

March 31, 2020

Ray Farmer
NAIC President and Director
South Carolina Dept. of Insurance

Dean Cameron
NAIC Vice-President and Director
Idaho Department of Insurance

David Altmaier
NAIC President-Elect and Commissioner
Florida Department of Insurance

Chlora Lindley-Meyers
NAIC Secretary-Treasurer and Director
Missouri Department of Commerce and Insurance

National Association of Insurance Commissioners

Attn: Jeff Johnston

Via e-mail: jjohnston@naic.org

Re: Industry Request to Consider Regulatory Filing Flexibility as a Result of COVID-19

Dear President Farmer, President-Elect Altmaier, Vice-President Cameron, and Secretary-Treasurer Lindley-Meyers:

The undersigned interested parties would like to take the opportunity to commend the NAIC and state regulators on their swift action in dealing with the COVID-19 pandemic. We thank you for recognizing the difficulties with which consumers and insurance carriers are grappling, as well as the critical need for regulatory flexibility in these uncertain times. State regulators are being stretched to the limit, as are our members. We wanted to express our appreciation for your continued recognition of these difficulties and efforts to streamline and coordinate, even as you deal with the same inordinate time and resource challenges in the regulatory community. In particular, we appreciate your work to coordinate data calls by the states.

We would like to bring to your attention various regulatory financial, solvency, and other supplemental filings that carriers are required to file annually or quarterly in April, May, June and beyond with the NAIC, domestic state regulators, and regulators in other states where carriers are authorized to write business. These filings are prepared and submitted in some states electronically, but in others by hard copy, as there are many states that appear to still require a hard copy filing with a wet signature by a set due date. While certain states have issued executive orders allowing for flexibility in the filing timeframe and format of certain filings, nevertheless, this has not been uniform. If possible, we would appreciate working with you in order to provide states with guidance that would allow for a level of flexibility and consistency around regulatory filings during this extremely disruptive time.

Following are a few examples, not intended to be all inclusive, that are generally considered routine reporting in normal circumstances, but in this current environment, will likely be very difficult or perhaps impossible to produce by current due dates. With the significant increase in remote working arrangements and the complexity and technical nature of certain filings, to this point, it has been very cumbersome, if not impossible, for carriers to efficiently prepare and comply with the current filing deadlines.

- Hard copy filings with wet signature requirements are particularly difficult in this broad Work-From-Home environment. It would be helpful if the NAIC would issue a statement encouraging states to issue bulletins indicating that any company filings made with the NAIC electronically by the prescribed due date to be deemed in compliance with

state filing requirements. Regulators could request a hard copy and wet signature filing 60 days after insurers and regulators are cleared by their State to return to work.

- For ORSA filings, given the evolution of the virus' impact, carriers need additional time to receive and organize more relevant information in order to appropriately determine the prospective impacts that COVID-19 is going to have on enterprise risks. Additionally, with any proprietary document filings like ORSA and remote working arrangements, data security measures need to be considered.
- The Corporate Governance Annual Disclosure filing due in June will be difficult for reporting in normal fashion, as Board of Director accessibility and the inability for companies to hold regularly scheduled Board meetings make the certification requirements difficult.

There are dozens of other required filings made with the NAIC and the states and additional examples are set out in Attachment A to this letter that we believe should also be considered. In these extraordinary circumstances, companies must be allowed flexibility and extensions in individual circumstances, and we ask that states express that such flexibility will be allowed.

On March 23, the NAIC Market Analysis Procedures Working Group adopted a 60-day extension beyond the required Market Conduct Annual Statement filing date to provide insurers with relief. On March 25, the Securities Exchange Commission (SEC) issued an order that public companies unable to meet filing deadlines due to COVID-19-related circumstances will have an additional 45 days to submit certain disclosure reports (e.g., Forms 10-K, 10-Q, 20-F) that would otherwise have been due between March 1 and July 1, 2020. We commend the Market Analysis Procedures Working Group for its actions and ask that states provide carriers with 30 to 60 days' extensions on other filings as well beyond the current required filing dates such as those mentioned above in Attachment A.

We appreciate your consideration of our concerns and the continuous opportunity to work collaboratively to serve the needs of state regulators, consumers and industry and to navigate our collective interests for robust solvency regulation through this very challenging time in our nation's history. The interested parties as noted below support the comments in this letter.

<u>Organization</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail Address</u>
American Council of Life Insurers	Mike Monahan	202-624-2324	mikemonahan@acli.com
America's Health Insurance Plans	Bob Ridgeway	501-333-2621	bridgeway@ahip.org
Blue Cross Blue Shield Association	Joe Zolecki	312-297-5766	joseph.zolecki@bcbsa.com
National Association of Mutual Insurance Companies	Jonathan Rodgers	317-875-5250 x1106	jrodgers@namic.org
American Property Casualty Insurance Association of America	Steve Broadie	847-553-3606	steve.broadie@apci.org
Reinsurance Association of America	Joseph Sieverling	202-783-8312	sieverling@reinsurance.org

CC: Michael Consedine, NAIC Chief Executive Officer

Attachment A

Filing Deadlines

The filing deadlines for the upcoming components of the **2019 annual electronic filings** that may be submitted to the NAIC are as follows.

- May 1, 2020 Combined Annual Statement Filing (Property)
 - Combined Insurance Expense Exhibit (Property)
- June 1, 2020 Accountant's Letter of Qualifications (Property, Life/Fraternal, Health, Title) (PDF file only)
 - Audited Financial Report (Property, Life/Fraternal, Health, Title) (PDF file only)
- **Aug. 1, 2020 Communication of Internal Control Related Matters Noted in Audit (Property, Life/Fraternal, Health, Title) (PDF file only)**
- Aug. 15, 2020 PBR Exemption filing due to state 7/1 and to NAIC 8/15 (Life/Fraternal) (PDF file only with second quarter filing)

The filing deadlines for the components of the **2019 annual filings that, if applicable**, should be submitted **only to an insurer's state of domicile** are as follows.

