

# Memo

**To:** Tim Mullen

**From:** Lynette A. Baker, Asst. Chief Market Conduct Division

**CC:** Mike Motil, Chief Market Conduct Division

**Date:** 4/1/2008

**Re:** Comment on D Committee MCAS Data Collection Proposal

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As the original developers of the computer systems used in the Market Conduct Annual Statement (MCAS), we are in full agreement that a new system needs to be developed. This will enable the statement to progress and become more beneficial to all regulators while making it less cumbersome for the industry to file. The proposal to include the information within the Financial Annual Statement is an idea that we have supported from the beginning of the project.

There is however a number of issues that we want to be sure we understand:

1. Although the information will be filed with the Financial Annual Statement, will the D Committee have control over what information is requested?
2. Will the information be maintained as a confidential or public filing? If confidential, how will confidentiality be maintained with the removal of the requests being sent under each state's examination authority?
3. Will all information that is currently requested, including the breakdowns by policy and claim coverage code be included? The document supplied did not include the breakdowns.
4. The MCAS subgroup had been discussing additional fields and possible other changes to the request. What will the process be to incorporate future changes?
5. Will the NAIC develop informational instructions like the cross checking guide that is used for the financial annual statement?
6. The current system allows the company to provide explanations directly into the system and to see their calculated results. How will that be handled?
7. Will a new system be developed for the states to use in the analysis?
8. Will the states still be required to provide report cards to each company?