

Draft Pending Adoption

Draft: 8/4/20

SERFF Advisory Board
Virtual Meeting
July 28, 2020

The SERFF Advisory Board met via conference call July 28, 2020. The following Advisory Board members participated: Barbara D. Richardson, Chair (NV); Lori K. Wing-Heier and Chris Murray (AK); Alan McClain represented by William Lacy (AR); Vicki Schmidt (KS); Chlora Lindley-Myers (MO); Birny Birnbaum (Center for Economic Justice—CEJ); Rachel S. Benton (Bright Health); Theresa E. Boyce (Chubb Group); Andrea Davey (Athene Annuity and Life Company); and Karen Schutter (Interstate Insurance Product Regulation Commission—Compact).

1. Reviewed its 2019 Fall National Meeting Minutes

There were no changes to the Advisory Board's Dec. 7, 2019, minutes (Attachment One).

2. Received an Updated Report on SERFF Activity

Joy E. Morrison (NAIC) and Alex Rogers (NAIC) reported on System for Electronic Rate and Form Filing (SERFF) activity (Attachment Two). The SERFF team has introduced three releases since the report at Spring National Meeting. These releases included: 1) the final phase of state data retention; 2) several redesigns, including: Quick Text, Filing Log, instance switcher and profile information; 3) updates to user admin allowing deactivations to be completed at submission rather than requesting the action; 4) small updates to add hyperlinking to schedule items and to allow industry users to search by type of insurance (TOI); 5) the first phase of the billing project, including updates to allow industry users the ability to maintain their own banking information within the application; and 6) the addition of new reports for internal users to assist with Security Operations Center (SOC) reporting. There is a scheduled release on July 30, which will complete the second phase of the billing enhancements project. The updates will include the ability for the NAIC to collect fees that are applicable for the Form Filing Review Pilot. This accommodates the pilot that Texas is now undertaking. The fees will be assessed at submission of applicable filings, and they will be collected via ACH debit. Development is underway to implement credits cards as a payment option for NAIC transaction fees for many of the pay-as-you-go (PAYG) customers. This work is expected to be completed in the fall. The team is also beginning analysis for the final phase of the SERFF Billing project. The final phase of the project will transition all NAIC transaction fees from invoicing and prepaid blocks to payment at the time of submission via ACH debit or credit card. This work is slated to be completed in the first quarter of 2021.

The SERFF Product Steering Committee (PSC) has held two conference calls since the Spring National Meeting, where it heard updates on completed and in-progress work, updates on the road map for 2020, and updates on the SERFF Assessment project.

SERFF has received 276,386 transactions year-to-date (YTD) through June. Plan Management saw an increase in submissions by 30% of what is projected; 19,862 plan transactions were submitted thus far. The Marketing and Implementation teams have completed the plan year 2021 implementation and will continue to support the states as needed throughout the remainder of the submission window. The SERFF implementation team is preparing for and adapting to the changes of the Association of Insurance Compliance Professionals' (AICP) annual conference, which will now be virtual. There will also be a virtual exhibit hall featured this year. The NAIC's annual Insurance Summit registration is now available and will provide on-demand recordings for sessions that registered attendees are unable to attend. SERFF staff will host both industry and regulator sessions discussing enhancements and time-saving tips around the application.

The SERFF Implementation team has been heavily involved in the transition of users to the new Electronic Funds Transfer (EFT) Self Service module. This has been an integral piece of the SERFF Billing project, which will continue to streamline processes for industry users and support staff. The Marketing team is working on communication and outreach to inform all users of the projected changes coming to the application.

State Data Retention (SDR) and NAIC Hosting continue to see usage and expansion of the NAIC data hosting functionality within the application. Currently, there are 48 states enabled to use this feature. The team has completed the migration of paper

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filings from external vendors, and SDR has been enabled in production. Filings are now being removed from the state side, and the NAIC will continue to retain those filings on the industry side for hosted customers.

Effective Jan 1, 2020, the Speed to Market (EX) Working Group adopted new changes to the uniform product coding matrices (PCMs). The changes include one sub-TOI for property/casualty (P/C). Nearly half of the states are ready to receive filings under these new TOIs, and the NAIC team will continue to reach out to other states for this change.

The SERFF team completed a state collaboration space using SharePoint Online for the Big Data (EX) Working Group. The project itself was a collaborative effort with the NAIC actuarial staff to identify processes and procedures to meet the requirements of the members. The application features the ability to upload attachments and input SERFF PCM information and a built-in correspondence module to initiate emails based on filing activity. Longer term, it is anticipated that the Working Group will want to integrate SERFF with this tool so that filing documents within SERFF can be automatically moved to the collaboration space for additional review. There will also be a session regarding the Big Data Sharing tool during the annual NAIC Insurance Summit.

SERFF Filing Access (SFA) continues to see significant usage with more than 835,000 searches through June. The Marketing and Implementation teams continue outreach in efforts to transition additional states.

