

USAA and GARRISON
PRIVATE PASSENGER AUTO
KANSAS
EXPLANATORY MEMORANDUM

Based on a review of our latest automobile experience in Kansas, we hereby file an overall rate level change of 4.4% for USAA and 4.6% for Garrison to become effective October 3, 2025 for new business and November 25, 2025 for renewal business.

The following structures have been revised in USAA and Garrison:
Base Rates

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:

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

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 and LAE
Statewide Loss Development
Loss Trend Summary
Statewide Loss Trend
ISO Loss Trend
Countrywide Loss Trend
Calculation of Excess Load
Catastrophe Load
Unallocated Loss Adjustment Expenses
Permissible Loss Ratio
Calculation of Annual Expense Trend
Underwriting Profit Provision

ADDITIONAL SUPPORTING EXHIBITS

The following Exhibits provide the additional support as required by the Kansas Insurance Department.

Permissible Loss Ratio Breakdown
Investment Earnings
Premium and Loss
Histograms
Maximum Rate Increase
Talking Points