



Division of Insurance Market Regulation

11 June 2021

Rebecca Rebholz, Chair
Market Conduct Annual Statement (MCAS) Blanks Working Group

Re: MCAS Lawsuit Reporting – Homeowners & Private Passenger Auto

Dear Ms. Rebholz,

Thank you for the opportunity to provide comments on how the proposed expansion of the lawsuit data for the Homeowners & Private Passenger Auto MCAS statements will be collected.

As we understand the current proposal, the collection of claim related lawsuits would continue to be reported under the claims section (Schedule 2) and all non-claim related lawsuits would be reported under the underwriting section (Schedule 3). Missouri believes this approach will be problematic as the statement continues to evolve over time. We recommend that a new schedule be created and that all lawsuit information be reported in the newly created section.

The creation of a new schedule would allow for all lawsuit activity to be reported in a single location. This will facilitate analysis and allow an analyst to see the whole picture, as all data would be contained in a dedicated area of each statement. A new schedule would also be consistent with how lawsuit data is being reported in other recently adopted MCAS lines of business, such as the Private Flood, Long-term Care, Disability Income, Short-term Limited Duration and Travel statements.

Furthermore this approach would allow more flexibility and aide in making future changes to Schedule 2 of both statements. For example, the digital claims proposal currently being considered by the MCAS Working Group, proposes that claims information be further broken down based on the claims handling process used in adjudicating the claims (i.e. the extent to which digital processes are used). The proposal calls for the reporting of more granular data for all but the last five lines of Schedule 2 of each statement. This creates a situation where the data in a single schedule is being reported at two different grains (or levels).

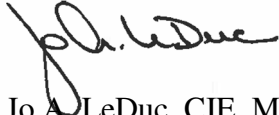
Collecting data at two different levels in the same schedule may cause confusion and increase the complexity of the data collection and analysis process. The creation of a separate schedule to collect the newly expanded lawsuit data would avoid these issues and make the statement more agile for potential future changes.



To help illustrate our suggestion, attached is a red-line version of the lawsuit document circulated for comment.

Again, thank you for the opportunity to provide comments. If you have any questions, please feel free to contact me at jo.leduc@insurance.mo.gov or 573-522-9869.

Sincerely,

A handwritten signature in black ink, appearing to read "Jo A. LeDuc". The signature is written in a cursive style with a large initial "J" and "L".

Jo A. LeDuc, CIE, MCM, CPCU, FLMI, AIDA
Director, Insurance Market Regulation Division

Property & Casualty Market Conduct Annual Statement

Homeowner Data Call & Definitions

Line of Business: Homeowners

Reporting Period: January 1, 2022 through December 31, 2022

Filing Deadline: April 30, 2023

Contact Information

MCAS Administrator	The person responsible for assigning who may view and input company data.
MCAS Contact	The person most knowledgeable about the submitted MCAS data. This person can be the same as the MCAS Administrator.
MCAS Attestor	The person who attests to the completeness and accuracy of the MCAS data.

Schedule 1—Interrogatories

ID	Description	Comment
1-01	Were there policies in-force during the reporting period that provided Dwelling coverage?	Yes/No
1-02	Were there policies in-force during the reporting period that provided Personal Property coverage?	Yes/No
1-03	Were there policies in-force during the reporting period that provided Liability coverage?	Yes/No
1-04	Were there policies in-force during the reporting period that provided Medical Payments coverage?	Yes/No
1-05	Were there policies in-force during the reporting period that provided Loss of Use coverage?	Yes/No
1-06	Was the Company still actively writing policies in the state at year end?	Yes/No
1-07	Does the Company write in the non-standard market?	Yes/No
1-08	If yes, what percentage of your business is non-standard?	Comment
1-09	If yes, how is non-standard defined?	Comment
1-10	Has the company had a significant event/business strategy that would affect data for this reporting period? Yes/No	Yes/No
1-11	If yes, add additional comments	Comment
1-12	Has this block of business or part of this block of business been sold, closed or moved to another company during the reporting period?	Yes/No
1-13	If yes, add additional comments	Comment
1-14	How does company treat subsequent supplemental payments on previously closed claims (or additional payments on a previously reported claim)? Re-open original claim/open new claim	Comment
1-15	Does the company use Managing General Agents (MGAs)?	Yes/No
1-16	If yes, list the names of the MGAs.	Comment
1-17	Does the company use Third Party Administrators (TPAs)?	Yes/No

