

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE

Market Regulation and Consumer Affairs (D) Committee March 26, 2025, Minutes

Market Regulation and Consumer Affairs (D) Committee March 7, 2025, Minutes (Attachment One)

Market Analysis Procedures (D) Working Group March 3, 2025, Minutes (Attachment Two)

Market Conduct Annual Statement Blanks (D) Working Group March 6, 2025, Minutes (Attachment Three)

Market Conduct Annual Statement Blanks (D) Working Group Dec. 5, 2025, Minutes (Attachment Three-A)

Market Conduct Examination Guidelines (D) Working Group March 13, 2025, Minutes (Attachment Four)

Pharmacy Benefit Management (D) Working Group March 25, 2025, Minutes (Attachment Five)

Speed to Market (D) Working Group March 4, 2025, Minutes (Attachment Six)

Draft Pending Adoption

Draft: 4/1/25

Market Regulation and Consumer Affairs (D) Committee
Indianapolis, Indiana
March 26, 2025

The Market Regulation and Consumer Affairs (D) Committee met in Indianapolis, IN, March 26, 2025. The following Committee members participated: Dean L. Cameron, Chair (ID); Trinidad Navarro represented by Stephen Taylor, Co-Vice Chair (DE); Scott Kipper, Co-Vice Chair (NV); Alan McClain (AR); Holly W. Lambert (IN); Sharon P. Clark (KY); Robert L. Carey represented by Timothy N. Schott (ME); Angela L. Nelson represented by Jo A. LeDuc (MO); Mike Causey represented by Robert Croom (NC); Carter Lawrence (TN); Cassie Brown represented by Stacie Parker (TX); and Allan L. McVey (WV). Also participating were Mike Peterson (CA); Jason Lapham (CO); Andria Seip (IA); David Buono (PA); and Joylynn Fix (WV).

1. Adopted its March 7 and 2024 Fall National Meeting Minutes

Director Cameron said the Committee met March 7, 2025, and Nov. 19, 2024. During its March 7 meeting, the Committee adopted the 2025 charges of the Pharmacy Benefit Management (D) Working Group.

Schott made a motion, seconded by Commissioner McClain, to adopt the Committee's March 7, 2025, (Attachment One) and Nov. 19, 2024 (*see NAIC Proceedings – Fall 2024, Market Regulation and Consumer Affairs (D) Committee*) minutes. The motion passed unanimously.

2. Heard a Presentation on the NIPR Attachment Warehouse

Director Cameron said that more than 20 years ago, the NAIC Membership envisioned reducing administrative burdens and enhancing the efficiency of regulatory compliance by eliminating the need for state-by-state submission of hard copy documents when a producer applicant answered “yes” to a background question on the NAIC Uniform Application. In order to support this policy direction, the Membership tasked the National Insurance Producer Registry (NIPR) with creating a centralized reporting tool called the Attachment Warehouse. To create a national system of producer licensing, the Membership also recognized the need to have full participation from all Members in accepting membership-driven producer licensing reforms, including the acceptance of producer notifications via the Attachment Warehouse.

Director Cameron said the states are notified of actions reported via the Attachment Warehouse through a Personalized Information Capture System (PICS) alert. He said the alerts ensure that a state is aware of any action against a producer reported through the Attachment Warehouse by the producer licensed in their state or an individual seeking licensure in their state.

Director Cameron encouraged states to review who among their department staff is receiving these alerts to ensure the appropriate staff are receiving the appropriate alerts.

Karen Hornig (NIPR) said the Attachment Warehouse is a tool used by all states that electronically receives, stores, and shares with regulators licensing-related documents submitted by producers and applicants for licensure. She said the NIPR Attachment Warehouse was implemented in 2008 to meet the need for producers and applicants to submit supporting documentation when they respond with a “yes” answer to any of the uniform background questions. Whenever supporting documentation is uploaded, all states with a pending application are notified of the uploaded documentation supporting the background question. The Attachment Warehouse allows producers to provide documents at one time to all states in which they are licensed and that need the documentation.

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Hornig said that in 2009, the Attachment Warehouse was enhanced to allow producers to report any final administrative or criminal action against them. She said when a report of action is uploaded, all states with an active license for the producer are notified.

Hornig said that in 2020, a further enhancement allowed producers to upload documentation that becomes necessary due to recently enacted state regulations. This may include documentation such as proof of citizenship.

Hornig said that all states have participated in accepting documents uploaded to the Attachment Warehouse since it was implemented in 2008. She said a model bulletin was drafted and adopted in some form by all states instructing producers and applicants to use the Attachment Warehouse to meet the requirement to report finalized administrative and criminal actions to states in which they are licensed. She said it is important for all chief regulators to review who in their states are receiving the reports of documents uploaded into the Attachment Warehouse. She noted that the notifications to states are made through PICS. She said PICS is an NAIC tool that is used to report on events that are reported in numerous NAIC databases.

Hornig said NIPR surveyed current users and, as part of a three-year strategic plan, is enhancing the Attachment Warehouse to increase usability by integrating it with NIPR's licensing and reporting websites and building a better way for state regulators to review documents. To do that, the NIPR first needed to modernize its websites into a consistent, clean, and easy-to-use interface and upgrade the identity management capabilities to enable a personalized experience. She said NIPR is on track to complete modernizing the licensing website by the end of 2025.

Director Cameron reiterated the importance of knowing who in the departments receives PICS alerts regarding any documentation uploaded into the Attachment Warehouse. He noted that his state was receiving PICS alerts on actions loaded by states into RIRS but not on reports uploaded into the Attachment Warehouse by individuals. He encouraged all the states to determine if their state adopted the model bulletin and who is receiving PICS alerts about uploads to the Attachment Warehouse. Commissioner Clark said the Attachment Warehouse has worked well in Kentucky for industry. She said it is important to be aware of personnel changes so alerts are being received by the right people in the department.

Seip asked whether RIRS and the Attachment Warehouse are searchable by individual, specific entity, or specific entity type. Laurie Wolf (NIPR) said a state can search the Attachment Warehouse by name, license number, and entity type. Mullen said RIRS can be searched by CoCode, individual, business entity, and multiple other fields.

3. Received an Update from the Pharmacy Benefit Management (D) Working Group

Fix said the Pharmacy Benefit Management (D) Working Group met March 25. She said this was the first meeting since the Working Group was formed a month ago. She said the Working Group reviewed its charges. The Working Group will develop examination standards for pharmacy benefit managers (PBMs). She said the Working Group will also develop licensing and registration standards for PBMs.

Fix said the Working Group welcomes new members and interested regulators to participate in the Working Group and the examination standards drafting groups.

4. Received an Update from the Market Actions (D) Working Group

Director Cameron said he asked Buono to provide an update on the Market Actions (D) Working Group so commissioners, interested regulators, and interested parties have a better understanding of how it works. He said the Working Group will report more frequently than it has previously.

