

2024 Mortality Data Collection Kick-off

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Agenda

- Recap of Previous Mortality Experience Data Collections
- 2024 Data Collection – Key Dates and Changes
- Flow Chart of the RDC Data Collection / File Review Process
- Submitting Data
- NAIC Feedback
- Submission Checklist
 - Data File
 - VM-51 Appendices Questionnaires
 - VM-50 Additional Required Documents
- Resources On The NAIC Website

Recap of Previous Mortality Experience Data Collections

Observation Years 2018 and 2019

- The NAIC provided an aggregate data file to the SOA for observation years 2018 and 2019.
- Significant work has been done by both the NAIC and the SOA to review this aggregate file.
- These files have been compared to data collected for prior observation years. Also, predictive analytics have been used to look for anomalies within the data.
- The file is now in the final stages of the review process with the SOA.

Recap of Previous Mortality Experience Data Collections

Observation Year 2020

- NAIC staff is currently working with companies to complete the review of their observation year 2020 data.
 - In some cases, a resubmission is needed to correct the data.
- In some cases, we only need to receive the company's sign off for their A/E ratios.
 - Just as for the 2018 and 2019 observation years, each company must review their A/E and state that it looks reasonable in order for their data to be used in the aggregate file by the SOA.
- Once A/E sign-off is received from all submitting companies, the NAIC will prepare an aggregate file for the SOA.

Recap of Previous Mortality Experience Data Collections

Observation Year 2021

- NAIC staff is in the process of reviewing the most recent data submissions from all companies.
 - If you have not received feedback on your last submission, you should be receiving it in the near future.
- NAIC will keep the RDC data call for observation year 2021 open in the event that a resubmission of data is warranted.
- For this observation year, we have provided A/E ratios as part of the standard validation package. If you have not confirmed the reasonableness of your A/E ratios, please review this document and either sign off or let us know if you have any concerns or questions.

2024 Mortality Experience Data Collection

Observation Years 2022 and 2023

- A *Valuation Manual* amendment last year shortened the lag time for the data collection from two years to one year. As a result, this year's data collection will be covering both 2022 and 2023 observation years. Please note that each year must be in a separate file.
- The data collection will begin in early July 2024. A blast email will be sent to all submitting companies when RDC is opened for this year's collection.
- The due date for initial company data submissions is September 30, 2024.
- The due date for final (corrected) company data submissions is February 28, 2025.

