SERFF ADVISORY BOARD

SERFF Advisory Board Dec. 7, 2019, Minutes
   SERFF Advisory Board Aug. 3, 2019, Minutes (Attachment One)
   SERFF Activities Report (Attachment Two)
   Strategic Project Update – Data Hosting Decommission (Attachment Three)
   2020 SERFF Board Appointments (Attachment Four)

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The SERFF Advisory Board met in Austin, TX, Dec. 7, 2019. The following Advisory Board members participated: Barbara D. Richardson, Chair (NV); Lori K. Wing-Heier (AK); Robert H. Muriel represented by Mike Chrysler (IL); Chlora Lindley-Myers represented by Angela Nelson (MO); Mike Causey represented by Ted Hamby (NC); John G. Franchini (NM); Birny Birnbaum (Center for Economic Justice—CEJ); Rena Brown (Anthem Inc.); Andrea Davey (Athene Annuity and Life Company); Tony Pedoto (Great American Insurance Company); and Karen Schutter (Interstate Insurance Product Regulation Commission—Compact). Also participating was: Paula Keen (MD).

1. **Reviewed its Summer National Meeting Minutes**

There were no changes to the Advisory Board’s Aug. 3 minutes (Attachment One).

2. **Received a Report on SERFF Activity**

Bridget Kieras (NAIC) reported on System for Electronic Rate and Form Filing (SERFF) activity (Attachment Two). The SERFF team published several releases since the Summer National Meeting. These releases included: 1) security updates; 2) a fix for PDF Pipelines that failed due to attachment sizes; 3) an update to the text of the license agreement for third-party filers; 4) functionality to support the block expiration policy; 5) work to support the decommission of external hosters and the implementation of the NAIC hosting service; 6) a new feature to allow state insurance regulators to set state specific lists of “labels” and apply them to filings, which will undergo a beta period with several states, later to be rolled out to additional states and extended to industry; and 7) fundamental enhancements and fixes. Development for plan management plan year 2021 is underway. The SERFF Product Steering Committee (PSC) has held two conference calls to discuss potential enhancement and ongoing development. The next PSC conference call is planned for January.

SERFF has experienced a slight increase in rate and form filing submissions across all lines and has currently surpassed projections by 1%. As of Oct. 31, 464,621 filing transactions have been received. There has also been an increase in Plan Management filings; 25,390 plan transactions were received through the end of October. The SERFF marketing team participated in the Association of Insurance Compliance Professionals’ (AICP) annual conference in Denver, CO. The marketing team has additionally been working to create a proof of concept collaboration space using SharePoint online for the Big Data (EX) Working Group. The team is waiting for state insurance regulator review of the space before releasing it to a wider group.

The SERFF implementation team has been working on communication and outreach regarding the new NAIC Data Hosting feature for SERFF.

Mr. Birnbaum asked for an update on his enhancement request to indicate, in SERFF Filing Access (SFA), public access filings that have some portion of the filing redacted. Ms. Kieras said the project had been prioritized, and the documentation is being written for the enhancement.

3. **Received an Update on the Data Hosting Solution**

Joy E. Morrison reported that the SERFF Data Hosting fiscal was approved by NAIC membership at the Summer National Meeting. Since its approval, initial efforts were put towards reaching affected customers, those who have previously been hosted with one of two vendors. This outreach has become one of the more challenging aspects of the project. The NAIC negotiated a Dec. 31 end date for both vendors after extensions were requested. This resulted in a project change request, which was submitted and approved in October to accommodate the project close date change into early 2020. Currently, the biggest risk to the project is the difficulty in reaching hosted customers for a decision regarding their hosting into next year. Ongoing efforts are being made to identify appropriate contacts and further explain the data hosting changes to customers prior to Dec. 31.

