2012 Fall National Meeting
Washington, DC

INFORMATION SYSTEMS (EX1) TASK FORCE
Thursday, November 29, 2012
8:00 – 9:00 a.m.
Gaylord Convention Center—National Harbor 10—Level 3

ROLL CALL

Sandy Praeger, Chair Kansas Therese M. Goldsmith Maryland
Karen Weldin Stewart, Vice Chair Delaware Kenneth E. Kobylowski New Jersey
Jim L. Ridling Alabama Mary Taylor Ohio
Dave Jones California John D. Doak Oklahoma
William P. White District of Columbia Eleanor Kitzman Texas
Kevin M. McCarty Florida Neal T. Gooch Utah
Gordon I. Ito Hawaii Jacqueline K. Cunningham Virginia
Andrew Boron Illinois

AGENDA

1. Consider Adoption of Sept. 19 Meeting Minutes—Neil Woerman (KS) Attachment One

2. Discuss Proposed Language for Internet Filing Requirement—Neil Woerman (KS) Attachment Two

   • 2013 Business Impact Fiscal Statements Review

4. Receive Update on 2012 Approved Projects in Process—Denise Matthews (NAIC) Attachment Three
   • Testing and Development Automated Tools Expansion—Denise Matthews (NAIC)
   • Security Log Auditing—Denise Matthews (NAIC)
   • Resource Management Tools—Denise Matthews (NAIC)
   • Online Securities System—Julie Fritz (NAIC)

5. Receive Updates on Other Projects—Neil Woerman (KS) Attachment Four
   • State Based Systems—Julie Fritz (NAIC)
   • SERFF—Joy Morrison (NAIC)
   • Health Care Reform SERFF Enhancements—Joy Morrison (NAIC)
     o Rate Review Cycle II
     o Health Insurance Exchange/Plan Management/SERFF
   • State Producer Licensing—Denise Matthews (NAIC)
     o Status of Producer Licensing State API Upgrade

6. Present Findings from the 2012 State Technology Survey—Denise Matthews (NAIC) Attachment Five

7. Discuss Biannual Information Systems Project Status Report—Denise Matthews (NAIC) Attachment Six

8. Any Other Matters Brought Before the Task Force—Neil Woerman (KS)

9. Adjournment

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Company Licensing Track
• Networking Opportunities
• Company Licensing Updates
• Roundtable Discussions
• Training for Regulators and Industry

Market Regulation Track
• Update on Key Market Regulation Initiatives
• Market Regulation Working Group Updates
• The Evolution of the Market Information Systems
• The Challenges of Successful Multi-State Collaboration
• Enhancements to the Market Conduct Annual Statement
• Market Regulation Roundtable Discussions

Producer Licensing Track
• Learn About Exciting New/Existing Products and Services
• More Ideas on How to Streamline the Insurance Licensing Process
• Network with Regulators/Industry Professionals During the Exhibits
• What’s New on Uniform Licensing Standards and Federal Issues
• Excellent Opportunity to Get Involved at the Regulator Roundtables

Rate and Form Filing Track
• SERFF Tutorials – Designed to give attendees a better understanding of SERFF’s functionality
• Best Practices – Learn how to use SERFF to its fullest potential
• State and Industry Panels – Learn how your fellow filers and reviewers utilize SERFF
• What’s New With the IIPRC? (Interstate Insurance Product Regulation Commission)

Technology Track (TechEx - Regulator Only)
• Regulatory Excellence: State Technology Solutions
• What’s New: The Latest in Regulatory Systems and Mobile Apps
• Tech Talk: Leveraging New Technology and Tools
• Best Practices: Security and Application Development Updates
The Information Systems (EX1) Task Force of the Internal Administration (EX1) Subcommittee met via conference call, Sept. 19, 2012. The following Task Force members participated: Sandy Praeger, Chair, represented by Neil Woerman (KS); Karen Weldin Stewart, Vice Chair, represented by Carol Jones (DE); Jim L. Ridling represented by Larry Lauderdale (AL); William P. White represented by Luther Ellis (DC); Kevin M. McCarty represented by Rebecca Matthews (FL); Kenneth E. Kobylofski represented by Anne Marie Narcini (NJ); Mary Taylor represented by Angela Dingus (OH); Neal T. Gooch represented by Carl Meek (UT); and Jacqueline K. Cunningham represented by Vicki Ayers (VA). Also participating was Darlene Nunez (CA).

