



**A
REPORT**
(Pursuant to Section 3425(l)(2) of the Insurance Law)

TO

**GOVERNOR CUOMO
AND
THE NEW YORK STATE LEGISLATURE**

ON

**SECTION 3425 OF THE INSURANCE LAW
IN RELATION TO
PRIVATE PASSENGER AUTOMOBILE
INSURANCE POLICIES**

June 30, 2020

**New York State Department of Financial Services
Linda A. Laceywell
Superintendent of Financial Services**



Department of Financial Services

ANDREW M. CUOMO
Governor

LINDA A. LACEWELL
Superintendent

June 30, 2020

Governor Andrew M. Cuomo
The Executive Chamber
State Capitol
Albany, NY 12224

In accordance with the requirements of Section 3425(1)(2) of the New York Insurance Law, please find attached the Department of Financial Services' report on Section 3425 of the Insurance Law regarding private passenger automobile insurance policies.

Respectfully submitted,

Linda A. Lacewell
Superintendent of Financial Services

cc: Hon. Andrea Stewart-Cousins
Hon. Robert G. Ort
Hon. Neil D. Breslin
Hon. Carl E. Heastie
Hon. Crystal D. People-Stokes
Hon. William A. Barclay
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INTRODUCTION

Section 3425 of the New York Insurance Law sets forth the requirements regarding automobile insurers' decisions to non-renew or conditionally renew private passenger automobile insurance policies upon expiration of the required one-year policy period. This report on such non-renewals or conditional renewals is made pursuant to the requirements of Section 3425(1)(2) of the New York Insurance Law.

Specifically, Section 3425(f)(1) permits an insurer (with limited exceptions described below) to non-renew or conditionally renew up to a maximum of 2% of the total number of covered policies in force at the end of the previous year in each of an insurer's rating territories. This limitation is commonly referred to as the "2% Rule." Excluded from the 2% Rule are cancellations made within the first 60 days of a newly issued policy, and midterm terminations due to a limited number of reasons prescribed by statute, such as non-payment of premium, fraud in obtaining the policy or in presentation of a claim, and suspension or revocation of a driver's license. Also excluded from the 2% Rule are terminations made at the policyholder's request. In addition, the law permits insurers to annually non-renew one policy in a given rating territory where the number of its total policies in such territory is less than 50. The law also permits an insurer to non-renew policies at a rate greater than 2% under certain circumstances and subject to the Superintendent's approval.

Section 3425(f)(2) provides that an insurer may non-renew or conditionally renew one additional policy in each territory beyond the two percent limitation, for every two newly issued automobile insurance policies voluntarily written by that insurer in such territory. Section 3425(f)(2), which can be viewed as a companion rule of Section 3425(f)(1), is often referred to as the "2-for-1 Credit."

Section 3425(1)(2) requires the Superintendent to collect, analyze and compile reports submitted by insurers regarding the number of new insureds, nonrenewed insureds, and business written by each insurer in each of its rating territories, and to report the results of such analysis to the Legislature by June 30, 2020. Chapter 395 of the laws of 2017 amended this section to include the reasons in the aggregate for the non-renewal of policies.

The Department of Financial Services (the Department) last reported on this subject on March 15, 2017 for the three-year period ended December 31, 2015. Chapter 69 of the laws of 2017 extended the pertinent sections of the law to June 30, 2020; Chapter 58 of the Laws of 2020 further extended these sections to June 30, 2023. The data analyzed for this Report covers the three-year period ended December 31, 2018, during which time the 2% Rule was continuously in effect.

LEGISLATIVE BACKGROUND OF SECTION 3425

Section 3425 has an extensive history. It was originally enacted in 1969 as Section 167-a to establish minimum policy standards limiting insurers' right to terminate private passenger automobile coverage, while preserving the necessary freedom to underwrite responsibly. As time passed and circumstances changed, Section 3425 evolved both in response to current market conditions and in a manner consistent with the law's original goals.

REPORT METHODOLOGY

Collection of Data

In order to obtain the information for this Report, the Department, pursuant to Section 3425(1) of the Insurance Law, required all insurers with voluntary private passenger automobile insurance policies in force in New York from 2016 through 2018 to submit specific underwriting data for the respective calendar years.

The required report formats and instructions are posted on the Department's web site for access and downloading by all insurers. All reports were required to be completed in a standardized electronic format.

Driver Classifications and Territorial Designations Utilized

Automobile insurance companies price the policies they sell to individuals by means of driver classification systems that, when actuarially and statistically supported and properly applied, help predict future losses and prevent unfair discrimination.

Classification systems may differ among insurance companies. Some use simple systems that include a few separate classes, while others employ more complex systems utilizing many classes and variables. However, the basic principal driver classifications common to virtually all insurers are: Adult; Senior Citizen; Youthful Male; and Youthful Female (all of which are further differentiated by "Business" or "Pleasure" use). For the purpose of evaluating the operation of Section 3425, the Department uses data reported by insurers for the first four classes, since they are most relevant to the objective of the statute, which is protection of personal automobile insurance policyholders.

The geographical garaging location of the vehicle insured determines the rating territory used in calculating the policy premium. Territory definitions vary among insurers. Since the 2% Rule functions on a territorial basis, for the purposes of this Report, it is essential that compliance data be reported in a uniform statewide-compatible format. Therefore, in completing their annual submissions of information required by Section 3425, insurers are

instructed to conform their respective territorial reports to those of Insurance Services Office, Inc. (ISO), a principal advisory rate service organization.

SCOPE OF ANALYSIS

The compiled data are presented in two parts in the Overall Findings section of this Report. Part I (Summary by Classes) summarizes the number of policies in force, the number of new policies written, and the number of nonrenewed policies, categorized by class of insureds, of the 30 largest auto insurers (by premium volume) in New York State for the years 2016 through 2018.

