an increase of 32%. In comparison, average non-legal defense costs grew from \$30 to \$35 over the same time period, an increase of 16%. As expected, DCC spending is significantly higher for legal claims than for non-legal claims.

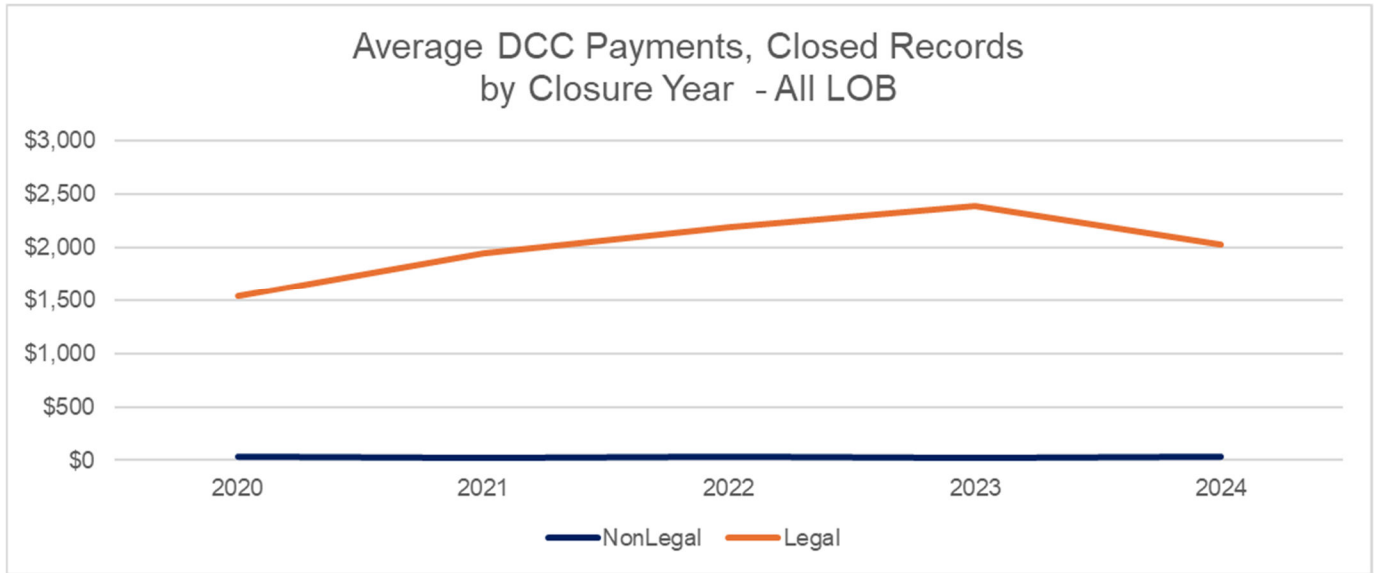


Chart 14 – Average Paid DCC for Closed Claims

Full Limit Claims

The chart below shows that an increasing share of claims are reaching full or near-full coverage limits over time. In 2020, 47% of closed claims had total paid losses between 0% and 10% of the coverage limit. By 2024, this share declined to about 42%. Conversely, claims where total paid losses met or exceeded the coverage limit rose from 10% in 2020 to 13% in 2024, indicating a growing proportion of full-limit claims.

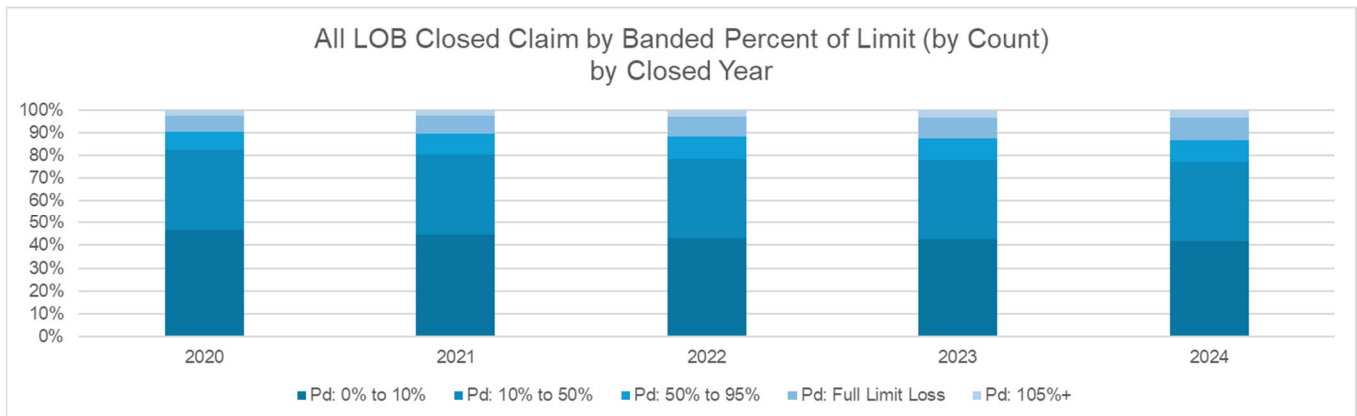


Chart 15 – Total Paid Loss Dollars to Coverage Limit Ratio for Closed Claims for all LOBs

The increase in claims meeting or exceeding coverage limits is primarily driven by legal claims, as illustrated in the two charts below. Legal claims show a significantly higher proportion of full-limit outcomes, rising from 22% in 2020 to 28% in 2024. In contrast, non-legal claims meeting or exceeding the coverage limit remain relatively stable, ranging from 7% to 9% over the same period.

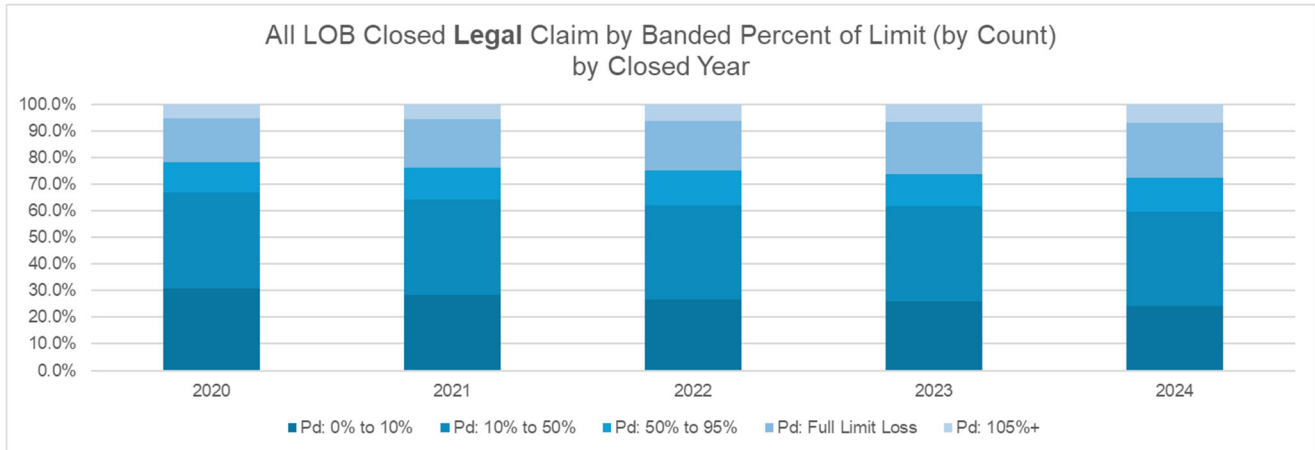


Chart 16 – Total Paid Loss Dollars to Coverage Limit Ratio for Closed Claims for all LOBs – Legal Claims Only

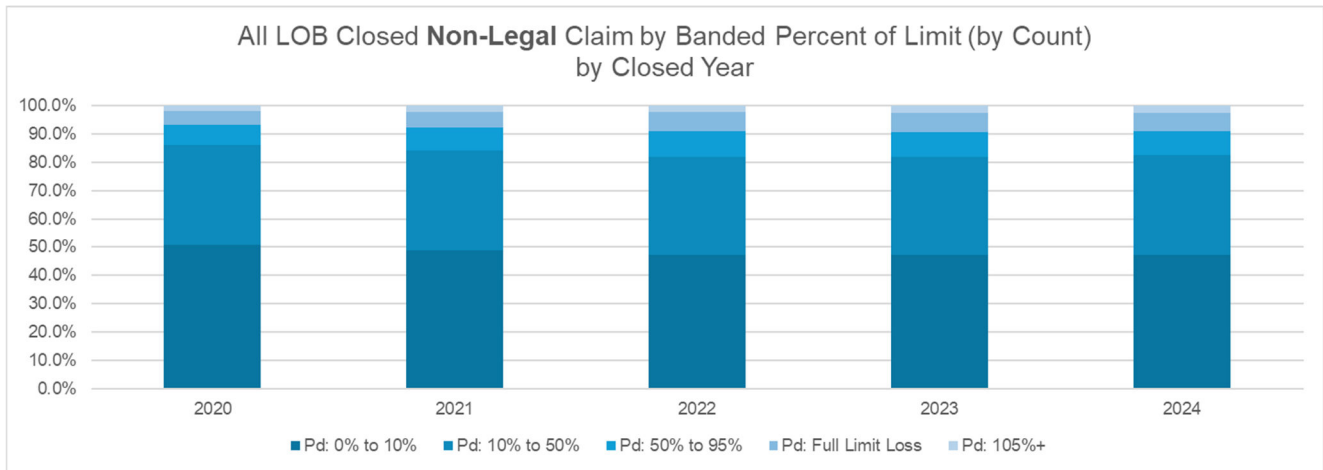


Chart 17 – Total Paid Loss Dollars to Coverage Limit Ratio for Closed Claims for all LOBs – Non-Legal Claims Only

Other Potential Drivers of Increases

Reporting and settlement delays appear to be correlated with higher average claim amounts.

Reporting Delay

The chart below shows the average paid losses by reporting delay for claims closed between 2020 and 2024. As reporting delays increase, both legal and non-legal payments generally rise. The average reporting delay for non-legal claims is 11 days, which is much shorter than the average reporting delay for legal claims of 43 days.

