

Questions From a Regulator

- Why?
 - ▣ Acquired Book of Business
 - ▣ New/Revised Rating Plan
 - Trade offs
- How?
 - ▣ Can the regulator understand the capping rule?
 - ▣ Can your IT staff understand & program the rule?
 - ▣ Do you know what your IT staff has programmed?
 - ▣ Can consumers understand it? Do they need to understand it?
 - ▣ What changes get capped?

More Questions From a Regulator

- How long till capping disappears?
 - ▣ Over priced risks?
 - ▣ Under priced risks?
 - ▣ Number of insureds & dollars of premium at each renewal
 - ▣ We like everyone to be at the "right rate" by the 3rd renewal.

Questions If Capping in Place

- How is premium treated in the Indication?
 - ▣ See the other PowerPoint that we don't go over for today for one potential problem.
- Is the capping scheme being changed?
- What change will the Insured see?
 - ▣ From this selected change
 - ▣ From prior capping of rates
 - ▣ From trigger points

Final Question / Heuristic

- Does it pass the smell test or front page of the newspaper test?
- Would you want to see your capping rule described on the front page of the paper?
 - No, you don't get to write the article or the headline.
 - Yes, they will be writing about how decreases are capped?
