

December 16, 2021

Dear Mr. Helder:

Thank you for the opportunity to provide comments on items discussed at the recent Market Analysis Prioritization (D) Working Group call on November 15, 2021, most notably the document detailing possible iSite+Reports for elimination. Massachusetts shares many of the concerns voiced by call participants regarding eliminating (at least at this point) the MAPT data and reports.

Reports Proposed for Elimination:

Our team regularly uses the MARS Reports and the Market Analysis Market Share Reports.

Market Analysis Market Share Report

The Market Analysis Market Share Report allows the MA Division of Insurance ("Division") to focus interrogatories or surveys on a specific percentage of the particular market. This option was especially critical to several projects related to the pandemic. Division examiners and analysts use this report in tandem with the financial summary reports. Currently, the only way to obtain the state-specific loss ratio information is to generate customized reports from the financial reports for the state. We are also concerned that NAIC will abolish the financial market share by line of business reports leaving analysts without a source for state-specific market share and loss ratio information.

	F	G	H	I	J	K	L
1	2020 Premiums	2020 Market Share	2019 Premiums	2019 Market Share	2018 Premiums	2018 Market Share	
2	\$1,122,673,752	0.20716	\$1,225,323,020	0.21998	\$1,257,331,943	0.23276	
3	\$554,870,007	0.10238	\$574,006,228	0.10305	\$522,326,745	0.09669	
4	\$422,514,910	0.07796	\$450,304,179	0.08084	\$454,157,280	0.08408	
5	\$399,404,962	0.0737	\$418,054,513	0.07505	\$415,596,320	0.07694	
6	\$356,765,393	0.06583	\$356,664,109	0.06403	\$340,512,119	0.06304	
7	\$247,166,745	0.04561	\$239,892,849	0.04307	\$200,791,676	0.03717	
8	\$237,435,361	0.04381	\$203,703,243	0.03657	\$160,690,946	0.02975	
9	\$221,611,688	0.04089	\$277,985,139	0.04991	\$240,558,820	0.04453	
10	\$219,692,956	0.04054	\$257,633,303	0.04625	\$293,799,839	0.05439	
11	\$193,139,612	0.03564	\$183,165,557	0.03288	\$170,903,627	0.03164	
12	\$172,735,341	0.03187	\$190,685,651	0.03423	\$202,261,346	0.03744	
13	\$145,492,367	0.02685	\$156,026,842	0.02801	\$157,293,932	0.02912	
14	\$107,094,345	0.01976	\$130,818,168	0.02349	\$154,902,970	0.02868	
15	\$91,819,194	0.01694	\$90,170,697	0.01619	\$78,611,802	0.01455	
16	\$86,610,540	0.01598	\$76,439,179	0.01372	\$54,223,501	0.01004	
17	\$79,785,442	0.01472	\$79,531,819	0.01428	\$77,853,331	0.01441	
18	\$76,210,434	0.01406	\$0	0	\$0	0	
19	\$64,462,811	0.01189	\$61,864,544	0.01111	\$58,540,789	0.01084	
20	\$58,914,323	0.01087	\$59,376,036	0.01066	\$56,149,262	0.01039	
21	\$53,571,154	0.00988	\$34,335,051	0.00616	\$6,544,661	0.00121	
22	\$4,911,971,337	0.90634	\$5,065,980,127	0.90948	\$4,903,050,909	0.90767	
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The MARS Reports

The MARS reports allow analysts to monitor the status of Level I and Level II reviews, download data, and email complete or incomplete reports as needed. The MARS reports also provide regulators with options for monitoring, tabulating, and tracking reviews, in addition to allowing report downloads to Microsoft Excel, email, print, and PDF. For example, we can print or copy and paste the data into an Excel spreadsheet or email in the example below as current MARS reports support these options.