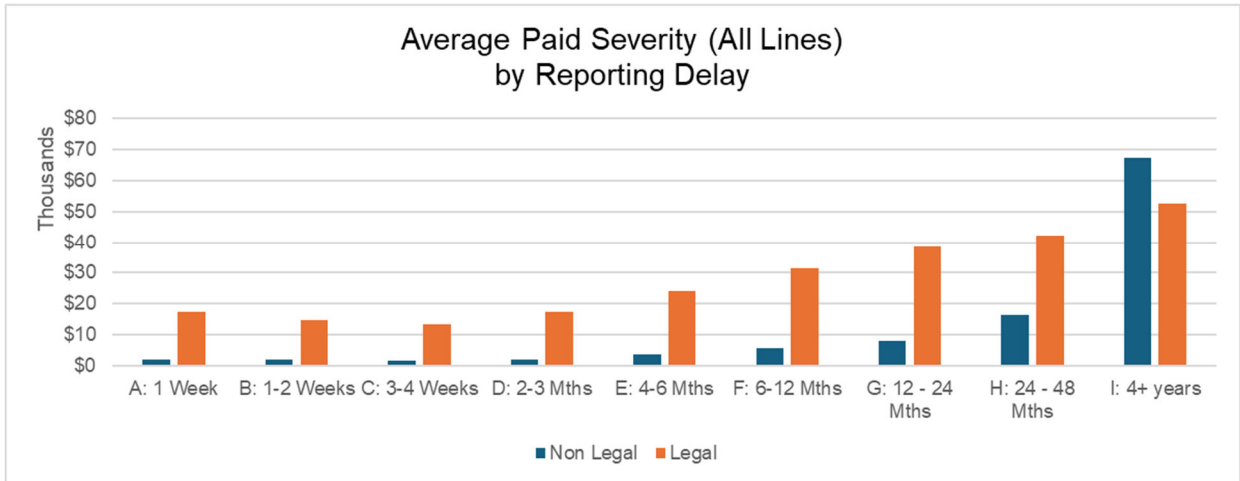


Chart 18 – Average Paid Severity by Reporting Delay, All LOB

Settlement Delay

Average paid losses for both legal and non-legal claims generally increase as settlement delays lengthen.

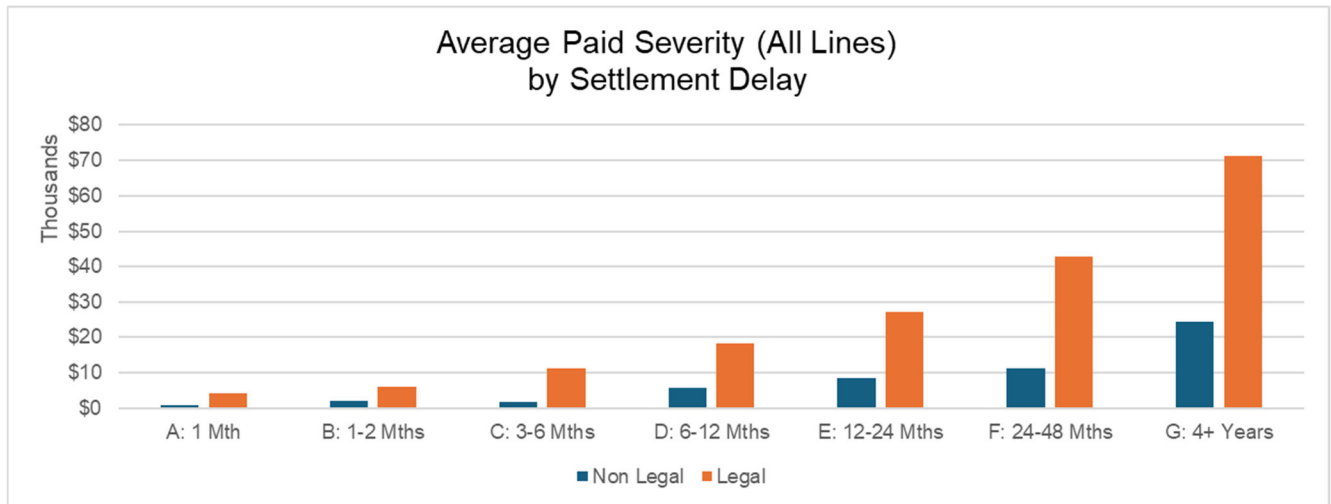


Chart 19 – Average Paid Severity by Settlement Delay, All LOB

The chart below illustrates the percentage of total losses paid by settlement delay for legal and non-legal claims. Approximately 21% of non-legal claims are settled within the first month, compared to just 11% for legal claims. In contrast, about 26% of legal claims are settled after 24 months or more, while only 8% of non-legal claims fall into this category. This highlights that legal claims generally take significantly longer to settle.

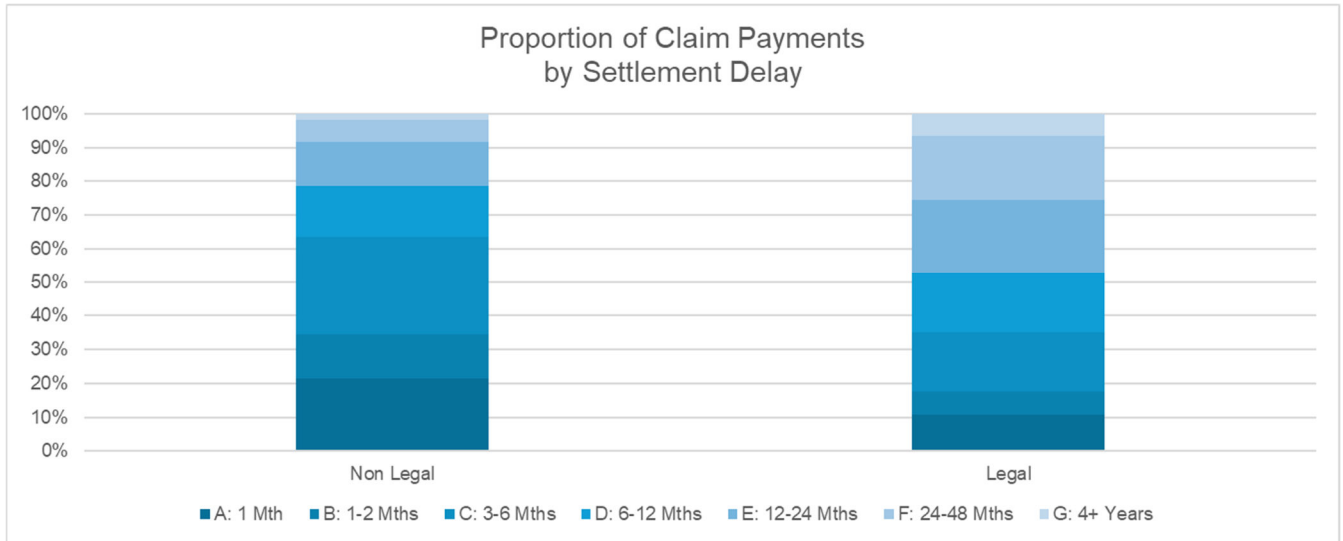


Chart 20 –Proportion of Claim Payments by Settlement Delay, All LOB

Increase in Large Losses

There are some Insurers that have expressed concerns that nuclear verdicts are impacting AL claim settlements and contributing to rising insurance premiums.

The data supports this, showing an increase in both the number and size of large claims, particularly within Umbrella, General Liability, and MPL lines. The losses in Table 10 and Table 11 below are based on Total Paid Losses (excluding DCC).

Closed Year	Large Losses (above \$1m)							Total	
	Private Passenger Auto Liability	Commercial Auto Liability	Personal Umbrella	Record Count			Medical Professional Liability		Other Professional Liability
				Commercial Umbrella	General Liability				
2020	0	22	5	11	10	1	2	51	
2021	1	22	4	16	10	2	5	60	
2022	5	21	7	14	22	3	2	74	
2023	1	26	13	25	26	6	5	102	
2024	4	22	6	25	32	8	5	102	
Total	11	113	35	91	100	20	19	389	

Table 10 – Large Claims Over \$1 Million

Table 11 shows the record count from valid records for all closed claims over \$10,000, grouped into buckets ranging up to more than \$10 million.

Loss Range	Large Losses (above \$10k)							Total	
	Private Passenger Auto Liability	Commercial Auto Liability	Personal Umbrella	Record Count			Medical Professional Liability		Other Professional Liability
				Commercial Umbrella	General Liability				
10K–50K	197,491	19,192	25	25	5,329	92	540	222,694	
50K–100K	15,597	2,618	29	13	1,158	34	186	19,635	
100K–500K	5,862	2,177	77	66	1,155	90	167	9,594	
500K–1M	104	509	35	53	185	41	38	965	
1M–5M	14	167	59	120	162	33	28	583	
5M–10M	0	3	1	11	3	0	0	18	
>10M	0	0	0	1	1	0	1	3	
Total	219,068	24,666	226	289	7,993	290	960	253,492	

Table 11 – Record Counts by Total Paid Losses (>\$10k) (All LOBs, All Features)

Private Passenger Auto Liability has the highest volume of claims exceeding \$10,000 but does not include losses in the highest ranges. In contrast, Commercial Umbrella, General Liability, and Other Professional Liability all have claims exceeding \$10 million, with the largest single paid loss being a \$15 million Commercial Umbrella claim.

There are three claims with paid losses exceeding \$10 million. These all have recent closed dates and are a Commercial Auto, a General Liability, and a Professional Liability claim. Our review of Commercial Liability claims above \$5 million shows that many are Bodily Injury-related and include a mix of legal and non-legal claims. Similarly, Personal Liability claims above \$2 million, all auto related including personal umbrella, are Bodily Injury claims and also comprise a mix of legal and non-legal claims.

Qualitative Analysis

Supplemental Actuarial Analysis

As part of the data collected under the ‘Supplemental Actuarial Analysis’ section of the Data Call, the Insurers were instructed to “Provide any relevant supplemental actuarial analysis (or other statistical analysis) readily available of the risks due to tort litigation that inform premiums.”

RRC received 143 items from the Insurers in response to this request. Within these items, there were duplicates which we removed. We also received files which contained additional financial information data but did not include any analysis. We utilized 5 files which provided relevant supplemental actuarial analysis.

The 5 items generally provided an analysis on litigated claims, litigated payments, and attorney representation. The charts within these files demonstrated that attorney representation and suit rate are increasing across several lines of business.

Current Conditions Questionnaire

The Data Call included a series of questions on current conditions through a line of business specific questionnaire. The Insurers’ provided free-form responses, which were reviewed by the analysis team. The summary that follows reflects the Insurers’ opinions or analysis regarding the cost drivers.