Ms. Boyce asked for clarification about the change in the PCM for the P/C new sub-TOI. Mr. Rogers confirmed that this change regarded workers' compensation (Sub-TOI: Workers Compensation (16): 16.0005 Occupational Accident WC) and was adopted in January 2020.

Mr. Birnbaum asked for specifics on the functionality of the Big Data Sharing tool, including access rules. Ms. Morrison shared that this tool would allow any state that wants assistance with review of some of the larger rate models. The tool will also allow states to share information about how they are looking at those models and how specific filings are handled in other states. Actuaries at the NAIC would be available to help facilitate those conversations and provide input, especially with newer, innovative products. Ms. Morrison also shared that states may need to request system access with the NAIC Regulatory Services team. Ms. Morrison confirmed that there are permissions for that information and could be sent to Mr. Birnbaum at a later time.

Mr. Birnbaum inquired about the status of the SFA enhancement regarding the display of certain withheld non-public information. He also questioned if it was time to add a public or consumer member to the SERFF PSC due to the volume of public users and lookups for SFA. Ms. Morrison mentioned that the SERFF Assessment recommendation includes increased functionality as a priority in SERFF's modernization. Ms. Morrison stated that the PSC looks at the SERFF product and that SFA is a separate interface that has much less functionality than SERFF. A Board recommendation can be made to add a public or consumer member. Commissioner Richardson commented about the limited number of consumers accessing SERFF filings.

3. Received an Update on SERFF-Related Strategic Projects

Ms. Morrison reported on three SERFF-related strategic projects. The first project is the SERFF Billing Enhancements project report (Attachment Three). This project initially included two phases: 1) the removal of filing blocks to transition to ACH debit payment at the time of submission, akin to payments made for state filing fees; and 2) a credit card feature for use with some of the PAYG customers who are infrequent filers and may be a little slower to pay. By the time the project began, it had been expanded to include an additional phase, which was a new web service interface between SERFF and the NAIC's centralized e-commerce initiative (CECI). A fourth phase was also added—the SERFF Filing Review Tools Fee fiscal that Texas is piloting (Attachment Four). The NAIC's Executive Project Management Office (EPMO) elected to have this phase reported as a separate project, and the work was given to the SERFF team to complete. Due to timing, it was inserted in the middle of the Billing Enhancements project instead of waiting until after the Billing Enhancements project was completed. The report shows this project listed at "significant risk." This is not unusual given the extra work that was added to the project after the fiscal was approved. The reasons for the project being at risk are: 1) the addition of CECI self-service, which affected both the original timeline and the staff hours; 2) the insertion of the SERFF Filing Review Tools Fee project, which affected the timeline but not staff hours because those are tracked in its own project; and 3) money was budgeted for a consultant to assist on this project, but that person did not work out. This affected the budget as it was reduced by about \$70,000, and the staff hours increased because NAIC backfilled the consultant hours with staff hours. Despite the project being listed as "at significant risk" it is on track based on the project timeline that was put together when the additional phases were added. A Project Change Request

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(PCR) was submitted to and approved by the EPMO last week. The project is expected to complete by year-end, with the credit card piece being released in the fall and the filing block removal early in 2021.

The second project is the SERFF Filing Review Tools Pilot (Attachment Four). This project was added in late January, and the coding effort involved here was to add a new fee structure to charge Texas filers for filings submitted with an attachment on the Forms Schedule. Filers will be assessed the fee via ACH debit, in the same manner that they pay state filing fees. The project report completed in early July shows the project at 80% complete. At this point in time, the coding is complete and is ready for release into the production environment. The remaining tasks on the project are communication and customer setup steps that do not require the development team to complete. The Texas Department of Insurance (TDI) has asked the NAIC to begin the additional fee Sept. 1. The TDI will send communication to their filers about this new fee in early August. There are about 40 customers that file in Texas who are not currently set up for EFT. These customers will have to complete that setup prior to Sept. 1, or they will not be able to file forms in Texas. The NAIC has identified those customers and will reach out to customers as soon as Texas sends its initial communication. The new CECI service will make it easier for customers and NAIC staff to complete the setup needed for EFT. The project budget expense of \$464,000 includes a three-year license for the product Texas is using to complete the pilot, in addition to some consulting dollars to assist with any fee collection development changes during this time period. This project will be closed, in terms of EPMO reporting, in late August or early September. The revenue and expenses over the next three years will be tracked outside the EPMO process.

The third and final project covers the SERFF Assessment (Attachment Five). This project started in January and has wrapped up, with the exception of readouts, which will happen later at the Summer National Meeting to NAIC members. Deloitte was hired to assess the technical and business needs for rates and forms submission, as well as to review and establish where SERFF needed improvements to handle current and future needs. More than 100 interviews were conducted during the course of this assessment. Deloitte staff spent many hours with NAIC staff discussing customer needs, technical architecture, buy-vs.-build for tools and add-ons, and how to implement these changes in a way that would provide the most benefit to the customers as soon as possible. The next project step is to create a request for proposal (RFP) so the NAIC can get a group in to help begin SERFF's modernization.

