

## Market Conduct Annual Statement

### Life & Annuities Data Call & Definitions

**Lines of Business:** Individual Life Cash Value Products  
 Individual Life Non-Cash Value Products  
 Individual Fixed Annuities  
 Individual Variable Annuities

**Reporting Period:** January 1, 2020 through December 31, 2020

**Filing Deadline:** April 30, 2021

#### Contact Information

MCAS Administrator	The person responsible for assigning who may view and input company data.
MCAS Contact	The person most knowledgeable about the submitted MCAS data. This person can be the same as the MCAS Administrator.
MCAS Attestor	The person who attests to the completeness and accuracy of the MCAS data.

#### Life and Annuity Product Types

Product Identifiers	Explanation of Product Identifiers
ICVP	Individual Life Cash Value Products (Includes Variable Life, Universal Life, Variable Universal Life, Term Life with Cash Value, Whole Life, & Equity Index Life)
INCVP	Individual Life Non-Cash Value Products (Any life insurance policy that does not contain a cash value element)
IFA	Individual Fixed Annuities (Includes Equity Index Annuity Products)
IVA	Individual Variable Annuities

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**Schedule 1A—Life Interrogatories**

<b>ID</b>	<b>Description</b>	<b>Comments</b>
1A-01	Individual Life Cash Value – Does the company have data to report for this product type?	Yes/No
1A-02	Individual Life Non-Cash Value – Does the company have data to report for this product type?	Yes/No
1A-03	Is there a reason that the reported Individual Life Cash Value information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business; shifting market strategies; underwriting changes, etc.)	Yes/No
1A-04	If yes, add additional comments	Comment
1A-05	Is there a reason that the reported Individual Life Non-Cash Value information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business; shifting market strategies; underwriting changes, etc.)	Yes/No
1A-06	If yes, add additional comments	Comment
1A-07	Individual Life Cash Value comments	Comment
1A-08	Individual Life Non-Cash Value comments	Comment

**Schedule 1B—Individual Life Cash Value (ICVP) and Non-Cash Value (INCVP) Products**

<b>ID</b>	<b>Description</b>
1B-09	Number of New Replacement Policies Issued During the Period (Include only the number of replacement insurance policies issued)
1B-10	Number of Internal Replacements Issued During the Period
1B-11	Number of External Replacements Issued During the Period
1B-12	Number of Policies Replaced Where Age of Insured at Replacement was <65 (Only applies to ICVP)
1B-13	Number of Policies Replaced Where Age of Insured at Replacement was Age 65 and Over (Only applies to ICVP)
1B-14	Number of Policies Surrendered Under 2 Years from Policy Issue (Only applies to ICVP)
1B-15	Number of Policies Surrendered Between 2 Years and 5 Years of Policy Issue (Only applies to ICVP)
1B-16	Number of Policies Surrendered Between 6 Years and 10 Years of Policy Issue (Only applies to ICVP)
1B-17	Total Number of Policies Surrendered During the Period (Only applies to ICVP)
1B-18	Number of Policies Issued During the Period where age of insured at issue was <65 (Only applies to ICVP)

