2015 Spring National Meeting  
Phoenix, Arizona

SPEED TO MARKET (EX) TASK FORCE  
Sunday, March 29, 2015  
8:00 – 9:00 a.m.  
Phoenix Convention Center North—Room 125—Street Level

ROLL CALL

Scott J. Kipper, Chair  Nevada  
John G. Franchini, Vice Chair  New Mexico  
Lori K. Wing-Heier  Alaska  
Anne Melissa Dowling  Connecticut  
Karen Weldon Stewart  Delaware  
Chester A. McPherson  District of Columbia  
TBD  
Ken Selzer  Kansas  
Sharon P. Clark  Kentucky  
Mike Rothman  Minnesota  
John M. Huff  Missouri  

Kenneth E. Kobyloski  New Jersey  
Wayne Goodwin  North Carolina  
Mary Taylor  Ohio  
John D. Doak  Oklahoma  
Laura N. Cali  Oregon  
Teresa D. Miller  Pennsylvania  
David Mattax  Texas  
Todd E. Kiser  Utah  
Jacqueline K. Cunningham  Virginia  
Mike Kreidler  Washington

AGENDA

1. Consider Adoption of its March 5 and November 18 Minutes—Commissioner Scott J. Kipper (NV)  Attachment One
2. Consider Adoption of its Working Group Reports  
   • Commercial Lines (EX) Working Group—Lee Barclay (WA)  Attachment Two  
   • Operational Efficiencies (EX) Working Group—TBD (OH)  Attachment Three
3. Receive Update on SERFF Implementation Projects/Activity—Joy Morrison (NAIC)  Attachment Four  
   • General SERFF Activity
4. Receive Report from the SERFF Advisory Board—Commissioner Scott J. Kipper (NV)
5. Hear Report from the IIPRC—Karen Schutter (IIPRC)  Attachment Five
6. Discuss Any Other Matters Brought Before the Task Force—Commissioner Scott J. Kipper (NV)
7. Adjournment

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The Speed to Market (EX) Task Force met in Washington, DC, Nov. 18, 2014. The following Task Force members participated: Scott J. Kipper, Chair (NV); Lori K. Wing-Heier represented by Marty Hester (AK); Jay Bradford represented by Daniel Honey (AR); Dave Jones represented by Joel Laucher (CA); Thomas B. Leonardi represented by George Bradner (CT); Sharon P. Clark represented by Maggie Woods (KY); Mike Rothman represented by Tammy Lohmann (MN); John M. Huff represented by Mary Mealer (MO); Monica J. Lindeen represented by George Bradner (MT); Wayne Goodwin represented by Ted Hamby (NC); Mary Taylor represented by Tynesia Dorsey (OH); John D. Doak represented by Cuc Nguyen (OK); Laura N. Cali represented by Annette Boyce (OR); Julia Rathgeber represented by Mark Worman (TX); Todd E. Kiser represented by Tanji Northrup (UT); Jacqueline K. Cunningham represented by Rebecca Nichols (VA); and Mike Kreidler represented by Lee Barclay (WA).

1. **Adopted its Sept. 4 Minutes**

   Mr. Hester made a motion, seconded by Ms. Nguyen to adopt the Task Force’s Sept. 4 minutes (Attachment One). The minutes were unanimously adopted.


   Mr. Barclay said the Commercial Lines (EX) Working Group met Nov. 15 (Attachment Two) and Oct. 16 (Attachment Two-A) to discuss data generated from SERFF that illustrates turnaround times for commercial lines product filings. The Working Group continued its efforts to develop a recommendation for the Task Force. The format of the report has been completed and an explanatory summary is underway. The group also approved a survey to be distributed to the top 20 commercial lines writers to determine if they are interested in an interstate compact for commercial lines products. Mr. Barclay made a motion, seconded by Ms. Mealer to adopt the report of the Commercial Lines (EX) Working Group. The report was unanimously adopted.

