



Office of Public Insurance Counsel

Joe Matetich
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July 12, 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: Redpoint County Mutual Insurance Co. (Ally MGA)
Private Passenger Auto Rate Filing
TDI Link # S640986**

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.

Objection

This is a reference filing for a new auto program by Redpoint offered through Ally MGA that adopts the rates of Redpoint's Acacia MGA (S636154). However, Ally's filing increases certain policy fees from Acacia's filing. Specifically, the one month policy fee was increased from \$13 to \$15 and the two month fee was increased from \$18 to \$20.

OPIC is on record questioning the basis of these and other very high non-refundable fees. Here, a one month policy renewed for a full year would incur non-refundable policy fees of \$180. Since many policies will likely be liability-only policies written at basic limits, this would often result in these policy fees being close to 25% of a policyholder's full-year premium. This policy fee is in addition to \$84 a year in billing fees.

OPIC considers policy fees part of premium and questions the size of these fees and whether they should be allowed when no evidence has been provided that there is a sound cost basis for them. We also object to a reference filing that does not actually implement the premiums it references because the filing increases the policy fees. At a minimum, the filing company should be required to support the basis for these fees including any statistical rationale for why they are higher than those in the referenced filing.

Sincerely,



Joe Matetich
Deputy Public Counsel

cc: Christopher McClellan, CEO
Redpoint County Mutual Insurance Company
11612 Bee Caves Road, Suite 1-200
Austin, TX 78738
VIA EMAIL: cmcclellan@redpointinsurance.com

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