

# Perr&Knight / Capabilities



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## About Perr&Knight

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Perr&Knight is a leading provider of insurance support services and a strategic resource that companies utilize to reduce their fixed costs while increasing the efficiency and value of their insurance operations. Our insurance support services include Actuarial Consulting, Competitive Intelligence, Data Services, Insurance Technology, Regulatory Compliance and Risk Services.

Among the firm's 100+ professionals are 20+ Fellows and Associates of the Casualty Actuarial Society and Society of Actuaries, who are members of the American Academy of Actuaries. Perr&Knight's staff includes experienced professionals with the following expertise:

- Actuarial
- Business Analysis
- Database Design
- Forms Development
- Insurance Licensing
- Process Improvement
- Product Design
- Research
- State Filings
- Statistical Reporting

Perr&Knight is an independent consulting firm, completely unbiased in its analysis and recommendations. We maintain offices in Santa Monica, Boca Raton, the New York Metro Area and Dallas/Ft. Worth.

# Actuarial Consulting



With approximately 30 actuaries including 20+ Fellows and Associates of the Casualty Actuarial Society (“CAS”) and Society of Actuaries (“SOA”), Perr&Knight is among the top 10 largest property & casualty actuarial consulting firms in the United States. Our actuaries have over 400 years of combined experience in the industry and come from diverse backgrounds including primary insurance companies, reinsurance companies, rating bureaus and other consulting firms. Our experience spans all lines of personal, commercial and health business in all U.S. jurisdictions.

Perr&Knight’s accredited consulting actuaries meet the requirements of the American Academy of Actuaries Code of Professional Conduct, in that we annually fulfill the prescribed continuing education requirements and satisfy applicable qualification standards associated with the services we provide. Among our consulting actuaries are industry speakers and CAS committee participants. Perr&Knight is committed to the professional education and development of our actuaries, and as a result boasts a team of knowledgeable, well-rounded professionals familiar with cutting edge methods and technologies who are guided by core actuarial standards and principles.

## Insurance Company Services

Perr&Knight provides actuarial services to many of the country’s leading insurance companies, including seven of the 10 largest insurance groups in the country. We also provide actuarial services to many small to medium sized insurance companies as well as several foreign-based carriers.

Our insurance company clients use our actuaries in several ways. For some, we are their sole actuarial resources and provide them with comprehensive pricing and reserving services. Other insurance companies use our actuaries in overflow situations for projects that their in-house actuaries cannot handle in a timely fashion. Still others utilize the services of our actuaries when they enter a new line of business or state with which they are unfamiliar and inexperienced. Finally, some companies use our services in situations where an independent actuary’s review is warranted or desired, such as statements of actuarial opinion, valuations or litigation. Our wide range of actuarial services, extensive expertise and flexible pricing make us valuable to our insurance company clients under any of these working relationships.

Our insurance company actuarial services are organized into two basic categories, pricing and reserving. Our pricing services for insurance companies include the following:

- **COMPETITOR RATE COMPARISONS**  
Through our competitive intelligence consulting practice, Perr&Knight’s actuaries have access to industry rate filings. Our actuaries can easily and quickly access these competitor filings in order to prepare competitor rate comparisons for companies who are entering a new state or line of business or for companies who want to assess the competitiveness of their current rates. We also help our clients better understand the market for their products by identifying primary competitors, comparing competitor product offerings and explaining current trends. Our actuaries are exper-

rienced at extracting key information from competitor rate filings in order to create meaningful and accurate rate comparisons.

- **RATE DEVELOPMENT**

Perr&Knight's actuaries are skilled at developing rating manuals for our clients' new insurance products. We know how to develop rates based on company experience for similar programs, competitor rating plans, industry data or non-insurance data. Our property & casualty actuaries have experience pricing personal and commercial lines, including both standard and niche products. Our health actuaries have experience pricing all group and individual supplemental health products.

- **EXPERIENCE/RATE LEVEL ANALYSES**

Our actuaries have extensive experience reviewing historical premiums and losses and developing rate level indications for personal, commercial and supplemental health lines of business. We utilize generally accepted actuarial methods in our analyses and carefully consider a wide range of factors that can significantly affect ultimate loss ratios including trend, development, credibility and exposure to catastrophes as appropriate. We provide recommendations regarding actions that can be taken to achieve target profit levels including changes in rate level, plan design or underwriting.

- **RATING FACTOR ANALYSES**

Perr&Knight has extensive experience performing analyses of property & casualty rating factors such as territory, class, limit and deductible, and supplemental health rating factors including demographics, geography, risk class, group characteristics, and benefit limits. Our rating factor analyses have included introducing credit scoring as a rating variable. Our actuaries are able to perform multivariate analyses to identify and address any correlation between rating variables.

- **RATING MANUAL COMPLIANCE REVIEWS**

Perr&Knight's actuaries assist with the filing of dozens of new personal, commercial and supplemental health products each year. As a result, we have a deep knowledge of the various state regulations and Department of Insurance ("DOI") policies that pertain to rates and rules. Our actu-

aries can use this knowledge to identify controversial rating elements in our clients' rating plans by state. Further, we can suggest acceptable alternatives that our clients can incorporate into their rating plans in order to avoid excessive DOI interrogatories and speed up the filing approval process.