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1-18	If yes, list the names of the TPAs.	Comment
1-19	Claims Comments	Comment
1-20	Underwriting Comments	Comment

Coverages

Dwelling (includes – Other Structures)
Personal Property
Liability
Medical Payments
Loss of Use

Schedule 2—Homeowners Claims Activity, Counts Reported by Claimant and by Coverage

Report the number of reserves/lines/features opened for each coverage part per claim. For example, if one claim results in a reserve/line/feature opened for two liability claimants, two medical payment claims, one dwelling claim for the insured, and one personal property claim for the insured, you would report as follows: Dwelling – 1; Personal Property – 1; Liability – 2; Medical Payments – 2. The number of days to final payment (if payment is made) would be calculated separately for each claimant.

ID	Description
2-21	Number of claims open at the beginning of the period
2-22	Number of claims opened during the period
2-23	Number of claims closed during the period, with payment
2-24	Number of claims closed during the period, without payment
2-25	Number of claims open at the end of the period
2-26	Median days to final payment
2-27	Number of claims closed with payment within 0-30 days
2-28	Number of claims closed with payment within 31-60 days
2-29	Number of claims closed with payment within 61-90 days
2-30	Number of claims closed with payment within 91-180 days
2-31	Number of claims closed with payment within 181-365 days
2-32	Number of claims closed with payment beyond 365 days
2-33	Number of claims closed without payment within 0-30 days
2-34	Number of claims closed without payment within 31-60 days
2-35	Number of claims closed without payment within 61-90 days
2-36	Number of claims closed without payment within 91-180 days

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2-37	Number of claims closed without payment within 181-365 days
2-38	Number of claims closed without payment beyond 365 days
2-39	Number of claim related lawsuits open at beginning of the period
2-40	Number of claim related lawsuits opened during the period
2-41	Number of claim related lawsuits closed during the period
2-42	Number of claim related lawsuits open at end of period
2-43	Number of claim related lawsuits closed with consideration for the consumer.

Schedule 3—Homeowners Underwriting Activity

ID	Description
3-4439	Number of dwellings which have policies in-force at the end of the period
3-4540	Number of dwelling fire policies in force at the end of the period.
3-4641	Number of homeowner policies in force at the end of the period.
3-4742	Number of tenant/renter/condo policies in force at the end of the period.
3-4843	Number of all other residential property policies in force at the end of the period.
3-4944	Number of new business policies written during the period
3-5045	Dollar amount of direct premium written during the period
3-5146	Number of Company-Initiated non-renewals during the period
3-5247	Number of cancellations for non-pay or non-sufficient funds
3-5348	Number of cancellations at the insured's request
3-5449	Number of Company-Initiated cancellations that occur in the first 59 days after effective date, excluding rewrites to an affiliated company
3-5550	Number of Company-Initiated cancellations that occur 60 to 90 days after effective date, excluding rewrites to an affiliated company
3-5651	Number of Company-Initiated cancellations that occur greater than 90 days after effective date, excluding rewrites to an affiliated company
3-5752	Number Of Complaints Received Directly From Any Person or Entity Other than the DOI
3-58	Number of non-claim related lawsuits open at beginning of the period
3-59	Number of non-claim related lawsuits opened during the period
3-60	Number of non-claim related lawsuits closed during the period
3-61	Number of non-claim related lawsuits open at end of period
3-62	Number of non-claim related lawsuits closed with consideration for the consumer.

Schedule 4—Lawsuit Activity

Claim related lawsuits should be reported on the same basis as claims - one lawsuit should be reported for each / claimant / coverage combination, regardless of the number of actual suits

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filed. For non-claim related lawsuits, if one lawsuit seeks damages under two or more policies or contracts, count the number of policies or contracts involved as the number of lawsuits.

Reporting Breakdowns

<u>Dwelling (includes – Other Structures)</u>
<u>Personal Property</u>
<u>Liability</u>
<u>Medical Payments</u>
<u>Loss of Use</u>
<u>Non-claim Related Lawsuits</u>

<u>ID</u>	<u>Description</u>
<u>4-53</u>	<u>Number of lawsuits open at beginning of the period</u>
<u>4-54</u>	<u>Number of lawsuits opened during the period</u>
<u>4-55</u>	<u>Number of lawsuits closed during the period</u>
<u>4-56</u>	<u>Number of lawsuits open at end of period</u>
<u>4-57</u>	<u>Number of lawsuits closed with consideration for the consumer.</u>