4. **Received an Update on NAIC Financials as They Relate to SERFF**
Donna L. Powers (NAIC) presented a review of the NAIC financials (Attachment Five) as they relate to SERFF. SERFF is expected to earn approximately $6 million in 2020. This revenue is comprised of $622,808 in license fees; $964,750 in data hosting fees; and $4,503,570 in transaction fees. Ms. Powers reminded the Board that there is a fiscal for 2020 that will remove the filing block structure. Going forward, the transaction rate paid by the company will be based on a pattern of usage. For 2019, there has been approximately $25,000 in data hosting fees, well under the amount proposed in the fiscal, but this is due, in large part, to an extension for the hosting vendors until year end. It was difficult to predict hosting revenue because the hosting vendors each used different models and, when working with the companies on their license process, it was discovered that the model was not applied in many cases as some customers were paying a much lower rate than the hoster’s pricing structure would dictate.

Relative to expenses, Ms. Powers said expenses for SERFF continue to go up year after year. Since SERFF does not have its own budget, she applied a percentage of NAIC expenses to SERFF based upon the ratio of SERFF headcount (49) to NAIC total headcount (496.5). Mr. Birnbaum asked why the NAIC only makes $6 million on SERFF. He said the fees paid for the use of SERFF were trivial to the industry and that more revenue could be generated for the NAIC from SERFF.

5. Discussed the Process for 2020 SERFF Advisory Board Appointments

Commissioner Richardson presented the application process for industry and consumer representative seats for the 2020 SERFF Advisory Board, which will begin in mid-December. Three industry seats and one consumer representative seat will be appointed by the NAIC Executive (EX) Committee in February 2020. Interested parties should plan to have their application submitted by Jan. 17, 2020. Terms run from March 1, 2020, to Feb. 28, 2021.

6. Discussed Any Other Matters

Commissioner Richardson provided an update on the SERFF Assessment Request for Proposal (RFP). Interviews have been conducted with respondents, and a recommendation will be given to the NAIC Executive (EX) Committee at this meeting. Contract completion is expected to occur in the next several weeks, with the assessment beginning by early January 2020.

Having no further business, the SERFF Advisory Board adjourned.

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Draft Pending Adoption

SERFF Advisory Board
New York, New York
August 3, 2019

The SERFF Advisory Board met in New York, NY, Aug. 3, 2019. The following Advisory Board members participated: Barbara D. Richardson, Chair (NV); Lori K. Wing-Heier (AK); Chlora Lindley-Myers represented by Mary Mealer (MO); Mike Causey represented by Ted Hamby (NC); Birny Birnbaum (Center for Economic Justice—CEJ); Rena Brown (Anthem, Inc.); Andrea Davey (Athene Annuity and Life Company); Tony Pedoto (Great American Insurance Company); and Karen Schutter represented by Sara Dubsky (Interstate Insurance Product Regulation Commission—Compact). Also participating were: Sarah Neil (RI) and Kent Sullivan (TX).

1. Reviewed its Spring National Meeting Minutes

There were no changes to the Advisory Board’s April 6 minutes (Attachment One).

2. Received a Report on SERFF Activity

Joy E. Morrison (NAIC) reported on System for Electronic Rate and Form Filing (SERFF) activity (Attachment Two). The SERFF team has introduced two releases since the Spring National Meeting. These releases included: 1) the implementation of a click license agreement; 2) the expansion of post submission updates to cover State Specific Fields, Submission Type, and Filing Description; 3) the addition of Form Name to advance search; 4) the addition of Company Tracking Number to the industry electronic funds transfer (EFT) report; 5) the ability for NAIC staff to temporarily suspend filing submission on a SERFF industry instance; and 6) enhancements to the SERFF Integration Services.

Work continues to prepare to move the SERFF application to Amazon Web Services (AWS) as part of the larger NAIC initiative to shift workloads to the cloud. The SERFF Product Steering Committee (PSC) has not met this quarter, but planning for the next conference call is underway.

As of June, 280,778 filing transactions have been received. Plan Management has also seen an increase in submissions; 20,394 plan transactions were received through the end of June. This is 35% higher than projected at this point in the year. The spike in transactions in May is related to federal Affordable Care Act (ACA) plan submissions and the submission window deadline being moved forward in 2019.