- **RATE FILING SUPPORT**

Our state filings unit submits thousands of rate filings each year. Many of these filings require actuarial support. As a result, Perr&Knight's actuaries have developed experience supporting initial rates and rate level changes for all lines of business in all U.S. jurisdictions. We are very familiar with state-specific rate filing support requirements including California's rating template, New York's rate filing sequence checklist, Colorado's Actuarial Memorandum and Florida's RCS exhibits. Our experience includes successfully supporting the most complicated types of filings including California personal auto rate and class plan filings, Washington personal lines filings that include credit scoring, Florida homeowners filings and Minnesota Critical Illness rate filings.

Our reserving services for insurance companies include the following:

- **RESERVE ANALYSES**

Perr&Knight's actuaries have extensive experience analyzing IBNR, open claim and premium deficiency reserves for all property & casualty and supplemental health lines of business. We use generally accepted actuarial methods to produce actuarial central estimates and ranges of loss reserves. One of the most common challenges in developing reliable reserve estimates is dealing with a lack of credible historical data. Our actuaries can obtain industry loss statistics such as trend and development from our extensive in-house database of commercial carrier filings in order to supplement an insurance company's historical data. We have the knowledge and expertise to adjust industry data as necessary to make it appropriate for use with a particular insurance company. Access to this comprehensive database of rate filings and the know-how to use the information effectively gives us a competitive edge over other actuarial firms.

- **LONG DURATION CONTRACT UNEARNED PREMIUM RESERVE TESTING**

Several of Perr&Knight's actuaries have worked extensively with extended service contracts for vehicles and electronic equipment, as well as other long duration lines of business including guaranteed auto protection and single interest auto physical damage products. As a result, we are experienced in performing the National Association of Insurance Commissioner's ("NAIC's") tests on long duration contract unearned premium reserves.

- **STATEMENTS OF ACTUARIAL OPINION**

Perr&Knight's actuaries are qualified to sign NAIC statements of actuarial opinion for property & casualty and life & health insurance companies. Annually, we sign opinions for dozens of insurance companies across the country. Perr&Knight's statements of opinion are professionally presented and customized for each client. Our actuaries take care to prepare statements of opinion that meet the requirements of the NAIC and are in compliance with domiciliary state laws and regulations.

- **SCHEDULE P PREPARATION/REVIEW**

Schedule P is the only property & casualty annual statement exhibit prepared on an accident or report year basis rather than a calendar year basis. As a result of its uniqueness, its completion sometimes proves difficult for company financial reporting departments. Perr&Knight's actuaries can effectively work with a client to produce accurate Schedule P exhibits.

## Self-Insurance and Alternative Risk Financing Services

Perr&Knight has worked with hundreds of clients who engage in alternative risk financing. Our clients include the following types of entities: publicly traded companies, privately held companies, not-for-profits, hospitals and other health care organizations, school districts and universities, government entities, religious institutions and fraternal organizations. Many of our clients finance the lines of insurance traditionally insured in the alternative market, including workers compensation, general liability, commercial auto, medical malpractice and employee benefits. We also provide actuarial services to clients

who choose to finance more niche coverages, such as cargo, fraud, directors & officers liability, trade credit and contingent liability.

Captive insurance is an important means of alternative risk financing for many of our clients. We provide services to captive clients domiciled in Arizona, the District of Columbia, Hawaii, Montana, Nevada, South Carolina, Vermont, Barbados, Bermuda and the Cayman Islands.

Perr&Knight provides a complete array of actuarial services for alternative risk financing, including:

- Feasibility studies
- Captive/Self-Insurance program design
- Pro-forma financial projections
- Certification of self-insurance reserves
- Loss reserve analyses and opinions
- Loss projection and funding analyses
- Limits, deductible and retention analyses
- Equity and cost allocation
- Cash flow analyses
- Analysis of the impact of reinsurance
- Vendor selection and management

It is our opinion that every self-insured entity has a program with unique loss experience and claims emergence characteristics. Therefore, we think that a self-insured's own historical data is the best indicator of future losses. However, we recognize that data limitations both in volume and detail may necessitate adjustments based upon industry statistics and modeling. Our actuaries are well practiced at using loss modeling and claim simulations to supplement a self-insured's data.

Perr&Knight's actuarial consultants have exclusive access to our extensive in-house database of commercial carrier rate filings. Our actuaries can obtain premiums charged by commercial carriers and industry loss statistics from these filings in order to make projections for an entity entering the alternative risk financing market with no experience, or to supplement an entity's historical data. Perr&Knight's actuaries have the knowledge and expertise to adjust industry data as necessary to make it appropriate for use with a particular self-insured. Access to this comprehensive database of rate filings and the know-how to use the information effectively gives us a competitive edge over other actuarial firms.

## Litigation Support

Perr&Knight actuaries provide expert testimony and

litigation-related consulting services in all judicial and regulatory venues. Our experience includes providing testimony at rate hearings, solvency and liquidation proceedings, valuation disputes and many other insurance-related litigation forums. In addition to testimony, we can support the litigation process through the estimation of damages as well as the preparation and analysis of evidentiary documents. Our actuaries communicate effectively and have the ability to clearly explain actuarial concepts to non-actuaries in both written and oral formats.