The data included responses for Private Passenger Auto Liability (PPAL), Commercial Auto liability (CAL), General Liability (GL), Personal Umbrella (PU) and Commercial Umbrella (CU), Medical Professional Liability (MPL), and Other Professional Liability (PL) as well as general comments addressing the following areas:

- Drivers of Premium
- Trends Regarding Litigated Claims
- Claim Reserving Philosophy
- Additional Information
- Predictive Models

Summary of Key Themes

- Many entities have limited data or no analyses
- Drivers of Premium Increases
 - Severity: Many carriers report rising severity due to litigation and legal system abuse.
 - Defense and legal costs: Attorney fees and prolonged litigation significantly increase expenses.
 - Social inflation: Larger jury verdicts, aggressive plaintiff tactics, and litigation financing are major contributors.
 - Medical overbilling: Inflated medical bills and excessive or fictitious charges that exceed reasonable costs drive up settlement demands.
 - Nuclear verdicts: Extremely high awards create volatility and force higher premiums.

- Indirect Market Factors
 - Increased advertising by plaintiff attorneys and third-party litigation funding prolong cases and raise costs.
 - Some carriers absorb costs to remain competitive, especially in soft markets, while others take rate action.
- Impact on Premiums
 - Premiums rise to offset higher loss costs and uncertainty.
 - In some cases, carriers exit markets or reduce limits due to deteriorating tort environments.

Premium Cost Drivers

The analysis team identified some notable quotes provided by different Insurers pertaining to premium cost drivers.

On Severity and Social Inflation

“There are typically two primary factors contributing to premium increases associated with litigated claims: claim frequency (the number of claims) and claim severity (the cost per claim). In recent years, frequency has remained relatively stable, meaning that the rise in premiums has been driven predominantly by increased severity. For medical professional liability (MPL) carriers, severity encompasses both defense costs and indemnity payments, whether through settlements or jury verdicts. In Alabama, both components have been escalating, reflecting a nationwide trend of increasingly large jury awards. This pattern has, in turn, prompted plaintiff attorneys to seek higher settlement amounts as well.”

On Nuclear Verdicts and Attorney Tactics (and impacts to premium)

“Premium increases related to Auto Liability are driven by both an increase [in] the amount of litigated claims and the increasing claims dollars related to litigation. While not all jurisdictions are the same, there are core operating areas of [the Company] that see increasing propensity for litigation coupled with increasingly aggressive plaintiff attorneys (higher demands, less willingness to settle) that are seeking to maximize returns both for themselves and their clients. On the whole, we believe, given the nature of recent awards, injured parties are more likely to seek litigation than they have been in the past. Additionally, with plaintiff attorneys’ noted more aggressive approach from the attorneys with our own desire to avoid juried trials, settlement dollars alone have been steadily increasing. We have a decreasing willingness to take litigation to trial as, it is our perspective, any claim that goes to trial has a much greater potential for significant damages to be awarded (whether in the spirit of true indemnification or not). All this goes to say that, given these significant increases in claims dollars being paid, the premium must rise in conjunction with the

increases in both frequency and severity of litigated claims as well as to accommodate the unknown variance of potential “nuclear verdicts.”

On Medical Overbilling

“Any increase in overall claim costs naturally causes an increase in the premium needed to cover those costs. Primary drivers of recent increased claims costs include:

**An increase in the number of frivolous and/or fraudulent claims being litigated*

**Medical over-billing, including artificially inflated medical bills, questionable procedures, and up-coding.*

The above trends increase the need to retain experts to evaluate or contest the necessity of treatments and medical bills, which further increases associated defense and trial costs. Medical over-billing also forms the basis for plaintiffs' counsel to ask juries for inordinately high compensatory damages.”

On Market Dynamics

“The liability and financial lines markets are experiencing rising litigation costs due to several factors: attorneys' hourly rates have increased as a result of inflation and litigation financing, monetary damages awarded by courts and jury verdicts have escalated, and regulatory activity has intensified. Despite these pressures, these markets are currently considered “soft,” meaning that premiums have remained stagnant or, in some cases, have even decreased. This trend is largely attributed to the influx of capacity in the market from new carrier entrants, who are able to offer reduced premiums because they have no loss history. Established carriers, such as [the Company], are currently choosing to absorb these heightened litigation costs rather than raising premiums, in order to maintain their customer base and competitive position.”

On MPL

“Alabama is considered one of the more stable medical malpractice insurance markets in the United States, with relatively low claim frequency and moderate litigation rates. However, several factors continue to drive premium costs, particularly in litigated claims. While the number of claims may be lower than in more litigious

states, the severity of litigated cases is increasing as a result of nation-wide social inflation. Litigated claims often require extensive expert testimony and prolonged legal proceedings, increasing overall claims expenses. Certain medical specialties, such as obstetrics and emergency medicine, carry higher litigation risk and loss severity, leading to elevated premiums for providers in those fields. Finally, Alabama previously enacted caps on non-economic damages, but they were deemed unconstitutional, contributing to premium volatility and risk exposure.”

On Broader Impact

“Litigated claims significantly contribute to rising insurance premiums due to increased legal expenses, larger settlement amounts, and heightened uncertainty in outcome. Litigated claims significantly contribute to rising insurance premiums due to increased legal expenses, larger settlement amounts, and heightened uncertainty in outcomes. These claims tend to be far more severe than their non-litigated counterparts, amplifying overall loss costs across the portfolio. As a result, premiums reflect this elevated risk and financial exposure.

However, when litigation is mitigated—whether through effective claims management, alternative dispute resolution strategies, or a favorable legal climate—loss costs can stabilize. This reduction in volatility often leads to more predictable and potentially lower premium levels.”

Glossary of Terms

Contractor: The regulatory consulting firm, Risk & Regulatory Consulting, LLC, retained by the ALDOI to conduct the Data Call and data analysis.

Data: Any qualitative or quantitative information related to claim liability collected or stored by an insurer or insurance rating organization, including but not limited to actuarial information.

Data Call: The request to Insurers for the purpose of collecting and analyzing information and data to study the effects of liability insurance coverage on insurance claim costs.

Alabama Department of Insurance: The agency that contracted with RRC to conduct the data call.

Insurers: The term used when referring to all insurers required to respond to the Data Call, including but not limited to stock and mutual companies, reciprocal and interinsurance exchanges, and all licensees that under any laws of the state of Alabama that write or in any way provide for liability insurance, and to rating organizations serving such insurers collectively that are the subject of the data call and analysis.

Period of Review: The period under review. The data call requested data and information from Insurers covering accident dates from January 1, 2015, and December 31, 2024.

Listing of Acronyms

ALDOI: Alabama Department of Insurance

BI: Bodily Injury

CAL: Commercial Auto liability

CO: Collision

CU: Commercial Umbrella

DCC: Defense and Containment Costs

GL: General Liability

LOB: Line of Business

MPL: Medical Professional Liability

PL: Other Professional Liability

PU: Personal Umbrella

PPAL: Private Passenger Auto Liability

RRC: Risk & Regulatory Consulting, LLC

Appendix A: Data Call

Appendix A: Data Call

01. Alabama Liability Insurance Coverage Data Call Instructions - Official Memo
02. Affidavit
03. Entity Summary Information - Dataset and Data Dictionary
04. LOB Claims Information - Dataset and Data Dictionary
05. Supplemental Actuarial Analysis - File List
06. Current Conditions Questionnaire
07. LOB Exposure Information - Dataset and Data Dictionary



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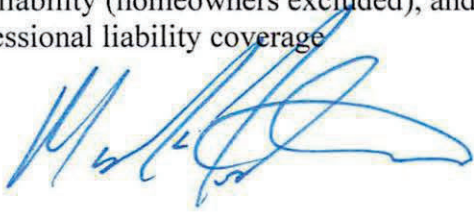
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SHEILA TRAVIS

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REYN NORMAN

MEMORANDUM

To: All Alabama insurers writing personal and commercial auto, personal and commercial umbrella, commercial general liability (homeowners excluded), and medical professional liability or other professional liability coverage

From: Mark Fowler, Commissioner of Insurance 

Date: August 8, 2025

Re: **Alabama Liability Insurance Coverage Data Call Instructions**

Purpose

This memo is intended to provide detailed instruction and guidance to all Alabama insurers writing personal and commercial auto, personal and commercial umbrella, commercial general liability (homeowners excluded), and medical professional liability or other professional liability coverage ("entities") for the Alabama Liability Insurance Coverage Data Call. The purpose of the data call is to allow the Alabama Department of Insurance (ALDOI) to analyze the impact of liability insurance coverage on insurance claims costs. Please carefully review all instructions, documents, templates, and guidance provided with this cover letter.

Reporting Requirements

Scope

Provide all direct (not assumed or pooled) open and closed claims (both litigated and non-litigated) having accident dates occurring between January 1, 2015, through December 31, 2024, (inclusive) for each line of business (LOB) listed below, including package policies:

- PPAL = Private passenger auto liability
- CAL = Commercial auto liability
- PU = Personal umbrella
- CU = Commercial umbrella
- GL = General liability
- MPL = Medical professional liability
- PL = Other professional liability

The reasons an entity would not be required to submit data in response to this data call are:

- The entity did not write any business in Alabama during the period January 1, 2015, through December 31, 2024.
- The entity had no paid claims for Alabama policyholders or case reserves in Alabama during the period January 1, 2015, through December 31, 2024.
- The entity does not write any liability coverage.
- The entity only writes Surety business.
- The entity only writes Reinsurance.
- The entity is a Risk Retention Group (RRG).
- The entity does not write any of the in-scope lines of business in Alabama (see list above).

If the entity is a risk retention group, or does not write any of the in-scope lines of business in Alabama (see list above), it will be required to complete and sign an affidavit that contains an explanation regarding why the entity has no data to report.

Note that the data requested shall be limited to data for accident dates between January 1, 2015, and December 31, 2024. The data will be submitted for each entity individually. Although many entities belong to a group of companies, the data call instructions require each entity to submit data separately rather than in a single response for the group.

Note that:

1. All loss amounts requested relate to either loss or defense and cost containment expenses. The ALDOI is not requesting loss adjustment expenses accounted for by the entity as adjusting and other expenses.
2. Claims that have been closed with \$0 indemnity paid should be included.
3. The as-of date of the data provided should be the most recent available.

Deliverables

The following items must be submitted in response to this memo:

Item #	Description
02	Affidavit ¹
03	Entity Summary Information - Dataset ¹ and Data Dictionary ²
04	LOB Claims Information - Dataset ¹ and Data Dictionary ²

¹ Templates are provided for the affidavit and all required datasets.

² Data dictionaries are required. Each dataset template includes a data dictionary template to fill in. Data dictionaries assist the data analysts in understanding the data provided in each data field. They also provide additional detail about each attribute of a data field, including any interpretations the company made.

