Virtual Meeting

MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP
Thursday, April 6, 2023
3:00 – 4:00 p.m. ET / 2:00 – 3:00 p.m. CT / 1:00 – 2:00 p.m. MT / 12:00 – 1:00 p.m. PT

ROLL CALL

Erica Weyhenmeyer, Chair Illinois Martin Swanson Nebraska
Rebecca Rebholz, Vice Chair Wisconsin Hermoliva Abejar Nevada
Maria Ailor Arizona Leatrice Geckler New Mexico
Crystal Phelps/Teri Ann Mecca Arkansas Guy Self Ohio
Scott Woods Florida Gary Jones/August Hall/ Pennsylvania
Paula Shamburger/ Georgia Jeffrey Arnold
Elizabeth Nunes Rachel Moore South Carolina
LeAnn Crow Kansas Larry D. Deiter/Candy Holbrook South Dakota
Lori Cunningham Kentucky Shelli Isiminger Tennessee
Dawna Kokosinski Maryland Shelley Wiseman Utah
Mary Lou Moran Massachusetts Melissa Gerachis/Will Felvey Virginia
Jill Anne Huisken Michigan John Haworth Washington
Paul Hanson Minnesota Letha Tate West Virginia
Jennifer Hopper/Teresa Kroll Missouri

NAIC Support Staff: Teresa Cooper/Hal Marsh

AGENDA

1. Discuss Market Conduct Annual Statement (MCAS) Participation Requirements—Erica Weyhenmeyer (IL) Attachment 1

2. Hear a Pet Subject Matter Expert (SME Group Update)—Matt Gendron (RI)

3. Review the Other Health Data Element—Erica Weyhenmeyer (IL) Attachment 2

4. Hear an Update on MCAS Filings—Erica Weyhenmeyer (IL)

5. Discuss Any Other Matters Brought Before the Working Group—Erica Weyhenmeyer (IL)

6. Adjournment
## Participation Requirements and General Information

The Market Conduct Annual Statement (MCAS) is a mandatory filing that collects data on a state-specific, industry-wide basis. Data is collected for the following lines of business based on the stated premium thresholds:

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Premium Threshold</th>
<th>Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability Income</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Health (In-Exchange and Out-of-Exchange)*</td>
<td>$50,000**</td>
<td></td>
</tr>
<tr>
<td>Homeowners</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Individual Annuity (Fixed and Variable)</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Individual Life (Cash Value and Non-Cash Value) – Excluding Credit Life</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Lender-Placed Auto</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Lender-Placed Home</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Long-Term Care Annuity Hybrid</td>
<td>$0 AR - $50,000</td>
<td></td>
</tr>
<tr>
<td>Long-Term Care Life Hybrid</td>
<td>$0 AR - $50,000</td>
<td></td>
</tr>
<tr>
<td>Long-Term Care Stand-Alone</td>
<td>$0 AR - $50,000</td>
<td></td>
</tr>
<tr>
<td>Private Flood</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Private Passenger Auto</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Short-Term Limited Duration Insurance</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>$50,000</td>
<td></td>
</tr>
</tbody>
</table>

* For Tennessee, submission of health MCAS data is voluntary as the Commissioner does not have authority to promulgate rules requiring companies that write accident and health insurance to file an annual statement concerning its market conduct. Tenn. Code Ann. § 56-8-107(c)(1).

** Health has an earned premium threshold.

Companies must participate in this project and report data to each of the following participating states in which the company writes one or more of the lines of business noted above:

- Alabama
- Alaska
- Arizona
- Arkansas
- California
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Florida
- Georgia
- Hawaii
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- Nevada
- New Hampshire
- New Jersey
- New Mexico
- North Carolina
- Ohio
- Oklahoma
- Oregon
- Pennsylvania
- Puerto Rico
- Rhode Island
- South Carolina
- South Dakota
- Tennessee
- Texas
- Utah
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin
- Wyoming

On behalf of the 2022 participating states, the NAIC will send a call letter to each company that may be required to file an MCAS in one or more participating states.

