



Draft date: 3/28/24

Virtual Meeting

MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP

Tuesday, April 2, 2024

1:00 p.m. – 2:00 ET / 12:00 p.m. – 1:00 CT / 11:00 a.m. – 12:00 p.m. MT / 10:00 a.m. – 11:00 PT

ROLL CALL

LeAnn Crow, Chair	Kansas	Julie Hesser/Jo LeDuc	Missouri
Rebecca Rebholz, Vice Chair	Wisconsin	Martin Swanson	Nebraska
Maria Ailor	Arizona	Hermoliva Abejar	Nevada
Teri Ann Mecca/Jake Windley	Arkansas	Patrick Zeller	New Mexico
Sheryl Parker	Florida	Guy Self	Ohio
Elizabeth Nunes/ Paula Shamburger	Georgia	Gary Jones/August Hall/ Karen Veronikis	Pennsylvania
Erica Weyhenmeyer	Illinois	Gwendolyn McGriff/ Rachel Moore	South Carolina
Shannon Lloyd	Kansas	Larry D. Deiter	South Dakota
Lori Cunningham	Kentucky	Shelli Isiminger	Tennessee
Raymond Guzman	Maryland	Shelley Wiseman	Utah
Mary Lou Moran	Massachusetts	Melissa Gerachis/Will Felvey	Virginia
Jeff Hayden	Michigan	John Haworth/John Kelcher	Washington
Theodore Patton/ John Fritzberg-Glover	Minnesota	Letha Tate	West Virginia

NAIC Support Staff: Teresa Cooper/Hal Marsh

AGENDA

1. Consider Adoption of its Oct. 10 Minutes—*LeAnn Crow (KS)* Attachment 1
2. Discuss Needed Pet Insurance MCAS Clarifications—*Randy Helder (NAIC)*
 - a. Reporting of Partial Payment
 - b. Reporting of “Right to Review” data
3. Review Two Sets of Duplicate Data Elements in the Market Conduct Annual Statement (MCAS) Short-Term, Limited Duration (STLD) Blank —*LeAnn Crow (KS)* Attachments 2 & 3
4. Review Two Sets of Duplicate Data Elements in the MCAS Other Health Blank —*LeAnn Crow (KS)* Attachments 4 & 5

5. Discuss Possible Edits to the Definition of Accelerated Underwriting for Clarification Purposes—*LeAnn Crow (KS)* Attachment 6
6. Discuss the Clarification of MCAS Home and Auto Definition of Lawsuit —*LeAnn Crow (KS)* Attachment 7
7. Discuss MCAS Reporting of Life/Annuity Replacements of a Policy/Contract of a Company Under the Same Holding Company Group—*Brett Bache (RI)* Attachment 8
8. Discuss Any Other Matters Brought Before the Working Group —*LeAnn Crow (KS)*
9. Adjournment

Draft: 11/29/2023

Market Conduct Annual Statement Blanks (D) Working Group
Virtual Meeting
October 10, 2023

The Market Conduct Annual Statement Blanks (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met Oct. 10, 2023. The following Working Group members participated: Erica Weyhenmeyer, Chair (IL); Rebecca Rebholz, Vice Chair (WI); Tolanda Coker (AZ); Jake Windley (AR); Scott Woods (FL); Shannon Lloyd (KS); Ron Kreiter (KY); Danielle Torres (MI); Jennifer Hopper and Jo LeDuc (MO); Martin Swanson and Robert McCullough (NE); Guy Self (OH); Karen Veronikis (PA); Rachel Moore (SC); Tony Dorschner (SD); Shelley Wiseman (UT); Melissa Gerachis (VA); John Kelcher (WA); and Letha Tate (WV). Also participating was: Brett Bache (RI).

1. Adopted its Sept. 18 and Aug. 24 Minutes

The Working Group conducted an e-vote that concluded Sept. 18 to adopt two motions to eliminate duplicate data elements in the other health Market Conduct Annual Statement (MCAS) blank. These motions were to: 1) remove element 54, which is a duplicate of data element 61; and 2) remove data element 58, which is a duplicate of data element 62.

