

Draft: 11/19/20

Market Analysis Procedures (D) Working Group
Virtual Meeting
November 12, 2020

The Market Analysis Procedures (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met Nov. 12, 2020. The following Working Group members participated: John Haworth, Chair (WA); Rebecca Rebholz, Vice Chair (WI); Crystal Phelps (AR); Sarah Borunda (AZ); Don McKinley (CA); Damion Hughes (CO); Kurt Swan (CT); Scott Woods and Pamela Lovell (FL); Erica Weyhenmeyer (IL); Tate Flott and Shannon Lloyd (KS); Russell Hamblen (KY); Jeff Zewe (LA); Mary Lou Moran (MA); Dawna Kokosinski (MD); Timothy Schott (ME); Jill Huisken (MI); Cynthia Amann and Teresa Kroll (MO); Jeannie Keller (MT); Reva Vandevoorde (NE); Karen McAllister (NH); Peggy Willard-Ross (NV); Larry Wertel (NY); Guy Self (OH); Landon Hubbart (OK); Jeffrey Arnold (PA); Segun Daramola (RI); Michael Bailes (SC); Tracy Klausmeier (UT); Mel Gerachis (VA); Christina Rouleau and Isabelle Turpin Keiser (VT); and Theresa Miller (WV).

1. Adopted its Oct. 22 Minutes

Mr. Haworth said the Working Group met Oct. 22 and took the following action: 1) adopted its Sept. 10 minutes; 2) discussed the most recent Market Conduct Annual Statement (MCAS) filings; and 3) discussed new lines of business for the MCAS.

Ms. Amann made a motion, seconded by Ms. Weyhenmeyer, to adopt the Working Group's Oct. 22 minutes (Attachment Five-A). The motion passed unanimously.

2. Discussed Revisions to the MCAS Best Practices Guide

Mr. Rebholz said the revisions to the *MCAS Best Practices Guide* are almost complete. She said the final changes are currently being made and will be ready to be considered by the Working Group during its next meeting. She said the drafting group will meet again to review other MCAS documents to be sure all the MCAS documents are consistent. The other documents to be reviewed are the frequently asked questions (FAQ) document, the *MCAS Industry User Guide*, the data call letter and MCAS training videos.

3. Discussed the Market Analysis Framework

Mr. Haworth said the drafting group has finished Chapter 6 of the NAIC *Market Regulation Handbook*. He said the goal is to bring the market analysis chapters up-to-date and to reference current tools and processes.

4. Discussed MCAS Attestation

Joe Zolecki (Blue Cross and Blue Shield of America—BCBSA) thanked the Working Group for the extension to file due to COVID-19. He said the filings went smoothly for companies this year. He said, however, that the attestation process in the MCAS has created some issues for companies. He said many companies file for multiple lines of business in multiple states, but the MCAS attestation only allows for one attestation per CoCode. He said that results in some lines of businesses and state filings are attested to by a person not responsible for that line of business or state. Mr. Zolecki noted that whenever a new attestor is entered into the attestation section of the MCAS, the previous attestor information is overwritten. He said just putting the attestor's name in the comments would not address the accuracy of the attestation section. He said the carriers would support the ability to have multiple attestations to allow the right individuals to attest to each line of business and/or state.

Birny Birnbaum (Center for Economic Justice—CEJ) said he agrees with Mr. Zolecki that the right person should be attesting to the data and questioned why the MCAS attestation was at the CoCode level and not the reporting level.

Mr. Haworth asked NAIC support staff to consider possible solutions.

5. Discussed Market Analysis Training

Mr. Haworth said it would be a good idea for the Working Group to consider the types of training needed by market analysts. He said that while updating the market analysis chapters, it became apparent there are new tools, new MCAS data and possibly

new processes for doing market analysis. He said it would be useful to do more technical training on completing baseline and Market Analysis Review System (MARS) Level 1 and Level 2 reviews, and how to use some of the new tools like Tableau and the new data.

Ms. Phelps said more training is a fabulous idea especially for new market analysts. Ms. Amann said this is also good for experienced analysts who need to learn about the new tools like Tableau and Python. Ms. Klausmeier said Utah welcomes all training. Tressa Smith (NAIC) said the Tableau training done at the Insurance Summit is available in the i-Site+ tutorials.

Mr. Haworth asked state insurance regulators to consider the topics on which they would like training and to send their thoughts and suggestions to Randy Helder (NAIC) by Dec. 11.

Having no further business, the Market Analysis Procedures (D) Working Group adjourned.

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