



May 2, 2022

RE: IL Department of Insurance “Market Conduct-Market Analysis Information Interrogatory” (March 16, 2022)

Ms. Dana Severinghaus
Director
Illinois Department of Insurance
301 West Washington Street
Springfield, IL 62701

Dear Director Severinghaus:

We (APCIA, IIA and NAMIC) wish to restate our concerns about the lack of confidentiality protections for individual insurers in the Department of Insurance’s (DOI) recent automobile insurance data call (March 16, 2022 “Market Conduct-Market Analysis Information Interrogatory”). We find it very troubling that individual insurers are being compelled to publicly disclose key financial and market related data without appropriate confidentiality protections for the submitted data and further, we are extremely troubled by threats of individual market conduct examinations for those insurers that do not, or perhaps cannot, comply with the data call on a timely basis.

Underlying these concerns is the questionable legal basis for the requested information. The DOI asserts it has authority to issue this interrogatory under its market conduct exam powers provided in 215 ILCS 5/132 and 5/132.5. Neither statute gives the DOI the authority to initiate a market conduct exam or investigation via mass e-mail. Interrogatories can be considered initial information requests once notice of a market exam has been provided to an insurer; however, statutory notice via an examination warrant as required in 215 ILCS 5/123.4 was never issued to any of the insurers that received the DOI’s March 16, 2022, interrogatory.

In addition, the DOI is not following the required procedures in 215 ILCS 5/132.5 regarding confidentiality and publication of (1) information provided to the DOI by the insurer and (2) any resulting exam report. The DOI’s informational interrogatory states the DOI will publish on its website the data submitted no later than June 30, 2022, shortly after the submission deadline of May 15, 2022. While DOI has the authority to make an examination report public, it is only after the report has gone through the adoption process and the insurer has had the opportunity to review and request a hearing. Furthermore, any information provided to the DOI in the course of an examination must be given confidential treatment unless it is included in an adopted exam report.

As suggested during the April 22, 2022 meeting, an alternative option would be for the DOI to pursue collection of the requested data on an aggregate basis, that does not eliminate the confidentiality protections which insurers are statutorily entitled.

It is critical to note that automobile insurers understood the urgency of helping businesses and individuals recover from the unprecedented crisis caused by the COVID-19 pandemic and took immediate action in 2020 to voluntarily provide more than \$14 billion in refunds and credits or reduced rates to policyholders for reduced driving during the pandemic. In addition, the industry provided more than \$220 million in philanthropic contributions during COVID-19 to support local communities.

Illinois has long had an excellent national reputation for fair, tough and effective insurance regulation but this recent demand for insurers to provide individually identifiable insurance information, without any confidentiality protections, is neither supported nor sanctioned by statute or regulation. The Illinois market is highly competitive and the open-competitive regulatory climate is good for consumers. Nonetheless, we expect that insurers will do the best they can to comply with this onerous and we believe, misguided approach.

We urge you to reconsider and set aside the provisions of this data request which would require insurers to disclose key financial and market information on an individually identifiable insurer basis without appropriate data confidentiality protections.

Sincerely,



Stephen C. Schneider
V.P. State Affairs, Midwest Region
American Property Casualty Insurance
Association



Kevin J. Martin
Executive Director
Illinois Insurance Association



Andrew Perkins
Regional Vice President – State Affairs
National Association of Mutual Ins. Cos.

CC: Senators Harris, Syverson, Munoz
Representatives Jones and Brady
Senate President Harmon
Senate Minority Leader McConchie
House Speaker Welch
House Minority Leader Jim Durkin
Deputy Governor Manar