



Speed of Market Forms Review

Presented by
Connecticut Insurance Department

Speed of Market - Forms Goal



01 **Consistency**
Same repeatable results time after time. Kira will give the same results



02 **Speed**
Faster reviews.
Faster audits.
Faster speed to market.



03 **Knowledge**
Retirement of institutional knowledge is a thing of the past. Tool for training new examiners.



04 **More**
Frees examiners to focus on other things. Used by other teams – legal, actuarial, business office, market conduct.

Speed of Market - Forms

Development – Smart Fields



CONNECTICUT INSURANCE DEPARTMENT COMMERCIAL MULTIPERIL CHECKLIST FORM/RATES/RULES FILING COMPLIANCE			
COMPANY	Co. File No.		
TYPE OF INSURANCE	PAGE 1 OF 6		
<p>Instructions: All items on the checklist must be answered as instructed or the filing will be rejected per CT Bulletin PC-82. Responses in the shaded area indicate non-compliance with applicable Connecticut General Statutes, regulations or rules. Complete the Form, Page and Paragraph numbers to indicate where compliance can be found in the document/s. If not applicable, enter N/A in this column and explain why in the blank space at the end of the checklist.</p>			
I. COVERAGES			
a. All policy forms comply with Connecticut Standard Fire policy provisions in CGS §38a-307 and §38a-308.	YES	NO	Form/ Page/ Para
1. Mortgage interests and obligations	YES	NO	Form/ Page/ Para
2. Appraisal provisions	YES	NO	Form/ Page/ Para
3. The company and insured may agree in writing to a partial payment of amount of loss as an advance payment	YES	NO	Form/ Page/ Para
4. Loss is payable 30 days after proof of loss	YES	NO	Form/ Page/ Para
5. Time to bring suit commenced within 24 months after loss pursuant to CGS 38a-307 as revised by P.A. 14-175	YES	NO	Form/ Page/ Para
b. Policy provisions and endorsements provide for the use of functional valuation. (Functional Building Valuation does not comply with the Statutory Fire policy).	YES	NO	Form/ Page/ Para
c. Policy provisions and endorsements provide for Replacement with like kind and quality. (CGS §38a-307).	YES	NO	Form/ Page/ Para
d. Do the policy provisions or endorsements include a definition of Actual Cash Value to comply with Connecticut law as follows? (CGS §38a-307 and §38a-308). The actual cash value at the time of loss for a building described herein shall be the amount which it would cost to repair or replace such building with material of like kind and quality minus reasonable depreciation. As used herein, "depreciation" means a decrease in value of real property over a period of time due to wear and tear.	YES	NO	Form/ Page/ Para
e. Do any endorsements provide for the use of functional replacement cost valuation?	YES	NO	Form/ Page/ Para
f. If YES, is the coverage offered on an optional basis?	YES	NO	Form/ Page/ Para
<p>http://www.ct.gov/cid Form Number: Comm7 Multiperil (Rev. 4/2016)</p>			

CT CLAIMS-MADE CHECKLIST

Add Smart Fields - Remove Import documents

Drag and drop to reorder your smart fields, or select and use your arrow keys to move Up Down

Select all 0 of 24 selected

- ** I.a. 30+ Day Automatic ERP Coverage
Yes/No / Custom / Unpublished
- ** I.a.1. Unless the policy cancels for non-payment
Yes/No / Custom / Unpublished
- ** I.a.2. Additional ERP begins at the end of Automatic ERP
Yes/No / Custom / Unpublished
- ** I.a.3. No Restrictions to Automatic ERP regardless of other purchased coverage.
Yes/No / Custom / Unpublished
- ** I.b. Additional ERP Coverage Made Available
Yes/No / Custom / Unpublished
- ** I.c. Reinstatement of the Limits of Liability
Yes/No / Custom / Unpublished
- ** I.d. Required ERP Coverages
Yes/No / Custom / Unpublished
- ** I.d.1. Termination, Cancellation & Reductions
Yes/No / Custom / Unpublished
- ** I.e. Additional ERP Post-Termination
Yes/No / Custom / Unpublished
- ** I.f. Additional ERP Premium
Yes/No / Custom / Unpublished
- ** II.a. Claims-Made Basis
Yes/No / Custom / Unpublished
- ** II.b. Retroactive Date Advance
Yes/No / Custom / Unpublished
- ** II.b.1. Retroactive Date Advance via Endorsement
Yes / Custom / Unpublished
- ** II.B.2. Retroactive Date same as Policy Inception
Yes / Custom / Unpublished

