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**Subject:** Re: Market Conduct Annual Statement Pet Insurance SME Group  
**Date:** Monday, October 31, 2022 10:44:47 AM  
**Attachments:** [image001.png](#)  
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CEJ thanks and supports Missouri's suggested additions.

We suggest that Schedules 2 (Underwriting) and 5 (Marketing and Sales) cover similar issues and could be combined along with a breakout (columns) beyond individual and group based on the method of sale. Missouri proposes the following methods of sale: electronic, phone, face to face and mail. CEJ asks the group to consider a breakout by a different set of methods of sale: initiated through a pet retailer, initiated through a web aggregator, initiated directly with the insurer (including an appointed producer who is not a web aggregator or a pet retailer), initiated through a group or association, and other. An individual sale may involve two or more of the methods of sale proposed by Missouri, which would create reporting problems. CEJ suggests the alternative method-of-sale breakouts because they correspond to the entities distinguished by regulatory approach. See attached for mock-up with suggested edits and a number of questions.

CEJ also notes the Missouri proposal for data elements regarding number of policies based on certain types of coverages -- illness only, illness and accident -- and number of policies with wellness coverage. Some insurers provide wellness as part of the policy, while others provide wellness as a non-insurance product which will make the interpretation of such a data element difficult. Regarding coverages, in other MCAS lines, where information by coverage is deemed important, the data are broken out (columns) by coverage. If the data elements regarding coverage are limited to "policies in force" that would not capture the number of insured pets nor activity during the year (since PIF must be evaluated at a point in time -- typically beginning or end of the reporting period).

Thanks again to Jo for the detailed analysis and recommendations.

Birny

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Proposed MCAS Pet Insurance -- Marketing, Sales and Underwriting

Individual or Group Policy	Individual Policies Initiated Directly with Insurer	Individual Policies Initiated Through Web Aggregator	Individual Policies Initiated Through Pet Retailer	Individual Policies Initiated Through a Group	Individual Policies Other	Group Policies Initiated Directly with Insurer	Group Policies Initiated Through Web Aggregator	Group Policies Initiated Through Pet Retailer	Group Policies Initiated Through a Group	Group Policies Other
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Number of individual applications pending at beginning of the period
Number of new individual applications received during the period
Number of individual renewal applications received during the period
Number of new individual applications denied for health status or condition during the period
Number of new individual applications denied for any other reason during the period
Number of individual renewal applications denied for health status or condition during the period
Number of individual renewal applications denied for any other reason during the period
Number of new applications approved during the period
Number of renewal applications approved during the period
Number of applications pending at the end of the period
<del>Number of new applications initiated via phone during the period</del>
<del>Number of new applications completed via phone during the period</del>
<del>Number of new applications initiated face-to-face during the period</del>

Note: "Individual applications refers to an individual pet regardless of whether issued under a group or individual policy

Question -- does new applications refer to application received during the experience year only or those plus applications pending at beginning of experience year?

	Number of new applications completed face to face during the period
	Number of new applications initiated online (electronically) during the period
	Number of new applications completed online (electronically) during the period
	Number of new applications initiated via mail during the period
	Number of new applications completed via mail during the period
	Number of new applications initiated by any other method during the period
	Number of new applications completed by any other method during the period
	Number of policies in force at the beginning of the period
	Number of certificates in force at the beginning of the period
	Number of covered lives on policies/certificates in force at the beginning of the period
	Number of policies in force that included accident-only coverage
	Number of certificates in force that included accident-only coverage
	Number of policies in force that included illness-only coverage
	Number of certificates in force that included illness-only coverage
	Number of policies in force that included accident and illness coverage

Question -- if the data elements regarding benefits provided are limited to policies in force, how will that be helpful to understand the number of pets with that type of coverage?

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Number of certificates in force that included accident and illness coverage	Question -- if the data elements regarding benefits provided are limited to policies in force, how will that be helpful to understand the number of pets with that type of coverage?
Number of policies in force that included wellness coverages	Question -- if Wellness is defined as non-insurance, how will this data element be used?
Number of certificates in force that included wellness coverages	Question -- if Wellness is defined as non-insurance, how will this data element be used?
Number of policies returned under the consumer's "Right to Examine and Return the Policy" during the period	
Number of certificates returned under the consumer's "Right to Examine and Return the Policy" during the period	
Number of covered lives impacted due to the return of the policy/certificate under the consumer's "Right to Examine and Return the Policy" during the period	
Number of policies cancelled/terminated at the policyholders request during the period	
Number of certificates cancelled/terminated at the certificate holders request during the period	
Number of covered lives impacted by cancellations/terminations initiated by the policyholder/certificate holder during the period	
Number of policies cancelled/terminated by the insurer during the period	
Number of certificates cancelled/terminated by the insurer during the period	
Number of covered lives impacted due to cancellations/terminations initiated by the insurer during the period.	

	Number of policies cancelled/terminated for non-pay or non-sufficient funds
	Number of certificates cancelled/terminated for non-pay or non-sufficient funds
	Number of covered lives impacted on cancellations/terminations due to nonpayment during the period
	Number of company-initiated policy non-renewals during the period
	Number of company-initiated certificate non-renewals during the period
	Number of covered lives impacted by company initiated non-renewals during the period
	Number of policies expired during the period
	Number of certificates expired during the period
	Number of covered lives impacted due to policy expirations during the period
	Number of new policies issued during the period
	Number of new certificates written during the period
	Number of covered lives on new policies/certificates issued during the period
	Number of policies in force at end of the period
	Number of certificates in force at the end of the period
	Number of covered lives in force at the end of the period
	Number of renewal policies issued during the period

	Number of renewal certificates issued during the period
	Dollar amount of direct premium written during the period
	Dollar amount of direct premium earned during the period
	Dollar amount of commissions incurred during the period
	Unearned commissions returned to the company during the period