

REVIEW STANDARDS CHECKLIST BEST PRACTICES

The Review Standards Checklists Subgroup (the subgroup) obtained input from its members and interested parties in developing the Review Standards Checklist Best Practices. Based upon these findings the subgroup presents below its review standards checklists best practices:

- States should develop review standards checklists based on the checklists developed and adopted by this subgroup on January 21, 2003 and adopted by its parent group, the Improvements to State-Based Systems Working Group, on March 10, 2003. The 20 property and casualty checklists and comprehensive life, accident and health, annuity and credit checklist replace the checklist template previously posted on the NAIC website.

This best practice is supported by the subgroup's research indicating that while almost all states have adopted the use of review standards checklists, many variations exist. This has created a cumbersome process for insurers seeking to make filings in multiple states. The industry has indicated that if review standards checklists developed by states were consistent with those based on the NAIC model checklists', it would facilitate usage and enhance compliance.

- Review standard checklists should be in an "interactive" or "intelligent" format to facilitate on-line completion by insurers.

The review standards checklist format has been modified to include the product names and codes adopted in the NAIC Product Coding Matrices. Therefore, the title and header information for each checklist reflect the product names and codes adopted in the NAIC Product Coding Matrices completed by the Uniform Product Coding Subgroup and adopted by the parent group.

The new checklists will facilitate uniformity and consistency among states and facilitate usage by insurers. These changes are also being incorporated into SERFF.

- Review standards checklists should clearly identify whether the review requirement applies to forms, rules, or rates—or identify that there are no filing requirements.

Review of the state checklists currently available on the NAIC website has revealed several items that discuss forms, rates, or rules but are not identified as such. States also have exemptions for the filing of specific lines of insurance, forms, rates, or rules. All states should clearly identify these items as such in the review standard checklists.

- The checklist should contain a hyperlink to the text of each statute, regulation, bulletin identified in the "reference" column (Column Two).

- The “Description of Review Standards Requirements,” Column Three of each checklist, should be used to provide a clear, concise summary of the review requirement. The description should provide the insurer with the necessary information to conform to the review requirement and, if complied with, permit the state to accept/approve without requesting further clarification.
- Each checklist now contains a fourth column that will be used by insurers making paper filings to provide the location of the applicable compliance requirement within the filing. Several states have indicated that Column Four will not only facilitate the efficiency of filing review and reduce review time, but will also enhance the quality of paper filing submissions.
- States that require the submission of checklists should require their completion when a new program or major program revision is being filed. The checklists should only be necessary for “programs” (e.g., policy filings) and not for many routine filings such as minor revisions to previously approved programs, endorsements, etc., which do not include changes to regulatory requirement categories contained in Column One. When all or part of a checklist is not applicable (e.g., endorsements, riders), insurers should use the fields now contained in checklist headers to provide an explanation. Insurers may also indicate this on the Uniform Filing Transmittal Document, or attach documentation where needed.
- States should develop and publish instructions consistent with “best practices,” explaining when a checklist is part of the required documentation of a filing.
- SERFF Filings

For the System of Electronic Rate & Form Filing (SERFF), the states should develop and implement uniform and consistent requirements for the application of bookmarks. The subgroup has developed a list of categories for each checklist, compiled from the submission requirements that states have posted to SERFF and to their own websites. The following are subgroup recommendations regarding bookmarks:

- a) States should require bookmarks on SERFF filings for those items categorized and identified by the subgroup, with the understanding that states retain the right to require state specific compliance items to receive bookmarks under limited circumstances.
- b) Compliance items should receive a “bookmark” by insurers making filings through SERFF in order to facilitate review and processing within the goal timeframe of 30-days.

The states should develop training and outreach programs to facilitate the proper use of the checklists and work with insurers to develop review standard checklist training programs for appropriate personnel.