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Leslie Krier, Chair, Market Analysis Priorities (D) Working Group
Randy A. Helder
Market Analysis Manager
NAIC Market Regulation Division
2301 McGee
Kansas City, MO 64108-2662

Re: Level 1 and Level 2 Referral to CADs

Dear Leslie and Randy,

I have reviewed the proposed email revision to be sent to the domiciliary state for the Level 1 or 2 notifications regarding the following recommendation:

“We will contact the Collaborative Action Designee (CAD) of other states with similar concerns regarding possible collaborative activity.”

The email still indicates that this is a possible MAWG referral. I do not interpret the above referenced conclusion to mean a MAWG referral is eminent. To me, such a conclusion is the first step for jurisdictions to communicate and reach a determination about whether an issue *is* multi-jurisdictional. It could be two jurisdictions with similar issues; it could be 52. In my experience the Level 1 and/or a Level 2 usually contain insufficient information to know the extent and the detail of the issue. I would question the use of this recommendation on a Level 1 at all since there is little documentation in the Level 1 process that could lead to such a conclusion without further review.

I would recommend one of two alternatives.

1.) No email is sent to the domiciliary state at the time of the recommendation. An email is sent to the CAD of the jurisdiction conducting the review. The subject line could read “Possible Collaborative Action” The text could read:

On [date], [company (cocode)] was recommended by this Department’s market analyst [insert contact name if this isn’t hard to program] to be reviewed with another jurisdiction(s) for possible referral to the Market Actions (D) Working Group (MAWG) for review by [state]. collaborative action. The Level “X” Analysis Review focused on [year] [LOB(s)] information. ~~To complete the referral process, the MAWG procedures require that the MAWG referral form (available on StateNet) be completed by the referring state's Collaborative Action Designee and forwarded to~~

~~the NAIC at mawg@naic.org. The Level "X" review focused on [year] was recommended to be referred to the Market Analysis (D) Working Group (MAWG) for review by [LOB] information. The rationale for the state analyst's decision is listed below:~~

~~Due to the findings~~

~~You are receiving this e-mail because you are either the Market Analysis Chief (MAC) for the referring state or the Collaborative Action Designee (CAD) of the review or domiciliary for the state that made this recommendation. Please consult with the analyst regarding the possible collaborative action, and if warranted, contact the CAD for the company's domiciliary state. If you have questions or concerns, please contact the NAIC Market Analysis Team at mawg@naic.org.~~

2. If an email must be sent to the domiciliary state, I would recommend the subject line read "Possible Collaborative Action" and the content read:

~~On [date], [company (cocode)] was recommended for review with another jurisdiction(s) for possible referral to the Market Actions (D) Working Group (MAWG) for review by [state]. collaborative action. The Level "X" Analysis Review focused on [year] [LOB(s)] information. To complete the referral process, the MAWG procedures require that the MAWG referral form (available on StateNet) be completed by the referring state's Collaborative Action Designee and forwarded to the NAIC at mawg@naic.org. The Level "X" review focused on [year] was recommended to be referred to the Market Analysis (D) Working Group (MAWG) for review by [LOB] information. The rationale for the state's decision is listed below:~~

~~Due to the findings~~

~~You are receiving this e-mail because you are either the Collaborative Action Designee (CAD) or the Market Analysis Chief (MAC) for the state that conducted the review or the CAD of the review or domiciliary state. The review state will contact the domiciliary state if it appears collaborative action is warranted. If you have questions or concerns, please contact the NAIC Market Analysis Team at mawg@naic.org~~

I believe either alternative provides a clearer understanding of the recommendation and the next steps and avoids the panic that the CAD of the domiciliary state would experience if given notice without warning that a domiciliary company was potentially being referred to MAWG. Thank you for the opportunity to review and comment.

Very truly yours,

Anne Marie Narcini

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NJ Department of Banking and Insurance