



**Comments of the Center for Economic Justice**  
**To the NAIC Market Conduct Annual Statement Blanks Working Group**  
**Proposal for Travel Insurance MCAS Data Elements**

**September 9, 2020**

The Center for Economic Justice (CEJ) offers the following proposal for data elements and reporting format for the Travel Insurance Market Conduct Annual Statement.

Travel Insurance is typically sold as part of a travel protection package consisting of insurance coverages, fee waivers and non-insurance services. The travel protection package is typically not divisible – a consumer may take or reject the package.

In addition to the complexity of insurance being sold as part of a package with non-insurance products and services, there is also complexity related to the nature of sales and the diverse and numerous insurance coverages provided. Travel protection is sold directly by travel retailers (airlines, cruise lines, rail), travel agencies, travel insurance consolidators and travel insurers directly. Travel protection insurance coverages include trip interruption, trip delay, lost baggage, lost personal effects, baggage delay, emergency medical treatment, emergency evacuation, repatriation of remains, car rental and many more. Travel insurance coverage is further complex and differentiated by primary or excess coverage.

Given the very large number of coverage distinctions of interest to regulators, we suggest that the summary reporting approach historically used for MCAS will be unwieldy because the number of different coverage categories needed is too many for summary reporting. CEJ suggests that transaction reporting is reasonable and necessary for travel insurance MCAS.

While transaction reporting is a different approach than the summary reporting used for other MCAS lines, the differences are primarily an issue for the NAIC as the statistical agent. For regulators, the output can be presented in precisely the same way as for other MCAS lines – individual company and state-wide ratios. As with other MCAS lines, the regulator may choose to dig deeper and look at the underlying data. In both types of regulatory use, the transaction reporting is more efficient and more effective.

It is more effective because more ratios are possible, if desired, and more granular predictive analytics are possible, again if desired.

It is more efficient because for two major reasons. Data quality is always better with transaction reporting because more automated data edits and reasonableness checks are available. In addition, making a change in data elements is far simpler for transaction reporting than summary reporting. For example, if regulators decide to break out, say, another type of sales outlet or coverage feature, this requires a major restructuring of the summary reporting MCAS to break an existing coverage category into two or more categories with the result that every data element needs to be reprogrammed for reporting. With transaction reporting, another type of claim or sales outlet simply requires the addition of another category code to an existing data field with no other change required.

With this background, we offer the following data elements for a transaction reporting framework. Each reporting company would submit two reports – one for sales and one for claims and lawsuits. The two reports would have two data fields in common – the state of issue and the unique individual policy/group certificate identification number. The state of issue is included in both reports so the NAIC can develop ratios based solely on summarizations of the two reports. The unique coverage identified is included in both reports so the NAIC could attach claims records to the sales records for more granular multi-variate analysis and summarizations.

It is worth repeating that any standard ratio (e.g., those used for other lines), can be produced from the transaction data.

### **Underwriting and Sales Data Elements**

1. State of Issue
2. Name of Insurance Company Issuing the Coverage
3. NAIC Company Number of Insurance Company Issuing the Coverage
4. Name of Managing General Agent (If MGA is involved)
5. Producer Licensing Numbering of MGA (if MGA is involved)
6. Name of Producer 1 (if a producer is involved)
7. Producer Licensing Number of Producer 1 (if a producer is involved)
8. Name of Producer 2 (if a second producer is involved)
9. Producer Licensing Number of Producer 2 (if a second producer is involved)
10. Name of Third Party Administrator (if a TPA is involved)

11. Primary Activity of TPA
  - a. 1 if Sales
  - b. 2 if Policy Administration
  - c. 3 if Claim Settlement
  - d. 4 if Other
12. Unique Individual Policy or Group Policy Certificate Identification Number
13. Type of Sale
  - a. Direct from Insurer
  - b. Direct from Travel Insurance Consolidator Website
  - c. Airline Website, Phone or In-Person
  - d. Cruise Line Website, Phone or In-Person
  - e. Rail or Bus Website, Phone or In-Person
  - f. Online Travel Website or Online Travel Agency Website
  - g. Travel Agency by Phone or In Person
  - h. Other
14. Type of Policy
  - a. Multi-trip
  - b. Single trip
15. Individual or Group
  - a. Coverage for One Person
  - b. Coverage for a Couple or Family
  - c. Coverage for a Group of Unrelated People
16. Number of People Insured
17. Geographic Coverage
  - a. U.S. only
  - b. U.S and Canada
  - c. U.S and Mexico
  - d. U.S. Canada and Mexico
  - e. International other than Canada and Mexico