Based on the direct written premiums reported on the companies' filed annual statements, the top 30 insurers represented the following cumulative market share of all private passenger automobile insurance business written in New York State: 85.67% in 2016, 86.53% in 2017 and 86.81% in 2018. Because of the significant aggregate share of the overall insurance market represented by these companies, the summary data for this group represent a reliable measure of the effectiveness of the law.

Part II (Other Information) presents information on excess nonrenewals (i.e., the number of policies nonrenewed above the 2% limit), disciplinary actions, new business written, and consumer complaints for all insurers (including the top 30) writing private passenger automobile insurance in New York.

All of the data utilized in compiling this Report were provided by insurers writing private passenger automobile insurance in New York.

The excess nonrenewal data originally reported are subject to verification by the Property Bureau's Market Conduct Unit and may result in disciplinary action for an insurer found in violation. The raw data submitted by companies include information on all activities regarding reduction of policies (policies written, cancelled, nonrenewed or conditionally renewed by company or terminated by insured's request, reasons stated for nonrenewing policies), including any permitted exceptions to the 2% Rule. The Department analyzes this data to determine the number of policies nonrenewed or conditionally renewed in excess of that permitted.

The information reflected in this Report represents the most current data available at the time the Report was prepared.

ANALYSIS

I. SUMMARY BY CLASSES

The following tables summarize the voluntary market data of the 30 largest New York private passenger automobile insurers by various driver classifications:

Table 1
All Classes Combined

| | 2016 | 2017 | 2018 |
|---------------------|-------------|-------------|-------------|
| Policies In Force | 5,601,078 | 5,654,807 | 5,619,031 |
| Policies Nonrenewed | 43,046 | 47,598 | 58,111 |
| Percent Nonrenewed | 0.77% | 0.84% | 1.03% |

Comments:

Overall, the industry has consistently stayed within the 2% limitation. The effectiveness of the 2% Rule is reflected in the stable number of policies in force. While the number and percentage of policies in force remained stable from 2016 through 2018, the number and percentage of policies nonrenewed during the three-year period increased slightly.

Table 2
Senior Citizens

| | 2016 | 2017 | 2018 |
|--|-------------|-------------|-------------|
| Senior Citizens Policies In Force | 1,036,124 | 1,076,242 | 1,109,694 |
| Senior Citizens Class as a % of all Policies | 18.50% | 19.03% | 19.75% |
| Senior Citizens Policies Nonrenewed | 4,518 | 4,782 | 5,571 |
| % Senior Citizens Non-renewed of all Senior Citizens Policies In Force | 0.44% | 0.44% | 0.50% |
| % Senior Citizens Non-renewed of all Policies Nonrenewed | 10.50% | 10.05% | 9.59% |
| % Senior Citizens Non-renewed of all Policies In Force | 0.08% | 0.08% | 0.10% |

Comments:

During the three-year reporting period, senior citizens represented approximately 19.09% of policyholders. In averaging the three years, this class represented approximately 10.0% of all policyholders nonrenewed.

While an average of 0.88% of all classes combined were nonrenewed during the three-year period covered by this Report, an average of 0.46% of the senior citizens were nonrenewed. The relative nonrenewal rate of senior citizens appears to indicate that this class appears to be considered more desirable by many insurers relative to the overall market. Indeed, a senior citizen is less likely to be nonrenewed than the average policyholder.

Table 3
Youthful Males

| | 2016 | 2017 | 2018 |
|--|-------------|-------------|-------------|
| Youthful Males Policies In Force | 218,096 | 208,853 | 204,808 |
| Youthful Males Class as a % of all Policies | 3.89% | 3.69% | 3.64% |
| Youthful Males Policies Nonrenewed | 2,604 | 2,646 | 2,903 |
| % Youthful Males Non-renewed of all Youthful Males Policies In Force | 1.19% | 1.27% | 1.42% |
| % Youthful Males Non-renewed of all Policies Nonrenewed | 6.05% | 5.56% | 5.00% |
| % Youthful Males Non-renewed of all Policies In Force | 0.05% | 0.05% | 0.05% |

Comments:

Youthful males have had, historically, more difficulty finding and maintaining coverage in the voluntary market relative to all other age classes. During this three-year period, there was a decrease in the number of youthful male policies in force. The number of youthful male policies nonrenewed increased in both 2017 and 2018.

Table 4
Youthful Females

| | 2016 | 2017 | 2018 |
|---|-------------|-------------|-------------|
| Youthful Females Policies In Force | 165,175 | 158,862 | 154,708 |
| Youthful Females Class as a % of all Policies | 2.95% | 2.81% | 2.75% |
| Youthful Females Policies Nonrenewed | 1,601 | 1,680 | 1,928 |
| % Youthful Females Nonrenewed of all Youthful Females Policies In Force | 0.97% | 1.06% | 1.25% |
| % Youthful Females Nonrenewed of all Policies Nonrenewed | 3.72% | 3.53% | 3.32% |
| % Youthful Females Nonrenewed of all Policies In Force | 0.03% | 0.03% | 0.03% |

Comments:

As a percentage of all youthful female policies, nonrenewals for this class averaged approximately 1.09% in the three-year period covered by this Report. Of all policies nonrenewed, the average of youthful females nonrenewed relative to all policies nonrenewed was 3.50% during this three-year period. However, as a percentage of all policies in force, youthful females' rate of nonrenewals is well below the overall average. During this three-year period, there was a decrease in the number of youthful female policies in 2017 and 2018.

