

Date: 8/21/19

Conference Call

Property and Casualty Insurance (C) Committee

Tuesday, Sept. 10, 2019

12:00 p.m. PT/ 1:00 p.m. MT/ 2:00 p.m. CT/ 3:00 p.m. ET

Duration: 1 hour

ROLL CALL

Elizabeth Kelleher Dwyer, Chair	Rhode Island	Al Redmer, Jr.	Maryland
Scott A. White, Vice Chair	Virginia	Marlene Caride	New Jersey
Jim L. Ridling	Alabama	John G. Franchini	New Mexico
Ricardo Lara	California	Glen Mulready	Oklahoma
Andrew N. Mais	Connecticut	Larry Deiter	South Dakota
David Altmaier	Florida	James A. Dodrill	West Virginia
Robert H. Muriel	Illinois	Mark Afable	Wisconsin
James J. Donelon	Louisiana		

NAIC Support Staff: Aaron Brandenburg/ Kris DeFrain

AGENDA

1. Consider Adoption of Summer National Meeting Minutes—*Superintendent Kelleher Dwyer (RI)* Attachment One
2. Discuss Private Flood Insurance Data Call—*Superintendent Kelleher Dwyer (RI)* Attachment Two
3. Discuss Any Other Matters Brought Before the Committee— *Superintendent Kelleher Dwyer (RI)*
4. Adjournment

W:\National Meetings\2019\Fall\Cmte\C\09-10 C Cmte Agenda.docx

Draft Pending Adoption

Draft: 8/15/19

Property and Casualty Insurance (C) Committee
New York, New York
August 5, 2019

The Property and Casualty Insurance (C) Committee met in Orlando, FL, Aug. 5, 2019. The following Committee members participated: Elizabeth Kelleher Dwyer, Chair, and Matt Gendron (RI); Scott A. White, Vice Chair, and Don Beatty (VA); Jim L. Ridling (AL); Ricardo Lara and Ken Allen (CA); Andrew N. Mais and George Bradner (CT); David Altmaier (FL); Robert H. Muriel (IL); James J. Donelon, Warren Byrd and Tom Travis (LA); Al Redmer Jr. and Robert Baron (MD); Marlene Caride represented by Mark McGill (NJ); John G. Franchini and Anna Krylova (NM); Glen Mulready and Cuc Nguyen (OK); Larry Deiter (SD); Mark Afable (WI); and James A. Dodrill represented by Tonya Gillespie (WV). Also participating were: Lori K. Wing-Heier (AK); Paul Yuen (HI); Travis Grassel (IA); Phil Vigliaturo (MN); Angela Nelson (MO); Martha Lees (NY); Jessica Altman (PA); Todd E. Kiser (UT); and Eric Slavich (WA).

1. Adopted its July 18 Minutes

The Committee met July 18 and took the following action: 1) adopted its Spring National Meeting minutes; 2) adopted a Request for NAIC Model Law Development related to pet insurance; 3) heard an update on the status of the private passenger auto report; and 4) discussed private flood data collection, including exposure of a blanks proposal through Sept. 1.

Commissioner Altmaier made a motion, seconded by Director Dieter, to adopt the Committee's July 18 minutes (Attachment One). The motion passed unanimously.

2. Adopted the Reports of its Task Forces and Working Groups

a. Casualty Actuarial and Statistical (C) Task Force

Mr. Vigliaturo said the Casualty Actuarial and Statistical (C) Task Force met Aug. 3. The Task Force is working on its charge to "[d]raft and propose changes to the *Product Filing Review Handbook* to include best practices for review of predictive models and analytics filed by insurers to justify rates" and "[d]raft and propose state guidance (e.g., information, data) for rate filings that are based on complex predictive models." The Task Force has drafted a predictive analytics white paper and has publicly exposed the main body of the white paper twice. An ad hoc group is reviewing comments received on the second draft, and it will respond to them in September and likely release a third version for comment. In addition, two new sections of the paper were exposed during the Task Force meeting.

Mr. Vigliaturo also said the Casualty Actuarial Society (CAS) and Society of Actuaries (SOA) sent a proposal for tracking continuing education (CE) for appointed actuaries. The Casualty Actuarial and Statistical (C) Task Force was asked to review the proposal and provide feedback to the CAS/SOA Task Force with comments and any suggested modifications. The Casualty Actuarial and Statistical (C) Task Force received three comment letters. The American Academy of Actuaries (Academy) said it was planning on sending a comment letter, but it was unable to due to the unavailability of one of its key members. Another individual who is active with the Academy asked if he could include his letter (and that of another individual) as part of the response to the CAS/SOA Task Force. Mr. Vigliaturo said a motion was made and passed to direct the CAS/SOA Task Force to implement the proposed CE process with consideration given to the comment letters and the discussion at the Casualty Actuarial and Statistical (C) Task Force meeting.

b. Surplus Lines (C) Task Force

Mr. Travis said the Surplus Lines (C) Task Force met Aug. 3. The Task Force heard an update on a referral to the Producer Licensing (D) Task Force regarding proposed changes to address the underlying licensure to accommodate the newly adopted *Guideline on Nonadmitted Accident and Health Coverages* (#1860) within the *State Licensing Handbook*. He reported that 155 alien insurers that write business in the U.S. will be required to file a newly adopted flood supplement to begin collection of flood data for use by the NAIC International Insurers Department (IID). He said the Task Force exposed a new blanks proposal that would aid state insurance regulators by providing them "Home State" direct premiums written. The purpose for the collection of this data would be to provide the states with needed data to ensure that all surplus lines premium tax has been collected. Mr. Travis also noted that several revisions were made to the IID Plan of Operation.

