



December 4, 2015

Stacy Middleton

Washington Office of the Insurance Commissioner

PO Box 40258

Olympia, WA 98504

rulescoordinator@oic.wa.gov

RE: Insurance Commissioner Matter No. R 2015-15

Dear Ms. Middleton:

The comments below are submitted on behalf of the Progressive Group of Insurance Companies. While we agree that insurers writing usage-based insurance should be permitted to collect data on a policyholder's driving behavior only for a specific period of time and then continue to use the same data for premium calculation at each policy renewal, we don't believe that a regulation to that effect is necessary, and are concerned about the potential for unforeseen consequences if such a regulation were to be promulgated

Usage-based insurance is still a rapidly evolving product. Insurers in Washington are collecting data, refining their models, and improving the experience for their insureds. Flexibility, in this regard, leads to differentiation and experimentation in the marketplace, which are good for the market and for consumers. Although the proposed rule would permit a practice which we currently employ and believe is the proper balance of monitoring expense and rating accuracy for our consumers at this time, we are concerned that the proposed regulation could limit flexibility and slow innovation.

We are also concerned that a regulation could create unintended consequences leading from both the language of the regulation and where it is silent. Would the regulation prohibit continuous monitoring? Would it prohibit an insurer's ability to allow insureds to re-monitor their driving data? What happens if an insured completes their monitoring then takes a new job that cuts their commute in half?

In addition, if the effect of the regulation intended or otherwise was to limit the time an insurer can collect data, it could also have negative effects on an insurer's ability to accurately evaluate risk. Each insurer should be free to determine how much data is sufficient to make their unique usage-based insurance program successful. Insufficient data can lead to inaccurate results, ultimately hurting consumers.



For the reasons above, we are opposed to the OIC promulgating a regulation of the type described in the notice and encourage the Office of the Insurance Commissioner to help maintain the flexibility necessary to foster the continuing development of innovative and successful usage-based insurance products.

Sincerely,

Ben Potter
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