



Texas Department of Insurance

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April 2, 1996

COMMISSIONER'S BULLETIN NO. B-0018-96 Statistical Bulletin No. 27

TO: ALL COUNTY MUTUAL INSURANCE COMPANIES WRITING PRIVATE
PASSENGER AUTOMOBILE INSURANCE IN THE STATE OF TEXAS

RE: Managing General Agent (MGA) Statistical Reporting

***** IMPORTANT NOTICE *****
*Please read carefully and distribute to appropriate
personnel handling statistical reporting.*

The Department's statistical agent for private passenger auto (Acxiom) has experienced difficulty and high costs associated with processing quarterly market auto data from county mutuals who use MGAs. In an effort to assist county mutuals and MGAs, for whom statistical reporting was new, the Department directed Acxiom to accept data directly from individual MGAs. This option has proven costly and increasingly time consuming for the statistical agent.

Effective with the reporting of second quarter 1996 data (August 15, 1996), all county mutuals will be solely responsible for the complete, accurate and timely reporting of required auto experience. As of that date, Acxiom will no longer accept data directly from MGAs.

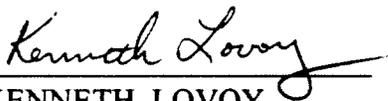
Faulty data submitted to Acxiom will be returned to the county mutual and the county mutual will be responsible for timely resubmission. Acxiom **will not accept** submissions which are incomplete (i.e. lacking all MGA data) or which fail data quality standards. Acxiom's determination not to accept an insurer's submission places the insurer in non-compliance with reporting requirements and may result in administrative actions by the Department.

In the interim period, Acxiom will perform the following functions:

- Provide feedback to all MGAs regarding the status of their previously submitted data by April 15, 1996.
- Notify county mutuals and the Department of MGAs having difficulty reporting correctly.
- Develop a fee schedule for additional services to assist county mutuals with problem MGAs.
- Develop a schedule of charges for additional work beyond normal and reasonable processing activities such as processing of late data submissions and repeated resubmissions caused by data errors.

The Department asks that county mutuals begin collecting and reporting data for all their MGAs in one submission beginning with the next quarterly market auto report (May 15, 1996). However, this will not be mandatory until August 15, 1996.

The Department believes that two years is a sufficient transition period to facilitate accurate reporting by county mutual insurers. We now expect **all** companies with applicable business to report timely, accurate, complete data on an ongoing basis. Questions regarding this policy should be directed to the undersigned.



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