

Hello. My name is Leana Massey, Market Regulation Trainer with the NAIC.

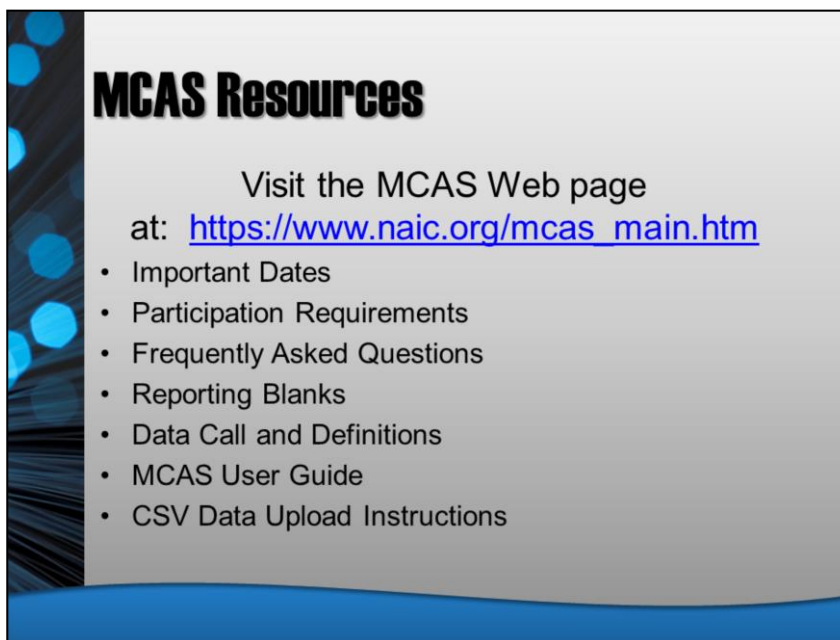
In this section of the Market Conduct Annual Statement training we will be reviewing the data elements that must be provided for the Lender-Placed Auto and Homeowners Insurance.



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A graphic with a grey background and a blue wavy border at the bottom. On the left side, there is a vertical strip with a dark blue background and several glowing blue circles of varying sizes. The text is centered in the grey area.

## MCAS Resources

Visit the MCAS Web page  
at: [https://www.naic.org/mcas\\_main.htm](https://www.naic.org/mcas_main.htm)

- Important Dates
- Participation Requirements
- Frequently Asked Questions
- Reporting Blanks
- Data Call and Definitions
- MCAS User Guide
- CSV Data Upload Instructions

Many MCAS related resources are available to you on the MCAS web page. I encourage you to visit the page frequently to find the latest reporting information.

The available resources include: A Listing of Important Dates, Participation Requirements, Frequently Asked Questions, Reporting Blanks, Data Call and Definitions, A Copy of the Call Letter, MCAS User Guide, and CSV Data Upload Instructions

As we go through this course, you may find it helpful to refer to the Data Call & Definitions and Data Collection Worksheets for Lender-Placed Home and Auto found on the MCAS Industry page of the NAIC website.

# Remember

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The filing deadline is  
**April 30, 2021**

Before we begin, please be sure to remember that the current year MCAS filing deadline for Lender Placed Auto and Lender Placed Home is April 30<sup>th</sup>. The reporting period is January 1<sup>st</sup> through December 31<sup>st</sup>.

## Market Conduct Data

### Lender-Placed Insurance

- Single-Interest Auto
- Dual-Interest Auto
- Single-Interest Home Hazard
- Dual-Interest Home Hazard
- Single-Interest Home Flood
- Dual-Interest Home Flood
- Single-Interest Home Wind-Only
- Dual-Interest Home Wind-Only

The following types of Lender-Placed Insurance are being collected:  
Single and Dual Interest Auto, Single and Dual Interest Home Hazard, Single and Dual Interest Home Flood, and Single and Dual Interest Home Wind Only

## Lender-Placed Data Call & Definitions

- Lender-placed insurance has the same meaning as “Creditor-placed insurance” to be reported in the Credit Insurance Experience Exhibit (CIEE) of the Statutory Annual Statement

Lender-placed insurance or “Creditor-placed insurance” is reported in the Credit Insurance Experience Exhibit or (CIEE), which is a supplement to the Financial Annual Statement.

