

Draft date: 03/28/23

*Virtual Meeting*

**MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP**

Thursday, April 6, 2023

3:00 – 4:00 p.m. ET / 2:00 – 3:00 p.m. CT / 1:00 – 2:00 p.m. MT / 12:00 – 1:00 p.m. PT

**ROLL CALL**

Erica Weyhenmeyer, Chair	Illinois	Martin Swanson	Nebraska
Rebecca Rebholz, Vice Chair	Wisconsin	Hermoliva Abejar	Nevada
Maria Ailor	Arizona	Leatrice Geckler	New Mexico
Crystal Phelps/Teri Ann Mecca	Arkansas	Guy Self	Ohio
Scott Woods	Florida	Gary Jones/August Hall/ Jeffrey Arnold	Pennsylvania
Paula Shamburger/ Elizabeth Nunes	Georgia	Rachel Moore	South Carolina
LeAnn Crow	Kansas	Larry D. Deiter/Candy Holbrook	South Dakota
Lori Cunningham	Kentucky	Shelli Isiminger	Tennessee
Dawna Kokosinski	Maryland	Shelley Wiseman	Utah
Mary Lou Moran	Massachusetts	Melissa Gerachis/Will Felvey	Virginia
Jill Anne Huisken	Michigan	John Haworth	Washington
Paul Hanson	Minnesota	Letha Tate	West Virginia
Jennifer Hopper/Teresa Kroll	Missouri		

NAIC Support Staff: Teresa Cooper/Hal Marsh

**AGENDA**

1. Discuss Market Conduct Annual Statement (MCAS) Participation Requirements—*Erica Weyhenmeyer (IL)* Attachment 1
2. Hear a Pet Subject Matter Expert (SME Group Update)—*Matt Gendron (RI)*
3. Review the Other Health Data Element—*Erica Weyhenmeyer (IL)* Attachment 2
4. Hear an Update on MCAS Filings—*Erica Weyhenmeyer (IL)*
5. Discuss Any Other Matters Brought Before the Working Group—*Erica Weyhenmeyer (IL)*
6. Adjournment

## 2022 Market Conduct Annual Statement Participation Requirements and General Information

The Market Conduct Annual Statement (MCAS) is a mandatory filing that collects data on a state-specific, industry wide basis. Data is collected for the following lines of business based on the stated premium thresholds

Line of Business	Premium Threshold	Exceptions
Disability Income	\$50,000	
Health (In-Exchange and Out-of-Exchange)*	\$50,000**	
Homeowners	\$50,000	
Individual Annuity (Fixed and Variable)	\$50,000	
Individual Life (Cash Value and Non-Cash Value) – Excluding Credit Life	\$50,000	
Lender-Placed Auto	\$50,000	
Lender-Placed Home	\$50,000	
Long-Term Care Annuity Hybrid	\$0	AR - \$50,000
Long-Term Care Life Hybrid	\$0	AR - \$50,000
Long-Term Care Stand-Alone	\$0	AR - \$50,000
Private Flood	\$50,000	
Private Passenger Auto	\$50,000	
Short-Term Limited Duration Insurance	\$50,000	
Travel	\$50,000	

\* For Tennessee, submission of health MCAS data is voluntary as the Commissioner does not have authority to promulgate rules requiring companies that write accident and health insurance to file an annual statement concerning its market conduct. Tenn. Code Ann. § 56-8-107(c)(1).

\*\* Health has an earned premium threshold.

Companies must participate in this project and report data to each of the following participating states in which the company writes one or more of the lines of business noted above.

