

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:** William E. Kovacic, Chairman  
Pamela Jones Harbour  
Jon Leibowitz  
J. Thomas Rosch

FTC Matter No. P044804

**ORDER TO FILE A SPECIAL REPORT**

Pursuant to a resolution of the Federal Trade Commission (henceforth the Commission or the FTC) dated May 16, 2008, titled "*Resolution Directing the Use of Compulsory Process to Study the Effects of Credit Scores and Credit-Based Insurance Scores Under Section 215 of the FACT Act,*" a copy of which is enclosed, [FIRM NAME], hereinafter referred to as "the Company," is ordered to file a Special Report with the Commission no later than 60 days after the issuance of this Order, containing the information and documents specified herein.

Section 215 of the FACT Act, 15 U.S.C. § 1681 note (2003), requires that the Commission prepare a study regarding the use and effect of credit-based insurance scores in homeowners' insurance. The information provided in the Special Report will assist the FTC in conducting this study.

The Special Report should restate each item of this Order with which the corresponding answer is identified. The Report is required to be subscribed and sworn to by an official of the company who has prepared or supervised the preparation of the Report from books, records, correspondence, and/or other data and material in its possession. If any Specification cannot be answered fully, provide the information that is available and explain in what respects and why the answer is incomplete.

Please provide the data, information, and documents requested in the following Specifications, consistent with the Definitions and Instructions, attached as Exhibit A.

## SPECIFICATIONS

1. **Background Information.** Please provide the following information:
  - a. Identify by full name, business address, telephone number, and official capacity, the officers of the Company who have prepared or supervised the preparation of its response to this Order.
  - b. Identify the Company by full name, address, and state of incorporation.
  
2. **Policyholder Data.** For each policyholder who was a named insured under the Company's Policies In Place or In Force during the Relevant Time Period, please provide the following data. Submit this data on a separate data line or record for each policyholder (and by Policy Period, during the Relevant Time Period):
  - a. Policy number (and any other unique policy identifiers, listed separately)
  - b. Policy Period start or renewal date (regardless of whether this date occurs during the Relevant Time Period)
  - c. Policy Period end date (regardless of whether this date occurs during the Relevant Time Period)
  - d. Social Security Number
  - e. Driver's license number
  - f. Date of birth
  - g. Last name, first name, and middle name (if full middle name not available, then provide middle initial)
  - h. Whether this policyholder is the first-named insured on the policy
  - i. Address (or addresses) of the property insured under the policy – including street name and number, city, state, ZIP code, and ZIP + 4-digit code
  - j. Prior addresses – including street name and number, city, state, and ZIP code (for prior addresses outside the U.S. just include country of residence)
  
3. **Policy Origination and Renewal Data.** For each of the Company's Policies In Place or In Force during the Relevant Time Period, please provide the following data in a data file/table separate from that containing the data provided in response to Specification (2). Submit this data on a separate data line or record for each Policy Period (and for any further time sub-interval(s) during a Policy Period if any changes to such information were made or registered within a Policy Period):
  - a. Policy number (and any other unique policy identifiers, listed separately)
  - b. Policy Period start or renewal date (regardless of whether this date occurs during the Relevant Time Period)
  - c. Policy Period end date (regardless of whether this date occurs during the Relevant Time Period)
  - d. Whether the policy is new or a renewal

- e. Whether the Company decided not to renew the policy, and if so, the cause for non-renewal
- f. Whether the policy was cancelled, and, if so, the cause for cancellation
- g. The number of earned house years (or period of exposure)
- h. Name of company or entity that wrote the policy
- i. The policy's original inception date
- j. The business channel (e.g., direct, captive agents, independent agents) through which the policy was originally/initially written. If all of the Company's Policies (or all of the Policies within each subsidiary company) were written through the same channel then the Company can describe this in Specification (14)(a)

4. **Premium Data.** For each of the policies identified in the Company's response to Specification (3)(a), please provide the following additional data in the same data file/table that contains the data provided in response to Specification (3). Submit this data on a separate data line or record for each Policy Period (and for any further time sub-interval(s) during a Policy Period if any changes to such information were made or registered within a Policy Period):

- a. The dollar amount of earned premium(s) (i.e., the premium(s) associated with the exposure period or earned house years), net of any rebates, refunds, dividends, etc. If premiums are divided into more than one coverage type, provide the dollar amount or percentage associated with each type of coverage.
- b. The dollar amount of premium(s) associated with the Policy Period, net of any rebates, refunds, dividends, etc. If premiums are divided into more than one coverage type, provide the dollar amount or percentage associated with each type of coverage.
- c. Whether the insurance premium is paid in installments over/during the Policy Period
- d. Any other fees (e.g., policy fee) or costs to the customer associated with obtaining coverage not already included in Specifications (4)(a) or (4)(b). List each of these fees and their respective dollar amounts separately (and indicate whether the dollar amount is for the Policy Period or for the period of exposure).

