



**Comments of the Center for Economic Justice  
to the Market Conduct Annual Statement Working Group  
Proposed Updates to the Life & Annuity MCAS Blanks**

**April 13, 2017**

The Center for Economic Justice (CEJ) has previously proposed the addition of lawsuit data elements for the Life & Annuity MCAS. With these comments, CEJ proposes breaking out the four current product categories into 16 more-specific product categories. Pursuant to the MCAS Data Element Revision Process, we provide the following:

**1. Concise Statement of the Proposed Change**

The Life MCAS current requires reporting of experience broken out as follows:

1. ICVP Individual Life Cash Value Products (Includes Variable Life, Universal Life, Variable Universal Life, Term Life with Cash Value, Whole Life, & Equity Index Life)
2. INCVP Individual Life Non-Cash Value Products (Any life insurance policy that does not contain a cash value element)
3. IFA Individual Fixed Annuities (Includes Equity Index Annuity Products)
4. IVA Individual Variable Annuities

CEJ proposes the life insurance product categories be expanded to the following product categories:

1. Individual Term Life Insurance with no Cash Value
2. Individual Pre-Need / Funeral / Final Expense Life Insurance
3. Individual and Group Credit Life ←
4. Other Individual Life Insurance with no Cash Value
5. Individual Variable Life Insurance
6. Individual Universal Life Insurance
7. Individual Variable Universal Life Insurance
8. Individual Whole Life Insurance
9. Individual Equity Indexed Life Insurance

NAIC Note: This item was considered by the MAP WG and will not currently be included in MCAS. Discussed this exclusion on the MCAS Blanks WG 4/18/17 conference call.

CEJ proposes the annuity product categories be expanded to the following product categories:

10. Individual Immediate Fixed Annuity
11. Individual Deferred Fixed Annuity other than Qualified Longevity Annuity Contract
12. Individual Qualified Longevity Annuity Contract
13. Individual Equity Indexed Annuity
14. Individual Variable Annuity
15. Individual Fixed/Variable Annuity
16. Individual or Group Contingent Deferred Annuity

## **2. Statement Type for Suggested Change**

The proposed changes apply to the Life & Annuity MCAS

## **3. Reason for the Proposed Change**

CEJ proposes the change to more detailed product categories to improve the efficiency, effectiveness and usefulness of the Life & Annuity MCAS. More detailed MCAS reporting by product category is more efficient because data editing and quality control can be enhanced by analysis of experience limited to specific products. Under the current MCAS categories, products with different sales and claims/benefit experience are combined, limiting the usefulness of some data quality processes. Better data quality creates more efficiency and fewer requests to reporting companies for data explanations.

More granular product categories allow more efficient and effective and useful market analysis by comparing companies with similar product markets. Market analysis is also more useful because industry and company ratios and trends better reflect specific product market experience instead of ratios and trends broadly averaged over multiple product markets.

The NAIC has recently worked on Contingent Deferred Annuities, concluding that the product does not fit neatly into the fixed or variable annuity product categories. Consequently, it is important and necessary to create a separate product category for CDAs to ensure consistent reporting across companies reporting CDA experience.

## **4. Supporting Information**

See response to item 3, above. In addition, the MAP WG is currently considering the request to add/include credit life.

Thank you for your consideration.