

Draft date: 7/18/25

Virtual Meeting

MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP

Thursday, August 7, 2025

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

Joshua Guillory, Chair	Louisiana	Jonathan Wycoff	Nevada
Tolanda Coker, Vice Chair	Arizona	Alma Tapia	New Mexico
Teri Ann Mecca/Lori Plant	Arkansas	Guy Self	Ohio
Sheryl Parker	Florida	Gary Jones/August Hall/	Pennsylvania
Elizabeth Nunes/	Georgia	Karen Veronikis	
Paula Shamburger		Gwendolyn Fuller-McGriff/	South Carolina
Chris Heisler	Illinois	Rachel Moore	
Charles Thomas	Kansas	Larry D. Deiter	South Dakota
Lori Cunningham	Kentucky	Rhonda Bowling-Black	Tennessee
Raymond A. Guzman	Maryland	Shelley Wiseman	Utah
Mary Lou Moran	Massachusetts	Melissa Gerachis	Virginia
Jeff Hayden	Michigan	John Kelcher	Washington
Jo A. LeDuc/Julie Hesser	Missouri	Letha Tate	West Virginia
Martin Swanson	Nebraska	Rebecca Rebholz	Wisconsin

NAIC Support Staff: Teresa Cooper/Hal Marsh/Kelsey Bollin

AGENDA

1. Consider Adoption of its July 10 Minutes—*Joshua Guillory (LA)* Attachment 1
- 2.. Discuss How to Care for Discretionary Groups on the Other Health Market Conduct Annual Statement (MCAS)—*Joshua Guillory (LA)* Attachment 2
3. Consider Adoption of the Proposal Form to Address Clarification of Blanket Policy Reporting on the Other Health MCAS Attachment 3
—*Joshua Guillory (LA)*
4. Discuss the Handling of Ex-Patriot Policies in the Health MCAS—*Joshua Guillory (LA)*
5. Discuss the Formation of a Subject Matter Expert (SME) Group to Begin Work on the Long-Term Care (LTC) MCAS—*Joshua Guillory (LA)*

6. Discuss Any Other Matters Brought Before the Working Group
—*Joshua Guillory (LA)*
7. Adjournment

Draft: 7/22/25

Market Conduct Annual Statement Blanks (D) Working Group
Virtual Meeting
July 10, 2025

The Market Conduct Annual Statement Blanks (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met July 10, 2025. The following Working Group members participated: Joshua Guillory, Chair (LA); Tolanda Coker, Vice Chair (AZ); Rachael Lozano (FL); Tia Taylor (GA); Lori Cunningham (KY); Mary Lou Moran (MA); Raymond A. Guzman (MD); Jeff Hayden (MI); Jo A. LeDuc (MO); Jonathan Wycoff (NV); Guy Self (OH); Karen Veronikis (PA); Rachel Moore (SC); Rhonda Bowling-Black (TN); Tracy Klausmeier (UT); Melissa Gerachis (VA); Mary Kay Rodriguez (WI); and Letha Tate (WV).

1. Adopted its May 22 and May 1 Minutes

The Working Group met May 22 and took the following action: 1) adopted the Market Conduct Annual Statement (MCAS) other health blank and data call definitions proposal; 2) adopted changes to the homeowners MCAS reporting; 3) considered adoption of the MCAS lender-placed insurance (LPI) proposal related to renewed coverage; 4) discussed the removal of the MCAS complaints data element for collecting the number of complaints received directly from a department of insurance; 5) motioned to update the definition of “partial payment”; 6) received an update and a proposal from the MCAS travel subject matter expert (SME) group; and 7) discussed and decided to address remaining minor concerns about LPI reporting issues and potential guidance updates in the next reporting cycle.

The Working Group also met May 1 and took the following action: 1) considered adoption of the MCAS other health blank and data call definitions proposal; 2) adopted the MCAS private passenger auto (PPA) blank and data call definitions proposal; 3) considered adoption of the MCAS LPI proposal; and 4) discussed the consistency of the MCAS’ complaints data element wording.

Wycoff made a motion, seconded by Veronikis, to adopt its May 22 minutes (Attachment 2). The motion passed unanimously.

Guzman made a motion, seconded by Gerachis, to adopt its May 1 minutes (Attachment 1). The motion passed unanimously.

2. Adopted a Travel MCAS Proposal Received from the Travel SME Group

Guillory said the draft proposal was initially presented to the Working Group on May 22, and a comment period was opened. No comments have been received to date. The only recommended changes from the SME group were to merge interrogatory data elements 7, 9, and 11 into a single element and merge the corresponding follow-up questions 8, 10, and 12 into a single element. These questions address the involvement of third-party administrators (TPAs), managing general agents (MGAs), and travel administrators. He invited comments from Working Group members or other regulators on the proposed changes. No comments or questions arose.

