

Draft Pending Adoption

Attachment xxx
Market Regulation and Consumer Affairs (D) Committee
mm/dd/yy

Draft: 9/14/20

Market Analysis Procedures (D) Working Group Conference Call September 10, 2020

The Market Analysis Procedures (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met via conference call Sept. 10, 2020. The following Working Group members participated: John Haworth, Chair (WA); Rebecca Rebholz, Vice Chair (WI); Crystal Phelps (AR); Maria Ailor (AZ); Don McKinley (CA); Damion Hughes (CO); Kurt Swan (CT); Erica Weyhenmeyer (IL); Tate Flott (KS); Russell Hamblen (KY); Nathan Strebeck (LA); Dawna Kokosinski (MD); Timothy Schott (ME); Jill Huisken (MI); Paul Hanson (MN); Teresa Kroll (MO); Jeannie Keller (MT); Reva Vandevoorde (NE); Edwin Pugsley (NH); Ralph Boeckman (NJ); Hermoliva Abejar and Peggy Willard-Ross (NV); Larry Wertel (NY); Todd Oberholtzer (OH); Landon Hubbart (OK); Jeffrey Arnold (PA); Segun Daramola (RI); Rachel Moore and Michael Bailes (SC); Julie Fairbanks (VA); and Christopher Antoine, Isabelle Keiser and Marcia Violette (VT). Also participating were: Stacie Parker (TX); and Ned Gaines (WA).

1. Adopted its July 30 Minutes

Mr. Haworth said the Working Group met July 30 and took the following action: 1) adopted the Market Conduct Annual Statement (MCAS) ratios for the private flood MCAS blank; and 2) discussed industry concerns about the MCAS attestation not distinguishing between different lines of business.

Ms. Rebholz made a motion, seconded by Ms. Keller, to adopt the Working Group's July 30 minutes. The motion passed unanimously.

2. Discussed Revisions to the MCAS Best Practices Guide

Ms. Rebholz said the drafting group for the revisions to the *MCAS Best Practices Guide* plans to meet on Oct. 20. She said she expects just a few more meetings before the drafting group completes its work.

3. Discussed the Market Analysis Framework

Mr. Haworth said others still have a chance to volunteer before the group's first meeting. He encouraged comments or suggestions from anyone who has an interest, but it may not have the time to volunteer.

4. Discussed MCAS Filings for the Current Filing Period

Mr. Haworth said all companies were provided with 60-day extensions in 2020. All lines of business except disability insurance and health insurance were due on June 30. The disability insurance and health MCAS filings were due on Aug. 31. He noted that for the state of Washington, 18 disability insurance writers that were required to file had not yet filed. He said one company requested an extension on the due date, but that was not approved. He also said one company filing in Washington said the premium reported on the company's financial annual statement (FAS) Schedule T was incorrectly reported.

Ms. Parker said one of the companies considered disability insurance as credit insurance and did not file. She said there may be more. Mr. Gaines said he is familiar with the company Ms. Parker referenced. He said the company is a health company. He spoke with them, and it was using the health MCAS Data Call and Definitions (DCD) instead of the disability MCAS DCD. Mr. Gaines and Ms. Parker both denied the waiver request from the company.

Mr. Haworth asked if some companies were unaware of the requirement to file or the due date. Mr. Flott said some companies claimed to not have received the call letter. He said he is aware of one company that still has not filed and not requested an extension, but the company continues to tell the Kansas Department of Insurance (DOI) that it is working on the filing. Mr. Haworth said the Washington DOI has issued consent orders in those types of instances.

Ms. Ailor asked if it is possible to receive a nationwide report of all the waiver and extension requests. Teresa Cooper (NAIC) said the MCAS jurisdiction can see all waivers and extensions but only state-by-state. She said she could create a report that provides national data on disability insurance MCAS extension and waiver requests.

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5. Discussed New Lines of Business for MCAS

Mr. Haworth said it is time to consider the next line of business for MCAS. He said the Working Group could monitor model laws for lines of business not previously defined. He said the Pet Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee is drafting a model law for pet insurance and when completed, the model law could be used as the basis for an MCAS line of business. He said he would like the Working Group to begin thinking about the next line of business.

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

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