



Draft date: 7/20/23

Virtual Meeting

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

Thursday, August 24, 2023

2:00 – 3:00 p.m. ET / 1:00 p.m. – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 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/ Karen Veronikis	Pennsylvania
Paula Shamburger/ Elizabeth Nunes	Georgia	Rachel Moore/ Gwendolyn McGriff	South Carolina
Shannon Lloyd	Kansas	Larry D. Deiter/Candy Holbrook	South Dakota
Lori Cunningham	Kentucky	Shelli Isiminger	Tennessee
Mary Kwei	Maryland	Shelley Wiseman	Utah
Mary Lou Moran	Massachusetts	Melissa Gerachis/Will Felvey	Virginia
Jeff Hayden	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. Consider Adoption of its July 19 Minutes—*Erica Weyhenmeyer (IL)* Attachment 1
2. Consider reporting of closed claims for Private Passenger Auto (PPA) and Homeowners Lines of Business—*Erica Weyhenmeyer (IL)* Attachment 2
3. Consider the MCAS Data Element Revision Process Timeline —*Erica Weyhenmeyer (IL)* Attachments 3 & 4
4. Consider Filing Deadlines for Other Health and Short-Term, Limited Duration (STLD) Lines of Business—*Erica Weyhenmeyer (IL)* Attachment 5
5. Discuss Any Other Matters Brought Before the Working Group —*Erica Weyhenmeyer (IL)*
6. Adjournment

Draft: 8/2/23

Market Conduct Annual Statement Blanks (D) Working Group  
Virtual Meeting  
July 19, 2023

The Market Conduct Annual Statement Blanks (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met July 19, 2023. The following Working Group members participated: Erica Weyhenmeyer, Chair (IL); Rebecca Rebholz, Vice Chair (WI); Crystal Phelps (AR); Scott Woods (FL); Paula Shamburger (GA); Shannon Lloyd (KS); Salama Karim-Camara (MD); Jeff Hayden (MI); Jennifer Hopper, Teresa Kroll, and Jo LeDuc (MO); Robert McCullough (NE); Leatrice Geckler (NM); Ben Hauck (OH); Karen Veronikis (PA); Rachel Moore (SC); Tony Dorschner (SD); Shelli Isiminger (TN); Shelley Wiseman (UT); Melissa Gerachis (VA); John Kelcher (WA); and Letha Tate (WV). Also participating was: Brett Bache (RI).

1. Adopted its June 22 Minutes

The Working Group met June 22 to: 1) discuss Market Conduct Annual Statement (MCAS) directions for determining when a claim is closed on the personal property and homeowners lines of business; and 2) discuss the MCAS data element revision process timeline.

Kelcher made a motion, seconded by Wiseman, to adopt the Working Group's June 22 minutes (Attachment XX). The motion passed unanimously.

2. Discussed the Reporting of Closed Claims for PPA and Homeowners Lines of Business

Bache proposed to edit the wording of the data related to the reporting of claims closed with payment so that they read "number of claims closed in your system with the date of final payment within X days."

Weyhenmeyer asked for any comments or thoughts from the Working Group, state insurance regulators, or other interested parties regarding this proposal. No thoughts or comments were made. She said that this will be left open for comments through Aug. 18 and that the Working Group's next meeting will be set for the week of Aug. 21.

3. Discussed the MCAS Data Element Revision Process Timeline

Weyhenmeyer said that Pennsylvania and Missouri submitted comments on this topic. She said that these comments can be found on the Working Group's web page.

Veronikis proposed that there be a 30-day timeline to review what the subject matter expert (SME) group has submitted.

LeDuc said that comments were on the same line as Pennsylvania and suggested a longer timeline for review. She suggested the SMEs have their work and additions available by April 1 to the full Working Group, to give adequate time for Working Group members and interested parties to read, digest, and provide thoughtful feedback on any proposals.

Weyhenmeyer proposed to keep the current timeline and list some best practices in the revision process document.

Weyhenmeyer said that she and Rebholz have drafted some suggestions for these revisions. These best practices incorporate many of the comments that Pennsylvania and Missouri made, including: 1) asking more states to participate in the SME group, with a minimum of five states; 2) exposing the draft to the Working Group at least 60 days before the voting deadline of June 1; 3) as LeDuc suggested, exposing the SME draft documents at each Working Group meeting; and 4) encouraging that the Working Group start those weekly SME groups at the beginning of the discussion rather than at the end. Comments to these suggestions need to be submitted no later than Aug 18. to Hal Marsh (NAIC).

