



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE
PO Box 325
TRENTON, NJ 08625-0325

JON S. CORZINE
Governor

STEVEN M. GOLDMAN
Commissioner

TEL (609) 292-0844
FAX (609) 292-3144

June 20, 2008

Sandy Praeger
President
NAIC
2301 McGee Street, Suite 800
Kansas City, MO 64108-2662

RE: Market Conduct Data Included in 2009 Annual Statement

Dear Commissioner Praeger:

New Jersey strongly favors the ultimate submission and national compilation of market conduct data as a useful tool for insurance regulators. Additionally, we note that including the data with Annual Statement filings will promote uniform collection and reporting without the need to enact legislation or adopt regulations in each jurisdiction.

We are, however, concerned about making this a requirement for the 2008 Annual Statement to be submitted in early 2009. Our concern results from our experience as one of the states that have collected this data from insurers since 2004. During this time, we observed many apparent anomalies submitted by various companies. The process of collecting accurate and similar data from each insurer required identifying the differences in the way individual companies reported their data, and working with individual insurers to assure that they were all interpreting the instructions, and reporting the data, in the same manner. Because of various insurer information technology systems, and the different interpretations of the data to be collected, not all companies initially reported the same event the same way. In addition, the data allows for the option of reporting per occurrence or per individual claim submission within that occurrence, so comparison among all companies within a particular line of business is difficult.

We understand that the Task Force will continue refining the definitions and data elements through the balance of 2008 to attempt to assure uniformity of collection for submission with the Annual Statement in 2009. We would suggest that process be completed prior to final determination of the forms.

Moreover, we suggest that the plan provide time to correct different interpretations and resolve anomalies by not compiling the results until we are reasonably

confident that individual companies are submitting equivalent data and that companies that were previously never required to submit a statement (e.g. small regional insurers in states that did not previously participate in the MCAS) have the opportunity to prepare their systems for data submission. We would encourage a determination regarding whether submissions must be filed on a per occurrence or per claim basis. If such a determination is not feasible due to system limitations, it would appear beneficial to provide separate reports based on the alternative methods of gathering the data. Compilation of dissimilar data will simply delay the time at which insurance regulators can rely on it.

Thank you for the opportunity to comment.

Sincerely,

Donald Bryan
Director
Division of Insurance

cc: Steven M. Goldman, Commissioner