Item #	Description
05	Provide any relevant supplemental actuarial analysis (or other statistical analysis) readily available of the risks due to litigation that inform premiums and any analyses that review the impact of litigation to cost escalation in Alabama. In addition, complete the “05. Supplemental Actuarial Analysis - File List” template ¹ .
06	Current Conditions Questionnaire ¹
07	LOB Exposure Information - Dataset ¹ and Data Dictionary ²

Data Validation

Data validation scripts, written in Microsoft’s T-SQL language, are provided to help report writers, data engineers, and database administrators prepare valid data call submissions. These scripts represent the initial validation logic³ applied by the ALDOI to each submitted dataset. These scripts are found within the archive file “08. Data Validation SQL Scripts.zip”, which is provided alongside this memo. Data that does not pass the ALDOI’s validation tests may result in additional requests for information, required resubmission of data, or identification of the entity as non-compliant.

Due Date

Data call responses are due on or before September 8, 2025. Early submissions are welcome, as they provide the ALDOI and the data call team time to validate the submissions for completeness and accuracy.

Submission Instructions

The Data Call Team (Who to Send Submissions To)

The ALDOI has contracted with Risk & Regulatory Consulting, LLC, (“RRC”) to facilitate the collection, review, and initial analysis of the data call responses.

Contact & Upload Information

Each entity must contact RRC at ALLiabilityInsuranceCoverageDataCall@rsmus.com⁴ to provide the name, title, email address, and phone number of the person responsible for uploading the data submission (the “uploader”).

³ The validation scripts provided do not represent all of the validation that the ALDOI will perform on submitted data.

⁴ RRC obtains information technology services from our affiliate RSM (<https://rsmus.com>). For that reason, the shared email address associated with this data call ends in “@rsmus.com”. Individuals employed by RRC have email addresses that end in “@riskreg.com”.

For each entity, RRC will create an entity-specific folder on ShareFile (<https://www.sharefile.com>), which is a secure file sharing platform. The folder will be accessible only to the entity's uploader and to the individuals at RRC who are responsible for downloading the submissions. The uploader can upload the entity's submission files to the entity's ShareFile folder. RRC will remove files from the ShareFile folder after they are downloaded. Files transferred to RRC's systems will be encrypted at rest and while in transit and will be accessible to the data call team only.

Entity Responsibilities

All entities should respond to any communications from RRC or the ALDOI as soon as possible but no later than the due date established (normally three business days) within the request. All emails from entities must be directed to or carbon-copied to ALLiabilityInsuranceCoverageDataCall@rsmus.com.

Submission Follow-ups

Data submissions may trigger a "Follow-up Request" to help the analysts understand and verify the correctness of the data submitted. Follow-up requests provide an entity with the opportunity to confirm the accuracy of data submitted, to correct the data submitted, to adjust the data collection processes, or to provide an explanation to the ALDOI. The "Follow-up Request" will include the deadline for when the additional information is due.

Data Retention and Confidentiality

This data call shall be considered an examination by the Commissioner and information provided in response to this data call will be treated as "confidential by law and privileged" and will not be considered a public record as provided in [AL Code § 27-2-24](#). However, it is anticipated a report will be generated from the data received reflecting the information collected on an industrywide basis. Specific information at the company level will be kept confidential, but the aggregated data may be disclosed.

Per [Rule 482-1-125-.04](#), the Entity shall maintain the underlying data and other files that support and document the reports and data calls submitted to the ALDOI. This supporting data and information should be readily available within a reasonable amount of time and should allow the reported data to be reconciled to the original source.

Questions

Submit all questions about this data call to ALLiabilityInsuranceCoverageDataCall@rsmus.com.

**Alabama Liability Insurance Coverage Data Call
Affidavit Form**

Full Legal Name of Entity _____
Entity's FEIN _____
Name of Contact Person _____
Title of Contact Person _____
Email Address _____
Phone Number _____
Data Call Reporting Year _____

Check box if no data to report and provide a detailed explanation:

I hereby certify the following:

- All documents and data submitted to the Office of the Commissioner of Insurance are true, correct, and accurate to the best of my knowledge at the date of this submission.
- All data submitted has been evaluated and is supported by documentation, which will be made available for the purpose of verification upon the request of the Commissioner or his designee.

Averred to on _____, 20____ by _____

Signature notarized by _____

Signature of Corporate Officer

Notary Public

Print Name

My Commission Expires

Instructions

Entity Summary Information

Fill in sections of the Data Dictionary and Dataset worksheets within this workbook to prepare the data submission.

Instructions for each worksheet are found in the table below.

For questions, contact ALLiabilityInsuranceCoverageDataCall@rsmus.com.

Worksheet	Description	Instructions
File Layout	This worksheet lists all required data fields, and provides each field's data type, allowable values list (when applicable), and other information.	Review this worksheet for the data call requirements for the requested dataset. Note that all data fields in the file layout are required, and no data fields may be added or removed from the file layout.
Data Dictionary	This worksheet contains the template for the required data dictionary for the requested dataset. The data dictionary provides a tool to assist the data analysts in understanding the data provided in each data field. It also provides additional detail about each attribute of a data field, including any interpretations the company made.	Fill out the data dictionary template in this worksheet. All data fields in the template are required.
Dataset	This worksheet will contain the requested dataset.	<p>Enter data into this worksheet. Do not add or remove data fields.</p> <p>Provide all direct (not assumed) open and closed claims (both litigated and non-litigated) having accident dates occurring between January 1, 2015, through December 31, 2024 (inclusive) for each LOB (PPAL, CAL, PU, CU, GL, MPL and PL – incl Package).</p> <p>If the data does not all fit on the "Dataset" worksheet, you may provide the data in a tab-delimited text file (i.e., the tab-separated values format in Excel).</p>

File Layout

Entity Summary Information

Field #	Field Name	Field Description	Field Format / Allowed Values	Validation
1	EntityName	Full legal name of insurance entity	Text	The value must not be blank
2	AccidentYear	The year of the accident date associated with the claim and lawsuit	Integer	The value must be an integer between 1900 and the current year
3	LOB	Line of business name	Allowed Values: PPAL = Private Passenger Auto Liability (Includes Private Passenger Auto, Motorcycle and RV) CAL = Commercial Auto Liability PU = Personal Umbrella CU = Commercial Umbrella GL = General Liability MPL = Medical Professional Liability PL = Other Professional Liability	The value must be one of the allowed values
4	ClaimFeature	Feature of claim (Note: There will be one record per claim feature.)	Allowed Values: BI = Bodily injury (third party) LW = Lost wages PD = Property damage IN = Indemnity CO = Collision UM = Uninsured or underinsured motorist CD = Construction defect O = Other	The value must be one of the allowed values
5	ClaimFeatureOther	If ClaimFeature = "O" for "Other", enter the claim feature. Otherwise enter "N/A" in this field.	Text	If ClaimFeature does not equal "O" then this field must equal "N/A"; if ClaimFeature equals "O" then this field cannot be "N/A" and must not be blank
6	TortLawsuitCount	Count of tort lawsuits filed against the insured of an insurer	Integer	The value must be an integer greater than or equal to zero; it cannot be blank
7	PaidDCCAmount	Total DCC amounts	Currency	This value should match the sum of the same field in the "04. LOB Claims Information" file (by LOB, Accident Year, Claim Feature); it cannot be blank
8	TotalPaidLossAmount	Total loss payments	Currency	This value should match the sum of the same field in the "04. LOB Claims Information" file (by LOB, Accident Year, Claim Feature); it cannot be blank

Data Dictionary

Entity Summary Information

Field #	Field Name	Data Source (system name, client or third party name, etc.)	Description of how data was pulled or compiled	Is any data in this field missing or unreportable? (Y/N)	Explain any missing or unreportable data for this field
1	EntityName				
2	AccidentYear				
3	LOB				
4	ClaimFeature				
5	ClaimFeatureOther				
6	TortLawsuitCount				
7	PaidDCCAmount				
8	TotalPaidLossAmount				

Instructions

LOB Claims Information

Fill in sections of the Data Dictionary and Dataset worksheets within this workbook to prepare the data submission.

Instructions for each worksheet are found in the table below.

For questions, contact ALLiabilityInsuranceCoverageDataCall@rsmus.com.

Worksheet	Description	Instructions
File Layout	This worksheet lists all required data fields, and provides each field's data type, allowable values list (when applicable), and other information.	<p>Review this worksheet for the data call requirements for the requested dataset. Note that all data fields in the file layout are required, and no data fields may be added or removed from the file layout.</p> <ul style="list-style-type: none">• \$0 indemnity claims should be included in the data.• Comprehensive should not be included in the data.• Commercial Property should not be included in the data.• Indemnity losses include all losses (Indemnity, Loss Wages or other), DCC Amount refers to all defense costs paid (external, internal, legal, or other). The loss categories are not exhaustive and should be mapped to the appropriate fields in the #4 LOB Claims Information file. References to case reserve amount should include case reserve associated with all losses and DCC.• If manual work is required, please do not include in the data but indicate in the Data Dictionary the reason the data was not provided was because it would require manual entry.
Data Dictionary	This worksheet contains the template for the required data dictionary for the requested dataset. The data dictionary provides a tool to assist the data analysts in understanding the data provided in each data field. It also provides additional detail about each attribute of a data field, including any interpretations the company made.	Fill out the data dictionary template in this worksheet. All data fields in the template are required. If data is not available, please indicate in the Data Dictionary the reason the data was not provided (i.e. was because it is data not currently captured).
Dataset	This worksheet will contain the requested dataset.	<p>Enter data into this worksheet. Do not add or remove data fields.</p> <p>Provide all direct (not assumed) open and closed claims (both litigated and non-litigated) having accident dates occurring between January 1, 2015, through December 31, 2024 (inclusive) for each LOB (PPAL, CAL, PU, CU, GL, MPL, and PL).</p> <p>There should be one record per claim ID, LOB, and claim feature combination. All claim features associated with a claim must be included.</p> <p>If the data does not all fit on the "Dataset" worksheet, you may provide the data in a tab-delimited text file (i.e., the tab-separated values format in Excel).</p>

