

Procedure for Selecting New MCAS Lines of Business
Adopted by the Market Regulation and Consumer Affairs (D) Committee– 8/8/17

The Market Analysis Procedures (MAP) Working Group is charged with considering recommendations for additional lines of business to be added to the MCAS data collection process. Additionally, from time to time, the Market Regulation and Consumer Affairs (D) Committee may direct MAP through a specific charge or other direction to evaluate a new line of business for MCAS collection. D Committee may also direct MAP to evaluate established lines of business for continued need of specific MCAS data collection.

The following document establishes the process for receiving and evaluating recommendations for additional MCAS lines of business.

1. Requests to add additional lines of business for MCAS are to be submitted to the MAP Chair in writing. Recommendations can be made by regulators or interested parties.
2. All recommendations must include a concise statement containing the following:
 - a. A statement explaining how this line of business will further the objectives of and improve efficiency of market regulation in general;
 - b. Why collecting data in this formation is the most expeditious manner to do so (for example, rather than a one time data call for a specific situation);
 - c. How the addition of this line of business will benefit the consumer.
3. Supporting documentation may include the following Qualitative Factors:
 - a. Is this line/product subject to regulation by any other agency such as the IRS, FINRA, SEC, HHS? If so, which one(s)?
 - b. Is this line/product currently reporting data on a periodic basis to any state(s)? If yes, which one(s) and what is being reported
4. If available, the supporting documentation must also contain the following Quantitative Factors:
 - a. The number of carriers writing premium for this line;
 - b. The in-force premium and new premium volume for each of the last 5 – 10 years;
 - c. The number of policies in-force in each of the last 5 – 10 years;
 - d. The number of policyholders for each of the last 5 – 10 years;
 - e. The number of claims paid each year for the last 5 – 10 years;
 - f. The total number of complaints or inquiries received nationally in each year for the last 5 – 10 years.
 - g. A list of states/jurisdictions in which the line/product is sold;
 - h. Any other data specific to the line/product that would support recommendation.
Note: the number of years reported for items 4a – 4g should be consistent.
5. MAP will review the proposal and any supporting documents, including any evidence of the cost effectiveness of the proposal. MAP will allow state regulators and interested parties the opportunity to comment on the proposal.
6. MAP will vote to accept or reject the recommendation in accordance with current NAIC committee standards.