

Philadelphia Indemnity Insurance Company
Collector Vehicle / Specialty Vehicle
California

**Actuarial Memorandum
6/18//2026**

Philadelphia Indemnity Insurance Company (PIIC) is filing to replace its Collector Vehicle (CV) program with a Specialty Vehicle (SV) Program. Please refer to the attached summary of the 4/16/2026 meeting between PIIC and CDI regarding the proposed program replacement. A new rating plan is proposed in connection with new forms and expanded underwriting eligibility.

Rates proposed under the new rating plan are identical to those of competitor American Alternative Insurance Corporation approved in California under rate filing 23-3339 and rule filing 23-1452.

The selected rate level changes by coverage are supported by the historical loss experience of the Collector Vehicle program.

Coverage	Latest Year Adjusted Annual Premium	Indicated % Change	Proposed % Change
Other Than Collision	\$4,791,292	64.9%	41.7%
Collision	\$4,662,599	67.7%	79.5%
Bodily Injury and Property Damage	\$809,954	189.0%	30.3%
Medical Payments	\$106,990	64.0%	9.6%
Uninsured Motorist	\$195,309	283.9%	228.0%
Combined	\$10,566,145	79.7%	60.6%

Overview

PIIC is filing to replace its current Collector Vehicle (CV) program coverages, rules and rate plan with a more modern Specialty Vehicle (SV) program coverages, rules and rate plan.

PIIC has an established Collector Vehicle (CV) program in California with antiquated coverages, rules and rating plan. PIIC purchased the rights to a specialty vehicle book of business (CCD) that was written on a competitor product with more modern coverages, rules and rating plan. As the PIIC CV program and the program the CCD business is written on are well-defined competitors in a competitive market, there are appropriate variations between the rate plans and the tools used to apply the plans, however customers from both the PIIC CV program and the CCD business will all need to transition to a common coverages, rules and rate plan. PIIC is filing to replace the CV program with coverages and a rate plan more closely aligned with the competitor (rebranded as SV program) which the CCD customers are accustomed to receiving. PIIC has filed the SV program in 49 jurisdictions, have been approved in 46 states and are pending approval in three others as of 6/16/2026.

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The CCD book is expected to have little dislocation when rolled over to PIIC under the updated SV coverages, rules and rate plan, but there could be significant dislocation for the CV book. For this reason, PIIC is proposing a Qualified Transition Plan (QTP) capping increases across five renewals. PIIC would also agree to make a rate filing after having three complete fiscal accident years and implement it before the end of the fifth renewal. It is expected that the QTP would prevent wide swings to CV rate levels prior to implementation of base rate changes.

All current CV insureds will be eligible under the SV rules, as will all of the CCD business, unless circumstances that would affect their eligibility under the current program arise prior to the time of the transition. It is our intention that we would receive approval and begin transitioning the CCD business on or after 1/1/2027.

Liability

The Liability premium is secondary for the Specialty Vehicle insurance offering at approximately 10% of policy premium. Reasons for this include:

1. Insureds are required to have separate primary insurance for their day-to-day driving of non-specialty vehicles.
2. Specialty vehicles are not intended to be used daily and so have expected limited annual mileage.
3. Insureds are typically experienced drivers who have invested in these vehicles.
4. Insurance is provided to individual insureds who may have one or more specialty vehicles and would be expected to drive only one at a time.

For these reasons, the Liability premiums are determined on a policy level and at rates well below standard automobile liability levels. Based on the California Rate Abstract indications, the SV Liability rates are being set at CCD levels below those indicated for the CV program.

Physical Damage

Physical Damage is the dominant coverage premium (90%) for the Specialty Vehicle insurance offering. The Physical Damage premium determination starts with an agreement with the insured on the value of the antique or specialty vehicle. There is no set schedule for what those values should be as it depends on many components and judgment.

After a review of vehicle make and model for both CV and CCD, it was discovered that the CV agreed values are significantly higher than the CCD agreed values for the same make/model/model years. The CV rates, on the other hand, are significantly lower than the SV rates. There should be alignment between exposures and the rates applied.

- CV: Higher Agreed Values with Lower Rates
- CCD/SV: Lower Agreed Valued with Higher Rates