Draft Pending Adoption

c. Title Insurance (C) Task Force

Mr. Byrd said the Title Insurance (C) Task Force met Aug. 4 where it exposed its 2020 proposed charges and heard several presentations. He said presentations were heard from CertifID on wire transfer fraud and from the American Land Title Association (ALTA) regarding their updated Homebuyer Outreach Program. ALTA showcased the results of their market research survey conducted to better understand how to educate consumers regarding title insurance, including information on owner's policies and a consumer alert on wire transfer fraud. The final presentation to the Task Force came from First American and Old Republic regarding how title insurers might consider integrating blockchain technology into their business models.

d. Workers' Compensation (C) Task Force

Superintendent Franchini said the Workers' Compensation (C) Task Force met Aug. 5. The Task Force is monitoring the work of the NAIC/IAIABC Joint Working Group, including the drafting of a paper regarding the changing relationships in the work force. It is anticipated that the white paper will be complete prior to the Fall National Meeting. The Task Force also heard from a startup company that is providing workers' compensation insurance to small businesses.

e. Cannabis Insurance (C) Working Group

Commissioner Lara said the Cannabis Insurance (C) Working Group held interim conference calls in order to expose the white paper, *Understanding the Market for Cannabis Insurance*. The Working Group discussed comments and adopted the white paper on July 9. The Working Group also met to discuss proposed charges for 2020 that include collecting aggregated insurance availability and coverage gap information related to the cannabis industry and sharing the findings in a report to be released by the end of 2021.

f. Catastrophe Insurance (C) Working Group

Commissioner Altmaier said the Catastrophe Insurance (C) Working Group met Aug. 3. The Working Group has formed a drafting group to create a paper documenting considerations for state insurance regulators in facilitating the growth of a private flood insurance market. The Working Group is reviewing comments received, and it will issue a new draft and finalize the document prior to the Fall National Meeting. Commissioner Altmaier said the Working Group has also formed a drafting group to update the NAIC *State Disaster Response Plan*.

g. Climate Risk and Resilience (C) Working Group

Commissioner Lara said the Climate Risk and Resilience (C) Working Group met Aug. 3 to hear about California's coverage issues related to recent wildfires and its collaboration with the United Nations (UN) Environment Programme to create a sustainable insurance strategy that can address rising sea levels, extreme heat, and wildfires. The Working Group also learned that the *NAIC Climate Risk Disclosure Survey* was sent out to over 1,000 insurers with responses due Aug. 31.

Commissioner Lara said the Working Group heard a presentation from One Concern and American Family Insurance about a One Concern tool that uses artificial intelligence (AI) in models to build resilience in the face of natural disasters. The Working Group will meet in the future to discuss the potential development of a legislative wildfire toolkit.

h. Lender-Placed Insurance Model Act (C) Working Group

Commissioner Altmaier said the Lender-Placed Insurance Model Act (C) Working Group has not met since the Spring National Meeting, but it hopes to meet via conference call to discuss a new draft of the Real Property Lender-Placed Insurance Model Act.

i. Pet Insurance (C) Working Group

Mr. Beatty said the Pet Insurance (C) Working Group held interim conference calls to discuss the white paper, *A Regulator's Guide to Pet Insurance*, and the scope of the Working Group, including the possibility of developing a model law for pet insurance. He said the Working Group decided to draft referrals to recommend to the Blanks (E) Working Group to add a line of business in the Financial Annual Statement for pet insurance and to the appropriate Market Conduct and Consumer Affairs (D) Committee group to recommend the collection of complaint data through the Market Conduct Annual Statement (MCAS). The Pet Insurance (C) Working Group also adopted a Request for NAIC Model Law Development for pet insurance that would

Draft Pending Adoption

define a regulatory structure related to pet insurance, including issues such as producer licensing, policy terms, coverages, claims handling, premium taxes, disclosures, arbitration and preexisting conditions.

j. Terrorism Insurance Implementation (C) Working Group

Ms. Lees said the Terrorism Insurance Implementation (C) Working Group met Aug. 4. The Working Group heard updates on congressional hearings related to the federal Terrorism Risk Insurance Act (TRIA), which expires Dec. 31, 2020, including a U.S. House of Representatives (House) roundtable attended by Director Chlora Lindley-Myers (MO). The Working Group heard from Aon on its views regarding reauthorization, including data showing improvements in take-up rates and average rates for terrorism coverage. The Working Group heard an update on the joint state insurance regulator/U.S. Department of the Treasury (Treasury Department) data call and the State Supplement. The Working Group also heard a presentation from NAIC staff on the analysis of some of the data such as take-up rates, average premium rates, and percentages of premium allocated to terrorism risk.

k. Transparency and Readability of Consumer Information (C) Working Group

Ms. Nelson said the Transparency and Readability of Consumer Information (C) Working Group held interim conference calls to finalize the “Post-Disaster Claims Guide” that is meant to provide information to consumers on how to understand the claims process.