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

   Ms. Dorsey said the Operational Efficiencies (EX) Working Group met via conference call Oct. 28 (Attachment Three). The Working Group continued its review of recommended changes to the development of uniform filing metrics to demonstrate the effectiveness of speed-to-market initiatives. The Working Group considered a comparison of filing turnaround times under the existing metric, which calculates turnaround days based on the date of submission to the date of last disposition, and the new metric. The Working Group members considered the new filing metrics and agreed upon the following criteria changes:

   a. Remove from the turnaround calculation the time the state reviewer is waiting on a response from the filer.
   b. For filings that are reopened, do not include inactive days in the turnaround calculation.
   c. Set individual filing turnaround goals based on business type. The metrics currently report the average days by business type, but the goal is set at 40 days for all business types. The Working Group recommended there be separate goals for life, health and property/casualty.

   The Working Group wants to see several cycles of data before recommending turnaround goals. NAIC staff will prepare some historical data for the members to consider.

   The Working Group reviewed revisions to the state filing turnaround report to be built into SERFF. In reviewing the filing turnaround report, the Working Group agreed upon the report revisions and decided upon the following:

   a. Display both the type of insurance (TOI) and the state TOI for those states that use the State TOI feature.
   b. Add a column to represent the number of days from the date received until the date the first correspondence is sent on a filing.
Draft Pending Adoption

Attachment One
Speed to Market (EX) Task Force
3/29/15

NAIC staff will modify the report and statistics and will propose criteria for generating the report. Ms. Dorsey made a motion, seconded by Mr. Hamby, to adopt the report of the Operational Efficiencies (EX) Working Group. The report was unanimously adopted.

4. Received an Update on SERFF Implementation Projects/Activity

Joy Morrison (NAIC) provided a report on the SERFF project and activities. Revenue and transactions are both over budget through October, mostly due to the submission of more qualified health plan (QHP) filings in 2014 than were budgeted. The budget anticipated 18,000 QHP submissions and there have been 45,315 submitted so far this year.

SERFF v6.7.3 was released in September and contains a feature allowing comments on filings available via SERFF Filing Access (SFA) to be submitted. This optional feature permits the states to review submitted comments and make them public if desired. SERFF v6.7.3.1 was released Nov. 6 with an enhancement enabling the IIPRC to implement SFA. SERFF v6.7.4 is scheduled for release in mid-December and will have the final component of the SFA project allowing the states to identify Plan Management binders as publicly accessible, making the binders viewable via SFA. There are additional enhancements completed for the IIPRC. The Company/Contact tab on IIPRC filings has been modified to allow the states with access to IIPRC filings to see the entire list of companies and not just those companies to which the state is associated. An additional change was made to alphabetize the list of states on an IIPRC disposition. The IIPRC also requested a cost estimate to allow the Statement of Intent to be publicly accessible via SFA.

SERFF is scheduled for NAIC application server upgrades in 2014. Development changes for this platform shift should be complete by mid-November and the SERFF application is expected to move to the JBoss platform in early January 2015. The SERFF team has begun the implementation of NetIQ, with plans to begin testing by the third quarter of 2015, and a production release tentatively scheduled for the first quarter of 2016.

The implementation team attended the Association of Insurance Compliance Professionals (AICP) annual conference in September. They co-presented a session on the Uniform Product Coding Matrix (PCM) showing how it intersects with the NAIC annual financial statement lines. In October, the team presented a “SERFF Tips & Tricks” session at the Life & Health Compliance Association (LHCA) conference via Web connection.

The team will begin its annual state satisfaction survey in November. Given no changes to the PCM for 2015, the implementation team will be able to focus on implementation of any requirements changes for the submission of QHP filings earlier than usual. The team held a retrospective after the submission window opened in May and discussed options to improve communication and minimize confusion about state versus federal requirements in order to ease the implementation process.

All of the 2015 QHPs have been transferred to the federal hub. The financial management data is the last portion of work for 2015 that still needs to be delivered to the federal system and that process is underway and expected to conclude the week of Nov. 17.

The final piece of the Web public access project will be completed with the December release of SERFF v6.7.4. The features in this release will allow the health binders to be marked as available for public access in SERFF and to be viewable via SFA. There are currently 22 states using SFA, with an additional four to five that are working on implementation.