General Comments and Observations

Although nonrenewals in the youthful operator classes are well within the permissible statutory limit relative to the overall nonrenewal rate, youthful operators have a greater chance of being nonrenewed than the average policyholder, regardless of gender. Drivers in the youthful operator classes generally experience more difficulties in obtaining insurance as well. Whenever insurers become more selective in their underwriting practices, the most significantly affected are those classes that historically have been least attractive from an underwriter's perspective -- namely, youthful operators.

Notably, with respect to youthful operators, those that move back into or continue to reside in their parents' households are generally insured under their parents' policies, and do not need to purchase policies of their own. Additionally, youthful operators are in the segment of the population that is most comfortable with new technology and innovative concepts. The growth of technology and the sharing economy may make it possible for people to enjoy the benefits of driving without the burdens of car ownership and recurring costs (including direct insurance costs.) Senior citizens, too, may be driving less.

II. OTHER INFORMATION

The following information is based on reports filed by all insurers writing private passenger automobile insurance in New York.

A summary of excess nonrenewals by territory throughout the State may be found in Appendix I. Appendix II summarizes excess nonrenewals by companies and groups.

1. Market Conduct Examinations and Disciplinary Actions for Excess Nonrenewals

Insurers report the number of nonrenewals and policies in force annually. The Department monitors insurers' activities with respect to excess nonrenewals. Insurers found to be in violation of the 2% Rule in any given territory are subject to disciplinary action for each policy nonrenewed in excess of the insurer's permissible number in that territory. The Market Conduct Unit of the Department's Property Bureau investigates all such violations and, when appropriate, imposes penalties.

The Market Conduct Unit maintains a record of all 2% Rule violations that have been settled. Fines collected for Section 3425 violations by stipulation in the three-year period of 2016-2018 totaled \$159,650.

(It should be noted that this Report reflects excess nonrenewals *reported* during the three-year period and fines *paid* during that period. A stipulation acknowledging violations and agreeing to a fine may cover several years' activity and may not necessarily match violations occurring in the year the stipulation was signed.)

2. Excess Nonrenewals

By Territory

An analysis of excess nonrenewals by territory for the three-year period of 2016 to 2018 indicates that the ten territories with the largest number of excess nonrenewals (out of 70 territories in total) account for 56.93% of all excess nonrenewals. The top 10 territories with excess nonrenewals are in metropolitan or suburban areas.

Detailed information on excess nonrenewals by territory is presented in Appendix I.

By Company/Groups

During the three-year period covered by this Report, a total of 2,821 policies were nonrenewed in excess of the 2% limitation (other than those terminated under approved withdrawal plans in accordance with Section 3425(r)). The Department continues to monitor and investigate insurers' compliance with the 2% Rule.

Detailed information on excess nonrenewals by company/group is presented in Appendix II.

3. Reasons for Nonrenewal of Policies

Pursuant to the requirements of Chapter 395 of the Laws of 2017, preliminary data was collected to establish a uniform reporting matrix to enable reporting of aggregate reasons for the non-renewal of personal automobile policies. Since policies are often non-renewed for multiple reasons, companies were asked to report each reason separately for the applicable category of nonrenewal.

Based on the analysis of the various reasons stated in notices of nonrenewal issued pursuant to §3425(d)(1), the 20 most frequently used reasons stated by companies fall into the following categories:

| | | |
|---|--|--------|
| 1 | Multiple accidents | 40,673 |
| 2 | Conviction(s) - other than specified above | 9,341 |
| 3 | Combination of losses & other incidents (not included in categories above) | 7,479 |
| 4 | Single accident | 3,436 |
| 5 | Failure to provide requested underwriting information - (on specified driver, spouse, partner, other listed person, etc.) | 3,331 |
| 6 | Issue with garaging location of vehicle (Not regularly garaged at insured's residence, unable to verify garaging location, outside New York State, etc.) | 2,823 |
| 7 | Suspended or revoked drivers license | 2,621 |
| 8 | Conviction - Driving While Intoxicated or Impaired | 2,243 |
| 9 | Business use of vehicle (unacceptable risk) | 1,451 |

| | | |
|----|--|-------|
| 10 | Unlicensed operator involved in accident | 1,284 |
| 11 | Conviction - Illegal use of cell/mobile phone (texting, etc.) | 998 |
| 12 | Company no longer offers the specific type of policy in this state | 902 |
| 13 | Issue with driver license information (insured does not have or failed to obtain valid drivers license, insurer unable to verify driving record information, etc.) | 806 |
| 14 | Agent no longer represents company | 775 |
| 15 | More vehicles than drivers (increase in hazard) | 604 |
| 16 | Undisclosed operator (in household, or has regular access to the vehicle) | 591 |
| 17 | Issue with care, custody and control of vehicle | 380 |
| 18 | Failure to comply with terms of policy, provide requested information, or cooperate with claims investigation | 356 |
| 19 | Insured moved out of state or does not have valid NY state address | 323 |
| 20 | Other (1-10) | 1,856 |

*This number does not include non-renewals issued under plans for orderly nonrenewal of policies companies may have had approved under §3425(r).

4. New Business Writings

Private passenger automobile insurers reported new business writings of 1,501,681 policies in 2016, 1,439,292 policies in 2017, and 1,424,579 policies in 2018.

Private passenger car registrations, as reported by the Department of Motor Vehicles, totaled 11,256,778 in 2016, 11,288,933 in 2017, and 11,351,388 in 2018, which indicates a stable trend in overall registrations. Those holding driver licenses in New York slightly increased from 12,037,759 in 2016 to 12,070,424 in 2017, and then decreased in 2018 to 12,014,823.. We view the foregoing as indicative of a stable market.