Lender-placed insurance is purchased unilaterally by the creditor, who is the named insured, subsequent to the date of the transaction, providing coverage against loss, expense or damage to property as a result of fire, theft, collision or other risk of loss that would either impair a creditor’s interest, or adversely affect the value of collateral.

## Lender-Placed Data Call & Definitions

- Single Interest - insurance that protects only the creditor's interest in the collateral securing the debtor's credit
- Dual-interest - insurance that protects the creditor's and the debtor's interest in the collateral securing the debtor's credit transaction.

Lender placed insurance is broken into two categories: Single Interest and Dual Interest.

Single Interest means insurance that protects only the creditor's interest in the collateral securing the debtor's credit.

Dual-interest means insurance that protects the creditor's and the debtor's interest in the collateral securing the debtor's credit transaction.

Dual-interest includes insurance commonly referred to as limited dual-interest.

## Lender-Placed Data Call & Definitions



Lender-placed auto includes insurance on automobiles, boats or other vehicles



Lender-placed homeowners includes insurance on homes, mobile homes and other real estate.



Real Estate Owned coverages are NOT to be included in MCAS reporting.

Lender-placed auto includes insurance on automobiles, boats or other vehicles.

Lender-placed homeowners has the same meaning as “creditor-placed” homeowners to be reported in the CIEE, and includes insurance on homes, mobile homes and other real estate.

It should be noted that Real Estate Owned coverages are NOT to be included in MCAS reporting.





## **Data Reporting Methodology**

Use the methodology and definitions used to file the CIEE of the Statutory Annual Statement.

In determining what business to report for a particular state, unless otherwise indicated, all companies should follow the same methodology and definitions used to file the Credit Insurance Experience Exhibit of the Statutory Annual Statement.



## Lender Placed MCAS Threshold

All companies licensed and reporting at least \$50,000 of lender-placed auto or \$50,000 of lender-placed homeowners (hazard, wind-only and flood collectively) gross premium within any of the participating MCAS jurisdictions

The participation requirements are that all companies licensed and reporting at least \$50,000 of lender-placed auto, or \$50,000 of lender-placed homeowners (which includes hazard, wind-only and flood collectively) in gross premium within any of the participating MCAS jurisdictions.

## Threshold Example

### Kansas- Company direct premium:

- \$70,000 for Lender-placed Auto (**Meets Threshold**)
- \$45,000 for Lender-placed Home

### Missouri- Company direct premium:

- \$0 for Lender-placed Auto
- \$25,000 Lender-placed Home

**Report Auto Data in KS and no data in MO**

Let's discuss an example: If a company meets the threshold for either Lender-placed Auto Coverage OR Lender-placed Homeowner's Coverage in Kansas, but not Missouri, reporting would be to Kansas for only the line of business that meets the threshold.

## Threshold Example



\$50K LPI Home Premium



\$40K LPI Auto Premium

So, in a particular state, if the company has \$50,000 in written premium for Homeowners, and \$40,000 for Auto, only data for Homeowner's Needs to be reported. We will review some other examples when we discuss the interrogatories section of the reporting blank.

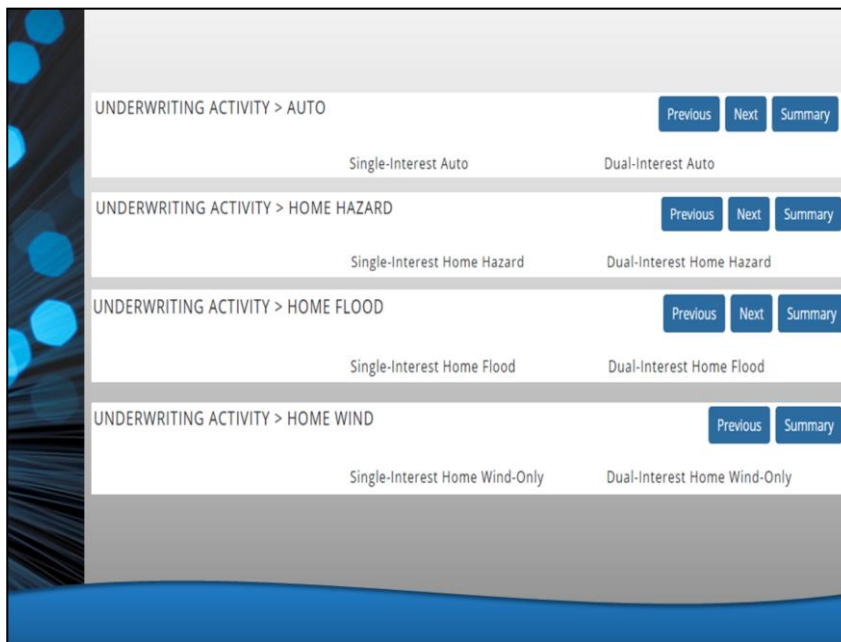
The screenshot displays a data entry interface with a vertical sidebar on the left containing blue circular patterns. The main content area is divided into five horizontal sections, each with a title and navigation buttons:

- INSURANCE INTERROGATORIES**: Includes a "Next" button and a "Summary" button. Below the title is the text "Yes/No Response".
- CLAIMS ACTIVITY > AUTO**: Includes "Previous", "Next", and "Summary" buttons. Below the title are two sub-sections: "Single-Interest Auto" and "Dual-Interest Auto".
- CLAIMS ACTIVITY > HOME HAZARD**: Includes "Previous", "Next", and "Summary" buttons. Below the title are two sub-sections: "Single-Interest Home Hazard" and "Dual-Interest Home Hazard".
- CLAIMS ACTIVITY > HOME FLOOD**: Includes "Previous", "Next", and "Summary" buttons. Below the title are two sub-sections: "Single-Interest Home Flood" and "Dual-Interest Home Flood".
- CLAIMS ACTIVITY > HOME WIND**: Includes "Previous", "Next", and "Summary" buttons. Below the title are two sub-sections: "Single-Interest Home Wind-Only" and "Dual-Interest Home Wind-Only".

You will notice on your data entry screen within the MCAS submission tool that there are nine pages for data to be reported.

The first page is the Lender-placed Insurance Interrogatories.

Pages two through five collect data on claims activity for auto, home hazard, home flood and home wind.



And pages six through nine collect data for underwriting activity on auto, home hazard, home flood and home wind.

Lender-Placed Insurance Interrogatories		
		Yes No Response Explanation
01	Were there policies/certificates in-force during the reporting period that provided single-interest lender-placed auto coverage? (Y/N)	--
02	If Yes, enter the percentage of all lender-placed auto policies/certificates issued during the period which were single-interest lender-placed auto.	--
03	Were there policies/certificates in-force during the reporting period that provided dual-interest lender-placed auto coverage? (Y/N)	--
04	If Yes, enter the percentage of all lender-placed auto policies/certificates issued during the period which were dual-interest lender-placed auto.	--
05	Were there policies/certificates in-force during the reporting period that provided single-interest lender-placed homeowners hazard coverage? (Y/N)	--
06	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were single-interest lender-placed homeowners hazard coverage.	--
07	Were there policies/certificates in-force during the reporting period that provided dual-interest lender-placed homeowners hazard coverage? (Y/N)	--
08	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were dual-interest lender-placed homeowners hazard coverage.	--
09	Were there policies/certificates in-force during the reporting period that provided single-interest lender-placed homeowners flood coverage? (Y/N)	--
10	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were single-interest lender-placed homeowners flood coverage.	--
11	Were there policies/certificates in-force during the reporting period that provided dual-interest lender-placed homeowners flood coverage? (Y/N)	--
12	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were dual-interest lender-placed homeowners flood coverage.	--
13	Were there policies/certificates in-force during the reporting period that provided single-interest lender-placed homeowners wind-only coverage? (Y/N)	--
14	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were single-interest lender-placed homeowners wind-only coverage.	--
15	Were there policies/certificates in-force during the reporting period that provided dual-interest lender-placed homeowners wind-only coverage? (Y/N)	--
16	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were dual-interest lender-placed homeowners wind-only coverage.	--
17	Was the company still actively writing policies/certificates in the state at year end? (Y/N)	--
18	Has the company had a significant event/business strategy that would affect data for this reporting period? (Y/N)	--
19	If yes, add additional comments	--
20	Has all or part of this block of business been sold, closed or moved to another company during the year? (Y/N)	--
21	If yes, add additional comments	--
22	How does the company treat subsequent supplemental payments on previously closed claims (or additional payments on a previously reported claim)? For example: Reopen original claim/open new claim	--
23	Does the company require third parties it contracts with to forward insurance-related complaints to the company so the company may report the complaints in its complaints logs? (Y/N)	--
24	Additional comments if desired	--
25	Does the company monitor third parties it contracts with to ensure insurance complaints are forwarded to the company? (Y/N)	--
26	Additional comments if desired	--
27	Additional state specific Claims comments (optional):	--
28	Additional state specific Underwriting comments (optional):	--

