Director for Regulatory Affairs, tel.: 202–622–4855, Assistant Director for Sanctions Compliance & Evaluation, tel.: 202–622–2490, Office of Foreign Assets Control, or Chief Counsel (Foreign Assets Control), tel.: 202–622–2410, Office of the General Counsel, Department of the Treasury (not toll free numbers).

SUPPLEMENTARY INFORMATION:

Title: Iranian Financial Sanctions Regulations Report on Closure by U.S. Financial Institutions of Correspondent Accounts and Payable-Through Accounts.

OMB Number: 1505–0243.

Abstract: Section 561.504(b) of the Iranian Financial Sanctions Regulations, 31 CFR part 561 (the IFSR), specifies that a U.S. financial institution that maintained a correspondent account or payable-through account for a foreign financial institution whose name is added to the part 561 List on OFAC's Web site (*www.treasury.gov/ofac*) as subject to a prohibition on the maintaining of such accounts must file a report with OFAC that provides full details on the closing of each such account within 30 days of the closure of the account. This collection of information assists in verifying that U.S. financial institutions are complying with prohibitions on maintaining correspondent accounts or payable-through accounts for foreign financial institutions listed on the part 561 List. The reports will be reviewed by the U.S. Department of the Treasury and may be used for compliance and enforcement purposes by the agency.

Current Actions: There are no changes being made to the notice at this time.

Type of Review: Extension of a currently approved collection.

Affected Public: U.S. financial institutions operating correspondent or payable-through accounts for foreign financial institutions.

Estimated Number of Respondents: The likely respondents and record-keepers affected by this collection of information in § 561.504(b) are U.S. financial institutions operating correspondent accounts or payable through accounts for foreign financial institutions. Since the date this reporting requirement was added to the IFSR (February 27, 2012) through June 18, 2015, OFAC added the names of two foreign financial institutions to the part 561 List, of which one remains. The number of respondents to this collection has been zero. For future notices, OFAC will continue to report retrospectively on the number of respondents during the reporting period.

Estimated Time per Respondent: 2 hours per response.

Estimated Total Annual Burden Hours: Because the § 561.504(b) reporting requirement applies to those U.S. financial institutions that operate correspondent or payable-through accounts for a foreign financial institution whose name is added to the part 561 List, OFAC cannot predict the response rate for the § 561.504(b) reporting requirement at this time. Since the date this reporting requirement was added to the IFSR (February 27, 2012) through June 18, 2015, the number of respondents to this collection has been zero. For future notices, OFAC will continue to report retrospectively on the response rate during the previous reporting period.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid Office of Management and Budget (OMB) control number. Books or records relating to a collection of information must be retained for five years.

Request for Comments

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

John E. Smith,

Acting Director, Office of Foreign Assets Control.

[FR Doc. 2015–16370 Filed 7–1–15; 8:45 am]

BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Monitoring Availability and Affordability of Auto Insurance

AGENCY: Federal Insurance Office, Departmental Offices, Treasury.

ACTION: Notice; Request for Information.

SUMMARY: The Federal Insurance Office (FIO) of the Department of the Treasury (Treasury) issues this notice pursuant to its authority to monitor the extent to which traditionally underserved communities (including rural areas) and consumers, minorities, and low- and moderate-income (LMI) persons (collectively ''Affected Persons'') have access to affordable personal auto insurance. In particular, FIO seeks comments from state insurance regulators, consumer organizations, representatives of the insurance industry, policyholders, academia, and others regarding: FIO's proposed working definition of ''affordability'' in relation to personal auto insurance (which, at this stage, is solely for the purpose of inviting further comment); the key factors FIO proposes to use to calculate an affordability index for Affected Persons (*e.g.,* premium, income, and other metrics); and how best to obtain appropriate data to monitor effectively the affordability of personal auto insurance for Affected Persons.

DATES: Comments must be received on or before August 31, 2015.

ADDRESSES: Please submit comments electronically through the Federal eRulemaking Portal: *http://www.regulations.gov* or by mail (if hard copy, preferably an original and two copies) to the Federal Insurance Office, Attention: Lindy Gustafson, Room 1319 MT, Department of the Treasury, 1500 Pennsylvania Avenue NW., Washington, DC 20220. As postal mail may be subject to processing delay, it is recommended that comments be submitted electronically. All comments should be captioned with ''Monitoring Availability and Affordability of Auto Insurance.'' Please include your name, group affiliation, if any, address, email address and telephone number(s) in your comment. In general, comments received will be posted on *http://www.regulations.gov* without change, including any business or personal information provided. Comments received, including attachments and other supporting materials, will be part of the public record and subject to public disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT: Lindy Gustafson, Federal Insurance Office, 202–622–6245 (not a toll free number).

