American Commerce Insurance Company
Homeowners Program
State of Connecticut
Actuarial Memorandum

American Commerce Insurance Company respectfully submits the introduction of a new Homeowners rating plan in the state of Connecticut. This new rating plan will be referred to as MAPS (MAPFRE Adaptive Pricing System) while the existing plan will be referred to as LEGACY. The MAPS rating plan will be effective for new business written on or after 8/18/2025 while LEGACY will remain for any policy originally written prior to 8/18/2025. The complete rule manual, rate order of calculation and rate pages are included with this filing.

Modeling Approach
The foundation for the proposed rating structure and factors utilized frequency and severity multivariate generalized linear models on historical data. The modeled results were reviewed and considerations for competitive position, business strategy and actuarial judgment were used to make adjustments as needed. Finally, base rates were selected to achieve an overall rate neutral change from LEGACY rate level. Please see the Modeling Memorandum for additional details on the models used.

Multi-Peril Rating
MAPS rating plan introduces a new multi-peril rating structure including eight perils:
- Fire
- Water Non-Weather
- Water Weather
- Wind/Hail
- Hurricane
- Liability
- Other
- Theft

New Rating Variables
MAPS rating plan introduces new rating variables that are not included in the LEGACY rating plan:
- Introduce the following characteristics from Cape Analytics:
  - Roof Condition
  - Tree Overhang
  - Solar Panel
  - Yard Debris
  - Pool Score
  - Trampoline
- Introduce the following characteristics from CoreLogic:
  - Roof Type
- Introduce other new characteristics:
  - Year Built
  - Secondary Heating Indicator
  - Umbrella Coverage

Confidential Request
We are requesting the following items to be treated as confidential with this filing:
- Modeling Memo
- GLM Checklist
- Exhibits IV – VII

- Objection Exhibit 1-5
- MAPS Home Offset Methodology
- MAPS Home Territory Methodology
- Tier Rate Pages Credit Factors

These documents contain information pertaining to company specific modeling data and practices, pricing methodologies, and financial history measurement programs that derive independent economic value from not being generally known.