Commissioner Altmaier made a motion, seconded by Director Dieter, to adopt the following task force and working group reports: the Casualty Actuarial and Statistical (C) Task Force; the Surplus Lines (C) Task Force; the Title Insurance (C) Task Force; the Workers’ Compensation (C) Task Force; the Cannabis Insurance (C) Working Group; the Catastrophe Insurance (C) Working Group (Attachment Two); the Climate Risk and Resilience (C) Working Group (Attachment Three); the Lender-Placed Insurance Model Act (C) Working Group; the Pet Insurance (C) Working Group; the Terrorism Insurance Implementation (C) Working Group (Attachment Four); and the Transparency and Readability of Consumer Information (C) Working Group. The motion passed unanimously.

3. Adopted a Cannabis Insurance White Paper

Commissioner Lara said the Cannabis Insurance (C) Working Group drafted a white paper because more states continue to legalize cannabis, and the need and demand for cannabis insurance is increasing. He said the white paper findings show that there are substantial gaps in insurance coverage for the cannabis industry, exposing those who engage with the cannabis industry. The white paper also explores other regulatory issues related to insurance issues in the cannabis industry, including how insurance rates are set; legal and regulatory authority at the federal, state and local levels; cannabis operations; and best practices.

Commissioner Lara noted that the white paper provides a good foundation on legislation pertinent to the space, but due to the fast-moving nature of legislation in this area, some discussion may not reflect the latest activities. Superintendent Dwyer said the white paper does note federal legislation, such as the Secure and Fair Enforcement (SAFE) Banking Act, that would provide a safe harbor from violations of federal law for financial institutions, including insurers, that provide financial services to cannabis-related businesses that are permissible under state law. She said new legislation, known as the Clarifying Law Around Insurance Marijuana (CLAIM) Act, would provide specific protections for those engaged in the business of insurance with policyholders that either directly or indirectly participate in cannabis industry activity that is permissible under state law. She said state insurance regulators will continue to discuss these bills through the Government Relations (EX) Leadership Council.

Commissioner Lara made a motion, seconded by Commissioner Ridling, to adopt the cannabis insurance white paper, *Regulatory Guide: Understanding the Market for Cannabis Insurance* (Attachment Five). The motion passed unanimously.

4. Adopted the “Post-Disaster Claims Guide”

Ms. Nelson said the Transparency and Readability of Consumer Information (C) Working Group originally received a referral from the Catastrophe Insurance (C) Working Group to create a claims guide for departments of insurance (DOIs) to provide to consumers following a disaster. The claims guide provides information to consumers on several topics, including steps to take following a disaster, reporting an insurance claim, information on additional living expenses, adjusters, calculation of payments, depreciation, fraud, and ways to limit future damage. Ms. Nelson noted that the document will be able to be customized by insurance departments with their own information so it can be used at in-person events and also available on state websites. She said the Missouri Department already used the document following recent tornadoes.

Draft Pending Adoption

Superintendent Dwyer asked how the document would be made available. Ms. Nelson said the document would be made available on the Working Group's webpage in an editable form.

Commissioner Mais made a motion, seconded by Commissioner Donelon, to adopt the "Post-Disaster Claims Guide" (Attachment Six). The motion passed unanimously.

5. Adopted the Alien Insurer Private Flood Data Collection Form

Commissioner Donelon said the Surplus Lines (C) Task Force adopted a new Flood Insurance Coverage Supplement for the collection of data from its 155 or so alien insurers doing business in the U.S. He said the new supplement collects both residential and commercial premium, loss and expense data, along with loss reserve data. In addition, data will be collected on policies in force and the number of claims reported. The data will be collected beginning with year-end 2019. Commissioner Donelon also noted that beginning year-end 2020, the form will add the following two new elements: 1) breakout of first dollar and excess; and 2) policy count at the beginning and end of the year. He also said the purpose for the collection of this alien data by the IID is to assess risk within those insurers on the *Quarterly Listing of Alien Insurers* that write business in the U.S.

Superintendent Dwyer said the alien surplus lines market is a vital part of the overall private flood insurance market, and understanding their size and growth will be crucial as state insurance regulators look to make blanks changes for admitted companies and understand the scope of the entire private flood insurance market.

Commissioner Donelon made a motion, seconded by Commissioner Altmaier, to adopt the Alien Insurer Private Flood Data Collection Form (Attachment Seven). The motion passed unanimously.

6. Adopted an Extension for Revisions to the Proposed Real Property Lender-Placed Insurance Model Act

Commissioner Altmaier made a motion, seconded by Commissioner Lara, to adopt an extension to the Summer National Meeting for revisions to the proposed Real Property Lender-Placed Insurance Model Act. The motion passed unanimously.

