Welcome to the

Market Conduct Examination Guidelines (D) Working Group Meeting

OUR MEETING WILL BEGIN SHORTLY

March 30, 2021

2:00 p.m. Eastern/1:00 p.m. Central/12:00 p.m. Mountain/11:00 a.m. Pacific

NAIC

National Association *of* Insurance Commissioners

- ✓ All audio will be muted upon entry
- ✓ Prior to speaking, unmute **both Webex** and your **cell phone**
- ✓ Enter with video on or off (your choice)
- ✓ During roll call, when your jurisdiction is called, please unmute, announce yourself by name, and re-mute
- ✓ At appropriate times, the chair will open the meeting for discussion
- ✓ Use the "Chat" feature for questions, comments or assistance from moderators
- ✓ If you have joined by phone, to mute and unmute your line, press*6
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NAIC National Association *of* Insurance Commissioners

Virtual Meeting

MARKET CONDUCT EXAMINATION GUIDELINES (D) WORKING GROUP
Tuesday, March 30, 2021
2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 p.m. – 1:00 p.m. MT / 11:00 – 10:00 a.m. PT

ROLL CALL

Bruce R. Ramge, Chair	Nebraska	Ralph Boeckman	New Jersey
(Pending), Vice Chair	*(Pending)*,	Leatrice Geckler/	New Mexico
Sarah Borunda	Arizona	Joel Bengo	
Crystal Phelps	Arkansas	Sylvia Lawson	New York
Damion Hughes	Colorado	Teresa Knowles	North Carolina
Kurt Swan	Connecticut	Todd Oberholtzer	Ohio
Frank Pyle	Delaware	Landon Hubbart	Oklahoma
Sharon Shipp	District of Columbia	Brian Fordham/	Oregon
Sarah Crittenden	Georgia	Tashia Sizemore	
Erica Weyhenmeyer	Illinois	Katie Dzurec/	Pennsylvania
Doug Ommen	Iowa	Christopher Monahan	
Ron Kreiter	Kentucky	Matthew Tarpley	Texas
Mary Lou Moran	Massachusetts	Christina Rouleau	Vermont
Jill Huisken	Michigan	Julie Fairbanks	Virginia
Paul Hanson	Minnesota	Jeanette Plitt	Washington
Win Nickens/Stewart Freilich	Missouri	Desiree Mauller	West Virginia
Peggy Willard-Ross/	Nevada	Rebecca Rebholz/	Wisconsin
Hermoliva Abejar		Diane Dambach	
Maureen Belanger/	New Hampshire		
Edwin Pugsley			

NAIC Support Staff: Petra Wallace/Lois E. Alexander

AGENDA

1. Hear Opening Remarks—*Director Bruce R. Ramge (NE)*

2. Discuss Potential 2021 Working Group Tasks—*Director Bruce R. Ramge (NE)*   Attachment 1

3. Review New Draft Title Standardized Data Requests (SDRs) for Inclusion in the Reference Documents   Attachment 2
   of the *Market Regulation Handbook—Director Bruce R. Ramge (NE)*
   a. Title In Force SDR, March 23 Draft
   b. Title Claims SDR, March 23 Draft

4. Discuss Any Other Matters Brought Before the Working Group—*Director Bruce R. Ramge (NE)*

5. Adjournment

Potential Market Conduct Examination Guidelines (D) Working Group 2021 Tasks

For the purpose of generating discussion, the following is a list of recently adopted NAIC Market Regulation-related Models to consider for development of corresponding revisions to the exam standards in the *Market Regulation Handbook*. The below is a preliminary listing of potential tasks which the Working Group may be focusing on in 2021, in addition to other work deemed necessary by the Working Group (i.e., this listing does not preclude additional tasks which may be added during the year, by the Working Group, or at the request of the Market Regulation and Consumer Affairs (D) Committee or other Working Groups, Task Forces and Committees).