4. Heard Considerations for New PSC Members

Lauren Bandle (NAIC) reported on new PSC membership consideration (Attachment Six). Currently, eight PSC seats have expired, and two members holding Industry Seat 4 and Industry Seat 5 have left their positions; thus, a total of 10 seats need to be filled. New member recommendations were made for each of the 10 seats based on current PSC participation. A few recommendations involve individuals not currently active in the PSC, but they were chosen based on their participation in other forums. An alternate has been identified for nine of the 10 open seats in the event that the recommended candidate is unable to accept. The term expiration date for all seats was changed from June 30 to Aug. 31 to better coincide with Summer National Meeting.

Mr. Birnbaum asked for clarification on the recommendation of two individuals for each open PSC seat. Ms. Bandle clarified that the recommended member is reached out to first; if said potential member does not accept the membership, the alternate is then asked. Commissioner Richardson encouraged staff to look to diversify the committee where possible.

5. Discussed Any Other Matters

No other matters were brought before the Board.

Having no further business, the SERFF Advisory Board adjourned.

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SERFF Activities Report

SERFF Development

SERFF Production Releases

Since the report provided in late July, the System for Electronic Rate and Form Filing (SERFF) team has introduced one release to production.

- SERFF 7.53.3 was released on July 30. This release completed the second phase of the billing project. The updates included the ability for the NAIC to collect fees which are applicable for the Form Filing Review Fee. The release accommodates the pilot project that Texas is undertaking with Verisk. The fees will be assessed at submission of applicable filings, and they will be collected via Automated Clearing House (ACH) Debit.

Upcoming Work

SERFF 7.54 will be released on Nov. 5. This release will complete the third phase of the billing project. The updates will include the ability for NAIC Transaction Fees to be paid upon submission with a payment method of credit card if the instance is enabled for credit card payments. The release will also include a label change for all Life, Accident and Health (A&H)/Annuity and Credit filings from “Implementation Date” to “Effective Date” at the direction of the Speed to Market (EX) Working Group.

Work is underway for the final phase of the SERFF Billing Project, which will transition all NAIC transaction fees from invoicing and pre-paid blocks to payment at the time of submission, via ACH Debit or credit card. This work is slated to be released in the first quarter of 2021.

SERFF Product Steering Committee

The SERFF Product Steering Committee (PSC) held a conference call on Aug. 5. The PSC heard updates on completed and in progress work, updates on the roadmap for 2020, and updates on the SERFF Assessment project.

SERFF Marketing/Implementation

SERFF Transaction Volume

SERFF has remained consistent with prior years, and it has received nearly 435,000 transactions year-to-date (YTD) through October. Plan Management saw an increase in submissions by 30% of what is projected; 24,000 plan transactions were submitted thus far as the 2021 plan year concludes.

SERFF Marketing Activities/Events

The SERFF team participated in the NAIC's virtual annual Insurance Summit. SERFF staff hosted both industry and state insurance regulator sessions, discussing enhancements and time saving tips around the application. These will be available as on-demand tutorials for users that registered for the conference. The implementation team is currently preparing for the virtual Association of Insurance Compliance Professionals (AICP) annual conference, and will be hosting a session regarding changes coming to the SERFF platform, as well as tips and tricks.

SERFF Implementation

The SERFF implementation team has been heavily involved in the transition of users to the new Electronic Funds Transfer (EFT) Self Service module. This has been an integral piece of the SERFF Billing Project, which will continue to streamline processes for industry users and support staff. The billing project will eliminate the need to pre-purchase filing transactions, and it will provide an alternative payment solution in real time using either an ACH Debit or credit card to pay transaction fees at a rate based on prior usage at the instance level. The marketing team has been sending out communication to our customers over the past few months regarding the addition of credit cards and the removal of pre-purchased transactions to ensure that our filers are prepared for the change prior to a release.

Effective Jan. 1, 2021, the Speed to Market (EX) Working Group has adopted new changes to the uniform product coding matrices (PCMs). The changes include two new sub-types of insurance (TOIs) for life, accident, and health. The implementation team will begin outreach over the next few weeks with the states that would like to enable these changes.

The Filing Solutions department completed the work to create a collaboration space for the Big Data (EX) Working Group using SharePoint Online. It is ready for production use. The tool allows state insurance regulators to communicate with each other and the NAIC actuarial modeling team about companies' property/casualty (P/C) rate classification models and the states' questions about the model. Currently, there are 21 contracts signed: Alabama, Alaska, Colorado, Connecticut, District of Columbia, Idaho, Iowa, Kentucky, Louisiana, Maine, Michigan, Minnesota, Mississippi, Montana, New Hampshire, North Dakota, Ohio, Utah, Washington, Wisconsin, and West Virginia.

