

SPEED TO MARKET (EX) TASK FORCE

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Speed to Market (EX) Task Force
Orlando, Florida
March 28, 2014

The Speed to Market (EX) Task Force met in Orlando, FL, March 28, 2014. The following Task Force members participated: Scott J. Kipper, Chair (NV); Andrew Boron, Vice Chair, represented by Yvonne Clearwater (IL); Lori Wing-Heier (AK); Jay Bradford represented by Dan Honey (AR); Dave Jones represented by Geoff Margolis and Giovanni Muzzarelli (CA); Sharon Clark represented by Debbie Stamper (KY); Mike Rothman represented by Tammy Lohmann (MN); John M. Huff represented by Angela Nelson (MO); Monica J. Lindeen represented by Jeannie Keller (MT); Wayne Goodwin represented by Ted Hamby (NC); Mary Taylor represented by Matt Elston (OH); John D. Doak represented by Cuc Nguyen (OK); Angela Weyne represented by Sol Gisela Marrero (PR); Jacqueline K. Cunningham (VA); and Mike Kreidler represented by Lee Barclay (WA).

1. Adopted its Feb. 4 Minutes

Mr. Hamby made a motion, seconded by Mr. Hazen, to adopt the Task Force's Feb. 4 minutes (Attachment One). The minutes were unanimously adopted.

2. Adopted the Commercial Lines (EX) Working Group Report

Mr. Barclay said the Working Group issued a state survey focused on gathering information to address two of its charges: 1) commercial lines rate and form filing authority; and 2) recent experience proposing or enacting legislation or regulatory measures related to commercial lines. Survey results were due Feb. 27 and will be discussed during the Working Group's March 28 meeting. The Working Group will also discuss rate and form review and approval times based on data contained within the System for Electronic Rate and Form Filing (SERFF).

Upon a motion by Mr. Barclay, seconded by Ms. Nelson, the Commercial Lines (EX) Working Group report was adopted.

3. Adopted the Operational Efficiencies (EX) Working Group Report

Mr. Elston said the Working Group met via conference call March 12 (Attachment Two) and received an update on the implementation of the 2014 Uniform Product Coding Matrices. Thirty states have implemented the changes, while 13 opted not to implement the changes, primarily due to lack of authority to regulate contingent deferred annuities. Implementation efforts continue with the remaining states. The Working Group also discussed the federal Affordable Care Act (ACA)-related modifications to the *Product Filing Review Handbook*. NAIC staff will work with Working Group members to identify the chapters needing updates.

The Working Group also reviewed filing metrics and turnaround reports as prepared by NAIC staff. Working Group members made additional suggestions and requested that NAIC staff revise the reports accordingly. Working Group members also identified several characteristics they might recommend isolating when assessing filing metrics: 1) separating state review from industry response time; 2) identifying extraordinarily large or complex filings that might not be reasonably reviewed within target turnaround times; 3) business type (life, health, property/casualty); and 4) rates, forms and combination filings. Working Group analysis continues.

Upon a motion by Mr. Elston, seconded by Mr. Hamby, the Operational Efficiencies (EX) Working Group report was adopted.

4. Received a Report on the Web Public Access Project

Joy Morrison (NAIC) stated that the public access implementation continues to move forward. Project milestones have been more firmly defined, including an initial implementation slated for June that will encompass life and property/casualty filing accessibility based on individual state public access requirements. In August, the new application will be expanded to include the existing SERFF Health Filing Access Interface (HFAI) for federal Affordable Care Act (ACA)-related filings and IP-restricted use by the states, if desired. In October, functionality will be expanded to include Qualified Health Plan (QHP) binders in SERFF.

A key element of the project is a change from a portable document format (PDF) file delivery to a zip file that contains the native versions of filing submission components and a PDF file version of SERFF data.

5. Discussed Requests for Third-Party Integration

Julie Fritz (NAIC) presented a request from a third-party filer to enhance its product by integrating with SERFF to allow their analysts to create and submit filings to SERFF and retrieve customers' filing data from SERFF using the SERFF Programming Interface (SPI). SERFF has supported integration with a single vendor for many years. There is no exclusive agreement with the vendor; however, there has not been a lot of interest from other vendors in using the SPI services. Any expansion of use should include considering the use of SPI by any vendor or insurance company that would like to access their data in a more automated fashion. Ms. Fritz cautioned that SPI would likely need to be rewritten to accommodate use by more than one integration partner and stated that the current resources must be augmented both to develop the new Web services and to support its users going forward. Ms. Fritz informed the Task Force that the SERFF Advisory Board would be evaluating this request and, if carried forward, it would come back to the Task Force to consider.