1. Discuss Motion to Make Internet Filing Mandatory for Financial Statement Submissions to NAIC

Mr. Woerman introduced the topic by referring to the discussion that took place at the Task Force’s meeting during the Summer National Meeting. During that meeting, Denise Matthews (NAIC) indicated there was interest expressed by the NAIC staff and financial statement software vendors to officially mandate Internet filing for company financial statement filings with the NAIC beginning with the first quarter 2013 filing. Mr. Ellis moved, and Ms. Nunez seconded, that the Task Force mandate Internet filing for financial statement submissions. After further discussion, the Task Force members decided to table the motion and hold a conference call with the financial statement software vendors to better understand the need to make this mandatory.

Roger Schatel (A.M. Best Company) asked why the mandate could not be done sooner than the first quarter 2013 filing. After discussing the feasibility of doing so for the 2012 annual statement filing, Ms. Jones noted that Delaware requires foreign insurers to file financial statement filings on CD, per statute. She asked how this mandate could affect a company’s ability to meet this Delaware requirement. Mike Leonard (Booke Seminars) said the vendors would not necessarily disable the ability to create a CD filing. Mr. Schatel noted that A.M. Best would prefer not to have to continue to support that.

After further discussion about the need to preserve this capability, possibly for disaster-recovery reasons, even if online filing with the NAIC was made a requirement, all vendors indicated that they could provide the ability to create a CD filing as a backup, if necessary. It was also noted that a decision in regard to this issue should be coordinated with the Blanks (E) Working Group. Ms. Matthews said she would contact NAIC staff support for that Working Group and ensure appropriate coordination takes place.

At the conclusion of this discussion, the Task Force members decided to take the comments under consideration and discuss taking further action at their meeting during the Fall National Meeting.

Having no further business, the Information Systems (EX1) Task Force adjourned.
Proposed Language
Neil Woerman (KS)
Sept. 21, 2012

The NAIC has requested authorization to require companies to submit all annual and quarterly financial statement data online. Having heard comments on this issue in a special meeting held Sept. 19, the Information Systems (EX1) Task Force recommends the following:

The NAIC should be authorized to require online filing for all annual and quarterly financial statement data to be submitted after Jan. 1, 2013, unless disasters or other contingencies would prevent timely online filing by one or more companies. This is not intended to impact required direct submission to the states of annual and/or quarterly financial statement data on removable storage media.
SBS Update

States Licensed to Use SBS
25 Licensees:

1. Alabama  
2. Alaska  
3. Delaware  
4. District of Columbia  
5. Florida  
6. Iowa  
7. Illinois  
8. Kansas  
9. Maryland  
10. Missouri  
11. Montana  
12. Nebraska  
13. New Hampshire  
14. New Jersey  
15. North Carolina  
16. North Dakota  
17. Oklahoma  
18. Oregon  
19. Puerto Rico  
20. Rhode Island  
21. South Carolina  
22. Tennessee  
23. U.S. Virgin Islands  
24. Virginia  
25. West Virginia

SBS Available Services
- Producer
- Continuing Education
- Company
- Financial Exams
- Consumer Services, Including Consumer Assistance Grant Program
- Enforcement
- External Healthcare Review (Consistent with NAIC Model #76)
- Investigations
- Market Conduct Exams
- Revenue
- Regulated Industries Services
- SBS Connect/OLS
- I-SITE Integration
- SERFF Integration