Model #	Title of Model
275	Suitability in Annuity Transactions Model Regulation
430	Health Maintenance Organization Model Act
440	Insurance Holding Company System Regulatory Act
651	Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act (this was not really an amendment, rather published to reflect the annual fee changes)
805	Standard Nonforfeiture Law for Individual Deferred Annuities

Questions for Working Group:
- Are there any other recently adopted models to consider?
- What current (not yet completed) model activity should the Working Group be monitoring?

POLICY IN FORCE STANDARDIZED DATA REQUEST
Title Line of Business

Contents: This file should be downloaded from the company system(s) and contain one record for each title policy issued in [applicable state] at any time during the examination period.

For any fields where there are multiple entries, please repeat field as necessary.

Uses: Data will be used to determine if the company follows appropriate procedures with respect to the issuance and/or underwriting of title policies in [applicable state] within the scope of the examination.
- Cross-reference with the claims data file to validate the completeness of the in force file; and
- Cross-reference to state (s) licensing information to ensure proper agent licensure.

Field Name	Start	Length	Type	Decimals	Description
CoCode	1	5	A		NAIC company code
PolPre	6	3	A		Policy prefix (**Blank if NONE**)
PolNo	9	20	A		Policy number
PolSuf	29	3	A		Policy suffix (**Blank if NONE**)
PolTyp	32	1	A		Type of policy (Presumably an alphabetic character such as O, M, L, S) **Please provide a list to explain any codes used**
PolTyp2	33	1	A		Reissue (Y/N)
PolForm	34	10	A		Policy form number as filed with the insurance department
ClsFilNo	44	10	A		Closing file number
PropTyp	54	15	A		Property type – residential or non-residential
LiabAsmd	69	10	N	2	Amount of liability assumed
PolAmt	79	10	N	2	Dollar limit of coverage
FileNo	89	10	A		File identifier assigned by agent or company's issuing office (order number)
SalePrc	99	10	N	2	Sale/Purchase price of subject property
LoanAmt	109	10	N	2	Loan amount
CommitDt	119	10	D		Date commitment issued [MM/DD/YYYY]
CloseDt	129	10	D		Date transaction closed [MM/DD/YYYY]
EffDt	139	10	D		Effective date of policy [MM/DD/YYYY]
PollssDt	149	10	D		Date policy issued/delivered to insured [MM/DD/YYYY]
DRecDt	159	10	D		Date deed is recorded [MM/DD/YYYY]
DPrsDt	169	10	D		Date deed was presented for recording [MM/DD/YYYY]
DisbDt	179	10	D		Disbursement date [MM/DD/YYYY]

Field Name	Start	Length	Type	Decimals	Description
AgCode	189	6	A		Company internal agent, CSR, or agency identification code **Please provide a list to explain any codes used**
NPN	195	6	A		National producer number
AgFirst	201	15	A		First name of agent
AgMid	216	15	A		Middle name of agent
AgLast	231	20	A		Last name of agent (or agency name, if applicable)
AgStat	251	15	A		Status of agent, CSR or agency appointment (active, inactive, terminated, etc.)
AgAddr	266	25	A		Agent's, CSR's or agency's street address
AgCity	291	25	A		Agent's, CSR's or agency's city
AgSt	316	2	A		Agent's, CSR's or agency's state abbreviation
PrZip	318	9	A		Agent's, CSR's or agency's ZIP code
RiskRate	327	10	N	2	Total premium charged for the policy per company filed rates as defined by [Insert statutory citation here]
RateClas	337	10	N		Risk rate classification
BasPrmCr	347	10	N	2	Basis for premium credit/loan payoff – prior
AgRetPrm	357	10	N	2	Amount of premium retained by the agent or agency
RemitPrm	367	10	N	2	Premium remitted by agency to insurer
CPFee	377	10	N	2	Closing protection fee
TSChgs	387	10	N	2	Title service charges
ClosChgs	397	10	N	2	Closing charges
TranCode	407	5	A		Transaction code
RemitDt	412	10	D		Date premium remitted to insurer [MM/DD/YYYY]
LendName	422	50	A		Full name of lender insured by policy (if applicable)
OwnFirst	472	15	A		First name of owner insured by policy (if applicable)
OwnMid	487	15	A		Middle name owner insured by policy (if applicable)
OwnLast	502	20	A		Last name of owner insured by policy (if applicable)
PropAddr	522	25	A		Address of subject property
PropCity	547	20	A		City of subject property
PropSt	567	2	A		State of subject property
PropZip	569	9	A		ZIP code of subject property
PropCty	578	20	A		County of subject property
SellName	598	50	A		Name of seller of subject property
RealEst	648	50	A		Name of real estate agent involved in transaction
NewConst	698	1	A		Subject property a new construction (Y/N)
Endorse	699	1	A		Endorsements issued (Y/N)
Ref	700	1	A		Refinance transaction (Y/N)