2024 Mortality Experience Data Collection

SharePoint Site

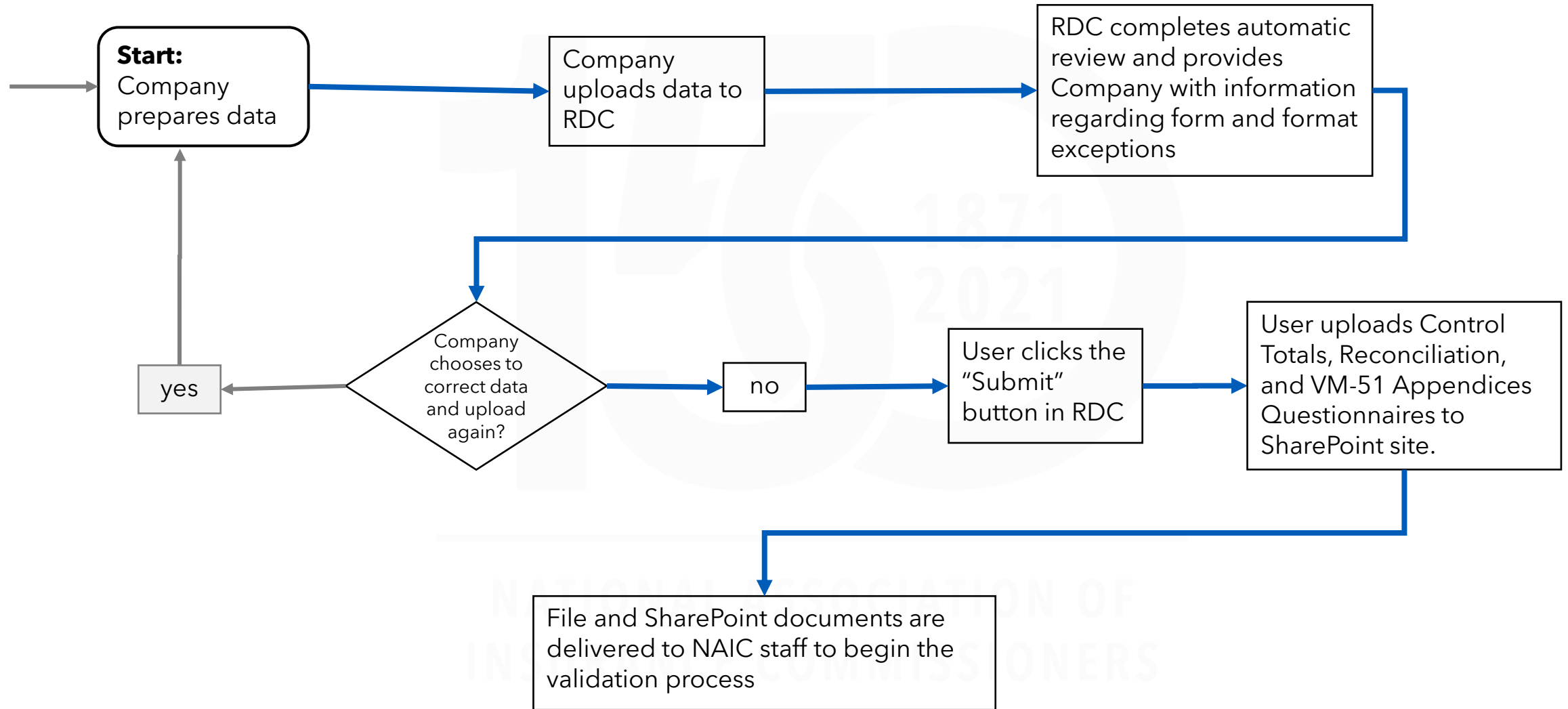
- The NAIC is migrating away from the current FTP site and is setting up a SharePoint site.
- The new site will be a more robust platform for sharing data as well as providing a place to post global notices that apply to all submitting companies.
- NAIC staff is preparing a separate training video on how to use this new site. It will be made available prior to the site going live.