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Buono said that he is the Chair of the Working Group, and Pam O'Connell (CA) is the Vice Chair. The Working Group consists of a diverse and geographically balanced membership of the top market conduct regulators in the country. It provides regulator-only forums where all jurisdictions engage in a free exchange of market conduct information. He said the words "market conduct" and "regulator only" can generate what appears to be a cloud of secrecy and exclusion, but he hoped to shine some light on the process.

Buono said the Working Group meets in regulator-only session because the Working Group discusses potential compliance problems with insurers and other entities engaged in the business of insurance. Buono said investigations cannot be discussed publicly unless an action is completed with a document that requires publication, such as a regulatory settlement agreement (RSA). He said if the Working Group spoke publicly about something prematurely it could not only unfairly impact the reputation of the entity but also damage the credibility of the state-based system of regulation.

Buono said the Working Group does not have independent regulatory authority of its own. Its members work together to complete collaborative analyses, investigations, or examinations. Any exam or investigation is done under individual state authority for such actions. The Working Group appoints a lead state or a team of lead states to perform work under their state authority, and the Working Group facilitates the collaborative work by providing a forum for discussion, information sharing, and guidance for structuring resolutions and settlements that can benefit all to the greatest degree possible.

Buono said the Working Group invites each jurisdiction's collaborative action designee (CAD) to attend all regularly scheduled Working Group meetings and calls so they can be in the know about issues being discussed and ongoing collaborative actions, such as open exams and pending settlements. The Working Group limits attendance at its meetings to better control the flow of information in a confidential manner, and it relies on the CADs to deliver information to their agency's leadership in a fully confidential manner.

Buono said the Working Group is currently discussing topics such as mental health parity, annuity suitability, producer/agent items, and claims and underwriting issues including the use of aerial photos, field inspections, and estimation processes. Its goal is to enhance state-based regulation by reducing duplicative efforts and promoting efficiencies that ensure market issues are adequately addressed.

5. Heard a Panel Discussion on Wildfire Insurance Response and Market Conduct

Peterson said California has tracked 37,700 claim filings because of the Los Angeles fires that destroyed over 15,000 structures. He said California has 27,800 claims with partial payments and \$12.1 billion in claims has been paid as of March 5. He said much of the partial payments are from immediate, advance payments on living expenses which has been very helpful for the fire victims. He said the final expected total could be \$30 to \$40 billion. He said the California Department of Insurance (DOI) was active in the wildfire regions providing support to consumers and victims, hosting weekend insurance workshops, and assisting with claims filing. The DOI also established a consumer hotline and a strike team to fight fraud.

Lapham said that a number of insurance issues arose out of the Marshall fire in 2021 including customers having difficulties preparing itemized inventories of their contents, underinsurance, and a lack of standards for handling partial losses. Colorado passed legislation to 1) require insurers to pay 65% of contents losses without a written inventory in the case of a declared wildfire disaster and simplify the itemization of contents through uniform industry templates; 2) provide increased coverage options on law and ordinance coverage and extended replacement cost coverage; and 3) conduct a remediation study to make recommendations on uniform standards for the remediation of damage to residential structures damaged by fire, smoke, soot, ash and other contaminants.

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Amy Bach (United Policyholders—UP) said UP worked with the California DOI to operate disaster recovery centers and conducted a Roadmap to Recovery workshop series. She said UP has a number of resources available on www.uphelp.org. She said some of the challenges faced after a disaster are:

- Communications with insurers. Bach recommended insurers provide one point of contact for insureds who have a claim.
- Out-of-state adjusters not familiar with local regulations.
- Preparing itemized inventories. Bach said this generates many complaints, and she suggested more uniformity among the states on this issue. She said there is a trend toward tendering partial payments at the outset of a contents claims adjustment.
- Software undervaluing loss estimates and excessive depreciations.
- Underinsurance.
- Insurers refusing to pay for pre-cleaning testing or smoke-damaged homes or for the appropriate cleaning and restoration of smoke damage.
- Companies using third-party administrators in place of trained adjusters.
- Scams, solicitors, and fees that eat up insurance benefits.

Bach said that the work of Commissioner Lara and the California DOI to ensure sustainable homeowners insurance rates has resulted in carriers staying in the state and offering coverage despite the wildfire risk. She said the efforts in Colorado discussed by Lapham have been helpful reforms for consumers. She said DOI claims dispute mediation programs will reduce litigation.

Erica Weyhenmeyer (National Association of Mutual Insurance Companies—NAMIC) said NAMIC member companies represent 61% of the national homeowners insurance market and 61.9% of the California market. Insurance companies have made payments of \$12.1 billion in the Los Angeles wildfires as of early March.

Weyhenmeyer said every claim and every policyholder's situation is different, and NAMIC member companies have taken proactive steps to promptly and efficiently serve consumers by deploying teams of adjusters and customer support specialists to the affected areas to facilitate and expedite the claims process. For example, she said consumers have been able to take advantage of direct bill rental property relationships where adjusters have secured housing for affected policyholders.

Donald Griffin (American Property Casualty Insurance Association—APCIA) said that content coverage is always an issue, and upfront payments are a good idea. He cautioned, however, about legislating advance payments, which could lead to an increased cost of insurance. He said there will always be complaints, but at the end of the day, the insurance policy is a legal contract, and care should be taken not to over-regulate. He said companies compete for customers and will pay as much as possible to maintain customers, but they cannot pay more than they take in.

Director Cameron said he was impressed with California and UP's work communicating and working with consumers during the wildfires. He thanked the companies for stepping up and working with Commissioner Lara and Commissioner Conway to ensure consumers are made whole.

6. Adopted its Task Force and Working Group Reports

Commissioner McClain made a motion, seconded by Commissioner Lawrence, to adopt the reports of the following task forces and working groups: 1) Antifraud (D) Task Force, 2) Producer Licensing (D) Task Force, 3) Market Analysis Procedures (D) Working Group (Attachment Two), 4) Market Conduct Annual Statement Blanks (D) Working Group (Attachment Three), 5) Market Conduct Examination Guidelines (D) Working Group

Draft Pending Adoption

(Attachment Four), 6) Market Information Systems (D) Working Group, 7) Market Regulation Certification (D) Working Group, 8) Pharmacy Benefit Management (D) Working Group (Attachment Five), and 9) Speed to Market (D) Working Group (Attachment Six). The motion passed unanimously.

7. Discussed Other Matters

Director Cameron reminded the Committee that it will be cooperating with the Innovation, Cybersecurity, and Technology (H) Committee to on new regulatory standards and tools to monitor industry's use of artificial intelligence.

Having no further business, the Market Regulation and Consumer Affairs (D) Committee adjourned.

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Draft: 3/12/25

Market Regulation and Consumer Affairs (D) Committee
Virtual Meeting
March 7, 2025

The Market Regulation and Consumer Affairs (D) Committee met March 7, 2025. The following Committee members participated: Dean L. Cameron, Chair (ID); Trinidad Navarro, Co-Vice Chair, represented by Robin Pyfer (DE); Alan McClain represented by Teri Ann Mecca (AR); Peter M. Fuimaono represented by Elizabeth Perri (AS); Holly W. Lambert (IN); Sharon P. Clark (KY); Robert L. Carey represented by Timothy N. Schott (ME); Angela L. Nelson represented by Jo A. LeDuc (MO); D.J. Bettencourt (NH); Mike Causey represented by Robert Croom (NC); Carter Lawrence represented by Emily Marsh (TN); Cassie Brown represented by Matthew Tarpley (TX); and Allan L. McVey represented by Joylynn Fix (WV).