Coker made a motion, seconded by Guzman, to adopt the proposed changes to the travel MCAS reporting. The motion passed unanimously.

3. Discussed How to Care for Discretionary Groups on Other Health MCAS

Guillory said that discretionary groups are not typically eligible to form for insurance but are allowed at a commissioner's discretion.

LeDuc expressed concern about excluding discretionary groups, as groups like labor unions and financial institutions are not considered discretionary in Missouri. She stated Missouri could go either way, but it opposes excluding groups based on a national definition. Missouri supports letting each state define discretionary groups and include them accordingly. LeDuc compared the inconsistency to similar issues in other MCAS lines and supports moving forward despite non-uniformity.

Rodriguez could not find a legal definition of discretionary groups in Wisconsin law. She suggested that discretionary groups could include unions and financial groups, but this was primarily industry input. Rodriguez proposed creating a separate reporting bucket or tab for discretionary groups to prevent data from being muddled. She supported defining discretionary groups as entities approved by a commissioner despite not meeting standard group criteria.

Guzman supported LeDuc's points and acknowledged the national analysis may be affected but said state-level trend analysis would remain viable. He leaned toward including discretionary groups based on how individual states define them. He suggested taking the issue back for further internal review before the next meeting.

Kirsten Wolfford (American Council of Life Insurers—ACLI) stated that the ACLI does not have a strong position on discretionary groups. She noted the ACLI's original concern was related to employer group data, not discretionary groups specifically. She acknowledged the variation in state treatment of discretionary groups.

Coker sought clarification on how to frame Arizona's comments. She confirmed understanding that Missouri's proposal to remove the discretionary group bullet was still under consideration. She asked about which edits (blue versus purple text) would be included with that proposal.

Guillory encouraged regulators to discuss the matter internally and submit comments to Hal Marsh (NAIC) by July 24. The group aims to reach a final decision at the next meeting, with the goal of avoiding another year of unclear guidance.

4. Discussed Submitting a Proposal Form to Address Clarification on Blanket Policies Reporting on Other Health MCAS

Guillory introduced the agenda item on whether blanket policies for short-term events should be reported in the MCAS other health blank. He noted that Guzman submitted a change proposal form (Attachment 6) to address this issue.

Guzman explained that while reviewing a waiver request, a company cited prior informal guidance that suggested blanket policies were excluded from MCAS other health reporting. After confirming this understanding with NAIC staff, he submitted a formal proposal to add language to the data call definitions explicitly excluding blanket policies. He noted that the goal is to clarify in writing what was already an established understanding so that companies and regulators have clear direction. Rodriguez supported the proposal, saying it is a good clarification to improve understanding of the data call.

The proposal was exposed for a 14-day public comment period ending July 24.

Guillory said the proposal could be considered for adoption at the Working Group meeting in August. He clarified that if adopted, the change could be implemented immediately, as it is a clarification rather than a policy shift.

5. Discussed the Adjusted Valuation Calculation Proposed by Rhode Island

Guillory stated that the purpose of this agenda item was to review necessary changes to the validation calculation logic for the MCAS LPI blank to prevent incorrect error code generation. He explained that at the Working Group's May 22 meeting, a vote was passed to add two new data elements to the MCAS LPI blank. These new elements affect the logic used to generate error/warning codes and must be included in validations that compare policies/certificates in force at the beginning and end of the reporting period. No vote was required for this item. The goal is to ensure consensus and understanding among all stakeholders.

Guillory had asked for comments or questions from Working Group members, state regulators, and interested parties, and none were received. The NAIC will implement these validation logic updates once the MCAS LPI blank and the data call definitions are formally adopted by the Market Regulation and Consumer Affairs (D) Committee and NAIC Plenary.

6. Discussed the Next Line of Business to Review and the Formation of an SME Group

Guillory introduced the discussion to identify the next MCAS line of business for review, as outlined in the Working Group's charges. Per those charges, lines of business in effect for over three years should be reviewed and updated as necessary. Guillory suggested long-term care (LTC) as a strong candidate for the next review. As done previously, he recommended forming an SME group to assess the MCAS blank and data call definitions for LTC and return with recommendations. No specific preferences were expressed by Working Group members, regulators, or interested parties. Guillory requested that regulators from participating jurisdictions interested in leading or joining the LTC SME group contact Marsh or Teresa Cooper (NAIC) within the next month.

7. Discussed Other Matters

Moran raised concern regarding a health insurer under examination that only writes expatriate policies and has not been filing an MCAS. The insurer is cooperative and above the \$50,000 filing threshold, but there is confusion about whether expat-only writers are required to file. NAIC staff have had limited contact on the matter. Massachusetts is currently taking a neutral stance to avoid delaying the exam.