File Layout

LOB Claims Information

Field #	Field Name	Field Format / Allowed Values	Validation
1	EntityName	Text	The value must not be blank
2	LOB	Allowed Values: PPAL = Private passenger auto liability CAL = Commercial auto liability PU = Personal umbrella CU = Commercial umbrella GL = General liability MPL = Medical Professional Liability PL = Other Professional Liability	The value must be one of the allowed values
3	ClaimFeature	Allowed Values: BI = Bodily injury (third party) LW = Lost wages PD = Property damage IN = Indemnity CO = Collision UM = Uninsured or underinsured motorist CD = Construction defect O = Other	The value must be one of the allowed values
4	ClaimFeatureOther	Text	If ClaimFeature does not equal "O" then this field must equal "N/A"; if ClaimFeature equals "O" then this field cannot be "N/A" and must not be blank
5	ClaimID	Text	The value must not be blank
6	OpenClosedIndicator	Allowed Values: O = Open C = Closed	The value must be one of the allowed values
7	AttorneyInvolvementIndicator	Allowed Values: Y = Yes N = No	The value must be one of the allowed values
8	LitigatedNonlitigatedIndicator	Allowed Values: L = Litigated N = Nonlitigated	The value must be one of the allowed values
9	DateOfLoss	Date	The value must not be blank and must be a valid date
10	DateReportedToInsurer	Date	The value must not be blank and must be a valid date
11	DateInitiallyClosed	Date	The value must not be blank and must be a valid date
12	DateMostRecentlyClosed	Date	The value must not be blank and must be a valid date
13	ReopenedFlag	Allowed Values: Y = Yes N = No	The value must be one of the allowed values
14	DateReopenedClaimReported	Date "N/A" if ReopenedFlag field value is "N"	If ReopenedFlag = "N" the value must be "N/A"; if ReopenedFlag = "Y", the value must not be blank and must be a valid date
15	AccidentLocationType	Allowed Values: A = Address G = Geocoordinates	The value must be one of the allowed values
16	AccidentAddressOrGeocoordinates	Text	The value must not be blank

Field #	Field Name	Field Format / Allowed Values	Validation
17	AccidentState	Allowed values: Any valid two-letter USPS state code	The value must be one of the allowed values
18	PolicyholderAddressZIPCode	Allowed values: Any valid five-digit USPS ZIP code	The value must be one of the allowed values
19	PolicyholderAddressCounty	Allowed Values: See "Allowed Values County" worksheet	The value must be one of the allowed values
20	PolicyholderAddressState	Allowed values: Any valid two-letter USPS state code	The value must be one of the allowed values
21	CurrentIndemnityCaseReservesAmount	Currency	The value must be a number
22	CurrentDCCCaseReservesAmount	Currency	The value must be a number or "N/A"
		"N/A" if case reserves are not captured	
23	TotalPaidAmount	Currency	The value must be a number = TotalPaidLossAmount + PaidDCC
24	TotalPaidLossAmount	Currency	The value must be a number = PaidIndemnityLoss + PaidMedicalLoss + PaidPunitiveDamages + PaidPlaintiffAttorneyFees + PaidLossAllOther
25	PaidIndemnityLossAmount	Currency	The value must be a number
26	PaidMedicalLossAmount	Currency	The value must be a number
27	PaidPunitiveDamagesAmount	Currency	The value must be a number
28	PaidPlaintiffAttorneyFeesAmount	Currency	The value must be a number
29	PaidLossAllOtherAmount	Currency	The value must be a number
30	PaidDCCAmount	Currency	The value must be a number = PaidDefenseAttorneyFees + PaidExpenseAllOther
31	PaidDefenseAttorneyFeesAmount	Currency	The value must be a number
32	PaidExpenseAllOtherAmount	Currency	The value must be a number
33	InitialCaseReservesAmount	Currency	The value must be a number
34	DateLawsuitFiled	Date	If LitigatedNonlitigatedIndicator field value = "N", the value must be "N/A"; if LitigatedNonlitigatedIndicator field value = "Y", the value must be a date
		"N/A" if LitigatedNonlitigatedIndicator field value is "N"	
35	CaseIncurredPriorToLawsuitAmount	Currency	If LitigatedNonlitigatedIndicator field value = "N", the value must be "N/A"; if LitigatedNonlitigatedIndicator field value = "Y", the value must be a number
		"N/A" if LitigatedNonlitigatedIndicator field value is "N"	
36	CaseIncurredImmediatelyAfterLawsuitWasFiledAmount	Currency	If LitigatedNonlitigatedIndicator field value = "N", the value must be "N/A"; if LitigatedNonlitigatedIndicator field value = "Y", the value must be a number
		"N/A" if LitigatedNonlitigatedIndicator field value is "N"	
37	DateOfCaseReserveChangeAfterLawsuitWasFiled	Date	If LitigatedNonlitigatedIndicator field value = "N", the value must be "N/A"; if LitigatedNonlitigatedIndicator field value = "Y", the value must be a date
		"N/A" if LitigatedNonlitigatedIndicator field value is "N"	
38	InitialDemandAmountFromPlaintiffsAttorneyAmount	Currency	If LitigatedNonlitigatedIndicator field value = "N", the value must be "N/A"; if LitigatedNonlitigatedIndicator field value = "Y", the value must be a number
		"N/A" if LitigatedNonlitigatedIndicator field value is "N"	
39	PlaintiffAttorneyFirm	Text	If AttorneyInvolvementIndicator field value = "N", the value must be "N/A"; if AttorneyInvolvementIndicator field value = "Y", the value must not be blank
		"N/A" if AttorneyInvolvementIndicator field value is "N"	

Field #	Field Name	Field Format / Allowed Values	Validation
40	PlaintiffAttorneyFirmDUNSNumber	Text, nine digits only (omit dashes and other separators) "N/A" if AttorneyInvolvementIndicator field value is "N" "NONE" if the attorney firm does not have a DUNS number	If AttorneyInvolvementIndicator field value = "N", the value must be "N/A"; if AttorneyInvolvementIndicator field value = "Y", the value must be a nine-digit number with no dashes or other separators, or "NONE" if the attorney firm does not have a DUNS number.
41	PlaintiffAttorneyAddress	Text "N/A" if AttorneyInvolvementIndicator field value is "N"	If AttorneyInvolvementIndicator field value = "N", the value must be "N/A"; if AttorneyInvolvementIndicator field value = "Y", the value must not be blank
42	PlaintiffAttorneyAddressST	Allowed values: Any valid two-letter USPS state code "N/A" if AttorneyInvolvementIndicator field value is "N"	If AttorneyInvolvementIndicator field value = "N", the value must be "N/A"; if AttorneyInvolvementIndicator field value = "Y", the value must be one of the allowed values
43	PlaintiffAttorneyAddressZIP	Allowed values: Any valid five-digit USPS ZIP code "N/A" if AttorneyInvolvementIndicator field value is "N"	If AttorneyInvolvementIndicator field value = "N", the value must be "N/A"; if AttorneyInvolvementIndicator field value = "Y", the value must be one of the allowed values
44	DefenseAttorneyFirm	Text "N/A" if LitigatedNonlitigatedIndicator field value is "N"	If AttorneyInvolvementIndicator field value = "N", the value must be "N/A"; if AttorneyInvolvementIndicator field value = "Y", the value must not be blank
45	DefenseAttorneyAddress	Text "N/A" if AttorneyInvolvementIndicator field value is "N"	If AttorneyInvolvementIndicator field value = "N", the value must be "N/A"; if AttorneyInvolvementIndicator field value = "Y", the value must not be blank
46	DefenseAttorneyAddressState	Two-Letter State Code "N/A" if AttorneyInvolvementIndicator field value is "N"	If AttorneyInvolvementIndicator field value = "N", the value must be "N/A"; if AttorneyInvolvementIndicator field value = "Y", the value must be one of the allowed values
47	DefenseAttorneyAddressZIP	Allowed values: Any valid five-digit USPS ZIP code "N/A" if AttorneyInvolvementIndicator field value is "N"	If AttorneyInvolvementIndicator field value = "N", the value must be "N/A"; if AttorneyInvolvementIndicator field value = "Y", the value must be one of the allowed values
48	LawsuitVenue	Text "N/A" if AttorneyInvolvementIndicator field value is "N"	If AttorneyInvolvementIndicator field value = "N", the value must be "N/A"; if AttorneyInvolvementIndicator field value = "Y", the value must not be blank
49	InjuryDescription	Text	The value must not be blank
50	ICDCode	Text "N/A" if not available For ICD-10 codes over 3 characters in length, include the period at position 4 (example: "S52.521A") Separate multiple ICD-10 codes with semicolons (example: "S52.521A;S52.522A") Spaces will be ignored	The value must not be blank; if the value is not "N/A", only A-Z, 0-9, periods, and semicolons are allowed
51	LossDescription	Text	The value must not be blank
52	DeductibleSIRAmount	Currency	The value must be a number

Field #	Field Name	Field Format / Allowed Values	Validation
53	CoverageLimitAmount	Currency	The value must be a number
54	PaidAmountNetOrGross	Allowed Values: N = Net G = Gross	The value must be one of the allowed values
55	ClaimSettled	Allowed Values: Y = Yes N = No N/A = Not available	The value must be one of the allowed values
56	Claimant	Text (last, first) "N/A" if LitigatedNonlitigatedIndicator field value is "N"	If LitigatedNonlitigatedIndicator = "N", the value must be "N/A"; if LitigatedNonlitigatedIndicator = "Y", the value must not be blank

Allowed Values

Alabama County

County
Autauga
Baldwin
Barbour
Bibb
Blount
Bullock
Butler
Calhoun
Chambers
Cherokee
Chilton
Choctaw
Clarke
Clay
Cleburne
Coffee
Colbert
Conecuh
Coosa
Covington
Crenshaw
Cullman
Dale
Dallas
DeKalb
Elmore
Escambia
Etowah
Fayette
Franklin
Geneva
Greene
Hale
Henry
Houston
Jackson
Jefferson
Lamar
Lauderdale
Lawrence
Lee
Limestone
Lowndes
Macon
Madison
Marengo
Marion
Marshall
Mobile
Monroe
Montgomery
Morgan
Perry
Pickens
Pike
Randolph
Russell
Shelby
St. Clair
Sumter
Talladega
Tallapoosa
Tuscaloosa
Walker
Washington
Wilcox
Winston