## Valuation

We assist companies with valuation and due diligence in connection with mergers and acquisitions, initial public offerings and other financial events. Our actuaries assist clients with their due diligence by performing independent assessments of property & casualty and life & health insurance company liabilities on a discounted (present value) and undiscounted basis. We can assess and explain the impact of reinsurance, changes in operations and other risks to investors and other interested parties.

# Competitive Intelligence



## Competitive Intelligence Services

Perr&Knight's competitive intelligence services include Competitor Research and Competitor Analysis.

- **COMPETITOR RESEARCH**  
Perr&Knight's analysts are experts at researching competitor filings in order to compile individual filing components such as rating factors, territory definitions and underwriting guidelines. Perr&Knight can handle all kinds of customized research projects.
- **COMPETITOR ANALYSIS**  
Perr&Knight's competitive intelligence staff includes actuaries and product managers with extensive industry experience. Our experts can satisfy all advanced, analytical competitive intelligence needs, including market share analysis, product management/development, rate comparisons and coverage comparisons.



## Data Services



Perr&Knight's data services practice has a wealth of experience providing services to the property & casualty insurance industry. Our data services consultants include information technology experts as well as other professionals pursuing accreditations from the CAS and the Insurance Data Management Association ("IDMA"). Several of Perr&Knight's consultants previously worked at statistical reporting agencies, including the National Council on Compensation Insurance ("NCCI") and the National Independent Statistical Service ("NISS"). Perr&Knight also participates in various industry conferences including the Insurance Accounting & Systems Association ("IASA") annual conference and the Insurance Data Management Association ("IDMA") annual meeting. In addition, our data services leadership currently participates on the NISS Technical Advisory Committee.

Our data services practice provides insurance companies with the insight and data management expertise to tackle any size data project. Perr&Knight's data services consultants can work with our clients' internal information technology staff and database administrators, as well as third-party technology vendors, to develop data requirements, perform gap analyses, integrate data, create centralized data warehouses, and fulfill statistical reporting requirements.

### Data Requirements & Gap Analysis

Perr&Knight can work with a client to develop and document a comprehensive set of data requirements for accounting, policy, claims, and management systems. We can compare the data requirements (including external requirements with respect to bureau reporting) to the applicable system data dictionaries and perform an analy-

sis to identify gaps in the data captured by the system. Our resulting gap analysis provides a complete list of required system revisions which helps companies limit piecemeal system changes that can be costly and inefficient, thereby reducing system maintenance costs.

### Data Integration

Typically, insurance companies utilize multiple systems to handle multiple tasks, such as policy issuance, claims management, and billing. In many cases, these systems have been developed by different generations of in-house staff or third-party vendors and use different platforms, contain inconsistent data elements and are not easily integrated. Perr&Knight's team of database architects and analysts can solve our clients' data integration problems through the following:

- Reconciliation of disparate data elements
- Data validation and data scrubbing
- Migration of legacy data to a new system
- Integration of multiple systems

Perr&Knight is also experienced at creating and maintaining data conversion utilities, using internally-developed SQL scripts and third-party ETL (extract, transform, and load) tools.

### Data Warehousing

Perr&Knight employs data management experts with deep insurance industry knowledge. As a result, we have the skills necessary to assist companies with the following data warehousing functions:

- Comprehensive design of their internal data warehouses
- Hosting client data in a secure environment
- Integration of disparate data sources into a consolidated data warehouse while preserving data integrity

## Statistical Reporting

Perr&Knight's data services practice blends years of statistical reporting experience, technical expertise, and data management best practices to provide a comprehensive statistical reporting solution. Our reporting services can be utilized by any property & casualty insurance group or company, even those writing business through Managing General Agents ("MGAs"). We have the ability to report statistical data for all personal, commercial and health lines of business to all state DOIs, rating bureaus and statistical agents, including the following organizations:

- AAIS (American Association of Insurance Services)
- ISO (Insurance Services Office)
- ISS (Independent Statistical Service (formerly known as NAI))
- NCCI (National Council on Compensation Insurance)
- NISS (National Independent Statistical Service)
- SFAA (Surety and Fidelity Association of America)
- TICO (Texas Insurance Checking Office)

Our consultants review client data extracts and perform (or help our clients perform) the necessary format conversions to create statistical files suitable for submission. Perr&Knight collects and compiles statistical data extracts, identifies errors or inconsistencies in the data, and assists our clients with error correction until the data meet the applicable quality standards. We then prepare the required transmittal documentation and make timely submissions to the reporting entities on our client's behalf.

In addition to standard reporting to statistical agents, Perr&Knight provides the following data reporting services:

- **STATISTICAL BUREAU ALTERNATIVE ANALYSIS**  
Perr&Knight consultants can assist companies in selecting or changing a statistical agent to mini-

mize the cost and strain that comes with regulatory reporting. As part of this service, Perr&Knight can provide cost comparison analyses, data element comparison reports, and feedback from other companies regarding their experiences with each statistical agent.

