

STATE OF MAINE  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
BUREAU OF INSURANCE

IN RE:  
APPEAL OF DISAPPROVED RATE  
FILINGS BY PROGRESSIVE  
CASUALTY INSURANCE COMPANY,  
PROGRESSIVE NORTHWESTERN  
INSURANCE COMPANY,  
PROGRESSIVE NORTHERN  
INSURANCE COMPANY, AND UNITED  
FINANCIAL CASUALTY COMPANY

Docket No. INS-15-1001

STAFF ADVOCACY PANEL'S  
RESPONSE TO THE FIRST  
INFORMATION REQUEST OF  
THE SUPERINTENDENT

The Staff Advocacy Panel hereby responds to the Superintendent's First Information Request to the Advocacy Panel. Each response is preceded by a restatement of the Superintendent's request.

1. Does the Advocacy Panel interpret 24-A M.R.S. § 2916 as categorically prohibiting all automobile insurance rating plans that include one or more increased classification rate factors for operators above specified ages?

**RESPONSE:** Yes. Consistent with Bulletin 334, the Advocacy Panel interprets 24-A M.R.S. § 2916's prohibition against "increase[s] in] the premium of any automobile insurance policy of any kind whatsoever [as defined in 24-A M.R.S. § 2912] for the sole reason that the person to whom such policy has been issued has reached a certain age" as not allowing increases in an insured's premium if the only change is the insured's change in age.

2. Consider the following two possible interpretations of 24-A M.R.S. § 2916.
  - I. An automobile insurance rating plan in Maine may never include one or more classification rate factors for operators above specified ages.

- II. An automobile insurance rating plan in Maine may include increased classification rate factors for operators above specific ages if and only if such factors are part of an actuarially justified multivariate analysis of loss expectation.
- (a) Does the Advocacy Panel agree that the rating plans at issue in this proceeding should be disapproved if Interpretation I is correct and approved if Interpretation II is correct? If not, please provide a detailed explanation.
  - (b) Is there a third Interpretation that the Superintendent should consider as a possible alternative to Interpretations I and II? If so, please describe it and explain, with examples, why it is different from Interpretations I and II.

**RESPONSE:**

2.

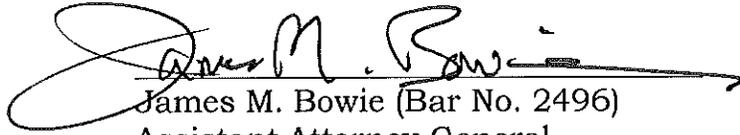
(a) First, the Advocacy Panel agrees that Progressive's rating plans should be disapproved if Interpretation I is correct because automobile premium in Maine may not increase solely because of age.

Second, the Advocacy Panel agrees that Progressive's rating plans should be approved if, and only if, Interpretation II is correct because that interpretation would allow an increase based on age and other actuarially justified variates. However, the Advocacy Panel does not agree that the Insurance Code supports this interpretation because there is no language in 24-A M.R.S. § 2916 that allows an insurer to consider other factors not related to age in deciding to increase premium based on age.

(b) There is none.

Dated at Augusta, Maine this 24<sup>th</sup> day of November 2015.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James M. Bowie", with a long horizontal flourish extending to the right.

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