Key Functionality Completed/Slated
- Complaints Handling Conversion
- New, Enhanced Online Complaint Form
- Modifications to External Applications
- Market Exam and Managed Care Enhancements
- Enhancements to Support the Affordable Care Act

Upcoming Implementation Activity
- Montana: May 2013
- Alaska—September 2013
- Service Implementations—Various
- SBS Redesign

SBS Summit – October 16-18, 2013

SBS/NIPR Open House for Regulators
- 4:30 – 6:00 p.m., Friday, Nov. 30, Chesapeake 1—Gaylord
MEMO

TO: Information Systems (EX1) Task Force
FROM: Joy Morrison, Assistant Director, SERFF/OPT
CC: Julie Fritz, Chief Business Strategy and Development Officer
    Denise Matthews, Director, Information Systems Division
DATE: November 5, 2012
RE: SERFF Update

SERFF Transaction Volume

Through October, usage was approximately 31,619 transactions under budget. There were 489,170 transactions budgeted through October, and the actual transactions for the same period were 457,551. SERFF averaged 45,962 transactions per month during the first six months of 2012. Two issues contributed to the shortfall. First, several companies have indicated that they are not developing new products due to the sluggish economy. The second, and lesser, impact stems from health companies holding filings in anticipation of health care reform. It is possible that the result will be an increase in major medical health filings in early 2013 as health companies submit additional products for consideration on the health insurance exchanges.

SERFF Development

SERFF v5.17 was released Oct. 25. Enhancements included in this release:

- Company Profile – In order to prepare for Plan Management functionality via SERFF, Industry Configuration Managers will have the ability to update the Health and Human Services (HHS) Issuer ID, National Committee for Quality Assurance (NCQA) Org. ID and URAC App. Number on company profiles.
- Message Suppression by User – Filing Managers no longer need to select their own name to receive Filing Activity messages.
- Exchange Intention – To prepare for Plan Management functionality in SERFF, industry filers will be able to indicate if a filing contains information intended to be included in a future submission of a qualified health plan (QHP). This field will be updatable via Post Submission Update functionality.
- Batch PDF – The PDF Pipeline code has been modified to allow for batch processing of filings. With this new feature, the user can select multiple filings to be Pipelined in a single batch. This feature is being rolled out in stages beginning with a release to a small group of states.

SERFF Plan Management (v6.0) is expected to be released in March 2013. This release will include the Plan Management functionality needed to allow issuers to submit QHPs for inclusion on health insurance exchanges.
IIPRC Items

• *IIPRC Statement of Intent (SOI) Template* – To provide better usability for mix and match filers, the SOI template functionality now supports the upload of Excel files so that the SOI line items can be easily incorporated into a template.

NAIC Initiatives

The Oracle database upgrade for SERFF was completed without issue.

SERFF State Implementation

The Implementation Team’s primary focus continues to be on the federal Patient Protection and Affordable Care Act (PPACA) and the implementation of the changes related to the health insurance exchanges.

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MEMORANDUM

TO: Information Systems (EX1) Task Force
FROM: Joy Morrison, Assistant Director, SERFF/OPTins
CC: Julie Fritz, Chief Business Strategy and Development Officer
    Denise Matthews, Director, Information Systems Division
DATE: November 5, 2012
RE: SERFF Health Care Reform Update

Health Insurance Exchange (HIX) Plan Management Update

The Business and Fiscal Impact Statement submitted as part of the 2012 budget primarily covered analysis and planning to leverage SERFF to assist with many of the functions of the Plan Management component of the health insurance exchange requirements. Development and implementation phases of the project are contained within a fiscal request being considered as a part of the 2013 budget process.

NAIC staff has facilitated five forums on this topic: November 2011 (Washington, DC), December 2011 (Washington, DC), March 2012 (New Orleans, LA), May 2012 (Kansas City, MO) and August 2012 (Atlanta, GA). The next forum is scheduled for Nov. 27, immediately preceding the Fall National Meeting in Washington, DC.

