



**Request for 2023 D Committee Charge to
Examine Benefits and Costs of Public Access to Individual Insurer MCAS Reports
December 15, 2022**

The Center for Economic Justice has previously submitted a proposed 2023 charge to the D Committee and urges its adoption by the Committee:

Examine the benefits and costs of public disclosure of individual insurer state-level MCAS data and the regulatory changes required for such public disclosure. Report by 2023 Summer National Meeting.

While consumers are routinely exhorted to shop based on factors other than price, there is little or no usable information for consumers regarding the actual performance of insurers regarding consumers. The "product" that consumers buy when purchasing insurance is a promise to provide certain benefits if certain events occur. Yet, there is no useful and easily accessible public information about how insurers actually perform on this promise, like

- How long does it take to settle a claim?
- How frequently are claims disputed?
- How often do consumers file a lawsuit to get the promised benefits?
- How frequently are claims denied?

And that's just on the claims side. There's little or no public information on declination to offer coverage or frequency of life insurance and annuity lapses. Much of this information can easily be made available to the public by making the individual company market conduct annual statement data reports public information. They are currently confidential based on an artifact of history – the use of market conduct exam authority (which declares everything related to the exam as confidential) to require MCAS reporting instead of regular statistical data or information reporting authority.

This makes no sense. Compare the MCAS approach to financial statement data. Financial regulators use financial statement data for financial analysis and financial examinations, but the vast majority of the detailed company-specific data are public. No one would argue that financial data should be confidential because it's used for financial analysis, yet that seems to be the argument with MCAS – it's confidential because it's used for market analysis.

As an example of company-specific market performance data being published by an insurance regulator to assist consumers, I point you to Australia.

You can find it while I'm speaking by doing a search for "apra life insurance claims and disputes" and another for "moneysmart australia life insurance claims comparison tool." Or by going to the following links.

<https://moneysmart.gov.au/how-life-insurance-works/life-insurance-claims-comparison-tool>

and

<https://www.apra.gov.au/life-insurance-claims-and-disputes-statistics>

The Australian government not only makes data on life insurance claims, claim denials, time to settle a claim, disputed claims and lapses available, it has created a tool for consumers to easily look up the performance of individual insurers and compare with other insurers. The data are also available for use by a third party – like a Consumer Reports -- to provide even more accessible consumer information based on these data.

It is long past time to make individual market conduct annual statement data available to consumers, third parties and academics, so we ask the D Committee to adopt a charge to examine the issue:

Examine the benefits and costs of public disclosure of individual insurer state-level MCAS data and the regulatory changes required for such public disclosure. Report by 2023 Summer National Meeting.

Thanks for your consideration.