- **INITIAL REPORTING SETUP**

When companies enter new lines of business, new jurisdictions or change statistical agents, initial setup is needed to ensure compliance with submission requirements. To assist with their initial setup, Perr&Knight can examine a client's database with its associated table layouts. We then compare the results of our examination to the statistical agent's reporting requirements to identify missing or inconsistently defined data elements.

- **ANNUAL STATEMENT RECONCILIATION**

Our data services consultants can reconcile statistical data to a company's annual statement as required by regulatory bodies. Further, we can reconcile statistical data to monthly financial registers for early identification of potential discrepancies with aggregate financial information reported on the annual statement.

- **STATE SPECIAL DATA CALLS**

In addition to standard statistical reporting requirements, state regulators often require insurers to respond to special data calls which may include requests for financial, assessment, and policy/claims data. Perr&Knight can prepare, consolidate and submit responses to these special data calls on behalf of our clients.

- **REPORTING REQUIREMENTS MONITORING**

Perr&Knight closely monitors DOI, rating bureau and statistical agent bulletins, circulars and websites for issued data calls. For each data call issued, we summarize key information (including due dates, states, lines of business, and data call documentation) and post it on Stat-Reporter.com, a secure website we developed, through which clients can organize data reporting requirements and track data call submissions.

- **MEDICARE SECONDARY PAYER REPORTING**

We can provide property & casualty insurers and self-insureds with an end-to-end Medicare Sec-

ondary Payer reporting solution including a secure Web interface. Perr&Knight manages client accounts and communications with the Centers for Medicare & Medicaid Services (CMS) by acting as the reporting agent and/or account manager as defined by the Section 111 requirements. Our approach includes optimizing the underlying data capture and simplifying the Medicare CMS reporting process by aggregating data into a single submission file for multiple business units and lines of business thus minimizing the operational impact of the reporting procedures. Perr&Knight's data services consultants help clients avoid penalties for reporting poor quality data by editing query and claim settlement files, and assisting clients with correcting data issues, prior to submission.

# Insurance Data Mastery



The success of modern insurance operations depends wholly upon senior managers to make timely, critical business decisions. But all too often, these managers find themselves unable to gain complete and immediate operational insight due to mismanaged and disconnected data.

Insurance data mastery (IDM) helps insurers alleviate this burden by aggregating disparate sources of data, converting raw data into actionable business intelligence, and ensuring that underlying technologies and IT resources directly support — instead of dictate — business objectives.

IDM enables the continuous improvement efforts that help insurance organizations lower operating costs through error and cycle time reduction, and:

- Support executive decisions by making abilities by making good data – a “single version of the truth” – readily available.
- Accelerate product introductions and changes through better management of rating information, underwriting data and policy forms.
- Facilitate compliance with regulatory requirements including Sarbanes-Oxley, statistical and statutory (financial) reporting.

## Our IDM Approach

Perr&Knight ensures that our clients achieve data mastery by focusing on business results rather than just technology. Our industry-leading IDM approach involves:

- **REQUIREMENTS GATHERING**  
Perr&Knight employs best practices for gathering, organizing and communicating requirements critical to the success of system enhancements or new system deployments through the conduct of multiple onsite workshops. The results of our efforts will yield an assessment of your current state, a recommended future state and a presentation of the gap that exists between them.
- **SOLUTION ARCHITECTURE**  
The next step in our approach is to architect a solution that bridges the gap between present and future states, and includes the adoption of standards, frameworks and technologies that enable far more efficient data management processes. Your custom IDM solution will also include vendor selection, in addition to other necessary disciplines such as organizational alignment, change management and training development - everything you need to keep your business and IT resources in sync.
- **IMPLEMENTATION SUPPORT**  
IDM Implementations require excellent project management skills, absolute mastery of the subject matter and ongoing support — hallmarks of Perr&Knight's management consulting practice. To that end, we provide onsite project managers, business analysts and programming resources to augment client and vendor teams, reduce project risk and increase the chances of a successful outcome.

## Our IDM Toolkit

Perr&Knight's management consulting practice offers IDM solutions built around a collection of standards, frameworks and technologies – our consultant's "toolkit."

- **STANDARDS**

The insurance industry is starting to embrace "standard" data models as the benefits of standardization become more apparent. Insurers that adopt standards have a far easier time enabling the producer community to do business with them, and data migration, management reporting and regulatory reporting are made far easier by reducing the need to reconcile disparate data sources.

- **FRAMEWORKS**

Multiple frameworks comprising well-documented sets of best practices are used to enable the efficient management of technology and data-related processes. Our consultants are fluent in all major IT governance frameworks.

- **TECHNOLOGIES**

To help organizations implement IDM best practices, there exists a wide array of technologically advanced tools for data automation, integration, warehousing and business intelligence (BI). Such tools are vital in reaching the full potential of insurance data mastery.regulatory reporting. As part of this service, Perr&Knight can provide cost comparison analyses, data element comparison reports, and feedback from other companies regarding their experiences with each statistical agent.

