



Consumer Credit Industry Association

Consumer Credit Industry Association  
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Mr. John Haworth, Chair, and Ms. Rebecca Rebholz, Vice-Chair, Market Analysis Procedures (D) Working Group  
c/o Mr. Randy Helder, Assistant Director Market Regulation, NAIC  
Submitted via email: [rhelder@naic.org](mailto:rhelder@naic.org)

Re: Blanket VSI and NAIC MCAS Reporting

Dear Mr. Haworth and Ms. Rebholz,

The Consumer Credit Industry Association (“CCIA”) offers this material to help address an issue with the reporting of Blanket VSI data in the NAIC Market Conduct Annual Statement (“MCAS”). Blanket VSI was included in scope for reporting data under the Lender-Place Home and Auto MCAS umbrella. As a new process, it’s only natural that some issues can arise. We believe this issue can be easily remedied.

Blanket VSI protects the lender’s financial interest in secured collateral against damage. It is characterized by:

- A commercial insurance policy issued to a lender, covering all eligible collateral
- *No* individual certificates are issued
- Exposure management services (e.g., tracking) are not applied to individual loans in the portfolio
- One-time nominal borrower fee *may* be included at loan closing -- regulated and disclosed pursuant to lending laws (e.g., TILA)

Since no certificates are issued under Blanket VSI, the [Lender-Placed Data Call and Definitions](#) inquire into areas that are not applicable to Blanket VSI, specifically 17 Underwriting Elements, spanning from certificates in-force to number of flat cancellations on individual policies to average gross placement rate.

Despite the inapplicability of these 17 data elements to Blanket VSI, some state insurance departments are asking CCIA members for this data. Industry is thus experiencing varied feedback from state insurance regulators with respect to treatment of Blanket VSI in the LP Blank. We all share the same goal of having consistency and accuracy for data reporting.

To resolve this issue, we respectfully propose providing some basic information to state insurance department staff overseeing the MCAS process, to include:

- Basic information on Blanket VSI (leveraging the bullet points above)
- Insurers are reporting zero (0) for the 17 Underwriting Elements that do not apply to Blanket VSI

In this way, data will be treated consistently across the states and the industry, thereby supporting the MCAS objective of enabling state insurance analysts to identify trends and anomalies. We would be happy to assist in the development of this brief material for the state insurance departments.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tom Keepers". The signature is written in a cursive, slightly slanted style.

Tom Keepers

***About CCIA.** CCIA fosters consumer financial security by assuring a healthy market for consumer asset and debt protection products. Made available through lenders, retailers and auto dealers, the products help consumers meet their loan or payment obligations should an unforeseen event arise such as disability, job loss, death, total loss of a vehicle, auto mechanical repairs, or failure to secure primary insurance coverage.*