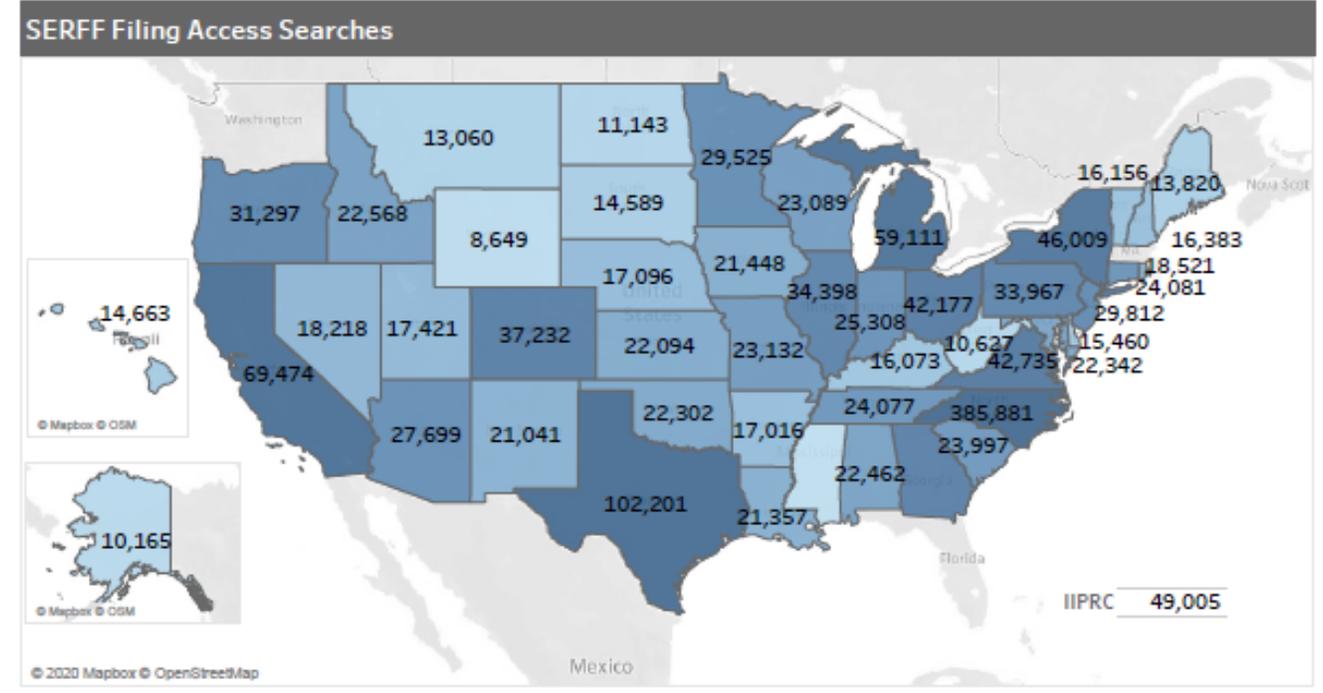
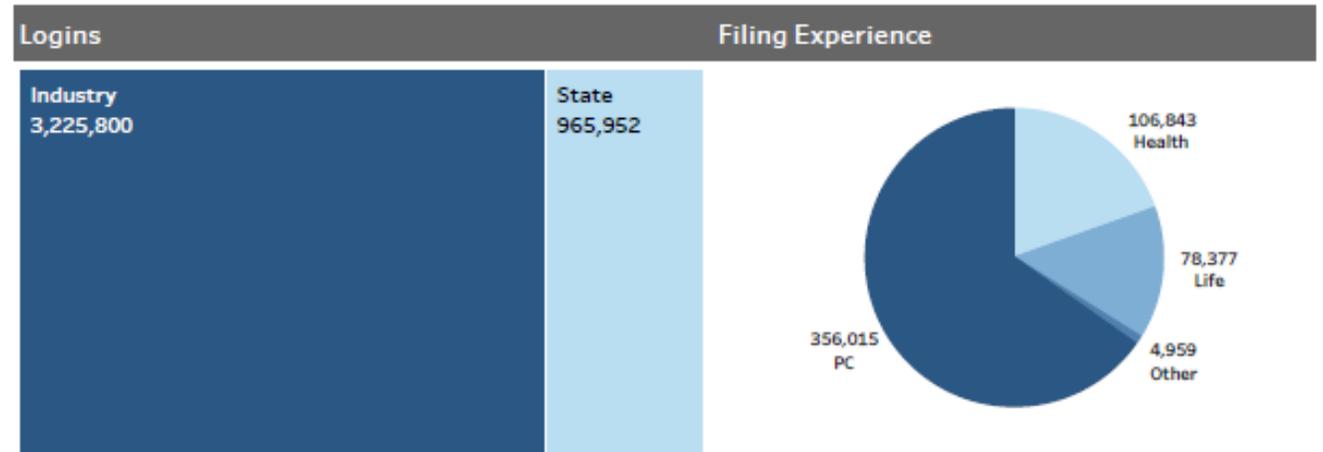
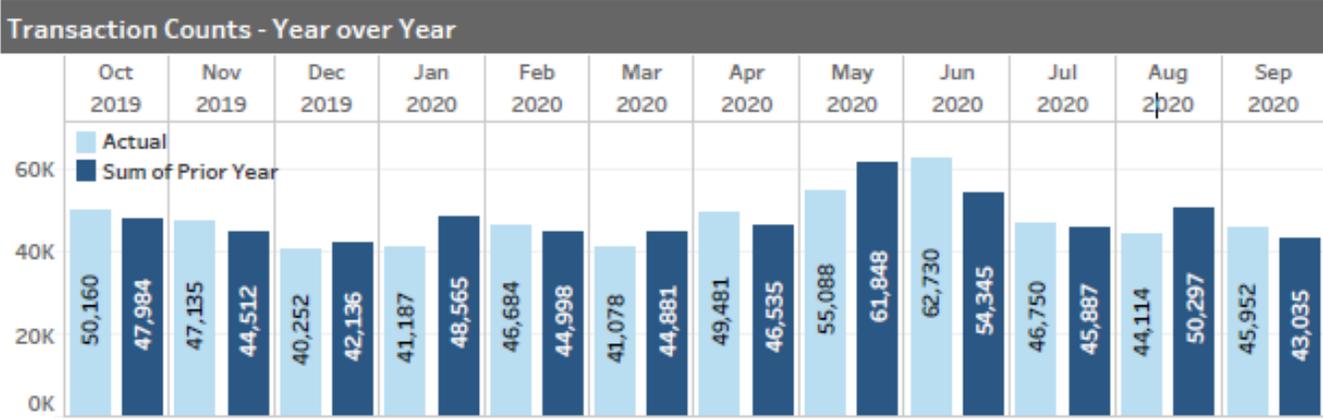
The team hosted a session regarding the Big Data Sharing Tool during the Insurance Summit. This included a demonstration of the tool, as well as NAIC services to review rate models. Currently, the filing creation requires an upload into the tool from SERFF. The team continues to analyze the ability to integrate the tool with SERFF for automation.

