



### **UBI/Telematics Checklist for Rate and Rule Filings**

Please provide the following information when **making a filing to introduce a new or modify an existing** user based information (UBI), telematic technologies and telemetric data based model. (Note: Future changes to algorithms must be filed, including the method used to collect data. ) Please send any questions regarding this checklist to: [propcas@difi.az.gov](mailto:propcas@difi.az.gov)- include UBI/Telematics Checklist in the subject line.

1. Please describe how the insurer obtains the data in order to score/rate participants in the telematics program.
  - i. What type of device or app is used?
  - ii. Are all phone types supported? (e.g. Apple-iOS, Android)
2. Is the insurer using a proprietary app, or an app/platform purchased from a 3rd party?
3. If the telematics app and/or telematics data was obtained from a third party vendor, please provide the following:
  - i. Name of the telematics app/data provider company.
  - ii. How is data stored and protected?
  - iii. Which entity owns the data collected from the policyholder's use of the app? iv. Does the vendor obtain/retain or use any of the following policyholder data; PII, telematics data, metadata, user IP address, etc.
  - v. Provide evidence of the accuracy of the phone app and data collected. Explain what steps were taken to maximize accuracy.
  - vi. Does the third party provider do any data cleansing or scrubbing? If so, provide information on the extent the third party is authorized to do so.
  - vii. Does the insurer develop the driver's telematic score using vendor data, or does the vendor's system calculate and deliver the score to the insurer?
4. Provide a list of:
  - i. All the telematic data elements gathered by the app/platform.
  - ii. The telematic data elements gathered specifically for use in rating.
5. Provide the quantity of the following data needed to calculate a score:
  - I. Minimum number of miles/hours driven.
  - ii. How long the data is collected.
  - iii. What is considered a "trip".
  - iv. How often an individual is re-scored, and if/how often is a policyholder able to request a re-score?
6. Provide a list of all variables used and the weight given to each.
7. What assumptions are used for missing or null data? Key Assumptions made? Provide support to demonstrate that the assumptions used were appropriate.

8. Please provide 5 anonymized examples of how the UBI score is calculated using the variables described. The Department is seeking a step-by-step explanation of the calculation process employed to compute a UBI score that a rating factor would be applied to. This will be treated as confidential/protected under Arizona's Trade Secret law. Upload individually.
9. How were the scores mapped and placed into different tiers? How was this determined?
10. Is there a distracted driver variable? If so explain the parameters of the measurement of movement that would indicate a distracted driver event. Provide substantial support for the measurement and use of this variable.
11. Provide a written copy of the full privacy agreement and user agreement provided to the insured upon enrollment in this program. If the user agreement is presented via app, provide screenshots.
12. Provide a copy of what would essentially be a "Welcome" packet for the insured explaining the telematics program and how it works.
13. What is the process in which an individual can dispute a trip etc., (for example, they were a passenger vs. operating the vehicle).
14. How long do they have to make this adjustment and where in the policy or app instructions are they informed of this process?
15. How were the applicable factors associated with the surcharge or discount provided determined? The actuarial justification of all rating factors to be applied as a discount or surcharge should be included in the supporting documentation.
16. In what states has this version of the telematics program been approved and/or filed? (Please provide SERFF #, filing status, and state.)
17. If data was used in a model to develop a rating algorithm please provide the SERFF tracking number for this model filing. If a new model is being submitted with this filing please refer to the Predictive Modeling Checklist for other submission requirements.
18. If this filing contains a revision to the telematics program, please provide the following:
  - i. A histogram on how many and what impact (%) the introduction of telematics will have.
  - ii. A lift chart displaying the predicted losses observed under the current rating program and predictive losses from the proposed.
  - iii. What variables are being removed or introduced?
  - iv. Please illustrate the changes made to the telematics program. This may include: graphs and tables displaying earned premium, current factor, model factor, and selected factor.