The SERFF marketing and implementation team participated in the NAIC/NIPR Insurance Summit in Kansas City, MO, in June, and it is currently preparing for the Association of Insurance Compliance Professionals’ (AICP) Annual Conference in Denver, CO. Staff will sit on a panel, as well as participate in the roundtable sessions with users, to answer questions and discuss enhancements and upcoming improvements to the SERFF application. The marketing staff will also host a booth in the Exhibit Hall.

Mr. Birnbaum asked for an update on his enhancement request to indicate, in SERFF Filing Access (SFA), public access filings that have some portion of the filing redacted. Ms. Morrison reminded the Advisory Board that work had been tabled pending SERFF’s redesign. Mr. Birnbaum requested that it be reconsidered and prioritized with other interim fixes being considered. Ms. Morrison said the estimate for the enhancement should be reviewed and probably put before the states again to confirm that the scoped enhancement will also meet their needs. The Advisory Board requested that this effort be undertaken.

3. Received an Update on the Data Hosting Solution

Ms. Morrison said the fiscal for the data hosting solution had been approved by the NAIC membership on Aug. 3. As requested by the Advisory Board, three conference calls were held in July to allow non-hosted companies an opportunity to ask questions about the proposal. Questions about pricing were most frequent, and that information could not be provided because the fiscal had not yet been approved. The options for both hosted and non-hosted customers were presented, and questions were answered regarding those choices. There were over 500 lines spanning the three calls, so a good number of customers joined. Only 15% of all customers are hosted. Customers also asked about paper filings, and they were assured that the NAIC is working with
both hosting vendors to determine the best way to migrate those filings to the NAIC database. Customers were told that the current plan is to stop replicating data to the hosting vendors when their contracts expire in late October 2019.

Ms. Morrison also reported that staff had conducted conference calls with both hosting vendors in an effort to keep them current with the approval process. Both vendors have requested extensions; however, thus far, the NAIC has opted to adhere to the original plan. NAIC staff continue to work on planning for the transition. Outreach to all customers will occur in August with as much information about the transition as can be provided. Mr. Pedoto expressed concern that the fiscal projected nearly $1 million in revenue for 2020, with little expenditure on the NAIC’s part. He suggested that fees be changed to reduce the revenue from this project. The Advisory Board agreed to review data hosting fees and the revenue received in 2020 prior to the 2021 budget cycle.

Commissioner Sullivan asked if data hosting was part of a larger NAIC strategy to pull services into the NAIC. Ms. Morrison said this was not part of a strategy to move services as much as it was a desire to simplify the architecture of the system.

4. Discussed PSC Membership

Ms. Morrison referred to the PSC Membership Memorandum (Attachment Three), and she said staff is requesting that existing members be allowed to serve another year since there was not much activity for the group during the past year of service. Affected members have been contacted, and they are willing to serve the longer term. The Advisory Board requested, for the sake of continuity, that the members be extended for a full term. This would prevent too much turnover in any one of the next three years.

Having no further business, the SERFF Advisory Board adjourned.

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SERFF Activities Report

SERFF Development

SERFF Production Releases
Since the report provided at the Summer National Meeting, the System for Electronic Rate and Form Filing (SERFF) team has introduced four releases to production.

- SERFF 7.41.2 was released to production on July 18. This release included security updates, a fix for PDF Pipelines that failed due to attachment sizes, and an update to the text of the license agreement for third-party filers.
- SERFF 7.42.12 was released to production on Aug. 15. This release included functionality to support the block expiration policy and some minor enhancements and fixes.
- SERFF 7.43.4 was released to production on Sept. 19. This release included work to support the decommission of external hosters and the implementation of the NAIC hosting service, along with minor enhancements and fixes.
- SERFF 7.44.0 was released to production on Oct. 24. This release included a new feature to allow state insurance regulators to set state specific lists of “labels” and apply them to filings. The feature will undergo a beta period with several states, then it can be rolled out to additional states and extended to industry. Several minor enhancements and fixes were also included.

Upcoming Work

Development for plan management plan year 2021 is ramping up. Changes include support for a new federal Centers for Medicare & Medicaid Services (CMS) template and updates to support changes to the existing templates. The team is also reviewing some plan management enhancement requests.