7. Heard a Presentation on Underinsured Issues

Amy Bach (United Policyholders) said United Policyholders assists consumers with insurance information after disasters. She is looking to improve the post-disaster landscape and look at how much costs are being picked up by private insurance. She said the work in developing the private flood insurance market is very important, as only 5 million Americans have National Flood Insurance Program (NFIP) policies.

Ms. Bach said she hopes a conversation can start in looking for solutions to protecting citizens from natural disaster risks. She said the majority of U.S. homes are underinsured. Many have insured values that are too low to cover reconstruction costs in the event of a total loss. Ms. Bach said many perils are subject to high deductibles, and the majority of homes are not protected for flooding or earthquake. She said this has had a substantially negative impact on local, state and federal governments and disaster-impacted communities.

Ms. Bach said co-insurance clauses are supposed to prevent underinsurance, but they are not doing that currently with respect to California wildfires. She said if it were not for mortgage requirements to buy home and flood insurance, there would be far more uninsured homes. She said banks are not interested in mandating earthquake or flood insurance in lower risk areas. She said all-risk policies are increasingly less common, while named-peril policies are more common. She said replacement cost value (RCV) has replaced actual cash value (ACV) as the norm, but excluded perils, depreciation and deductibles thwart the goal of affordable policies.

Ms. Bach said insurer ads and agents induce consumer reliance that the policy will restore the home to pre-loss condition, but policy conditions and chronic inadequate limits render that reliance misplaced. She said solutions that have been attempted to close the protection gap include disclosures, public education, mandatory coverage, regulations requiring accurate estimating at point of sale, and mandated minimum and extended coverages. She said California has a law requiring that insurers conduct a complete calculation on what it would cost to rebuild a house. She said one thing not tried is making the insurer legally accountable for insuring the dwelling to value unless the property owner expressly declines it.

Ms. Bach said more than half of U.S. homes are insured below their RCV. Reasons include cost considerations and misplaced trust regarding adequacy of coverage and agents, and insurers not held accountable if underinsured. She said we do not know

Draft Pending Adoption

if full coverage is affordable for all or if it means the same thing to all people. She said extended replacement coverages are more available. These coverages allow an individual to buy a kicker that gives extra coverage if needed.

Ms. Bach said United Policyholders surveys individuals after catastrophes to see if they were properly insured, and around two-thirds normally say they were not properly insured to rebuild their home. She said policy limits are often below the cost to rebuild, and extended replacement coverage endorsements and inflation adjustment formulae are not sufficient to cover rebuilding. She said protection gaps occur because some policies only pay ACV on roofs over ten years old. High deductibles and unexpected exclusions or limitations also contribute to the protection gap.

Ms. Bach said higher deductibles contribute to the underinsured problem because they shift risk back to property owners, taxpayers and charitable resources. She said insurers and reinsurers use higher deductibles to limit their exposure, but high deductibles deter non-mandatory buying. She noted that lower deductibles have helped the California Earthquake Authority (CEA) sell more earthquake policies. She said high deductibles also contribute to the assignment of benefits problem because the policyholder gets a second opinion from contractors looking for a different answer.

Ms. Bach said considerations to address underinsurance include the possibility of waiving deductibles on total or catastrophe losses, whether insurers should be required to explain deductible math in writing pre-sale, and to what extent the trend is deterring the purchase of insurance and putting heavier burdens on the Federal Emergency Management Agency (FEMA), governments and taxpayers. She said affordability and availability have to be balanced with the cost and coverage realities of insurers. She said mandated full coverage does not work if the cost is not affordable.

Ms. Bach said a “clarity law” regarding pricing seems to have helped home insurance affordability in Alabama. She said surplus lines insurers are picking up more and more risks, which has pros and cons. She said realtors, community, and grass roots groups are fighting escalating home and flood premiums. She said society has to avoid jeopardizing home ownership for people who have lived in a risky area for many years. She questioned whether a financial assistance program for people who cannot afford insurance might be viable.

Ms. Bach said we cannot control weather, force for-profit companies to insure risks that will jeopardize their solvency, or force property owners to make improvements they cannot afford to make. However, she noted that society can prevent panic-based mass non-renewals, reject excessive rate increases and policy forms with overly broad exclusions, restore consumers’ trust in the value of property insurance, and facilitate home hardening and risk reduction. She said state insurance regulators have to consider whether full insurance and affordable home insurance are mutually exclusive and whether state legislation might affect affordability and availability of home insurance in the face of climate change, modeling, drones, data mining, and increased consumer mistrust of insurers.

Ms. Bach said existing government programs need to be explored to see if they can be a model for providing essential protection affordably. She said parametric products that cover deductibles may be better than nothing. She said creating a floor by legislatively requiring minimum home insurance coverage protects the insurance system and still allows for competition on enhancements. She said insurers should be able to voluntarily innovate to simplify policies and claim practices to better meet consumers’ expectations, restore public confidence, and reduce government engagement in the business of insurance. She said insurers should be encouraged to voluntarily engage in supporting and rewarding mitigation and risk reduction investments in place of high deductibles.