The Working Group also met Aug. 24 and took the following action: 1) adopted its July 19 minutes; 2) discussed the report of closed claims for a private passenger auto (PPA) and homeowners lines of business; 3) discussed possible edits to the MCAS data element revision process timeline; and 4) adopted a motion for a May 31 MCAS filing deadline for all health and short-term, limited-duration (STLD) submissions.

Veronikis made a motion, seconded by Hopper, to adopt the Working Group's Sept. 18 (Attachment XX) and Aug. 24 (Attachment XX) minutes. The motion passed unanimously.

2. Adopted the Report of Closed Claims for P/CMCAS Lines of Business

Weyhenmeyer stated that the proposed data element will read, "The number of claims closed in your system with the date and final payment of X days, and, quote, number of claims closed in your system without payment in X days."

Bache expanded the proposal to include not just homeowners and PPA but also lender place order and home, private flood, and travel. The thought process was that the insurer has been responsible for reporting all their claims as they wrote, knowing if they have a third party, they are accurately reporting the claims and including those. The suggestion would be not to add any wording other than what is being proposed.

Weyhenmeyer asked if there were any comments or questions. There were none.

Rebholz made a motion, seconded by Wiseman, to adopt the reporting of closed claims for the property/casualty (P/C) and casualty annual statement lines of business (Attachment). The motion passed unanimously.

3. Adopted the MCAS Data Element Revisions

Weyhenmeyer stated that the draft consideration lists are to provide submission times for the Working Group to review, discuss, and consider reporting data, which should be provided to the Working Group by April 1. The Working Group should provide all other MCAS edits and changes by May 1. These new drafts are provided later

than April 1, and the Working Group decides on a case-by-case basis if there is a consensus to adopt prior to June 1 for use in the following year or if additional time is needed prior to adoption. Draft best practices are a minimum of five working group jurisdictions should volunteer and participate in subject matter expert (SME) group meetings when creating/reporting for a new MCAS line of business or blank changes to an existing business. Weekly SME meetings from the beginning of work and for formal meeting after the conclusion of the new group meeting and prior to the voting deadline to present the draft document to the Working Group, interested state insurance regulators, and interested parties.

LeDuc made a motion, seconded by Kreiter, to adopt MCAS data element revisions (Attachment). The motion passed unanimously.

Having no further business, the Market Conduct Annual Statement Blanks (D) Working Group adjourned.

SharePoint/NAIC Support Staff Hub/Committees/D CMTE/2023 Fall/MCAS Blanks WG/MCASBWG Oct. 10 Minutes.docx

**NAIC MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP
Changes/Additions to Approved Blanks and Data Call and Definitions
Proposal Submission Form**

NAIC USE ONLY

Proposal Submission Date: 2/29/2024	
Proposed Effective Data Year for Reporting: 2024 Data Year	
Proposed <input type="checkbox"/> Substantive Change <input checked="" type="checkbox"/> Non-Substantive Change/Clarification	
Proposal Number	2024.1
Proposal Status	<u>All Submissions</u> <input checked="" type="checkbox"/> Received – Date 2/29/2024 <input type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date Click or tap to enter a date. <input type="checkbox"/> Referred to Another NAIC Group – Date Click or tap to enter a date. – Name of Group Click or tap here to enter text. <input type="checkbox"/> Adopted <input type="checkbox"/> Modified <input type="checkbox"/> Rejected <input type="checkbox"/> Deferred by WG – Date Click or tap to enter a date. <u>Substantive Revisions</u> <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by D Committee – Date Click or tap to enter a date. <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by EX/Plenary – Date Click or tap to enter a date. <input type="checkbox"/> Other – Date Click or tap to enter a date. Specify Click or tap here to enter text.
NAIC Staff Input	Click or tap here to enter text.

