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P. RANDI JOHNSON
ASSOCIATE COMMISSIONER P&C

STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION
525 St. Paul Place, Baltimore, Maryland 21202-2272

To: Select Private Passenger Automobile Insurers

Re: 2003 Credit Scoring Data Call

Date: November 26, 2003

Bulletin: Property and Casualty 03-17

Pursuant to Section 3, Chapter 580, Acts 2002, the Maryland Insurance Commissioner is required to conduct a study on whether the use of credit scoring in Maryland has an adverse impact on any demographic group defined by race or socio-economic status.

In order for the Commissioner to conduct this study, please provide the following information:

The name of the credit model used to generate a credit score.

- For each selected zip code:
 - the number of policies with a credit score comparable to a credit score of *less than* 700 points in the ChoicePoint Attract MD Standard Auto model.
 - the number of policies with a credit score comparable to a credit *score equal to or greater than* 700 points in the ChoicePoint Attract MD Standard Auto model.

If you are unable to provide the requested data, you will be required to provide, for each selected zip code, the number of policies for each credit score range as contained in your company's filed rating plan.

For each insurance group that uses a proprietary model, provide the requested data by insurance company, not by group.


The requested data should be provided in the excel spreadsheet format shown on the enclosed "Format for 2003 Credit Scoring Data Call". Enclosed is a sample worksheet to be used as a guide.

Please submit your data in the requested excel format via email. Electronic submission is mandatory. No paper documents will be accepted. Data should be submitted to:

marnold@mdinsurance.state.md.us or cruppel@mdinsurance.state.md.us

If you have any questions, please contact Cathy Ruppel, Insurance Analyst, by phone at (410) 468-2316, by fax at (410) 468-2306, or by email at cruppel@mdinsurance.state.md.us.

Please provide this information no later than December 22, 2003.



Alfred W. Redmer, Jr.
Insurance Commissioner

Enclosures: Format for 2003 Credit Scoring Data Call
 Sample Spreadsheet for 2003 Credit Scoring Data Call

Format for 2003 Credit Scoring Data Call

All data must start in cell A2 of the spreadsheet. Please use Headers. Below lists the columns in which the data must be placed. The placement of data must conform to this format or the submission will be returned. The data must be placed in the following columns:

<u>Column</u>	<u>Description</u>
A	NAIC Group Code
B	NAIC Company Code
C	NAIC Company Name (Not Group Name)
D	Name of Credit Model
E	Maryland Region (as listed on the spreadsheet)
F	Selected Zip Code (as listed on the spreadsheet)

For each selected zip code provide:

- G The Number of Policies with a credit score less than 700 points
- H The Number of Policies with a credit score equal to or greater than 700 points

OR:

In place of columns H and I, insert the appropriate number of columns and add headers to list each credit score range as contained in your company's filed rating plan. Then, provide the number of policies for each selected zip code.

Requirements:

1. The number of policies must be provided in numerical entries to zero decimal places. Round off to whole numbers.
2. If no data is available for a column, insert N/A.
3. In the event that further explanation is needed for any of the columns, please use an attachment.
4. Everything must be on one spreadsheet page.

Sample Spreadsheet for 2003 Credit Scoring Data Call

A	B	C	D	E	F	G	H
NAIC Group Code	NAIC Company Code	NAIC Company Name	Name of Credit Model	Maryland Region	Selected Zip Code	Number of Policies < 700 Points	Number of Policies =/> 700 Points
1							
2				Central Maryland	21202		
3				Central Maryland	21223		
4				Central Maryland	21205		
5				Central Maryland	21217		
6				Central Maryland	21056		
7				Central Maryland	21794		
8				Central Maryland	21131		
9				Central Maryland	21093		
10				Central Maryland	21044		
11				Central Maryland	21046		
12				Central Maryland	21029		
13				Central Maryland	21152		
14				Central Maryland	21005		
15				Central Maryland	21010		
16				Central Maryland	21402		
17				Central Maryland	21031		
18				Central Maryland	21216		
19				Central Maryland	21213		
20				Central Maryland	21215		
21				Central Maryland	21201		
22				Central Maryland	21087		
23				Central Maryland	21158		
24				Central Maryland	21787		
25				Central Maryland	21122		
26				Central Maryland	20794		
27							
28				Southern Maryland	20632		
29				Southern Maryland	20645		
30				Southern Maryland	20628		
31				Southern Maryland	20690		