Data Dictionary

LOB Claims Information

Field #	Field Name	Data Source (system name, client or third party name, etc.)	Description of how data was pulled or compiled	Is any data in this field missing or unreportable? (Y/N)	Explain any missing or unreportable data for this field
1	EntityName				
2	LOB				
3	ClaimFeature				
4	ClaimFeatureOther				
5	ClaimID				
6	OpenClosedIndicator				
7	AttorneyInvolvementIndicator				
8	LitigatedNonlitigatedIndicator				
9	DateOfLoss				
10	DateReportedToInsurer				
11	DateInitiallyClosed				
12	DateMostRecentlyClosed				
13	ReopenedFlag				
14	DateReopened/ClaimReported				
15	AccidentLocationType				
16	AccidentAddressOrGeocoordinates				
17	AccidentState				
18	PolicyholderAddressZIPCode				
19	PolicyholderAddressCounty				
20	PolicyholderAddressState				
21	CurrentIndemnityCaseReservesAmount				
22	CurrentDCCCaseReservesAmount				
23	TotalPaidAmount				
24	TotalPaidLossAmount				
25	PaidIndemnityLossAmount				
26	PaidMedicalLossAmount				
27	PaidPunitiveDamagesAmount				
28	PaidPlaintiffAttorneyFeesAmount				
29	PaidLossAllOtherAmount				
30	PaidDCCAmount				
31	PaidDefenseAttorneyFeesAmount				
32	PaidExpenseAllOtherAmount				
33	InitialCaseReservesAmount				
34	DateLawsuitFiled				
35	CaseIncurredPriorToLawsuitAmount				
36	CaseIncurredImmediatelyAfterLawsuitWasFiledAmount				
37	DateOfCaseReserveChangeAfterLawsuitWasFiled				
38	InitialDemandAmountFromPlaintiffsAttorneyAmount				
39	PlaintiffAttorneyFirm				
40	PlaintiffAttorneyFirmDUNSNumber				

Field #	Field Name	Data Source (system name, client or third party name, etc.)	Description of how data was pulled or compiled	Is any data in this field missing or unreportable? (Y/N)	Explain any missing or unreportable data for this field
41	PlaintiffAttorneyAddress				
42	PlaintiffAttorneyAddressST				
43	PlaintiffAttorneyAddressZIP				
44	DefenseAttorneyFirm				
45	DefenseAttorneyAddress				
46	DefenseAttorneyAddressState				
47	DefenseAttorneyAddressZIP				
48	LawsuitVenue				
49	InjuryDescription				
50	ICDCode				
51	LossDescription				
52	DeductibleSIRAmount				
53	CoverageLimitAmount				
54	PaidAmountNetDrGross				
55	ClaimSettled				
56	Claimant				

Instructions

Supplemental Actuarial Analysis - File List

Fill in sections of the Data Dictionary and Dataset worksheets within this workbook to prepare the data submission.

Instructions for each worksheet are found in the table below.

For questions, contact ALLiabilityInsuranceCoverageDataCall@rsmus.com.

Worksheet	Description	Instructions
File Layout	This worksheet lists all required data fields, and provides each field's data type, allowable values list (when applicable), and other information.	Review this worksheet for the data call requirements for the requested dataset. Note that all data fields in the file layout are required, and no data fields may be added or removed from the file layout.
Data Dictionary	This worksheet contains the template for the required data dictionary for the requested dataset. The data dictionary provides a tool to assist the data analysts in understanding the data provided in each data field. It also provides additional detail about each attribute of a data field, including any interpretations the company made.	Fill out the data dictionary template in this worksheet. All data fields in the template are required.
Dataset	This worksheet will contain the requested dataset.	<p>Enter data into this worksheet. Do not add or remove data fields. If there is no data to report, submit one record having a "N" in the "InformationAvailable" field and blank values in all other fields.</p> <p>This dataset is a list of documents that are provided in response to Item #05 in the Data Call Memo.</p> <p>Provide a list of file names and descriptions for every file provided in response to the supplemental actuarial analysis portion of the data call.</p> <p>Provide any relevant supplemental actuarial analysis (or other statistical analysis) readily available of the risks due to litigation that inform premiums and any analyses that review the impact of litigation to cost escalation in Alabama.</p>

File Layout

Supplemental Actuarial Analysis - File List

Field #	Field Name	Field Description	Field Format / Allowed Values	Validation
1	InformationAvailable	Is supplemental actuarial analysis information available?	Allowed Values: Y = Yes N = No	The value must be one of the allowed values
2	FileName	The full file name (including extension) of the file provided in response to the actuarial analysis portion of the data call.	Text	If InformationAvailable = "N", this field must be blank; if InformationAvailable = "Y", this field must not be blank and must contain a value less than 255 characters in length
3	FileDescription	A brief, high-level summary of the content in the file referenced in the FileName field	Text	If InformationAvailable = "N", this field must be blank; if InformationAvailable = "Y", this field must not be blank and must contain a value less than 255 characters in length
4	ReviewPurpose	A brief, high-level summary of the purpose of the review (eg pricing, reserving, response to question, response to emerging experience, etc)	Text	If InformationAvailable = "N", this field must be blank; if InformationAvailable = "Y", this field must not be blank
5	ReviewFrequency	What is the frequency of the review / how frequent is the review updated.	Allowed Values: A = Annual Q = Quarterly M = Monthly Adhoc = Ad hoc	If InformationAvailable = "N", this field must be blank; if InformationAvailable = "Y", this field must not be blank; if InformationAvailable = "Y", the value must be one of the allowed values
6	ReviewAudience	Who is the review audience (eg reserving committee, pricing committee, claims department, leadership, underwriting, other actuarial departments)	Text	If InformationAvailable = "N", this field must be blank; if InformationAvailable = "Y", this field must not be blank

Data Dictionary

Supplemental Actuarial Analysis - File List

Field #	Field Name	Data Source (system name, client or third party name, etc.)	Description of how data was pulled or compiled	Is any data in this field missing or unreportable? (Y/N)	Explain any missing or unreportable data for this field
1	InformationAvailable				
2	FileName				
3	FileDescription				
4	ReviewPurpose				
5	ReviewFrequency				
6	ReviewAudience				

Instructions

Current Conditions Questionnaire

Fill in sections of the questionnaire worksheet within this workbook to prepare the data submission.

Instructions for each worksheet are found in the table below.

For questions, contact ALLiabilityInsuranceCoverageDataCall@rsmus.com.

Worksheet	Description	Instructions
Questionnaire - General	Questions regarding general approaches to litigated claims and claim reserving approaches	Please answer the questions as asked.
Questionnaire - PPAL	As above for PPAL	Please answer the questions as asked.
Questionnaire - CAL	As above for CAL	Please answer the questions as asked.
Questionnaire - PU	As above for PU	Please answer the questions as asked.
Questionnaire - CU	As above for CU	Please answer the questions as asked.
Questionnaire - GL	As above for GL	Please answer the questions as asked.
Questionnaire - MPL	As above for MPL	Please answer the questions as asked.
Questionnaire - PL	As above for PL	Please answer the questions as asked.

Form #: AL-LIC Current-Conditions-Quest | August 2025

Questionnaire - General

Current Conditions Questionnaire

Field #	Question	Response
1	Enter the as of date of this response.	
2	Explain cost drivers of premiums (increase or decrease) related to litigated claims.	
3	Provide a discussion of the trends observed regarding litigated claims and the impact on premiums.	
4	Summarize claim reserving philosophy, including how initial case reserves are established and whether and how DCC expenses are reserved. In this discussion please also indicate if there have been any changes in reserve philosophy from 2015 to 2024.	
5	Please provide any additional information that you feel would be useful or helpful for this data call.	
6	Does your company utilize predictive models to aid in the decision of claims settlement? If so, document the input variables utilized in the claims settlement model for this LOB.	

Questionnaire - PPAL

Current Conditions Questionnaire

Field #	Question	Response
1	Is your answer to these questions the same as it is under the 'General' tab? If the answer is "Yes" you may leave the rest of this table blank.	
2	Enter the as of date of this response.	
3	Explain cost drivers of premiums (increase or decrease) related to litigated claims.	
4	Provide a discussion of the trends observed regarding litigated claims and the impact on premiums.	
5	Summarize claim reserving philosophy, including how initial case reserves are established and whether and how DCC expenses are reserved. In this discussion please also indicate if there have been any changes in reserve philosophy from 2015 to 2024.	
6	Please provide any additional information that you feel would be useful or helpful for this data call.	
7	Does your company utilize predictive models to aid in the decision of claims settlement? If so, document the input variables utilized in the claims settlement model for this LOB.	

Questionnaire - CAL

Current Conditions Questionnaire

Field #	Question	Response
1	Is your answer to these questions the same as it is under the 'General' tab? If the answer is "Yes" you may leave the rest of this table blank.	
2	Enter the as of date of this response.	
3	Explain cost drivers of premiums (increase or decrease) related to litigated claims.	
4	Provide a discussion of the trends observed regarding litigated claims and the impact on premiums.	
5	Summarize claim reserving philosophy, including how initial case reserves are established and whether and how DCC expenses are reserved. In this discussion please also indicate if there have been any changes in reserve philosophy from 2015 to 2024.	
6	Please provide any additional information that you feel would be useful or helpful for this data call.	
7	Does your company utilize predictive models to aid in the decision of claims settlement? If so, document the input variables utilized in the claims settlement model for this LOB.	

Questionnaire - PU

Current Conditions Questionnaire

Field #	Question	Response
1	Is your answer to these questions the same as it is under the 'General' tab? If the answer is "Yes" you may leave the rest of this table blank.	
2	Enter the as of date of this response.	
3	Explain cost drivers of premiums (increase or decrease) related to litigated claims.	
4	Provide a discussion of the trends observed regarding litigated claims and the impact on premiums.	
5	Summarize claim reserving philosophy, including how initial case reserves are established and whether and how DCC expenses are reserved. In this discussion please also indicate if there have been any changes in reserve philosophy from 2015 to 2024.	
6	Please provide any additional information that you feel would be useful or helpful for this data call.	
7	Does your company utilize predictive models to aid in the decision of claims settlement? If so, document the input variables utilized in the claims settlement model for this LOB.	

Questionnaire - CU

Current Conditions Questionnaire

Field #	Question	Response
1	Is your answer to these questions the same as it is under the 'General' tab? If the answer is "Yes" you may leave the rest of this table blank.	
2	Enter the as of date of this response.	
3	Explain cost drivers of premiums (increase or decrease) related to litigated claims.	
4	Provide a discussion of the trends observed regarding litigated claims and the impact on premiums.	
5	Summarize claim reserving philosophy, including how initial case reserves are established and whether and how DCC expenses are reserved. In this discussion please also indicate if there have been any changes in reserve philosophy from 2015 to 2024.	
6	Please provide any additional information that you feel would be useful or helpful for this data call.	
7	Does your company utilize predictive models to aid in the decision of claims settlement? If so, document the input variables utilized in the claims settlement model for this LOB.	

