



# STATE OF CONNECTICUT INSURANCE DEPARTMENT



## **Property Casualty Insurance Rate Reviews For Calendar Year 2023**

**Submitted to the Insurance and Real Estate Committee in  
Accordance with Connecticut General Statutes Section 38a-9(c)**

January 15, 2024

I am pleased to provide the Connecticut Insurance Department's (CID) annual report of property & casualty (P&C) rates in the state for calendar year 2023, pursuant to Connecticut General Statutes Section 38a-9(c).

Maintaining a competitive market is essential to our mission of consumer protection and CID's reviews help ensure that products are priced fairly and are adequate for the coverage provided.

Connecticut's property and casualty industry continues to be among the nation's leaders. Our P&C industry ranks 5<sup>th</sup> in the nation for direct written premium. There are hundreds of carriers licensed to write P&C business in Connecticut, including some of the nation's largest carriers, which are headquartered here.

Some highlights of 2023 rate review include:

- A decrease in workers' compensation insurance rates for the 10<sup>th</sup> straight year.
- Continued efforts to hold down homeowner's rate increases have saved policyholders \$24.76 million in 2023 and \$115.64 million since 2012.
- Private passenger automobile policyholder savings were \$157.0 million in 2023 and \$243.1 million since 2021.
- Significant rate pressures in 2023 for auto and homeowners which are impacted by supply chain constraints and inflationary pressures.
- All rate filings are becoming more complicated as companies increase the use of General Linear Models (GLMs) and big data which have significantly more data variables.

If you should have any questions or would like to discuss any items in the report, please do not hesitate to contact my office.

Respectfully,



Andrew Mais, Commissioner

Cc: Office of Legislative Research

# Summary of 2023 Rate Reviews

Connecticut Insurance Department  
Property & Casualty Division

## How the rates were reviewed

The Insurance Department's Actuarial Division and Property & Casualty (P&C) Division conducts actuarial reviews pursuant to competitive rating laws, which establish standards for regulation of personal risk insurance. The statutes rely on a competitive marketplace to establish and maintain reasonable rate levels. Rates may not be inadequate or unfairly discriminatory, e.g., charging different premiums for policyholders with similar exposures.

## Overall reviews

In 2023, the Actuarial and P&C Divisions reviewed **1,081** Personal and Commercial rate & rule filings. The following information represents the major lines of business rate submissions.

## Lines of business reviewed

- Personal Automobile
- Homeowners
- Workers' Compensation
- Commercial Automobile
- Commercial General Liability
- Commercial Fire and Allied
- Commercial Multi-Peril/Businessowners
- All Other

### A. Personal Automobile

There was an average overall rate increase of 11.2 percent, up from 4.9 percent in 2022.

Three new writing companies were introduced in 2023; Nutmeg Insurance Company (The Hartford), GEICO Choice and GEICO Secure. Additionally, three companies introduced new programs Riverport Insurance Company (collector vehicle program), Casco Indemnity Company, and Utica Mutual Millennium 2.0.

## **Rate filings reviewed**

In 2023 there were 138 filings compared to 90 filings in 2022. This is a significant increase over the previous year as we have seen companies adjusting rates to reflect supply chain and inflationary issues, as well as an increase in frequency (accidents) as driving returns to pre-COVID levels. This reporting year we also saw more companies file multiple rate filings (44) as they began seeing deteriorating results as previously noted.

The CID continues to review automobile rate filings closely to ensure the rates are actuarially justified based on actual experience, since industry started seeing deterioration in frequency coming out of 2020 which has continued into 2023. As a result of our regulatory oversight, we were able to save consumers \$157,030,461 compared to saving of \$38,424,016 in 2022

## **Flex rate filings**

Of the 138 filings, there were **11 flex rate filings** submitted under the flex rating statutes 38a-688a in which prior approval is not required if the overall aggregate change is -6% to +6 %. All the flex filings were for rate increases.

## **File and Use**

Property damage liability and automobile physical damage coverages are “file and use” which means prior approval from the Insurance Department is not required.

## **Statewide rate level changes for 2023**

- Liability +11.3% (5.9 percentage points higher than 2022)
- Physical Damage +11.5%
- Combined Total +11.2%

## **B. Homeowners**

Based on our reviews we were able to save consumers **\$24.758** million in 2023 compared to saving of \$13.784 million in 2022. Overall, we have saved consumers \$115.641 million since 2012 as a result of CID’s thorough analysis of rate requests.

## Rate Filings Reviewed in 2023

- Homeowners rate filings recorded – 132
- Average increase requested – **11.1 percent** (6.1 percent in 2022)
- Average increase Department allowed – **9.6 percent**
- Number of flex rate filings – 8

## Market Growth

Five new writing companies were introduced in 2023: Cincinnati Casualty Company, Fire Insurance Exchange (a Farmers group company), Nationwide Mutual Insurance Company, Nutmeg Insurance Company (Hartford), and Toggle Insurance Company.

## C. Workers' Compensation

On Oct. 24, 2023, the Commissioner approved a reduction in overall workers' compensation Loss Costs and Assigned Risk rates for Connecticut. This marked the 10th straight year that rates have decreased. The Commissioner's order ([https://portal.ct.gov/-/media/CID/1\\_Orders/WC\\_2023\\_NCCI\\_Memorandum\\_and\\_Order.pdf](https://portal.ct.gov/-/media/CID/1_Orders/WC_2023_NCCI_Memorandum_and_Order.pdf)) followed a 30-day public comment period on the filing and recommendations proposed by the National Council on Compensation Insurance (NCCI) for workers' compensation Insurance.

The order resulted in:

- **9.8 percent overall decrease to loss costs** (actual losses and claim adjustment expenses), and
- **10.5 percent overall decrease in assigned risk rates.**

Companies adjust the industry loss cost for expenses, investment income and competitive deviations to the loss costs as permitted by C.G.S. 38a-676. Since approving the NCCI 2023 filing we have reviewed **330** filings which included three (3) independent filings for CBIA Comp Services (CBIA), the Workers' Comp Trust (WCT), and CT Interlocal Risk Management Agency (CIRMA). CIRMA makes their filing later in the year for a July1 effective date, while CBIA and WCT have a January1 effective date.

Since the 2024 workers' comp order, the CID has reviewed **113** submissions with a January 1,2024 effective date.

## D. Commercial Automobile

Commercial Automobile, filings from the Insurance Services Office (ISO), are primary industry loss costs filings for both liability and physical damage coverage. These are loss costs only; no expenses are included.

In 2023, **94 companies or groups** filed commercial automobile rates based on loss cost filings or independent rates. Companies adjust the industry loss cost for expenses, investment income and competitive deviations to the loss costs as permitted under C.G.S. 38a-676.

## E. Commercial General Liability

In 2023, **123 companies or groups** filed commercial general liability rates based on various industry loss costs documents to implement revised loss costs modifiers or independent effective dates.

Additionally, there were a total of 18 Medical Malpractice filings in 2023. Of these there were **two (2) rate requests** for rate change **for physicians and surgeons** and one **(1) rate request** for **APRN's**. There were **four (4) miscellaneous rate requests** for **other medical malpractice professional liability practices**. None of the rate requests met the State's prior rate approval requirements as outlined under C.G.S 38a-676 (2) (A).

## F. Other Commercial Lines

During 2023, the Department reviewed **133 company or group filings** to adopt various industry loss costs documents, including:

- 44 – Fire and Allied Lines
- 72 – Commercial Multi-peril/Businessowners
- 6 – Inland Marine
- 7 – Burglary & Theft
- 4 – Fidelity & Surety

# **EXHIBITS**