



Office of Public Insurance Counsel

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November 7, 2017

Via Hand Delivery

J'ne Byckovski, FCAS, MAAA
Chief Actuary, Property and Casualty
Texas Department of Insurance
333 Guadalupe Street, MC 105-5F
Austin, TX 78701

**Re: Amica Mutual Insurance Co.
Residential Property Rate Filing
TDI Link # S647063**

Dear Ms. Byckovski:

Pursuant to TEX. INS. CODE ANN. Section 2251.106, the Office of Public Insurance Counsel (OPIC) objects to the above captioned residential property rate filing. The filing produces rates that do not comply with rating standards set forth in TEX. INS. CODE ANN. Sections 2251.051, 2251.052, and 560.002.

The 15.0% rate increase, effective February 1, 2018, is excessive and insufficiently supported. It is not clear why Amica is filing a rate increase higher than its own indication for every form.

Proposed Rates Exceed Company Indications

The following table shows the company's proposed rate increases for each form compared to their internal actuarial indications.

| Form | Rate Change | Indicated Rate Change |
|----------------|--------------------|------------------------------|
| Dwelling | +15.5% | +11.6% |
| Tenant | No change | -1.9% |
| Condominium | No change | -11.9% |
| Overall | +15% | +11.1% |

The rates proposed are excessive based on the company's own analysis.

Rates Proposed Are Insufficiently Supported

In addition to selecting excessive rates, Amica fails to properly support its rate indications. For example, the loss trend selections are based on a table of indications by peril over various

periods of time, but no underlying data is provided.¹ The indications also rely on an allocation of premium by peril that is not explained or supported. Projected hurricane losses appear based on a ratio to Earned Insurance Years (EIY) that is not supported or explained anywhere. Likewise, the method for determining territorial rate changes was drastically changed from the prior year without any explanation and it results in sizable impacts.

Summary

Although we reserve the right to modify our positions should additional information become available, based on the information provided to date, we believe this filing should be disapproved.

Sincerely,



Joe Matetich
Deputy Public Counsel

cc: Keith Paquette,
Assoc. Rate/Rule Filing Analyst
Amica Mutual Insurance Company
P.O. Box 6008
Providence, RI 02940
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Norma Garcia, General Counsel, TDI
Leah Gillum, Enforcement, TDI
Marianne Baker, P & C Div., TDI
Ken Lovoy, OPIC

¹ OPIC has argued in previous filings, where data was available, that Amica's loss trend selections were unreasonably high.