5. Discussed Request to Expand SERFF Filing Access Functionality

Commissioner Kipper said the Sept. 4 meeting included a suggestion from Birny Birnbaum (Center for Economic Justice—CEJ) to expand SFA functionality to reference the existence of redacted information, but not disclosure of the redacted information. Commissioner Kipper entertained comments from the industry, regulators and consumers. Representatives from the American Council on Life Insurers (ACLI) and American’s Health Insurance Plans (AHIP) oppose the request, expressing concern that SERFF should not be used as a tool to preempt state laws operating to manage the public access process. Dave Snyder (Property Casualty Insurers Association of America—PCI) said the states need to consider the
additional work this request might add to the industry’s existing processes, suggesting that it could greatly increase the number of inquiries and, thus, the process may be more expensive than the theoretical benefit to the consumer.
Steve Clark (Verisk Insurance Services Office—ISO) expressed concerns about the proposed modifications to SFA, that a click of a SERFF button can make confidential data available to the public and that identifying redacted information will increase the number of requests to have access to confidential information. He said current due-process procedures protect filers and, as such, the ISO opposes any changes that might result in the release of trade secret information.

Mr. Birnbaum reiterated that his request was to identify that documents had been redacted, which documents were redacted, and under what state-specific statute or regulation. He said what happens now is that he reviews the filings made accessible to the public and sends a request to the state to ask if materials have been redacted. If something has been redacted, he follows up to ask what has been withheld and why. Mr. Birnbaum said that communication process could be improved if SERFF were enhanced to make this information available via SFA. He acknowledged that SERFF had many projects for 2015 and asked that this request be added to the list, to be prioritized with existing work.

Mr. Bradner said he understands the request and agrees that transparency is good for the consumers but he said that it would certainly create work for the state agency if the state has to involve its legal counsel and defend how it exercised its statutes. Mr. Laucher agreed that the process needs to be considered and further stated that the state will be the first entity challenged, not the company, so the state will bear the increased effort to handle these requests. Mr. Hamby asked Mr. Birnbaum if this enhancement would create more or less inquiries. Mr. Birnbaum said he thinks it would result in less work but admitted that, if an interested party knows the filing documents are incomplete, they are likely to inquire about what is missing.

Ms. Mealer said most of Missouri’s requests come from companies looking at other companies’ filings or for class action purposes. She suggested a state-by-state legal review to see how the states handle these requests in order to determine how to make it work in SERFF. Commissioner Kipper suggested a conference call be scheduled to discuss this request further and said that SERFF resources required to develop this feature would also have to be considered.

6. **Received a Report from the SERFF Advisory Board**

Commissioner Kipper said the SERFF Advisory Board met Nov. 16 and reviewed its Aug. 12 minutes, as well as reports on SERFF marketing, development and implementation activities. SERFF revenue and expense numbers indicate that SERFF will have a cumulative position of revenue over expenses of $1.8 million by the end of 2014. The Advisory Board also discussed a request from Mr. Birnbaum to add a consumer representative seat to the SERFF Product Steering Committee. A final decision was not made on that request but the Advisory Board did discuss that this would require a change to the group’s operating procedures and, thus, would have to be approved by the Executive (EX) Committee.

7. **Heard Report from the IIPRC**

Becky McElduff (IIPRC) provided the report of the IIPRC. In September, the IIPRC implemented a SERFF feature called Associated Filings, which permits a filing to be linked to previously approved IIPRC filings that will be used with, or replaced by, the newer filing. The feature is user-friendly for filing companies and review team staff. Earlier this fall, the IIPRC Product Standards Committee appointed the Group Disability Income Standard Subgroup to develop group disability income insurance standards. There has already been one round of public comments on the draft policy and certificate standards, and several more rounds are expected as the Product Standards Committee progresses through the draft standards. Summaries of each Subgroup and Committee meeting are posted on the IIPRC website on the “About the IIPRC” page. All states and interested parties are encouraged to follow the summaries for more background on the deliberative process.