2024 Mortality Experience Data Collection

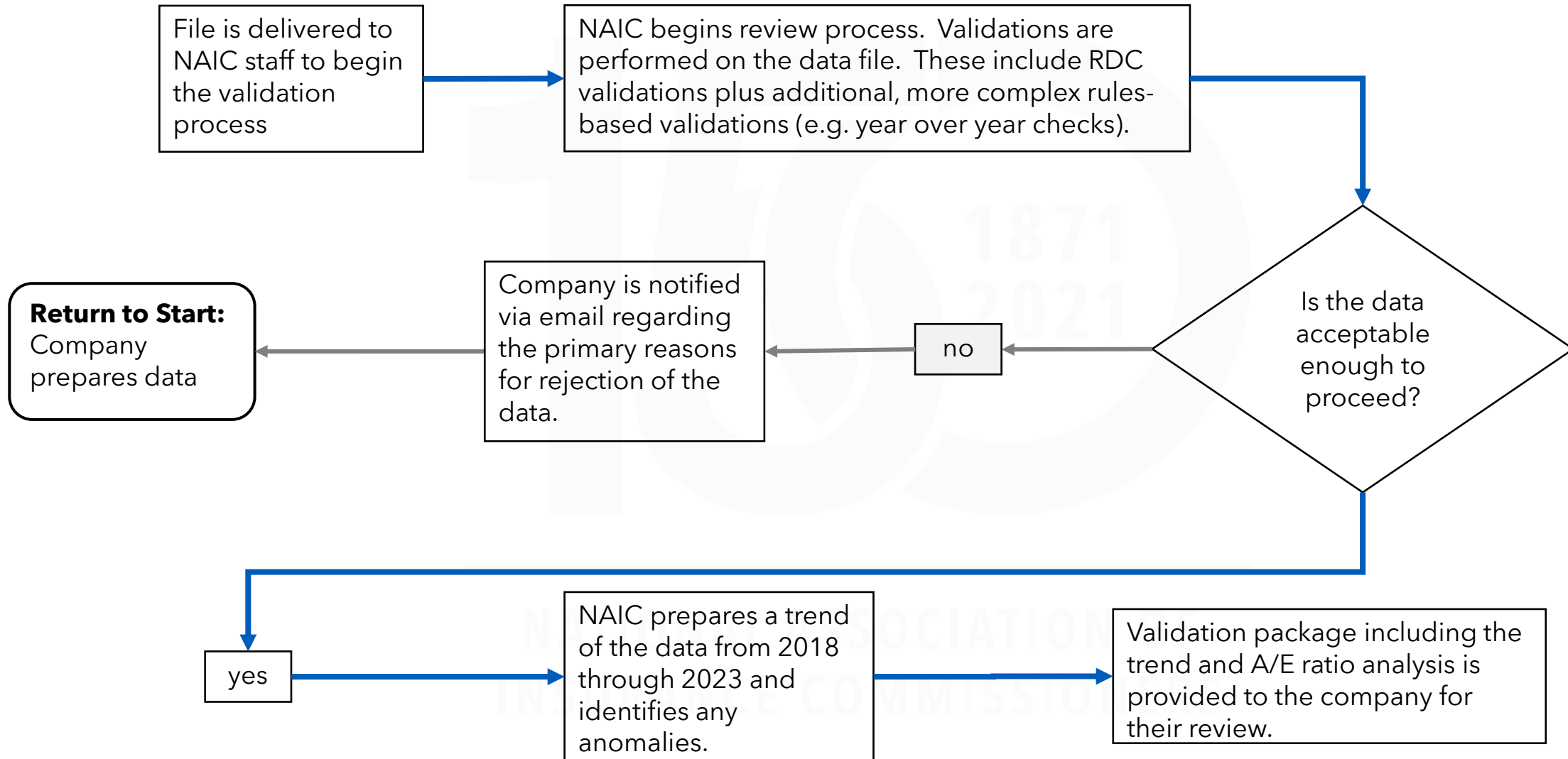
SharePoint Site (continued)

- We are currently testing the SharePoint site to ensure that all company data is secure and remains confidential.
- Once testing is complete, we will post the training video on our website regarding how to use the new site.
- Users will be notified via email once they have been given access to SharePoint. Once all users have been added, the FTP site will be shut down. We will be sending an email to all submitting companies to let them know the timing of the shut down.

