

# **MISSISSIPPI FARM BUREAU CASUALTY INSURANCE COMPANY**

## **ACTUARIAL MEMORANDUM**

### **Overview**

#### **Confirmed Annual Mileage (CAM) / Customer Reported Annual Mileage (CRAM) Replacing Vehicle History Score (VHS)**

With this filing we are moving away from using a Vehicle History Score (VHS) factor and instead using the actual mileage directly. There are no changes to the rating factors and there is no impact to current customers from this rule change. Instead of converting the mileage to a VHS category by dividing the mileage by 100, the mileage will be used directly. This will allow for greater transparency in our rating. We are also introducing a new option that will allow customer reporting of mileage when Confirmed Annual Mileage (CAM) is unavailable.

If the policy does not have a CAM the policyholder has the option to report their annual mileage. The Customer Reported Annual Mileage (CRAM) will be used until there is a CAM value obtained.

If CRAM is being used, we will continue to order mileage at each renewal until a CAM is obtained. Once a CAM is established, we will obtain updated mileage annually thereafter. In order to minimize any rate disruption caused by changes in mileage, we will implement the associated change evenly over two six-month renewal periods. For example, if the policyholder has a CAM or CRAM of 10,000 miles and we obtain mileage of 15,000, at renewal we will rate at 12,500 miles at the first six-month renewal and then 15,000 at the second six-month renewal. In situations where the policy has been rated at an unknown mileage and then mileage is obtained upon renewal, a value of 12,500 will be assumed as the starting point for evenly applying the mileage change over two six-month renewal periods.

### **Rate Structure**

The SFB Common Personal Auto Rate Structure exhibit displays the Personal Auto rate factors for VHS being withdrawn with the rule change and the replacement rate factors for CAM and CRAM. These new factors have been set equal to the existing factors so that there is no impact to the customer.

We respectfully request approval of the revised rates for Personal Auto for new business and renewals effective 5/15/2026 for new and renewal business.

Sincerely,

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