Appendix A

We are providing as a part of this filing, the underlying credit information that was used to derive the model parameters displayed on Page 3 of the document entitled Insurance Scoring Model 7 – Model Development Overview and Final Model Results. As described on Page 9 of this document, this underlying data was separated into three distinct data sets. Data from each of these three data sets is provided separately so you can identify the specific data used to derive the model parameters and the data used to validate the final model.

The data set includes all credit variables which were considered as candidate variables in the model building process. Please note that these variables have been calculated to reflect the various adjustments described on Page 4 of the model overview document (for example these adjustments would exclude information identified as medically related from consideration).

Exposure, Loss and Theoretical Earned Premium Information are shown separately for each of the four major coverages used in the analysis. The model parameters were derived based upon the combined information for all four of these coverages. The dependent variable used in the determination of the model parameters, was a theoretical loss ratio which accounts for the effects of variables other than those related to credit history. This was done so that any underlying data which already reflected difference in premiums charged to our customers based upon information contained in their credit report, would not affect the development of the model. This process is described more fully on Page 8 of the model overview documentation. Please note that the theoretical earned premium already reflects the adjustment described above and the losses provided in the underlying data already reflects a cap of $100,000 in a given year for an individual automobile per coverage.

The following page identifies the name and the label (or description) of each of the variables included in the file. We have been able to locate one other Insurance Scoring Model filing for which the underlying credit information used to develop the model parameters had been supplied. This is Safeco filing (OIR number 08-21562) which uses a Choicepoint insurance scoring model. We have reviewed the variables included in that submission and believe that the information contained in our data set is comparable.