

Auto Club Group Insurance Company – Wisconsin
Automobile Program
Actuarial Memorandum

With this filing, we are proposing an overall 0.0% change effective 10/1/2026 for New Business and 11/1/2026 for Renewal Business. Only change made was decreasing digital channel factor.

Indications Overview

Indications were calculated using five accident years of WI ACIA data ending 3/31/2026, evaluated as of 3/31/2026.

Channel Factor Changes

New Channel Type

We are introducing new distribution channels that are being established for the Auto Club Group called External Distribution. Channel Factor table and Fixed Expense - Channel Factor table have been expanded to include additional rows reflecting the new channel types. The selected factor is applied to the Contact Center level (our base level) to arrive at ultimate factors in the rate table.

Channel Factor – Digital

With this filing, we are reducing the factor applied to policies who bind with us digitally on aaa.com. Previously, all Direct channels (Housebook, Contact Center, Digital) maintained an equally low factor to account for the reduced acquisition cost compared to other channels. However, Digital policies have notably lower costs than both Housebook and Contact Center bound policies. Reducing this factor for Digital also further aligns our rates with our continued efforts to make it easy and efficient for customers to quote and bind policies online, without needing to speak to an agent. More details are shown at WI Select Auto 10-1-2026 - Digital Support.pdf.

Auto Club Group Insurance Company - Wisconsin
AUTOMOBILE PROGRAM

Digital Channel Factor Support

With this filing, we are reducing the factor applied to policies who bind with us digitally on aaa.com. Previously, all Direct channels (Housebook, Contact Center, Digital) maintained an equally low factor to account for the reduced acquisition cost compared to other channels. However, Digital policies have notably lower costs than both Housebook and Contact Center bound policies. Reducing this factor for Digital also further aligns our rates with our continued efforts to make it easy and efficient for customers to quote and bind policies online, without needing to speak to an agent.

Our indicated factors are calculated based on each channel's Total Other Underwriting Expense, then rebased to Captive Agent to align with the current factors in the manual. We have only made a new selection for Digital with this revision. Expense numbers have been calculated on a company-wide basis and are not state specific.

There are no changes to the Fixed Expense Channel factors as these are based on retention, and we do not expect different retention levels by channel.

	Captive Agent	Entrepreneurial Agent	Independent Agent	Direct	Digital (aaa.com)	Total AAA Channels
2025 Total OUE by channel	31.7%	31.2%	35.4%	21.1%	18.4%	27.8%
Indicated Factor - Rebased to Captive Agent	1.000	1.000	1.060	0.860	0.830	
Current Factor	1.000	1.000	1.040	0.900	0.900	
Selected Factor	1.000	1.000	1.040	0.900	0.830	