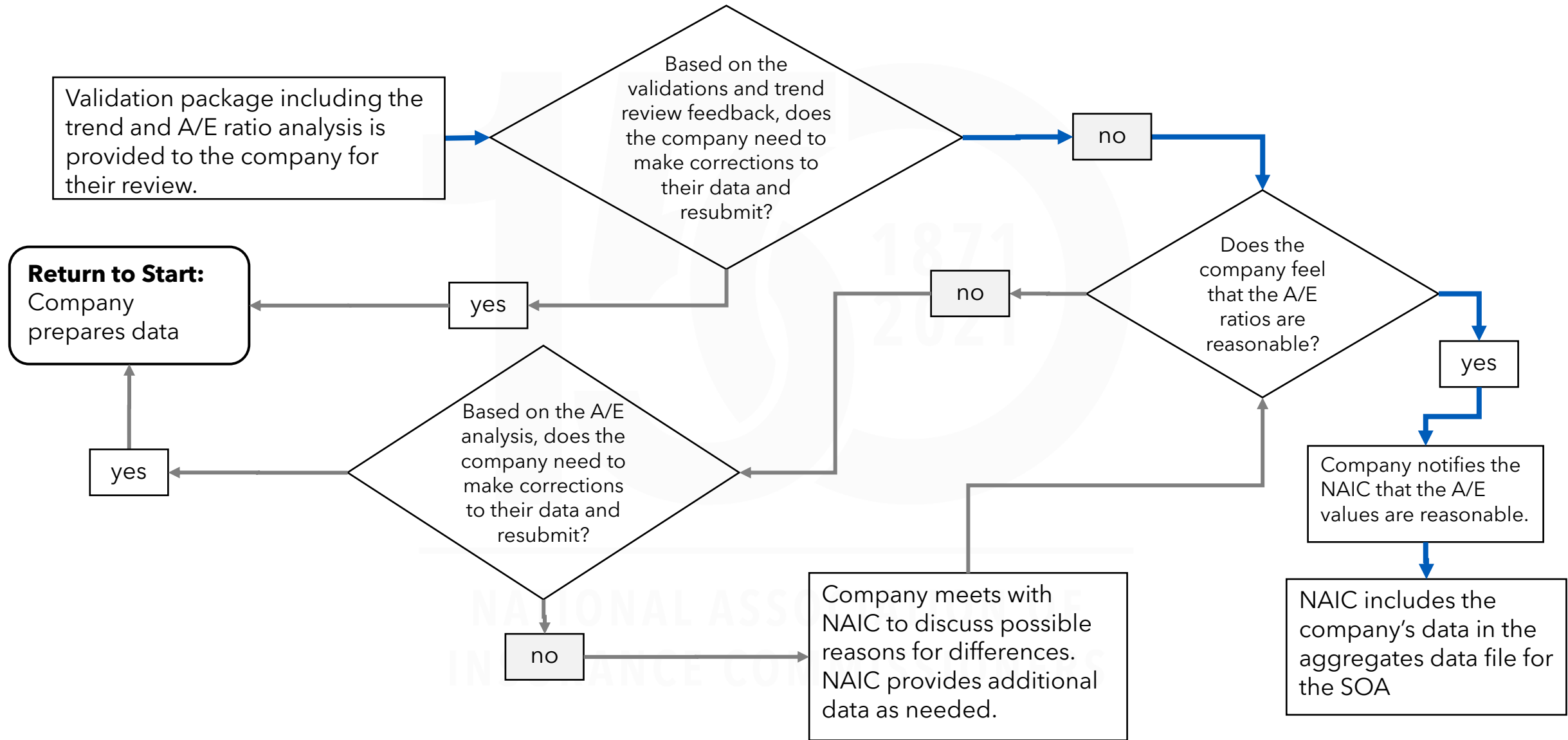
Flow Chart of the Data Collection Process (Part 1 - RDC Data Submission):



Flow Chart of the Data Collection Process (Part 2 - NAIC Validation & Review):



Flow Chart of the Data Collection Process (Part 3 - Company Response to NAIC Feedback):



2024 Mortality Experience Data Collection

Submitting Data

- Data files must be submitted using the NAIC's Regulatory Data Collection (RDC) system. Make sure to click the "Submit" button when you are ready to officially submit your data. NAIC staff is unable to access your data file until you do this.
- All other documents must be submitted using the new SharePoint site. This includes the Control Totals, Reconciliation, and VM-51 Appendix 1-2 Questionnaires (Appendix 3 is also required if the company has defined custom plan codes). Also, communications & feedback regarding the company's data should be shared using this site.
- If you encounter problems using either the RDC system or the SharePoint site, please email us directly at experience_reporting@naic.org. Questions submitted to the NAIC help desk have to be routed to our group, which can cause delays.

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Feedback from NAIC

- As in the past, the NAIC will perform validation checks and provide a feedback package for the company's review.
- Last year we began preparing a trend spreadsheet to show the distribution of various fields over the four years that NAIC had been collecting data.
 - This year's spreadsheet will include six years of data (2018 – 2023).
 - We are also expanding the spreadsheet to include additional data such as total & average face amount.
- Companies are required to respond to critical validation exceptions and any questions that are posed by NAIC staff in the trend spreadsheet.

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Submission Check List – Data File

- Was the file prepared consistent with the specifications & field definitions found in VM-51 Appendix 4?
 - If the file format is incorrect RDC will reject the file.
- Did I make sure the file did not contain header records?
 - If the file contains header records RDC will reject the file.
- Is each observation year in a separate file?
 - RDC will only allow one observation year per file. There will be a separate data call set up for each observation year.