In addition to plan management work, efforts are underway to analyze and improve performance for the search feature, and a Tableau dashboard pilot is in the discovery phase. Additional features are under evaluation and in discussions with the Product Steering Committee (PSC) and other stakeholders.

The team also continues to support the transition from external data hosters to NAIC hosting, including the migration of paper filings. Planning is underway for the SERFF Billing Project proposed for 2020.

SERFF Product Steering Committee
The SERFF PSC held conference calls on Aug. 8 and Oct. 10 to discuss potential enhancements and ongoing development. The next call will be held in January.
SERFF Marketing/Implementation

SERFF Transaction Volume
SERFF is projected to receive 569,600 transactions in 2019; SERFF has experienced a slight increase in rate and form filing submissions across all lines of business and has currently surpassed projections by 1%. As of Oct. 31, 464,621 filing transactions have been received.

Plan Management has also seen an increase in submissions; 25,390 plan transactions were received through the end of October. This is 42% higher than projected at this point in the year. The spike in transactions in May is related to federal Affordable Care Act (ACA) plan submissions and the submission window deadline being moved forward in 2019.

SERFF Marketing Activities/Events
The SERFF implementation team participated in the Association of Insurance Compliance Professionals’ (AICP) Annual conference in Denver, CO. SERFF staff hosted a panel, as well as participated in the roundtable sessions with both industry and state users, answering questions and discussing enhancements to the SERFF application. As is usually the case, the SERFF session was well-attended and the team received a lot of good feedback between the sessions and the exhibit booth.

SERFF Implementation
The implementation team has been working on communication and outreach regarding the new NAIC Data Hosting feature for SERFF since the Summer National Meeting. As of our initial Go Live date on Nov. 1, 75 instances have been enabled with NAIC Hosting.

Effective Jan. 1, 2020, the Speed to Market (EX) Working Group has adopted new changes to the uniform product coding matrices (PCMs). The changes include one sub-type of insurance for property/casualty (P/C), as well as a few description changes for both lines of business. The implementation team is in the process of communicating with the states that would like to enable these changes. Nearly 35% of the states are ready to receive filings under these new types of insurance (TOIs).

The SERFF marketing team has been working to create a proof of concept collaboration space using SharePoint online for the Big Data (EX) Working Group. This project itself has been a collaborative effort with the actuarial staff at the NAIC pitching in to identify processes and procedures to meet the requirements of the members. The application features the ability to upload attachments and input SERFF PCM information and a built-in correspondence module to initiate emails based on filing activity. Long term, it is anticipated that the group will want to integrate SERFF with this tool so that filing documents within SERFF can be automatically moved to the collaboration space for additional review.

SERFF Filing Access
SERFF Filing Access (SFA) currently has 47 states using SFA in at least one area of business. In 2019, there have been nearly two million searches in the application. The implementation team is currently in the process of outreach in efforts to transition additional states.
SERFF Dashboard for October 2018 - November 2019

Transaction Counts - Year over Year

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<tr>
<td>Actual</td>
<td>44,512</td>
<td>42,104</td>
<td>43,834</td>
<td>48,565</td>
<td>45,597</td>
<td>44,998</td>
<td>44,881</td>
<td>47,148</td>
<td>41,968</td>
<td>61,848</td>
<td>57,343</td>
<td>54,345</td>
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<td>Sum of Prior Year</td>
<td>44,512</td>
<td>42,104</td>
<td>43,834</td>
<td>48,565</td>
<td>45,597</td>
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<td>41,968</td>
<td>61,848</td>
<td>57,343</td>
<td>54,345</td>
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Logins

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<td>2,989,210</td>
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Filing Experience

- Health: 96,109
- Life: 111,061
- PC: 339,464
- Other: 4,376

SERFF Filing Access Searches

- IIPRC: 48,968

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SERFF Strategic Projects Report

SERFF Data Hosting

The System for Electronic Rate and Form Filing (SERFF) Data Hosting fiscal was approved on Aug. 3 by the NAIC membership at the Summer National Meeting, allowing the NAIC to proceed with decommissioning the current data hosting model and replacing it with NAIC hosting for industry customers. The change reduces the complexity of SERFF’s architecture by removing the coding and testing previously required to provide a user interface and data replication features to companies hosted with one of the two third-party vendors.