Ms. Fritz said a company from the United Kingdom (UK), Adsensa, approached the NAIC in 2011 with a request to integrate its Wordsensa product with SERFF. A series of Web demonstrations were provided to regulators and the industry in early 2012 but subsequent feedback from attendees of the demos showed little interest in the product, and the demands of the ACA were deemed a higher priority. From a state perspective, the general consensus at the time was that the product would not enhance, accelerate or improve the quality of review. In addition, the states said they would not be able to completely rely upon an automated "judgment" process and, even more important, the tool would only check what is legal, but not what is illegal. As such, regulators believed all products would still have to be fully reviewed. Several of the states also expressed concerns about procurement. Industry representatives indicated that the product did not appear to add significant value. Adsensa has again contacted the NAIC and would like another opportunity to demonstrate its product and discuss the benefits of incorporating it into SERFF. Adsensa has requested an opportunity to demonstrate Wordsensa at the Summer National Meeting. Birny Birnbaum (Center for Economic Justice) stated that he does not believe the NAIC should be providing a forum for third parties to market their products. He also expressed opposition for the integration of a third-party tool into SERFF. He said that if insurance companies would like to leverage such a tool, they could do so independent of SERFF. The Task Force raised no objection to a demonstration of Wordsensa during the meeting.

6. Received a Report from the SERFF Advisory Board

Commissioner Kipper reported that the SERFF Advisory Board would be meeting for the first time March 29. The Advisory Board will consider the same third-party integration requests, receive reports on revenues and expenses and a transaction fee analysis, as well as receive reports on marketing, development, health care and the Web Public Access Project.

7. Heard a Report from the IIPRC

Commissioner Kipper said the IIPRC is meeting after the Task Force and a report of meeting activity would be made at a later date.

Having no further business, the Speed to Market (EX) Task Force adjourned.

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Speed to Market (EX) Task Force
Conference Call
February 4, 2014

The Speed to Market (EX) Task Force met via conference call Feb. 4, 2014. The following Task Force members participated: Scott J. Kipper, Chair (NV); Andrew Boron, Vice Chair (IL); Thomas B. Leonardi represented by George Bradner (CT); Sandy Praeger represented by Jim Newins (KS); Sharon P. Clark represented by Frank Goins (KY); Mike Rothman represented by Tammy Lohmann (MN); John M. Huff represented by Angela Nelson and Joan Dutil (MO); Monica J. Lindeen represented by Rosann Grandy (MT); Wayne Goodwin represented by Ted Hamby, Bob Mack, Jean Holliday and Tim Johnson (NC); Mary Taylor represented by Maureen Motter (OH); John D. Doak represented by Cuc Nguyen (OK); Laura N. Cali (OR); Julia Rathgeber represented by Chris Herrick (TX); Todd E. Kiser represented by Tracy Klausmeier (UT); Jacqueline K. Cunningham represented by Rebecca Nichols (VA); and Mike Kreidler represented by Lee Barclay (WA).

1. Reviewed its 2014 Charges

Commissioner Kipper provided a brief overview of the Task Force's 2014 charges: 1) the Task Force is responsible for providing a forum for discussing the federal Affordable Care Act (ACA) impact as it relates to product filing needs; 2) the Task Force charges contemplate two working groups, the Operational Efficiencies (EX) Working Group and the Commercial Lines (EX) Working Group, both of which are in the midst of some important work, as detailed in related charges; and 3) the charges include responsibility for reporting from the SERFF Advisory Board and the IIPRC.

2. Appointed its Working Groups

Director Boron motioned, and Ms. Lohmann seconded, to appoint the Operational Efficiencies (EX) Working Group as proposed. The motion passed. Members are as follows: Maureen Motter, Chair (OH); Jay Bradford (AR); Dave Jones (CA); Thomas B. Leonardi (CT); Chester A. McPherson (DC); Belinda Miller (FL); John Gatlin and Cindy Colonius (IL); Jim Newins (KS); Sharon P. Clark (KY); Pamela Randi Johnson (MD); Tammy Lohmann (MN); Angela Nelson (MO); Ted Hamby (NC); Adam Hamm (ND); Bruce R. Range (NE); Elena Ahrens (NV); Gerald Scattaglia (NY); John D. Doak (OK); Rhonda Saunders-Ricks (OR); Julia Rathgeber (TX); Mary Bannister (VA); Lee Barclay (WA); and Susan Ezalarab (WI).