SERFF Filing Access

SERFF Filing Access (SFA) currently has 48 states using SFA in at least one area of business. In 2020, there have been more than 1,287,000 searches in the application through September. The Marketing and Implementation team continues outreach in efforts to transition additional states.

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NAIC National Association of Insurance Commissioners **SERFF** Dashboard for October 2019 - September 2020



EPMO Project Name: SERFF Billing Enhancements **Status Date:** 10/1/2020

Current Phase*:	2-Execution	Project Sponsor:	Joy Morrison	Business/Product Owner:	Brandy Wolkamp
Project Manager:	Joy Morrison	Project Start Date:	01/01/2020	Project End Date:	01/15/2021
State Ahead Goal*:	N/A	State Ahead Objective*:	N/A	IT Impact Yes/No:	Yes

Description:	Milestones/Task	Start Date	End Date	Status
<p>This project will streamline the process of charging SERFF transaction fees and eliminate the significant manual effort to administer the collection of these fees, as well as eliminating the financial liability of pre-paid filing blocks. First, prepaid blocks will be eliminated; instead, a fixed per-transaction rate will be assigned to customers for a calendar year based on filing volume in the previous calendar year. This will preserve the tiered fee structure currently approved by the SERFF Advisory Board and advocated by industry. Second, this project will modify the filing process to collect transaction fees along with applicable state fees at the time of filing, eliminating manual efforts on the NAIC's part to invoice and collect fees after the filing has been made and manual efforts on customers' part to log into a separate system in order to pay the invoices. This step includes creating a credit card option for current Pay As You Go customers who do not want to use ACH Debit.</p>	Project Initiation	01/01/2020	01/31/2020	Complete
	Resource Allocation	01/01/2020	02/01/2020	Complete
	Communication Plan Created	01/02/2020	02/01/2020	Complete
	Stripe Familiarization	07/15/2020	08/31/2020	Complete
	Phase III development (Credit Card)	08/01/2020	10/06/2020	In Progress
	Phase IV development (Block Removal)	10/07/2020	12/15/2020	In Progress
	Project close out activities	12/01/2020	01/15/2021	Not Started

Executive Status/Support Needed:

Recent Accomplishments	Upcoming Activities	Key Issues / Risks	Issue/Risks Action Plan	Project Health*	Overall Status: On Schedule		
<ul style="list-style-type: none"> Impact of future pricing options was identified and planned for in Phase IV. Finalized business requirements for Phase IV. 	<ul style="list-style-type: none"> Complete development and testing for Phase III-Credit Card. Send communication to non-ACH customers transitioning to credit card. Create training materials for credit card users. Release Phase III code to PROD. 	<ol style="list-style-type: none"> Finance business partner decided to move all customers w/o ACH setup to credit card, instead of only the slow payers. An additional sprint is needed for credit card work. A senior developer submitted his resignation and has left the NAIC. 	<ol style="list-style-type: none"> Increasing the number of CC transitions means communication needs to go out sooner. Communication and implementation plans were updated. Team will work on scope adjustments to Phase IV to make up time. Using general consulting budget for contract to hire developer. 	% Complete 60%	Approved	Actual Inception To Date	On Budget?
				Budget Revenue	N/A	N/A	N/A
				Budget Capital	N/A	N/A	N/A
				Budget Expense	\$16,360	\$16,360	Yes
				Staff Hours	3,733	3,146	Yes