5. Consumer Complaints

During the three-year reporting period, a total of 9,339 (3,213 for 2016, 3,217 for 2017 and 2,909 for 2018) consumer complaints regarding private passenger automobile insurance were processed by the Department's Consumer Assistance Unit. Of such complaints, 949 (319 in 2016, 315 in 2017 and 315 in 2018), involved cancellations and nonrenewals of private passenger automobile insurance policies. A total of 82 of those complaints (30 in 2016, 31 in 2017 and 21 in 2018) were upheld.

| | Received | Cancelled / Nonrenewed | Upheld |
|---------------|-----------------|-----------------------------------|---------------|
| 2016 | 3,213 | 319 | 30 |
| 2017 | 3,217 | 315 | 31 |
| 2018 | 2,909 | 315 | 21 |
| TOTALS | 9,339 | 949 | 82 |

6. Use of Multi-Tier Rating Programs

Chapter 9 of the Laws of 1995 added Section 2349 to the Insurance Law, effective May 28, 1995, to permit multi-tier rating programs.

Under a multi-tier rating program, an insurer may place insureds into different rate levels based on specific factors of risk exposure or driving history. Among the Legislature's objectives in enacting the multi-tier law was the depopulation of the NYAIP (the assigned risk plan). The ability to more closely match risk exposure to an appropriate rate helps more drivers to locate insurers willing to accept them in the voluntary market, provided the rates are not unfairly discriminatory. Evidence indicates that the law has been successful, since the share of the market attributable to the NYAIP is now less than 1%, as compared with 17% in 1993.

Multi-tier programs should have the effect of making insureds who might otherwise not qualify for coverage under insurers' standard underwriting guidelines more attractive when placed in a rating tier that is more appropriate to the driver's risk profile. It was anticipated that this measure would not only increase voluntary writings, but would also reduce nonrenewals as well. Based on the significant depopulation of the assigned risk plan over the last two decades, it appears that the multi-tier statute has thus far accomplished the Legislature's objective.

Pursuant to Section 2349, insurers may move up to 3% of insureds in each rating territory to higher-rated tiers upon annual policy renewal. This applies in addition to Section 3425's 2% Rule. There is no limitation on moving insureds to lower-rated tiers.

CONCLUSION

Section 3425 is intended to establish an equitable balance among the often-competing forces of policyholders' expectations, insurers' legitimate prerogatives in evaluating and assuming risk, and the realities of New York's private passenger automobile insurance marketplace. It provides the foundation for a reliable and predictable automobile insurance market that promotes stability and protects consumers against arbitrary cancellations or nonrenewals of coverage.

A key element of Section 3425(f) is the 2% Rule, which provides sufficient flexibility to insurers to underwrite risks in a fair and prudent manner. It has encouraged insurers to venture into markets where they have previously had little experience, and to develop market strategies that should enhance the availability and affordability of voluntary personal automobile insurance in New York. The rule is also an essential component in limiting the number of policies issued via the New York Automobile Insurance Plan (NYAIP), the assigned risk mechanism for insuring persons who cannot otherwise secure automobile insurance. The data in this Report indicate a decrease in the number and percentage of policies nonrenewed, demonstrating that, in the aggregate, the industry remains well within the 2% Rule limitation. The NYAIP population has continued to decline during the period reviewed.

Pursuant to Section 3425(m), if the 2% Rule is not in effect, policies would become subject to a three-year required policy period and may not be nonrenewed except for limited circumstances. Reversion to the three-year rule may discourage voluntary insurers from writing new business. This was evidenced during a 23-month period (August 2, 2001 - June 26, 2003; addressed in prior reports), when the law expired and the 2% Rule was not in effect. While the number of vehicles registered in the State at that time remained stable, the number of voluntary policies in force decreased during the period in which the 2% Rule was not in effect. Thus, it appears that the suspension of the 2% Rule had a negative effect on the voluntary market by fostering uncertainty in the marketplace and by reducing some flexibility insurers had in underwriting their books of business. In contrast, after the 2% Rule was reinstated, increases were observed in the number of voluntary policies in force. This Report for the three-year period of 2016-2018 continues to confirm the benefits of the 2% Rule.

The 2% Rule, combined with the "2-for-1" credit, has a beneficial effect on the voluntary private passenger automobile insurance marketplace. These provisions provide stability and stimulate growth of the voluntary market, thereby broadening availability of vital automobile insurance coverage. They allow insurers substantial flexibility and incentive to accept new risks and discontinue only their most undesirable business, as long as they maintain an active presence in the private passenger automobile market.

Based upon the data analyzed for this Report, industry-wide violations of the 2% Rule, both overall as well as by individual driver classes studied, have not been substantial.

When violations are found, the Department of Financial Services actively pursues and applies disciplinary measures to enforce the law and ensure future compliance with the rule.