Director Boron motioned, and Ms. Nguyen seconded, to appoint the Commercial Lines (EX) Working Group as proposed. The motion passed. Members are as follows: Lee Barclay, Chair (WA); Michael Ricker (AK); Joel Laucher (CA); George Bradner (CT); Jim Newins (KS); Joan Dutil and Angela Nelson (MO); Debra Stone (NH); Susan Dobbins (OK); Paula Pallozzi (RI); and Mary Bannister (VA).

3. Received an Update for the Spring National Meeting

Commissioner Kipper said there are two important items to note. First, the meeting of the Task Force is currently scheduled for March 28. Second, the Task Force will host an open forum for discussion among regulators and the industry as a retrospective of the first implementation year of the federal ACA. Regulators, industry and consumer representatives, and NAIC staff will have the opportunity to share their perspectives on 2013 activity, as well as have the chance to share their thoughts, expectations and/or hopes for Plan Year 2. The forum will be held immediately following the Task Force meeting on March 28. NAIC staff will provide a structure to help facilitate this discussion and an announcement about the forum will be distributed in advance.

Having no further business, the Speed to Market (EX) Task Force adjourned.

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Operational Efficiencies (EX) Working Group
Conference Call
March 12, 2014

The Operational Efficiencies (EX) Working Group of the Speed to Market (EX) Task Force met via conference call March 12, 2014. The following Working Group members participated: Maureen Motter, Chair (OH); John Gatlin (IL); Tammy Lohmann (MN); Mary Mealer (MO); Ted Hamby (NC); Bruce R. Range represented by Martin Swanson (NE); Anthony Bonner (NY); Linda Willis (VA); Lee Barclay (WA); and Sue Ezalarab (WI).

1. Received Update on 2014 UPCM Implementation

Joy Morrison (NAIC) said 29 states have approved implementation of the new TOIs (types of insurance) in the Uniform Product Coding Matrix (UPCM), while 13 states have opted not to implement, most of those saying they do not regulate the product. One state is awaiting guidance from NAIC. The remaining states have not yet responded to the request for permission to implement the TOIs in SERFF.

2. Received Update on 2015 Suggested Changes to the UPCM and UTD

Ms. Motter reminded the Working Group that suggested changes to the UPCM and/or Uniform Transmittal Documents (UTDs) can be submitted now. Ms. Morrison said the process is to submit requested changes or additions via a link on the NAIC website. Changes need to be received and reviewed by the Operational Efficiencies (EX) Working Group so that the Working Group's recommendations can be presented to the Speed to Market (EX) Task Force at the NAIC Summer National Meeting. This timing will allow states that use systems dependent on those standards an opportunity to incorporate those changes prior to the implementation date of Jan. 1, 2015. Ms. Morrison will send an email to state rate and form regulators reminding them of the process and providing the link to submit requests.

3. Discussed Modifications to the Product Filing Review Handbook

Ms. Motter said the Product Filing Review Handbook needs to be updated to include information related to changes in regulations as a result of the federal Affordable Care Act. She acknowledged that health analysts are very busy preparing for the 2015 plan submissions but requested that any state with staff able to assist with the project notify herself or NAIC staff. In the meantime, Ms. Motter will work with NAIC staff to determine which areas of the handbook will require changes or additions.

4. Discussed Filing Metrics Reports

The Working Group discussed the second draft of a sample report and dashboard prepared by NAIC staff as part of the effort to develop uniform filing metrics to demonstrate the effectiveness of speed to market initiatives. The Working Group also reviewed charts that show average turnaround times across states for filings based on the number of form schedule items and the number of rate schedule items on each filing. Ninety percent of the filings had fewer than 10 schedule items. When considering turnaround time on those same filings, 83% were completed within 40 days.

Working Group members identified several characteristics they would like to isolate when assessing filing metrics: 1) separating state review from industry response time; 2) identifying extraordinarily large or complex filings that might not reasonably be reviewed within the desired turnaround goal; 3) business type—life, health, property/casualty; and 4) rates, forms, combination filings.

The Working Group also requested a definition of the data included in the report as well as how calculations were derived. NAIC staff will rework the report with suggested changes and provide documentation of the statistics included in the report for review at the next meeting. NAIC staff will also determine the percentage of filings that are completed in less than the current 40-day goal to determine if there may be lower threshold for certain types of filings.

Having no further business, the Operational Efficiencies (EX) Working Group adjourned.

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