### Additional Information:

- Each company in a holding company system must file separately for each state in which it does business. Data for the members of a group or insurance holding company cannot be combined into a single filing for the purposes of this project. Data must be reported separately for each group member unless it involves only inter-company arbitration.
If your company received a call letter but is currently inactive in all of the states requesting data, you are still required to participate if there is business in force for the state(s) and lines requested. If you have questions about your company’s status with a participating state, contact the state MCAS Contact to determine your participation status.

Companies waived from filing in previous years are not automatically waived from filing this year. To request a waiver, you must submit your request using the 2022 Waiver and Extension Request form within the MCAS Submission Tool once it is available to accept MCAS filings for the 2022 data year. You must advise each state of the reason you are requesting an exemption. Requests for exemption should be made as early as possible. Do not wait until the data is due.

If two or more companies merged during the reporting period, the companies should report under the corporate structure that is in effect as of the last day of the reporting period. If the merger was effective before or during the review period, then the surviving company should do the combined reporting. Any of the non-surviving companies that received a call letter should contact the state that sent the letter and inform them of the change. If the merger will be effective after the reporting period, the companies involved should file separate reports.

If your company received a call letter and the company is in rehabilitation, the company is not required to participate. However, you must contact the participating state that sent the call letter to request a waiver.

If your company received a call letter and the company is under an Order of Supervision, you may request a waiver from each participating state that sent the company a letter. Waivers will be determined on an individual state basis and may consider items such as whether the company is continuing to write new business, premium volume, etc.

Companies that wish to request a waiver based on an Order of Supervision are encouraged to provide the name of the state that issued the order when submitting their waiver request and should include a list of all states where a waiver is being requested.
Line of Business: Other Health Insurance

Reporting Period: January 1, 2023 through December 31, 2023

Filing Deadline: June 30, 2024

Schedule 3 – Claims Administration (Including Pharmacy)

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-66</td>
<td>Number of claims pending at the beginning of the period</td>
</tr>
<tr>
<td>3-67</td>
<td>Number of claims received (include non-clean claims)</td>
</tr>
<tr>
<td>3-68</td>
<td>Total number of claims denied, rejected or returned</td>
</tr>
<tr>
<td>3-69</td>
<td>Number of denied, rejected, or returned as non-covered or maximum benefit exceeded</td>
</tr>
<tr>
<td>3-70</td>
<td>Number of denied, rejected, or returned as subject to pre-existing condition exclusion</td>
</tr>
<tr>
<td>3-71</td>
<td>Number denied, rejected, or returned due to failure to provide adequate documentation</td>
</tr>
<tr>
<td>3-72</td>
<td>Number denied, rejected, or returned due to being within the waiting period (do not answer for ADD products)</td>
</tr>
<tr>
<td>3-73</td>
<td>Number of denied, rejected, or returned (in whole or in part) because maximum $ limit exceeded</td>
</tr>
<tr>
<td>3-74</td>
<td>Number of claims pending at end of the period</td>
</tr>
<tr>
<td>3-75</td>
<td>Median number of days from receipt of claim to decision for denied claims</td>
</tr>
<tr>
<td>3-76</td>
<td>Average number of days from receipt of claim to decision for denied claims</td>
</tr>
<tr>
<td>3-77</td>
<td>Median number of days from receipt of claim to decision for approved claims</td>
</tr>
<tr>
<td>3-78</td>
<td>Average number of days from receipt of claim to decision for approved claims</td>
</tr>
<tr>
<td>3-79</td>
<td>Number of claims paid</td>
</tr>
<tr>
<td>3-80</td>
<td><strong>Aggregate dollar amount of paid claims during the period</strong></td>
</tr>
<tr>
<td>3-81</td>
<td>Number of claims where the claims payment was reduced by premium owed</td>
</tr>
<tr>
<td>3-82</td>
<td>Dollar amount of claims payments applied to unpaid premiums.</td>
</tr>
</tbody>
</table>

NAIC staff received questions regarding Other Health claims question 3-80. After review and consultation with Mary Kay Rodrigues (WI) who led the Other Health subject matter expert group, it was determined that intent of the question is not properly expressed as currently worded.

The properly worded data element will replace “Aggregate” with “Total” as follows:

Total dollar amount of paid claims during the period.