Questionnaire - GL

Current Conditions Questionnaire

Field #	Question	Response
1	Is your answer to these questions the same as it is under the 'General' tab? If the answer is "Yes" you may leave the rest of this table blank.	
2	Enter the as of date of this response.	
3	Explain cost drivers of premiums (increase or decrease) related to litigated claims.	
4	Provide a discussion of the trends observed regarding litigated claims and the impact on premiums.	
5	Summarize claim reserving philosophy, including how initial case reserves are established and whether and how DCC expenses are reserved. In this discussion please also indicate if there have been any changes in reserve philosophy from 2015 to 2024.	
6	Please provide any additional information that you feel would be useful or helpful for this data call.	
7	Does your company utilize predictive models to aid in the decision of claims settlement? If so, document the input variables utilized in the claims settlement model for this LOB.	

Questionnaire - MPL

Current Conditions Questionnaire

Field #	Question	Response
1	Is your answer to these questions the same as it is under the 'General' tab? If the answer is "Yes" you may leave the rest of this table blank.	
2	Enter the as of date of this response.	
3	Explain cost drivers of premiums (increase or decrease) related to litigated claims.	
4	Provide a discussion of the trends observed regarding litigated claims and the impact on premiums.	
5	Summarize claim reserving philosophy, including how initial case reserves are established and whether and how DCC expenses are reserved. In this discussion please also indicate if there have been any changes in reserve philosophy from 2015 to 2024.	
6	Please provide any additional information that you feel would be useful or helpful for this data call.	
7	Does your company utilize predictive models to aid in the decision of claims settlement? If so, document the input variables utilized in the claims settlement model for this LOB.	

Questionnaire - PL

Current Conditions Questionnaire

Field #	Question	Response
1	Is your answer to these questions the same as it is under the 'General' tab? If the answer is "Yes" you may leave the rest of this table blank.	
2	Enter the as of date of this response.	
3	Explain cost drivers of premiums (increase or decrease) related to litigated claims.	
4	Provide a discussion of the trends observed regarding litigated claims and the impact on premiums.	
5	Summarize claim reserving philosophy, including how initial case reserves are established and whether and how DCC expenses are reserved. In this discussion please also indicate if there have been any changes in reserve philosophy from 2015 to 2024.	
6	Please provide any additional information that you feel would be useful or helpful for this data call.	
7	Does your company utilize predictive models to aid in the decision of claims settlement? If so, document the input variables utilized in the claims settlement model for this LOB.	

Instructions

Entity LOB Exposure Information

Fill in sections of the Data Dictionary and Dataset worksheets within this workbook to prepare the data submission.

Instructions for each worksheet are found in the table below.

For questions, contact ALLiabilityInsuranceCoverageDataCall@rsmus.com.

Worksheet	Description	Instructions
File Layout	This worksheet lists all required data fields, and provides each field's data type, allowable values list (when applicable), and other information.	Review this worksheet for the data call requirements for the requested dataset. Note that all data fields in the file layout are required, and no data fields may be added or removed from the file layout.
Data Dictionary	This worksheet contains the template for the required data dictionary for the requested dataset. The data dictionary provides a tool to assist the data analysts in understanding the data provided in each data field. It also provides additional detail about each attribute of a data field, including any interpretations the company made.	Fill out the data dictionary template in this worksheet. All data fields in the template are required.
Dataset	This worksheet will contain the requested dataset.	<p>Enter data into this worksheet. Do not add or remove data fields.</p> <p>Provide summarized policy and exposure information for direct (not assumed) policies having exposure between January 1, 2015 and December 31, 2024 (inclusive) for each LOB (see file layout for list of LOBs).</p> <p>There should be one record per exposure year, LOB, and exposure type.</p> <p>If the data does not all fit on the "Dataset" worksheet, you may provide the data in a tab-delimited text file (i.e., the tab-separated values format in Excel).</p>

File Layout

Entity LOB Exposure Information

Field #	Field Name	Field Description	Field Format / Allowed Values	Validation
1	EntityName	Full legal name of insurance entity	Text	The value must not be blank
2	ExposureYear	The year of the exposure	Integer	The value must be an integer between 1900 and the current year
3	LOB	Line of business name	Allowed Values: PPAL = Private Passenger Auto Liability (Includes Private Passenger Auto, Motorcycle and RV) CAL = Commercial Auto Liability PU = Personal Umbrella CU = Commercial Umbrella GL = General Liability MPL = Medical Professional Liability PL = Other Professional Liability	The value must be one of the allowed values
4	ExposureType	Type of Exposures used to rate the LOB	Allowed Values: REVENUE CAR YEARS HOSPITAL BEDS PHYSICIANS MILEAGE PAYROLL OTHER	The value must be one of the allowed values
5	ExposureTypeOther	If ExposureType = "OTHER", the type of exposure that is being used to rate the LOB; otherwise, "N/A"	Text	If ExposureType ≠ "OTHER", the value must be "N/A"; if ExposureType = "OTHER", the value must not be blank
6	TotalExposures	Total earned exposures for LOB / ExposureType combination, Numeric which should match with the exposure type in the ExposureType field		The value must be a numeric value greater than or equal to zero; it cannot be blank
7	PremiumAmount	Total earned premium for LOB combination	Currency	The value must be a currency value greater than or equal to zero; it cannot be blank

Data Dictionary

Entity LOB Exposure Information

Field #	Field Name	Data Source (system name, client or third party name, etc.)	Description of how data was pulled or compiled	Is any data in this field missing or unreportable? (Y/N)	Explain any missing or unreportable data for this field
1	EntityName				
2	ExposureYear				
3	LOB				
4	ExposureType				
5	ExposureTypeOther				
6	TotalExposures				
7	PremiumAmount				

Appendix B: Data Collection and Consolidation Process

Process Overview Summary

RRC collected all requested data in Excel format, imported the data into a SQL Server database to consolidate all Insurers’ responses, and used the database to review data quality, correct errors, and generate analytical reports.

Data Collection and Import Process

RRC provided Insurers with standardized Excel templates for each data call requirement. A SQL Server database was designed by RRC to consolidate data from all Insurers, with one table corresponding to each requirement document, as shown in Table 12 below.

Data Call Requirement Template Document	Database Table
03. Entity Summary Information - Dataset and Data Dictionary.xlsx	SummaryInfo
04. LOB Claims Information - Dataset and Data Dictionary.xlsx	LOBClaim
05. Supplemental Actuarial Analysis - File List.xlsx	SupplementalActuarialAnalysisFileList
06. Current Conditions Questionnaire.xlsx	LOBCurrentConditionsQuestionnaire
07. LOB Exposure Information – Dataset and Data Dictionary.xlsx	LOBExposureInfo

Table 12 – Data call requirement to database table mapping

Insurers completed the Excel templates and submitted their data files to RRC via Citrix ShareFile, a secure file transfer service. Upon receipt, RRC validated each data file to ensure compliance with the template format for successful import into the database. RRC’s database administrators imported all data files that passed this validation step into the database using automated data import processes that RRC defined for each data call requirement. Files that failed validation were not imported into the database.

Data Quality Review and Data Correction

All data submissions were provided as Excel workbooks based on RRC templates. To facilitate analytical reporting, RRC’s data call team consolidated all data submissions into a SQL Server database. To ensure that data read from Excel could be stored in the database without errors, the automated data import process performed the following data corrections on all submissions to ensure compatibility:

- Removed extraneous whitespace before or after text values.
- Converted date values into proper date format regardless of original formatting.
- Stripped commas and dollar signs from numeric values, such as dollar amounts.
- Standardized text values to match allowed values, such as Claim Feature, were capitalized.

Some data corrections were performed manually by RRC’s data analysis team. These corrections were performed by modifying a copy of the submitter’s Excel file and importing the modified file into the database. The types of corrections performed this way include the following:

- Correcting text values with extraneous information. For example, RRC would change a Claim Feature submitted as “PD - Property damage” to “PD”.
- Converted numeric-formatted date values to proper date format.
- Truncated injury and loss descriptions exceeding 2,000 characters.

Some Insurers submitted corrected files after being notified of data quality issues or identifying errors themselves. The RRC data call team performed the following actions on corrected submissions:

- Database records for prior submissions were marked with an “exclude from analysis” flag in the database. All analytical reports include a filter to omit any data rows that have an “exclude from analysis” flag set to “true.”
- Imported corrected data files into the database using the standard automated data import process.

A total of 439 companies submitted data in response to the data call, representing \$19.5 billion in total paid losses. During the initial review, numerous issues were identified related to data population and reporting limitations. Due to these issues, RRC focused on companies with more than \$5 million in paid losses, reducing the pool to 171 insurers.

Further validation, including a review of data dictionaries provided by insurers, resulted in a final set of 167 insurers, representing 97% of all paid claims.

Table 13 below contains details about common data quality problems and the data corrections applied to them.

Data Call Requirement Template Document	Common Data Quality Problems and Data Correction Applied to Them
04. LOB Claims Information - Dataset and Data Dictionary.xlsx	<p>Some Insurers provided Claim Feature values that were outside the scope for the data call or did not conform to the list of allowed values specified in the Excel data file template.</p> <p>When possible, RRC corrected LOB and Claim Feature values. To do so, RRC’s data analysts mapped non-allowed values to the appropriate allowed values and the RRC database administrator updated the LOB and Claim Feature values in the database table accordingly.</p> <p>Some Insurers provided lists of data, rather than single field values, for lawsuit-related fields, such as Date Lawsuit Filed, Plaintiff Attorney Firm, and Defense Attorney Firm. To accommodate these submissions, RRC adjusted the data types for these fields and created additional fields to capture the earliest and most recent Date Lawsuit Filed values, as well as counts of Plaintiff Attorney Firm and Defense Attorney Firm values.</p> <p>Duplicate claims were also identified across multiple Insurers within the same insurer group. RRC identified these duplicates by matching fields such as Group Name, Claim ID, Line of Business, Claim Feature, Date Of Loss, Total Paid Loss Amount, and Policyholder Address ZIP Code, across different records. To support this process, RRC added a Group Name table to the database and populated it with NAIC Group values for all Insurers that</p>

Data Call Requirement Template Document	Common Data Quality Problems and Data Correction Applied to Them
	<p>submitted data sourced from S&P Global Market Intelligence.</p> <p>Once duplicate claims were identified, RRC removed all but the first claim in each duplicate set. Prior to removal, all duplicate records were reviewed and confirmed as appropriate for deletion. In total, 79,032 duplicate claims were removed from the ten-year dataset.</p>
05. Supplemental Actuarial Analysis - File List.xlsx	<p>Most Insurers did not provide supplemental actuarial analysis. These Insurers either submitted no records for this requirement or provided a single record indicating that no files were available.</p> <p>Additionally, many insurer groups submitted identical actuarial analysis files for each insurer within the group, resulting in numerous duplicate responses across Insurers.</p>
06. Current Conditions Questionnaire.xlsx	<p>Many insurer groups submitted identical questionnaire responses for each Carrier within the group, resulting in numerous duplicate responses across Insurers.</p> <p>Additionally, many Insurers submitted the same questionnaire responses for each Line of Business, creating duplicate responses within individual Insurers.</p>
07. LOB Exposure Information – Dataset and Data Dictionary.xlsx	<p>Invalid data in this dataset includes exposure years outside the requested range and LOBs that were not in RRC’s requested list. Additional exclusions were made for records with incorrect date formats and missing exposure data.</p>

Table 13 - Common data quality problems for each data call requirement and the data corrections applied to them.