Alabama	Illinois	Missouri	Rhode Island
Alaska	Indiana	Montana	South Carolina
Arizona	Iowa	Nebraska	South Dakota
Arkansas	Kansas	Nevada	Tennessee
California	Kentucky	New Hampshire	Texas
Colorado	Louisiana	New Jersey	Utah
Connecticut	Maine	New Mexico	Vermont
Delaware	Maryland	North Carolina	Virginia
District of Columbia	Massachusetts	Ohio	Washington
Florida	Michigan	Oklahoma	West Virginia
Georgia	Minnesota	Oregon	Wisconsin
Hawaii	Mississippi	Pennsylvania	Wyoming
Idaho		Puerto Rico	

On behalf of the 2022 participating states, the NAIC will send a call letter to each company that may be required to file an MCAS in one or more participating states.

### Additional Information:

- Each company in a holding company system must file separately for each state in which it does business. Data for the members of a group or insurance holding company cannot be combined into a single filing for the purposes of this project. Data must be reported separately for each group member unless it involves only inter-company arbitration.

## 2022 Market Conduct Annual Statement Participation Requirements and General Information

- If your company received a call letter but is currently inactive in all of the states requesting data, you are still required to participate if there is business in force for the state(s) and lines requested. If you have questions about your company's status with a participating state, contact the [state MCAS Contact](#) to determine your participation status.
- Companies waived from filing in previous years are not automatically waived from filing this year. To request a waiver, you must submit your request using the 2022 Waiver and Extension Request form within the MCAS Submission Tool once it is available to accept MCAS filings for the 2022 data year. You must advise each state of the reason you are requesting an exemption. Requests for exemption should be made as early as possible. Do not wait until the data is due.
- If two or more companies merged during the reporting period, the companies should report under the corporate structure that is in effect as of the last day of the reporting period. If the merger was effective before or during the review period, then the surviving company should do the combined reporting. Any of the non-surviving companies that received a call letter should contact the state that sent the letter and inform them of the change. If the merger will be effective after the reporting period, the companies involved should file separate reports.
- If your company received a call letter and the company is in rehabilitation, the company is not required to participate. However, you must contact the participating state that sent the call letter to request a waiver.
- If your company received a call letter and the company is under an Order of Supervision, you may request a waiver from each participating state that sent the company a letter. Waivers will be determined on an individual state basis and may consider items such as whether the company is continuing to write new business, premium volume, etc.
- Companies that wish to request a waiver based on an Order of Supervision are encouraged to provide the name of the state that issued the order when submitting their waiver request and should include a list of all states where a waiver is being requested.

**Other Health Insurance Market Conduct Annual Statement**  
**Data Call & Definitions**

**Line of Business:** Other Health Insurance

**Reporting Period:** January 1, 2023 through December 31, 2023

**Filing Deadline:** June 30, 2024

**Schedule 3 – Claims Administration (Including Pharmacy)**

3-66	Number of claims pending at the beginning of the period
3-67	Number of claims received (include non-clean claims)
3-68	Total number of claims denied, rejected or returned
3-69	Number of denied, rejected, or returned as non-covered or maximum benefit exceeded
3-70	Number of denied, rejected, or returned as subject to pre-existing condition exclusion
3-71	Number denied, rejected, or returned due to failure to provide adequate documentation
3-72	Number denied, rejected, or returned due to being within the waiting period (do not answer for ADD products)
3-73	Number of denied, rejected, or returned (in whole or in part) because maximum \$ limit exceeded
3-74	Number of claims pending at end of the period
3-75	Median number of days from receipt of claim to decision for denied claims
3-76	Average number of days from receipt of claim to decision for denied claims
3-77	Median number of days from receipt of claim to decision for approved claims
3-78	Average number of days from receipt of claim to decision for approved claims
3-79	Number of claims paid
3-80	Aggregate dollar amount of paid claims during the period
3-81	Number of claims where the claims payment was reduced by premium owed
3-82	Dollar amount of claims payments applied to unpaid premiums.

NAIC staff received questions regarding Other Health claims question 3-80. After review and consultation with Mary Kay Rodrigues (WI) who led the Other Health subject matter expert group, it was determined that intent of the question is not properly expressed as currently worded.

The properly worded data element will replace “Aggregate” with “Total” as follows:

Total dollar amount of paid claims during the period”.