Proposal Contact Information

Name of Contact Person	Teresa Cooper, Hal Marsh
Name of Organization	National Association of Insurance Commissioners
Email Address	tcooper@naic.org, hmarsh@naic.org
Phone Number	816-783-8226
Affiliation Type	<input type="checkbox"/> State Regulator <input checked="" type="checkbox"/> NAIC Staff <input type="checkbox"/> Other Regulator <input type="checkbox"/> Reporting Company <input type="checkbox"/> Industry Trade Association <input type="checkbox"/> Consumer Representative <input type="checkbox"/> Other

PROPOSAL IS FOR: Data Element Data Definitions Data Validation

APPLICABLE LINE(S) OF BUSINESS:

- | | | |
|--|--|---|
| <input type="checkbox"/> Annuity | <input type="checkbox"/> Lender Placed Auto and Home | <input type="checkbox"/> Private Flood |
| <input type="checkbox"/> Disability Income | <input type="checkbox"/> Life | <input type="checkbox"/> Private Passenger Auto |
| <input type="checkbox"/> Health | <input type="checkbox"/> Long-Term Care | <input type="checkbox"/> Travel |
| <input type="checkbox"/> Homeowners | <input type="checkbox"/> Other Health | <input checked="" type="checkbox"/> STLD |

PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

Data elements #69 and #75 both ask for covered lives impacted by cancellations resulting from nonpayment

#69 – Number of Lives on Policies/Certificates Cancelled Due to Non-Payment of Premium During the Period.

#75 – Number of insured lives impacted on terminations and cancellations due to nonpayment.

PROVIDE THE REASON FOR THE CHANGE:

Identify duplicate data elements and remove the duplicate element.

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Proposal Submission Date: 2/29/2024	
Proposed Effective Data Year for Reporting: 2024 Data Year	
Proposed <input type="checkbox"/> Substantive Change <input checked="" type="checkbox"/> Non-Substantive Change/Clarification	
Proposal Number	2024.2
Proposal Status	<u>All Submissions</u> <input checked="" type="checkbox"/> Received – Date 2/29/2024 <input type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date Click or tap to enter a date. <input type="checkbox"/> Referred to Another NAIC Group – Date Click or tap to enter a date. – Name of Group Click or tap here to enter text. <input type="checkbox"/> Adopted <input type="checkbox"/> Modified <input type="checkbox"/> Rejected <input type="checkbox"/> Deferred by WG – Date Click or tap to enter a date. <u>Substantive Revisions</u> <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by D Committee – Date Click or tap to enter a date. <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by EX/Plenary – Date Click or tap to enter a date. <input type="checkbox"/> Other – Date Click or tap to enter a date. Specify Click or tap here to enter text.
NAIC Staff Input	Click or tap here to enter text.

Proposal Contact Information

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PROPOSAL IS FOR: Data Element Data Definitions Data Validation

APPLICABLE LINE(S) OF BUSINESS:

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| <input type="checkbox"/> Annuity | <input type="checkbox"/> Lender Placed Auto and Home | <input type="checkbox"/> Private Flood |
| <input type="checkbox"/> Disability Income | <input type="checkbox"/> Life | <input type="checkbox"/> Private Passenger Auto |
| <input type="checkbox"/> Health | <input type="checkbox"/> Long-Term Care | <input type="checkbox"/> Travel |
| <input type="checkbox"/> Homeowners | <input type="checkbox"/> Other Health | <input checked="" type="checkbox"/> STLD |

PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

Data elements #64 and #74 both ask for covered lives impacted by cancellations initiated by the policyholder/certificate holder during the period.

#64 – Number of Covered Lives on Policies/Certificates Cancelled at the Initiation of the policyholder/certificate holder During the Period.

#74 – Number of insured lives impacted on terminations and cancellations initiated by the policyholder/certificateholder.

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PROVIDE THE REASON FOR THE CHANGE:

Identify duplicate data elements and remove the duplicate element.