# Insurance Technology Group



Perr&Knight's Insurance Technology Group delivers an in-depth understanding of insurance technology and unparalleled insurance subject matter expertise. This complement of capabilities is rarely found, yet is critically important to core insurance project success.

As technology plays an increasingly significant role in both the functioning and competitive positioning of insurers, it takes the brightest minds and best known methods to give them the edge they need to be successful in their technology-intensive pursuits. Our service offerings have been refined over more than fifteen years working with hundreds of insurers through multiple periods of rapid technological change. As a result, our consultants are armed with the knowledge, skills and experiences demanded when precision matters, when deviations from plan can have devastating effects – and when project failure is simply not an option.

To best serve our clients, our roster of services is organized around the entire technology lifecycle. Accordingly, we provide expertise through the planning, decision making and ongoing management of their technology initiatives.

## IT Planning Support

- **SOLUTION DESIGN SERVICES** include the creation of context diagrams, architectural diagrams and process models used to define the boundaries of important IT initiatives.
- **REQUIREMENTS MANAGEMENT SERVICES** include the scheduling and facilitation of require-

ments gathering workshops, the creation of requirements documentation and the training of staff in good requirements management tools & techniques.

- **PROJECT PLANNING SERVICES** include the scoping of critical IT projects, scheduling of resources and project cost estimation.

## IT Decision Support

- **VENDOR SELECTION SERVICES** include the development of requests for information/proposal, the creation of evaluation tools including demonstration scripts and scoring templates and the drafting of vendor reviews and suitability opinions.
- **PROJECT RISK ASSESSMENT SERVICES** include the identification of project risks, an evaluation of their probability of occurrence and impact and the development of mitigation plans to reduce or retire any such risks.
- **BUSINESS CASE DEVELOPMENT SERVICES** include an evaluation of the strategic fit and financial expectations in the context of the risk environment to support or negate the rationale for significant IT investments.

## IT Execution Support

- **IT STANDARDS & PRACTICES SERVICES** include organizational maturity assessments and promotion of the good practices embodied in the CobiT IT governance framework.
- **BUSINESS PROCESS DESIGN SERVICES** include the modeling of critical processes utilized or impacted by IT, identification of root causes of process inefficiency and the development of improvement plans to address process problems.
- **STAFF AUGMENTATION & TRAINING SERVICES** include the identification and indoctrination of technical resources and transfer of knowledge to staff to facilitate the adoption of new IT tools, techniques or process designs.

# Regulatory Compliance



Perr&Knight's regulatory compliance practice has a wealth of experience providing services to both the property & casualty and life & health insurance industries. Perr&Knight's staff includes individuals who have obtained the following designations: Certified Compliance Professional ("CCP"); Associate in General Insurance ("AINS"); Associate, Insurance Regulatory Compliance ("AIRC"); Associate in Underwriting ("AU"); Associate of Risk Management ("ARM"); Associate in Marine Insurance Management ("AMIM"); Fellow, Life Management Institute ("FLMI"); Certified Fraud Examiner ("CFE") and Securities & Insurance Licensing Association ("SILA") – Certified. Perr&Knight is a Gold Level Sponsor each year at the Association of Insurance Compliance Professionals ("AICP") annual conference and our professionals regularly attend conferences to stay abreast of the latest regulatory compliance issues. Our staff also includes members of several AICP national committees, NAIC working groups and task forces and the SILA education committee.

Insurance companies face an abundance of regulatory compliance requirements in their day to day operations. These requirements are often addressed through product design, licensing, statistical reporting, bureau monitoring, and rate, rule and form filings. Perr&Knight's regulatory compliance professionals can assist companies as they navigate regulatory compliance requirements either on a task by task basis or as a complete outsourcing solution. By engaging Perr&Knight, companies are able to take advantage of our expertise in the industry, our positive working relationships with the DOIs and our technological innovations including our web-based tracking systems for bureau monitoring, state filings, statistical reporting and licensing. Furthermore, our clients

benefit from our responsiveness, attention to detail and our commitment to documentation and regular status updates. Clients who completely outsource their regulatory compliance responsibilities to Perr&Knight benefit from a compliance staff that is scalable in size and able to quickly respond to any changes in a company's needs.

## State Filings

Perr&Knight's state filings unit is the largest provider of rate, rule and form filing services in the country. We prepare and submit thousands of filings annually, more than our competitors and most insurance companies' internal state filings units. Our size gives us the ability to prepare and submit filings very quickly and work on multiple filing projects at the same time. Perr&Knight's state filings professionals have experience submitting filings for all lines of business in all jurisdictions. We are very familiar with each state insurance department's specific filing requirements. In addition, we have developed and continue to cultivate positive working relationships with insurance department personnel across the country.

Our state filings unit provides a complete, organized solution for all types of filing projects, from simple, straightforward filings such as the introduction of a single endorsement to complicated new program or rate revision filings. Perr&Knight is dedicated to providing the highest level of service and quality to our state filings clients on all of their filing projects, regardless of size or difficulty level.