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Submission Check List – Data File

- Are the segment numbers consistent with the previous year's data file?
 - In order for the NAIC to perform year over year validity checks, the segment numbers must remain consistent. For example, if segment 2 terminated last year, do not renumber the segments.
- Are all the fields coded consistently with the previous year's data file?
 - NAIC staff have seen numerous situations where the coding of the fields changed from year to year. Some examples include: preferred indicator previously coded as 0 but current year is blank; current year's file indicates all policies are substandard; changes in the underwriting type for a given policy.

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Submission Check List – Data File

- Did I use the Paid-Up Addition (PUA) and One-Year Term (OYT) plan codes if applicable?
 - New plan codes for these coverages purchased with dividends were introduced for observation year 2020 as optional. They became mandatory for observation year 2021.
- Did I code the PUA's and/or OYT's with the same issue date and underwriting type as the base coverage?
 - Last year, the NAIC introduced new guidance regarding these type of coverages. The current direction is that these should be consistent with the policy base coverage. Do not code these as being issued in the observation year.

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Submission Check List – Data File

- Did I use Death due to COVID-19 cause of termination where appropriate?
 - A new termination code for COVID deaths was introduced for observation year 2020 as optional. Identifying this cause of death became mandatory for observation year 2021.
- Have I coded the preferred class structure fields correctly?
 - This topic was covered extensively in last year's training. There is also additional guidance and examples available in this year's data dictionary on the NAIC website.

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Submission Check List – Data File

- Have I checked for duplicate records?
 - A unique record in the data file is defined by the fields:
 - Submitting Company ID
 - NAIC Company Code of the Direct Writer of Business
 - Observation Year
 - Policy Number
 - Segment Number.
 - If any two (or more) policies have all these fields in common, they will be flagged as duplicates and rejected.
 - If a policy goes on Reduced Paid Up or Extended Term, the new coverage should be in segment 1 as an active coverage. The previous coverage (if available) should be coded with a later segment number (we recommend using 101) and should be coded as terminated.

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Submission Check List – Data File

- Did I submit my data file using the Regulatory Data Collection (RDC) tool found on the NAIC's website?
 - The RDC tool will give feedback on form and format validations.
 - The SharePoint site should only be used for data files in unique situations and at the instruction of the NAIC.
 - Once the file has been uploaded and validations reviewed, remember to hit the “Submit” button. NAIC staff is unable to access your data until you do this.

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Submission Check List – VM-51 Appendices

- Have VM-51 Appendix 1 and 2 Questionnaires been prepared and submitted for the current year?
 - Templates for these questionnaires are available on the NAIC website for your convenience.
- If the company is using custom plan codes, has VM-51 Appendix 3 questionnaire been prepared and submitted for the current year?
 - This questionnaire is only required if the company is using custom plan codes.
- These documents are required to be submitted at least once each year.
- They must be uploaded to the company's folder on the SharePoint site.

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Submission Check List – VM 50 Control Totals and Reconciliation

- Has a control totals document been prepared and submitted for the current submission?
- Has a reconciliation to the company's annual statement been prepared and submitted for the current submission?
- VM-50 (Section 4.B.2 and 4.B.3) specifies that these documents are required for each data submission.
- They must be uploaded to the company's folder on the SharePoint site.
- Templates for these are available on the NAIC's website for your convenience (use of these templates is optional but highly encouraged).

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After NAIC Provides Feedback - Check List

- Have I downloaded and reviewed all feedback from the NAIC?
 - Six-year trend spreadsheet – have all questions been answered?
 - Submission Summary spreadsheet – have all critical validation exceptions been explained?
 - Actual to Expected spreadsheet – have I reviewed the A/E values and are they reasonable?
- Have I uploaded my responses to the SharePoint site?
- Do I need to submit a new data file to correct data issues?

2023 Mortality Experience Data Collection

Resources on the web

https://content.naic.org/pbr_data.htm

(Scroll to the VM-50/VM-51 Experience Reporting section).

- Prior Year's Training Webinars (recordings and slide decks)
- RDC Submission Instructions
- Company Administrator Guide
- Templates for Control Totals, Reconciliation, and VM-51 Appendix Questionnaires
- VM-51 Data Validations
- Data Dictionary

Questions?

If you have any questions regarding this year's data collection, please email experience_reporting@naic.org

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