



Office of Public Insurance Counsel

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June 29, 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: Falcon Insurance Co.
Personal Auto Rate Filing
TDI Link #s S641199**

Dear Ms. Byckovski:

Pursuant to TEX. INS. CODE ANN. Section 2251.106, the Office of Public Insurance Counsel (OPIC) objects to the above captioned private passenger auto rate filing. The filing does not comply with rating standards set forth in TEX. INS. CODE ANN. Sections 2251.051, 2251.052, and 560.002. This filing provides no actuarial basis for the selected 10% rate differential between the limited and standard policies for bodily injury, property damage, and collision coverages. This surcharge was instituted by Falcon in their 2016 filing S631565.

Since at least 2014, OPIC is unaware of any insurer filing that provided actuarial data to support their chosen rate differentials between limited and standard policies. We are also unaware of any actuarial data that addresses the differential directly resulting from changing a policy from a standard policy to a "named driver" policy. The "limited" policies in the market that include "named driver" language often include other limitations as well. TDI should require these companies to 1) provide the actuarial basis for the rate differentials they use and 2) explain how coverage limitations like the use of "named driver" language in the policy results in specific rate reductions.

Sincerely,


Joe Matetich
Deputy Public Counsel

cc:

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