5. **Coverage Data.** For each of the policies identified in the Company's response to Specification (3)(a), please provide the following additional data in the same data file/table that contains the data provided in response to Specification (3). Submit this data on a separate data line or record for each Policy Period (and for any further time sub-interval(s) during a Policy Period if any changes to such information were made or registered within a Policy Period):

- a. Any policy form codes or identifiers, including but not limited to designations such as HO-1, HO-2, HO-3, HO-5, HO-8, or dwelling owner-occupied
- b. Whether this policy is for a secondary or vacation residence. If so, provide the policy number for any primary residence policy issued by the Company to the same policyholder(s)
- c. Whether this policy is a residual market or involuntary market policy (e.g., FAIR, Beach/Windstorm plans)

- d. The method the Company uses to calculate or settle claims or losses (e.g., replacement cost, market or actual-cash value) for each type of coverage on this policy (e.g., dwelling, other structures, personal property or contents)
- e. The limits in dollar amounts and/or percentage terms for each type of coverage. If the Company provides a percent figure, please indicate here or in Specification (11)(a or b) the denominator used to determine this percentage (e.g., replacement costs, the limit for another specific coverage)
- f. The limit in time/duration units for Loss of Use coverage or Additional Living Expenses coverage
- g. Any applicable deductible(s) in dollar amounts and/or percentage terms for each type of coverage. If the Company provides a percent figure, please indicate here or in Specification (11)(a or b) the denominator used to determine this percentage (e.g., coverage's limit)
- h. The replacement costs for the dwelling and other structures (or the share of replacement costs covered by the limits selected for the dwelling and other structures)
- i. The market value of the home
- j. The lot value of the land on which the house is built

6. **Credit-based Insurance Score and Credit History Data.** For each of the policies identified in the Company's response to Specification (3)(a), please provide the following additional data in the same data file/table that contains the data provided in response to Specification (3). Submit this data on a separate data line or record for each Policy Period (and for any further time sub-interval(s) during a Policy Period if any changes to such information were made or registered within a Policy Period):

- a. Whether a credit score or any credit history information was used in underwriting, tier placement, or rating of the policy
- b. The date each credit score used was generated or obtained and/or the date any other credit history information used was obtained
- c. Last Name, first Name, and middle Name (or middle initial) of the individuals whose credit score or credit history information was generated or obtained
- d. In those instances where the Company obtained credit history information or scores for multiple individuals on a given policy, indicate whose credit score(s) or credit history information was actually used to underwrite, tier, or rate the policy
- e. Indicate the rate impact, or rating class/code, or factor/adjustment, of the credit-based score or credit history information used to rate, tier, or underwrite the policy

7. **Risk Data.** For each of the policies identified in the Company's response to Specification (3)(a), please provide the following additional data in the same data file/table that contains the data provided in response to Specification (3). Submit this data on a separate data line or record for each Policy Period (and for any further time sub-interval(s) during a Policy Period if any changes to such information were made or registered within a Policy Period):

- a. Tier placement or rating group code or class
- b. Territory or zone code or class