#### 4. Discussed Filing Deadlines for Other Health and STLD Lines of Business

Weyhenmeyer received a letter from the health industry representatives, America's Health Insurance Plans (AHIP) and Blue Cross Blue Shield Association (BCBSA), asking to consider May 31 as the uniform filing deadline in order to be in line with the health filing deadline.

Demetria Tittle (BCBSA), representing the Health Industry Parties (HIP) group, said that in addition to the comprehensive major medical products covered under the health MCAS, many carriers under the HIP group also offer products covered under other health MCAS lines. The HIP group shares the NAIC's goal to deliver accurate and timely MCAS reports that serve as a tool for regulatory oversight. With the MCAS submission deadline, specifically for the short-term, limited-duration (STLD) and other health MCAS filings, these are scheduled to divert from their June 30 deadline to April 30 beginning in 2024 and 2025, respectively, for these filings. Tittle requested that the Working Group consider a uniform MCAS filing date that is consistent with the May 31 deadline, previously approved for health MCAS in 2022. Tittle presented two points for consideration: 1) a consistent billing date for all health care will promote a consistent review for health carriers' MCAS filings for the regulators, as well as carriers, in their workflow process; and 2) states may face receiving health carrier submissions across three different deadline dates in 2024. Here there is an opportunity to help avoid confusion and create consistency related to these filing dates. This is being brought up now so that the Working Group could consider adoption of this recommendation at the Summer National Meeting. Then the Executive (EX) Committee and Plenary can consider it for adoption at the Fall National Meeting. This is detailed further in the comment letter submitted.

Weyhenmeyer asked that comments on this topic be submitted no later than Aug. 18.

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

 SharePoint/NAIC Support Staff Hub/Committees/D CMTE/2023 Summer/MCAS Blanks WG/Document 1.doc

**NAIC MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP  
Changes/Additions to Approved Blanks and Data Call and Definitions  
Proposal Submission Form**

## NAIC USE ONLY

Proposal Submission Date: 4/26/2023	
Proposed Effective Data Year for Reporting: 2025 Data Year	
Proposed <input type="checkbox"/> Substantive Change <input checked="" type="checkbox"/> Non-Substantive Change/Clarification	
Proposal Number	2023.1
Proposal Status	<u>All Submissions</u> <input checked="" type="checkbox"/> Received – Date 4/26/2023 <input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Rejected by MCAS Blanks WG Chair <input type="checkbox"/> Posted to Web Page for Public Exposure/Comment – Date Click or tap to enter a date. <input type="checkbox"/> Referred to Another NAIC Group – Date Click or tap to enter a date. – Name of Group Click or tap here to enter text. <input type="checkbox"/> Adopted <input type="checkbox"/> Modified <input type="checkbox"/> Rejected <input type="checkbox"/> Deferred by WG – Date Click or tap to enter a date. <u>Substantive Revisions</u> <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by D Committee – Date Click or tap to enter a date. <input type="checkbox"/> Adopted <input type="checkbox"/> Rejected by EX/Plenary – Date Click or tap to enter a date. <input type="checkbox"/> Other – Date Click or tap to enter a date. Specify Click or tap here to enter text.
NAIC Staff Input	Teresa Cooper / Hal Marsh

## Proposal Contact Information

Name of Contact Person	Brett Bache
Name of Organization	Rhode Island Insurance Division
Email Address	Brett.Bache@dbr.ri.gov
Phone Number	401-462-9612
Affiliation Type	<input checked="" type="checkbox"/> State Regulator <input type="checkbox"/> NAIC Staff <input type="checkbox"/> Other Regulator <input type="checkbox"/> Reporting Company <input type="checkbox"/> Industry Trade Association <input type="checkbox"/> Consumer Representative <input type="checkbox"/> Other

PROPOSAL IS FOR:  Data Element       Data Definitions       Data Validation

## APPLICABLE LINE(S) OF BUSINESS:

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Annuity               | <input type="checkbox"/> Lender Placed Auto and Home | <input type="checkbox"/> Private Flood                     |
| <input type="checkbox"/> Disability Income     | <input type="checkbox"/> Life                        | <input checked="" type="checkbox"/> Private Passenger Auto |
| <input type="checkbox"/> Health                | <input type="checkbox"/> Long-Term Care              | <input type="checkbox"/> Travel                            |
| <input checked="" type="checkbox"/> Homeowners | <input type="checkbox"/> Other Health                | <input type="checkbox"/> STLD                              |

