



NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Date: 11/15/21

Virtual Meeting

MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP

Monday, November 22, 2021

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

Rebecca Rebholz, Chair	Wisconsin	Teresa Kroll	Missouri
Tate Flott, Vice Chair	Kansas	Martin Swanson	Nebraska
Maria Ailor	Arizona	Hermoliva Abejar	Nevada
Jimmy Harris/Crystal Phelps	Arkansas	Leatrice Geckler	New Mexico
Scott Woods	Florida	Guy Self	Ohio
Scott Sanders/Elizabeth Nunes	Georgia	Gary Jones/Katie Dzurec	Pennsylvania
October Nickel	Idaho	Michael Bailes/Rachel Moore	South Carolina
Erica Weyhenmeyer	Illinois	Maggie Dell	South Dakota
Lori Cunningham	Kentucky	Shelli Isiminger	Tennessee
Dawna Kokosinski	Maryland	Shelley Wiseman	Utah
Mary Lou Moran	Massachusetts	John Haworth	Washington
Jill Huisken	Michigan	Letha Tate	West Virginia
Paul Hanson	Minnesota		

NAIC Support Staff: Teresa Cooper/Beth Bentley

AGENDA

1. Consider Adoption of its July 28 Minutes—*Rebecca Rebholz (WI)* Attachment 1
2. Receive an Update on the Draft Life Market Conduct Annual Statement (MCAS) Edits on Accelerated Underwriting—*Rebecca Rebholz (WI)*
3. Receive an Update on the Other Health Drafting Group—*Rebecca Rebholz (WI)*
4. Receive a Proposal from the Subject Matter Expert (SME) Group on Lawsuit Definitions and Placement of the Lawsuit Data Elements for the Homeowner and Private Passenger Auto MCAS Lines of Business—*Erica Weyhenmeyer (IL)* Attachment 2
5. Receive proposal from the SME group on the Reporting of the Digital Claims Interrogatory question —*Erica Weyhenmeyer (IL)* Attachment 3
6. Discuss Any Other Matters Brought Before the Working Group —*Rebecca Rebholz (WI)*
7. Adjournment

 [MCAS Blanks WG Agenda 1122.docx](#)

Draft: 8/9/21

Market Conduct Annual Statement Blanks (D) Working Group
Virtual Meeting
July 28, 2021

The Market Conduct Annual Statement Blanks (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met July 28, 2021. The following Working Group members participated: Rebecca Rebholz, Chair (WI); Tate Flott, Vice Chair (KS); Sarah Borunda (AZ); Scott Woods (FL); Sarah Crittenden (GA); October Nickel (ID); Erica Weyhenmeyer (IL); Lori Cunningham (KY); Mary Lou Moran (MA); Dawna Kokosinski (MD); Jill Huisken (MI); Teresa Kroll (MO); Reva Vandevoorde (NE); Hermoliva Abejar (NV); Guy Self (OH); Gary Jones (PA); Maggie Dell (SD); Shelli Isiminger (TN); Shelley Wiseman (UT); and Letha Tate (WV).

1. Adopted its June 30 Minutes

The Working Group met June 30 and took the following action: 1) received an update on the life Market Conduct Annual Statement (MCAS) draft edits for accelerated underwriting (AU); 2) adopted edits to the draft homeowners and private passenger auto (PPA) MCAS on digital claims, and then adopted the amended digital claims MCAS; and 3) considered the lawsuit definitions and placement of the lawsuit data elements for the homeowners and PPA MCAS.

Ms. Nickel made a motion, seconded by Mr. Flott, to adopt the Working Group's June 30 minutes (Attachment Five-A). The motion passed unanimously.

2. Received an Update on the Life MCAS Draft Edits for AU

Ms. Rebholz stated the Accelerated Underwriting (A) Working Group plans to meet on July 29 to review the latest draft of the educational paper that is currently out for comment. She stated the Working Group will take oral comments, and all written comments on the latest draft will be due by July 30. She stated the MCAS Blanks Accelerated Underwriting subject-matter expert (SME) group continues to wait for adoption of a definition of "accelerated underwriting" by the Accelerated Underwriting (A) Working Group, and that once that definition is adopted, the SME group will reconvene for further discussions.

3. Received an Update on the Other Health Drafting Group

Mr. Helder stated the Other Health Drafting Group is finishing up the work on the other types of health blanks and will be getting a date set up and sending notification to everyone who was involved in the short-term, limited-duration insurance (STLDI) blank discussions. He stated that anyone wanting to get involved in these discussions should let him know so they can be added to that distribution list.