- c. Territory/Zone code/class base rate or premium adjustment amount or factor/percent
- d. Fire Protection or Town class or code (e.g., based on proximity to fire station, fire hydrant, fire department response time)
- e. Fire Protection/Town code/class base rate or premium adjustment amount or factor/percent
- f. Earthquake zone, class, or code (for policies that have earthquake coverage)
- g. Construction type or class (e.g., for external wall, siding, roof )
- h. Fire resistive/resistant credit or discount code or class
- i. Date of construction or age of home and materials
- j. Partially renovated credit or discount code or class
- k. Age of most recent renovation
- l. Renovation type (e.g., Plumbing, Heating-Cooling, Electrical, Roof)
- m. Condition of dwelling or adequacy of maintenance
- n. Whether policy is for a row-house or a town-house
- o. With regard to Occupancy and/or Purpose of use, provide the following information:
  - i. Whether there is a business on the premises
  - ii. Whether part of the dwelling (and/or other structures insured under this policy) was rented to others
- p. Tenure of policy
- q. Tenure at current house/address
- r. Whether there was any break/discontinuation in homeowners insurance coverage between prior coverage and inception date of policy with the Company, and if so, the length/duration of this break
- s. Values or codes for any prior claims variables used for rating or underwriting (e.g., penalty points, claim-free credit or discount, claim surcharge)
- t. Values or codes for any individual/person or household characteristics used for rating and/or underwriting this policy (e.g., number of families, family size, children, pets, marital status, age of head, gender, education, employment history/occupation or retired, non-smoker)
- u. Values or codes for any individual/personal or family income information
- v. Multi-line or companion policy credit or discount code or class
- w. Group coverage credit or discount code or class (e.g., based on professional affiliation, or groups such as AARP)
- x. Private fire protection discount or credit class or code (e.g., for smoke alarms, automatic sprinkler systems)
- y. Anti-theft devices or security system discount or credit class or code
- z. Indicate whether there is a mortgage, home equity loan, or home equity line of credit outstanding on the dwelling. Specify which of these applies (or apply) and the dollar amount (for each).
- aa. Provide values or codes for any additional/other variables or factors used by the Company in underwriting, tier placement, and/or rating this policy
- bb. Provide values or codes for any additional/other discount factors or credits used by the Company in rating (or underwriting, tier placement) this policy

8. **Endorsements and Additional/Extended/Optional Coverage Data.** For each of the policies identified in the Company's response to Specification (3)(a), please provide the following additional data in a data file/table separate from that containing the data provided in response to Specification (2), and Specifications (3) to (7). Submit this data using a separate data line or record for each Policy Period (and for any further time sub-interval(s) during a Policy Period if any changes to such information were made or registered within a Policy Period):

- a. Policy number (and any other unique policy identifiers, listed separately)
- b. Policy Period start or renewal date (regardless of whether this date occurs during the Relevant Time Period)
- c. Policy Period end date (regardless of whether this date occurs during the Relevant Time Period)
- d. The name(s), number(s), form code(s), or other identifier(s) of any and all endorsements, amendments, floaters, riders or other policy documents for additional/extended or optional coverage appended to the policy form
- e. Indicate any additional or companion policies In Force with the Company to cover the property at issue, including but not limited to umbrella or excess liability policies, and policies covering damages from earthquakes
- f. Indicate whether the policyholder has flood insurance coverage (whether provided/issued by the Company or someone else)
- g. For each item provided in response to Specifications (8)(d) and (8)(e), please provide:
  - i. The start date associated with that item (if different from the policy's most recent start or renewal date)
  - ii. The end date associated with that item (if different from the policy end date)
  - iii. The limits associated with each type of coverage and risk/peril, by dollar amount and/or percentage. If the Company provides a percent figure, please indicate here or in Specification (11)(a or b) the denominator used to determine this percentage (e.g., replacement costs, the limit for another specific coverage)
  - iv. The deductibles associated with each type of coverage and risk/peril, by dollar amount and/or percentage. If the Company provides a percent figure, please indicate here or in Specification (11)(a or b) the denominator used to determine this percentage (e.g., coverage's limit)
  - v. The dollar amount of earned premium(s) associated with each item. In addition, indicate whether this amount was already included in the response to Specification (4)(a) or if this amount is additional/extra.
  - vi. The dollar amount of premium(s) associated with the Policy Period, for each item. In addition, indicate whether this amount was already included in the response to Specification (4)(b) or if this amount is additional/extra.

9. **Claim Data.** For each of the policies identified in the Company's response to Specification (3)(a), please provide the following data in a data file/table separate from those containing the data provided in response to Specification (2), Specifications (3) to (7), and Specification (8). Submit this data for each claim filed in connection with any accident or event that occurred during the Relevant Time Period, on a separate data line or record for each event.