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1B-19	Number of Policies Issued During the Period where age of insured at issue was Age 65 and over (Only applies to ICVP)
1B-20	Total Number of New Policies Issued by the Company During the Period
1B-21	Number of Policies Applied for During the Period
1B-22	Number of Free Looks During the Period
1B-23	Number of Policies In-Force at the End of the Period (The number of active policies that the company has outstanding at the end of the reporting period)
1B-24	Dollar Amount of Direct Premium During the Period
1B-25	Dollar Amount of Insurance Issued During the Period (Face Amount)
1B-26	Dollar Amount of Insurance In-Force at the End of the Period (Face Amount)
1B-27	Number of Complaints Received Directly from Any Person or Entity Other than the DOI
1B-28	Number of Death Claims Closed With Payment, During the Period, Within 30 Days From the Date the Claim was Received (Include claims where the final decision was payment in full, and full payment was made within 30 days from when the claim was received)
1B-29	Number of Death Claims Closed With Payment, During the Period, Within 31-60 Days From the Date the Claim was Received (Include claims where the final decision was payment in full, and full payment was made within 31-60 days from when the claim was received)
1B-30	Number of Death Claims Closed With Payment, During the Period, Beyond 60 Days From the Date the Claim was Received (Include claims where the final decision was payment in full, and full payment was NOT made within 60 days from when the claim was received)
1B-31	Number of Death Claims Closed With Payment, During the Period, Within 30 Days From the Date of Due Proof of Loss (Include claims where the final decision was payment in full, and full payment was made within 30 days from when the date of due proof of loss occurred)
1B-32	Number of Death Claims Closed With Payment, During the Period, Within 31-60 Days From the Date of Due Proof of Loss (Include claims where the final decision was payment in full, and full payment was made within 31-60 days from when the date of due proof of loss occurred)
1B-33	Number of Death Claims Closed With Payment, During the Period, Beyond 60 Days From the Date of Due Proof of Loss (Include claims where the final decision was payment in full, and full payment was NOT made within 60 days from when the date of due proof of loss occurred)
1B-34	Number Of Death Claims Denied, Resisted or Compromised During The Period
1B-35	Number of Death Claims Closed With Payment During the Period, Which Occurred Within the Contestability Period
1B-36	Number of Death Claims Denied During the Period, Which Occurred Within the Contestability Period
1B-37	Total Number of Death Claims Received During the Period (Include any claim received during the period as determined by the first date the claim was opened on the company system)

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**Schedule 2A—Annuity Interrogatories**

ID	Description	Comments
2A-01	Individual Fixed Annuities – Does the company have data to report for this product type?	Yes/No
2A-02	Individual Variable Annuities – Does the company have data to report for this product type?	Yes/No
2A-03	Is there a reason that the reported Individual Fixed Annuities information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business; shifting market strategies; underwriting changes, etc.)	Yes/No
2A-04	If yes, add additional comments	Comment
2A-05	Is there a reason that the reported Individual Variable Annuities information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business; shifting market strategies; underwriting changes, etc.)	Yes/No
2A-06	If yes, add additional comments	Comment
2A-07	Individual Fixed Annuities comments	Comment
2A-08	Individual Variable Annuities comments	Comment

**Schedule 2B—Individual Fixed Annuity (IFA) and Individual Variable Annuity (IVA) Products**

ID	Description
2B-09	Number of New Replacement Contracts Issued During the Period (Include only the number of replacement annuity contracts issued)
2B-10	Number of Internal Replacement Contracts Issued During the Period
2B-11	Number of External Replacement Contracts Issued During the Period
2B-12	Number of Contracts Replaced Where Age of Annuitant at Replacement was < 65
2B-13	Number of Contracts Replaced Where Age of Annuitant at Replacement was 65 to 80
2B-14	Number of Contracts Replaced Where Age of Annuitant at Replacement was > 80
2B-15	Number of New Immediate Contracts Issued During the Period
2B-16	Number of New Deferred Contracts Issued During the Period Where Age of Annuitant was < 65
2B-17	Number of New Deferred Contracts Issued During the Period Where Age of Annuitant was 65 to 80
2B-18	Number of New Deferred Contracts Issued During the Period Where Age of Annuitant was > 80
2B-19	Total Number of New Deferred Contracts Issued By the Company During the Period
2B-20	Number of Contracts Surrendered Under 2 Years from Issuance

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2B-21	Number of Contracts Surrendered Between 2 Years and 5 Years of Issuance
2B-22	Number of Contracts Surrendered Between 6 years and 10 Years of Issuance
2B-23	Total Number of Contracts Surrendered During the Period
2B-24	Number of Contracts Applied for During the Period
2B-25	Number of Free Looks During the Period
2B-26	Number of Contracts In-Force at the End of the Period (The number of active contracts that the company has outstanding at the end of the reporting period)
2B-27	Dollar Amount of Annuity Considerations During the Period
2B-28	Number of Complaints Received Directly From Any Person or Entity Other than the DOI

In determining what business to report for a particular state, all companies should follow the same methodology/definitions used to file the Financial Annual Statement (FAS) and its corresponding state pages and in accordance with each applicable state’s regulations.

