

Draft date: 4/26/24

Virtual Meeting

MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP

Wednesday, May 1, 2024

2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

ROLL CALL

Rebecca Rebholz, Chair	Wisconsin	Martin Swanson	Nebraska
Tolanda Coker, Vice Chair	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
T.J. Patton/ John Fritzberg-Glover	Minnesota	Letha Tate	West Virginia
Julie Hesser/Jo LeDuc	Missouri		

NAIC Support Staff: Teresa Cooper/Hal Marsh

AGENDA

1. Consider Adoption of its April 2 Minutes—*Rebecca Rebholz (WI)* Attachment 1
2. Consider Adoption of its April 19 Electronic Vote Minutes —*Rebecca Rebholz (WI)* Attachment 2
3. Discuss Formation of a SME Group to Address the Federal Government’s New Rules Limiting the Duration of Short-Term, Limited Duration Medical Plans to 90 Days With a Month Extension – Randy Helder (NAIC)

STLDI Final Rule Considerations for States

<https://www.shvs.org/short-term-limited-duration-insurance-final-rule-considerations-for-states/>

4. Consider the Removal of the Duplicate Data Elements in the Market Conduct Annual Statement (MCAS) Short-Term, Limited Duration (STLD) Blank
—*Rebecca Rebholz (WI)*
A. Data Elements 64 and 74
B. Data Elements 69 and 75 Attachments 3 & 4

5. Consider the Removal of the Duplicate Data Elements in the MCAS Other Health Blank— *Rebecca Rebholz (WI)*
A. Data Elements 67 and 71
B. Data Elements 51 and 90 Attachments 5 & 6

6. Consider the Proposed Clarification of MCAS Home and Auto Definition of Lawsuit — *Rebecca Rebholz (WI)* Attachment 7

7. Consider the Proposed Edits to the Definition of External Replacement of Affiliated Company Policies in the MCAS Life and Annuity Blanks — *Rebecca Rebholz (WI)* Attachment 8

8. Hear an Update From the Subject Matter Expert (SME) Group Formed to Discuss Possible Edits to the Definition of Accelerated Underwriting for Clarification Purposes— *Rebecca Rebholz (WI)*

9. Hear an Update on the Formation of a SME Group to Discuss Needed Pet Insurance MCAS Clarifications—*Randy Helder (NAIC)*
A. Reporting of Partial Payment
B. Reporting of “Right to Review” data

10. Discuss Any Other Matters Brought Before the Working Group—*Rebecca Rebholz (WI)*

11. Adjournment

Placeholder

Market Conduct Annual Statement (MCAS) Blanks (D) Working Group Meeting Minutes from April 2, 2024

The meeting minutes are currently being reviewed for errors and will be added when the editing is complete.

Draft: 4/26/2024

Market Conduct Annual Statement Blanks (D) Working Group
E-Vote
April 19, 2024

The Market Conduct Annual Statement (MCAS) Blanks (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee conducted an e-vote that concluded April 19, 2024. The following Working Group members participated: Rebecca Rebholz, Chair (WI); Sheryl Parker (FL); Erica Weyhenmeyer (IL); Lori Cunningham (KY); Mary Lou Moran (MA); Raymond Guzman (MD); Jeff Hayden (MI); Julie Hesser (MO); Robert McCullough (NE); Guy Self (OH); Karen Veronikis (PA); Rachel Moore (SC); Shelli Isiminger (TN); Shelley Wiseman (UT); Melissa Gerachis (VA); John Kelcher (WA); Letha Tate (WV).

1. Adopted the Proposed Grammatical Changes to the MCAS Life and Annuity Definition of AU

The existing definition of accelerated underwriting (AU) does not read as a complete sentence. The proposed additions to the definition do not change the substance of the definition but serve to make the definition more grammatically correct.

The grammatical change was first exposed to the MCAS Blanks (D) Working Group during its April 2, 2024, MCAS meeting. A subject matter expert (SME) group consisting of regulators, industry representatives, and NAIC staff met April 16, 2024, to review the change. The SME group is in agreement with the proposed edits.

The current definition of MCAS AU is “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; including when used in combination with Application Data or Medical Data.”

The proposed definition of MCAS AU is “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.”

A quorum of the Working Group members voted in favor of adopting the motion, which will allow for the grammatical changes to be made to the definition of AU on the MCAS life and annuity blanks. The motion passed.

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

SharePoint/Market Regulation – Home/D Working Groups/MCAS Blanks WG (TES)/2024 MCAS Blanks WG/WG Mtg 0501

NAIC USE ONLY

Proposal Submission Date: 2/29/2024	
Proposed Effective Data Year for Reporting: 2024 Data Year	
Proposed <input checked="" type="checkbox"/> Substantive Change <input 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 checked="" type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input checked="" type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date 4/3/2024 <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	Form updated with recommendation on 4/18/2024.

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
Phone Number	608-264-8111
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 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. **Recommendation:** Delete data element #64. Removing data element #64 will create more consistent wording throughout the entire MCAS STLD Blank.

#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.

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:

Click or tap here to enter text.

NAIC USE ONLY

Proposal Submission Date: 2/29/2024	
Proposed Effective Data Year for Reporting: 2024 Data Year	
Proposed <input checked="" type="checkbox"/> Substantive Change <input 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 checked="" type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input checked="" type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date 4/3/2024 <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	Form updated with recommendation on 4/18/2024

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
Phone Number	608-264-8111
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 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.

Recommendation: Delete data element #69. Removing data element #69 will create more consistent wording throughout the entire MCAS STLD Blank.

#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.

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: 2/29/2024	
Proposed Effective Data Year for Reporting: 2024 Data Year	
Proposed <input checked="" type="checkbox"/> Substantive Change <input 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 checked="" type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input checked="" type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date 4/3/2024 <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	Form updated with recommendation on 4/18/2024.

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
Phone Number	608-264-8111
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 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. **Recommendation:** Delete data element #71. Removing data element #71 will create more consistent wording throughout the entire MCAS STLD Blank.

#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.

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: 3/19/2024	
Proposed Effective Data Year for Reporting: 2024 Data Year	
Proposed <input checked="" type="checkbox"/> Substantive Change <input 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 checked="" type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input checked="" type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date 4/3/2024 <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	Form updated with recommendation on 4/18/2024.

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
Phone Number	608-264-8111
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 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.

Recommendation: Keep both data elements for this reporting period. The intent of the two data elements was to produce the same data, the reporting fits well into both of the current reporting sections. Instead of removing one data element now, review the submitted 2023 data that is reported, then determine if one of the data elements should be removed. Recommend creating a Subject Matter Expert (SME) Group to review the

Policy/Certificate Administration and Marketing and Sales sections of the MCAS Other Health Blank. SMEs can review the two sections to determine if there are data elements that can be changed (wording), removed or combined. Changes would be implemented for the 2026 data reporting year if approved by the MCAS Blanks WG by 6/1/25.

PROVIDE THE REASON FOR THE CHANGE:

Identify duplicate data elements and remove the duplicate.

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:

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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Proposal Submission Date: 2/28/2024	
Proposed Effective Data Year for Reporting: 2025 Data Year	
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
Name of Organization	Rhode Island Insurance Division
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

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.