SUPPLEMENTARY INFORMATION:

I. Background

Subtitle A of Title V of the Dodd-Frank Wall Street Reform and Consumer Protection Act established FIO and provides it with the authority to monitor the extent to which Affected Persons have access to affordable insurance products, other than health insurance.[1]

For this purpose, FIO is monitoring the availability and affordability of personal auto insurance for Affected Persons due to several factors, namely:

1. Nearly all jurisdictions of the United States generally require a driver or owner of a motor vehicle to maintain auto liability insurance or financial security that may be satisfied by auto liability insurance and is applicable at the time of an accident, while operating a motor vehicle, or at the time of registering a motor vehicle.

2. On a nationwide basis, the percentage of uninsured motorists was approximately 14 percent between 2002 and 2009 dropping to 12.3 percent in 2010, 12.2 percent in 2011, and 12.6 percent in 2012; however, in 2012, a significantly higher percentage of uninsured motorists resided in 10 states.[2]

3. Owning an automobile gives low-income commuters greater access to jobs since public ''transit only enables [low-income commuters] to reach less than one-third of metro-wide jobs within 90 minutes while the automobile enables them to reach all jobs in the 51 largest metropolitan areas within 60 minutes.'' [3]

4. Insurance industry representatives assert that auto insurance has become more affordable over time, but representatives for consumers assert that auto insurance has become less affordable for LMI consumers and for minorities.

In April 2014, FIO issued a notice inviting comments regarding: (1) A reasonable and meaningful definition of affordability of personal auto insurance; and (2) the metrics and data FIO should use to monitor the extent to which Affected Persons have access to affordable personal auto insurance (2014 Affordability Notice).[4] Eighteen individuals and organizations submitted comments in response to the 2014 Affordability Notice. Three respondents offered the following specific definitions of affordability: (1) Auto liability insurance is affordable if its price does not preclude a person or family from the purchase of other necessities; [5] (2) auto liability insurance is affordable if its price does not impose any financial difficulties greater than the costs of other necessities; [6] and (3) affordable means being within the financial means of most people.[7]

Three respondents to the 2014 Affordability Notice cautioned that any definition of affordable personal auto insurance is subjective.[8] One respondent noted that a single, widely-accepted methodology for defining or determining affordability does not exist and, of the methods available to develop a definition, each has its drawbacks.[9] For example, affordability could be defined: (1) Using a normative standard, establishing a specific amount or percentage of income individuals believe others should pay for personal auto insurance; (2) using an external benchmark as is done with the housing affordability index of the U.S. Department of Housing and Urban Development (HUD); or (3) based on the price at which at least 50 percent of individuals with certain socio-economic characteristics purchase a personal auto insurance policy.[10]

Others encouraged FIO, when defining affordability, to: (1) Recognize flexibility and consumer choice; [11] (2) base the definition on premiums charged to lower income drivers; [12] (3) base the definition on the cost of mandatory personal injury protection, bodily injury, and property damage coverages; [13] (4) recognize that insurers may not charge a premium that is excessive, inadequate, or unfairly discriminatory; [14] (5) include premium and finance charges; [15] or (6) recognize auto insurance should not claim more than two percent of a low-income family's take-home pay.[16]

Respondents identified a number of metrics FIO could use to monitor the extent to which Affected Persons have access to affordable auto insurance. These suggested metrics include: (1) Competitiveness of the auto insurance market; [17] (2) market share of the residual market, which is the insurance market for individuals denied a policy by one or more auto insurers; [18] (3) unemployment rate; [19] (4) injury compensation system; [20] (5) uninsured motorists; [21] (6) various service measures such as cancellations, retention, claims payment data, and agent location; [22] (7) the ratio of average auto insurance expenditure (premium) to median household income; [23] (8) the

[1] 31 U.S.C. 313 (c)(1)(B).

[2] More specifically, in these 10 states the percentage of uninsured motorists ranged from about 16 percent to 26 percent. *See* Insurance Research Council (IRC), *Uninsured Motorists: 2014 Edition,* at 8, 10 (August 2014).