IF ADDITIONAL DOCUMENTS CONTAIN DEFINITIONS, BLANK MOCK-UPS, ETC, PROVIDE A LISTING OF THESE DOCUMENTS BELOW. SEND THE LISTED DOCUMENTS TO NAIC STAFF ALONG WITH THE COMPLETED FORM:

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Proposed Effective Data Year for Reporting: 2024 Data Year	
Proposed <input type="checkbox"/> Substantive Change <input checked="" type="checkbox"/> Non-Substantive Change/Clarification	
Proposal Number	2024.3
Proposal Status	<u>All Submissions</u> <input checked="" type="checkbox"/> Received – Date 2/29/2024 <input type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date Click or tap to enter a date. <input type="checkbox"/> Referred to Another NAIC Group – Date Click or tap to enter a date. – Name of Group Click or tap here to enter text. <input type="checkbox"/> Adopted <input type="checkbox"/> Modified <input type="checkbox"/> Rejected <input type="checkbox"/> Deferred by WG – Date Click or tap to enter a date. <u>Substantive Revisions</u> <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by D Committee – Date Click or tap to enter a date. <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by EX/Plenary – Date Click or tap to enter a date. <input type="checkbox"/> Other – Date Click or tap to enter a date. Specify Click or tap here to enter text.
NAIC Staff Input	Click or tap here to enter text.

Proposal Contact Information

Name of Contact Person	Teresa Cooper, Hal Marsh
Name of Organization	National Association of Insurance Commissioners
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Affiliation Type	<input type="checkbox"/> State Regulator <input checked="" type="checkbox"/> NAIC Staff <input type="checkbox"/> Other Regulator <input type="checkbox"/> Reporting Company <input type="checkbox"/> Industry Trade Association <input type="checkbox"/> Consumer Representative <input type="checkbox"/> Other

PROPOSAL IS FOR: Data Element Data Definitions Data Validation

APPLICABLE LINE(S) OF BUSINESS:

- | | | |
|--|--|---|
| <input type="checkbox"/> Annuity | <input type="checkbox"/> Lender Placed Auto and Home | <input type="checkbox"/> Private Flood |
| <input type="checkbox"/> Disability Income | <input type="checkbox"/> Life | <input type="checkbox"/> Private Passenger Auto |
| <input type="checkbox"/> Health | <input type="checkbox"/> Long-Term Care | <input type="checkbox"/> Travel |
| <input type="checkbox"/> Homeowners | <input checked="" type="checkbox"/> Other Health | <input type="checkbox"/> STLD |

PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

Data elements #67 and #71 both ask for number of claims denied, rejected, or returned because the maximum has been exceeded.

#67 – Number denied, rejected, or returned as non-covered or maximum benefit exceeded.

#71 – Number denied, rejected, or returned (in whole or in part) because maximum \$ limit exceeded.

PROVIDE THE REASON FOR THE CHANGE:

Identify duplicate data elements and remove the duplicate.

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Proposal Submission Date: 3/19/2024	
Proposed Effective Data Year for Reporting: 2024 Data Year	
Proposed <input type="checkbox"/> Substantive Change <input checked="" type="checkbox"/> Non-Substantive Change/Clarification	
Proposal Number	2024.6
Proposal Status	<u>All Submissions</u> <input checked="" type="checkbox"/> Received – Date 3/19/2024 <input type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date Click or tap to enter a date. <input type="checkbox"/> Referred to Another NAIC Group – Date Click or tap to enter a date. – Name of Group Click or tap here to enter text. <input type="checkbox"/> Adopted <input type="checkbox"/> Modified <input type="checkbox"/> Rejected <input type="checkbox"/> Deferred by WG – Date Click or tap to enter a date. <u>Substantive Revisions</u> <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by D Committee – Date Click or tap to enter a date. <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by EX/Plenary – Date Click or tap to enter a date. <input type="checkbox"/> Other – Date Click or tap to enter a date. Specify Click or tap here to enter text.
NAIC Staff Input	Click or tap here to enter text.

