NAIC USE ONLY

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| Proposal Submission Date: 4/26/2023 | |
| Proposed Effective Data Year for Reporting: 2025 Data Year | |
| Proposed  Substantive Change  Non-Substantive Change/Clarification | |
| Proposal Number | 2023.1 |
| Proposal Status | All Submissions  Received – Date 4/26/2023  Accepted  Rejected by MCAS Blanks WG Chair  Posted to Web Page for Public Exposure/Comment – Date Click or tap to enter a date.  Referred to Another NAIC Group – Date Click or tap to enter a date.  – Name of Group Click or tap here to enter text.  Adopted  Modified  Rejected  Deferred by WG – Date Click or tap to enter a date.  Substantive Revisions  Adopted  Rejected by D Committee – Date Click or tap to enter a date.  Adopted  Rejected by EX/Plenary – Date Click or tap to enter a date.  Other – Date Click or tap to enter a date. Specify Click or tap here to enter text. |
| NAIC Staff Input | Teresa Cooper / Hal Marsh |

Proposal Contact Information

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| --- | --- |
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| Affiliation Type | State Regulator  NAIC Staff  Other Regulator  Reporting Company  Industry Trade Association  Consumer Representative  Other |

PROPOSAL IS FOR:  Data Element  Data Definitions  Data Validation

APPLICABLE LINE(S) OF BUSINESS:

|  |  |  |
| --- | --- | --- |
| Annuity | Lender Placed Auto and Home | Private Flood |
| Disability Income | Life | Private Passenger Auto |
| Health | Long-Term Care | Travel |
| Homeowners | Other Health | STLD |

PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

Proposed data element wording changes for Homeowners and Private Passenger Auto (no new elements are proposed):

2-33 Number of claims closed in your system with the date of final payment within 0-30 days

2-34 Number of claims closed in your system with the date of final payment within 31-60 days

2-35 Number of claims closed in your system with the date of final payment within 61-90 days

2-36 Number of claims closed in your system with the date of final payment within 91-180 days

2-37 Number of claims closed in your system with the date of final payment within 181-365 days

2-38 Number of claims closed in your system with the date of final payment beyond 365 days

2-39 Number of claims closed in your system without payment within 0-30 days

2-40 Number of claims closed in your system without payment within 31-60 days

2-41 Number of claims closed in your system without payment within 61-90 days

2-42 Number of claims closed in your system without payment within 91-180 days

2-43 Number of claims closed in your system without payment within 181-365 days

2-44 Number of claims closed in your system without payment beyond 365 days

PROVIDE THE REASON FOR THE CHANGE:

It has been observed the P&C companies differ in how and when they close claims within their systems, and depending upon their process, their MCAS data may appear to show claims processing issues which may or may not be accurate. The definitions for Date of Final Payment and Median Days to Final Payment differ on when to report a claim as closed, which may be confusing for companies. The Date of Final Payment definition says to report a claim as closed only when it has been closed in the company’s claims system. The definition of Median Days to Final Payment says to report a claim as closed once final payment has been made.

“Closed in the system” date should be used to determine which claims to report because companies often leave claims open for different lengths of time after they make a final payment. This date, “closed in the system,” is a definite event that is easily counted in each reporting period. Once counted as a closed claim, companies sort those claims by how long it took (the company) to make the final payment. The count of claims closed is definite, and the time to make a decision to pay can be fairly compared between companies and can be trended over years.

The proposed data element wording changes would encourage companies to review the definition of “Date of Final Payment” and read the clarification and example. The definition, clarification and example below are taken from the Data Call and Definition documents for the Homeowners and Private Passenger Auto lines of business and provided here to provide a full view of the information made available to companies for the reporting of these claims.

Date of Final Payment – The date final payment was issued to the insured/claimant.

Calculation Clarification:

• If partial payments were made on the claim, the claim would be considered closed with payment if the final payment was made during the reporting period regardless of the date of loss or when the claims was received.

• Report a claim as “closed with payment” or “closed without payment” if it is closed in the company’s claims system during the reporting period (even if the final payment was issued in a prior reporting period.)

• If a claim remains open at the end of the reporting period (even though a final payment has been issued) it should be reported as open. Only when the claim is closed in the company’s claims system, would you report the days to final payment.

Example:

• A claim is open on 11/1/00 and final payment is made on 12/1/00. The claim is left open until 2/1/01 to allow time for supplemental requests.

o The claim would be reported as open in the “00” MCAS submission and closed in the “01” MCAS submission.

o The number of days to final payment would be calculated as 30 days and reported in the “01” MCAS submission.

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.