Speed of Market - Forms Details



I.a. 30+ Day Automatic ERP Coverage	
<i>Description</i>	Automatic ERP coverage of 30 days or more is available Sec. 38a-327-3(b).
<i>Statute</i>	Sec. 38a-327-3(b) Each claims-made policy shall provide an automatic extended reporting period of at least thirty (30) days upon termination of coverage.
<i>Training</i>	Automatic ERP Coverage is at least 30 days long. (Yes = No Action)
<i>Programming</i>	When Automatic ERP Coverage is missing, pass to SERFF
<i>Objection</i>	Per Connecticut statute 38a-327-3(b) there are two required Extended Reporting Periods (ERP) an Automatic and Additional. An Automatic ERP is required whenever the policy cancels or is terminated, regardless of whether the insured obtains other coverage. There are no caveats for the Automatic ERP.
I.a.1. Unless the policy cancels for non-payment	
<i>Description</i>	Unless the policy cancels for non-payment Other than cancellation for non-payment Except the non-payment of premium.
<i>Statute</i>	Sec. 38a-327-3(d)(1) Additional extended reporting period coverage shall be made available for purchase by the named insured at any time during the policy term and not later than thirty (30) days following termination of coverage, including termination for non-payment of premium. Such additional extended reporting period coverage shall apply only in regard to that coverage terminated and shall be made available on the same terms and conditions as those specified in the policy.
<i>Training</i>	When submission contains phrase related to restricting or eliminating ERP b/c policy canceled for non-payment.
<i>Programming</i>	When present, pass to SERFF. (No = No action)
<i>Objection</i>	Per Connecticut statute 38a-327-3(d)(1) The extended reporting periods are required whenever the policy cancels or is terminated, even for non-payment of premium.



Speed of Market - Forms

Machine Learning

- 8-10 weeks of machine training and Connecticut's Kira environment can accurately identify when a submission is compliant or deficient with items in the Claims-Made Checklist
- Small sample size of examples required to see real results ~ 30-50 filings
- Not intended to replace people, but instead function as a tool for the examiner
- Easy to use – no coding, programming, or technical prowess required
- Advanced search capabilities across and within documents
- Creates consistency in the file review process amongst examiners
- Serves as an excellent training tool for new examiners
- Identify Market and Company trends for higher level discussion
- Lift using the Kira tool allowed the team to identify other areas where companies have deviated from statute, i.e.: use of run-off endorsements and synonyms for retroactive date

Speed of Market – Forms SERFF Output



Objection Letter Status: * Kira Draft

Objection Letter Date: 07/22/2024

Respond By Date: 07/22/2024

Dear

Introduction:

I.a.1. Unless the policy cancels for non-payment: Per Connecticut statute 38a-327-3(d)(1) The extended reporting periods are required whenever the policy cancels or is terminated, even for non-payment of premium.

II.B.2. Retroactive Date same as Policy Inception: The method for addressing prior acts coverage is via the use of a retroactive date. The company may not omit a retroactive date on the declaration page and add a prior acts exclusion. The company may not use language such as "Policy Period" to exclude prior acts coverage.

II.b. Retroactive Date Advance: Per Connecticut statute 38a-327-3(a), once a retroactive date has been established with an insured, it may only be advanced with the written consent of the named insured. In the absence of a retroactive date specified in the policy, coverage is afforded for injury or damage occurring prior to the inception date of the policy. The company may not truncate the prior acts coverage, use the inception date to equal the retroactive date or add a prior acts exclusion. If the company is using a synonym of retroactive date, that too must be listed.

II.b.1 Retroactive Date Advance via Endorsement: <No Answer>

II.c. Prior Acts Coverage: The method for addressing prior acts coverage is via the use of a retroactive date. The company may not omit a retroactive date on the declaration page and add a prior acts exclusion. The company may not use language such as "Policy Period" to exclude prior acts coverage.

II.e. Professional Liability Policy: Because the program provides coverage for professional liability, the company must also offer an unlimited extended reporting period. Please see 38a-327-3(d)(6)(A) and 38a-393(b) for more details.

II.g. 90 Day Cancellation And Nonrenewal Notice: Because the program provides coverage for professionals, as defined in 38a-393(b), the company must provide cancellation notice of at least ninety days.

II.h. Defense Within Limits (DWL): Please see the Department's Notice on Defense within Limits (DWL) dated September 26, 2022 which states coverages other than D&O, E&O, Cyber liability and Employment Practices and Professional Liability, must have defense outside the limits. For the definition of "professional liability insurance" refer to CGS 38a-393b. As the coverage offering does not qualify for defense within limits, please update the submission.



Questions?