4. Discussed the Lawsuit Definitions and Placement of the Lawsuit Data Elements for the Homeowners and PPA MCAS

Ms. Rebholz stated there are many details that go along with decisions that the Working Group needs to make related to the lawsuit reporting for the home and auto MCAS lines of business. She stated that as a result, she would like to form an SME group for these discussions so a proposal can be brought back to the Working Group for consideration. She stated there is a distribution list that was used for the Digital Claims proposal that should include property/casualty (P/C) representatives, which will be used to start the group. Ms. Rebholz stated that those who did not previously participate in the Digital Claims SME discussions and would like to participate in the lawsuit discussions should contact Teresa Cooper (NAIC) to be added to the distribution list. She stated anyone who wants to be removed from that distribution list should also let Ms. Cooper know. Ms. Rebholz asked for a state insurance regulator to lead the lawsuit discussions, and Ms. Nickel volunteered to do so.

5. Requested Submission of Suggested Edits to Existing MCAS Blanks and Data Call and Definitions

Ms. Rebholz stated there is a form to be used for the submission of suggested edits to existing MCAS blanks and data call and definitions, which is located on the Working Group's web page. She stated any questions or issues with the form can be sent to Ms. Cooper. Ms. Rebholz stated the Working Group charges include reviewing existing MCAS lines of business, and this will be a good way to make improvements where needed. She stated proposals for changes can be made by state insurance regulators or interested parties.

6. Discussed Other Matters

Ms. Rebholz stated that while adopting the Digital Claims edits in June, it was decided that the reporting structure for the added interrogatory would be discussed further. She asked that the SME group working on the lawsuit information for the homeowners and PPA MCAS also work on this during their discussions on the lawsuit information. She stated the data to be collected has already been determined, and that it is just the structure for reporting that needs to be discussed. There was no opposition to this approach.

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

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Homeowner and Private Passenger Auto MCAS Proposed Lawsuit Reporting

The Subject Matter Expert group proposes the following for the Home and Private Passenger Auto MCAS Lawsuit reporting:

- Remove the Lawsuit data elements from the claims reporting section
- Create a new reporting section for the Lawsuit data elements
- Report the Lawsuit data elements by claims coverage type and add reporting for "Non-claim Related Lawsuits"
- Update the definition of Lawsuits to accommodate the new reporting structure

Below for your review, you'll find:

- A redline version of showing the Homeowner line of business Data Call and Definitions updates
- A clean version of the proposed updates

Schedule 2 – Homeowners Claims Activity, Counts Reported by Claimant and by Coverage

ID	Description
2-39	Number of lawsuits open at beginning of the period
2-40	Number of lawsuits opened during the period
2-41	Number of lawsuits closed during the period
2-42	Number of lawsuits open at end of period
2-43	Number of lawsuits closed with consideration for the consumer.

Schedule 4 – Lawsuit Activity

Reporting Breakdown

Dwelling (includes – Other Structures)	Claim related lawsuits
Personal Property	
Liability	
Medical Payments	
Loss of Use	
Non-claim Related Lawsuits	Non-claim related lawsuits

ID	Description
4-53	Number of lawsuits open at beginning of the period
4-54	Number of lawsuits opened during the period
4-55	Number of lawsuits closed during the period
4-56	Number of lawsuits open at end of period
4-57	Number of lawsuits closed with consideration for the consumer

Homeowner and Private Passenger Auto MCAS Proposed Lawsuit Reporting

Definitions:

In determining what business to report for a particular state, unless otherwise indicated in these instructions, all companies should follow the same methodology/definitions used to file the Financial Annual Statement (FAS) and its corresponding state pages. Exclude lender-placed or creditor-placed policies.

Lawsuit – ~~A court proceeding to recover a right to a claim, including lawsuits for arbitration cases.~~ An action brought in a court of law in which one party, the plaintiff, claims to have incurred a loss as a result of the action of another party, the defendant.

Exclude:

- Subrogation claims where lawsuit is filed by the company against the tortfeasor.
- Non-lawsuit legal activity or litigation filed by an insurer, including, but not limited to: request to compel an independent medical examination, an examination under oath, and declaratory judgment actions filed by an insurer.
- Arbitrations, mediation, appraisal, or any other form of dispute resolution not brought in a court of law.

For purposes of reporting lawsuit for Homeowner / Private Passenger Auto products:

- Include only lawsuits brought by an applicant for insurance, a policyholder or claimant as a plaintiff against the reporting insurer or its agent as a defendant.
- Include all lawsuits, whether or not a hearing or proceeding before the court occurred.
- If one lawsuit seeks damages under two or more policies, count the number of policies involved as the number of lawsuits. For example, if one lawsuit seeks damages under three policies, count the action as three lawsuits.
- With the exception of class action lawsuits, report a lawsuit with two or more complainants as one lawsuit.
- With the exception of class action lawsuits, report a lawsuit in the jurisdiction in which the policy was issued.
- Report claim related lawsuits broken out by coverage as outlined in the schedule.
- Report non-claim related lawsuits in aggregate as outlined in the schedule.