Since the Summer National Meeting, the following milestones have been reached:

- Meeting summary from the one-day forum just prior to the Summer National Meeting was published.
- Collaborated with URAC and the U.S. Center for Consumer Information and Insurance Oversight (CCIIO) to define a Web service for the transfer of accreditation data, which are Plan Management responsibilities for which the insurance departments might not have previously been responsible.
- Distributed a bulletin in August to communicate progress on leveraging SERFF to assist with Plan Management functions related to the health insurance exchanges.
- Continued communication and collaboration efforts with staff from the CCIIO to minimize duplicative efforts, both in the development process and the software solutions for the health insurance exchanges.
- Updated swim lane diagrams to demonstrate potential workflow between systems and stakeholders.
- Participated in stakeholder meetings with several of the states to present SERFF’s part in Plan Management.
- Participated in regular meetings with State-Based Exchange (SBE) states to keep them informed of progress on Web services.
- Released SERFF v5.17 Oct. 25, including company configuration tools to add and update U.S. Department of Health and Human Services (HHS) Issuer ID, National Committee for Quality Assurance (NCQA) Org. ID, and URAC App. Number, as well as a flag to indicate if a filing contains information intended to be included in a future submission of a qualified health plan.
- Organized discussions with interested states to work on a data standard for the provider directory.
- Shared revised data dictionary and data collection templates.

Upcoming milestones:

- Continue work on data dictionary and data collection templates.
- Host the HIX Plan Management Forum VI, which is scheduled for Nov. 27 in Washington, DC.
- Continue work on Web services to facilitate data transfer to exchanges.

For links to the documents referenced here, click the Health Insurance Exchange Plan Management (HIX) button on the SERFF home page at www.serff.com.

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State Producer Licensing (SPL) Update

Completed Development

- The SPL team partnered with the State Based Systems (SBS) team to successfully implement the Complaints Handling and Reporting Standards (CHRS) project Aug. 28 for SBS states.

Current SPL Team Development

- The SPL team is currently working directly with SBS to enhance the State Process application, which automatically updates electronic licensing transactions into each state’s SBS administered database. This gives the SPL team needed exposure and knowledge of the state producer data and improves the quality and timeliness of both the SBS and the SPLPROD (NAIC’s SPL production database) information. This project is expected to last six to nine months.

- Implementation of the new version of the State Application Programming Interface (API) used by the states in the producer licensing process is in progress. Two states (Kansas and Washington) have already implemented the State API. All SBS states were implemented by the end of August. The NAIC Market Information Systems (MIS) team is currently working with the remaining states to get commitments regarding a schedule for moving to the new version of the API. Dates have been confirmed with all but eight states. This project was scheduled to complete by year-end 2012. That currently appears to be in jeopardy.

- A number of initiatives have been scoped as incremental improvements and will be handled as maintenance projects. The components are referred to as SPL Database Advancement (SDA) initiatives. The analysis completed so far has identified the following projects:
  - Reduce the number of databases used by the Market Regulation and MIS applications/reports, reducing redundancy and support costs.
    - Work is occurring that will improve the report queries by pointing them to Mart data.
  - Continue to eliminate dependencies between MIS and licensing applications, creating greater flexibility and improved functionality for both while not losing any of the efficiencies gained by sharing data, such as “entity.”
  - Continue work on improving the speed, efficiency and maintenance of the “load” process.
  - Seven states still use a “Code Your Own” (CYO) approach to sending complaints data to the NAIC. This method of submitting complaints data will be obsoleted at the end of 2015. The NAIC is hoping to partner with each of these remaining states to establish a timeline for implementing the new Common Architecture (CA) approach for complaints data. An email was sent to the state information technology (IT) representative of each CY state, requesting an opportunity to schedule their conversion to CA.

New Business Matters

- The NAIC and NIPR are partnering on a project to provide additional current contact information on producers to include their most current email addresses and phone numbers. A group of regulators active on producer licensing data-collection issues will be consulted to assist in determining the most appropriate way of collecting the information and disseminating or making it available to the states.