Appendix I

Summary of Excess Nonrenewals by Territory – 2016 - 2018

APPENDIX I

SUMMARY OF EXCESS NONRENEWALS BY TERRITORY
2016 - 2018

| Territory Description | Ter # | 2016 | 2017 | 2018 | Total | % | Rank |
|------------------------------|--------------|-------------|-------------|-------------|--------------|----------|-------------|
| QUEENS SUB. | 55 | 34 | 332 | 241 | 607 | 10.81% | 1 |
| SUFFOLK CO. EAST | 76 | 44 | 68 | 418 | 530 | 9.44% | 2 |
| SUFFOLK CO. WEST | 75 | 53 | 195 | 252 | 500 | 8.91% | 3 |
| HEMPSTEAD | 20 | 54 | 76 | 178 | 308 | 5.49% | 4 |
| KINGS CO. | 17 | 17 | 137 | 116 | 270 | 4.81% | 5 |
| OYSTER BAY | 22 | 31 | 127 | 83 | 241 | 4.29% | 6 |
| ROCHESTER | 11 | 25 | 66 | 120 | 211 | 3.76% | 7 |
| BRONX SUB. | 03 | 7 | 102 | 84 | 193 | 3.44% | 8 |
| ALLEGHENY CO., ETC. | 84 | 21 | 50 | 103 | 174 | 3.10% | 9 |
| BRONX | 01 | 11 | 80 | 71 | 162 | 2.89% | 10 |
| STATEN ISLAND | 05 | 5 | 77 | 60 | 142 | 2.53% | 11 |
| CLINTON CO., ETC. | 67 | 10 | 35 | 75 | 120 | 2.14% | 12 |
| MANHATTAN | 18 | 3 | 51 | 58 | 112 | 2.00% | 13 |
| CHAUTAUQUA CO. | 31 | 6 | 18 | 73 | 97 | 1.73% | 14 |
| QUEENS | 19 | 3 | 51 | 42 | 96 | 1.71% | 15 |
| CORTLAND CO., ETC. | 54 | 5 | 14 | 70 | 89 | 1.59% | 16 |
| BUFFALO SEMI-SUB. | 08 | 9 | 22 | 56 | 87 | 1.55% | 17 |
| MIDDLETOWN | 64 | 5 | 40 | 42 | 87 | 1.55% | 18 |
| ROCKLAND CO. | 68 | 8 | 40 | 33 | 81 | 1.44% | 19 |
| SYRACUSE | 12 | 2 | 18 | 56 | 76 | 1.35% | 20 |
| BINGHAMTON | 28 | 2 | 18 | 50 | 70 | 1.25% | 21 |
| MT. VERNON & YONKERS | 94 | 5 | 38 | 26 | 69 | 1.23% | 22 |
| NEW YORK CITY SUB. | 97 | 7 | 27 | 32 | 66 | 1.18% | 23 |
| ELMIRA | 27 | 0 | 4 | 56 | 60 | 1.07% | 24 |
| OSSINING | 65 | 1 | 19 | 38 | 58 | 1.03% | 25 |
| ONTARIO CO., ETC. | 51 | 5 | 27 | 26 | 58 | 1.03% | 26 |
| NORTH HEMPSTEAD | 21 | 15 | 19 | 22 | 56 | 1.00% | 27 |
| ALBANY | 13 | 1 | 11 | 41 | 53 | 0.94% | 28 |
| BUFFALO SUB. | 42 | 4 | 16 | 31 | 51 | 0.91% | 29 |
| SCHENECTADY CO. | 09 | 7 | 21 | 23 | 51 | 0.91% | 30 |
| BUFFALO | 07 | 2 | 11 | 37 | 50 | 0.89% | 31 |
| DELAWARE CO., ETC. | 61 | 1 | 23 | 26 | 50 | 0.89% | 32 |
| MONROE CO. (BAL) | 48 | 2 | 23 | 23 | 48 | 0.86% | 33 |

APPENDIX I

SUMMARY OF EXCESS NONRENEWALS BY TERRITORY
2016 - 2018

| Territory Description | Ter # | 2016 | 2017 | 2018 | Total | % | Rank |
|------------------------------|--------------|-------------|-------------|-------------|--------------|-------------|-------------|
| SYRACUSE SUB. | 38 | 0 | 18 | 24 | 42 | 0.75% | 34 |
| OSWEGO | 37 | 3 | 2 | 29 | 34 | 0.61% | 35 |
| POUGHKEEPSIE | 33 | 3 | 6 | 25 | 34 | 0.61% | 36 |
| PUTNAM CO. | 46 | 3 | 12 | 19 | 34 | 0.61% | 37 |
| UTICA | 15 | 2 | 3 | 24 | 29 | 0.52% | 38 |
| DUTCHESS CO. (BAL) | 58 | 2 | 16 | 11 | 29 | 0.52% | 39 |
| WHITE PLAINS | 95 | 1 | 21 | 6 | 28 | 0.50% | 40 |
| BROOME CO. (BAL) | 44 | 0 | 8 | 19 | 27 | 0.48% | 41 |
| GENESEE CO. | 60 | 1 | 4 | 21 | 26 | 0.46% | 42 |
| MONTICELLO-LIBERTY | 81 | 1 | 7 | 18 | 26 | 0.46% | 43 |
| TROY | 34 | 4 | 8 | 14 | 26 | 0.46% | 44 |
| GLENS FALLS | 36 | 2 | 6 | 16 | 24 | 0.43% | 45 |
| ERIE COUNTY (BAL) | 41 | 0 | 9 | 14 | 23 | 0.41% | 46 |
| COLUMBIA CO., ETC. | 59 | 0 | 5 | 16 | 21 | 0.37% | 47 |
| SULLIVAN CO. (BAL) | 83 | 0 | 5 | 16 | 21 | 0.37% | 48 |
| NIAGARA FALLS | 14 | 0 | 6 | 14 | 20 | 0.36% | 49 |
| NEWBURGH | 32 | 3 | 5 | 12 | 20 | 0.36% | 50 |
| ROME | 24 | 2 | 0 | 16 | 18 | 0.32% | 51 |
| SULLIVAN CO. CENTRAL | 82 | 2 | 7 | 9 | 18 | 0.32% | 52 |
| ROCHESTER SUB. | 39 | 3 | 0 | 13 | 16 | 0.29% | 53 |
| HIGHLAND, KINGSTON | 62 | 1 | 6 | 9 | 16 | 0.29% | 54 |
| FORT PLAIN, HERKIMER | 52 | 0 | 1 | 14 | 15 | 0.27% | 55 |
| ONEIDA | 86 | 0 | 3 | 11 | 14 | 0.25% | 56 |
| SARATOGA SPRINGS SUB. | 16 | 2 | 7 | 5 | 14 | 0.25% | 57 |
| AUBURN | 25 | 12 | 2 | 0 | 14 | 0.25% | 58 |
| NIAGARA FALLS SUB. | 43 | 0 | 1 | 12 | 13 | 0.23% | 59 |
| CORNING | 40 | 0 | 3 | 9 | 12 | 0.21% | 60 |
| AMSTERDAM | 35 | 0 | 5 | 6 | 11 | 0.20% | 61 |
| GLOVERSVILLE | 29 | 1 | 6 | 4 | 11 | 0.20% | 62 |
| ALBANY CO. (BAL) | 72 | 1 | 9 | 1 | 11 | 0.20% | 63 |
| SARATOGA CO. (BAL) | 56 | 2 | 1 | 6 | 9 | 0.16% | 64 |
| RENSSELAER CO. (BAL) | 73 | 1 | 2 | 6 | 9 | 0.16% | 65 |
| JEFFERSON CO. | 74 | 0 | 4 | 3 | 7 | 0.12% | 66 |
| NIAGARA CO. (BAL) | 49 | 0 | 3 | 3 | 6 | 0.11% | 67 |
| SARATOGA CO. SOUTH | 71 | 0 | 3 | 3 | 6 | 0.11% | 68 |
| ORLEANS CO. | 47 | 0 | 2 | 2 | 4 | 0.07% | 69 |
| SARATOGA SPRINGS | 30 | 0 | 1 | 2 | 3 | 0.05% | 70 |
| STATE TOTALS | | 457 | 2063 | 3094 | 5614 | 100% | |