Field Name	Start	Length	Type	Decimals	Description
Second	701	1	A		2nd mortgage (Y/N)
EndRec	702	1	A		End of record marker. Please place an asterisk in this field to indicate the end of the record. This must be in the same character position for every record in this table.

CLAIMS STANDARDIZED DATA REQUEST
Title Line of Business

Contents: This file should be downloaded from company system(s) and contain one record for each claim transaction (i.e. paid/denied/pending/closed w/o payment) that the company processed within the scope of the examination. Include all claims open during the examination period. Do not include expense payments to vendors.

Uses: Data will be used to determine if the company follows appropriate procedures with respect to the handling of Title claims within the scope of the examination.
- Cross-reference to annual statement claims data (amount) to ensure completeness of exam data submitted.

Field Name	Start	Length	Type	Decimals	Description
CoCode	1	5	A		NAIC company code
ClmNo	6	15	A		Claim number
ClmPre	21	3	A		Claim number prefix (**Blank if NONE**)
ClmSuf	24	3	A		Claim number suffix (**Blank if NONE**)
PolNo	27	20	A		Policy number
PolTyp	47	1	A		Type of policy (Presumably an alphabetic character such as O, M, L, S) **Please provide a list to explain any codes used**
ClsFilNo	48	10	A		Closing file number
ClmName	58	50	A		Claimant name
LendName	108	50	A		Full name of lender insured by policy (if applicable)
OwnFirst	158	15	A		First name of owner insured by policy (if applicable)
OwnMid	173	15	A		Middle initial of owner insured by policy (if applicable)
OwnLast	188	20	A		Last name of owner insured by policy (if applicable)
Litig	208	2	A		Is claim currently in litigation (Y/N)
RcvdDt	210	10	D		First notice of loss [MM/DD/YYYY]
ClmOpnDt	220	10	D		Date claim opened [MM/DD/YYYY]
ClmDnyDt	230	10	D		Date claim was denied [MM/DD/YYYY]
ClmAckDt	240	10	D		Date company or its producer acknowledged the claim [MM/DD/YYYY]
ResEstDt	250	10	D		Date reserves established for claim, if applicable [MM/DD/YYYY]
NtcInvDt	260	10	D		Date of written notice to insured/claimant regarding incomplete investigation [MM/DD/YYYY]
ClmClDt	270	10	D		Date claim closed [MM/DD/YYYY]
ClmPdDt	280	10	D		Claim paid date [MM/DD/YYYY]
RefDt	290	10	D		Date referred for legal counsel [MM/DD/YYYY]

Field Name	Start	Length	Type	Decimals	Description
OutCnsl	300	1	A		Claim referred to outside counsel (Y/N)
AggResAm	301	10	N	2	Aggregate amount of reserves established for claim
AggClmEx	311	10	N	2	Aggregate amount of claim expenses (litigation, research fees, etc.)
ClmAmtPd	321	10	N	2	Claim payment amount
ClmStat	331	1	A		Claim status P = Paid, D = Denied, N = Pending, H = Partial Payment, C = Closed Without Payment, R = Rescinded
EndRec	332	1	A		End of record marker. Please place an asterisk in this field to indicate the end of the record. This must be in the same character position for every record in this table.

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