

Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Benchmark Survey of Insurance Transactions by U.S.
Insurance Companies with Foreign Persons
OMB Control Number: To be assigned

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g. establishments, State and local governmental units, households, or persons) in the universe and the corresponding sample are to be provided in tabular form. The tabulation must also include expected response rates for the collection as a whole. If the collection has been conducted before, provide the actual response rate achieved.

The potential respondent universe is all U.S. insurance companies that engage in reinsurance or other insurance transactions with foreign persons. A company must report if it has covered insurance transactions that exceeded \$2 million in calendar year 2008, applied separately to each of the individual types of transactions covered by the survey.

BEA intends to mail the survey forms to approximately 1,000 U.S. insurance companies. BEA will estimate data for those respondents that do not report their data in a timely manner. Estimates will be based on prior reports and growth in a matched sample of respondents. BEA will allocate the estimated data by country and by type of transaction, based on the distribution of reported transactions, for inclusion in the published totals. Thus, estimates will cover virtually the entire universe of transactions.

This is a new collection, so actual response rates are not available. However, BEA expects a response rate above 90 percent. Response rates to the quarterly survey have been very high, with a response rate of 94 percent for the 2006 collection. BEA expects that these high response rates will continue for the benchmark survey, providing information of sufficient accuracy and reliability for its intended purposes.

2. Describe the procedures for the collection, including: the statistical methodology for stratification and sample selection; the estimation procedure; the degree of accuracy needed for the purpose described in the justification; any unusual problems requiring specialized sampling procedures; and any use of periodic (less frequent than annual) data collection cycles to reduce burden.

The survey will be administered to U.S. insurance companies. BEA expects most of the potential respondents to file the survey on a timely basis. In cases where a survey is not filed, or is filed too late to be used for the current estimate, BEA will generate an estimate based upon data previously reported or estimated for the non-respondent, in conjunction with information on changes in the data for companies that did respond. No unusual problems have been identified

that would require the use of specialized sampling procedures. BEA expects to be collecting data from the entire universe of firms meeting the reporting criteria.

The list of respondents will be derived from public and private sources, including business directories and establishment lists. Mandatory reporting is required from U.S. insurance companies if any of the following eight categories exceeded \$2 million for their 2008 calendar year: premiums earned and losses incurred on reinsurance assumed from insurance companies resident abroad; premiums earned and losses incurred on primary insurance sold to foreign persons; premiums incurred and losses recovered on reinsurance ceded to insurance companies resident abroad; and receipts and payments for auxiliary insurance services.

A high degree of accuracy is needed for the purposes stated in the justification

The proposed survey is a periodic benchmark survey, conducted once every five years.

3. Describe the methods used to maximize response rates and to deal with nonresponse. The accuracy and reliability of the information collected must be shown to be adequate for the intended uses. For collections based on sampling, a special justification must be provided if they will not yield "reliable" data that can be generalized to the universe studied.

To maximize response rates, each of the proposed BE-140 survey forms would be mailed with a preprinted label containing the name and address of a U.S. insurance company. Any insurance company specifically contacted by BEA must respond in writing, by filing a completed form BE-140, or a valid exemption claim. Nonrespondents will be contacted by BEA staff and, in the event of continued nonresponse, will be referred to the Office of General Counsel for further action. BEA expects that, ultimately, reports will be received from virtually all companies required to report.

4. Describe any tests of procedures or methods to be undertaken. Tests are encouraged as effective means to refine collections, but if ten or more test respondents are involved OMB must give prior approval.

In August of 2008, BEA sent a draft copy of the proposed survey to the Reinsurance Association of America (RAA) and requested comments. BEA offered to go to the RAA and meet with several of its members to discuss the data to be collected, instructions, and terminology on the survey to ensure that insurance services covered on the survey were clear and would not cause undue burden on the respondents. The representative from RAA indicated that he would consult with member companies. Subsequently, he indicated that a meeting would not be necessary and provided comments on the draft survey via email. BEA made changes to the survey based on the feedback it received from RAA.

5. Provide the name and telephone number of individuals consulted on the statistical aspects of the design, and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

The survey is designed and conducted within BEA by the Balance of Payments Division (BPD). For further information, contact Chris Emond, Chief, Special Surveys Branch, Balance of Payments Division via email at Christopher.Emond@bea.gov or by phone at 202-606-9826.