These numbers include 2,793 policies that are in excess of the 2% threshold but are not considered violations as they were nonrenewed in accordance with an approved withdrawal plan; in 2016 there were 239, in 2017 there were 1,143, and in 2018 there were 1,411.

Appendix II

Summary of Excess Nonrenewals by Company/Group 2016 - 2018

Appendix II
Summary of Excess Nonrenewals
by Company/Group: 2016 – 2018

| <u>Company/Group</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>Total</u> | <u>%</u> | <u>Rank</u> |
|---|---------------|---------------|---------------|--------------|---------------|-------------|
| Titan Indemnity Company | 0 | 0 | 797 | 797 | 28.25% | |
| Harleysville Ins Co | 0 | 0 | 2 | 2 | 0.07% | |
| Nationwide General Insurance Company | 1 | 0 | 0 | 1 | 0.04% | |
| Nationwide Corp Group | 1 | 0 | 799 | 800 | 28.36% | 1 |
| % of Total for the Year | 0.46% | 0.00% | 47.47% | | | |
| MAPFRE Ins Co. | 38 | 602 | 86 | 726 | 25.74% | |
| MAPFRE Insurance Group | 38 | 602 | 86 | 726 | 25.74% | 2 |
| % of Total for the Year | 17.43% | 65.43% | 5.11% | | | |
| General Cas Co Of Wi | 0 | 1 | 0 | 1 | 0.04% | |
| Blue Ridge Indemnity Company | 0 | 0 | 658 | 658 | 23.33% | |
| QBE Ins Group | 0 | 1 | 658 | 659 | 23.36% | 3 |
| % of Total for the Year | 0.00% | 0.11% | 39.10% | | | |
| Republic Franklin Insurance Company | 1 | 0 | 0 | 1 | 0.04% | |
| Utica Mutual Insurance Company | 14 | 15 | 4 | 33 | 1.17% | |
| Utica National Insurance Company of Texas | 57 | 152 | 40 | 249 | 8.83% | |
| Utica Group | 72 | 167 | 44 | 283 | 10.03% | 4 |
| % of Total for the Year | 33.03% | 18.15% | 2.61% | | | |
| A Central Insurance Company | 42 | 65 | 27 | 134 | 4.75% | |
| NYCM Insurance | 10 | 16 | 9 | 35 | 1.24% | |
| NYCM Ins Group | 52 | 81 | 36 | 169 | 5.99% | 5 |
| % of Total for the Year | 23.85% | 8.80% | 2.14% | | | |

Appendix II
Summary of Excess Nonrenewals
by Company/Group: 2016 – 2018

| <u>Company/Group</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>Total</u> | <u>%</u> | <u>Rank</u> |
|---|---------------|--------------|--------------|--------------|--------------|-------------|
| New South Insurance Company* | 4 | 19 | 31 | 54 | 1.91% | |
| National Gen Group | 4 | 19 | 31 | 54 | 1.91% | 6 |
| % of Total for the Year | 1.83% | 2.07% | 1.84% | | | |
| Mercury Casualty Company | 1 | 31 | 11 | 43 | 1.52% | |
| Mercury Gen Group | 1 | 31 | 11 | 43 | 1.52% | 7 |
| % of Total for the Year | 0.46% | 3.37% | 0.65% | | | |
| Hartford Casualty Insurance Company | 30 | 5 | 0 | 35 | 1.24% | |
| Hartford Fire & Cas Group | 30 | 5 | 0 | 35 | 1.24% | 8 |
| % of Total for the Year | 13.76% | 0.54% | 0.00% | | | |
| Unitrin Direct Insurance Company | 1 | 2 | 2 | 5 | 0.18% | |
| Unitrin Advantage | 1 | 0 | 0 | 1 | 0.04% | |
| Kemper Independence Insurance Co. | 0 | 4 | 0 | 4 | 0.14% | |
| Unitrin Auto and Home | 0 | 1 | 1 | 2 | 0.07% | |
| Unitrin Preferred Insurance Company | 1 | 0 | 0 | 1 | 0.04% | |
| Kemper Corp Group | 3 | 7 | 3 | 13 | 0.46% | 9 |
| % of Total for the Year | 1.38% | 0.76% | 0.18% | | | |
| Economy Premier Assurance Company | 3 | 3 | 0 | 6 | 0.21% | |
| Metropolitan Casualty Insurance Company | 1 | 0 | 5 | 6 | 0.21% | |
| Metropolitan Group | 4 | 3 | 5 | 12 | 0.43% | 10 |
| % of Total for the Year | 1.83% | 0.33% | 0.30% | | | |