EPMO Project Name: SERFF Billing Enhancements

Status Date 10/1/2020

Additional Comments:

- This project does not include hours to remove the lines of code in the application that are currently used to manage filing blocks. That work will have to be completed as operational work at some point or will be eliminated as SERFF is redesigned.
- The SERFF Filing Review Tools Pilot fiscal was approved and, although the projects will be reported separately, the work will be folded into the timeline for this project. This may require the project deadlines to be extended by a few months.
- There is significant business work to be done related to expiring filing blocks. The prepaid block process will have to be modified to expire blocks in Sept or Oct 2021, which will require a communication plan. Similarly, the team will need to stop selling prepaid blocks to coincide with the implementation of block elimination.
- Technology deliverables have to be matched to the business milestones in order for customers to use their prepaid blocks without needing to purchase new ones.
- Business partners in Finance and SBI have been notified of and are in agreement with new milestone estimate dates for credit card and deletion of filing blocks as a result of bringing the SERFF Filing Review Tools Pilot work into this project timeline.
- Percentage complete for the October report did not change, because additional credit card work was discovered that offset the work completed.

Financial Comments:

A PCR in July was approved to adjust project hours up and the budgeted expense down. Data in this report reflect those PCR changes as approved by the EPMO.

Project hours for Phase 2 are reported in the Filing Review Tool project report.

Major Features / Deliverables:

- Introduction of a credit card payment option for non-ACH Debit, infrequent filers.
- Collect a SERFF transaction fee via ACH debit at the time of filing/binder submission.
- Create/document/communicate process to calculate a customer's transaction fee based on prior transaction volume.
- Create self-service interface to CECl.
- Develop Reporting Tools for Billing.
- Develop People Soft integration.
- Complete customer communication and training materials for each project phase.

States / Territories Impacted		States / Territories Participating		Reference Information				
State Ahead Goals		State Ahead Objectives		Project Phases	Project Health Legend			
<ul style="list-style-type: none"> States should not be impacted by this project as it is strictly related to the <i>transaction</i> fees NAIC collects. 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ol style="list-style-type: none"> Initiation Execution Closeout On Hold 	<p>On Schedule: Project will likely meet schedule, budget, scope /quality</p> <p>At Risk: Change is needed to get back on schedule, budget, scope/quality.</p> <p>At Significant Risk: Probable that project will not meet at least one of the following: schedule, budget, scope/quality.</p>			
<p>Goal 1. Provide insurance regulators with the data, training, and tools required to support a collaborative regulatory environment that fosters reliable and affordable insurance products</p> <p>Goal 2. Ensure consumer protection keeps pace with changes in the marketplace and consumers have information and education needed for informed decision-making</p> <p>Goal 3. Provide optimal services to support state insurance regulators and equip them with talent and resources</p> <p>Goal 4. Optimize the efficiency and effectiveness of the NAIC structure to focus on member priorities and maximize member engagement</p>	<p>A</p>	<p>B</p>	<p>C</p>	<p>D</p>	<p>E</p>	<p>F</p>	<p>G</p>	<p>H</p>

EPMO Project Name: SERFF Filing Review Tools Pilot **Status Date:** 9/1/2020

Current Phase*:	3-Closeout	Project Sponsor:	Joy Morrison	Business/Product Owner:	Brandy Woltkamp
Project Manager:	Joy Morrison	Project Start Date:	04/01/2020	Project End Date:	8/31/2020
State Ahead Goal*:	N/A	State Ahead Objective*:	N/A	IT Impact Yes/No:	Yes

Description:	This is a three-year pilot project to provide add-on capability to the System for Rates and Forms Filings (SERFF). This pilot project will be coordinated with the Texas Department of Insurance (TDI), in order to meet business needs identified by the Department. The new capability is expected to provide TDI regulators improved product filing review capabilities. To cover the costs of providing this capability, the NAIC will implement a new analytics surcharge on all form filings submitted to TDI through SERFF. The analytics surcharge will be implemented as part of the billing enhancement project that is currently underway for SERFF as approved in the 2020 Budget.				
Milestones/Task	Start Date	End Date	Status		
Project Initiation	04/01/2020	05/15/2020	Complete		
Customer communication/training	04/01/2020	09/15/2020	Complete		
Filing Fee Enhancement	05/01/2020	08/01/2020	Complete		
Project close out tasks	08/01/2020	09/15/2020	Complete		

Executive Status/Support Needed:

Key Issues / Risks	Issue/Risks Action Plan	Project Health*	Overall Status: Complete
.	.	% Complete	100%

