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Speed to Market (EX) Working Group

Boston, Massachusetts

August 5, 2018

The Speed to Market (EX) Working Group of the Innovation and Technology (EX) Task Force met in Boston, MA, Aug. 5, 2018. The following Working Group members participated: Joanne Bennett (AK); William Lacy (AR); Robert Nkojo (DC); Robin David (DE); C.J. Metcalf (IL); Tammy Lohmann (MN); Angela Nelson (MO); Emily Doherty (NH); Theresa Schaefer (OH); Eli Snowbarger and Cuc Nguyen (OK); Rick Blackwell (OR); Tracy Klausmeier (UT); Rebecca Nichols (VA); and Allan L. McVey and Mark Hooker (WV).

Commissioner McVey chaired the meeting on behalf of Superintendent John G. Franchini (NM).

1. Adopted its June 21, June 19, May 30 and Spring National Meeting Minutes

Commissioner McVey said the Working Group met June 21, June 19 and May 30. During these meetings, the Working Group took the following action: 1) adopted its 2018 work plan; and 2) discussed potential changes to uniform product coding matrices and transmittal documents.

Ms. Nelson made a motion, seconded by Ms. Bennett, to adopt the Working Group’s June 21 (Attachment Three-A); June 19 (Attachment Three-B); May 30 (Attachment Three-C); and March 25 (*see NAIC Proceedings – Spring 2018, Innovation and Technology (EX) Task Force, Attachment Three*) minutes. The motion passed unanimously.

1. Adopted 2019 Speed to Market Tools via E-Vote

Bridget Kieras (NAIC) said the Working Group conducted an e-vote that concluded July 24 (Attachment Three-D) to adopt the 2019 changes to the speed to market tools. Achieving a 72% response rate (exceeding the required 66% response rate), 18 of 25 Working Group members responded with a “yes” vote. The changes to the speed to market tools for 2019 were adopted.

1. Heard an Update on SERFF Activities

Ms. Kieras said the System for Electronic Rate and Form Filing (SERFF) had two releases since the last national meeting. The plan management release was May 1. The June 28 release for back-end code will eventually allow deletion of filings the state has marked for destruction. The code will remain inactive until the expected October release of the remainder of the state data retention project.

The submission review cycle for plan 2019 health care is underway. The states have completed initial rounds of transferring plans with the final round of transfers due in late August. Future work includes additional security enhancements and other fixes and enhancements to the system.

Regarding marketing and implementation, transaction volume for the first half of 2018 was 276,061, a little less than the 279,400 projected transactions. Marketing staff attended the Association of Insurance Compliance Professionals’ (AICP) Mid-Atlantic Chapter E-Day conference, the AICP Heartland Chapter E-Day conference and the NAIC/NIPR Insurance Summit. The staff met with users, conducted sessions related to SERFF, and networked with regulators and insurance companies. In September, staff plan to attend the AICP Annual Conference in Nashville, TN, to market at a booth, present a session and participate in a roundtable discussion.

Implementation staff supported the states to make any changes to rate and form filing submission requirements. New Jersey was added to SERFF plan management this year.

With future retirement of the Health Filing Access Interface (HFAI), the new SERFF Filing Access (SFA) is being demonstrated and implemented. Eleven states have retired the old project, so only two states remain using the old system.

Minnesota, New Hampshire and Washington have begun marking filings for destruction under the state data retention feature. The second phase of that project will be introduced in October.

SERFF currently has 43 states and the Interstate Insurance Product Regulation Commission (Compact) in production.

1. Heard an Update on SERFF Strategic Projects

The SERFF Pricing Restructure Project and the Plan Management Project have been completed.

The Pricing Restructure Project streamlines the pricing structure to ensure equity across all the pricing tiers and reduces the NAIC’s financial liability, as the NAIC had numerous prepaid blocks on the books. The number of pricing tiers was reduced from five to three; the price was lowered for pay-as-you-go transactions; policy changes were made to expire blocks after a reasonable period; and the pay-as-you-go volume discount was eliminated. Revenue for 2018 is expected to decline by $71,000, but the fiscal is designed to be revenue-neutral over the next three years. NAIC staff have contacted all the customers with prepaid blocks, except for customers for seven very old blocks. Remaining refunds amount to $7,700. The Pricing Restructure Project was finished about two months early, on budget and under staff hours.

The Plan Management Project was completed in June. As requested by the federal Centers for Medicare and Medicaid Services (CMS), in an attempt to get data transferred earlier, the scope included a feature to allow the states to transfer plans without rates. There has not been widespread adoption by the states so far. Changes were made to the federal templates that change every year. Some general improvements were made to the plan management module. Some remaining operational work will be completed to support public use file reports and “FM Data” reports.

1. Heard a Report from the Compact

Anne Marie Narcini (Compact) said the Compact adopted amendments to the Individual Disability Income Uniform Standards. The Product Standards Committee produced a gap analysis on individual life and annuities standards and is proposing a priority list of products and benefit features for further development. New members were appointed to the Compact’s Consumer Advisory Committee. Third-party litigation in the U.S. District Court for the District of Colorado has raised constitutional questions about the Compact.

1. Adopted a Letter to the Compact

Kris DeFrain (NAIC) said the Working Group is charged to “[c]onduct the following activities as desired by the Interstate Insurance Product Regulation Commission (IIPRC): 1. Provide support to the IIPRC as the speed to market vehicle for asset-based insurance products, encouraging the states’ participation in, and the industry's usage of the IIPRC.” As agreed in the adoption of the 2018 work plan, the Working Group decided to draft letter to the Compact asking how the Working Group could further assist the Compact. Ms. DeFrain introduced a draft letter.

Ms. Nelson made a motion, seconded by Ms. Nguyen, to adopt the Working Group’s letter to the Compact (Attachment Three-E). The motion passed unanimously.

1. Discussed the Status of Activities in its 2018 Work Plan

Ms. DeFrain discussed the progress of the work plan (Attachment Three-F). She said the next planned step is to conduct a survey on the usefulness of existing SERFF tools and potential new SERFF tools. She said the survey will also be useful to help market those tools and increase awareness. She asked if there were any remaining items on the work plan that should also be started soon.

Ms. Nelson asked to begin the project to develop potential measurement tools using new metrics other than turnaround time (e.g., customer satisfaction, efficiency and effectiveness). Commissioner McVey said legislatures want more data every day. The Working Group agreed.

Commissioner McVey asked Ms. DeFrain to work with Superintendent Franchini and Maureen Motter (OH) to set up conference calls for the fall.

1. Discussed Filings for Medicare Supplement Plans Chart Developed by Senior Issues (B) Task Force

Michael Colliflower (Aetna) asked whether the Medicare Supplement plans chart developed by the Senior Issues (B) Task Force to aid consumer communication must be filed by every insurer in each state. He suggested the Working Group communicate with the states, asking them to issue bulletins or other actions to exempt an already discussed and adopted chart from having to be filed. The Working Group agreed to include the topic as a future agenda item for discussion.

Having no further business, the Speed to Market (EX) Working Group adjourned.

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