Analyst	State	Cocode	Company Name	Review Level	LOB	Recommendation	Date Entered	Status
Susanna Stevens	MA	[REDACTED]	[REDACTED]	1	PP	Incomplete	2020-04-10	Unapproved
				1	HO	No further analysis is necessary.	2020-04-29	Unapproved
				1	HO	Incomplete	2020-05-04	Unapproved
				1	PP, HO	We will proceed with another option on the Continuum of regulatory responses (If known, please explain the option to be used along with the rationale description).	2020-05-06	Unapproved

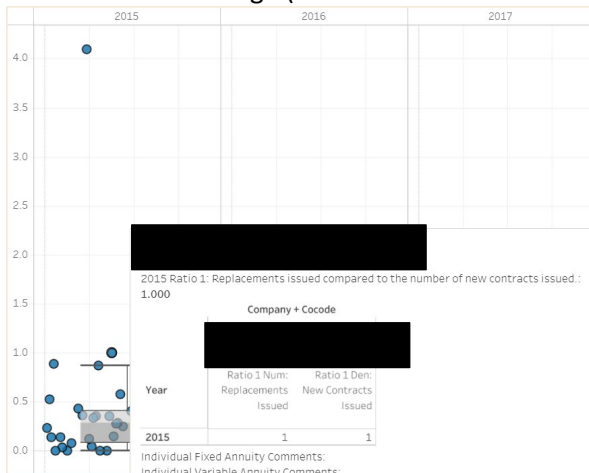
We are concerned that NAIC may abolish the MARS and Market Analysis Market Share Reports without having a user-friendly alternative for the options listed above in place. In addition to conducting 70 or more analysis examinations in each data cycle, we routinely design and prepare custom reports for senior management. If we cannot access the data provided by the MARS and Market Analysis Share Reports, special projects and custom reports will be challenging, if not impossible, to accomplish in a cost and time-effective manner. Furthermore, our analysts must submit customized requests to the NAIC for the eliminated data without these reports. These requests will be an inconvenience and drain resources for both the regulator and the NAIC.

Potential Limitations of Tableau (MCAS MAPT Data)

The Tableau dashboard provides users with a visual scatter chart of a sea of dots to represent outliers in a particular market (LOB, state, national). However, the dots on the scatter chart are almost useless as we do not conduct our baseline analysis one company or one ratio at a time. Instead, our process requires reviewing the whole market and creating a list by ratio and company. The application must produce a report detailing the outliers by ratio and company to generate this list.

In addition, to assess the validity of a ratio, the analysts review the underlying data for the ratio calculation. For example, a skewed ratio can result if a company has stopped writing business or has small reporting numbers. Although Tableau contains the supporting data, the analyst must hover over each dot to access the data for the ratio and the applicable company. Then the analyst must manually create a record documenting this information - arguably an inefficient time-consuming process. A more helpful situation would be an application allowing users to review and sort the data to eliminate companies that do not meet our criteria for a given ratio, such as 100 new policies issued or percent increase in premiums written, etc. Unfortunately, we do not believe those options are available in the current version of the application.

Current Tableau Image (Skewed as a result of insignificant data)



Example Image displaying a company on each row, which line of business, and details on why they were selected or not selected for a cycle.

Line of Business	Level 1/Interr	Ratio 1	Ratio 2	Ratio 3	Ratio 4	Ratio 5	Ratio 6	Ratio 7	Free Looks	Premiums	Comments
IA	Level 1 and Int		IVA								Ratio 2 (IVA): From a total of 95 replacements issued, 46 were issued to annuitants 65-80 years of age and 14 were issued to annuitants over the age of 80.
IL	Level 1 and Int	ICVP		ICVP				INCVP	INCVP		Ratio 1 (ICVP): The Company reported 160 replacements issued during the period (39 internal replacements and 121 external replacements). Ratio 3 (ICVP): The Company reported 419 new policies issued by the Company during the period and 1,924 policies surrendered during the period. Ratio 7 (INCVP): The number of complaints received directly from consumers increased from 4 in 2019 to 18 in 2020. Free Looks (INCVP): The Company reported 61 free looks in 2020.
It	These are small face value products, we reviewed last cycle, not this year				ICVP						Ratio 4 (ICVP): From a total of 433 policies surrendered, 152 were surrendered in less than 2 years from issuance, and 121 were surrendered within 2 to 5 years from issuance.