1. Adopted the Pharmacy Benefit Management (PBM) (D) Working Group Charges

Director Cameron said the PBM (D) Working Group will now report to the Committee. He said the Executive (EX) Committee and NAIC president determined that the Working Group had completed its work under the Health Insurance and Managed Care (B) Committee and that the work of drafting examination standards, as well as licensing and registration requirements, should be under the Market Regulation and Consumer Affairs (D) Committee. Director Cameron said the drafting work has already begun under the Health Insurance and Managed Care (B) Committee, and all the participants are transferring over with the Working Group and some new members.

Director Cameron said the Committee needs to adopt the Working Group's new charges so it can meet at the Spring National Meeting and begin its work.

Joel Kurzman (National Community Pharmacists Association—NCPA) asked if the work begun under the Health Insurance and Managed Care (B) Committee will continue or if there will be a clean break and a new start. Director Cameron said the work that has begun will continue under the Market Regulation and Consumer Affairs (D) Committee, but the process for completing the work may change. He said the process is still being determined and will be ready by the Spring National Meeting.

Schott asked if the charge relating to data collection refers to the Market Conduct Annual Statement (MCAS). He said he did not think pharmacy benefit managers (PBMs) report data in MCAS. Director Cameron said that the charge is for the Working Group to develop protocols for data collection and the analysis of data if a state decides it will collect data from PBMs.

Fix made a motion, seconded by Commissioner Clark, to adopt the proposed charges for the Pharmacy Benefit Management (D) Working Group (Attachment xx). The motion passed unanimously.

Having no further business, the Market Regulation and Consumer Affairs (D) Committee adjourned.

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Market Analysis Procedures (D) Working Group
Virtual Meeting
March 3, 2025

The Market Analysis Procedures (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met March 3, 2025. The following Working Group members participated: Jo A. LeDuc, Chair (MO); Raymond A. Guzman, Vice Chair (MD); Chelsy Maller (AK); Tolanda Coker and Maria Ailor (AZ); Don McKinley (CA); Tracy Garceau (CO); Steve DeAngelis (CT); Susan Jennette (DE); Rachael Lozano (FL); Chris Heisler (IL); Lori Cunningham (KY); Joshua Guillory (LA); Mary Lou Moran (MA); Timothy N. Schott (ME); Jeff Hayden (MI); Robert McCullough and Martin Swanson (NE); Ralph Boeckman and Erin Porter (NJ); Larry Wertel (NY); Guy Self (OH); Landon Hubbard (OK); Brett Bache (RI); Rachel Moore (SC); Tanji J. Northrup (UT); Melissa Gerachis (VA); Jared Holshouser (VT); and Rebecca Rebholz and Darcy Paskey (WI). Also participating were Paula Shamburger (GA); Shane Quinlan (NC); Tony Dorschner (SD); and Bryan Stevens (WY).

1. Adopted its 2024 Fall National Meeting Minutes

Northrup made a motion, seconded by Guillory, to adopt the Working Group's Oct. 21, 2024, minutes (*See NAIC Proceedings – Fall 2024, Market Regulations and Consumer Affairs (D) Committee, Attachment Six*). The motion passed unanimously.

2. Discussed its 2025 Charges

LeDuc said the Working Group's first four charges remain the same as last year. She said the first three charges work together. The Working Group will primarily concentrate on charge No. 2 to assess currently available market analysis data to identify needed improvements in the effectiveness of the data for market analysis and the predictive abilities of the market scoring systems utilizing the data. She said much of the Working Group's work will also touch on the market analysis framework and data collection issues.

LeDuc said the Working Group has an additional charge for 2025 to create and monitor the effectiveness of public Market Conduct Annual Statement (MCAS) ratios. She said this charge acknowledges the work that the Working Group already does when a new line of business is added to the MCAS. Since the Working Group already creates and adopts the public MCAS ratios, it is reasonable that it should also monitor them for their usefulness.

LeDuc said that in 2023, the Working Group began work on charge No. 2 by developing a list of internal and external data sources used by market analysts. This is in the exposure drafts section of the Working Group's web page. The Working Group then agreed to dive deeper into the usage of the Market Analysis Prioritization Tool (MAPT) since it provides a substantial amount of data used in baseline analysis and incorporates a scoring system. She said that after interviewing over 20 states, the Working Group used the results to begin consideration of methods for improving the MAPT.

LeDuc said charge No. 4 is to consider recommendations for new lines of business for the MCAS.

Guzman said many state insurance departments have experienced turnover and have new employees who are unfamiliar with the data available when doing market analysis. He said he plans on doing a presentation for his department and suggested this should be a charge for the Working Group. LeDuc said that was the impetus of the lunch-and-learns the Working Group is hosting. She agreed that training should continue to be a Working Group priority.

3. Heard a Report from the MAPT Recommendations Ad Hoc Group

LeDuc said the MAPT recommendations ad hoc group resumed meeting in January. Because it finished reviewing all the current data elements in the MAPT, the ad hoc group began consideration of data not currently found in the MAPT. She said that in the interviews with states regarding their usage of the MAPT, many of the states said they combined the MAPT with the MCAS-MAPT. The ad hoc group believes that a merger of the two different MAPTs would be beneficial for market analysts.

LeDuc said the recommendations ad hoc group is currently reviewing the private passenger auto (PPA) MAPT, so it reviewed the data elements and public ratios for the PPA MCAS. She said a decision was made to recommend bringing in all the data elements and public ratios gathered in the PPA MCAS except the direct written premium, which is already included in the financial section of the MAPT.

LeDuc said the ad hoc group is recommending that an additional data element be created that measures the “total number of claims closed during the period.” She said that the data element is not in the MCAS, but it should be calculable from the data that is collected.

LeDuc said the ad hoc group had a long discussion on whether to add the claims data and ratios at the coverage part level included in the PPA MCAS. She said the ad hoc group ultimately recommended not doing so. She said the MAPT is meant to prioritize companies for additional analysis, and if a deeper dive is indicated, the data can be found at that level in other locations.

4. Discussed the MARS Level 1 Requirements

LeDuc said that during the Working Group’s last meeting, the Working Group began a discussion on whether the current requirement of 30 Market Analysis Review System (MARS) Level 1 reviews by each jurisdiction should be revised. She said one suggestion was that the requirements be adjusted to reflect the size and resources available for each jurisdiction. She said when the requirements were first instituted, they were adjusted by jurisdiction, however the formula for how the minimum was determined has been lost. Guzman noted that if multiple lines of business are covered in one Level 1 analysis, each line of business is counted as a separate Level 1 analysis.