During its Nov. 15 meeting, the IIPRC elected its 2015 slate of officers: Massachusetts, chair; New Jersey, vice chair; and Virginia, treasurer. The IIPRC also completed formation of the 2015 Management Committee. Also at this meeting, the Management Committee approved the use of SFA to streamline fulfillment of public access requests for IIPRC-approved filings. As a result, IIPRC-approved filings will be available online as a consumer resource beginning Dec. 1, with the Statement of Intent for mix-and-match filings available during the first quarter of 2015. The other major action item at the meeting was approval of the IIPRC 2015 budget, which includes the recruitment of two additional resources: a form reviewer and an actuarial reviewer.

The IIPRC adopted amendments to 13 annuity and six life uniform standards that were subject to its periodic five-year review process. These amendments will take effect by about the end of February 2015. Like the first phase of the five-year
review, refiling of previously approved forms is not necessary, as the amendments are largely clarifying, rather than substantive, changes.

The IIPRC also received a treasurer’s report, which highlighted that continued strong financial results and prudent management will enable the IIPRC to avoid drawing on a line of credit from the NAIC for the second year in a row; as such, the IIPRC does not expect to request another line of credit in 2015.

Lastly, the amendments adopted in the first phase of the five-year review will take effect for filings beginning Dec. 4. These amendments affect some frequently filed products such as the individual life insurance application and most individual life insurance policy and benefit feature standards. It is not necessary to refile to comply with the amendments; they are mainly clarifications addressing some of the more common questions and issues that arise during the filing review process.

Having no further business, the Speed to Market (EX) Task Force adjourned.
The Speed to Market (EX) Task Force met via conference call March 5, 2015. The following Task Force members participated: Scott J. Kipper, Chair (NV); Lori K. Wing Heier (AK); Sharon P. Clark represented by Maggie Woods and Bryan Smith (KY); Mike Rothman represented by Tammy Lohmann (MN); John M. Huff represented by Angela Nelson (MO); Wayne Goodwin represented by Ted Hamby and Tim Johnson (NC); Mary Taylor represented by Maureen Motter (OH); John D. Doak represented by Cuc Nguyen (OK); Laura N. Cali represented by Annette C. Boyce (OR); Todd E. Kiser represented by Kathy Archuleta (UT); Jacqueline K. Cunningham represented by Trish Todd (VA); and Mike Kreidler represented by Lee Barclay (WA).

1. **Adopted Operational Efficiencies (EX) Working Group Filing Metrics Recommendation**

Ms. Motter, chair of the Operational Efficiencies (EX) Working Group, provided a recommendation on the Working Group’s charge to evaluate and develop common filing metrics to provide a tool to measure the success of the speed to market modernization efforts. The Working Group focused its efforts on the filing turnaround metric as it is a single measure that has received a lot of attention and one that has been considered a good measure of both the efficiencies offered by SERFF and the compliance professionals’ and regulators’ efforts to use electronic tools effectively. The current metric for turnaround time measures the time from submission date until disposition date. But some states close filings and then reopen them for a variety of reasons rather than create a disposition and requiring the filer to submit a new filing. Under the current calculations for filing turnaround, if that filing were closed for six months and then reopened, reviewed and closed with a disposition, that entire six months of idle time, along with any actual review and wait time, would be figured into the turnaround average, thus, inflating the numbers. Another issue is that the current calculation does not remove the days a reviewer spends waiting for a filer to make corrections or provide requested information that will allow the analyst to complete his or her review. Both of these problems will be eliminated if the states use SERFF’s correspondence options when reviewing its filings. The Operational Efficiencies (EX) Working Group proposed the following criteria changes to the speed to market filing turnaround calculations and goal:

- Remove from the turnaround calculation the time the state reviewer is waiting on a response from the filer.
- For filings that are reopened, do not include inactive days in the turnaround calculation.
- The turnaround goal will remain at 40 days. This is consistent with IIPRC and will allow the Working Group to review several cycles of data with the new criteria before setting a turnaround goal.