Calculation Clarification:

- ~~Lawsuits should be reported on the same basis as claims. One lawsuit should be reported for each / claimant / coverage combination, regardless of the number of actual suits filed.~~
- ~~One lawsuit with two claimants would be reported as two lawsuits as any awards/payments made would be made to the claimants individually.~~
- ~~One lawsuit filed seeking damages for multiple coverages should be reported as one lawsuit for each applicable coverage.~~
- ~~Lawsuits should be reported in the state in which the claim was reported on this statement.~~
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Treatment of ~~class action lawsuits~~ Class Action Lawsuits:

- Report the opening and closing of a class action lawsuit once in each state in which a potential class member resides.

Homeowner and Private Passenger Auto MCAS Proposed Lawsuit Reporting

- Include an explanatory note with your submission state the number of class action lawsuits included in the data and the general cause of the action.

Property & Casualty Market Conduct Annual Statement
Homeowner Data Call & Definitions
(Draft: 11/10/2021)

Schedule 4 – Lawsuit Activity

Reporting Breakdown

Dwelling (includes – Other Structures)	Claim related lawsuits
Personal Property	
Liability	
Medical Payments	
Loss of Use	
Non-claim Related Lawsuits	Non-claim related lawsuits

ID	Description
4-53	Number of lawsuits open at beginning of the period
4-54	Number of lawsuits opened during the period
4-55	Number of lawsuits closed during the period
4-56	Number of lawsuits open at end of period
4-57	Number of lawsuits closed with consideration for the consumer

Definitions:

In determining what business to report for a particular state, unless otherwise indicated in these instructions, all companies should follow the same methodology/definitions used to file the Financial Annual Statement (FAS) and its corresponding state pages. Exclude lender-placed or creditor-placed policies.

Lawsuit – An action brought in a court of law in which one party, the plaintiff, claims to have incurred a loss as a result of the action of another party, the defendant.

Exclude:

- Subrogation claims where lawsuit is filed by the company against the tortfeasor.
- Non-lawsuit legal activity or litigation filed by an insurer, including, but not limited to: request to compel an independent medical examination, an examination under oath, and declaratory judgment actions filed by an insurer.
- Arbitrations, mediation, appraisal, or any other form of dispute resolution not brought in a court of law.

For purposes of reporting lawsuit for Homeowner / Private Passenger Auto products:

- Include only lawsuits brought by an applicant for insurance, a policyholder or claimant as a plaintiff against the reporting insurer or its agent as a defendant.
- Include all lawsuits, whether or not a hearing or proceeding before the court occurred.
- If one lawsuit seeks damages under two or more policies, count the number of policies involved as the number of lawsuits. For example, if one lawsuit seeks damages under three policies, count the action as three lawsuits.

Property & Casualty Market Conduct Annual Statement
Homeowner Data Call & Definitions
(Draft: 11/10/2021)

- With the exception of class action lawsuits, report a lawsuit with two or more complainants as one lawsuit.
- With the exception of class action lawsuits, report a lawsuit in the jurisdiction in which the policy was issued.
- Report claim related lawsuits broken out by coverage as outlined in the schedule.
- Report non-claim related lawsuits in aggregate as outlined in the schedule.

Treatment of Class Action Lawsuits:

- Report the opening and closing of a class action lawsuit once in each state in which a potential class member resides.
- Include an explanatory note with your submission state the number of class action lawsuits included in the data and the general cause of the action.



Homeowners (2023 - Digital Claims Single Element Explanation)

Homeowners Interrogatories

		Yes No Response	Explanation
1 ... 14 ...		----	
15	Does the company use Managing General Agents (MGAs)?		----
16	If yes, list the names of the MGAs.	----	
17	Does the company use Third Party Administrators (TPAs)?		----
18	If yes, list the names of the TPAs.	----	
19	Does the company use digital claim settlement?		----
20	If yes, list the names of the the vendors providing third-party data and algorithms used in the digital clam settlement process.	----	
21	Additional state specific Claims comments (optional):	----	
22	Additional state specific Underwriting comments (optional):	----	

During the 6/30 WG meeting it was voted to include an interrogatory to capture third-party vendors. The SME group was tasked with review and determining the details of how it would be reported. Above is the wording proposed by the SME group. This proposal applies to both the Homeowner and Private Passenger Auto MCAS lines of business.

This proposal removes the requirement to identify vendor roles.