Sample Spreadsheet for 2003 Credit Scoring Data Call

A	B	C	D	E	F	G	H
32				Southern Maryland	20677		
33				Southern Maryland	20623		
34				Southern Maryland	20675		
35				Southern Maryland	20667		
36				Southern Maryland	20670		
37				Southern Maryland	20626		
38				Southern Maryland	20662		
39				Southern Maryland	20658		
40				Southern Maryland	20608		
41				Southern Maryland	20615		
42				Southern Maryland	20624		
43				Southern Maryland	20636		
44				Southern Maryland	20621		
45				Southern Maryland	20617		
46							
47				Eastern Shore	21853		
48				Eastern Shore	21643		
49				Eastern Shore	21612		
50				Eastern Shore	21666		
51				Eastern Shore	21619		
52				Eastern Shore	21654		
53				Eastern Shore	21658		
54				Eastern Shore	21866		
55				Eastern Shore	21864		
56				Eastern Shore	21821		
57				Eastern Shore	21820		
58				Eastern Shore	21840		
59				Eastern Shore	21856		
60				Eastern Shore	21626		
61				Eastern Shore	21824		
62				Eastern Shore	21912		
63				Eastern Shore	21865		
64				Eastern Shore	21814		
65							
66				Prince George's & Montgomery	20743		

Sample Spreadsheet for 2003 Credit Scoring Data Call

	A	B	C	D	E	F	G	H
67					Prince George's & Montgomery	20785		
68					Prince George's & Montgomery	20839		
69					Prince George's & Montgomery	20812		
70					Prince George's & Montgomery	20815		
71					Prince George's & Montgomery	20817		
72					Prince George's & Montgomery	20816		
73					Prince George's & Montgomery	20763		
74					Prince George's & Montgomery	20794		
75					Prince George's & Montgomery	20755		
76					Prince George's & Montgomery	20745		
77					Prince George's & Montgomery	20747		
78					Prince George's & Montgomery	20746		
79					Prince George's & Montgomery	20759		
80					Prince George's & Montgomery	20838		
81					Prince George's & Montgomery	20751		
82					Prince George's & Montgomery	20737		
83					Prince George's & Montgomery	20706		
84								
85					Western Maryland	21713		
86					Western Maryland	21719		
87					Western Maryland	21771		
88					Western Maryland	21770		
89					Western Maryland	21784		
90					Western Maryland	21754		
91					Western Maryland	21755		
92					Western Maryland	21531		
93					Western Maryland	21522		
94					Western Maryland	21555		
95					Western Maryland	21701		
96					Western Maryland	21702		
97					Western Maryland	21740		
98					Western Maryland	21520		
99					Western Maryland	21711		
100					Western Maryland	21773		
101					Western Maryland	21523		

Sample Spreadsheet for 2003 Credit Scoring Data Call

	A	B	C	D	E	F	G	H
102					Western Maryland	21710		

Market Share List

Total Market Share Percentage of Companies Included in the Study: 21%

NAIC #	Company Name	% Market Share
914-11000	Sentinel Insurance Company, Ltd	0.0000%
218-20885	Kansas City Fire & Marine Insurance Co	0.0145%
041-25674	Travelers Indemnity Company of Illinois	0.0314%
914-34690	Property & Casualty Insurance Co of Hartford	0.1301%
914-19682	Hartford Fire Insurance Company	0.2373%
041-25666	Travelers Indemnity Company of America	0.3251%
253-14168	Harleysville Mutual Insurance Company	0.3313%
155-24260	Progressive Casualty Insurance Company	0.3592%
000-35173	Agency Insurance Company of Maryland, Inc	0.5671%
041-25658	Travelers Indemnity Company	0.6289%
008-17230	Allstate Property & Casualty Insurance Co	0.6402%
155-16322	Progressive Halcyon Insurance Company	1.897%
155-42994	Progressive Classic Insurance Company	3.2284%
008-19232	Allstate Insurance Company	12.2536%
	Total Market Share	20.6441%

Total Market Share Percentage of Companies Not Included in the Study: 13%

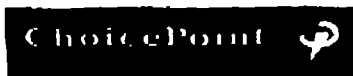
215-10915	Kemper Auto & Home Insurance Company	0.0161%
241-26298	Metropolitan P&C Insurance Company	0.0378%
000-11129	American Skyline Insurance Company, Inc	0.0501%
241-40169	Metropolitan Casualty Insurance Company	0.0626%
241-25321	Metropolitan Direct P&C Insurance Company	0.1342%
241-34339	Metropolitan Group P&C Insurance Company	0.2559%
012-32220	American International Insurance Company	0.2844%
242-39936	Selective Insurance Company of the Southeast	0.3103%
012-19399	AIU Insurance Company	0.5479%
140-23779	Nationwide Mutual Fire Insurance Company	0.6828%
140-37877	Nationwide P&C Insurance Company	0.8536%
218-34662	Glens Falls Insurance Company	1.5722%
140-23787	Nationwide Mutual Insurance Company	8.1778%
	Total Market Share	12.9857%

Total Market Share Percentage of Companies Who Did Not Respond to the Data Call: 0.57%

163-24740	Safeco Insurance Company of America	0.0001%
163-24724	First National Insurance Company of America	0.0649%
163-39012	Safeco Insurance Company of Illinois	0.5040%
	Total Market Share	0.5690%

Total Market Share Percentage of Companies Who Did Not Have Data to Report: 0.90%

008-19240	Allstate Indemnity Company	0.884%
	Total Market Share	0.884%



Legal Department

December 22, 2003

Via Facsimile (410) 468-2306
and Regular Mail

P. Randi Johnson
Associate Commissioner, Property & Casualty
State of Maryland Insurance Administration
525 St. Paul Place
Baltimore, Maryland 21202-2272

Dear Ms. Johnson,

I am in receipt of your letter to Jeffrey Skelton dated November 26, 2003. I have discussed your request with my clients and obtained the following information:

ChoicePoint Services Inc. ("ChoicePoint") submitted two models to the Maryland Insurance Administration ("MIA") for review. The first is the ChoicePoint Attract™ Standard Auto for Maryland. The second is the ChoicePoint Attract Non-Standard Auto for Maryland. Both models use the score range "200-997".