LeDuc said that part of the Working Group’s previous discussion also included some consideration as to why fewer Level 1s are being done. The consensus seemed to be that the insurance departments are experiencing high turnover, and there is a need for training and materials to assist new analysts. She said the Working Group’s lunch-and-learns are attempting to help provide some of that additional training.

Schott said that when the requirement was first put in place, the current employee turnover rate was not anticipated. He said he would support eliminating the minimum number of analyses per jurisdiction or changing it to a minimum number per analyst. He said that a “per analyst” requirement would reflect the different sizes of the various departments. He said it was more important that Level 1 analyses be done correctly. LeDuc said it would be difficult to determine the number of analysts in a jurisdiction since many employees have multiple functions. Guzman suggested a survey of each jurisdiction to see how many analysts are doing Level 1 analyses and whether it is a primary or secondary function of their job.

LeDuc said jurisdictions vary quite a bit in how they conduct Level 1 analyses; some gather information from outside the MARS Level 1, while others do not. She said any requirement should include the parameters of what is expected in a Level 1 analysis.

Moran said her department does Level 1 analyses on companies new to their market. Massachusetts is more likely to send interrogatories to an established company in its market. She said they do not conduct Level 2 analyses as they are not useful enough for the time investment required. She said she agreed with Schott that it is more important to do the analysis right. Quinlan said North Carolina is similar to Massachusetts. It does a baseline analysis and only does Level 1 analyses of outliers to meet the 30-review requirement, but it would rather do something along the continuum of market actions than do a Level 2 analysis. He said continuum actions take longer. Shamburger said Georgia does the required 30 reviews, but it is difficult to do them with only two analysts. She said she is open to a different method of calculating the requirement per jurisdiction. Stevens said Wyoming does not do Level 1 analyses because it uses data calls to address issues rather than doing Level 1 analyses to find new issues.

Ailor suggested using the number of companies domiciled in a state or the premium market share of a state to calculate the requirement. She said if Arizona knows it will be doing a continuum action, it skips the Level 1 analysis but then goes back to complete the Level 1 analysis after the continuum action. She suggested that perhaps continuum actions should be counted toward meeting the requirement. Jennette said that using the number of companies domiciled in the state could work as a method. LeDuc noted that that could result in a lot of required Level 1 analyses in Delaware. She said a lot of companies do not write business in their state of domicile.

LeDuc said it seems that states often conduct Level 1 analyses just to check a box, and Missouri does the same. She said the Working Group originally drafted the requirement because there was no certification program. She said that since this is a market analysis requirement, this should probably be referred to the Market Regulation Certification (D) Working Group. Guzman agreed and said priorities have shifted to using surveys and interrogatories since the time the requirement was originally drafted. Ailor agreed and gave an example that since Arizona licenses service warranty companies, the market analysts do analysis on these companies, but since the companies do not have an NAIC company, they cannot be analyzed in a Level 1 review. The analysis, however, takes time and effort and should be counted toward meeting the requirement. She said the Working Group should think outside the box when developing the requirement.

Stevens said that he would be happy to begin the discussion of a new requirement at the Market Regulation Certification (D) Working Group.

5. Discussed the Possibility of a New Line of Business for MCAS

LeDuc said that for the last couple of years, the Working has paused suggesting new MCAS lines of business so state insurance regulators could catch up with the new line of business additions of other health and pet insurance. Now that these are ready and data will be collected from them this year, the Working Group should once again consider adding another line of business to MCAS. She asked that suggestions be sent to Randy Helder (NAIC) by March 31.

6. Discussed the Lunch-and-Learn Schedule

LeDuc said the next lunch-and-learn is scheduled for April 14. She thanked Self and Tom Whitener (WV), who agreed to lead a discussion on conducting MARS Level 2 analyses. She said a meeting invitation will be sent so everyone can put the lunch-and-learn on their calendar.

LeDuc said that in 2025, the Working Group will host one lunch-and-learn per quarter. She said to let her and Helder know what topics should be covered so they can find the right regulators to lead the sessions. She said that suggesting a topic does not mean you are volunteering, but volunteers who share any market analysis tips and advice in a session are welcome.

7. Discussed Revisions to the MARS Level 2 Guidance

LeDuc said that in reviewing the MARS Level 2 instructions in the *Market Regulation Handbook*, she did not think the i-Site+ help sections were as helpful as they could be, especially for new analysts. Much has changed since they were originally drafted, and the way departments work has changed. She said the revisions should reflect these changes.

Guillory said he uses the instructions to train, and they are still pretty useful but could use an update. He suggested taking a careful approach. Self said that the Working Group can review the guidance and whether it should be updated during the April 14 lunch-and-learn.

Dorschner said that many of the guidance documents need updating and should also be addressed.

LeDuc asked the Working Group to review the Level 2 guidance so the Working Group can begin the discussion in earnest during its next meeting.

Having no further business, the Market Analysis Procedures (D) Working Group adjourned.

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Draft: 3/21/25

Market Conduct Annual Statement Blanks (D) Working Group
Virtual Meeting
March 6, 2025

The Market Conduct Annual Statement Blanks (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met March 6, 2025. The following Working Group members participated: Joshua Guillory, Chair (LA); Tolanda Coker, Vice Chair (AZ); Sheryl Parker and Rachael Lozano (FL); Elizabeth Nunes and Paula Shamburger (GA); Chris Heisler (IL); Lori Cunningham (KY); Raymond A. Guzman (MD); Jeff Hayden (MI); Jo A. LeDuc (MO); Guy Self (OH); Tony Dorschner (SD); Rhonda Bowling-Black (TN); Shelley Wiseman (UT); Melissa Gerachis (VA); John Kelcher (WA); Rebecca Rebholz and Mary Kay Rodriguez (WI); and Letha Tate (WV). Also participating were Susan Jennette (DE) and Brian Werbeloff (RI).

1. Discussed its 2025 Charges

Guillory said the Working Group has two charges for 2025. The first is to review the data elements, data calls, and definitions for lines of business that have been in effect for more than three years and to update them as needed. The second charge is to develop a Market Conduct Annual Statement (MCAS) blank to collect data for additional lines of business where appropriate.

2. Adopted its Dec. 5, 2024, Minutes

The Working Group met Dec. 5, 2024, and took the following action: 1) adopted its Sept. 5 minutes; 2) received an update from the subject matter expert (SME) group that is reviewing the other health MCAS blank, discussed topics where Working Group feedback is needed, and the removal of duplicate data element No. 51 from the other health MCAS; 3) received an update on the formation of an SME group to review the private passenger auto (PPA) MCAS blank and the draft FAQ and definitions of artificial intelligence (AI) and machine learning (ML); 4) discussed comments regarding the travel MCAS blank; and 5) discussed the definition of cancellations on the MCAS lender-placed insurance (LPI) blank.

Gerachis made a motion, seconded by Wiseman, to adopt the Working Group's Dec. 5 minutes (Attachment Three-A). The motion passed unanimously.

