



GENERAL QUESTIONS

What is RateWatch?

RateWatch is a series of unique and invaluable competitive intelligence reports for management at any insurance organization. RateWatch monitors rate change activity by state for the top 10 insurance groups, enabling subscribers to quickly determine how their strategic rate planning compares with the actions of their competitors. These unique reports compile insurance group information into easy-to-understand exhibits through the work of Perr&Knight's seasoned industry professionals.

Because our reports identify industry pricing trends that significantly impact the profitability of insurers, RateWatch is also well suited for research analysts and portfolio managers employed in the asset management industry.

How will RateWatch help me?

RateWatch combines data from multiple sources, including competitor rate filings and financial statements, to provide a comprehensive view of rate level changes, market share and profitability statistics in one report. Subscribers save critical time and resources by utilizing RateWatch instead of attempting to locate, aggregate and analyze the data themselves.

Who is RateWatch for?

RateWatch is designed for insurers, asset management firms, reinsurers, brokers, agents, or any other party interested in industry or company specific pricing trends and profitability metrics.

Who are the potential users of RateWatch at an insurance company?

RateWatch has wide appeal and is used regularly by senior leaders, product managers, product analysts, state and regional directors, actuarial managers, and competitive intelligence specialists.

SUBSCRIPTIONS

What lines of business or types of insurance are currently available in RateWatch?

RateWatch is currently available for Personal Lines Homeowners and Private Passenger Automobile. The Homeowners subscription includes separate reports for all Homeowners (Forms 1/2/3/5/7/8), Renters and Condo forms. The Private Passenger Auto subscription includes separate reports for Personal Autos (Liability, Physical Damage, Overall), Motorcycles and Recreational Vehicles.

Will RateWatch be available for other lines of business in the future?

Yes - we plan to offer the report for some additional lines, including some commercial lines, in the future. A roll-out schedule is not yet available. Should you be interested in knowing whether a particular line of business is being considered for RateWatch in the future, please contact our sales department at sales@perrknight.com.

Is RateWatch available for companies other than the top 10 insurance groups in a state?

RateWatch currently only tracks the top 10 insurance groups in each state. The top 10 groups typically make up the majority of written premium in a given state. As such, the reports provide a meaningful synopsis of rate level activity in the state. We can provide customized RateWatch reports, which include an alternate set of insurance groups, at a company's request. However, the fees, delivery method

and update schedule would be different. Please contact our sales department at sales@perrknight.com if you're interested in receiving a quote for a customized RateWatch report.

How often will these reports be updated?

These reports will be updated weekly for rate change history and annually (in May) for loss ratio and market share data.

How is RateWatch delivered?

RateWatch is available on RateFilings.com in HTML format, and offers the ability to export the report to Excel. We also include direct hyperlinks to the source filing for your convenience.

How do I initiate or expand a RateWatch subscription? How much will it cost?

Please contact Perr&Knight's sales department at sales@perrknight.com to receive a quote for the particular lines of business and states that you are interested in.

CONTENT

What period of time will the RateWatch display show in RateFilings.com?

The display of RateWatch in RateFilings.com shows the current year-to-date plus the most recent five full years of rate change history along with the most recent five years of loss ratio history available.

Why does RateWatch show renewal business effective date instead of new business effective date?

RateWatch shows the overall rate level change for each insurance group or underwriting company on their inforce business. While there is a new business impact to filed rate changes, the overall premium trend is best measured using renewal business and earned premiums. Subscribers may include new business effective dates in the Underwriting Company reports. For this reason, new business only filings are excluded from RateWatch.

What additional information can I obtain from the RateWatch report?

RateWatch offers all subscribers the ability to enhance the standard report to include additional information such as new business effective dates, submission dates, and approval dates, as well as indicated and proposed rate changes. We also include direct hyperlinks to the source filings for your convenience.

I've noticed that some of the historical rate changes in the RateWatch reports don't exactly match the rate changes listed in the "Approved Rate Change" field on

RateFilings.com. Why is there a difference?

RateWatch is unlike any other report available in the marketplace today. RateWatch presents the rate changes that were ultimately approved for each individual policy form or coverage within a particular line of business. The information listed in the "Approved Rate Change" field on RateFilings.com relates to the overall line of business to which a filing pertains.

