To: PCI Member Companies

The US Bureau of Labor Statistics (BLS) is seeking participation in its current Producer Price Index (PPI) Survey for Direct Property and Casualty Insurance Carriers. The accuracy of this PPI Direct Property and Casualty Insurance Carriers Index depends upon the cooperation and participation of insurers. The business lines that comprise this category may include private passenger auto, homeowners, commercial auto, product liability, medical malpractice, commercial multi-peril, workers compensation, and other property and casualty insurance.

PCI recently submitted comments to the Federal Insurance Office (FIO) regarding its proposed methodology to monitor the affordability of auto insurance as it is required to do by the Dodd Frank Act (DFA). A key issue is where FIO will obtain data regarding auto insurance expenditures. DFA requires that, wherever possible, FIO utilize existing sources of data to carry out its statutory mandate. This type of information from insurers is used to weight the information that the BLS collects as part of its PPI Survey.

The PPI measures the change over time in the prices received by domestic producers of goods and services. It is the Nation’s primary inflation indicator for the business sector of the economy. The index for the direct property and casualty insurance industry has been calculated and published monthly by BLS since July 1998. This data is available on the BLS website [www.bls.gov](http://www.bls.gov). PCI has been advised by BLS that all data is used for statistical purposes only and in aggregate form, so all individual firm data is kept strictly confidential.

According to BLS, any firms randomly selected for participation in the survey will be asked to contribute only a few minutes per month to provide information on a small number of selected insurance policy transactions. BLS relies exclusively on this voluntarily provided data to ensure the accuracy and validity of its insurance index. With the participation of insurers, BLS is confident that this index can continue to be a valued measure of inflation for the insurance industry that can be used by both the public and private sectors.

If you have any questions or concerns about BLS participation, you may contact Mr. Jason Carnival, PPI Supervisor for the Insurance Industries, at (202)691-7734, or email carnival.jason@bls.gov, or Robert Passmore of PCI at 847-553-3612 or robert.passmore@pciaa.net.

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