- a. Policy number (and any other unique policy identifiers, listed separately)
- b. Claim identification code, number or other identifier
- c. The following dates:
  - i. the date of the event (e.g., the accident, damage or loss) from which the claim arises
  - ii. the date the event was reported
  - iii. if applicable, the date the Company paid or closed the claim
- d. Claim status (e.g., open or closed)
- e. Incurred claim dollar amount net of subrogation and salvage as of date of service of this Order
- f. Paid claim dollar amount net of subrogation and salvage as of date of service of this Order
- g. Reserve claim/loss dollar amount net of subrogation and salvage as of date of service of this Order
- h. Incurred allocated claim loss adjustment expense as of date of service of this Order
- i. Deductible associated with claim
- j. Cause or type of accident or event
- k. Indicate whether the Company classified this event as catastrophic (or under any other label similarly used to denote an event which resulted in a substantial deviation of actual aggregate losses from the expected aggregate losses; e.g., hurricane).
- l. Coverage(s) under which claim was made

10. **Application and Quote Data.** Please provide the following data for each Policy application and rate/quote request (regarding any single-family owner-occupied homeowners insurance policies, excluding condominium and coop policies) submitted from January 1, 2006, to the date of this Order. Submit this data in a data file/table separate from those containing the data provided in response to Specification (2), Specifications (3) to (7), Specification (8), and Specification (9). Submit data for multiple quote requests and/or applications for the same person, family, or household, on separate data lines or records.

- a. Any and all unique identifiers for the quote request or application, as well as for the customer submitting the quote request or application, including but not limited to the information requested in Specification (2) above. (For applications that resulted in the issuance of a policy, make sure to indicate the policy number)
- b. Any and all identifiers, in addition to those already included in Specification (10)(a), sufficient to identify multiple quote requests (or a quote request and an application) made by the same person, family, or household
- c. Indicate whether each item in response to Specification (10)(a) is an application, or a quote request
- d. Any and all decisions the Company made with regard to the application or quote request, including whether the Company:
  - i. rejected the application or quote request (and the cause, or explanation)
  - ii. approved the application (or provided a quote in the case of a quote request), but did not issue a policy (e.g., because the applicant ultimately decided not to purchase insurance coverage from the Company)

- iii. approved the application and issued a policy
- e. Length of the Policy Period offered or quoted (e.g., one year)
- f. Price/premium quoted
- g. Name of company or entity to which application was submitted
- h. Name of company or entity for which coverage/policy was offered
- i. Whether a credit score or any credit history information was used for rating, tier placement, or any other underwriting procedures, in order to generate the premium/quote. If any such information was used, please provide for each application and/or quote the same information that was requested in Specifications (6)(b) to (6)(e)
- j. All other information the Company recorded at the time the quote request or application was submitted, including but not limited to all information the Company used to determine the price or premium quoted (e.g., all available information on all the data elements and variables referenced or requested in Specifications (5), (7), and (8) above)

11. **Data Documentation.** Please provide copies of the following:

- a. Documents sufficient to understand and interpret the data the Company provided in response to Specifications (2) to (10), including but not limited to code or class definitions for all variables
- b. Any and all rating manuals associated with the data requested in Specifications (2) to (10). Please provide the full rating manuals organized chronologically (and, if applicable, by state) and/or in the order in which they were maintained
- c. Documents or a narrative response sufficient to describe the type of coverage(s) (e.g., Coverage A – Dwelling) associated with, and the perils/ risks covered by, each Form code or identifier listed in response to Specification (5)(a) above, especially for any non-standard Forms (i.e., any forms other than HO-1, HO-2, HO-3, HO-5, HO-8)
- d. Documents or a narrative response sufficient to describe how incurred claims (i.e., Specification (9)(e)) were recorded, and specifically whether they were recorded net of deductibles
- e. Documents or a narrative response sufficient to describe how the Company determined in Specification (9)(k) whether a given event or accident for which a claim was filed was a catastrophic (or similarly designated) event

12. **Underwriting Guidelines Documentation.** Please provide the following:

- a. Documents sufficient to describe the underwriting guidelines and/or criteria used by the Company to decide whether to accept or reject the Policy applications (and quote requests) the Company reviewed/received from January 1, 2006, to the date of this Order (e.g., minimum credit score or class, maximum age of home, minimum value of home, market value greater than replacement value, maximum number and type of prior claims for applicant/home/ region or territory). If these guidelines/criteria vary by state and/or company, provide information on all and indicate which state and/or company each set of guidelines/criteria is associated with.



- b. Documents or a narrative response sufficient to describe the total number of Policy applications the Company received and the proportions or percentages turned down and accepted by calendar or fiscal year (or by other time interval if the data are not maintained by calendar or fiscal year) from January 1, 2004, to the date of this Order. If the Company does not maintain and/or cannot calculate this information separately for the Policy applications requested by this Order (i.e. single-family owner-occupied homeowner policies, excluding condominium and coop policies), then provide this information for all homeowners insurance applications.