3. Received an Update from the SME Group Reviewing the Other Health MCAS Blank

Rodriguez said the other health MCAS SME group met Feb. 20. During this meeting, the group completed its review of the other health MCAS blank. The SME group is currently reviewing its final recommendations and intends to submit the updated blank, along with its proposed edits and additions to the definitions, to the Working Group by the April 2025 meeting. The SME group plans to conclude its discussions about collecting employer group data on the blank at next week's SME group meeting.

4. Received Recommendations from the SME Group Reviewing the PPA MCAS Blank

Guillory said the group completed its review of the PPA MCAS blank and recommended several updates. He requested the Working Group, interested regulators, and interested parties review the redlined version of the proposed changes to the blank and send their comments to Hal Marsh (NAIC) by March 20.

5. Discussed Comments and Questions Regarding the Travel MCAS Blank

Rebholz said that during its Dec. 5, 2024, meeting, the Working Group was presented with comments and questions regarding the travel MCAS blank from Caren Alvarado (Crum & Forster). It was suggested that an SME group be formed to address those questions and comments; however, because the minimum number of Working Group jurisdictions did not volunteer to participate, the SME group was not formed. Rebholz said Crum & Forster's comments and questions will be brought to the Working Group to determine the next steps.

In an email on Nov. 11, 2024, Alvarado provided the following issues that needed clarification:

- There are several items in the claims section that rely on when a claim is reported or the date a claim is opened. Not all claims administrators record this information in the same way.
- Interrogatories ask about a third-party administrator (TPA) and, separately, ask about an administrator.
- Interrogatories ask about managing general agents (MGAs) but not producers. They are defined differently. (As an example, we work with many producers but only one MGA.)
- Not all partners capture losses separately for each person.
- Other items, such as the number of days to closure, is impacted when the date the claim is reported or open is captured in different ways by different partners.
- Claims closed does not take into account when the claim became clean, so numbers are often skewed. 7. Lawsuits are asked to be reported based on the number of policies or the number of people party to the suit. That is not how it is captured currently.

Alvarado explained that these questions arose after issues were raised following some MCAS reporting. It became clear through discussion with certain states that not everyone interpreted the information the same way, which led to the decision to send this list of questions. Alvarado explained that this issue stems from the *Travel Insurance Model Act* (#632), which is currently in effect in 37 states and pending in several others. Since travel insurance operates differently, the law includes specific definitions for terms such as travel administrator, producer, and MGA. Many questions reference a TPA separately from a travel administrator. However, because travel insurance is an inland marine product, TPAs are not typically involved. Without clear definitions, the question becomes complex and may lead to redundant or inconsistent responses from different industry professionals interpreting it differently.

Alvarado added that there is no question addressing clean claims. Without this clarification, the data could be misleading, making it appear that a claim sat unresolved for an extended period when, in reality, it was awaiting the necessary information to be classified as a clean claim.

Guillory reminded the group that at least five working group jurisdictions typically need to volunteer and participate in SME groups, and one is needed for this topic.

6. Discussed the Definition of a Lawsuit in the Pet MCAS Data Call and Definitions

Teresa Cooper (NAIC) explained that when the Working Group was working on the pet data column definitions, it coincided with discussions about changes to the definition of "lawsuit." As part of those discussions, a specific bullet point was removed from all other lines of business but was not removed from the pet definition. It states, "for non-claim related lawsuits include only lawsuits brought by an applicant for insurance, a policyholder or claimant as a plain as a plaintiff against the reporting insurer as a defendant." Since this language was removed from all other lines of business, Cooper asked the Working Group to consider removing it from the pet definition for consistency.

Cooper said if the Working Group was comfortable with the change, then it should proceed with a motion. Guillory asked for any comments or questions.

Self made a motion, seconded by Dorschner, to delete the bullet and give the guidance as Cooper specified. The motion passed unanimously.

7. Discussed the MCAS Blanks Proposal Form for the Definition of Cancellations on the MCAS LPI Blank

Guillory stated that in December, the Working Group was informed of an issue with the definitions of cancellations on the LPI blank, which was skewing certain ratios involving certificates. A proposal was introduced outlining changes to the existing definitions, new definitions for consideration, and additional data elements to be included in the LPI blank.

Guillory requested the Working Group review the proposal and submit any comments to Marsh by March 20.

Guillory further explained that the issue stemmed from certificates being categorized as cancellations, even when the data was only meant to capture overall cancellations. Guillory then invited comments or questions from Working Group members or other regulators regarding the definitions or the issue as a whole.

Guzman clarified that the primary concern was that some carriers reported all certificates as canceled at the end of the year and then reissued them at the beginning of the year as part of a standard process. This practice led to an overinflated number of reported cancellations.

Guillory reiterated the request for the Working Group to review the proposal and submit any comments or questions to Marsh by March 20.

Having no further business, the Market Conduct Annual Statement Blanks (D) Working Group adjourned.

SharePoint/NAIC Support Staff Hub/D Working Groups/MCAS Blanks WG (TES)/2025 MCAS Blanks WG

Draft: 1/9/2025

Market Conduct Annual Statement Blanks (D) Working Group
Virtual Meeting
December 5, 2024

The Market Conduct Annual Statement Blanks (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met Dec. 5, 2024. The following Working Group members participated: Rebecca Rebholz, Chair (WI); Tolanda Coker, Vice Chair (AZ); Rachael Lozano (FL); Paula Shamburger (GA); Chris Heisler (IL); Lori Cunningham (KY); Amy Bonito (MI); John Fritzberg-Glover (MN); Julie Hesser (MO); Rob McCullough (NE); Guy Self (OH); Karen Veronikis (PA); Rachel Moore (SC); Rhonda Bowling-Black (TN); Melissa Gerachis (VA); John Kelcher (WA); and Letha Tate (WV). Also participating were: Raymond Guzman (MD); Brian Werbeloff (RI); and Mary Kay Rodriguez (WI).

1. Adopted its Sept. 5 Minutes

The Working Group met Sept. 5 and took the following action: 1) adopted its July 11 minutes; 2) discussed the removal of duplicate data element no. 51 from the other health Market Conduct Annual Statement (MCAS); 3) discussed the draft frequently asked questions (FAQ) and definitions related to artificial intelligence (AI) and machine learning (ML); 4) discussed the draft definitions for partial payments and cancellations for the pet insurance MCAS; 5) discussed MCAS other health interrogatory question no. 5; 6) discussed next steps and additional items related to comments received; and 7) received an update on the formation of a subject matter expert (SME) group to review the private passenger auto (PPA) MCAS blank.

Coker made a motion, seconded by Veronikis, to adopt the Working Group's Sept. 5 minutes (*see NAIC Proceedings – Summer 2022, Market Regulation and Consumer Affairs (D) Committee, Attachment Seven*). The motion passed unanimously.

2. Received an Update from the SME Group Reviewing the Other Health MCAS Blank and Discussed Topics Where Working Group Feedback is Needed

Rodriguez stated that the SME group reviewing the other health MCAS blank met three times since the Working Group's September meeting. During these meetings, the group decided to perform a review of the entire other health MCAS blank. Subsequent meetings focused on a review of the interrogatory section.

