

## Unintentional Bias Claims Analysis

### Scope

The District of Columbia Department of Insurance, Securities and Banking (DISB) will conduct a data call to request claim and policy information for private passenger automobile experience for years 2022-2024. The top 10 writers of private passenger auto premiums in the District of Columbia, as identified from the 2024 annual statutory financial statements, will be required to participate and other insurers may volunteer to participate. The top 10 writers of private passenger auto insurance in the District are:

Group Code	Company Name
31	BERKSHIRE HATHAWAY GRP
176	STATE FARM GRP
155	PROGRESSIVE GRP
200	UNITED SERV AUTOMOBILE ASSN GRP
8	ALLSTATE INS GRP
3548	TRAVELERS GRP
213	ERIE INS GRP
111	LIBERTY MUT GRP
1278	CSAA INS GRP
91	HARTFORD FIRE & CAS GRP

The data call will be conducted as a Market Conduct examination.

### Background

In the initial report “[Evaluating Unintentional Bias in Private Passenger Automobile Insurance](#)”, DISB found that during the study period the average insured losses for Black drivers was 2.38 times the losses for white drivers after controlling for driver and vehicle characteristics such as driver age, gender, vehicle age, driving record and accident history.

The initial report looked at claims in aggregate, not focusing on the details. In this second phase of the unintentional bias study, DISB will analyze detailed claim information to understand the reasons for the differences in the claims between Black and white drivers and identify proposals that may impact Black insured losses to reduce or eliminate the racial difference in claims.

## **Analysis**

DISB would like to understand if there are differences by race for submitted claims in:

1. the rate of submissions
2. the average severity
3. the coverage involved
4. the distribution by amount of claim (in dollars)
5. the distribution by deductible
6. time of day
7. whether a police report is filed
8. whether a lawyer is involved
9. whether a fraud investigation is initiated
10. whether subrogation is attempted
11. whether all or part of the claim is denied
12. elapsed time for resolving the claim
13. number of contacts with the insurer during settlement
14. the amount of ALAE attributed to the claim

The data call will also collect data to compare accident claim data to other District government-maintained data to evaluate if there is a correlation between claims by race and the following:

1. road width
2. street lighting
3. signage and street markings
4. road conditions (e.g., potholes)
5. traffic calming devices
6. separated bike lanes
7. speed and red-light cameras
8. on street parking

## **Data Call Template**

Included with this information is a draft of the data call template. This data call includes the two data templates in this spreadsheet. Each template in this spreadsheet contains descriptions for the data elements necessary to complete the template.

The information should be aggregated for all insurers writing private passenger automobile insurance under the group (identified by name and NAIC group number) to which the examination warrant was issued. Data on motorcycles, commercial vehicles, specialty cars,

recreational vehicles and other similar classes of motorized vehicles insured in the District should not be included in the data.

The draft data call template will be exposed for comment and we would like to get feedback about whether the data being requested is available, whether the format is correct and whether there is additional data or ways to capture information based on the goals of the data call.