Recent Accomplishments	Upcoming Activities	Financial Update	Approved	Actual Inception To Date	On Budget?
<ul style="list-style-type: none"> Customer communication drafted. Customer communication distributed to all SERFF customers. Additional communication to those who need to set up ACH Debit in CECI in order to file in TX after Sept 1, 2020. 	.	Budget Revenue	\$464,000	\$0	Yes
		Budget Capital	N/A	N/A	N/A
		Budget Expense	\$464,000	\$0	Yes
		Staff Hours	1,000	1,075	No

EPMO Project Name: SERFF Filing Review Tools Pilot

Status Date 9/1/2020

Additional Comments:

*Functionality will be available by June 1, 2020, and fee assessment will begin by October 31, 2020. The pilot will continue through May 31, 2023.

- 08/01/20
 - TDI has requested NAIC not start charging companies this filing fee until Sept 1, 2020.
 - An estimate of 32 hours remain in the project for close out and customer communication/setup
 - This project is expected to finish early, likely 7-8 weeks depending on customer response to EFT setup requests. Any ongoing communication after 9/1 will be considered operational.

- 09/01/20
 - Project communication has been completed.
 - Customers will be able to use the CECL self-service web service in SERFF to complete their EFT setup.
 - The fee will go into effect beginning Sept 1.

Financial Comments:

- This project includes a 3-yr license with Venisk to provide additional review capabilities to Texas as a pilot project. Software licensing is \$99,000 per year.
- Also included is \$89,000 in consulting costs for the development of the fee collection piece in SERFF.
- The final component of the project cost is \$78,000 in consulting over the life of the pilot to assist with maintenance and support of the vendor using SERFF's state API.
- Total revenue and expenses are reported on Page 1. Revenue is expected to be collected, beginning Sept 1, 2020.

Major Features / Deliverables:

- Three-year pilot project to provide add-on capability to the System for Rates and Forms Filings (SERFF) with improved filing review capabilities.
- Work with TDI to determine informational needs for filers submitting products in Texas.
- Set up and configuration of any companies currently filing in Texas that are not already configured for ACH debit (estimated to be around 75 companies)
- Development and implementation of a new filing fee to offset the cost of licensing and support for the enhanced filing review capabilities.

States / Territories Impacted		States / Territories Participating		Reference Information		
State Ahead Goals		State Ahead Objectives		Project Phases	Project Health Legend	
<ul style="list-style-type: none"> States should not be impacted by this project as it is strictly related to the <i>transaction</i> fees NAIC collects. 	<ul style="list-style-type: none"> Texas 	<ul style="list-style-type: none"> Texas 	<ul style="list-style-type: none"> A B C D E F G H 	<ol style="list-style-type: none"> Initiation Execution Closeout On Hold 	<p>On Schedule: Project will likely meet schedule, budget, scope /quality</p> <p>At Risk: Change is needed to get back on schedule, budget, scope/quality.</p> <p>At Significant Risk: Probable that project will not meet at least one of the following: schedule, budget, scope/quality.</p>	
<p>Goal 1. Provide insurance regulators with the data, training, and tools required to support a collaborative regulatory environment that fosters reliable and affordable insurance products</p> <p>Goal 2. Ensure consumer protection keeps pace with changes in the marketplace and consumers have information and education needed for informed decision-making</p> <p>Goal 3. Provide optimal services to support state insurance regulators and equip them with talent and resources</p> <p>Goal 4. Optimize the efficiency and effectiveness of the NAIC structure to focus on member priorities and maximize member engagement</p>						



Fiscal Impact Statement

DATE SUBMITTED:	AUG. 20, 2020
NAME OF INITIATIVE:	SERFF PLAN MANAGEMENT ENHANCEMENTS
REGULATOR/BUSINESS SPONSOR:	INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE
NAIC STAFF SUPPORT:	SCOTT MORRIS, CHIEF TECHNOLOGY OFFICER (CTO)
REQUESTED INITIATIVE START DATE:	JAN. 11, 2021
ANTICIPATED COMPLETION DATE:	DEC. 17, 2021
TOTAL REVENUE EXPECTED (2021):	\$0
TOTAL EXPENSE REQUESTED (2021):	\$291,800
TOTAL CAPITAL REQUESTED (2021):	\$0

I. Executive Summary:

The SERFF Plan Management Enhancements project includes two components to streamline processes supporting data collection related to the Patient Protection and Affordable Care Act (PPACA).

The first component will replace two existing processes used to provide data to The Centers for Medicare and Medicaid Services (CMS) on behalf of state-based exchanges with a single process that leverages the existing plan transfer mechanism between SERFF and CMS. The resulting process will require less NAIC staff support and improve data quality for CMS.

The second component will build functionality to support the transfer of the CMS Unified Rate Review Template from SERFF to CMS. Today, insurance companies must submit the template, supporting documentation, and data in both SERFF and in the Health Insurance Oversight System used by CMS. This dual submission is inefficient and leads to possible data discrepancies between CMS and state insurance regulators.