Around 270 SERFF industry users previously contracted with one of two vendors to store their rate and form filings. While this group is only approximately 15% of the SERFF industry customer base, these 270 filers are larger companies and make up nearly 50% of SERFF filing transactions.

The initial efforts were put toward reaching affected customers, those who are/were currently hosted with one of the two data hosting vendors. This has been one of the most challenging aspects of the project, as identifying the appropriate contact to make the decision to move forward with NAIC data hosting has been difficult. Many companies did not know they were hosted, did not understand what data hosting is (despite multiple phone calls on the topic in 2018 and 2019), or did not know who held the hosting contract.

The project was initially expected to be completed in 2019 with NAIC hosting services beginning Nov. 1; however, early in the project, both vendors requested extensions. The NAIC negotiated a Dec. 31 end date for both vendors, which pushed the project close data into early 2020. A project change request was submitted and approved in October to accommodate this change. Despite the extension for the current hosting vendors, the NAIC hosting service began on Nov. 1 for those customers who were ready. Approximately 75 instances were enabled on that date, and those customers seem to have made a smooth transition. Customers transitioning to NAIC hosting will see no reduction in service. In fact, NAIC-hosted customers will see both from a single interface.

Currently, the biggest risk to the project is the difficulty in reaching hosted customers for a decision. The team is also finding a wide disparity in fees between customers currently hosted by the vendors. The decision to grandfather pricing for the first year has been impacted by some very low fees that the team did not expect. There are additional requests for hosting from customers who, historically, have not been hosted. Pricing for those new customers was made available in mid-October. This unanticipated customer group may help bridge the revenue gap between budget and actual caused by the negotiated extension for the current hosters and unknown fees. There are no technical challenges or risks impacting the project. Replication of data to the current hosting vendors will cease on Dec. 31.
SERFF Advisory Board Candidate Application Package

The System for Electronic Rate and Form Filing (SERFF) Advisory Board (SAB) Application consists of three parts:

1) Part I – Acknowledgement of Responsibilities/Signature (Page 1)
2) Part II – Application (Pages 2 and 3)
3) Part III – Professional Biography (Supplement)

Please return the completed application to:

Katie Chance, Project Assistant | kchance@naic.org | 816-783-8847

This Application must be submitted by 5 p.m. CT Jan. 17, 2020

Acknowledgement of Responsibilities/Signature – Part I

The SAB member responsibilities are described in the SAB Operating Procedures adopted by the NAIC membership on Aug. 25, 2013. ([http://www.serff.com/documents/contact_serff_advisory_board_operating_procedures.pdf](http://www.serff.com/documents/contact_serff_advisory_board_operating_procedures.pdf))

The SAB meets at NAIC national meetings which occur three times per year. Registration for the national meeting is not required to attend the SAB meeting as a Board member.

Applicants should be aware that the NAIC does not fund the travel to any SAB meetings at this time.

Please review the SAB Operating Procedures and sign below, indicating your acknowledgement of SAB member responsibilities and your intent to apply for a SAB position.

_____________________________
Signature
Application – Part II

Date __________________________

Name ____________________________________________
First Name       MI       Last Name       Preferred First Name

Employer
Company Name ____________________________________________

Your Title ____________________________________________

Address ____________________________________________

Phone ____________________________________________

Email ____________________________________________

Type of business or organization?       P/C       Life       Health

Board Member Position Applying For:
Industry       ________       Consumer Rep       ________

Please list other professional boards and/or committees that you currently serve on or have served on in the past.

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Education/Training/Certificates:

__________________________________________________________________________

__________________________________________________________________________
Application Continued – Part II

What is your area of expertise in the insurance industry?

How do you feel the SAB would benefit from your involvement on the Board?

Please list any groups, organizations or businesses that you could serve as a liaison to on behalf of the SAB.

Please tell us anything else you would like to share.
Professional Biography– Part III

Separately, please provide a biography describing your professional career.

Thank you very much for applying.