

Regulations of Connecticut State Agencies

TITLE 38a. Insurance Department

Agency

Insurance Department

Subject

Private Passenger Automobile Insurance Statistical Data Monitoring System

Inclusive Sections

§§ 38a-693-1—38a-693-6

CONTENTS

Sec. 38a-693-1.	Purpose
Sec. 38a-693-2.	Description
Sec. 38a-693-3.	Applicability
Sec. 38a-693-4.	Standards
Sec. 38a-693-5.	Implementation
Sec. 38a-693-6.	Effective dates

Private Passenger Automobile Insurance Statistical Data Monitoring System

Sec. 38a-693-1. Purpose

The purpose of the regulations is to establish a Statistical Data Monitoring System (SDMS) to provide procedures to insure accuracy and reliability of private passenger automobile insurance statistical data. Such procedures will be set forth in a set of manuals referred to as the Statistical Data Monitoring System (SDMS).

(Effective September 25, 1992)

Sec. 38a-693-2. Description

(a) The SDMS will be comprised of six elements:

- (1) Systems Descriptions and Procedural Control Checklists.
- (2) Statistical Sampling Procedures (Detail Data Verification).
- (3) Reasonability Test Procedures (Detail Data Verification).
- (4) Reconciliation of Statistical Data to Financial Statement.
- (5) Annual Self-Review and Certification by the insurer or statistical agent.
- (6) Periodic Review by the Insurance Department.

(b) The SDMS utilizes a self-monitoring approach. Each company and statistical agent is required to carry out its own monitoring activities with due diligence.

(c) Certain of the SDMS elements involve similar costs, regardless of the size of the company adopting them. The SDMS manuals will specify compliance criteria which will reduce the requirements, for small companies and small systems in large companies, where the data do not have a significant impact on the aggregate statistical reporting.

(Effective September 25, 1992)

Sec. 38a-693-3. Applicability

Sections 38a-693-1 through Section 38a-693-6 shall be applicable to:

- (a) all insurers writing private passenger automobile insurance in this State; and
- (b) all statistical agents reporting private passenger automobile statistics to the Insurance Department.

(Effective September 25, 1992)

Sec. 38a-693-4. Standards

Except to the extent that it may be modified by state statutes, each insurer and statistical agent shall be guided by the Statistical Data Monitoring System promulgated by the Insurance Department of the State of New York as amended from time to time.

(Effective September 25, 1992)

Sec. 38a-693-5. Implementation

(a) Each insurer and statistical agent shall monitor private passenger automobile statistical data in accordance with the provisions of the SDMS as required by the Insurance

Regulations of Connecticut State Agencies

TITLE 38a. Insurance Department

§38a-693-6

Insurance Department

Department.

However, the Insurance Commissioner may waive or modify any SDMS requirement(s) for an individual insurer or statistical agent where the insurer has demonstrated that the implementation of the requirement(s) would be impractical or unreasonable because of the small volume of private passenger automobile insurance premiums written by the insurer or in such other instances where the Insurance Commissioner deems that such implementation would place an unreasonable burden on the insurer or statistical agent.

(b) The statistical agents shall provide a copy of the SDMS manuals to each of their members upon request.

(c) The Insurance Commissioner shall maintain copies of the SDMS for public perusal at the Connecticut Insurance Department, 165 Capitol Avenue, Hartford, CT 06106.

(Effective September 25, 1992)

Sec. 38a-693-6. Effective dates

(a) The system to implement the Reconciliation of Statistical Data to Financial Statements is required to begin in January, 1985. The first reconciliation will cover the statistical and financial data of 1985.

(b) Reasonability Testing is required to begin with the comparison of the statistics of 1985 with the statistics of 1986.

(c) Systems Descriptions and Procedural Control Checklists are required to be completed by December 31, 1985.

(d) Statistical Sampling Procedures are required to begin by January 1, 1986. However, operational testing of the sampling procedure must begin by October 1, 1985. Although no error reports will be required from the test period, a certification that the procedures have been tested and are operational will be required.

(e) Annual Self-Review and Certification are effective consistent with the other effective dates specified herein.

(f) Periodic Review by the Insurance Department is effective upon the promulgation of these regulations. In lieu thereof, the Insurance Commissioner may accept the report of such periodic review made by the insurance supervisory official of another state if such report includes or is accompanied by a statement that the monitoring activities (of the insurer or statistical agent) are in accordance with SDMS manuals as provided for in section 38a-693-4.

(Effective September 25, 1992)