In addition to the size and experience of our state filings unit, our clients also benefit from the following services unique to Perr&Knight:



- **STATEFILINGS.COM**

Perr&Knight developed StateFilings.com to track all of its filing projects. It is a secure website through which clients can access their filings online in real time in order to monitor filing progress and access filed materials. On StateFilings.com our clients can navigate through all current and past filing projects and download all filed documents in Portable Document Format (“PDF”). For our clients, StateFilings.com provides the most comprehensive documentation of their filed and approved rates, rules and forms. Allowing our clients real time access to their filing projects via the website eliminates any “black hole” concerns that companies may otherwise feel when turning their filing projects over to a third party filing service.

- **ACTUARIES ON STAFF**

Perr&Knight has 20+ credentialed actuaries on staff available to assist our state filings professionals with complex rate and rule filings. Our actuaries can assist with state-specific rate filing support requirements including California’s rating template, New York’s rate filing sequence checklist and Florida’s RCS exhibits, as well as provide responses to rate and rule interrogatories.

- **PRODUCT DESIGN CONSULTANTS ON STAFF**

Perr&Knight’s product design consultants can assist our state filings professionals with form filing submissions, including completing compliance checklists and responding to criticisms from the DOIs pertaining to coverage forms.

- **WE PAY FILING FEES UP FRONT**

In many states, filing fees must be remitted with filing submissions. For some insurance companies, check requisition processes can delay submissions for days or even weeks. Perr&Knight pays filing fees on our clients’ behalf and then seeks reimbursement after filings have been submitted. Perr&Knight’s management fulfills state filings check requests in less than 24 hours of receipt, eliminating any delays in the filing process. Additionally, Perr&Knight has electronic funds transfer (“EFT”) capabilities enabled on our SERFF account, to facilitate payment in states that accept EFT.

## Bureau Monitoring

Perr&Knight’s bureau monitoring service provides an efficient and cost effective way to monitor, track and analyze the impact of the numerous circulars and bulletins released each day by the various rating bureaus. We perform these services for companies affiliated with the large national bureaus as well as the individual state bureaus who advise property & casualty insurance companies on rates/loss costs, rules and forms. Our bureau monitoring services encompass all lines of business in all U.S. jurisdictions.

In order to effectively utilize a rating bureau’s rates/loss costs, rules and/or forms, in a compliant manner, an affiliated company must perform the following:

- Review each circular or bulletin released by the rating bureau.
- Identify all insurance products affected by the circular or bulletin.
- Determine the desired course of action, including any associated filings, for each product.
- Prepare, submit and track any filings required by the company’s response to a circular or bulletin.
- Communicate the status of resulting filings to appropriate insurance company personnel.
- Document all steps in the process to ensure compliance

Perr&Knight performs all the above items for our clients through BureauMonitor.com, a secure website that can be customized for each insurance company to reflect their products and affiliation profile. This website, developed by Perr&Knight, provides an organized solution for effective communication and documentation of an insurance company’s response to bureau rate/loss cost, rule and form activity.

Through BureauMonitor.com, we provide our clients with the following:

- **CIRCULAR AND BULLETIN ALERTS**

Perr&Knight issues alerts that summarize each circular or bulletin, inform the company of any required action including filings, identify the programs affected, and assess the impact on each program. The alert typically contains a link to the specific circular or bulletin. In addition, the company has the option of receiving e-mails, daily or weekly, informing them of the number of alerts by bureau over various time periods.

- **ONLINE ACCESS**

Our website, BureauMonitor.com, serves as a central location through which clients can track, communicate and reference their bureau activity online in real time, rather than communicating bureau activity to company personnel haphazardly and tracking the information via spreadsheets.

- **FILING TRACKING**

The website's "Company Filings" page allows our clients to track filings submitted in response to bureau circulars. Information on the Company Filings page can be sorted by filing type (e.g. rates, rules or forms), adoption method (e.g. delay adoptions, adoptions with modifications), filing status, effective date, etc., and downloaded to a spreadsheet. The website also offers the ability to add customized fields so that the Company Filings page can be tailored to meet a particular company's tracking needs.

- **SEARCHES**

The search capabilities of the website allows our clients to filter and group together related bureau circulars, and to search circulars by key word, reference filing number, state, line of business, etc. Each user can save the searches they use most often.

Our state filings unit often works together with our bureau monitoring unit to prepare and submit the necessary filings to adopt, delay adopt or non-adopt bureau loss costs, rules or forms. This provides our clients with a comprehensive regulatory compliance solution for their bureau based programs.

## Statistical Reporting

Perr&Knight's data services practice blends years of statistical reporting experience, technical expertise, and data management best practices to provide a comprehensive statistical reporting solution. Our reporting services can be utilized by any property & casualty insurance company, including those writing business through MGAs. We have the ability to report statistical data for all personal, commercial and health lines of business to all state DOIs, rating bureaus and statistical agents, including the following organizations:

- **AAIS** (American Association of Insurance Services)

- **ISO** (Insurance Services Office)
- **ISS** (Independent Statistical Service (formerly known as NAI))
- **NCCI** (National Council on Compensation Insurance)
- **NISS** (National Independent Statistical Service)
- **SFAA** (Surety and Fidelity Association of America)
- **TICO** (Texas Insurance Checking Office)

Perr&Knight prepares and submits statistical data on behalf of our clients to fulfill statutory reporting requirements. We ensure our clients' data meet the quality requirements of the bureaus and reconciles to the company's financial statements as applicable. Perr&Knight can also prepare, consolidate and submit data to fulfill special data reporting requirements of the state DOIs and underwriting associations, including financial, assessment, and policy/claims calls.