Appendix II
Summary of Excess Nonrenewals
by Company/Group: 2016 – 2018

| <u>Company/Group</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>Total</u> | <u>%</u> | <u>Rank</u> |
|---|--------------|--------------|--------------|--------------|--------------|-------------|
| National Liability & Fire Insurance Company | 3 | 0 | 1 | 4 | 0.14% | |
| GEICO Casualty Company | 3 | 0 | 0 | 3 | 0.11% | |
| Berkshire Hathaway Group | 6 | 0 | 1 | 7 | 0.25% | 11 |
| % of Total for the Year | 2.75% | 0.00% | 0.06% | | | |
| Central Mutual Insurance Company | 1 | 0 | 5 | 6 | 0.21% | |
| Central Mutual Ins Co Group | 1 | 0 | 5 | 6 | 0.21% | 12 |
| % of Total for the Year | 0.46% | 0.00% | 0.30% | | | |
| Ameriprise Insurance Company | 0 | 1 | 2 | 3 | 0.11% | |
| IDS Property Casualty | 0 | 1 | 0 | 1 | 0.04% | |
| American Family Ins Group | 0 | 2 | 2 | 4 | 0.14% | 13 |
| % of Total for the Year | 0.00% | 0.22% | 0.12% | | | |
| Amica Prop & Cas Ins Co | 0 | 0 | 1 | 1 | 0.04% | |
| Amica Mutual Insurance Company | 1 | 0 | 0 | 1 | 0.04% | |
| Amica Mut Group | 1 | 0 | 1 | 2 | 0.07% | 14 |
| % of Total for the Year | 0.46% | 0.00% | 0.06% | | | |
| Associated Indemnity Corporation | 1 | 0 | 0 | 1 | 0.04% | |
| National Surety Corporation | 1 | 0 | 0 | 1 | 0.04% | |
| Allianz Ins Group | 2 | 0 | 0 | 2 | 0.07% | 15 |
| % of Total for the Year | 0.92% | 0.00% | 0.00% | | | |

Appendix II
Summary of Excess Nonrenewals
by Company/Group: 2016 – 2018

| <u>Company/Group</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>Total</u> | <u>%</u> | <u>Rank</u> |
|--|--------------|--------------|--------------|--------------|--------------|-------------|
| First Liberty Insurance Corp. | 0 | 2 | 0 | 2 | 0.07% | |
| Liberty Mut Group | 0 | 2 | 0 | 2 | 0.07% | 16 |
| % of Total for the Year | 0.00% | 0.22% | 0.00% | | | |
| Maidstone Ins Co** | 1 | 0 | 1 | 2 | 0.07% | |
| | 1 | 0 | 1 | 2 | 0.07% | 17 |
| % of Total for the Year | 0.46% | 0.00% | 0.06% | | | |
| 21st Century Advantage Insurance Company | 1 | 0 | 0 | 1 | 0.04% | |
| Farmers Ins Group | 1 | 0 | 0 | 1 | 0.04% | 18 |
| % of Total for the Year | 0.46% | 0.00% | 0.00% | | | |
| Travelers Commercial Insurance Company | 1 | 0 | 0 | 1 | 0.04% | |
| Travelers Group | 1 | 0 | 0 | 1 | 0.04% | 19 |
| % of Total for the Year | 0.46% | 0.00% | 0.00% | | | |
| YEAR TOTALS | 218 | 920 | 1683 | 2821 | 100% | |

* company moved from Amtrust NGH group in 2018

** company moved from Interboro group in 2016

Appendix III

Private Passenger Automobile Insurance Top 30 Market Share in New York State 2016-2018

APPENDIX III

PRIVATE PASSENGER AUTOMOBILE INSURANCE TOP 30 INSURERS BY MARKET SHARE IN NEW YORK STATE 2016 - 2018

| | NAIC# | 2016 | Market Share |
|----|-------|------------------------------------|--------------|
| 1 | 35882 | GEICO Gen Ins Co | 18.18% |
| 2 | 25178 | State Farm Mut Auto Ins Co | 11.73% |
| 3 | 22055 | GEICO Ind Co | 7.84% |
| 4 | 29688 | Allstate Fire & Cas Ins Co | 5.86% |
| 5 | 19232 | Allstate Ins Co | 5.79% |
| 6 | 22063 | Government Employees Ins Co | 5.03% |
| 7 | 24260 | Progressive Cas Ins Co | 3.64% |
| 8 | 36447 | LM Gen Ins Co | 2.30% |
| 9 | 23035 | Liberty Mut Fire Ins Co | 2.23% |
| 10 | 11851 | Progressive Advanced Ins Co | 2.16% |
| 11 | 14834 | New York Central Mut Fire Ins Co | 2.12% |
| 12 | 17230 | Allstate Prop & Cas Ins Co | 2.01% |
| 13 | 32786 | Progressive Specialty Ins Co | 1.68% |
| 14 | 38130 | Travelers Personal Ins Co | 1.54% |
| 15 | 25143 | State Farm Fire & Cas Co | 1.46% |
| 16 | 27998 | Travelers Home & Marine Ins Co | 1.42% |
| 17 | 26093 | Nationwide Affinity Co Of Amer | 1.21% |
| 18 | 24279 | Progressive Max Ins Co | 1.00% |
| 19 | 10839 | Countrywide Ins Co | 0.94% |
| 20 | 25941 | United Serv Automobile Assn | 0.89% |
| 21 | 19704 | American States Ins Co | 0.84% |
| 22 | 25968 | USAA Cas Ins Co | 0.84% |
| 23 | 34339 | Metropolitan Grp Prop & Cas Ins Co | 0.76% |
| 24 | 19976 | Amica Mut Ins Co | 0.67% |
| 25 | 18600 | USAA Gen Ind Co | 0.67% |
| 26 | 23787 | Nationwide Mut Ins Co | 0.61% |
| 27 | 12583 | Adirondack Ins Exch | 0.60% |
| 28 | 11044 | National General Ins Online Inc | 0.59% |
| 29 | 26263 | Erie Ins Co | 0.57% |
| 30 | 40169 | Metropolitan Cas Ins Co | 0.53% |

