

**ALLSTATE NORTH AMERICAN INSURANCE COMPANY  
PRIVATE PASSENGER TRAILER  
NEW MEXICO**

**CHANNEL FACTOR ANALYSIS**

A Channel Factor will apply to all coverages. The Channel Factor is a rating factor for policies that bind through Allstate approved websites and mobile applications or an Allstate call center (“direct-bound” business) unless acting at the direction of an agent. The rating factor was determined in accordance with ASOP 29, which directs that pricing shall reflect acquisition costs which “are appropriate for the coverage,” and which “reflect the environment expected to exist in the period for which the future cost estimates are needed,” and the factor reflects the lower acquisition costs associated with direct-bound business.

There is a lower commission structure associated with direct-bound policies. In most cases, there will be no commission associated with direct-bound business. However, in certain circumstances, direct-bound customers will be assigned to an agent, and the agent will receive a commission for servicing the policy. The total commission (base, variable, and bonus combined, as a percentage of written premium) on direct-bound policies compared to agency-bound policies is expected to average 20.4% less for new business, 15.5% less for business renewing for the first time, and 7.3% less for other renewal business. Based on expected commission differences, the Channel Factor was selected in order to target an 8% premium reduction for direct-bound business compared to agency-bound business.

<b>Channel</b>	<b>Selected Rating Factor</b>
<b>Level 1, Level 2</b>	0.9200
<b>Level 3</b>	1.0000

Please refer to the rules and rates manual for further details.