



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

October 14, 2022

NOTICE TO ALL INSURERS, RATING AND ADVISORY ORGANIZATIONS REGARDING PRIVATE PASSENGER STATISTICAL DATA MONITORING SYSTEMS

The purpose of this Notice is to advise all insurers writing private passenger auto insurance and all rating and advisory organizations that the Department is exempting such entities from the Statistical Dating Monitoring System (“SDMS”) requirements under Conn. Agencies Regs. § 38a-693-1¹, *et seq.* This action is being taken pursuant to the Commissioner’s authority under Conn. Gen. Stat. § 38a-692.

The intent of SDMS is to provide a low-cost method to insurers to ensure quality data for ratemaking and similar purposes. With the advent of technology, the SDMS process has become burdensome as it does not contemplate the advances that would permit insurance companies to improve and correct their data through their statistical agents. The cost to insurance companies is significant to maintain an SDMS and the Department believes the requirements regarding implementation and use of an SDSM do not provide a meaningful benefit to consumers.

Under Conn. Agencies Section 38a-693-5, the Insurance Commissioner may waive or modify the SDMS requirement(s) where the requirement(s) would be impractical or unreasonable or where the Insurance Commissioner deems that such implementation would place an unreasonable burden on the insurer or statistical agent. For the reasons provided above, the Commissioner believes it is appropriate to waive all SDMS requirements effective immediately.

Please contact the Insurance Department’s Property & Casualty division at cid.pc@ct.gov with any questions concerning this Notice.

¹ See https://eregulations.ct.gov/eRegsPortal/Browse/RCSA/Title_38aSubtitle_38a-693/