[3] Clifford Winston, ''On the Performance of the U.S. Transportation System: Caution Ahead,'' *Journal of Economic Literature,* Vol. 51, No. 3 at 805 (2013).

[4] Monitoring Availability and Affordability of Auto Insurance, 79 FR 19,969 (Apr. 10, 2014).

[5] Center for Economic Justice (CEJ), at 5, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0014.*

[6] Property Casualty Insurers (PCI), (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0020.*

[7] IRC, (June 6, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0007.*

[8] *See* National Association of Insurance Commissioners (NAIC), (June 9, 2014) *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0018;* Allstate, (May 29, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0006;* and Insurance Information Institute (III), (June 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0016.*

[9] Insurance Information Institute, (June 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0016.*

[10] *Id.* at 3–4.

[11] *See* Financial Services Roundtable (FSR), (June 6, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0019* and American Insurance Association (AIA), (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0015.*

[12] Consumer Federation of America (CFA), (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0011.*

[13] PCI, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0020,* III, (June 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0016.*

[14] AIA, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0015.*

[15] CEJ, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0014.*

[16] Vehicles for Change, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0013,* and CFA, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0011.*

[17] NAIC, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0018.*

[18] Allstate, (May 29, 2014) *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0006;* and IRC, *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0007.*

[19] III, (June 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0016.*

[20] *Id.*

[21] CEJ, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0014,* and IRC, *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-000.*

[22] *Id.*

[23] IRC, at 5 (June 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0007.*

ratio of premium paid by LMI drivers to household income of LMI drivers; [24] (9) consumer views of affordable insurance premiums as measured by surveys; [25] (10) quote prices; [26] (11) payment options; [27] and (12) percent of income spent on other goods and services.[28]

State insurance regulators and industry representatives generally suggested that FIO rely on existing data sources to monitor the extent to which Affected Persons have access to affordable auto insurance. Existing data sources include: the Bureau of Labor Statistics Consumer Expenditure Survey (CES); the National Association of Insurance Commissioners (NAIC); statistical agents that collect and aggregate data from insurers; and data collected by certain states, such as California. In addition, these respondents noted that FIO should review studies conducted by others such as the NAIC, individual states, the Insurance Research Council (IRC), and the Insurance Information Institute (III).

By contrast, consumer organizations urged FIO to collect transactional data directly from insurers relating to auto insurance policies or, indirectly, from price information on the insurers' Web sites and/or from third-party vendors. Consumer organizations also noted that state insurance regulators could collect from insurers the premiums charged by those insurers, and organize that premium data based on the ZIP codes of the insureds.

II. Proposed Working Definition of Affordable Personal Auto Insurance

This section sets out to derive a proposed working definition of affordable personal auto insurance based on an affordability index. To do so, it sets out in sequence: (1) A definition of affordability; (2) a definition and calculation of an affordability index; (3) a calculation of average premium; (4) a definition of the market scope for an affordability index; and (5) a definition of Affected Persons.

At this time, FIO does not have access to information sufficient to establish a final definition of affordable personal auto insurance for Affected Persons based on a normative standard, external benchmark, or percentages of individuals purchasing personal auto insurance. However, a working definition of affordability is needed to guide further analysis of the cost of personal auto insurance in order to monitor access to that line of insurance for Affected Persons.

FIO considered the definitions of affordability submitted by three respondents to the 2014 Affordability Notice and proposes adopting the definition of affordable derived from a dictionary and submitted by one respondent: Affordable means being within the financial means of most people. As the respondent observed, this common sense definition may be used to develop ''a practical and effective approach to monitoring access to affordable personal auto insurance.'' [29] Developing a complete working definition of affordable personal auto insurance also involves identification of ''the criteria used to measure the affordability of auto insurance and the standard applied to determine whether auto insurance is or is not affordable.'' [30]

Two respondents recommended that FIO use an affordability index to measure the affordability of personal auto insurance. These respondents suggested different calculations for an affordability index: (1) The ratio of the average insurance expenditure (premium) to national and state median household income [31]; or (2) the ratio of average premium paid by LMI drivers (presumably in geographic areas where LMI drivers reside) to median household income of LMI drivers.[32]

Some federal agencies use an index to measure other kinds of affordability. For example, HUD has a publicly available location affordability index that estimates the percentage of a family's income dedicated to the combined cost of housing and transportation in a given location.[33] The Consumer Financial Protection Bureau recently defined a qualified mortgage based, in part, on the ratio of the consumer's total monthly debt to total monthly income.[34] Given the use of indices by other federal agencies and FIO's statutory authority to monitor affordability for Affected Persons, FIO endorses the concept of an affordability index for personal auto insurance and proposes to calculate an affordability index for personal auto insurance for each type of Affected Persons.