**Definitions:**

**Annuity** – A contract under which an insurance company promises to make a series of periodic payments to a named individual in exchange for a premium or a series of premiums. Data is being requested for individual annuities only; data for group annuity contracts are not being requested.

**Annuity Considerations** – Funds deposited to or used to purchase annuity contracts issued by the company. For the purpose of this statement, annuity considerations should be determined in the same manner used for the state pages of the company's financial annual statement. Do not report “Other Considerations” or “Deposit-Type Contract” considerations. MCAS requires that you report only allocated considerations on contracts that have a mortality or morbidity risk.

**Cash Value Product** – A life insurance policy that generates a cash value element. Term life policies with cash value are considered cash value products.

**Claim** – A request or demand for payment of a loss that may be included within the terms of coverage of an insurance policy. Claims with multiple beneficiaries should be counted as one claim. If a single insured dies and has multiple policies (for individual life products), a claim should be reported for each of the insured’s policies (for example, if an insured had 3 individual life policies (2 cash value products and one non-cash value product), 3 claims would be reported (2 claims under schedule 1B ICVP and 1 claim under schedule 1B INCVP.)

It does not include events that were reported for “information only” or an inquiry of coverage since a claim has not actually been presented (opened) for payment.

**Claim Closed with Payment** – A claim where the final decision was payment of the claim.

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**Complaint** – any written communication that expresses dissatisfaction with a specific person or entity subject to regulation under the state's insurance laws. An oral communication, which is subsequently converted to a written form in order to be analyzed and acted upon, will meet the definition of a complaint for this purpose.

Include:

- Any complaint regardless of the subject of the complaint (claims, underwriting, marketing, etc.)
- Complaints received from third parties

**Contestability Period** – The period of time before a policy's incontestability clause becomes effective. During this period, a company may contest a claim based upon material misrepresentation or concealment during the policy application process. The contestability period is usually 2 years.

- Do not report claims on guaranteed issue life policies
- Do not report claims that are contested after the incontestability clause is in effect.

**Conversion** – The process by which a policyholder exercises his/her right under the policy contract to exchange a policy without submitting evidence of insurability. In most cases this involves exchanging a term policy for a permanent policy (e.g., whole life insurance, universal life, variable.)

**Corporate Owned Life Insurance** – Insurance on the life of an individual, paid for by the company, with the company being a beneficiary under the policy. Corporate Owned Life Insurance policies are included in the scope of this statement and should be reported in the applicable schedule.

**Date Claim Received** – The date the company, or a third party acting on the company's behalf, is notified of the claim.

**Date of Due Proof of Loss** – The date the company received the necessary proof of loss on which to base a claim determination.

**Denied Claim** - A claim where a demand for payment was made but payment was not made under the contract.

**Direct Written Premium** – The actual amount of direct premiums written during the reporting period and should be determined in the same manner used for the financial annual statement. Data for subject business reported by the company on the financial annual statement should be reported for the purposes of this project regardless of any 1) reinsurance agreements or 2) arrangements to administer the business that may exist with another insurer. (See also: "Life Insurance Premium" and "Annuity Considerations")

**External Replacement** - An external replacement is when the policy and/or annuity to be replaced was issued by another company.

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**Face Amount** – Sum of insurance provided by a policy at death or maturity. In determining the face amount to be reported, companies should follow the same methodology/definitions used to file the financial annual statement and its corresponding state pages. For example, the face amount would include the basic policy plus any riders or amounts for policies with increasing death benefits if these amounts in addition to the basic policy are reported on the company's financial annual statement.

**Fixed Annuity** – An annuity under which the insurer guarantees that at least a defined amount of monthly annuity benefit will be provided for each dollar applied to purchasing the annuity.

**Free Look** – A set number of days provided in an insurance or annuity contract that allows time for the purchaser to review the contract provisions with the right to return the contract for a full refund of all monies paid. Report the number of policies or contracts that were returned by the owner under the free look provision during the period, regardless of the original issuance date. Count any policy returned under the Free Look provision even if an alternative policy was ultimately purchased by the insured.

