

NAIC MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP
Changes/Additions to Approved Blanks and Data Call and Definitions
Proposal Submission Form

NAIC USE ONLY

Proposal Submission Date: 2/2/2026	
Proposed Effective Data Year for Reporting: 2026 Data Year	
Proposed <input checked="" type="checkbox"/> Substantive Change <input type="checkbox"/> Non-Substantive Change/Clarification	
Proposal Number	2026.1
Proposal Status	<u>All Submissions</u> <input checked="" type="checkbox"/> Received – Date 2/2/2026 <input type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date Click or tap to enter a date. <input type="checkbox"/> Referred to Another NAIC Group – Date Click or tap to enter a date. – Name of Group Click or tap here to enter text. <input type="checkbox"/> Adopted <input type="checkbox"/> Modified <input type="checkbox"/> Rejected <input type="checkbox"/> Deferred by WG – Date Click or tap to enter a date. <u>Substantive Revisions</u> <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by D Committee – Date Click or tap to enter a date. <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by EX/Plenary – Date Click or tap to enter a date. <input type="checkbox"/> Other – Date Click or tap to enter a date. Specify Click or tap here to enter text.
NAIC Staff Input	Teresa Cooper / Hal Marsh / Kelsey Bollin

Proposal Contact Information

Name of Contact Person	John Fielding
Name of Organization	NAPHIA
Email Address	John@FieldingStrategies.com
Phone Number	202-716-2212
Affiliation Type	<input type="checkbox"/> State Regulator <input type="checkbox"/> NAIC Staff <input type="checkbox"/> Other Regulator <input type="checkbox"/> Reporting Company <input checked="" type="checkbox"/> Industry Trade Association <input type="checkbox"/> Consumer Representative <input type="checkbox"/> Other

PROPOSAL IS FOR: ☒ Data Element ☒ Data Definitions ☐ Data Validation

APPLICABLE LINE(S) OF BUSINESS:

<input type="checkbox"/> Annuity	<input type="checkbox"/> Lender Placed Auto and Home	<input type="checkbox"/> Private Flood
<input type="checkbox"/> Disability Income	<input type="checkbox"/> Life	<input type="checkbox"/> Private Passenger Auto
<input type="checkbox"/> Health	<input type="checkbox"/> Long-Term Care	<input type="checkbox"/> Travel
<input type="checkbox"/> Homeowners	<input type="checkbox"/> Other Health	<input type="checkbox"/> STLD
<input checked="" type="checkbox"/> Pet		

PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

(1) Insert the phrase “maximum benefit limits” to the Partial Payment definition’s excluded payment claims provision. With the proposed change, the definition would be restored to the language originally adopted by the NAIC and to its original intent. It would read as follows (restored language bolded/underlined):

Partial Payment – A claim not paid in full for costs included within the terms of coverage of the insurance policy/certificate.

NAIC MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP
Changes/Additions to Approved Blanks and Data Call and Definitions
Proposal Submission Form

- Removal from a claim of charges for costs not covered in the policy – where there is full payment for costs covered in the policy – is not considered a partial payment.
- Do not report as partial payment claims that are reduced by deductibles, copays, maximum benefit limits, or other limitations set by the insurance policy/certificate.

(2) Delete interrogatory 3-109 as follows:

~~3-109 Number of claims closed during the period with partial payment – maximum benefit limit~~

(3) Re-number the subsequent interrogatories accordingly.

PROVIDE THE REASON FOR THE CHANGE:

The definition of “Partial Payment” in the Pet MCAS was changed at the NAIC Fall National Meeting in December 2025, when the phrase “maximum benefit limits” was removed from the list of elements that are not considered partial payments under the Partial Payment definition. Prior to the change, claims payments that were affected because a policy’s maximum benefit limit had been reached were NOT considered to be Partial Payments. As a result of the recent change, however, a claims payment that is affected because a policy’s maximum benefit limit has been reached could be considered a “Partial Payment” and therefore could be subject to MCAS reporting. This was not the intent when the Pet MCAS was adopted.

Background: The purpose of the partial payment interrogatories is to determine the number of claims closed during a given period that **should have been paid but were not paid**. It is **not** intended to include information regarding claims (or portions thereof) that were not paid in accordance with policy terms. That is why the original definition of “Partial Payment” specifically stated that partial payments do not include claims “reduced by deductibles, copays, maximum benefit limits, or other limitations set by the insurance policy/certificate.” Maximum benefit limits are an essential element of a pet insurance policy.

Proposal: The phrase “maximum benefit limits” should be included the Partial Payment definition’s list of excluded elements because pet insurance policies cover claims up to the policy’s maximum benefit limit but do not cover claims in excess of that limit, in accordance with the terms of the policy. Thus, payment of a claim up to the maximum benefit limit is payment in full for the claim even if the insured’s losses were greater than the amount paid. Such a payment is not a “Partial Payment.”

The proposed addition of the phrase “maximum benefit limits” to the definition of Partial Payment is necessary to ensure that the Partial Payment data reported by insurers accurately reflects claims payments that are not fully paid but otherwise should have been.

In addition to restoring the phrase “maximum benefit limits” to the Partial Payment definition, Pet MCAS interrogatory 3-109 should be deleted. The interrogatory currently states:

3-109 Number of claims closed during the period with partial payment – maximum benefit limit

For the reasons noted above, payment of a claim up to the maximum benefit limit is payment in full for the claim even if the insured’s losses were greater than the amount paid. It is not a Partial Payment. Thus, this interrogatory does not make sense and would not provide regulators with accurate information regarding actual Partial Payments. Further, due to the manner in which claims are handled, this is not data that industry has or would be able to provide.

NAIC MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP
Changes/Additions to Approved Blanks and Data Call and Definitions
Proposal Submission Form

NAPHIA notes that there are two other interrogatories that address Partial Payments that should remain:

3-110 Number of claims closed during the period with partial payment – inadequate documentation

3-111 Number of claims closed during the period with partial payment for reasons other than questions 109-110

These interrogatories provide regulators with accurate information regarding all Partial Payments.

NAPHIA also notes that these interrogatories should be renumbered after the deletion of interrogatory 3-109.

IF ADDITIONAL DOCUMENTS CONTAIN DEFINITIONS, BLANK MOCK-UPS, ETC, PROVIDE A LISTING OF THESE DOCUMENTS BELOW. SEND THE LISTED DOCUMENTS TO NAIC STAFF ALONG WITH THE COMPLETED FORM:

Click or tap here to enter text.