An affordability index for Affected Persons may be derived from a broad set of criteria, such as the average premium for personal liability insurance, personal injury protection, comprehensive insurance, collision insurance, uninsured motorist insurance, and underinsured motorist insurance; or more narrow criteria, such as the average premium for personal auto liability insurance for a given year.[35] Two respondents suggested FIO only consider personal auto liability insurance when monitoring the affordability of personal auto insurance as states generally require only the purchase of personal auto liability insurance as a condition of driving or owning a motor vehicle. FIO proposes to accept this suggestion and limit the calculation of an affordability index to the average annual personal auto liability insurance premium for Affected Persons.

Studies of the affordability of personal auto insurance may calculate the average premium in one of the following ways: (1) The total annual written premium for all insurers writing personal auto insurance divided by the total number of policies; [36] or (2) the total annual premium quoted by a sample of insurers writing personal auto insurance divided by the number of insurers in the sample.[37] FIO proposes to use one or both of these metrics for annual premium, depending on the data sources FIO may use in future analysis (as discussed in more detail in section

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[24] CFA, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0011;* Ways to Work, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0010;* IRC, (June 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0007;* and AIA, (June 9, 2014) *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0015.*

[25] CFA, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0011.*

[26] CEJ, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0014.*

[27] *Id.*

[28] AIA, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0015;* III, *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0016;* and National Association of Mutual Insurance Companies (NAMIC), (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0009.*

[29] PCI (June 9, 2014), at 1.

[30] *Id.,* at 2.

[31] IRC, (June 6, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0007.*

[32] CFA, (June 9, 2014), *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0011.*

[33] Location Affordability Portal *available at http://www.locationaffordability.info/lai.aspx.*

[34] 12 CFR 1026.43(e)(2)(iv).

[35] For a detailed discussion of the calculation of an affordability index, *see* IRC, ''Auto Insurance Affordability,'' (November 2013).

[36] *See* IRC, ''Auto Insurance Affordability,'' (November 2013) and Missouri Department of Insurance, ''Affordability and Availability of Personal Lines Insurance in Underserved Communities,'' (December 2004).

[37] *See* Paul M. Ong and Michael A. Stoll, ''Redlining or Risk? A Spatial Analysis of Auto Insurance Rates in Los Angeles,'' *Journal of Policy Analysis and Management,* Vol. 26, No. 4, 811–829 (2007) and CFA Supplemental Comments (June 9, 2014) *available at http://www.regulations.gov/#!documentDetail;D=TREAS-DO-2014-0001-0012.*

III). Given FIO's proposed working definition of affordable personal auto insurance (provided below), the metric of annual premium should be solely based on an annual price quote for personal auto liability insurance or the annual written premium for personal auto liability insurance.

An affordability index may be calculated for the entire market for personal auto liability insurance or a specific market within personal auto insurance. Historically, the auto insurance market has been divided into three segments: (i) The standard market; (ii) the non-standard market; and (iii) the residual market. The residual market is generally comprised of the highest risk drivers, *i.e.,* drivers who do not qualify for personal auto insurance offered in the standard market or non-standard market. The non-standard market is comprised of high risk drivers, such as new drivers, drivers with moving violations, drivers with a rare or unusual motor vehicle, or drivers with a high auto insurance policy cancellation or non-renewal rate. The standard market is comprised of all other drivers. Generally, annual premiums for personal auto insurance are highest in the residual market, followed by the non-standard market, and the standard market.[38] FIO proposes to limit the calculation of an affordability index for personal auto liability insurance to the standard market in order to diminish the impact of the annual premiums charged to the highest risk drivers.