18. Type of Purchase
  - a. Online only
  - b. Human interaction – phone or internet
  - c. Human interaction – in person
19. Group Policy Number
20. Group Policy Certificate Number
21. Individual Policy Number
22. Date of Sale YYYYMMDD
23. Total Amount Paid for Travel Protection
24. Amount Paid for Insurance Coverages
25. Effective Date of Coverage YYYYMMDD
26. Date of Travel (if single trip, enter 0 if not applicable)
27. Term of Coverage in Days
28. If Policy Cancelled by Insured, Date of Cancellation
29. If Policy Cancelled by Insurer for Non-Payment of Premium, Date of Cancellation
30. If Policy Cancelled by Insurer for Other Than Non-Payment of Premium, Date of Cancellation
31. Insurance Premium Refund Amount, if any
32. Insurance Coverage 1 – Trip Cancellation or Interruption (0 if no, 1 if yes primary coverage, 2 if yes, excess coverage)
33. Insurance Coverage 2– Itinerary Change / Missed Connection (0 if no, 1 if yes primary coverage, 2 if yes, excess coverage)
34. Insurance Coverage 3– Baggage / Personal Effects Delay or Loss(0 if no, 1 if yes primary coverage, 2 if yes, excess coverage)
35. Insurance Coverage 4– Emergency Evacuation (0 if no, 1 if yes primary coverage, 2 if yes, excess coverage)
36. Insurance Coverage 5– Repatriation of Remains (0 if no, 1 if yes primary coverage, 2 if yes, excess coverage)
37. Insurance Coverage 6– Emergency Accident or Sickness (0 if no, 1 if yes primary coverage, 2 if yes, excess coverage)

38. Insurance Coverage 7– Accidental Death & Dismemberment (0 if no, 1 if yes primary coverage, 2 if yes, excess coverage)
39. Insurance Coverage 8 – Rental Car ((0 if no, 1 if yes primary coverage, 2 if yes, excess overage)
40. Insurance Coverage 9 – Adventure & Hazardous Sport, Sports Equipment & Fees, Sports Competitions (0 if no, 1 if yes primary coverage, 2 if yes, excess)
41. Insurance Coverage 10– Any Other (0 if no, 1 if yes primary coverage, 2 if yes, excess)
42. Non-Insurance Fee Waiver Included in Travel Protection (0 if no, 1 if yes)
43. Non-Insurance Service Included in Travel Protection (0 if no, 1 if yes)
44. Sales Complaint
  - a. 0 if no complaint received initially insurer, MGA, TPA or Travel Reailer
  - b. 1 if Received Initially by Insurer
  - c. 2 if Received Initially by Producer, MGA or TPA
  - d. 3 if Received Initially by Travel Retailer

### **Claims, Complaint and Suit Data**

45. State of Issue
46. Unique Individual Policy or Group Policy Certificate Identification Number
47. Unique Claim Identification Number
48. Coverage Code
  - a. 01 if Trip Cancellation or Interruption
  - b. 02 if Itinerary Change/Missed Connection
  - c. 03 if Baggage / Personal Effects Delay or Loss
  - d. 04 if Emergency Evacuation
  - e. 05 if Repatriation of Remains
  - f. 06 if Emergency Accident or Sickness
  - g. 07 if AD&D
  - h. 08 if Rental Car
  - i. 09 if Hazardous Sports, Sports Events, Sports Equipment
  - j. 10 if Any Other

49. Date Claim Filed
50. Date of Initial Claim Payment
51. Amount of Initial Claim Payment
52. Amount of Supplemental Claim Payments To Date
53. Date Claim Denied – enter 11111111 if pending
54. Reason for Denial
  - a. Excess coverage only, primary coverage not exhausted
  - b. Claim Not Filed Timely
  - c. No Coverage for Claimed Event
  - d. Specific Exclusion for Claimed Event
  - e. Other
55. Date Claim Denial Appealed
56. Claim Denial Appeal Outcome --
57. Date Claim Denial Appealed
58. Service or Claims Complaint
  - a. 0 if no complaint received initially insurer, MGA, TPA or Travel Reailer
  - b. 1 if Received Initially by Insurer
  - c. 2 if Received Initially by Producer, MGA or TPA
  - d. 3 if Received Initially by Travel Retailer
59. Lawsuit 1 Regarding This Travel Protection (0 if no, 1 if yes individual, 2 if yes class action)
60. Date Lawsuit Received 1
61. Lawsuit 1 Resolution
  - a. Settled at amount equal to or less than initial offer by insurer
  - b. Settled at amount greater than initial offer by insurer
  - c. Concluded with arbitration
  - d. Concluded with court trial with finding for insurer, producer, MGA, TPA or travel retailer
  - e. Concluded with court trial with finding for consumer
62. Lawsuit 1 Initial Amount Offered by Insurer

63. Lawsuit 1 Amount Paid as a result of Settlement, Arbitration or Trial
64. Lawsuit 2 Regarding This Travel Protection (0 if no, 1 if yes individual, 2 if yes class action)
65. Date Lawsuit Received 2
66. Lawsuit 2 Resolution
  - a. Settled at amount equal to or less than initial offer by insurer
  - b. Settled at amount greater than initial offer by insurer
  - c. Concluded with arbitration
  - d. Concluded with court trial with finding for insurer, producer, MGA, TPA or travel retailer
  - e. Concluded with court trial with finding for consumer
67. Lawsuit 2 Initial Amount Offered by Insurer
68. Lawsuit 2 Amount Paid as a result of Settlement, Arbitration or Trial