

USAA, USAA-GIC, and GARRISON
PRIVATE PASSENGER AUTO
MONTANA
EXPLANATORY MEMORANDUM

Based on a review of our latest automobile experience in Montana, we hereby file an overall rate level change of 4.7% for USAA, 10.2% for USAA-GIC, and 6.4% for Garrison to become effective January 19, 2025, for new business and March 28, 2025, for renewal business. We do not have any rate caps.

The following structures have been revised in all companies:

STATEWIDE INDICATIONS

The following Exhibits set forth the actuarial calculation of the indicated rate level changes for each coverage and company. This indicated rate level change is calculated as shown:

$$\frac{\text{Projected Ultimate Incurred Losses \& LAE}}{\text{Prospective Earned Premiums at Present Rate Level}} + \text{Trended Fixed Expense Provision} - \frac{\text{Variable Permissible Loss Ratio}}{1}$$

Accident Year Indications vs. Proposed Change
Calculation of Indicated Statewide Rate Level Change
Calculation of Prospective Earned Premium at Present Rate Level
Calculation of Premium Trend Factor
Projected Premium Trend
Calculation of Projected Ultimate Incurred Losses & LAE
Montana Loss Development
Countrywide Loss Development
Loss Trend Summary
Montana Loss Trend
Countrywide Loss Trend
Calculation of Excess Load
Catastrophe Adjustment
Unallocated Loss Adjustment Expenses
Permissible Loss Ratio
Calculation of Annual Expense Trend
Underwriting Profit and Contingency Provision

ADDITIONAL SUPPORTING EXHIBITS

The following Exhibits provide the indicated and selected factors for each of the changing rating structures.

Projected Earned Premium at Present Rates
Projected Ultimate Incurred Losses & ALE
Expenses
Histograms