In addition, any definition of affordability must include parameters that adequately account for Affected Persons (*i.e.,* traditionally underserved communities and consumers, minorities, and LMI persons). In the 1990s, the NAIC studied the availability and affordability of personal auto insurance and noted ''[t]here is considerable evidence that residents of some urban communities, particularly low-income and minority neighborhoods, face greater difficulty in obtaining high quality auto and homeowners insurance coverage through the voluntary market than residents of other areas.'' [39] FIO proposes to use ''urban area'' as the proxy for traditionally underserved communities and consumers, following the U.S. Census Bureau (Census Bureau) definition of urban area, as densely developed territory that encompasses at least 2,500 people of which at least 1,500 reside outside institutional group quarters.[40]

The Federal Deposit Insurance Corporation (FDIC) defines low-income as ''individuals and geographies having a median family income less than 50 percent of the area median income'' and moderate income as ''individuals and geographies having a median family income of at least 50 percent and less than 80 percent of the area median income.'' [41] The area median income is: (1) The median family income for the [metropolitan statistical area]; or (2) the statewide non-metropolitan median family income, if a person or geography is located outside a [metropolitan statistical area].'' [42] FIO proposes to adapt this definition based on the general use of median household income, as defined and identified by the Census Bureau,[43] in studies of affordability of personal auto insurance. For the purposes of FIO's working definition, LMI persons are individuals living in areas where the annual income of the geographic area is less than 80 percent of the median household income of a metropolitan statistical area or state.[44]

The term ''minorit[y]'' is defined, by law, as ''Black American, Native American, Hispanic American, or Asian American.'' [45] FIO proposes to use ZIP codes in which the minority population exceeds 50 percent as the standard for majority minority geographic areas.

Using these parameters, a definition of affordability can be constructed. One respondent suggested personal auto insurance is affordable if personal auto insurance does not claim more than two percent of a low-income family's take-home pay. A recent study of the affordability of personal auto insurance found the national average insurance expenditures divided by national median income has been under two percent since 1995.[46] CES reports the average expenditure for all households for auto insurance and the average income after taxes for all households and the data for 2013 indicate all consumers spent about 1.6 percent of average income after taxes on auto insurance. FIO proposes to presume personal auto liability insurance is affordable if, for Affected Persons, the affordability index is less than or equal to two percent of household income.

Combining these elements, FIO proposes the following working definition of affordable personal auto liability insurance for Affected Persons:

A personal auto liability insurance policy is affordable if the annual premiums are within the financial means of most people as measured by an affordability index for Affected Persons in the standard market. Personal auto liability insurance is presumed to be affordable if, with respect to household income, the affordability index does not exceed two percent for Affected Persons in urban areas, for LMI persons within a specific geographic area (including rural areas), or for all individuals in majority minority geographic areas.

III. Data

For purposes of further analysis of the cost of personal auto insurance data is needed to calculate the affordability index for Affected Persons.

FIO has considered the currently available data relating to premiums for personal auto insurance and, at this time, concludes that these data are inadequate for FIO to monitor the extent to which Affected Persons have access to affordable personal auto insurance. For example, CES data allows FIO to monitor changes in the ratio of the average expenditure for personal auto insurance (including liability coverage, uninsured motorist coverage, personal injury protection, comprehensive coverage, and collision coverage in all three market segments for personal auto insurance) to average annual income

[38] In 2011, of the 330 insurers that wrote personal auto insurance in either the standard and non-standard market, 95 wrote personal auto insurance in the non-standard market. Of the 95 insurers in the non-standard market, 15 also wrote in the standard market. *See* StoneRidge Advisors, LLC, ''Non-Standard Auto Insurance Market Overview & M&A Trends,'' View from the Ridge, August 2012, at 1, *available at http://www.stoneridgeadvisors.com/Content/View_From_The_Ridge_August_2012.pdf.*

[39] NAIC, ''Improving Urban Insurance Markets: A Handbook on Available Options,'' NAIC Insurance Availability and Affordability Task Force, June 4, 1996.

[40] *See* Census Bureau, ''2010 Census Urban Area FAQs,'' *available at https://www.census.gov/geo/reference/ua/uafaq.html.*

[41] FDIC, ''Community Reinvestment Act (CRA) Performance Ratings,'' *available at https://www2.fdic.gov/crapes/peterms.asp.*

[42] *Id.*

[43] Household income includes income received on a regular basis by the householder and all other individuals 15 years of age and older in the household, whether related to the householder or not. It does not include capital gains or noncash benefits. According to the Census Bureau, ''respondents report income earned from wages or salaries much better than other sources of income and that the reported wage and salary income is nearly equal to independent estimates of aggregate income.'' *See* ''About Income'' *available at https://www.census.gov/hhes/www/income/about/.*

[44] As with other aspects of the working definition for monitoring the affordability of auto insurance, FIO may adjust the threshold for defining LMI persons to a lower figure, such as 65 percent of the median household income of the relevant area.