**13. Questions on the Development and Use of Credit-Based Insurance Scores and any Other Credit History Information.** Please provide narrative responses to the following questions regarding the use of credit history information for underwriting, tier placement, and/or rating the Company's Policies, and provide any accompanying documents requested:

- a. Does the Company use any credit history data, credit-based scoring, or financial stability classification based on credit information for underwriting, tier placement, and/or rating? If so, please specify how this material is used, including but not limited to:
  - i. Whether this material is used in connection with renewals, as well as new Policies
  - ii. How often this material is obtained or updated for a given policy or policyholder
  - iii. If credit information is obtained for multiple individuals named in the policy, explain whether the Company selects one individual's credit information or multiple individuals' credit information for underwriting, tier placement, and/or rating, and why
    - 1. If the Company selects one individual, please indicate which one (e.g., first-named insured, household head) and/or why (e.g., the maximum or minimum credit score among named insureds on that policy)
    - 2. If the Company selects the credit information of multiple individuals, explain how this information is used or combined (e.g., arithmetic mean or average)
- b. Please list each credit score or credit history information model the Company has used between January 1, 2004, and the date of this Order. For each credit score or credit history information model, specify the name and/or code for such a score or model, and the name of the associated vendor if applicable (e.g., ChoicePoint, FICO). For each credit score or credit history model, please provide the date at which the Company began using that score or model (and the date at which it stopped, if applicable). List these dates by state and by subsidiary company.
- c. To the extent the Company uses proprietary credit scores or credit history models, please provide a description of the scoring model, including but not limited to the data elements incorporated into the model and the method for calculating the associated score (e.g., the score card(s) and an explanation of how to use these score card(s) to calculate the score)

14. **Business Channel, and Agent Compensation and Pricing Discretion.** Please provide the following information regarding the business channel(s) the Company operated through, and the Company's relevant by-laws, rules, and procedures in effect, from January 1, 2004, to the date of this Order.

- a. Documents or a narrative response sufficient to describe the proportions or percentages of the Company's Policies written through each business channel (e.g., direct, captive agents, independent agents)
- b. Documents sufficient to describe the Company's compensation plans with respect to all insurance agents, brokers, salespeople, underwriters, and/or Company employees involved in selling and/or issuing the Company's Policies, including but not limited to individual and team-based bonus or incentive plans.
- c. Describe to what extent agents, brokers, salespeople, underwriters, and/or Company employees, who market and/or sell the Company's Policies, have discretion in setting prices/premiums for an applicant with a given set of risk characteristics and seeking a Policy with a given set of attributes (e.g., a specific Form code(s) with a given set of limits, deductibles, and endorsements).

## **EXHIBIT A**

### **DEFINITIONS AND INSTRUCTIONS**

For the purposes of this Order, the following specific definitions and instructions apply unless otherwise specified:

#### **DEFINITIONS**

1. “You,” “Your,” or “the Company” refers to [**FIRM NAME**], including all entities which may possess responsive material in [**FIRM NAME**] custody or control. However, it excludes [**NAME ENTITIES WITH DATA NOT IN CUSTODY OR CONTROL OF FIRM**].
2. “Data” means all representations of facts, concepts, decisions, categorizations, or instructions created or stored in a formalized manner suitable for communication, interpretation, or processing by persons or by automatic means, including but not limited to numbers, letters, symbols, images, or other representations to which meaning is or might be assigned. For the purposes of this Order, “Data” must be submitted in a manner that conforms to the Instructions below.
3. “Document” or “Document(s)” means all original and non-identical copies of the original of all written, recorded, transcribed, or graphic matter of every type and description, however and by whomever prepared, produced, reproduced, disseminated, or made, including, but not limited to, analyses, letters, telegrams, memoranda, reports, books, studies, surveys, pamphlets, notes, graphs, tapes, data sheets, printouts, net sites, microfilm, indices, calendar or diary entries, manuals, guides, outlines, abstracts, histories, and agendas, minutes, or records of meetings, conferences, electronic mail and telephone or other conversations or communications, as well as films, tapes or slides and all other data compilations in the Company’s possession, custody or control or to which the Company has access. The term “documents” also includes drafts of documents, copies of documents that are not identical duplicates of the originals, and copies of documents the originals of which are not in the Company’s possession, custody or control.
4. “Policy” or “Policies” means, unless otherwise specified, any and all of the Company’s non-commercial homeowners insurance policies, including but not limited to policies written on HO-1, HO-2, HO-3, HO-5, or HO-8 forms; dwelling owner-occupied policies; any other single-family owner-occupied policies (including, but not limited to, any single-family owner-occupied policies written as part of the residual or involuntary market; e.g., FAIR and/or Beach/ Windstorm plans). Unless otherwise specified, “Policy” or “Policies” excludes information associated with condominium and coop homeowners insurance policies, renters/tenant insurance policies, mobile and manufactured homeowners insurance policies, and dwelling renter-occupied insurance policies.