I've noticed that some of the historical rate changes in the RateWatch reports don't always match the rate change information I receive from other competitive information vendors. Why is there a difference?

RateWatch is unlike any other report available in the marketplace today. RateWatch presents the rate changes that were ultimately approved for each individual policy form or coverage within a particular line of business. Perr&Knight employs a team of dedicated industry professionals who review each filing to determine what was ultimately approved through the filing review process for each coverage and policy form. This personalized review by industry professionals provides a higher degree of accuracy than anything available from other vendors.

Have rate changes with zero percent impact been excluded from RateWatch?

Rate filings which increased or decreased rates for individual policy forms, but were rate neutral (i.e. 0% change) overall for the line of business have been included in the RateWatch reports. However, historical rate filings that resulted in no change for any policy form or coverage have been excluded. These excluded filings are often changes to contract language or new program launches, and as such, have no influence on the overall rate change for the industry.

Can I use RateWatch to track a competitor's general filing activity?

RateWatch is meant to track rate level activity of the top 10 groups in each state. It's not meant to capture filing activity that does not have an impact on rate level. There are alternate tools available on ratefilings.com that are better suited for tracking all filing activity for competitors, e.g. the filing monitor tool. Ratefilings.com customers can use the filing monitor tool to set-up customized filing monitors to track competitor filing activity and use the download to Excel feature to create customized newsletters for distribution to interested parties.

I know that there is a filing missing from your RateWatch reports. How can that happen and what should I do?

Perr&Knight has several processes in place to ensure it obtains every filing submitted to the Departments of Insurance. Unfortunately, on occasion, a filing is missed. If you

are aware of a particular filing that we are missing, please contact Patrick Light at plight@perrknight.com and provide any information you have on the filing. Perr&Knight will then work to obtain a copy. Once we have it, we will incorporate it into the next RateWatch update.

I have several recommendations on how to make the RateWatch reports better for me. Who can I talk to about them?

Please contact Nichelle Dawkins at ndawkins@perrknight.com regarding suggested improvements to RateWatch. We plan to continuously improve RateWatch by adding new data elements or features that are of interest to our subscribers. We are always interested in and appreciative of customer feedback. Some of our best product ideas have come from our clients.

How are Underwriting Companies displayed on the reports?

Underwriting Companies are displayed in order of highest-to-lowest written premiums for the most recent annual statement year. The reports do not display any Company-level detail for Underwriting Companies whose written premium were zero or negative for the most recent annual statement year. For that reason, updated RateWatch reports might show fewer Underwriting Companies (or more) than the previous report due to the change in written premiums from positive to negative, or vice versa, from the prior year annual statements.

How are the average rate changes calculated for each calendar year by Underwriting company?

The Direct written premium for each respective calendar year is used to calculate the weighted rate change

How is the cumulative rate change calculated for each Group?

The cumulative rate change calculation considers each respective calendar year change in a multiplicative formula.

How is the cumulative loss ratio calculated for each Group?

The cumulative loss ratio calculation sums each respective calendar year Incurred Loss and Defense and Cost Contentment, then divides by the sum of Earned Premium for each respective calendar year.

What are custom reports?

Custom reports allow the user to produce Comprehensive rate and profitability analysis based of Top 10 selected Groups or Companies. There are 2 options, a group level report or a Company level report. Each allows you to select a line of business, one or multiple States, and then multiple Groups or Companies. The report displays a 5 year his-

tory of rate change activity with loss ratio detail by Group or by Company. All of this available in an Excel download format for integration with your own proprietary reports and analyses.

Why is there more than 10 Groups available when I run a Custom Report?

With Custom reports when you run a selected State if a Group is in the Top 10 Countrywide but did not make the State Top 10 it will be available. This is value added data that we have now made available via custom reports. In addition, RateWatch offers a full Countrywide report that captures rate change activity for the Top 10 Groups Countrywide, if interested in the Countrywide subscription please contact, sales@perrknight.com.

What are Saved Reports?

RateWatch allows users to run a report and simply click the generate and save button. The save feature allows the user to name the report and have them stored on the Generate Report screen for future reference. To rerun the query simply click on view.