Rebholz stated that the SME group recommended removing employer group data from the other health MCAS blank. She asked that comments for or against retaining employer group data be provided to Hal Marsh (NAIC) by Dec. 20, as a vote on this issue will be held at the Working Group's first meeting of 2025.

3. Received an Update on the Formation of an SME Group to Review the PPA MCAS Blank, Draft FAQ, and Definitions Related to AI/ML

Rebholz stated that Joshua Guillory (LA) has agreed to lead an SME group focused on reviewing the PPA MCAS blank, draft FAQ, and definitions related to AI/ML, with assistance provided by herself and Coker. The SME group's first meeting is scheduled for Jan. 8, 2025. Anyone interested in participating in the meetings should contact Marsh.

4. Discussed Comments Regarding the Travel MCAS Blank

Rebholz stated that the Working Group received the following comments from Caren Alvarado (Crum & Forster): 1) several items in the claims sections rely on when a claim is reported or the date a claim is opened; 2) interrogatories ask about a third-party administrator (TPA) and separately ask about an administrator; 3) interrogatories ask about managing general agents (MGAs) but not producers; 4) not all partners capture all losses separately for each person; 5) items such as the number of days to closure are impacted when the date is reported or reopened; 6) claims closed does not take in to account when the claim became clean, so numbers are often skewed; and 7) lawsuits are asked to be reported based on the number of policies or number of people to the suit.

The comments include several areas of discussion that will likely need to be handled by an SME group. Marsh will reach out to the original travel SME group members. Others interested in participating were asked to email Marsh. Rebholz stated that someone will need to lead the SME group discussion.

Rebholz reminded the group that at least five Working Group jurisdictions should volunteer for and participate in SME group meetings when creating reporting for a new MCAS line of business or blank changes to an existing line of business.

5. Discussed the Definition of Cancellations on the MCAS LPI Blank

Werbelloff stated that Rhode Island followed up with an insurer regarding outlying lender-placed insurance (LPI) MCAS ratios. It was brought to Rhode Island's attention that an issue may be skewing most of the ratios involving certificates. The insurer stated these reissued certificates are renewals with new certificate numbers. When reporting MCAS, the company marks these expirations as cancellations and reissues or renews them as new certificates written. He stated this inflates the reported number of cancellations. It also means that some of the new certificates written are just renewals. He stated he originally brought up the feasibility of altering the definitions based on similar language in the homeowners and private passenger instructions. He said that it is not exactly the same situation. Those have an exclusion on the cancellation side for policies issued for rewrite purposes with no lapse in coverage. He went on to say that these are not rewrites because the only thing that changes is the certificate number.

Werbelloff said one option is to clarify the definition of a cancellation. He stated that the updated definition would remove situations where there is a reissue after an expiration with intent to renew and no lapse in coverage. He explained that an expiration is not a cancellation. An expiration would happen at the end of the coverage period, whereas a cancellation would happen at any point prior to that. Werbeloff suggested adding an extra data point, certificates expired during the period, as a separate and distinct category from cancellations. He stated that he is looking to get feedback from different people. The other suggestion was getting another data point showing reissued certificates written as a reissue with no lapse in coverage.

Birny Birnbaum (Center for Economic Justice—CEJ) explained that the mechanics of force-placed insurance are governed by certain rules promulgated by the Consumer Financial Protection Bureau (CFPB). For a company to place forced coverage, it must send a letter to the consumer saying there is no record of insurance in place. It must send a follow-up letter reminding the consumer there is no coverage in place and a third letter notifying the consumer that coverage has been placed. The certificate is issued under the group policy in most states when coverage is placed. In some states, however, it is issued under an individual policy. That certificate has a one-year coverage term. When that expires, if the consumer still has not provided evidence of insurance, the process repeats itself, meaning new notification letters and a new certificate are issued. There is no such thing as a renewal

policy for force-placed insurance; rather, another coverage certificate is issued. Werbeloff agreed with Birnbaum's suggestion to create a data point for the number of expired certificates.

Guillory asked why these are being reported as cancellations if they have just expired. Werbeloff explained that the company seems to be aware that it is strange, but that is what happens when the data is entered into the MCAS systems. If the company does not do that, it receives an error message. The system equates the number of certificates by starting with the number of certificates in force at the beginning of the period, adding the number of certificates written during the period, and subtracting the certificates canceled. This equation reveals the number of certificates in force at the end of the period. The equation leaves out the additional issuance details. Werbeloff stated that he likes the idea of getting additional details about how many times these companies are reissuing policies with no lapse in coverage. He stated that Birnbaum makes a good point, which could be useful from a market conduct perspective. Generally, companies get an error when they submit the data. The only way to fix the error and balance the equation is to put the expired certificates under the canceled category, even though they are different.

Birnbaum explained that since there is no current data element for expired certificates, the companies have to treat those certificates in one of two ways: as a cancellation or as not a certificate written (both of which are incorrect). The data added forces the company to treat it in one of those two ways. He said that adding the data element for expired certificates will result in more accurate information on certificates written and certificates canceled because the expired certificates are separated. Birnbaum also stated that force-placed insurance is not intended to be a long-term solution for consumers.

Rebholz asked whether state insurance regulators think these edits and additions might be useful while conducting MCAS reviews. She also asked industry members if this would raise a reporting issue. Self stated that the data would be useful and that cleaning up potentially misleading data would be beneficial. Guzman agreed that a solution must be implemented, but he said he is not yet certain which option he will stand behind.

Rebholz stated that industry members should feel free to submit comments on this point. She said the Working Group will be able to review Werbeloff's proposal at its next meeting and then hear comments.

Having no further business, the Market Conduct Annual Statement Blanks (E) Working Group adjourned.

SharePoint/NAIC Support Staff Hub/D Working Groups/MCAS Blanks WG (TES)/2024 MCAS Blanks WG/MCAS 12_5 MINUTES.docx

Draft: 3/17/25

Market Conduct Examination Guidelines (D) Working Group
Virtual Meeting
March 13, 2025

The Market Conduct Examination Guidelines (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met March 13, 2025. The following Working Group members participated: Matthew Tarpley, Chair, Stacie Parker, and Thomas Morgan (TX); Brett Bache, Vice Chair, and Brian Werbeloff (RI); Chelsy Maller (AK); Chris Erwin and Teri Ann Mecca (AR); Tolanda Coker and Katherine Jessen (AZ); Spencer McCauley (CT); Kristian Bacerra, Tina Ching, Pratima Lele, and Sudi Tasissa (DC); Elizabeth Nunes, Paula Shamburger, and Tia Taylor (GA); Daniel Mathis and Paula Wallin (IA); Chris Heisler (IL); Mary Lou Moran (MA); Airic Boyce, Jeff Hayden, Joe Keith, and Danielle Torres (MI); Teresa Kroll and Jo A. LeDuc (MO); Tracy Biehn and Teresa Knowles (NC); Douglas Rees (NH); Ralph Boeckman and Erin Porter (NJ); Moli Abejar (NV); Sylvia Lawson and Richard Ramos (NY); Rodney Beetch (OH); Shelly Scott and Zach Palank (OK); Paul Towsen (PA); Andrea Baytop, Melissa Gerachis, and Bryan Wachter (VA); Brenda R. Clark and Isabelle Turpin Keiser (VT); Barbara Belling, Monica Hale, Lori Luder, Darcy Paskey, Mark Prodoehl, and Rebecca Rebholz (WI); and Desiree Mauler (WV).