**Immediate Annuity** – An annuity (either fixed or variable) that begins its payment stream to the policyholder within 12 months after a single premium is paid. Immediate annuities are included within the scope of this statement and should be reported as a new immediate contract issued when issued during the reporting period. In addition, immediate annuities still in force at the end of the period should be included as well.

**Internal Replacement** - An internal replacement is when the policy and/or annuity to be replaced was also issued by your company.

**Issued During the Period** - Report the number of policies that have an issue date within the reporting period.

- When reporting the policies/contracts that are broken out by the age of the insured or annuitant
  - for joint policies/contracts, use the age of the oldest insured or annuitant for determining the age category
- Internal and external replacements should be reported as new policies or contracts issued during the reporting period as well as reported in the number of internal and external replacements.

**Life Insurance Premiums** – Funds used to purchase life insurance products issued by the company. Exclude Group Life and Credit Life premiums. For the purpose of this statement, life insurance premiums should be determined in the same manner used for the state pages of the company's financial annual statement.

**NAIC Company Code** – The five-digit code assigned by the NAIC to all U.S. domiciled companies which file a Financial Annual Statement with the NAIC.

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**NAIC Group Code** – The code assigned by the NAIC to identify those companies that are a part of a given holding company structure. A zero indicates that the company is not part of an insurance holding company.

**Non-Cash Value Product** – A life insurance policy that does not contain a cash value element. Do not include life insurance covering only Accidental Death and Dismemberment (AD&D.)

**Policies/Contracts Applied For** – Applications for life insurance or annuities that are submitted to the company which have or will result in a formal offer of an insurance or annuity contract or a formal declination of the application by the company. Applications that are declined by a broker-dealer or producer and never reviewed by the company are not included in this count.

**Replacement Policy** – A policy and/or annuity contract application received by your company that is intended to replace an existing policy and/or annuity contract according to each state's definition of a replacement. This may include both external and internal replacements according to each state's replacement law.

Include:

- loan purchases, if the original policy is surrendered,
- surrenders, if a replacement policy is issued in conjunction with the surrender
- 1035 exchanges

Do not include:

- policy conversions
- exchanges of a group policy for an individual policy

**Resisted Claim** – A claim is considered resisted when it is in dispute and not resolved on the financial statement date for the reporting period. Where the company is holding up payment for sufficient evidence or where a beneficiary has made a claim and then withdraws it, such items should be considered as in the course of settlement.

**Surrendered Policy/Contract** – A life insurance policy or annuity contract terminated at the request of the policy owner. It does not include life insurance policies or annuity contracts not taken or cancelled during the free look period. For annuities, systematic withdrawals (the withdrawal of a certain amount on a predetermined periodic basis for deferred annuities) and partial withdrawals should not be reported as "surrenders" for this statement.

**Term Life Insurance** – Life insurance that provides a death benefit if the insured dies during the specified period.

**Universal Life Insurance** – A form of whole life insurance that is characterized by flexible premiums, flexible face amounts and flexible death benefit amounts and its unbundling of the pricing factor.



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**Variable Annuity** – An annuity under which the amount of the contract’s accumulated value and the amount of the monthly annuity benefit payment fluctuate in accordance with the performance of a separate account.

**Variable Life Insurance** – A form of whole life insurance under which the death benefit and the cash value of the policy fluctuate according to the investment performance of a separate account.

**Variable Universal Life Insurance** – A form of whole life insurance that combines the premium and death benefit flexibility of universal life insurance with the investment flexibility and risk of variable life insurance.

**Withdrawal** – For annuity contracts, see Surrendered Policy/Contract.

**Whole Life Insurance** – Life insurance that provides lifetime insurance coverage. Whole life insurance policies generally build cash value and cover a person for as long as he or she lives if premiums are paid as required. It would include life insurance policies that start accumulating cash value once the insured reaches a certain age as specified in the terms of the policy.