Speed of Market
Forms Review

Presented by

Connecticut Insurance Department

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Goal

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

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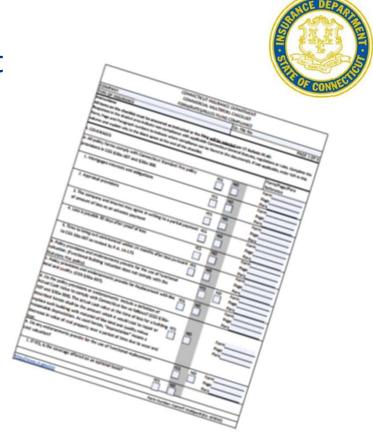Faster reviews. Faster audits. Faster speed to market.

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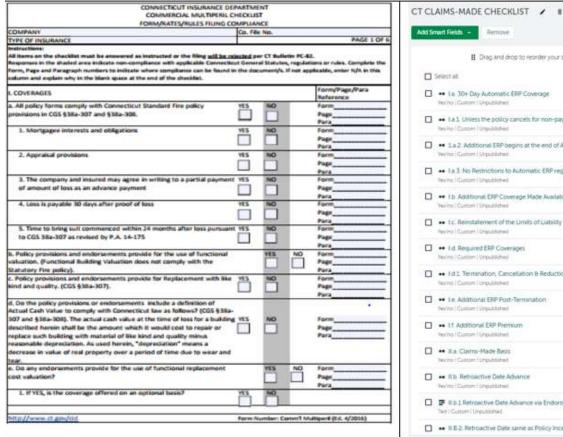Retirement of institutional knowledge is a thing of the past. Tool for training new examiners.

04 More
Frees examiners to focus on other things. Used by other teams – legal, actuarial, business office, market conduct.
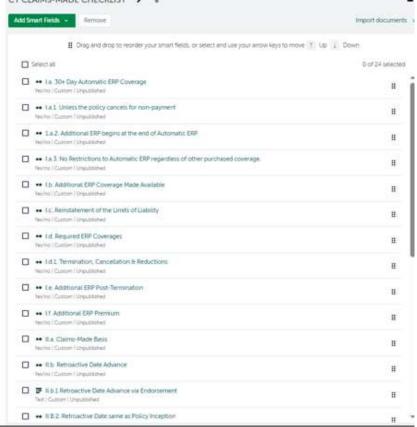
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Development - Claims-Made Checklist

- P&C Division took five pages of Claims-Made regulations and developed checklist.

- Checklist allows industry to step through the key parts of the claims-made regulation.

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Development – Smart Fields

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Details

I.a.	30+ Day Automatic ERP Coverage	
Description	Automatic ERP coverage of 30 days or more is available Sec. 38a-327-3(b).	
Statute	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.	
Training	Automatic ERP Coverage is at least 30 days long. (Yes = No Action)	
Programming	When Automatic ERP Coverage is missing, pass to SERFF	
Objection	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		
Description	Unless the policy cancels for non-payment Other than cancellation for non-payment Except the non-payment of premium.	
Statute	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.	
Training	When submission contains phrase related to restricting or eliminating ERP b/c policy canceled for non-payment.	
Programming	When present, pass to SERFF. (No = No action)	
Objection	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.	

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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

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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?