

**MARKET INFORMATION SYSTEMS (D) TASK FORCE**

Market Information Systems (D) Task Force March 22, 2021, Minutes

## Draft Pending Adoption

Draft: 3/30/21

Market Information Systems (D) Task Force  
Virtual Meeting (*in lieu of meeting at the 2021 Spring National Meeting*)  
March 22, 2021

The Market Information Systems (D) Task Force met March 22, 2021. The following Task Force members participated: Mike Kreidler, Chair (WA); Chlora Lindley-Myers, Vice Chair (MO); Evan G. Daniels represented by Maria Ailor (AZ); Ricardo Lara represented by Pam O'Connell (CA); Michael Conway represented by Damion Hughes (CO); Andrew M. Mais represented by Kurt Swan (CT); Trinidad Navarro represented by Frank Pyle (DE); Dana Popish Severinghaus represented by Erica Weyhenmeyer (IL); Vickie Schmidt represented by Tate Flott (KS); James J. Donelon represented by Jeff Zewe (LA); Troy Downing represented by Jeannie Keller (MT); Marlene Caride represented by Ralph Boeckman (NJ); Barbara D. Richardson represented by Nick Stosic (NV); Judith L. French represented by Rodney Beetch (OH); Glen Mulready represented by Landon Hubbart (OK); Doug Slape represented by Rachel Cloyd (TX); Michael S. Pieciak represented by Isabelle Turpin Keiser (VT); and James A. Dodrill represented by Jeannie Tincher (WV). Also participating was: Brent Kabler (MO).

### 1. Adopted its Nov. 17, 2020, Minutes

Director Lindley-Myers made a motion, seconded by Mr. Flott, to adopt the Task Force's Nov. 17, 2020 minutes (*see NAIC Proceedings – Fall 2020, Market Information Systems (D) Task Force*). The motion passed unanimously.

### 2. Discussed the Task Force's 2021 Charges

Commissioner Kreidler said the Task Force's 2021 charges remain consistent with its charges from last year. He said the Task Force will continue to ensure that the market information systems (MIS) support the strategic goals set by the Market Regulation and Consumer Affairs (D) Committee. The Task Force will do this by analyzing the quality of the data reported into the MIS, making recommendations for improving data quality, and providing guidance on the appropriate use of the MIS and data.

Commissioner Kreidler said the Task Force has one Working Group, the Market Information Systems Research and Development (D) Working Group, reporting to the Task Force. It is chaired by Mr. Kabler. Commissioner Kreidler said the Task Force relies on the members of the Working Group to review and prioritize the Uniform System Enhancement Requests (USER) forms, which are sent to the Working Group by interested state insurance regulators to request changes to the MIS. He said the Working Group is also responsible for the yearly MIS metrics report, which measures the timeliness, accuracy and completeness of data reported into the MIS.

Commissioner Kreidler said the Task Force is moving the charge to “develop recommendations for the incorporation of artificial intelligence (AI) abilities in the MIS for use in market analysis” to the Working Group. He said the charge is moving to the Working Group for two reasons. First, the Working Group has members with expertise in this field. Second, the Working Group meets more frequently and can devote more time to the charge. Commissioner Kreidler said the Task Force will still be responsible for the final product, and the Working Group will undertake this charge in open meetings.

### 3. Adopted the Report of the Market Information Systems Research and Development (D) Working Group

Mr. Kabler said the Working Group met March 19, 2021, and Dec. 2, 2020. During these meetings the Working Group reviewed and adopted the MIS metric report and recommendations for metric updates and methods to improve metric result reporting and data quality.

Mr. Kabler said the Working Group also reviewed a new process for prioritizing USER forms. Ginny Ewing (NAIC) noted that the new process moves from a waterfall process to the lean, agile process used by NAIC Information Services. She said it is more transparent regarding what is in the backlog.

Mr. Kabler said the Working Group also adopted proposed changes to the Regulatory Information Retrieval System (RIRS) coding structure. He said the proposal was reviewed with representatives of the Financial Analysis Solvency Tools (E) Working Group and the state producer licensing directors. He noted that modifications were made to the proposal based on their feedback. He said the proposal was also reviewed with the state back-office system vendors, who made a recommendation to create a user's guide providing guidance for how the new codes should be used. He noted that based on the current available information, the vendors do not anticipate an additional cost to implement the necessary system changes to support the proposal.