- Mar. 1, 2020 Exceptions to the Reinsurance Attestation Supplement (Property)
 - Schedule SIS – Stockholder Information Supplement (Property, Life/Fraternal, Health, Title)
 - Supplemental Compensation Exhibit (Property, Life/Fraternal, Health, Title)
- Mar. 15, 2020 Actuarial Opinion Summary (Property)
(Note: An insurer's state of domicile may specify a filing deadline other than March 15 for this component.)
 - Apr. 1, 2020 Supplemental Schedule of Business Written by Agency (Title)Regulatory Asset Adequacy Issues Summary (RAAIS) Required by Valuation Manual (Life/Fraternal)
- Apr. 30, 2020 Actuarial Memorandum Required by Actuarial Guideline XXXVIII 8D (Life/Fraternal)
- Aug. 1, 2020 Management's Report of Internal Control Over Financial Reporting (Property, Life/Fraternal, Health, Title)

Note: The Report on Significant Deficiencies in Internal Controls should not be included in the electronic filing of the Audited Financial Report to ensure confidentiality of such information.

The NAIC filing deadlines and requirements for the **2020 quarterly** electronic filings are as follows.

- May 15, 2020 Quarterly Statement Filing as of March 31, 2020 (Property, Life/Fraternal, Health, Title)
 - Trusteed Surplus Statement – Quarter Ending March 31, 2020

- (Property, Life/Fraternal)
- Supplement A to Schedule T (Medical Professional Liability Supplement) – Quarter Ending March 31, 2020 (Property)
- Medicare Part D Coverage Supplement – Quarter Ending March 31, 2020 (Property, Life/Fraternal, Health)
- Merger/history quarterly form, if applicable (Property, Life/Fraternal, Health, Title) (electronic txt file only)
- Reasonableness of Assumptions Certification Required by Actuarial Guideline XXXV – Quarter Ending March 31, 2020 (Life/Fraternal) (PDF file only)
- Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXV – Quarter Ending March 31, 2020 (Life/Fraternal) (PDF file only)
- Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method Required by Actuarial Guideline XXXVI – Quarter Ending March 31, 2020 (Life/Fraternal) (PDF file only)
- Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXVI (Updated Average Market Value) – Quarter Ending March 31, 2020 (Life/Fraternal) (PDF file only)
- Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXVI (Updated Market Value) – Quarter Ending March 31, 2020 (Life/Fraternal) (PDF file only)
- Director and Officer Insurance Coverage Supplement – Quarter Ending March 31, 2020 (Property)
- July 1, 2020 PBR Exemption due to state 7/1 and NAIC 8/15 (Life/Fraternal) (PDF file only)
- Aug. 15, 2020 Quarterly Statement Filing as of June 30, 2020 (Property, Life/Fraternal, Health, Title)
 - Trusteed Surplus Statement – Quarter Ending June 30, 2020 (Property, Life/Fraternal)
 - Supplement A to Schedule T (Medical Professional Liability Supplement) – Quarter Ending June 30, 2020 (Property)
 - Medicare Part D Coverage Supplement – Quarter Ending June 30, 2020 (Property, Life/Fraternal, Health)
 - Merger/history quarterly form, if applicable (Property, Life/Fraternal, Health, Title) (electronic txt file only)
 - Reasonableness of Assumptions Certification Required by Actuarial Guideline XXXV – Quarter Ending June 30, 2020 (Life/Fraternal) (PDF file only)
 - Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXV – Quarter Ending June 30, 2020 (Life/Fraternal) (PDF file only)
 - Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method Required by Actuarial Guideline XXXVI – Quarter Ending June 30, 2020 (Life/Fraternal) (PDF file only)

- Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXVI (Updated Average Market Value) – Quarter Ending June 30, 2020 (Life/Fraternal) (PDF file only)
 - Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXVI (Updated Market Value) – Quarter Ending June 30, 2020 (Life/Fraternal) (PDF file only)
 - Director and Officer Insurance Coverage Supplement – Quarter Ending June 30, 2020 (Property)
 - PBR Exemption due to state 7/1 and NAIC 8/15 (Life/Fraternal) (PDF file only) [Only filed with 2nd Quarter Statement]
- Nov. 15, 2020 Quarterly Statement Filing as of September 30, 2020 (Property, Life/Fraternal, Health Title)
- Trusteed Surplus Statement – Quarter Ending September 30, 2020 (Property, Life/Fraternal,)
 - Supplement A to Schedule T (Medical Professional Liability Supplement) – Quarter Ending September 30, 2020 (Property)
 - Medicare Part D Coverage Supplement – Quarter Ending September 30, 2020 (Property, Life/Fraternal, Health)
 - Merger/history quarterly form, if applicable (Property, Life/Fraternal, Health, Title) (electronic txt file only)
 - Reasonableness of Assumptions Certification Required by Actuarial Guideline XXXV – Quarter Ending September 30, 2020 (Life/Fraternal) (PDF file only)
 - Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXV – Quarter Ending September 30, 2020 (Life/Fraternal) (PDF file only)
 - Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method Required by Actuarial Guideline XXXVI – Quarter Ending September 30, 2020 (Life/Fraternal) (PDF file only)
 - Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXVI (Updated Average Market Value) – Quarter Ending September 30, 2020 (Life/Fraternal) (PDF file only)
 - Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXVI (Updated Market Value) – Quarter Ending September 30, 2020 (Life/Fraternal) (PDF file only)
 - Director and Officer Insurance Coverage Supplement – Quarter Ending September 30, 2020 (Property)