Rodriguez asked for feedback or clarification from other states and the NAIC on whether these companies should file an MCAS. Guillory acknowledged that this is a unique situation, and suggested members review statutes and MCAS definitions and revisit the issue in a future meeting. Coker asked if the plans were considered group health under the Affordable Care Act (ACA), and Rodriguez confirmed they were.

Randy Helder (NAIC) noted that reporting on the other health MCAS blank is typically based on residency, and expatriate policies may fall outside of that scope if policyholders reside abroad. The Working Group decided to further consider the issue and revisit it at a future meeting. Rodriguez said she appreciated the input and agreed that a delayed decision is appropriate to avoid holding up the exam.

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

SharePoint/NAIC Support Staff Hub/D Working Groups/MCAS Blanks WG (TES)/2025 MCAS Blanks WG

Reference Materials related to Discretionary Groups in Other Health MCAS

Current reference to Discretionary Groups - Other Health MCAS Data Call and Definitions:

- **Report by Residency:** This MCAS blank is designed to collect data from the perspective of individual insureds in each state that the form is marketed in. When reporting for forms issued to **discretionary groups**, associations, or trusts – data should be provided on each state of residence of the insureds, rather than only where the discretionary group, association or trust is situated. (Page 7, Version 2024.0.6)

Currently adopted definitions/exclusions for Other Health and Association/Trust:

- **Other Health** - Health insurance forms that are not subject to the Affordable Care Act (ACA). For this MCAS blank, they are Health-Accident Only; Health - Accidental Death and Dismemberment; Health-Specified Disease-Limited Benefit/Critical Illness; Health - Hospital/Other Indemnity; and Health - Hospital/Surgical/Medical Expense

Exclude the following from Other Health MCAS reporting:

- Medicare supplement
- Blanket policies
- Government plans, i.e. Medicare/Medicare Advantage/Medicaid/ Federal Employee Plans/ TriCare, etc.

- **Association/Trust** – For purposes of this MCAS blank, a non-employer group that offers benefits to its members (does not include banks or credit unions).

Exclude the following from Other Health MCAS reporting:

- Medicare supplement
- Blanket policies
- Government plans, i.e. Medicare/Medicare Advantage/Medicaid/ Federal Employee Plans/ TriCare, etc.

Possible motions to consider for Discretionary Groups in Other Health MCAS

1. No change - Leave the reporting of discretionary groups as currently referenced in the Other Health definition of Report by Residency
2. Report Discretionary Group data - Add a reporting column (bucket) for reporting the Discretionary Group data as proposed by Wisconsin
3. Exclude Discretionary Group data - Add the Other Health and Association/Trust exclusion as proposed by the SME Group
 - Discretionary policies (i.e., Labor Unions, Financial Institutions, Debtors, other discretionary groups)
4. Exclude Discretionary Group data - Add the Other Health and Association/Trust exclusion as proposed by Missouri
 - Discretionary policies (i.e., discretionary groups as defined by the reporting jurisdiction)
5. If no motion is made, it will be treated as a decision to leave as is, and no longer be added to the agenda for future meetings.

Note: If exclusions 3 or 4 are adopted, the reference to Discretionary Groups would need to be removed from the definition of Report by Residency.

NAIC MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP
Changes/Additions to Approved Blanks and Data Call and Definitions
Proposal Submission Form

NAIC USE ONLY

Proposal Submission Date: 7/3/2025	
Proposed Effective Data Year for Reporting: 2025 Data Year	
Proposed <input type="checkbox"/> Substantive Change <input checked="" type="checkbox"/> Non-Substantive Change/Clarification	
Proposal Number	2025.1
Proposal Status	<u>All Submissions</u> <input checked="" type="checkbox"/> Received – Date 7/3/2025 <input 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 7/3/2025 <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	To be Assigned

Proposal Contact Information

Name of Contact Person	Raymond Guzman
Name of Organization	Maryland Insurance Administration
Email Address	Raymond.guzman@maryland.gov
Phone Number	410-468-2322
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 checked="" type="checkbox"/> Other Health	<input type="checkbox"/> STLD
<input type="checkbox"/> Pet		

PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

The Data Call & Definitions for the Other Health line of business should have the definition for “Other Health” updated with the following addendum: “... Hospital/Surgical/Medical Expense; Blanket Policies for Short-Term Events are Excluded

PROVIDE THE REASON FOR THE CHANGE:

The NAIC and state DOIs have an informal understanding that blanket policies for short-term events should be excluded; however, this is not formally stipulated in the Data Call & Definitions.

NAIC MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP
Changes/Additions to Approved Blanks and Data Call and Definitions
Proposal Submission Form

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:

<https://content.naic.org/sites/default/files/inline->

[files/MCAS%20Data%20Call%20Other%20Health%202023.2.2.pdf](https://content.naic.org/sites/default/files/inline-files/MCAS%20Data%20Call%20Other%20Health%202023.2.2.pdf) < This is the document that should be updated.