II. Key Deliverables:

The following are the deliverables expected for the project:

- Successful and timely transfer of relevant plan data from state-based exchanges to CMS to meet financial management and public use file reporting requirements.
- Reduction of NAIC staff effort and code base supporting the generation of Financial Management data reports and Public Use Files.
- Transfer of rate review templates and supporting documentation and data to CMS.
- Visibility for states and issuers into transfer content and status so that all stakeholders know what data is shared between the two systems and when, so updates to the data can be easily managed.
- Ability for NAIC staff to support the new processes by providing training and other materials to ensure a smooth transition without significantly increasing support calls.

III. Financial and Organizational Impact:

This project will require the assistance of professional consultants to augment staff hours, which is expected to be \$291,800. See **Attachment I** for more details.

IV. Risk Management Plan:

The key stakeholders to this project are CMS, state insurance regulators involved in plan management activities, and insurance companies submitting health insurance plans to be sold on the insurance exchange.

The key risk for CMS is that the features delivered do not transfer the correct data or the project is not delivered in time. To mitigate these risks, the project team will conduct integration testing with CMS and will leave existing processes in place until the new processes have been verified and are in production.

For state insurance regulators and insurance companies, the key risks are lack of understanding or participation with the new processes. This risk will be mitigated through communication and documentation of new features.

V. Security Impact:

This project builds onto existing SERFF capabilities and as such, should not introduce any security risks.

SERFF-Related Financials

based on 2021 Proposed Budget

Confidential Draft - for SERFF Advisory Board Review Purposes only

<u>Category</u>	<u>2019 Actual</u>	<u>2020 Projection</u>	<u>2021 Proposed Budget</u>	<u>% of 2021 Total</u>
SERFF-Related Revenues				
SERFF License Fees	428,582	571,457	541,916	0.5%
SERFF Texas Pilot Surcharge	-	43,000	172,000	0.1%
SERFF Transaction Fees	4,648,862	4,904,749	4,695,136	4.0%
SERFF Data Hosting Fees	54,380	1,043,654	1,525,323	1.3%
Total SERFF-Related Fees	5,131,824	6,562,859	6,934,375	5.9%
Other NAIC Revenue Streams	108,211,303	106,088,377	110,290,686	94.1%
Total Revenues	113,343,127	112,651,236	117,225,061	100.0%
Expenses directly or indirectly related to support of SERFF*				
Salaries and benefits	1,564,785	1,617,540	1,661,410	1.3%
Professional Services	60,674	437,163	527,200	0.4%
Staff Travel and other misc	58,152	8,733	62,141	0.0%
Rent and Hardware/Software	312,337	288,578	307,732	0.2%
Technical Support	377,688	440,003	394,518	0.3%
Executive/Administrative Support	338,484	346,095	522,909	0.4%
Total SERFF-Related Expenses	2,712,119	3,138,112	3,475,910	2.7%
Other NAIC Expenses	114,712,144	113,115,515	123,705,240	97.3%
Total Expenses	117,424,263	116,253,627	127,181,150	100.0%

*Expenses are not tracked at the application or system level. Most of the direct expenses related to the support of SERFF are included in the Filing Solutions Department budget.

Indirect expenses related to the support of SERFF are estimated based on the percentage of staff working on SERFF compared to all NAIC staff.

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SERFF Advisory Board Candidate Application Package

The SERFF Advisory Board (SAB) Application consists of three parts:

- 1) Part I – Acknowledgement of Responsibilities/Signature (Page 1)
- 2) Part II – The Application (Pages 2 and 3)
- 3) Part III – A Professional Biography (Supplement)

Please return the completed application to:

Katie Chance, Project Assistant | kchance@naic.org | 816-783-8847

This Application must be submitted by 5 p.m. CT Jan. 15, 2021

Acknowledgement of Responsibilities/Signature – Part I

The SERFF Advisory Board (SAB) member responsibilities are described in the SERFF Advisory Board Operating Procedures adopted by the NAIC membership on Aug. 25, 2013.

http://www.serff.com/documents/contact_serff_advisory_board_operating_procedures.pdf

The SERFF Advisory Board meets at NAIC national meetings, which occur three times per year. Registration for the national meeting is not required to attend the SAB meeting as a Board member.

Applicants should be aware that the NAIC does not fund the travel to any SAB meetings at this time.

Please review the SAB Operating Procedures and sign below, indicating your acknowledgement of Board member responsibilities and your intent to apply for a SERFF Advisory Board position.

Signature

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Application Continued – Part II

What is your area of expertise in the insurance industry?

How do you feel the SERFF Advisory Board would benefit from your involvement on the Board?

Please list any groups, organizations, or businesses that you could serve as a liaison to on behalf of the SERFF Advisory Board.

Please tell us anything else you would like to share.

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Professional Biography– Part III

Separately, please provide a biography describing your professional career.

Thank you very much for applying.