For each special data call and statutory reporting requirement, we summarize and post key information, including due dates, states, lines of business, and data requirements, on our website Stat-Reporter.com. This website gives our clients the ability to track all data reporting requirements and resulting data submissions in order to ensure regulatory compliance.

In addition to standard reporting to statistical agents, we can provide property & casualty insurers and self-insureds with an end-to-end Medicare Secondary Payer reporting solution including a secure Web interface.

For more information on our statistical reporting capabilities, please refer to the Data Services section of this document.

## Licensing

Perr&Knight employs a team of highly skilled licensing professionals with many years of licensing and appointment experience in the insurance industry. Our licensing professionals are familiar with each state's requirements for all types of licenses and are adept at handling virtually all licensing-related tasks. In addition, our licensing unit has built strong, effective working relationships with the various insurance departments and industry organizations.

Our licensing unit provides a complete, organized solution for the licensing requirements of all types of insurance entities, including insurance companies, insurance

agencies, independent agents/brokers, third party administrators and risk purchasing groups. Perr&Knight is dedicated to providing the highest level of service and quality to our licensing clients on all of their licensing projects, regardless of size or difficulty level.

Perr&Knight's licensing services include:

- **PRODUCER LICENSING**  
Our licensing professionals assist individual agents/brokers and entities (i.e. agencies) with obtaining their licenses for all types of insurance, in all U.S. jurisdictions. Our services include resident and non-resident licenses, both new and renewal. Perr&Knight also assists agencies with Corporate Qualifications filed with the Secretary of State.
- **PRODUCER APPOINTMENTS (INITIAL, RENEWAL & TERMINATIONS)**  
Perr&Knight assists insurance companies with individual agent/broker, agency and MGA appointments, appointment terminations and renewals.
- **COMPANY LICENSING**  
We can work with both admitted and non-admitted companies to obtain their certificates of authority, change names, re-domesticate, restructure, as well as add and delete lines of business. Our services extend to captive/Risk Retention Group formations, surplus lines eligibility and New York Free Trade Zone authority.
- **RISK RETENTION GROUP ("RRG") & RISK PURCHASING GROUP ("RPG") REGISTRATION**  
Perr&Knight can assist RRGs and RPGs with the registration process in all U.S. jurisdictions.
- **ADJUSTER LICENSING**  
Our licensing professionals can work with both insurance companies and claims adjusters to ensure their adjuster licensing requirements are met. For insurance companies, we can identify personnel and service providers who must be licensed as claims adjusters and maintain up-to-date documentation of licenses. In addition, we can obtain and renew appropriate licenses for our claims adjuster clients.

In addition to the proficiency and experience of our licensing unit, our clients also benefit from the following qualities unique to Perr&Knight:

- **PROMPT APPROVALS**  
Our licensing unit is dedicated to obtaining the quickest possible approvals of all licensing applications. Perr&Knight submits license applications electronically, where permitted, in order to take advantage of any priority processing at the DOIs. In addition, we follow up regularly with the DOIs to check on the status of pending applications and confirm that all required materials have been received and are being reviewed. Our follow-ups continue until the application is approved and the license is issued.
- **LICENSEREPORTER.COM**  
Perr&Knight developed LicenseReporter.com to track all of its licensing projects. It is a secure website through which clients can access their license applications on-line in real time in order to monitor approval progress and access filed materials. On LicenseReporter.com, our clients can navigate through all of their current and past licensing applications and download all documents submitted with the applications in PDF.

## Product Design

Perr&Knight employs a team of highly skilled product design consultants with many years of experience developing and reviewing coverage provisions for all personal, commercial and health lines of business. In addition, our product design team has built strong, effective working relationships with the various insurance departments and industry organizations.

Perr&Knight's product design and forms consulting services include:

- **COVERAGE COMPARISONS**  
Through our competitive intelligence consulting practice, Perr&Knight's product design consultants have access to industry form filings. Our product design consultants can easily and quickly access these competitor filings in order to prepare competitor coverage comparisons for companies who are entering a new state or line of business or for companies who want to assess the competitiveness of their current forms. Our

product design consultants are experienced at extracting key information from competitor form filings in order to create meaningful and accurate form comparisons that are customized to each client's individual needs. The comparisons are provided in spreadsheets and are laid out in a side-by-side grid where users can compare specific coverages (limits, options, etc.) among competitors at a glance.

- **PRODUCT DEVELOPMENT**

Perr&Knight's product design consultants are skilled at developing form libraries (e.g. policy forms, endorsements, applications, notices, etc.) for our clients' insurance products. Our product design consultants have experience developing personal, commercial and health lines forms for both completely independent and bureau-based products.

- **CONTENT REVIEWS**

Perr&Knight's product design consultants are uniquely qualified to perform a detailed review of an insurance policy form to identify ambiguities, inconsistencies, loopholes or ineffective/impractical language. Our consultants can revise a client's insurance policy form based on the findings of our review. We also provide a detailed report outlining our changes and explaining why they were made.