[45] 31 U.S.C. 313(c)(1)(B) (incorporating by reference the definition established in 12 U.S.C. 1811, note).

[46] IRC, ''Auto Insurance Affordability,'' (November 2013), at 7.

before or after taxes for urban consumer units, race of reference person, and consumer units by income quintiles for the nation as a whole.[47] However, the average expenditure for personal auto insurance is not limited to personal auto liability insurance. The NAIC (not state regulators) collects insurers' premium and exposure data by type of coverage, and the NAIC reports the average premium by state, but does not report the average premium by urban area or areas where the majority of residents are minorities or LMI persons.

In 2014, the Consumer Federation of America released a study in which it analyzed price quotes for several insurers for mandatory liability coverage for a driver profile in urban areas by comparing the price quote after modifying the driver profile by specific socio-economic factors (*i.e.,* education, occupation, credit score) to ascertain the impact of specific socio-economic factors on price. Some state insurance regulators issue rate guides based on a specific driver profile as a tool that a consumer may use to compare the price of personal auto insurance of one insurer to another, but do not vary the profile by specific socio-economic factors to ascertain the impact of specific socio-economic factors on price.

Certain states—California, Illinois, Missouri, North Carolina, and Texas—require insurers to submit premium data and number of policies for personal auto insurance, organized by the ZIP codes of the insureds. Publicly available sources indicate that California, Illinois, and Missouri use these data, in part, to assess the availability of personal auto insurance in certain areas or to compare the costs of personal auto insurance in areas with different demographic characteristics. California reports the market share of insurers writing personal auto insurance in underserved areas in comparison to the market share held by those insurers throughout the state.[48] Illinois reports the market share of the top 10 insurers for the state in comparison to Chicago and the remainder of the state.[49] In 2004, Missouri issued a report entitled *Affordability and Availability of Personal Lines Insurance in Underserved Communities;* no subsequent report has been issued.[50] In North Carolina [51] and Texas,[52] insurers must report premium and loss data by ZIP code to a statistical agent for rating purposes. Such data could be used to calculate the average annual premium for personal auto liability insurance in the standard market for urban areas and areas where the majority of residents are LMI persons or minorities.

Insurers have the most complete and accurate information that would allow FIO to perform its function of monitoring the extent to which Affected Persons have access to affordable auto insurance. Insurers can provide accurate price quotes for a given profile of a driver, including for a specific geographic area. In addition, insurers have the information to calculate the average annual premium for liability coverage for personal auto liability insurance in the standard market for urban areas and areas where the majority of residents are minorities or LMI persons.

IV. General Solicitation for Comments

FIO hereby solicits comments, including supporting and illustrative information in support of such comments where appropriate and available, regarding:

1. FIO's proposed working definition of ''affordability'' in relation to personal auto insurance;

2. The key factors FIO proposes to use to calculate an affordability index for Affected Persons (*e.g.,* premium, income, and other metrics); and

3. How FIO could best obtain appropriate data to monitor effectively the affordability of personal auto insurance for Affected Persons.

Michael T. McRaith,

Director, Federal Insurance Office.

[FR Doc. 2015–16333 Filed 7–1–15; 8:45 am]

BILLING CODE 4810–25–P

[47] *See* Consumer Expenditure Survey Annual Calendar Year Tables, *available at* the United States Department of Labor Bureau of Statistics Web site, *http://www.bls.gov/cex/tables.htm.*

[48] California Department of Insurance, *Commissioner's Report on Underserved Communities,* various years, *available at http://www.insurance.ca.gov/0400-news/0200-studies-reports/0800-underserved-comm/.*

[49] Illinois Department of Insurance, *Cost Containment Annual Report to the General Assembly,* various years, *available at http://insurance.illinois.gov/Reports/Report_Links.asp.*

[50] Missouri Department of Insurance, *Affordability and Availability of Personal Lines Insurance in Underserved Communities,* (December 2004), *available at http://s3.amazonaws.com/zanran_storage/insurance.mo.gov/ContentPages/49561197.pdf.*

[51] 11 NCAC 16.0103.

[52] Texas Department of Insurance, *Texas Private Passenger Auto Statistical Plan: General Reporting Instructions,* (1994) *available at http://www.tdi.texas.gov/company/documents/ta_ppasp.pdf.*