Although the application allows the analyst to create a custom ratio, they cannot download the resulting data. For example, consider ratio 4 for individual variable annuities, which looks at the number of contracts surrendered under ten (2) years from issuance. Massachusetts prefers to focus on contracts surrendered under two (2) years from issuance or 2-5 years from issuance. In our analysis process, the underlying data on ratio 4 is essential to evaluating the potential for consumer harm. Despite having a customized option, we would be unable to download the pertinent data.

Consultants and contractors are sometimes employed to conduct baseline analysis and may not access applications such as QuickLinks to access the backend data table. Analysts cannot conduct baseline analyses efficiently if the data will only be available in Tableau or users must have special access for backend queries. As a result, the NAIC will have to create specialized reports, or the contractor will need to pull data from various sources (if it is available at all), and this added labor will increase the review time requirements. Either scenario would directly increase the expense involved in completing the process and may result in higher costs to insurers. The Division makes every effort to avoid added costs to examinations as extra costs to insurers often result in higher costs to policyholders.

Ability to document for internal and state audits

Our market analysis examination process is subject to audit by internal and state auditors. Therefore, we must demonstrate how we conduct and document each stage of the analysis process, including company selection. Complying with audit and regulatory requirements for records documenting the analysis process will be challenging if we cannot compile and download this information into a consolidated report.

We respectfully suggest including functionality enabling our analysts to log the complete process for audit purposes as a future enhancement. In addition, the tool should allow analysts to document the selection of companies for further review. The documentation information would include which companies were selected and not selected and the reasons for those decisions, as well as significant dates and related comments. Such an application would eliminate the need to use spreadsheets and conduct manual tracking. Ideally, the application would also track Level 1 analysis, Level 2 analysis, Continuums, and any resulting regulatory actions.

Identifying Data Issues

Recently, while reviewing the baseline analysis and selecting companies for further review, our analysts noted an anomaly in the LTC data reported for 2020. The report listed data in thousandths instead of actual dollar values. If our analysts did not have ready access to the underlying three-year data for this area for a group of companies simultaneously, they would not have determined the discrepancy. And, as a result, we might have called unnecessary analysis examinations because we relied on incorrect data.

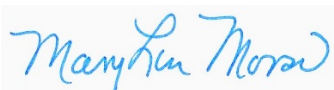
Although we appreciate all your efforts in refining Tableau and are hopeful about the final product after considering the available information about the application, we are concerned that although close, the application is not yet ready for implementation. We remain convinced that critical data fields should remain available and unaltered after conversion. An example of an unintentional elimination of valuable data occurred when NAIC determined the Health MCAS MAPT would include only the fields involved in calculating the ratios. We recognize NAIC is aware of the situation with the Health MCAS MAPT fields.

The Division's position is that regulators should have access to all the data submitted in MCAS as has been the process in the past. The states working through NAIC created MCAS on a state-by-state basis in the initial pilot programs. When the NAIC agreed to provide a portal for companies to submit the data, NAIC was deliberate in defining ownership of the data collected on behalf of the states – clearly indicating that the data belonged to the states. In addition, NAIC, through its MCAS staff, has done an outstanding job of designing and refining MCAS-related tools, including the MAPT data and reports. The MAPT report and related data are an essential part of the Division's analysis process. Because the MAPT has significant value, we want to ensure that the data and information are collected and made available in a manner that works for all states, without filters, and accessible to our staff.

If the Committee and NAIC staff plan to eliminate any of the MAPT tables, the Division requests that all regulators are provided with sufficient advanced notification of the specific tables to be removed well before the termination of the states' access. The Division is especially concerned about preserving access to the MCAS MAPT data and respectfully urges NAIC to retain the existing MAPT reports until that data is available in a clean format that is easily downloadable to conduct our review.

In conclusion, we need the MARS Reports, and Market Analysis Market Share reports in a downloadable and printable format. The Market Analysis Market Share report is one that we use regularly and would prefer that the content remain to obtain our state-specific information quickly. We are also very concerned that eliminating the MAPT reports and other necessary reports could create more work, potentially impacting the overall cost of the review, impacting companies, and ultimately the cost to consumers.

Sincerely,



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