- **PRODUCT REVIEWS**

Perr&Knight's product design consultants have a deep knowledge of the various state regulations and DOI policies that pertain to policy forms. Our product design consultants can use this knowledge to identify controversial or non-compliant provisions in our clients' forms by state. Further, we can create and/or modify our clients' forms (e.g. amendatory endorsements, notices, application supplements) in order to ensure compliance with state insurance regulations and statutes.

- **FORM FILING SUPPORT**

Perr&Knight's product design consultants have experience completing state requirements checklists and responding to form interrogatories from the DOIs in all U.S. jurisdictions for personal, commercial and health products. By using our product design consultants on a filing proj-

ect, companies can avoid excessive DOI interrogatories and speed up the form filing approval process.

## Risk Services



Perr&Knight's Risk Services practice group is dedicated to helping our insurance industry clients bridge gaps in their internal service offerings, thereby allowing them to capture previously lost revenue streams and maintain control over their customer relationships.

Whether providing technical support for a specific project or full outsourced back-office services for an operational unit, our team of risk management professionals has the expertise and experience necessary to deliver the superior work product that you have come to expect from Perr&Knight.

As a leading provider of insurance support services, Perr&Knight understands risk. Working hand-in-hand with our Actuarial Consulting, Competitive Intelligence, Data Services, Insurance Technology and Regulatory Compliance practice groups, Perr&Knight's Risk Services team provides a comprehensive and cost-effective suite of services that will allow you to seamlessly address those client needs that fall outside of your company's core competencies.

You can confidently rely upon Perr&Knight for:

### Risk Management Program Analysis

Third party review and analysis of a client or prospect's existing risk management program, including:

- Corporate risk profile
- Program performance review
- Optimal self-insured retention levels
- Existing coverage gaps

- Data collection procedures
- Claims administration and oversight
- Legacy claim issues and risk financing options

### Alternative Risk Finance

Full back-office and analytical services for captives and self-insureds, including:

- Educational programs
- Captive feasibility studies
- Program structure and design
- Domicile comparisons
- Formations
- Captive management
- Regulatory compliance and actuarial support
- Operational planning
- Director services
- Exit strategies and closure solutions

### Loss Prevention and Control

Programs to decrease the volume and severity of losses and to monitor results, including:

- Exposure identification and quantification
- Quality-of-data and operational procedures audits
- Claims trending analysis
- Benchmarking
- Loss control system design and implementation
- Resource allocation

## Claims Review, Analysis and Support

Services to reduce claims costs through improved processes and understanding of exposures, including:

- Review and analysis of reserve adequacy
- Procedural “best practices”
- Claim file audits
- TPA performance monitoring and oversight
- Staff evaluation and training
- Reinsurance recoverables
- Policy interpretation
- Coverage issues
- Litigation support

## Loss Portfolio Transfers (LPT's)

Collateral relief and balance sheet improvement for self-insureds, captives and standard insurers, including:

- LPT evaluation, design and negotiations
- Novations
- Commutations
- Portfolio buy-outs
- Captive closure solutions
- Analytical support

# Usage Based Insurance



Insurers that implement UBI programs are able to better compete on price and product differentiation, improve risk assessment through better segmentation, optimize their business portfolios and reduce claims costs. Further, the negative impact of UBI discounts on loss ratio are offset by the positive impact of better classification.

Insureds also benefit from reduced premiums and discount offers, improved safety options and protocols, and by being empowered to directly affect their rates by taking responsibility for their day-to-day driving habits.

But to reap the benefits of a successful UBI program, insurers must first face a number of new challenges. Technologies must be vetted, selected and optimized to fit within an entirely new ecosystem. Product development is made unduly difficult by a lack of existing data to support filing and pricing models. And an exponential increase in the amount of data generated by consumers will force insurers to adopt new data management techniques, models and advanced analytics.

Perr&Knight provides a complete, end-to-end solution for any insurer's UBI challenges by supplying the necessary resources for:

- Product development and actuarial analysis
- UBI rate filings and competitor analysis
- Strategic/marketing plan development
- Business and technical requirements elicitation – inclusive of desired UBI features/functions and policy/claims systems integration
- UBI solutions vendor analysis, selection and oversight

- Pro-forma/business case development, including feasibility and expected ROI
- Project management, implementation planning and support model definition
- Data aggregation, archival, and modeling/analytics

## THE TELEMATICS ECOSYSTEM

The technology necessary for a usage based insurance program extends well beyond the in-vehicle telematics device. To be part of a true telematics/UBI solution, the device must either be sourced by or be capable of being utilized within a complete telematics ecosystem that includes:

- In-vehicle telematics device
- Location based services
- Data transmission
- Device installation & configuration (web portal for program management; device packaging, distribution & fulfillment; customer service and facility to “recycle” devices)
- UBI data collection (data warehouse, data analysis, policy/claims integration and web portal for dashboard reporting)
- Value added services integration (convenience options, safety & security, navigation, full diagnostics, infotainment and data services)

## Contact Us

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