Superintendent Dwyer said she would like industry representatives to present on these same underinsurance issues during the Fall National Meeting in order to outline solutions they might have. She asked about a California statute requiring insurers to conduct a complete calculation on what it would cost to rebuild a house. Ms. Bach said the estimate is required, but it is not known if it has had any effect. Commissioner Lara said the department is working with the legislature in looking at community wide mitigation standards.

Superintendent Dwyer said insurers often automatically increase the amount of insurance, and this is probably through a software tool. Ms. Bach said some insurers do a better job than others on this, and only a handful of insurers look critically at the software. She said a diligent agent might override what the software recommends. Superintendent Dwyer asked if the software is good enough or needs to be overridden. Ms. Bach agreed that it often needs to be overridden.

Superintendent Dwyer said a parametric product is intriguing when it can help with a hurricane deductible. Ms. Bach said a parametric product can be beneficial in non-catastrophe losses, such as with earthquakes. She said parametric insurance is not necessarily great for core coverages, but it can be helpful in providing assistance in having some coverage instead of nothing.

Draft Pending Adoption

Superintendent Dwyer said parametric insurance can be helpful when combining it with other coverage. Ms. Bach said sometimes a parametric product will give a policyholder something to at least get a roof back over one's head.

Director Wing-Heier said underinsurance is not always about the limits but what is excluded from the coverage, such as septic tanks or other exclusions. She said condo associations often might be underinsured. Ms. Bach said there used to be a lot of valued policy states where at least a person knew what they were getting, but now policies are very complicated. She would like to see dialogue include how society can innovate to make sure people can buy essential coverage for their assets.

Commissioner Ridling said underinsurance is an issue, and insurers are constantly trying to keep homeowners at the proper value to replace their home. He said there is still a misconception with consumers about replacement cost and the value of their home, and people frequently do not understand RCV and what is needed to rebuild their home. Superintendent Dwyer said sometimes citizens complain that the insurer is wanting the insured value to be too high.

Mr. Byrd said inflation guard raises limits, and he asked whether this is calculated into Ms. Bach's numbers of underinsurance. She said surveys show that people believe they are underinsured after catastrophes. She said most policies are sold with inflation guards. She said extended replacement coverage provisions have not been working, as homeowners are still underinsured with these provisions even when it is a new policy. She emphasized that this phenomenon occurs with total losses.

Commissioner Lara said there is no authority to mandate more accurate coverages, but he wondered how consumers could be educated to obtain better limits. Ms. Bach said amounts probably cannot be required, and it is on the insurer to accurately project the RCV of the property. She said the next step would be for the legislature to say it is the insurer's obligation to recommend the proper coverage, but that affects cost. She said if an insurer guesses wrong, they have to make up for it; and if insured does not want the full coverage, it would be on them.

Superintendent Franchini asked about lenders. Ms. Bach said lenders usually require coverage in the amount of the loan. She said she wonders why lenders have not required earthquake insurance when the property is on fault line. Superintendent Franchini asked about the difference in conditions policies and having all perils policies. Ms. Bach she said she thinks a discussion should be held about all perils policies.

Superintendent Dwyer asked the Transparency and Readability of Consumer Information (C) Working Group to look at the disclosures education issue.

8. Heard a Presentation on Bundling Noninsurance Products

Birny Birnbaum (Center for Economic Justice—CEJ) discussed two recent court opinions in travel insurance litigation that appear to challenge state insurance regulators' authority to oversee insurance and raise issues about protection packages that combine insurance and noninsurance products and services. He said the cases deal with cruise lines with travel protection policies. He said consumers that bought the product challenged the travel company on the basis of the sale of the travel insurance portion of the travel protection plan. The travel protection included insurance but also noninsurance services and products. The lawsuit was against the cruise company that was also a limited lines travel producer. The cruise line asked the court to compel arbitration because the consumer purchased a ticket that had a broad arbitration provision that the cruise line argued extended to the travel protection plan, including the travel insurance portion of the plan.

Mr. Birnbaum said he submitted a declaration in the case pointing out that the decision would usurp state-based regulation by conflicting with the McCarran-Ferguson Act, and it would undermine state public policy, as the insurance plan was approved by the state DOI and did not contain a pre-dispute mandatory arbitration provision. He said these cases are important for the future of state-based insurance regulation beyond travel protection packages as more noninsurance products and services are packaged with insurance into a protection package.

Superintendent Dwyer said she read the cases, and she did not see a separate discussion in the decision on the issue regarding the McCarran-Ferguson Act and insurance. Mr. Birnbaum said the opinions were brief, finding the arbitration agreement to be broad and covering the entire travel protection plan without discussion of the McCarran-Ferguson Act or states-based insurance regulation.