Ms. Nelson made a motion, seconded by Mr. Hamby, to adopt the filing turnaround calculations and goal to remove the time the state reviewer is waiting on a response from the filer, exclude inactive days from the turnaround calculation and leave the turnaround goal at 40 days. The motion passed unanimously.

Commissioner Kipper reminded call participants that the Speed to Market (EX) Task Force will meet at the Spring National Meeting in Phoenix.

Having no further business, the Speed to Market (EX) Task Force adjourned.
Commercial Lines (EX) Working Group
Summary Report

Approx. date to be provided: 3/27/15
The Operational Efficiencies (EX) Working Group of the Speed to Market (EX) Task Force met via conference call Jan. 22, 2015. The following Working Group members participated: Maureen Motter, Chair (OH); Moira Herbert (CT); John Gatlin (IL); Geoffrey Cabin (MD); Tammy Lohmann (MN); Angela Nelson and Mary Mealer (MO); Ted Hamby and Tim Johnson (NC); Connie Van Slyke (NE); Joel Sander (OK); David H. Bolton (OR); Betty Brown for Mary Bannister (VA); Lee Barclay (WA); and Susan Ezalarab (WI).

1. **Discussed Filing Metrics and Turnaround Reports**

Ms. Motter said the Working Group would be reviewing final changes to both the filing metrics, for the purposes of referring recommended changes to the Speed to Market (EX) Task Force, and the filing workflow and turnaround reports developed to assist the states in managing their workload. The Working Group members considered the filing metrics and some analysis of 2014 metrics based on the new criteria. Mr. Bolton said he would like to see work continue so that the quality of the review could somehow be assessed, not just the speed at which it was completed. The Working Group then reviewed the suggested user interface options that will allow a regulator to select specific criteria upon which the report will be generated. The turnaround report criteria will include: date range based on disposition date, primary reviewer, business type (life/health/P&C), and a toggle for Product Coding Matrix (PCM) only or all types of insurance. The report will be available in comma-separated value (CSV) and portable document format (PDF). The workflow report will include the same criteria as well as options for a multi-select field for SERFF and state status. Joy Morrison (NAIC) said the filing turnaround report is currently proposed for an early March release. Chris Bien (NAIC) will document these final changes to the workflow report and place it in SERFF’s product backlog for inclusion in an upcoming release.

Mr. Barclay made a motion to recommend the following criteria changes to the speed to market turnaround calculations and goal:

- Remove from the turnaround calculation the time the state reviewer is waiting on a response from the filer.
- For filings that are reopened, do not include inactive days in the turnaround calculation.
- The turnaround goal will remain at 40 days. This is consistent with IIPRC and will allow the Working Group to review several cycles of data with the new criteria before setting a turnaround goal.

The motion was seconded by Ms. Mealer and passed unanimously.

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

SERFF Transaction Volume
SERFF’s transaction volume in 2014 was 7.9% over budget; revenue was 8.9% over budget. SERFF was expected to receive approximately 600,000 filing transactions in 2014 and ended the year at 644,158. This overage is attributable to overall growth across all business types. The 2014 budget anticipated 18,000 qualified health plan (QHP) filings related to health care reform. There were 46,147 plans submitted in 2014 and 34,942 plans submitted in 2013.

There is a 5% increase in revenue anticipated in the 2015 budget. Through February, transactions and revenue are both very close to the budgeted amounts.

SERFF Development
- **SERFF Production Releases**
  - SERFF v6.7.4 was released Dec. 11, 2014, and contained the final piece of the SERFF Filing Access (SFA) project, which allows plan management binders to be viewed via the interface.
- **IIPRC Enhancements** – With the SERFF v6.7.4 release, filers are now able to add a company to a draft compact filing. The IIPRC is prioritizing other enhancement requests it would like to have slated for development.

NAIC Initiatives
SERFF was scheduled for NAIC application server upgrades in 2014; it was anticipated that the SERFF application and Web services would be moved to JBoss in January 2015. Issues with the infrastructure have prevented a move to the production environment; however, the team hopes to complete testing and migrate in March. The SERFF team has begun the work on the implementation of NetIQ but those efforts have been delayed by the extended JBoss implementation.