Proposal Contact Information

Name of Contact Person	Teresa Cooper, Hal Marsh
Name of Organization	National Association of Insurance Commissioners
Email Address	tcooper@naic.org , hmarsh@naic.org
Phone Number	816-783-8226
Affiliation Type	<input type="checkbox"/> State Regulator <input checked="" type="checkbox"/> NAIC Staff <input type="checkbox"/> Other Regulator <input type="checkbox"/> Reporting Company <input type="checkbox"/> Industry Trade Association <input type="checkbox"/> Consumer Representative <input type="checkbox"/> Other

PROPOSAL IS FOR: Data Element Data Definitions Data Validation

APPLICABLE LINE(S) OF BUSINESS:

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| <input type="checkbox"/> Annuity | <input type="checkbox"/> Lender Placed Auto and Home | <input type="checkbox"/> Private Flood |
| <input type="checkbox"/> Disability Income | <input type="checkbox"/> Life | <input type="checkbox"/> Private Passenger Auto |
| <input type="checkbox"/> Health | <input type="checkbox"/> Long-Term Care | <input type="checkbox"/> Travel |
| <input type="checkbox"/> Homeowners | <input checked="" type="checkbox"/> Other Health | <input type="checkbox"/> STLD |

PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

Data elements #51 and #90 both ask for the number of new policies/certificates denied during the period.

#51 – Number of new policies/certificates denied during the period.

#90 – Number of individual applications/enrollments denied during the period for any reason.

PROVIDE THE REASON FOR THE CHANGE:

Identify duplicate data elements and remove the duplicate.

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Changes/Additions to Approved Blanks and Data Call and Definitions

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Proposed Effective Data Year for Reporting: 2024 Data Year	
Proposed <input type="checkbox"/> Substantive Change <input checked="" type="checkbox"/> Non-Substantive Change/Clarification	
Proposal Number	2024.5
Proposal Status	<u>All Submissions</u> <input checked="" type="checkbox"/> Received – Date 2/29/2024 <input type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date Click or tap to enter a date. <input type="checkbox"/> Referred to Another NAIC Group – Date Click or tap to enter a date. – Name of Group Click or tap here to enter text. <input type="checkbox"/> Adopted <input type="checkbox"/> Modified <input type="checkbox"/> Rejected <input type="checkbox"/> Deferred by WG – Date Click or tap to enter a date. <u>Substantive Revisions</u> <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by D Committee – Date Click or tap to enter a date. <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by EX/Plenary – Date Click or tap to enter a date. <input type="checkbox"/> Other – Date Click or tap to enter a date. Specify Click or tap here to enter text.
NAIC Staff Input	Click or tap here to enter text.

Proposal Contact Information

Name of Contact Person	Rebecca Rebholz
Name of Organization	Wisconsin Office of the Commissioner of Insurance
Email Address	rebecca.rebholz@wisconsin.gov
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Affiliation Type	<input checked="" type="checkbox"/> State Regulator <input type="checkbox"/> NAIC Staff <input type="checkbox"/> Other Regulator <input type="checkbox"/> Reporting Company <input type="checkbox"/> Industry Trade Association <input type="checkbox"/> Consumer Representative <input type="checkbox"/> Other

PROPOSAL IS FOR: Data Element Data Definitions Data Validation

APPLICABLE LINE(S) OF BUSINESS:

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|--|--|---|
| <input type="checkbox"/> Annuity | <input type="checkbox"/> Lender Placed Auto and Home | <input type="checkbox"/> Private Flood |
| <input type="checkbox"/> Disability Income | <input checked="" type="checkbox"/> Life | <input type="checkbox"/> Private Passenger Auto |
| <input type="checkbox"/> Health | <input type="checkbox"/> Long-Term Care | <input type="checkbox"/> Travel |
| <input type="checkbox"/> Homeowners | <input type="checkbox"/> Other Health | <input type="checkbox"/> STLD |

PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

Edit the definition of MCAS Accelerated Underwriting to clarify the intent of the definition.

Proposed change: For this MCAS, data should be reported as Accelerated Underwriting when artificial intelligence and/or machine learning which utilizes, in whole or in part, Other Non-medical Third-party Data and/or FCRA Compliant Non-medical Third-party Data in the underwriting of life insurance **is applied**; including when **that data is** used in combination with Application Data or Medical Data.

Existing definition of MCAS Accelerated Underwriting: For this MCAS, data should be reported as Accelerated Underwriting when artificial intelligence and/or machine learning which utilizes, in whole or in

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Changes/Additions to Approved Blanks and Data Call and Definitions
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part, Other Non-medical Third-party Data and/or FCRA Compliant Non-medical Third-party Data in the underwriting of life insurance; including when used in combination with Application Data or Medical Data.