9. Announced NAIC-Accepted Actuarial Designations

Superintendent Dwyer reported that the Casualty Actuarial and Statistical (C) Task Force had a charge in 2014 to review the SOA new property and casualty actuarial educational track. The aim was to determine if the actuarial examination syllabi in

Draft Pending Adoption

the SOA's "general insurance" (GI) track would sufficiently educate an actuary to be a U.S. Appointed Actuary. She noted that the role of the Appointed Actuary is important to state insurance regulators because these actuaries opine on the reasonability of reserves in the financial statement, which is the largest component of a property/casualty (P/C) insurer's balance sheet.

Superintendent Dwyer said, in 2015, the Casualty Actuarial and Statistical (C) Task Force asked the Property and Casualty Insurance (C) Committee to recommend that the NAIC hire a consultant to conduct a review of the SOA's P/C, or GI, actuarial educational track. The Committee agreed and asked the Executive (EX) Committee to conduct the study. The Executive (EX) Committee reviewed the request, hired a consultant, and assigned an ad hoc group of commissioners to oversee the project.

The NAIC released the results of the consultant's work in July 2017, finding that: 1) the SOA GI track was found to lack the necessary breadth and depth to be accepted; and 2) for fairness, the consultant was also asked to review the CAS actuarial education for P/C Actuaries. CAS membership was found acceptable, with some question about the associateship level and whether the advanced reserving on Exam 7 should be required in addition to the Associate of the Casualty Actuarial Society (ACAS) designation.

Superintendent Dwyer said the SOA asked the Executive (EX) Committee what it needed to change so its educational track would be acceptable to state insurance regulators. Because there were now competing actuarial organizations vying to attract the same candidates, the Executive (EX) Committee decided that it should objectively define the minimum educational standards expected for Appointed Actuaries to produce a reliable actuarial opinion for our statutory P/C financial statements.

Superintendent Dwyer said the next step was to hire a consultant to conduct a P/C Appointed Actuary Job Analysis (Job Analysis) to identify what an Appointed Actuary needs to know and do to successfully and reliably perform the Appointed Actuary job. The Job Analysis was completed by the NAIC and numerous subject matter experts (SMEs) nominated by all three of the largest actuarial organizations in the U.S.—the CAS, the SOA and the Academy). Using the Job Analysis, NAIC staff worked with SMEs in what was called the NAIC's P/C Educational Standards and Assessment Project. The first deliverable in this project was the documentation of which elements in the Job Analysis should be included in basic education as a minimum standard, with the remaining elements achievable through experience or CE. The second deliverable is the assessment of the CAS and SOA syllabi against the newly created minimum educational standards. The NAIC and numerous volunteer SMEs assessed the CAS and SOA syllabi and reading materials.

On May 31, 2019, the NAIC finalized the assessments of the CAS and SOA. With mutual agreement to make a few additional changes to the syllabi in addition to the significant changes already made by the SOA, the following designations with particular exam requirements were recommended to be accepted by the NAIC:

- Fellow of the Casualty Actuarial Society (FCAS) with successful completion of Exam 6-US, which is the U.S. statutory accounting and regulation exam.
- ACAS with successful completion of Exam 6-US and Exam 7, which provides advanced reserving.
- Fellow of the Society of Actuaries (FSA) with successful completion of the general insurance track, including the Financial and Regulatory Environment-U.S. Exam and the Advanced Topics in General Insurance Exam.

Superintendent Dwyer thanked the CAS and SOA for finding SMEs to conduct the projects along the way, as well as their commitment to providing Appointed Actuaries with quality education upon whom state insurance regulators can rely to conduct the important actuarial opinions for insurers.

Having no further business, the Property and Casualty Insurance (C) Committee adjourned.

W:\National Meetings\2019\Summer\Cmte\C\C-8.docx

PRIVATE FLOOD INSURANCE DATA CALL
2018 Data

NAIC Group Code

NAIC Company Code.....

Company Name
.....

Part 1 - Interrogatories

Private Flood Insurance Coverage:

1. Does the reporting entity write any stand-alone first-dollar residential private flood insurance? Yes [] No []
 If yes, complete Part 2
2. Does the reporting entity write any stand-alone excess residential private flood insurance? Yes [] No []
 If yes, complete Part 3
3. Does the reporting entity write any first-dollar residential private flood insurance provided as an endorsement? Yes [] No []
 If yes, complete Part 4
4. Does the reporting entity write any excess residential private flood insurance provided as an endorsement? Yes [] No []
 If yes, complete Part 5
5. Does the reporting entity write any commercial private flood insurance provided as either a stand-alone or package policy? (include both first-dollar and excess) Yes [] No []
 If yes, complete Part 6