## PROVIDE A CONCISE STATEMENT OF THE PROPOSED CHANGE:

Proposed data element wording changes for Homeowners and Private Passenger Auto (no new elements are proposed):

2-33 Number of claims closed in your system with the date of final payment within 0-30 days

2-34 Number of claims closed in your system with the date of final payment within 31-60 days

2-35 Number of claims closed in your system with the date of final payment within 61-90 days

2-36 Number of claims closed in your system with the date of final payment within 91-180 days

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2-37 Number of claims closed in your system with the date of final payment within 181-365 days

2-38 Number of claims closed in your system with the date of final payment beyond 365 days

2-39 Number of claims closed in your system without payment within 0-30 days

2-40 Number of claims closed in your system without payment within 31-60 days

2-41 Number of claims closed in your system without payment within 61-90 days

2-42 Number of claims closed in your system without payment within 91-180 days

2-43 Number of claims closed in your system without payment within 181-365 days

2-44 Number of claims closed in your system without payment beyond 365 days

**PROVIDE THE REASON FOR THE CHANGE:**

It has been observed the P&C companies differ in how and when they close claims within their systems, and depending upon their process, their MCAS data may appear to show claims processing issues which may or may not be accurate. The definitions for Date of Final Payment and Median Days to Final Payment differ on when to report a claim as closed, which may be confusing for companies. The Date of Final Payment definition says to report a claim as closed only when it has been closed in the company's claims system. The definition of Median Days to Final Payment says to report a claim as closed once final payment has been made.

“Closed in the system” date should be used to determine which claims to report because companies often leave claims open for different lengths of time after they make a final payment. This date, “closed in the system,” is a definite event that is easily counted in each reporting period. Once counted as a closed claim, companies sort those claims by how long it took (the company) to make the final payment. The count of claims closed is definite, and the time to make a decision to pay can be fairly compared between companies and can be trended over years.

The proposed data element wording changes would encourage companies to review the definition of “Date of Final Payment” and read the clarification and example. The definition, clarification and example below are taken from the Data Call and Definition documents for the Homeowners and Private Passenger Auto lines of business and provided here to provide a full view of the information made available to companies for the reporting of these claims.

Date of Final Payment – The date final payment was issued to the insured/claimant.

**Calculation Clarification:**

- If partial payments were made on the claim, the claim would be considered closed with payment if the final payment was made during the reporting period regardless of the date of loss or when the claims was received.
- Report a claim as “closed with payment” or “closed without payment” if it is closed in the company's claims system during the reporting period (even if the final payment was issued in a prior reporting period.)
- If a claim remains open at the end of the reporting period (even though a final payment has been issued) it should be reported as open. Only when the claim is closed in the company's claims system, would you report the days to final payment.

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Example:

- A claim is open on 11/1/00 and final payment is made on 12/1/00. The claim is left open until 2/1/01 to allow time for supplemental requests.
  - o The claim would be reported as open in the “00” MCAS submission and closed in the “01” MCAS submission.
  - o The number of days to final payment would be calculated as 30 days and reported in the “01” MCAS submission.

IF ADDITIONAL DOCUMENTS CONTAIN DEFINITIONS, BLANK MOCK-UPS, ETC, PROVIDE A LISTING OF THESE DOCUMENTS BELOW. SEND THE LISTED DOCUMENTS TO NAIC STAFF ALONG WITH THE COMPLETED FORM:

Click or tap here to enter text.

## Market Conduct Annual Statement Data Element Revision Process

Adopted by the  
Market Conduct Annual Statement Blanks (D) Working Group on  
May 10, 2018

The following establishes the procedures of the Market Regulation and Consumer Affairs Committee's Market Conduct Annual Statement Blanks (D) Working Group (hereinafter "MCAS Blanks WG") with respect to: a) Development of new Market Conduct Annual Statement (MCAS) interrogatories, data elements, and definitions for the collection of data for new approved lines of business; and b) Proposed changes to the MCAS data elements for existing lines of business. The procedures are for substantive changes only—such as the addition of data elements or significant (non-technical) changes to their definitions.