1. Heard Opening Remarks

Tarpley extended a welcome to all new and returning Working Group members. Tarpley said the Working Group will plan to meet approximately every six weeks, depending on the pace of its projects. The Working Group does not meet at NAIC national meetings.

2. Discussed its 2025 Adopted Charges and Work Plan

Tarpley said the Working Group's charges are posted on its web page. Tarpley said to address charges one through three, which are to: 1) develop examination standards; 2) monitor NAIC models; and 3) develop standardized data requests (SDRs), the Working Group will 1) review an exposure draft of a revised Chapter 21A—Conducting the Property and Casualty Travel Insurance Examination, 2) develop a new pet insurance chapter and a pet insurance standardized data request (SDR); and 3) develop market conduct examiner guidance for inclusion in the *Market Regulation Handbook* (Handbook) based upon the Regulatory Guidance Document adopted by the Accelerated Underwriting (A) Working Group on Aug. 6, 2024, and by the Life Insurance and Annuity (A) Committee at the 2024 Summer National Meeting.

Tarpley said to address charges five and six, which are to develop a shared regulator-only collaborative space and to coordinate with the Innovation, Cybersecurity, and Technology (H) Committee, the Working Group will 1) discuss developing a shared regulator-only collaborative space on the Working Group's page in NAIC Connect to enhance the sharing of regulator tools across multiple jurisdictions and 2) monitor the work of the Innovation, Cybersecurity, and Technology (H) Committee to see what recommendations/work products arise out of its 2025 discussions that could lead to developing artificial intelligence (AI)-related market conduct examiner guidance for inclusion in the Handbook.

When state insurance regulator-only subject matter experts (SMEs) have completed and signed off on the preliminary drafts of the forthcoming pet insurance chapter, pet insurance SDR, and market conduct examiner guidance based on the Accelerated Underwriting (A) Working Group's adopted Regulatory Guidance Document, those drafts will then proceed to the Working Group for exposure, a comment period or periods, review, discussion, and ultimately, consideration of adoption.

Tarpley announced that a new web page for the Working Group went live on the regulator-only NAIC Connect site on Feb. 11. Prior to that date, it had been in a “coming soon” status. An invitation to join NAIC Connect was sent to all Working Group members, interested regulators, and chief market conduct examiners at that time. This Working Group is the first group under the Market Regulation and Consumer Affairs (D) Committee to have a live page on NAIC Connect. Other Committee working groups will follow. Tarpley strongly encouraged all market regulators to join the Working Group on NAIC Connect.

Tarpley anticipates that the NAIC Connect page will be a platform for developing a shared regulator-only collaborative space. He said he would ask the Working Group for its input on this project, i.e., what types of documents could be shared, how it can be organized, and other factors. Tarpley told the Working Group to stay tuned for future logistical guidance on how feedback from the Working Group will be obtained in regulator-only sessions of the Working Group.

Tarpley told the Working Group to be flexible and ready for work and priorities arising out of the Market Regulation and Consumer Affairs (D) Committee, other committees, and working groups. Regarding the newly formed Pharmacy Benefit Management (D) Working Group, Tarpley said the Working Group will wait for guidance from the Market Regulation and Consumer Affairs (D) Committee on how the work product from that working group will flow to this Working Group.

Tarpley asked Working Group members and interested regulators to contact Bache, Tarpley, or Petra Wallace (NAIC) regarding the development of market examiner guidance for any other subject areas not previously addressed for inclusion in the Handbook.

3. Considered Adoption of the Feb. 11 Draft of Chapter 21A of the Handbook

Bache said that a Feb. 11 exposure draft of Chapter 21A—Conducting the Property and Casualty Travel Insurance Examination of the Handbook had been distributed to the Working Group, interested regulators, and interested parties and posted to the Working Group’s web page on Feb. 11. Bache said the comment period ended on March 12.

Bache said the travel insurance chapter had been missing review procedures and criteria in Marketing and Sales Examination Standards 3, 4, 8, and 11 and in Underwriting and Rating Examination Standard 1. State insurance regulator SMEs developed new content in these areas and in other areas where they felt further guidance was needed. The changes to the travel chapter were based on the *Travel Insurance Model Act* (#632).

Tarpley said in consideration of extensive comments received the day before the Working Group meeting (March 12) from 1) Lisa Brown (American Property Casualty Insurance Association—APCIA) and 2) Mike Byrne (McDermott Will & Emery), who submitted a comment letter on behalf of the U.S. Travel Insurance Association—USTIA), the Working Group will not consider adoption of the Feb. 11 draft of Chapter 21A during the meeting. Tarpley asked Byrne and Brown to present a high-level summary of their comments to the Working Group in lieu of going over their comment letters in detail.

Byrne said that USTIA had three areas of concern about the proposed content in Chapter 21A: 1) Model #632 does not align nor has oversight over some of the proposed market conduct guidance; 2) some of the proposed “Documents to be Reviewed” go beyond the purview of Model #632, and 3) the proposed “Review Procedures and Criteria” could be written more clearly to describe what market conduct examiners are looking for.

Brown said the APCIA had the same concerns as the USTIA and added that some of the proposed content of Chapter 21A appears to be misplaced and that more appropriate “Documents to be Reviewed” and “Review Procedures/Criteria” that align with Model #632 should be added to the chapter to replace the existing content.

Tarpley and Bache said that the state insurance regulator travel insurance SMEs will reconvene to review the APCIA and USTIA comments and prepare a revised Chapter 21A draft for the Working Group’s review and consideration. Tarpley said the SMEs may contact Byrne if they have any questions about the USTIA comments.

4. Discussed Other Matters

Tarpley said a notice of the Working Group’s next meeting, which will occur in April, will be distributed when a meeting date and time have been determined.

Having no further business, the Market Conduct Examination Guidelines (D) Working Group adjourned.

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Draft Pending Adoption

Attachment Five
Market Regulation and Consumer Affairs (D) Committee
3/26/25

Draft: 3/31/25

Pharmacy Benefit Management (D) Working Group
Indianapolis, Indiana
March 25, 2025

The Pharmacy Benefit Management (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met in Indianapolis, IN, March 25, 2025. The following Working Group members participated: Joylynn Fix, Chair, and Allan L. McVey (WV); Susan Jennette, Co-Vice Chair (DE); Ashley Scott, Co-Vice Chair (OK); Molly Nollette and Jacob Lauten (AK); Paul Lombardo and Kurt Swan (CT); Sheryl Parker (FL); Andria Seip (IA); Shannon Hohl and Weston Trexler (ID); Matthew Pickett (IL); Grant Lindman (IN); Charles Thomas (KS); Shaun Orme (KY); Nina Hunter (LA); Debra Kaplan (MA); Joe Stoddard (MI); Robert Croom (NC); Cheryl Wolff, Michael Muldoon, and Maggie Reinert (NE); Erin Porter and Tim Stroud (NJ); Scott Kipper (NV); Krista Porter (NY); Tony Bonofiglio (OH); Keith Turner (OR); David Buono (PA); Jud Jones (TN); Shelley Wiseman, Ryan Jubber, and Tanji J. Northrup (UT); Karla Nuisl (VT); John Kelcher (WA); Lori Luder (WI); and Jill Reinking and Lauren White (WY). Also participating were: Jill Kruger and Travis Jordan (SD).