PROVIDE THE REASON FOR THE CHANGE:

There is a grammatical error which can cause confusion when attempting to interpret the definition. The change will clarify the definition.

IF ADDITIONAL DOCUMENTS CONTAIN DEFINITIONS, BLANK MOCK-UPS, ETC, PROVIDE A LISTING OF THESE DOCUMENTS BELOW. SEND THE LISTED DOCUMENTS TO NAIC STAFF ALONG WITH THE COMPLETED FORM:

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Proposal Submission Date: 2/22/2024	
Proposed Effective Data Year for Reporting: 2023 Data Year	
Proposed <input type="checkbox"/> Substantive Change <input checked="" type="checkbox"/> Non-Substantive Change/Clarification	
Proposal Number	2024.4
Proposal Status	<u>All Submissions</u> <input checked="" type="checkbox"/> Received – Date 2/22/2024 <input type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date Click or tap to enter a date. <input type="checkbox"/> Referred to Another NAIC Group – Date Click or tap to enter a date. – Name of Group Click or tap here to enter text. <input type="checkbox"/> Adopted <input type="checkbox"/> Modified <input type="checkbox"/> Rejected <input type="checkbox"/> Deferred by WG – Date Click or tap to enter a date. <u>Substantive Revisions</u> <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by D Committee – Date Click or tap to enter a date. <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by EX/Plenary – Date Click or tap to enter a date. <input type="checkbox"/> Other – Date Click or tap to enter a date. Specify Click or tap here to enter text.
NAIC Staff Input	Click or tap here to enter text.

Proposal Contact Information

Name of Contact Person	Randy Helder
Name of Organization	National Association of Insurance Commissioners
Email Address	rholder@naic.org
Phone Number	816-783-8261
Affiliation Type	<input type="checkbox"/> State Regulator <input checked="" type="checkbox"/> NAIC Staff <input type="checkbox"/> Other Regulator <input type="checkbox"/> Reporting Company <input type="checkbox"/> Industry Trade Association <input type="checkbox"/> Consumer Representative <input type="checkbox"/> Other

PROPOSAL IS FOR: Data Element Data Definitions Data Validation

APPLICABLE LINE(S) OF BUSINESS:

- | | | |
|--|--|--|
| <input type="checkbox"/> Annuity | <input type="checkbox"/> Lender Placed Auto and Home | <input type="checkbox"/> Private Flood |
| <input type="checkbox"/> Disability Income | <input type="checkbox"/> Life | <input checked="" type="checkbox"/> Private Passenger Auto |
| <input type="checkbox"/> Health | <input type="checkbox"/> Long-Term Care | <input type="checkbox"/> Travel |
| <input checked="" type="checkbox"/> Homeowners | <input type="checkbox"/> Other Health | <input type="checkbox"/> STLD |

PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

Change the first bullet point on the existing definition of lawsuit to “For non-claims related lawsuits, include only lawsuits brought by an applicant for insurance, a policyholder or claimant as a plaintiff against the reporting insurer as a defendant.”

Existing definition of lawsuit – Include only lawsuits brought by applicant for insurance, a policyholder or claimant as a plaintiff against the reporting insurer as a defendant.

PROVIDE THE REASON FOR THE CHANGE:

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The current wording of the first bullet-point was added to provide a definition for non-claims related lawsuits. It was copied from the Disability Income MCAS definition of lawsuit, but the last portion of it should have been deleted.

The intent of adding this bullet-point was to define non-claims related lawsuits. But since it was added to the entire definition of lawsuit, the bullet-point also alters how claims-related lawsuits are to be reported. From the inception of MCAS to the most recent filing, claims-related lawsuits were any lawsuit against the insured arising from a claim regardless of whether the insurer was a named defendant. The current wording would drastically reduce the reported number of claims-related lawsuits if the companies read and apply this new definition without questioning the change.

