



March 16, 2017

The Honorable Bruce Ramage, Director
Nebraska Department of Insurance
Chair, Market Conduct Examination Standards (D) Working Group
941 O Street, Suite 400
PO Box 82089
Lincoln, NE 68501-2089

RE: Market Information Research and Development Working Group Memo dated July 12, 2016

Dear Director Ramage,

The following are West Virginia's recommendations pertaining to the July 12, 2016 memo from the Market Information Research and Development (MISRD) working group which contained *suggestions* on possible changes to the Market Conduct Examiners Handbook. As you recall the MISRD group submitted two memos one with technical changes as it pertained to the implementation of the Market Action Tracking System (MATS) -the recommendations of which were adopted on the November 30th call. This second memo submitted contained editorial changes for MCES Group to *consider (emphasis added)* as MCES updates the various chapters in the Market Regulation Handbook. There was not necessarily consensus within the MISRD working group regarding all of the edits and therefore they were not intended as recommendations of the MISRD working group.

Please take the following comments as West Virginias recommendations as a member of the MCES working group.

Proposed Change 1.1

We do not believe that making this change is necessary at this time. The current options for documenting items in the MATS system includes options of targeted examinations, comprehensive examinations, non-examination regulatory interventions and focused inquiries. We do not believe that this change adds any further clarification.

Proposed Change 1.2

We are neutral on this change; the addition of the word staff may or may not add clarification and the change from "intervention" to "action" is contra indicated by the new MATS nomenclature.

Proposed Change 2.1

A "range" of regulatory responses or "tool box" as the CEJ suggested in its 11/21/16 comments may be more descriptive; however, if the "handbook" is to add a new section and retain the chapter using "continuum as the nomenclature perhaps no change is necessary.

Proposed change 2.3

Same comment as in change 2.1 and emphasis could be added to "not".



Proposed Change 2.4

We support the CEJs suggestions in its 11/21/16 comments.

Proposed Change 6.1

It may not be necessary to make this change however, if the group chooses to do so, it should include "focused inquiry" in addition to "non-examination regulatory intervention" as those are current MATS nomenclature.

Proposed Change 6.2

We do not support making the change as presented.

Proposed Change 6.3

We support making this change or at least change the wording to "or other action on the continuum" in the original.

Proposed Change 6.4

We are neutral on this change. If continuum continues to be the nomenclature it could remain as is.

Proposed Change 6.5

We are not sure that a change is necessary as the final administrative action (if formal) may also require a RIRS entry.

Proposed Change 7

We do not support this change.

Proposed Change 10.1

We support the editorial change from "target" to "targeted" throughout this section.

Proposed change 10.2

We support this change for reasons noted in the memo.

Proposed Change 10.3

The current hierarchal descriptions are not consistent with the MATS platform.

Proposed Change 11.1

Changing the dates is not really necessary-the thought was if other edits are being conducted-it wouldn't hurt.

Proposed change 11.2-11.4

This change is not necessary nor consistent with current NAIC guidelines on the use of "homeowners".

Proposed Change 16

We support this editorial change.

Sincerely,



Mark A. Hooker, CIE, CPCU, FLMI, FAHM, PIR, CWCP
Chief Market Conduct Examiner
Offices of the Insurance Commissioner
State of West Virginia