5. "In Place" or "In Force" describes policies providing coverage during any portion of a specified time period.
6. "Relevant Time Period" means January 1, 2004, up to and including December 31, 2006.
7. "Policy Period" is the period beginning on the start or renewal date of a policy and expiring on the date the policy is scheduled to end if not renewed. The start or end date of a Policy Period may fall outside the Relevant Time Period. For example, a given policy In Place at the beginning of the Relevant Time Period (i.e., as of January 1, 2004) may have a start date of September 15, 2003 and an end date of September 14, 2004; in this instance the Policy Period is September 15, 2003 to September 14, 2004. (And if the policy is renewed then a new Policy Period starts on September 15, 2004.)
8. "Discuss" or "discussing" means in whole or in part constituting, containing, describing, or addressing the designated subject matter, regardless of the length of the treatment or detail of analysis of the subject matter, but not merely referring to the designated subject matter without elaboration. A document that "discusses" another document includes the other document itself.
9. "Describe" means to provide information sufficient to allow a reasonable and complete understanding of the substance of any policy, procedure, or other referenced matter. Where "describe" is specified, if summaries, compilations, lists or synopses are available that provide the requested information, these should be provided in lieu of the underlying documents.
10. "With regard to," "regarding," "relating to," "related to," "with respect to," or "involving" any given subject means in whole or in part constituting, containing, concerning, embodying, reflecting, discussing, explaining, describing, analyzing, identifying, stating, referring to, dealing with, or in any way pertaining to.
11. "And" and "or" have both conjunctive and disjunctive meanings (as necessary, in order to bring within the scope of any request all relevant documents that might otherwise be construed to be outside its scope).
12. "All" means "any and all." "Any" means "any and all."
13. "For example," "e.g.," "including," and "such as" mean "including but not limited to."
14. "Each" shall be construed to include "every," and "every" shall be construed to include "each."

## INSTRUCTIONS

- 1. Submission Information.** Please send your responses to Matias Barenstein, Federal Trade Commission, Bureau of Economics, 601 New Jersey Avenue, N.W., Mail Drop NJ-4136, Washington, D.C. 20001. Mr. Barenstein may be reached at (202) 326-2859. A representative of the Company does not need to personally deliver the responses. Unless modified by agreement with FTC staff, each Specification of this Order contemplates a complete search of all of the Company's databases and/or files. Responsive material should be submitted on a rolling basis, with those documents and/or files that constitute a complete response to a given Specification to be submitted as soon as possible prior to the final return date. However, data responsive to Specifications (3) through (7) should be submitted together. Prior to production, you should confer with Commission staff by telephone to ensure that the data and documents you propose to produce in response to this Order are consistent with the staff's understanding of what each data item represents. Additionally, if the Company wishes to produce data or documents in a format other than one of those specified in this Order, please contact Commission staff to discuss this option before doing so.
- 2. Scope of Specifications.** If you believe that the scope of either the required search, response, or any Specification can be narrowed consistent with the Commission's need for information, you are encouraged to discuss such possible modifications, including any modifications of definitions and instructions, with FTC staff. All such modifications, as well as extensions of time for compliance, must be agreed to in writing by either the Director, Deputy Director, Associate Director, or Assistant Director in the Bureau of Consumer Protection, or the Director, Deputy Director, or Assistant Director in the Bureau of Economics.
- 3. Material Withheld, Claims of Privilege.** If the Company withholds all or any portion of any responsive piece of data or document for any reason, including an asserted privilege, state in writing individually for each data or document: its type, title, subject matter, and date; the names, addresses, positions, and organizations of each author and recipient; and the specific grounds for claiming that the document is privileged, as well as facts sufficient to support such a claim. For each piece of responsive data, or document, withheld under a claim that it constitutes or contains attorney work product, also state whether the Company asserts that the document was prepared in anticipation of litigation or for trial and, if so, identify the anticipated litigation or trial upon which the assertion is based.
- 4. Data/Documents Lost or Destroyed.** If data or documents responsive to a particular Specification no longer exist, but are known to have been in existence, state the circumstance under which they were lost or destroyed, describe the data or documents to the fullest extent possible and identify persons having knowledge of the content of such

documents. A statement of the Company's data or document retention policy should also be submitted.