Data Dictionaries

RRC requested that Insurers provide a data dictionary within each data call requirement template. A data dictionary serves as a reference tool to help data analysts understand the content of each data field and provides additional details about field attributes, including any interpretations made by the Insurers. No data dictionary information was imported into the database; it resides in the original data files submitted by the Insurers.

Database Support for Analytical Reporting

RRC’s data analysis team added fields to the LOBClaim table in Power Query to enhance the analysis. This table contains all of the data fields collected for the “04. LOB Claims Information - Dataset and Data Dictionary.xlsx” requirement. It also contains the following computed fields:

Computed Field	Description																						
Exclude From Analysis	A flag to be set by the database administrator, under the direction of the data analysis team, to exclude records from analysis data loads that have been superseded by the Insurer.																						
Accident Year	The year of the Date of Loss field.																						
Closed Year	If the year of the Date Most Recently Closed field is blank or null, this is the year of the Date Initially Closed field. If the Date Most Recently Closed field is populated, the Closed Year is the year of the Date Most Recently Closed field.																						
Legal Flag	<p>Flags records that have an associated lawsuit. Its value is set to “Y” (for yes) if at least one of the following conditions is true:</p> <ul style="list-style-type: none"> • Litigated/Nonlitigated Indicator is “Y” (for yes) or “L” (for litigated) • Attorney Involvement Indicator is “Y” (for yes) or “A” (for attorney) • Plaintiff Attorney Firm is specified (that is, is not set to “N/A” or blank) • Date Lawsuit Is Filed is specified (that is, is not set to “N/A” or blank) <p>Otherwise, its value is set to “N” (for no).</p>																						
LOB Clean	<p>The line of business code, corrected to be only one of the allowed values for LOB as defined in the data call requirement template document.</p> <table border="1"> <thead> <tr> <th>LOB</th> <th>LOB (Corrected)</th> </tr> </thead> <tbody> <tr> <td>PPAL</td> <td>PPAL</td> </tr> <tr> <td>CAL</td> <td>CAL</td> </tr> <tr> <td>GL</td> <td>GL</td> </tr> <tr> <td>CU</td> <td>CU</td> </tr> <tr> <td>PU</td> <td>PU</td> </tr> <tr> <td>MPL</td> <td>MPL</td> </tr> <tr> <td>PL</td> <td>PL</td> </tr> <tr> <td>PU/CU or PU/C</td> <td>PU</td> </tr> <tr> <td>GENERAL LIABILITY</td> <td>GL</td> </tr> <tr> <td>All other values</td> <td>Other</td> </tr> </tbody> </table>	LOB	LOB (Corrected)	PPAL	PPAL	CAL	CAL	GL	GL	CU	CU	PU	PU	MPL	MPL	PL	PL	PU/CU or PU/C	PU	GENERAL LIABILITY	GL	All other values	Other
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Computed Field	Description																								
Report Delay Days	The number of days between Date of Loss and Date Reported to Insurer. The value is NULL if either Date of Loss or Date Reported to Insurer is NULL. The value is -1 if Date Reported to Insurer comes before Date of Loss.																								
Report Delay Days Band	A grouping field based on Report Delay Days. <table border="1" data-bbox="586 478 1484 898"> <thead> <tr> <th>Report Delay Days</th> <th>Report Delay Days Band</th> </tr> </thead> <tbody> <tr><td>NULL</td><td>NULL</td></tr> <tr><td>< 0</td><td>NULL</td></tr> <tr><td><= 7</td><td>A: 1 Week</td></tr> <tr><td><= 14</td><td>B: 1-2 Weeks</td></tr> <tr><td><= 28</td><td>C: 3-4 Weeks</td></tr> <tr><td><= 90</td><td>D: 2-3 Mths</td></tr> <tr><td><= 180</td><td>E: 4-6 Mths</td></tr> <tr><td><= 365</td><td>F: 6-12 Mths</td></tr> <tr><td><= 730</td><td>G: 12 – 24 Mths</td></tr> <tr><td><= 1460</td><td>H: 24 - 48 Mths</td></tr> <tr><td>> 1460</td><td>I: 4+ Years</td></tr> </tbody> </table>	Report Delay Days	Report Delay Days Band	NULL	NULL	< 0	NULL	<= 7	A: 1 Week	<= 14	B: 1-2 Weeks	<= 28	C: 3-4 Weeks	<= 90	D: 2-3 Mths	<= 180	E: 4-6 Mths	<= 365	F: 6-12 Mths	<= 730	G: 12 – 24 Mths	<= 1460	H: 24 - 48 Mths	> 1460	I: 4+ Years
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Close Delay Days	The number of days between Date of Loss and Date Initially Closed. The value is NULL if either Date of Loss or Date Initially Closed is NULL. The value is -1 if Date Initially Closed comes before Date of Loss.																								
Close Delay Days Band	A grouping field based on Close Delay Days. <table border="1" data-bbox="586 1136 1484 1486"> <thead> <tr> <th>Close Delay Days</th> <th>Report Delay Days Band</th> </tr> </thead> <tbody> <tr><td>NULL</td><td>NULL</td></tr> <tr><td>< 0</td><td>NULL</td></tr> <tr><td><= 30</td><td>A: 1 Mth</td></tr> <tr><td><= 61</td><td>B: 1-2 Mths</td></tr> <tr><td><= 182</td><td>C: 3-6 Mths</td></tr> <tr><td><= 365</td><td>D: 6-12 Mths</td></tr> <tr><td><= 730</td><td>E: 12-24 Mths</td></tr> <tr><td><= 1461</td><td>F: 24-48 Mths</td></tr> <tr><td><= 2922</td><td>G: 4+ Years</td></tr> </tbody> </table>	Close Delay Days	Report Delay Days Band	NULL	NULL	< 0	NULL	<= 30	A: 1 Mth	<= 61	B: 1-2 Mths	<= 182	C: 3-6 Mths	<= 365	D: 6-12 Mths	<= 730	E: 12-24 Mths	<= 1461	F: 24-48 Mths	<= 2922	G: 4+ Years				
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NAIC Group ID	The NAIC Group ID for the insurer. RRC sourced the NAIC Group data from S&P Global Market Intelligence.																								
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Use Company Flag	Flags Entity Ids that are in our 167 Company list.																								

Table 14 – Computed fields defined in the LOB Claims Information database view used for analysis and reporting.

Appendix C: High-level Data Statistics

The following tables summarize the data submitted by various fields in the data. The tables give a high-level introduction to the data with several different views shown. These views include:

- Data by Line of Business
- Data by Open / Closed claim indicator
- Data by Legal Flag

Some data records were tagged / marked as Invalid and were excluded from the data analysis. Column (4) of each of the upcoming tables shows this characteristic of Valid /Invalid. Data records were marked as Invalid in the following situations:

- Data received with LOB that were not included in the provided Data Dictionary
 - Some LOB items were unclear (e.g. OTHE, SSS)
 - Some LOB items were ambiguous (e.g. AUTO could have been personal or commercial auto)
 - Some non-allowed LOB values were adjusted to allowed LOB values⁶

Information by Line of Business

Line of Business Claim Data Line of Business Review					
Line of Business	Record Count	Total Paid Amount (\$)	Valid / Invalid?	Percentage by Count	Percentage by Total Paid Amount
PPAL: Private Passenger Auto Liability	4,646,165	14,711,136,828	Valid	93.9%	76.7%
CAL: Commercial Auto Liability	213,566	2,419,755,101	Valid	4.3%	12.6%
GL: General Liability	68,772	1,084,432,734	Valid	1.4%	5.7%
CU: Commercial Umbrella	2,729	397,516,106	Valid	0.1%	2.1%
PL: Other Professional Liability	9,068	241,509,678	Valid	0.2%	1.3%
MPL: Medical Professional Liability	4,361	185,835,204	Valid	0.1%	1.0%
PU: Personal Umbrella	544	123,803,534	Valid	0.0%	0.6%
General Liability	442	7,182,963	Valid	0.0%	0.0%
PU/C: Personal Umbrella	5	1,750,000	Valid	0.0%	0.0%
OTHE: Other	28	79,409	Invalid	0.0%	0.0%
AUTO	3	3,447	Invalid	0.0%	0.0%
SSS	1	0	Invalid	0.0%	0.0%
(blank)	1	0	Invalid	0.0%	0.0%
LOB	1	0	Invalid	0.0%	0.0%
Total	4,945,686	19,173,005,004			

Table 15 – LOB Claim Information by Line of Business (LOB)

⁶ This is discussed above in the Data Quality Review and Data Correction section

Information by Closed Claim Flag

Claim Data Open / Closed Indicator Review					
Indicator	Record Count	Total Paid Amount (\$)	Valid / Invalid?	Percentage by Count	Percentage by Total Paid Amount
C: Closed	4,898,407	18,652,852,520	Valid	99.0%	97.3%
O: Open	47,199	519,420,199	Valid	1.0%	2.7%
R	21	576,309	Invalid	0.0%	0.0%
(blank)	56	154,705	Invalid	0.0%	0.0%
A	1	1,270	Invalid	0.0%	0.0%
W	2	0	Invalid	0.0%	0.0%
Total	4,945,686	19,173,005,004			

Table 16 –Claim Information by Open / Closed Indicator

The analysis team focused mostly on closed claims, to avoid uncertainty on future development. However, as discussed earlier in this Report, we did review some aspects by accident year and applied development on open claims in those instances.

Information by Legal Flag

Claim Data Legal Flag Review					
Indicator	Record Count	Total Paid Amount (\$)	Valid / Invalid?	Percentage by Count	Percentage by Total Paid Amount
N	4,512,316	12,245,325,903	Valid	91.2%	63.9%
Y	433,370	6,927,679,101	Valid	8.8%	36.1%
Total	4,945,686	19,173,005,004			

Table 17 –Claim Information by Legal Flag