**Part 2 – Standalone Residential Private Flood Policies
Policy and Claims Data
First Dollar**

	States, Etc.		Direct Written Premium	Direct Premium Earned	Direct Losses Paid	Direct Losses Case Reserves	Defense and Cost Containment Paid	Defense and Cost Containment Case Reserves	Number of Policies In Force (as of 12/31/2018)	Number of Claims Reported	Number of Claims Open	Number of Claims Closed with Payment	% of Policies Written in a SFHA
1	Alabama	AL	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	100.0
2	Alaska	AK											
3	Arizona	AZ											
4	Arkansas	AR											
5	California	CA											
6	Colorado	CO											
7	Connecticut	CT											
8	Delaware	DE											
9	District of Columbia	DC											
10	Florida	FL											
11	Georgia	GA											
12	Hawaii	HI											
13	Idaho	ID											
14	Illinois	IL											
15	Indiana	IN											
16	Iowa	IA											
17	Kansas	KS											
18	Kentucky	KY											
19	Louisiana	LA											
20	Maine	ME											
21	Maryland	MD											
22	Massachusetts	MA											
23	Michigan	MI											
24	Minnesota	MN											
25	Mississippi	MS											
26	Missouri	MO											
27	Montana	MT											
28	Nebraska	NE											
29	Nevada	NV											
30	New Hampshire	NH											
31	New Jersey	NJ											
32	New Mexico	NM											
33	New York	NY											
34	North Carolina	NC											
35	North Dakota	ND											
36	Ohio	OH											
37	Oklahoma	OK											
38	Oregon	OR											
39	Pennsylvania	PA											
40	Rhode Island	RI											
41	South Carolina	SC											
42	South Dakota	SD											
43	Tennessee	TN											
44	Texas	TX											
45	Utah	UT											
46	Vermont	VT											
47	Virginia	VA											
48	Washington	WA											
49	West Virginia	WV											
50	Wisconsin	WI											
51	Wyoming	WY											
52	American Samoa	AS											
53	Guam	GU											
54	Puerto Rico	PR											
55	U.S. Virgin Islands	VI											
56	Northern Mariana Islands	MP											
57	Totals												

**Part 3 - Standalone Residential Private Flood Policies
Policy and Claims Data
Excess**

	States, Etc.		Direct Written Premium	Direct Premium Earned	Direct Losses Paid	Direct Losses Case Reserves	Defense and Cost Containment Paid	Defense and Cost Containment Case Reserves	Number of Policies In Force (as of 12/31/2018)	Number of Claims Reported	Number of Claims Open	Number of Claims Closed with Payment	% of Policies Written in a SFHA
1	Alabama	AL	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	100.0
2	Alaska	AK											
3	Arizona	AZ											
4	Arkansas	AR											
5	California	CA											
6	Colorado	CO											
7	Connecticut	CT											
8	Delaware	DE											
9	District of Columbia	DC											
10	Florida	FL											
11	Georgia	GA											
12	Hawaii	HI											
13	Idaho	ID											
14	Illinois	IL											
15	Indiana	IN											
16	Iowa	IA											
17	Kansas	KS											
18	Kentucky	KY											
19	Louisiana	LA											
20	Maine	ME											
21	Maryland	MD											
22	Massachusetts	MA											
23	Michigan	MI											
24	Minnesota	MN											
25	Mississippi	MS											
26	Missouri	MO											
27	Montana	MT											
28	Nebraska	NE											
29	Nevada	NV											
30	New Hampshire	NH											
31	New Jersey	NJ											
32	New Mexico	NM											
33	New York	NY											
34	North Carolina	NC											
35	North Dakota	ND											
36	Ohio	OH											
37	Oklahoma	OK											
38	Oregon	OR											
39	Pennsylvania	PA											
40	Rhode Island	RI											
41	South Carolina	SC											
42	South Dakota	SD											
43	Tennessee	TN											
44	Texas	TX											
45	Utah	UT											
46	Vermont	VT											
47	Virginia	VA											
48	Washington	WA											
49	West Virginia	WV											
50	Wisconsin	WI											
51	Wyoming	WY											
52	American Samoa	AS											
53	Guam	GU											
54	Puerto Rico	PR											
55	U.S. Virgin Islands	VI											
56	Northern Mariana Islands	MP											
57	Totals												

**Part 4 - Residential Private Flood Policy Endorsements
Policy and Claims Data
First Dollar**

	States, Etc.		Direct Written Premium	Direct Premium Earned	Direct Losses Paid	Direct Losses Case Reserves	Defense and Cost Containment Paid	Defense and Cost Containment Case Reserves	Number of Policies In Force (as of 12/31/2018)	Number of Claims Reported	Number of Claims Open	Number of Claims Closed with Payment	% of Policies Written in a SFHA
1	Alabama	AL	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	100.0
2	Alaska	AK											
3	Arizona	AZ											
4	Arkansas	AR											
5	California	CA											
6	Colorado	CO											
7	Connecticut	CT											
8	Delaware	DE											
9	District of Columbia	DC											
10	Florida	FL											
11	Georgia	GA											
12	Hawaii	HI											
13	Idaho	ID											
14	Illinois	IL											
15	Indiana	IN											
16	Iowa	IA											
17	Kansas	KS											
18	Kentucky	KY											
19	Louisiana	LA											
20	Maine	ME											
21	Maryland	MD											
22	Massachusetts	MA											
23	Michigan	MI											
24	Minnesota	MN											
25	Mississippi	MS											
26	Missouri	MO											
27	Montana	MT											
28	Nebraska	NE											
29	Nevada	NV											
30	New Hampshire	NH											
31	New Jersey	NJ											
32	New Mexico	NM											
33	New York	NY											
34	North Carolina	NC											
35	North Dakota	ND											
36	Ohio	OH											
37	Oklahoma	OK											
38	Oregon	OR											
39	Pennsylvania	PA											
40	Rhode Island	RI											
41	South Carolina	SC											
42	South Dakota	SD											
43	Tennessee	TN											
44	Texas	TX											
45	Utah	UT											
46	Vermont	VT											
47	Virginia	VA											
48	Washington	WA											
49	West Virginia	WV											
50	Wisconsin	WI											
51	Wyoming	WY											
52	American Samoa	AS											
53	Guam	GU											
54	Puerto Rico	PR											
55	U.S. Virgin Islands	VI											
56	Northern Mariana Islands	MP											
57	Totals												