5. **Verb Tenses, Plural v. Singular.** In each Specification, the present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense. The singular shall be construed to include the plural, and the plural shall be construed to include the singular.
6. **Relevant Time Period.** Unless otherwise specified, please provide any requested policy data or information as of the start of the Relevant Time Period. If a policy's coverage begins after the start of the Relevant Time Period, please provide any requested data or information as of the inception date of that policy.
7. **Distinct Data Files and Cross-File Links.** The responses to Specifications (2) through (10) must be submitted in five separate data files/tables; one file/table for each of the following:
  - a. Specification (2)
  - b. Specifications (3) through (7)
  - c. Specification (8)
  - d. Specification (9)
  - e. Specification (10)

In each of these files/tables, provide the Policy number, full name (i.e., last name, first name, and middle initial) and Social Security number of the first-named insured, complete address for the property insured under the policy, and any other information necessary to link the data records across these various files.

8. **Internal Data File/Table Structure.** Use the following formats or structures within the data files/tables submitted in response to Specifications (2) through (10):
  - a. For Specification (2) (Policyholder data): Use a separate data line or record for each policyholder (and for any time sub-interval(s) during the Relevant Time Period if any changes to such information were made or registered within the Relevant Time Period).
  - b. For Specifications (3) through (7) (Policy data): Use a separate data line or record for each Policy Period (and for any further time sub-interval(s) during a Policy Period if any changes to such information were made or registered within a Policy Period). Submit the data responsive to Specifications (4) through (7) in additional data fields on the same data line or record per Policy Period (and for any further time sub-interval(s) within a Policy Period) that is/was used in response to Specification (3).
  - c. For Specification (8) (Endorsements data): Use a separate data line or record per Policy Period (and for any further time sub-interval(s) during a Policy Period if any changes to such information were made or registered within a Policy Period).
  - d. For Specification (9) (Claim data): Use a separate data line or record for each event or accident for which a claim was filed.

- e. For Specification (10) (Application and Quote data): Submit data for multiple quote requests and/or applications for the same person, family, or household, on separate data lines or records.
9. **Blank Fields and/or Empty Records.** To the extent that the data the Company provides in response to Specifications (2) to (10) contain fields or variables that are blank or empty for some or all records, please explain why each of these fields or variables is partially or entirely blank or empty.
10. **Document Organization.** This set of instructions should be followed for all document submissions, whether submitted in electronic form or in hard copy:
- a. All documents submitted in response to Specifications should be Bates-stamped or otherwise sequentially numbered
  - b. Provide a master list showing all documents produced, identified by document Bates or control number, name of the person, department, and entity from whose files the document was obtained, and the Specification number the document is responsive to
  - c. Documents that may be responsive to more than one Specification of this Order need not be submitted more than once; however, your response should indicate, for each document submitted, each Specification to which the document is responsive. If any documents responsive to this Order have been previously supplied to the Commission, you may comply with this Order by identifying the document(s) previously provided and the date of submission
11. **Submission of Electronic Media.** Magnetic and other electronic media shall be submitted in the following forms and formats:
- a. Magnetic and other electronic media types accepted:
    - i. DVD-ROM for Windows-compatible personal computers. Use only standard single-sided 4.7 gigabyte DVDs. Store data and files on DVDs in uncompressed format. If any single data file/table is too large to fit into a single DVD, do not span multiple DVDs, but use the alternative USB 2.0 external hard drive option specified below for all data files. (For document files, if you need more than two or three DVDs to store these, then please also use the alternative USB 2.0 external hard drive option specified below for all document - and data - files.)
    - ii. USB 2.0 External Hard Drive formatted in Windows-compatible uncompressed data
  - b. File and record formats:
    - i. For Specifications (2) to (10) (i.e. data files):  
The data files produced in response to these Specifications must be submitted as fixed-length ASCII text files with appropriate record layout or as delimited ASCII text files with field names as the first record. For the latter, field-level documentation should be provided and care taken so that delimiters and quote characters do not appear in the data. All data files should include or be

accompanied with the definitions of the field names, codes, and abbreviations used in the data and, upon request from the FTC, the instructions for using the data file. The FTC may require a sample of the data to be sent for testing.