1. MCAS Blanks WG may consider relevant changes to the annual statement blank and instructions at any scheduled working group conference call or meeting. The MCAS Blanks WG chair will determine which suggested changes are considered.
2. Suggested changes and amendments to the Market Conduct Annual Statement data elements or definitions may be submitted to the NAIC support staff for MCAS Blanks WG at any time during the year.
3. All recommended changes shall include all of the following:
  - a concise statement of the proposed change;
  - the statement type of the suggested change (Life and Annuity, Property and Casualty, Long Term Care, Health, etc.);
  - the reason for the change; and
  - any supporting information relating to the change.
4. Changes that have been adopted by the MCAS Blanks WG prior to June 1 and subsequently adopted by the Market Regulation and Consumer Affairs (D) Committee by August 1 and by the NAIC Plenary by December 31 of the same year will become effective for the following year's experience reporting.
5. If the MCAS Blanks WG or the D Committee do not adopt a recommended change by their respective date (June 1 or August 1), any adopted change will be effective the second calendar year after the adoption of the change. (For example, if MCAS Blanks WG adopts a change during July 2017 and the D Committee adopts it in September 2017, the change will be effective January 1, 2019 and would be reported in the data filed in 2020).
6. All suggested changes will be made available for comment at least 30 days prior to adoption by the Market Regulation and Consumer Affairs D Committee.

MCAS Blanks (D) Working Group  
Data Element Revision Process  
Best Practices

1. To encourage discussion of Regulator concerns prior to exposure to the Working Group, a minimum of 5 Working Group jurisdictions should volunteer and participate in Subject Matter Expert (SME) group meetings when creating reporting for a new MCAS line of business or blank changes to an existing line of business.
2. Expose final draft documents to Working Group members 60 days prior to the voting deadline for the Working Group.
3. Monthly exposure of SME group draft documents and summary of progress to Working Group members, Interested Regulators, and Interested Parties.
4. Encourage weekly subject matter expert (SME) meetings from the beginning of SME work.

Other practices to consider:

1. Formal meeting, after the conclusion of the SME Group Meetings and prior to the voting deadline, to present the draft document to Working Group members, Interested Regulators, and Interested Parties to increase exposure, facilitate discussion, and proactively identify any concerns.



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Via Email

June 23, 2023

Ms. Erica Weyhenmeyer  
Chair, Market Conduct Annual Statement Blanks (D) Working Group  
National Association of Insurance Commissioners

Ms. Rebecca Rebholz  
Vice Chair, Market Conduct Annual Statement Blanks (D) Working Group  
National Association of Insurance Commissioners

c/o [Teresa Cooper](#)

***RE: Uniform Market Conduct Annual Statement Blank (MCAS) Filing Date for Health, “Other Health”, and Short-Term Limited Duration***

Dear Ms. Weyhenmeyer and Ms. Rebholz:

The Health Industry Interested Parties (“HIIP”) group is comprised of single and multi-state licensed health insurers and administrators representing comprehensive major medical and managed care insurance carriers of all sizes located throughout the United States. In addition to comprehensive major medical, many members of the HIIP group also offer coverage of products covered under the “Other Health” MCAS and the STLD MCAS. On behalf of the HIIP group, we are writing to request that the Working Group consider adopting a uniform filing date for the Health, “Other Health”, and Short-Term Limited Duration (STLD) MCAS lines.

Currently, the filing deadlines for these three lines of MCAS are as follows:

- The Health MCAS filing deadline of May 31 was approved by the Plenary at the NAIC Spring 2023 National Meeting, effective in reporting year 2023.
- The initial STLD MCAS filing deadline is currently June 30, 2023, and is scheduled to revert to April 30 starting in reporting year 2024.
- The initial “Other Health” MCAS filing deadline is currently June 30, 2024, and is scheduled to revert to April 30 starting in reporting year 2025.

In July, 2022, AHIP and BCBSA, on behalf of the HIIP group, provided this working group a [presentation](#) on the manual and complex nature of the workflow process that health carriers

endure to produce MCAS reports. After much discussion with the working group, a fixed May 31 filing deadline was agreed upon for the health MCAS filing. Since the same systems and processes are used in producing the STLD and “Other Health” MCAS reports, the HIIP group respectively requests that all MCAS lines that are prepared by health carriers have the same fixed filing deadline of May 31.

On behalf of the Health Industry Interested Parties group, we appreciate your consideration of our request to create a uniform filing deadline of May 31 for Health, “Other Health,” and STLD. We would be happy to discuss this further with you, NAIC staff, and members of the MCAS Blanks Working Group should have any questions.

Sincerely,

Samantha Burns  
AHIP

Demetria Tittle  
Blue Cross Blue Shield Association