You also requested certain data for selected zip codes. Unfortunately, ChoicePoint is not in a position to provide this information. We do not have a statistically valid sampling of such information and, therefore, do not feel comfortable providing such for the purpose you describe. However, we believe that the MIA can obtain the information sought by putting in a data call to the large insurance writers in the state of Maryland. When the Texas legislature did this, five large writers volunteered their information. The insurance companies are much more likely to have a valid sampling of information than is ChoicePoint since we are merely a reseller of credit information and do not house consumers' credit files.

Should you have any questions or concerns, please contact me at (770) 752-5747.

Sincerely,

A handwritten signature in black ink that reads "Meredith Sidewater".

Meredith L. Sidewater
Vice President and Assistant General Counsel

Subject: Fair Isaac on Data Request
Date: Fri, 19 Dec 2003 11:58:45 -0800
X-MS-Has-Attach: yes
X-MS-TNEF-Correlator:
Thread-Topic: Fair Isaac on Data Request
Thread-Index: AcPGawZa2HzBEaVdR5aOGA7wArWLæg==
From: "Lo, Eddy L" <EddyLo@fairisaac.com>
To: <prjohnson@mdinsurance.state.md.us>
Cc: <fsantiago@mia.state.md.us>
X-OriginalArrivalTime: 19 Dec 2003 19:58:46.0140 (UTC) FILETIME=[82E53BC0:01C3C66A]

Fair Isaac Corporation
Corporate Headquarters
200 Smith Ranch Road
San Rafael, CA 94903-5551
+ 1 415 472 2211 phone
+ 1 415 492 5691 fax
www.fairisaac.com



December 19, 2003

Ms. Randi Johnson
Associate Commissioner, Property and Casualty
Maryland Insurance Administration
525 St. Paul Place
Baltimore, MD 21202-2272

Dear Randi:

Thank you for your November 26th letter requesting for Maryland data. Unfortunately, Fair Isaac does not have data by zip code in our database and cannot provide the data as requested.

In your request, it is a good strategy to stay with one score for more consistent results. However, Fair Isaac does not have access to other vendors' scores, such as Attract. We also do not know how to convert our scores to other vendors' scores, for comparison with Attract score value of 700.

It is equally important to add loss ratio relativity information into a study such as yours, to ensure proper relationship can be observed and interpreted between scores, loss ratio relativities, and other factors in the study.

I apologize for not being more helpful within the study parameters and time frame provided. I continue to look for opportunities where we can support the Administration in the understanding and regulation of the use of credit information and scoring.

Thank you very much. For any discussion, I can be reached at (415) 491-7153 or email at

Printed for Fred Santiago <fsantiago@mdinsurance.state.md.us>

02/03/2004

eddylo@fairisaac.com.

Sincerely yours,

Eddy Lo
Insurance Manager

ALLSTATE INSURANCE COMPANY
12150 East Monument Drive
Fairfax, VA 22033
Telephone (703) 218-0106
Fax (703) 218-0291

January 13, 2004

Ms. Catherine Ruppel
Maryland Insurance Administration
525 St. Paul Place
Baltimore, MD 21202-2272

VIA Email: cruppel@mdinsurance.state.md.us

Re: MIA Credit Information Data Call

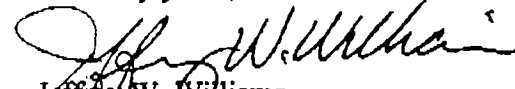
Dear Ms. Ruppel:

This will respond to your January 8, 2004 request for clarification as to why Allstate did not report insurance scoring data for its Maryland auto business written in Allstate Indemnity Company.

Allstate Indemnity Company does not use a numerical scoring system to evaluate credit reports for insurance underwriting and rating purposes. Rather, it simply categorizes credit histories, or lack thereof, into four categories: Clean, Acceptable, Unacceptable, and No Hit. None of these categories has a numerical scoring equivalent. Indeed, depending on the particular credit items that cause a particular categorization, a consumer in any of these categories can have what under a scoring model might be considered a good or a poor score. For this reason, along with the relatively small size of the book of business in question, we do not believe that a response from Allstate Indemnity Company is either required or would be useful.

Please let me know if you need any further information.

Sincerely yours,


Jeffrey W. Williams
Regional Counsel

Cc: Fred Santiago, fsantiago@mdinsurance.state.md.us