**Part 5 - Residential Private Flood Policy Endorsements
Policy and Claims Data
Excess**

	States, Etc.		Direct Written Premium	Direct Premium Earned	Direct Losses Paid	Direct Losses Case Reserves	Defense and Cost Containment Paid	Defense and Cost Containment Case Reserves	Number of Policies In Force (as of 12/31/2018)	Number of Claims Reported	Number of Claims Open	Number of Claims Closed with Payment	% of Policies Written in a SFHA
1	Alabama	AL	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	100.0
2	Alaska	AK											
3	Arizona	AZ											
4	Arkansas	AR											
5	California	CA											
6	Colorado	CO											
7	Connecticut	CT											
8	Delaware	DE											
9	District of Columbia	DC											
10	Florida	FL											
11	Georgia	GA											
12	Hawaii	HI											
13	Idaho	ID											
14	Illinois	IL											
15	Indiana	IN											
16	Iowa	IA											
17	Kansas	KS											
18	Kentucky	KY											
19	Louisiana	LA											
20	Maine	ME											
21	Maryland	MD											
22	Massachusetts	MA											
23	Michigan	MI											
24	Minnesota	MN											
25	Mississippi	MS											
26	Missouri	MO											
27	Montana	MT											
28	Nebraska	NE											
29	Nevada	NV											
30	New Hampshire	NH											
31	New Jersey	NJ											
32	New Mexico	NM											
33	New York	NY											
34	North Carolina	NC											
35	North Dakota	ND											
36	Ohio	OH											
37	Oklahoma	OK											
38	Oregon	OR											
39	Pennsylvania	PA											
40	Rhode Island	RI											
41	South Carolina	SC											
42	South Dakota	SD											
43	Tennessee	TN											
44	Texas	TX											
45	Utah	UT											
46	Vermont	VT											
47	Virginia	VA											
48	Washington	WA											
49	West Virginia	WV											
50	Wisconsin	WI											
51	Wyoming	WY											
52	American Samoa	AS											
53	Guam	GU											
54	Puerto Rico	PR											
55	U.S. Virgin Islands	VI											
56	Northern Mariana Islands	MP											
57	Totals												

**Part 6 - Commercial Private Flood Policies
Policy and Claims Data
First Dollar and Excess**

	States, Etc.		Direct Written Premium	Direct Premium Earned	Direct Losses Paid	Direct Losses Case Reserves	Defense and Cost Containment Paid	Defense and Cost Containment Case Reserves	Number of Policies In Force (as of 12/31/2018)	Number of Claims Reported	Number of Claims Open	Number of Claims Closed with Payment	% of Policies Written in a SFHA
1	Alabama	AL	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	999,999,999,999	100.0
2	Alaska	AK											
3	Arizona	AZ											
4	Arkansas	AR											
5	California	CA											
6	Colorado	CO											
7	Connecticut	CT											
8	Delaware	DE											
9	District of Columbia	DC											
10	Florida	FL											
11	Georgia	GA											
12	Hawaii	HI											
13	Idaho	ID											
14	Illinois	IL											
15	Indiana	IN											
16	Iowa	IA											
17	Kansas	KS											
18	Kentucky	KY											
19	Louisiana	LA											
20	Maine	ME											
21	Maryland	MD											
22	Massachusetts	MA											
23	Michigan	MI											
24	Minnesota	MN											
25	Mississippi	MS											
26	Missouri	MO											
27	Montana	MT											
28	Nebraska	NE											
29	Nevada	NV											
30	New Hampshire	NH											
31	New Jersey	NJ											
32	New Mexico	NM											
33	New York	NY											
34	North Carolina	NC											
35	North Dakota	ND											
36	Ohio	OH											
37	Oklahoma	OK											
38	Oregon	OR											
39	Pennsylvania	PA											
40	Rhode Island	RI											
41	South Carolina	SC											
42	South Dakota	SD											
43	Tennessee	TN											
44	Texas	TX											
45	Utah	UT											
46	Vermont	VT											
47	Virginia	VA											
48	Washington	WA											
49	West Virginia	WV											
50	Wisconsin	WI											
51	Wyoming	WY											
52	American Samoa	AS											
53	Guam	GU											
54	Puerto Rico	PR											
55	U.S. Virgin Islands	VI											
56	Northern Mariana Islands	MP											
57	Totals												