



## AMERICAN ACADEMY *of* ACTUARIES

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June 22, 2001

Senator John W. Fonfara  
Legislative Office Building  
Hartford, CT 06106-1591

Dear Senator Fonfara:

On behalf of the American Academy of Actuaries' Risk Classification Work Group (Academy's Work Group), I would like to thank you for our recent opportunity to assist the Connecticut Joint Legislative Task Force on Auto Insurance. We provided guidance and suggestions to Mr. Cheye Calvo and Ms. Patricia Born as they conducted their study for the Task Force.

We recently received copies of their report dated April 2001, titled "Pricing Auto Insurance; A Study of Ratemaking in Connecticut." The Academy's Work Group reviewed their report as it was being prepared, and had the opportunity to provide our comments to them through meetings and telephone discussions.

Although we very much appreciate the opportunity that we had to participate in this study, it should be understood that this does not represent a report of the American Academy of Actuaries:

- The findings, conclusions, and recommendations contained in the report represent those of the authors, Mr. Calvo and Ms. Born.
- The underlying data analysis and the numerical conclusions reached in the report represent the work of Mr. Calvo and Ms. Born. The Academy's Work Group did not audit or verify the data that was provided to Mr. Calvo and Ms. Born, and did not perform or check the calculations.
- In certain instances the Academy's Work Group performed some calculations, but these were conducted for the purpose of illustrating ratemaking techniques that the authors of the report were studying, and should not be considered as recommendations of the Academy's Work Group.

The report contains a comprehensive list of policy options but, as stated in the report, does not provide a full and detailed account of the potential effects of the options. We urge the Legislature to study the potential effects of any of the policy options it considers implementing.

We very much enjoyed working with Mr. Calvo and Ms. Born, and believe that the Connecticut Joint Legislative Task Force was well served by their efforts.

Sincerely,

Walter C. Wright, FCAS, MAAA  
Chair, Risk Classification Work Group