IF ADDITIONAL DOCUMENTS CONTAIN DEFINITIONS, BLANK MOCK-UPS, ETC, PROVIDE A LISTING OF THESE DOCUMENTS BELOW. SEND THE LISTED DOCUMENTS TO NAIC STAFF ALONG WITH THE COMPLETED FORM:

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Proposed <input checked="" type="checkbox"/> Substantive Change <input type="checkbox"/> Non-Substantive Change/Clarification	
Proposal Number	2024.7
Proposal Status	<u>All Submissions</u> <input checked="" type="checkbox"/> Received – Date 3/25/2024 <input type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date Click or tap to enter a date. <input type="checkbox"/> Referred to Another NAIC Group – Date Click or tap to enter a date. – Name of Group Click or tap here to enter text. <input type="checkbox"/> Adopted <input type="checkbox"/> Modified <input type="checkbox"/> Rejected <input type="checkbox"/> Deferred by WG – Date Click or tap to enter a date. <u>Substantive Revisions</u> <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by D Committee – Date Click or tap to enter a date. <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by EX/Plenary – Date Click or tap to enter a date. <input type="checkbox"/> Other – Date Click or tap to enter a date. Specify Click or tap here to enter text.
NAIC Staff Input	Click or tap here to enter text.

Proposal Contact Information

Name of Contact Person	Brett Bache
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Email Address	Brett.bache@dbr.ri.gov
Phone Number	401-462-9612
Affiliation Type	<input checked="" type="checkbox"/> State Regulator <input type="checkbox"/> NAIC Staff <input type="checkbox"/> Other Regulator <input type="checkbox"/> Reporting Company <input type="checkbox"/> Industry Trade Association <input type="checkbox"/> Consumer Representative <input type="checkbox"/> Other

PROPOSAL IS FOR: Data Element Data Definitions Data Validation

APPLICABLE LINE(S) OF BUSINESS:

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Annuity | <input type="checkbox"/> Lender Placed Auto and Home | <input type="checkbox"/> Private Flood |
| <input type="checkbox"/> Disability Income | <input checked="" type="checkbox"/> Life | <input type="checkbox"/> Private Passenger Auto |
| <input type="checkbox"/> Health | <input type="checkbox"/> Long-Term Care | <input type="checkbox"/> Travel |
| <input type="checkbox"/> Homeowners | <input type="checkbox"/> Other Health | <input type="checkbox"/> STLD |

PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

Under the [Life Insurance and Annuities Replacement Model regulation \[content.naic.org\]](https://content.naic.org), the incontestability provision in Section 5. B states: “In transactions where the replacing insurer and the existing insurer are the same or subsidiaries or affiliates under common ownership or control, allow credit for the period of time that has elapsed under the replaced policy’s or contract’s incontestability and suicide period up to the face amount of the existing policy or contract.” The interpretation is that the model regulation is calling replacements within the same holding company “internal replacements.” However, the Life and Annuity MCAS Blanks appears to categorize these intra-holding company replacements as an external replacement, as the definition for an “External Replacement of

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Affiliated Company Policies” states: “An external replacement of an affiliated company policy is when the policy and/or annuity to be replaced was issued by a company affiliated to the MCAS reporting company.” If it is determined that a change is needed, then the definition of an “External Replacement of Affiliated Company Policies” would need to be revised and the corresponding data element as well.

Current Definition

External Replacement of Affiliated Company Policies – An external replacement of an affiliated company policy is when the policy and/or annuity to be replaced was issued by a company affiliated to the MCAS reporting company.

Proposed Definition

Internal Replacement of Affiliated Company Policies – An **internal** replacement of an affiliated company policy is when the policy and/or annuity to be replaced was issued by a company affiliated to the MCAS reporting company.

PROVIDE THE REASON FOR THE CHANGE:

To ensure that the Life and Annuity data call reflects the language used in the Life Insurance and Annuities Replacement Model Regulation.

IF ADDITIONAL DOCUMENTS CONTAIN DEFINITIONS, BLANK MOCK-UPS, ETC, PROVIDE A LISTING OF THESE DOCUMENTS BELOW. SEND THE LISTED DOCUMENTS TO NAIC STAFF ALONG WITH THE COMPLETED FORM:

Click or tap here to enter text.