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Mr. Kabler said the RIRS coding change and re-structure has been the most ambitious project of the Market Information Systems Research and Development (D) Working Group. He has been working on it even before the Working Group was formed.

Mr. Kabler said the Working Group also considered the charge to “develop recommendations for the incorporation of artificial intelligence (AI) abilities in the MIS for use in market analysis.” He said he has some concerns because the term “artificial intelligence” is nebulous and defined in different, often contradictory, ways. He said the Working Group’s first task will be to develop a working definition for AI. He encouraged interested parties and interested state insurance regulators to participate in the discussions. He also said the Working Group was concerned that there is not enough market data to make AI feasible for market analysis. However, he noted that the Working Group is approaching the charge with an open mind and willingness to learn.

Birny Birnbaum (Center for Economic Justice—CEJ) asked why the proposed RIRS coding changes did not include all lines of business that are included in the financial annual statement. As an example, he noted that there were no line of business codes for lender-placed insurance. He noted that the definition of each proposed RIRS line of business states that it corresponds to the financial annual statement, so it would be expected that all financial lines of business should be included. Mr. Kabler said if additional lines of business are needed, he would not be averse to adding them. He said they may not have been included because there was not much market conduct concern in the missing lines of business.

Mr. Birnbaum asked for clarification of the meaning of the “Origin of Action” code statuses “keep” and “delete.” Mr. Kabler said codes with a code status of “delete” would be removed from the RIRS as an option.

Mr. Birnbaum said there were many codes in the “Reasons for Action” that were mutually exclusive; yet, the RIRS will allow multiple reasons per action. He asked if that would compromise the integrity of the data. Mr. Kabler said the nature of regulatory actions is that they often have multiple concerns and reasons. He said an examination is a single record within the RIRS, and the system must be able to capture all the reasons for a regulatory action.

Commissioner Kreidler said when adopting the Working Group’s report, the Task Force will also be adopting the changes to the USER form process, but it will not be adopting the proposed RIRS changes. He said the proposed RIRS change will be posted on the Task Force web page, and they will be considered for adoption at the Summer National Meeting.

Director Lindley-Myers made a motion, seconded by Mr. Flott, to adopt the Market Information Systems Research and Development (D) Working Group report. The motion passed unanimously.

#### 4. Adopted the MIS Data Analysis Metrics and Recommendations

Commissioner Kreidler said review of the market data analysis metrics and recommendations began at the 2020 Fall National Meeting, but the report was not ready for adoption. He said the report is attached to the materials, and it is ready for adoption.

Director Lindley-Myers made a motion, seconded by Mr. Flott, to adopt the MIS data analysis and recommendations. The motion passed unanimously.

#### 5. Heard a Report on Outstanding USER Forms

Ms. Ewing said the following USER forms are in development or complete:

- USER Form 10051 is a request to implement the Market Actions Tracking Systems (MATS) Web Service in State Based Systems (SBS). Ms. Ewing said this project is in progress. She said prototype and design decisions are being made.
- USER Form 10053 is a request to review RIRS codes to clarify definitions for consistent usage and make recommendations for revisions. Ms. Ewing said the coding changes were shared with financial and producer licensing regulators, and their input has been incorporated. She said the Working Group adopted the RIRS changes.
- USER Form 10080 is the request to update the RIRS to display data retention policies and terminology related to action dates. She said much of this request is complete, but the RIRS subject matter experts (SMEs) are reviewing

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the data dictionary and considering the issue of the “earliest action date” being misleading in the Regulatory Systems Participating State Report.

- USER Form 10082 is the request to add a Complaints Database System (CDS) subject code for “pandemic” and a coverage code for “business interruption.” She said while completing this request, it was discovered that subject codes are not displayed. She said a USER form will be created to correct this issue.

Ms. Ailor said USER Form 10069B was to add codes for pet insurance and lender-placed insurance. She said the pet insurance codes were implemented but not the lender-placed insurance codes. Ms. Ewing said the codes were supposed to have all been completed. She will check on the status and have them implemented.

Having no further business, the Market Information Systems (D) Task Force adjourned.

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