

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
MARKET ANALYSIS PROCEDURES (D) WORKING GROUP
P&C MCAS RATIOS FOR PET INSURANCE
February 21, 2024 Exposure Draft Document
MARCH 21, 2024

On behalf of the National Association of Mutual Insurance Companies (NAMIC)¹ members, thank you for the opportunity to provide these comments to Market Analysis Procedures (D) Working Group on the February 21, 2024 Exposure Draft Market Conduct Annual Statement ratios for Pet Insurance.

Prior to the Working Group considering adoption of the new ratios as exposed, NAMIC asks for you to consider just a few items and the member input contained in these comments.

NON-PUBLIC RATIOS: CHRONIC CONDITION EXCLUSION –
CLOSED WITHOUT PAYMENTS TO TOTAL CLAIMS CLOSED WITHOUT PAYMENT
Ratio 21 on Page 4

Pet insurance is a relatively new line of business and not all insurers currently collect or code all the data being requested. One example of this pertains to the number of claims closed due to chronic conditions needed for Ratio 21, with member feedback indicating this information is not currently captured by all companies. We would like to draw your attention to this and suggest instructions be provided for how to complete the data request when the data is not captured by the company. Specifically, should companies leave fields blank or complete the fields with 0 or n/a. Additionally, we recommend the NAIC develop and communicate a clear timeline for companies to follow, giving them adequate time to program their systems to collect the data they do not currently collect. We suggest companies are allowed a transition period and be required to make the system changes needed to collect all necessary data for the 2025 reporting year.

Ratio 21. Chronic condition exclusion - closed without payments to total claims closed without payment

$$\left(\frac{[\text{\#of claims closed during the period without payment due to chronic condition exclusion (3-107)]}{[\text{\#of claims closed during the period without payment (3-77)]} \right)$$

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With pet insurance being a young line of business, and the collecting and reporting of data being new, future revisions may be needed. Kindly understand that NAMIC may seek to supplement the comments provided as additional information and experience is brought to our attention. NAMIC looks forward to working with the Market Analysis Procedures (D) Working Group. Thank you.

¹ NAMIC Membership includes more than 1,500 member companies. The association supports regional and local mutual insurance companies on main streets across America and many of the country's largest national insurers. NAMIC member companies write \$323 billion in annual premiums. Our members account for 67 percent of homeowners, 55 percent of automobile, and 32 percent of business insurance markets. Through our advocacy programs we promote public policy solutions that benefit NAMIC member companies and the policyholders they serve and foster greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.