1. Discussed its 2025 Charges

Fix welcomed everyone to the Working Group's first meeting since the Market Regulation and Consumer Affairs (D) Committee appointed it about a month ago. She also introduced the Working Group's co-vice chairs. Fix then walked the Working Group through its 2025 charges, focusing on its charges to develop examination standards for pharmacy benefit managers (PBMs) and related regulated entities for inclusion in the NAIC *Market Regulation Handbook* and to develop licensing and registration standards for PBMs in alignment with state and federal requirements. She said these charges will be the focus of the Working Group's work in 2025.

Fix said she would like the Working Group to begin work on its charge to develop PBM licensing and registration standards as soon as possible. She asked for volunteers to lead this effort and said anyone interested should reach out to her, Jennette, Scott, or NAIC staff.

2. Received Updates on Work to Develop the PBM Examination Chapter

Fix explained that the PBM Examination Chapter Drafting Group established by the Prescription Drug Coverage (B) Working Group will move under this Working Group. She described the scope of the work for each PBM Examination Chapter Drafting Group section. Fix explained that the Drafting Group will consist only of state insurance regulators moving forward. Fix urged states with a pharmacist on staff to consider joining Drafting Group 5, which is focused on developing a PBM examination chapter section on drug utilization review and formulary drug placement information. Swan, Seip, and Jones discussed the work their Drafting Group sections have done to date.

Joel Kurzman (National Community Pharmacists Association—NCPA) requested clarification on the decision to no longer include non-regulators in the Drafting Group sections, which is a change from when the Drafting Group was under the Prescription Drug Coverage (B) Working Group. Fix said that consistent with the NAIC process, the draft will be exposed to the Working Group and all stakeholders for discussion and comment after each Drafting Group section completes its initial draft. She said the Working Group anticipates completing its work by the end of the year. Given this, stakeholders will have ample opportunity to comment on the Working Group's work. Fix also noted the Working Group plans to hold regulator-only sessions to discuss specific examination standards and any findings or other information from the states that have conducted examinations.

Draft Pending Adoption

Attachment Five
Market Regulation and Consumer Affairs (D) Committee
3/26/25

Having no further business, the Pharmacy Benefit Management (D) Working Group adjourned.

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Draft 3/20/25

Speed to Market (D) Working Group
Virtual Meeting
March 4, 2025

The Speed to Market (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met March 4, 2025. The following Working Group members participated: Maureen A. Motter, Chair (OH); Julie Fairbanks, Vice Chair (VA); Julia Jette (AK); Jimmy Gunn (AL); Jimmy Harris (AR); Mary Grover (CO); Robert Nkojo (DC); Jessica Luff (DE); Shannon Hohl (ID); Julie Rachford (IL); Tammy Lohmann (MN); Camille Anderson-Weddle (MO); Tracy Biehn (NC); Sarah Juergens (ND); Tracy Klausmeier (UT); Lichiou Lee (WA); and Lela D. Ladd (WY).

1. Adopted its Nov. 8, 2024, and Oct. 31, 2024, Minutes

The Working Group met on Oct. 31, 2024, and took the following action: 1) discussed its July 30, 2024, minutes, and because there was not a quorum present, the minutes were emailed to the Working Group for consideration of adoption; 2) received an update on the System for Electronic Rates & Forms Filing (SERFF) modernization project and the SERFF Product Steering Committee (PSC); 3) discussed changes or revisions to the 2024 *Product Filing Review Handbook*; 4) received an update on the 2025 product coding matrix (PCM) on filing solutions; and 5) received an update on the Interstate Insurance Product Regulation Commission (Compact).

Ladd made a motion, seconded by Lohmann, to adopt its Nov. 8, 2024, (*see NAIC Proceedings – Fall 2024, Market Regulation and Consumer Affairs (D) Committee, Attachment Ten*) minutes. The motion passed unanimously.

Ladd made a motion, seconded by Gunn, to adopt its Oct. 31, 2024, minutes (Attachment XX). The motion passed unanimously.

2. Discussed its 2025 Charges

In 2025, Motter said the Working Group will focus on SERFF modernization and providing information to the commissioners on adopting the PCM and SERRF, including the data it will generate and how that information will be shared with commissioners. The focus will be on evaluating the efficiencies these tools provide. Additionally, the Working Group will review the data available from legacy SERFF, assess the data emerging from the SERFF modernization project, and determine which information is most valuable to share with commissioners.

Motter said he Working Group will also review the new reporting capabilities in Tableau as part of the SERFF modernization and also keep the *Product Filing Review Handbook* up to date.

3. Discussed the *Product Filing Review Handbook* Annual Review Process

Motter said a smaller subgroup is needed to review the *Product Filing Review Handbook*, which would then bring any proposed changes to the Working Group at the appropriate time. She also emphasized the ongoing need for participation from the PSC and subject matter experts (SMEs).

4. Received an Update on the SERFF Modernization Project and SERFF PSC

Bridget Kieras (NAIC) said the first release of the SERFF modernization project was successful. A minor issue arose with the Okta user access process. Okta invitations were supposed to expire after seven days, but a system error set them to expire in 18 hours. As a result, most people were unable to access the new platform. High-level staff

quickly responded by resetting passwords. There are some users who are still unable to access the platform due to various issues, but they are being addressed as a top priority.

Kieras said one key advantage of the new platform is that fixes can be deployed quickly, even during the day, without user interruption. By the Monday following the release, 100 users had accessed the new platform, and the Compact successfully processed a new registration filing, filing amendments, and several draft submissions.

5. Received an Update on Filing Solutions for the 2025 PCM

Alex Rogers (NAIC) said a new type of insurance (TOI) and several new sub-TOIs were added to SERFF, with adoption by nearly 70% of states. As of Jan. 1, the 2025 filing year is now in production, and the group is preparing for current-year submissions. Correspondence will soon be sent to the Working Group, including a suggestion form for reviewing potential updates to the transmittal documents and the PCM. Those suggestions will be evaluated in a future meeting.

6. Received an Update on the Compact

Sue Ezalarab (Compact) highlighted key accomplishments for 2024, including the addition of South Dakota as a new member and the adoption of eight new or amended annuity standards, 19 amended group life uniform standards, and seven amended group disability income standards. For 2025, the group whole life and group term life insurance standards for non-employer groups were effective for filing on Feb. 10, and the group disability income standards for non-employer groups were effective on March 2.

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

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