APPENDIX III

PRIVATE PASSENGER AUTOMOBILE INSURANCE TOP 30 INSURERS BY MARKET SHARE IN NEW YORK STATE 2016 - 2018

| | NAIC# | 2017 | Market Share |
|----|-------|------------------------------------|--------------|
| 1 | 35882 | GEICO Gen Ins Co | 18.74% |
| 2 | 25178 | State Farm Mut Auto Ins Co | 11.92% |
| 3 | 22055 | GEICO Ind Co | 7.97% |
| 4 | 29688 | Allstate Fire & Cas Ins Co | 6.39% |
| 5 | 22063 | Government Employees Ins Co | 5.17% |
| 6 | 19232 | Allstate Ins Co | 5.15% |
| 7 | 24260 | Progressive Cas Ins Co | 3.92% |
| 8 | 11851 | Progressive Advanced Ins Co | 2.47% |
| 9 | 36447 | LM Gen Ins Co | 2.34% |
| 10 | 14834 | New York Central Mut Fire Ins Co | 2.11% |
| 11 | 38130 | Travelers Personal Ins Co | 1.89% |
| 12 | 23035 | Liberty Mut Fire Ins Co | 1.85% |
| 13 | 32786 | Progressive Specialty Ins Co | 1.73% |
| 14 | 17230 | Allstate Prop & Cas Ins Co | 1.65% |
| 15 | 25143 | State Farm Fire & Cas Co | 1.34% |
| 16 | 24279 | Progressive Max Ins Co | 1.18% |
| 17 | 26093 | Nationwide Affinity Co Of Amer | 1.17% |
| 18 | 27998 | Travelers Home & Marine Ins Co | 1.12% |
| 19 | 25941 | United Serv Automobile Assn | 0.88% |
| 20 | 10839 | Countrywide Ins Co | 0.85% |
| 21 | 25968 | USAA Cas Ins Co | 0.85% |
| 22 | 19704 | American States Ins Co | 0.85% |
| 23 | 34339 | Metropolitan Grp Prop & Cas Ins Co | 0.73% |
| 24 | 18600 | USAA Gen Ind Co | 0.71% |
| 25 | 12583 | Adirondack Ins Exch | 0.70% |
| 26 | 11044 | National General Ins Online Inc | 0.64% |
| 27 | 19976 | Amica Mut Ins Co | 0.63% |
| 28 | 23787 | Nationwide Mut Ins Co | 0.54% |
| 29 | 26263 | Erie Ins Co | 0.53% |
| 30 | 10212 | Allmerica Fin Alliance Ins Co | 0.52% |

**PRIVATE PASSENGER AUTOMOBILE INSURANCE
TOP 30 INSURERS BY MARKET SHARE IN NEW YORK STATE
2016 - 2018**

| | NAIC# | 2018 | Market Share |
|----|--------------|------------------------------------|---------------------|
| 1 | 35882 | GEICO Gen Ins Co | 18.95% |
| 2 | 25178 | State Farm Mut Auto Ins Co | 11.46% |
| 3 | 22055 | GEICO Ind Co | 8.31% |
| 4 | 29688 | Allstate Fire & Cas Ins Co | 7.12% |
| 5 | 22063 | Government Employees Ins Co | 5.29% |
| 6 | 19232 | Allstate Ins Co | 4.35% |
| 7 | 24260 | Progressive Cas Ins Co | 4.22% |
| 8 | 11851 | Progressive Advanced Ins Co | 2.84% |
| 9 | 36447 | LM Gen Ins Co | 2.69% |
| 10 | 14834 | New York Central Mut Fire Ins Co | 2.17% |
| 11 | 38130 | Travelers Personal Ins Co | 2.08% |
| 12 | 32786 | Progressive Specialty Ins Co | 1.77% |
| 13 | 23035 | Liberty Mut Fire Ins Co | 1.49% |
| 14 | 17230 | Allstate Prop & Cas Ins Co | 1.38% |
| 15 | 24279 | Progressive Max Ins Co | 1.37% |
| 16 | 25143 | State Farm Fire & Cas Co | 1.10% |
| 17 | 26093 | Nationwide Affinity Co of Amer | 1.01% |
| 18 | 27998 | Travelers Home & Marine Ins Co | 0.92% |
| 19 | 19704 | American States Ins Co | 0.86% |
| 20 | 25968 | USAA Cas Ins Co | 0.86% |
| 21 | 25941 | United Serv Automobile Assn | 0.85% |
| 22 | 12583 | Adirondack Ins Exch | 0.76% |
| 23 | 18600 | USAA Gen Ind Co | 0.75% |
| 24 | 34339 | Metropolitan Grp Prop & Cas Ins Co | 0.72% |
| 25 | 10839 | Countrywide Ins Co | 0.68% |
| 26 | 19976 | Amica Mut Ins Co | 0.60% |
| 27 | 12130 | New South Ins Co | 0.59% |
| 28 | 21253 | Garrison Prop & Cas Ins Co | 0.56% |
| 29 | 29742 | Integon Natl Ins Co | 0.54% |
| 30 | 21687 | Mid Century Ins Co | 0.52% |