- ii. For Specifications (11) to (14) (i.e. documents and/or narrative responses): All documents responsive to these Specifications shall be produced in complete form, unredacted unless privileged, and in the order in which they appear in the Company's files and shall not be shuffled or otherwise rearranged.

- 1. (Native) PC files: The FTC accepts files in the following electronic file formats for documents where the normal business practice storage method is in such formats. (Additionally, narrative responses may be submitted in these file formats as well.)

(File formats): PDF files should be submitted as Adobe Acrobat text-searchable PDF (\*.pdf) files, version 8 or earlier. Word processing documents may be submitted in ASCII text, Microsoft Word 2003 or earlier version, or WordPerfect version X3 or earlier. PowerPoint presentations may be submitted in MS PowerPoint 2003 or earlier. Spreadsheets should be submitted in MS Excel 2003 (\*.xls) or earlier version (and should include or be accompanied with the definitions of any codes and/or abbreviations used in the column and row field names or in the data cells themselves). *Other proprietary formats for PC files should not be submitted without prior approval.*

- 2. Scanned Documents: Scanned documents must be submitted as text-searchable Adobe Acrobat PDF (\*.pdf) files, version 8 or earlier. The FTC accepts scanned documents where the normal business practice storage method for these documents is in hard copy. Scanned documents are accepted with the understanding that unreadable images will be resubmitted in original, hard copy format in a timely manner. Furthermore, scanned documents must be true, correct, and complete copies of the original hard copy documents.

c. Security

- i. All submissions of electronic data and documents to the FTC must be free of computer viruses and must be encrypted in accordance to FIPS 140-2 (using PGP encryption or comparable software). *Other proprietary encryption software should not be used without prior approval*, and any other passwords protecting documents or files must be removed or provided to the FTC.
  - ii. Magnetic media shall be carefully packed to avoid damage and must be clearly marked on the outside of the shipping container as follows: "MAGNETIC MEDIA – DO NOT X-RAY, MAY BE OPENED FOR POSTAL INSPECTION."
  - iii. Transport the media using a delivery method that offers a tracking service, such as UPS or FedEx, or equivalent. If a courier is used, the Company must ensure that there are no stops between pickup and delivery.



**12. Submission of Documents in Hard Copies.** Any hard copy documents or narrative responses submitted in reply to Specifications (11) to (14) shall be submitted as follows:

- a. The FTC accepts hard copies of documents where the normal business practice storage method for these documents is in such a format. Documents and/or narrative responses submitted in hard copy shall be submitted in sturdy cartons not larger than 1.5 cubic feet. Number each such box and mark each such box with corporate identification and the name(s) of the person(s) whose files are contained in the box.
- b. All hard copy documents responsive to these Specifications shall be produced in complete form, unredacted unless privileged.
- c. Unless otherwise stated, legible photocopies may be submitted in lieu of original documents, provided that the originals are retained in their state at the time of service of this Order. Further, copies of original documents may be submitted in lieu of originals only if they are true, correct, and complete copies of the original documents. A complete copy of each document should be submitted even if only a portion of the document is within the terms of the Specification. The document shall not be edited, cut, or expunged, and shall include all covering letters, memoranda, transmittal slips, appendices, tables or other attachments, and all other documents referred to in the document or attachments.
- d. Transport hard copies using a delivery method that offers a tracking service, such as UPS or FedEx, or equivalent. If a courier is used, the Company must ensure that there are no stops between pickup and delivery.

**13. Verification.** The attached verification form should be executed by the official supervising compliance with this request and notarized.

**VERIFICATION**

This response to the Order of the Federal Trade Commission for information, together with any and all attachments thereto, was prepared and assembled under my supervision. The information is, to the best of my knowledge, true, correct, and complete.

\_\_\_\_\_  
TYPE OR PRINT NAME AND TITLE

SIGNATURE

Subscribed and sworn to before me at the City of \_\_\_\_\_, State of \_\_\_\_\_,  
this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_.

By direction of the Commission.

William E. Kovacic  
Chairman

SEAL

Date of Order: \_\_\_\_\_, 2008

The Special Report required by this Order,  
or any inquiry concerning it, should be  
addressed to the attention of:

Matias Barenstein  
Bureau of Economics  
Federal Trade Commission  
610 New Jersey Ave., NW, NJ-4143  
Washington, DC 20580  
(202) 326-2859 (telephone)  
(202) 326-3443 (facsimile)  
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