February 1, 2022

Mary Kay Rodriguez, Chair
Other Health MCAS Drafting Group
c/o Randy Helder
National Association of Insurance Commissioners
Via RHelder@naic.org

Dear Ms. Rodriguez & Members of the Drafting Group:

ACLI appreciates the opportunity for further comment on the draft blank. As instructed, we have limited our feedback in this letter to elements 1-65.

**General Clarifications**

**Frozen/Closed Business** – It is industry’s understanding that regulators are seeking information on products that are currently marketed and sold (as specified in the first interrogatory). In order to limit confusion and ensure consistency amongst insurers, we request that the definitions clarify that frozen and closed blocks of business are excluded.

**Division by Market Type/Product** – ACLI requests confirmation that the reporting divided by market type and product is limited to elements 32-130.

**Interrogatories**

7-13, 18-24 – First, ACLI requests that the Drafting Group remove interrogatory eight. We appreciate regulators’ concerns around associations, but, because the response would be proprietary information, we request that regulators access that information through other means.

Second, we request clarification on whether question nine is necessary. It can be assumed that if a company issues a policy to an association that there is a contractual relationship. If the question is necessary, please clarify what is meant by “contractual relationship.”

Third, these interrogatories include questions on what contracts/delegation structures do and do not cover. Insurers do not necessarily use a generic contract for each association and TPA. Thus,
it may not be possible for a company to answer yes or no to these questions. ACLI seeks clarification on how companies should respond if the answers differ depending on the contract/delegation structure.

14-15 – ACLI requests clarification on why there is a separate interrogatory for trusts. Is this meant to be another market type in addition to individuals, associations, and employers? In some instances, for example with a portability trust, the underlying coverage is for an employer group. We request regulators to elaborate on what information they would like to learn here so industry can respond accurately and consistently.

16-17, 25-26 – ACLI requests definitions for “administrator” and “TPA” as industry is unclear on the difference between the two. A definition of TPA would also instruct companies how to respond to questions 25-26.

Data Elements

**Employer-Group** – ACLI requests that the elements related to employer groups be changed to “policies issued in the situs state to employer groups.” Carriers offering group supplemental benefit products do not typically collect the residence information for individual certificate holders. Instead, employers generally maintain information and status about residence information of employees. Employers prefer it this way to protect the privacy of their employees. However, Insurers can provide the level of detail in these data elements for the situs state of the group. Regulators’ concerns, the inappropriate marketing and bundling of supplemental products, would still be addressed as the employer is the primary purchaser of the plan. Rather than marketing to the individuals in the group separately, insurers work with the employer to create extensive pre-enrollment materials, often customized for the group, to be circulated to employees. Information on individual employees would not help regulators assess how group plans are treated because the marketing and enrollment process is specific to the group and employer and would require insurers to submit data on information that they do not collect.

**Covered/Insured Lives** – Industry has expressed confusion over the references to “covered lives” and “insured lives.” ACLI suggests using “policyholder” for individual plans and “certificate holder” for association and group plans. As explained above, with group policies, employers maintain the information related to their covered employees. Insurers are not always made aware when an employee joins or leaves the group. With individual policies, insurers do not track the number of dependents on a policy. Dependents are limited to one spouse, but it is not always known how many children or other dependents are covered on the policy. Insurers do not collect unnecessary information on employees or dependents to protect consumers’ privacy. In order to respond to these elements, insurers would have to go to policyholders to request detailed information about their dependents, which they typically have not had to provide. Limiting the request to policyholder and certificate holder would still allow regulators to address their concerns because policies are not marketed and sold to employees individually or dependents.

**STLDI Elements** – ACLI requests that the Drafting Group strike the following elements as they are specific to STLDI and do not apply to supplemental policies: 21, 30, 40-48, 58, 59, 61, and 62.

**Renew/Reissue/Terminate** – ACLI requests definitions for the following terms: “renew,” “reissue,” and “terminate.” Some data elements that contain these terms seem to address major medical policies (40-48, 61-62) and industry requests clarification on how to apply them to supplemental policies.
ACLI requests that these elements be limited to policy rather than certificates as the insurer does not have the information on certificates until a claim is filed with the insurer. Group coverage is based on the premise of supplying coverage to the group as a whole, not the individual employees in the group; individual coverage is based on the premise of supplying coverage to the individual and is priced accordingly. As discussed above, the insurer maintains information on the group for the group policy, but the employer maintains the information on the individual employees in the group. Insurers do not know specific details on those individual employees until the time that the insurer needs to be involved, such as when the individual employee is seeking payment for benefits under the group policy. Additionally, insurers do not know when a certificate holder in a group plan joins or leaves the group, nor does it track terminations and cancellations, because it does not require insurer involvement unless the payment of the benefit has been triggered.

Thank you for your time and attention in considering these matters and for the opportunity for industry to participate in this process. ACLI is continuing to work with member companies’ product, market conduct, and data experts to provide comprehensive feedback. Some of the clarifications requested here will help inform member companies on how they will have to respond, and we may have additional suggestions on the elements discussed to ensure accuracy and consistency. Please reach out with any questions and we welcome the opportunity for further discussion.

Sincerely,

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