SERFF State Implementation
The implementation team is working on its annual state satisfaction surveys and preparing for the upcoming NAIC E-Regulation Conference.

Health Care Reform Update
- **State Plan Management Requirements Implementation** - The implementation team is hosting calls with each state to: 1) identify changes in their submission requirements for plan management; 2) gather deadline information for issuers; and 3) discuss the federal deadlines.
- **Plan Validations** – Federal validation services for the 2016 plans are expected to be available beginning March 16. The federal Centers for Medicare & Medicaid Services (CMS) has a few change windows established but those transfers are usually minimal.
- **Initial Transfer Deadline** - All plans must be transferred via the federal transfer services by April 15.

SERFF Filing Access
The development project is complete and there are now 25 states using SFA for at least one business type. The implementation team continues to work with states interested in implementing this tool.
**UPDATE ON THE INTERSTATE INSURANCE COMPACT**

**MISSION:** The Interstate Insurance Product Regulation Compact (“Insurance Compact”) and its Commission are significant examples of the ongoing state-based modernization efforts to continually improve the system of insurance regulation for insurance companies doing business in more than one state. The Insurance Compact enhances the efficiency and effectiveness of the way insurance products are filed, reviewed and approved in the United States. The Compact’s streamlined processes provide uniformity and speed-to-market for the insurance industry, thus affording consumers quicker access to more competitive insurance products. By promoting uniformity through application of national product standards embedded with strong consumer protections, the Insurance Compact is meeting the demands of consumers, industry and regulators in the ever-changing, global financial marketplace.

**BACKGROUND:** The Insurance Compact has been adopted by 43 States and Puerto Rico to date, representing over 70% of the premium volume nationwide. The Insurance Compact established a multi-state public entity, the Commission, which serves as an instrumentality of the Member States. The IIPRC is the central point of electronic filing for asset-based insurance products, including individual and group life insurance, annuities, disability income, and long-term care insurance. By leveraging the insurance regulatory expertise of the states, the Insurance Compact is able to employ one set of uniform standards with the highest level of consumer protection on a national level through the Compact’s collective framework. The Compact, funded by filing fees, implements its modernization goals without impinging on state budgets.

**STATUS:** In June 2007, the IIPRC became operational and received its first filings within one year of its establishment. The Compact has defined speed-to-market by providing final disposition in less than 60 days. Companies of all sizes - large, medium, and small - utilize the Compact’s electronic filing platform to submit product filings using the adopted Uniform Standards. There are over 90 Uniform Standards in individual and group life, and individual annuity, long-term care, and disability income product lines adopted and available for filing use. The Commission continues to experience significant growth in the number of registered companies and product filing submissions year over year.

**KEY MILESTONES/PLANS:**
- June 2006: Inaugural Meeting of the IIPRC in Washington, DC
- December 2006: First Uniform Life Standards Adopted by Members
- Summer 2007: Operations Initiated On-Target/First Insurer Filing Approval
- January 2008: Uniform Standards for Individual Annuities in Effect
- December 2010: Uniform Standards for Individual Long-Term Care Insurance in Effect
- January 2012: Uniform Standards for Individual Disability Income in Effect
- January 2013: Uniform Standards for Employer Group Term Life Insurance in Effect
- Spring 2014: Addition of New Resources for Product Operations / Standards Development
- July/August 2014: 44 Member States as AZ Becomes Member & Effective for Filing
- December 2014: IIPRC Office Implements SERFF Filing Access for Web-Based Public Access
- Winter 2014/2015: Group DI Standards Drafted & Amendments to Phase 1-4 of 5-Year Review are Effective
Interstate Insurance Product Regulation Compact
As of February 3, 2015

Enacted Into Law (44)
AK, AL, AR, AZ, CO, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, NE
NH, NJ, NM, NV, OH, OK, OR, PA, PR, RI, SC, TN, TX, UT, VA, VT, WA, WI, WV, WY

Pending or Introduced Legislation in 2015 (1)
SD

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