January 1<sup>st</sup>, 2020 – December 31<sup>st</sup>, 2020

The interrogatories provide one location for all comments and questions that require a text response.

Lender-Placed Insurance Interrogatories	
01	Were there policies/certificates in-force during the reporting period that provided single-interest lender-placed auto coverage? (Y/N)
02	If Yes, enter the percentage of all lender-placed auto policies/certificates issued during the period which were single-interest lender-placed auto.
03	Were there policies/certificates in-force during the reporting period that provided dual-interest lender-placed auto coverage? (Y/N)
04	If Yes, enter the percentage of all lender-placed auto policies/certificates issued during the period which were dual-interest lender-placed auto.
05	Were there policies/certificates in-force during the reporting period that provided single-interest lender-placed homeowners hazard coverage? (Y/N)
06	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were single-interest lender-placed homeowners hazard coverage.
07	Were there policies/certificates in-force during the reporting period that provided dual-interest lender-placed homeowners hazard coverage? (Y/N)
08	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were dual-interest lender-placed homeowners hazard coverage.
09	Were there policies/certificates in-force during the reporting period that provided single-interest lender-placed homeowners flood coverage? (Y/N)
10	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were single-interest lender-placed homeowners flood coverage.
11	Were there policies/certificates in-force during the reporting period that provided dual-interest lender-placed homeowners flood coverage? (Y/N)
12	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were dual-interest lender-placed homeowners flood coverage.
13	Were there policies/certificates in-force during the reporting period that provided single-interest lender-placed homeowners wind-only coverage? (Y/N)
14	If Yes, enter the percentage of all lender-placed home policies/certificates issued during the period which were single-interest lender-placed homeowners wind-only coverage.

The first interrogatory questions ask insurers to indicate if the company had policies or certificates in force during the reporting period for each of the lender placed auto and home coverages.



## Interrogatory In-Force Coverage Questions

Collective premium threshold for lender placed home:

Home Hazard  
+ Home Flood  
+ Home Wind-Only  
Greater than or Equal to \$50,000

Special attention should be given to the interrogatory in-force coverage questions.

First – The lender placed homeowners threshold is collective for all lender placed homeowners coverage. This means if the sum of written premiums for home hazard, home flood and home wind-only is at least \$50,000 in a particular state, then reporting is required for lender placed home.

## Interrogatory In-Force Coverage Questions

Collective premium threshold for lender placed home:

Home Hazard \$35,000 – Respond “Yes”  
+ Home Flood \$75,000 – Respond “Yes”  
+ Home Wind-Only \$5,000 – Respond “Yes”  
\$115,000 (meets threshold)

If a company meets the lender placed home threshold for reporting, they should indicate “Yes” for each of the home coverages where they had written premium during the reporting period.

In the displayed example, the company has \$35,000 of written premium for home hazard, \$75,000 for home flood and \$5,000 for home wind-only.

This company meets the home threshold and would indicate “Yes” for each of the coverages.

Each coverage is broken out by single interest and dual interest within the Interrogatories, but that level of detail was left out for purposes of the examples.

## Interrogatory In-Force Coverage Questions

Collective premium threshold for lender placed home:

Home Hazard \$100,000 – Respond “Yes”  
+ Home Flood \$0 – Respond “No”  
+ Home Wind-Only \$0 – Respond “No”  
Greater than or Equal to \$50,000

Here's another example:

If a company has \$100,000 of written premium for home hazard, but none for homeowner's hazard and wind-only, the company would indicate “Yes” only for home hazard.

So, the company does not have data to report for home flood or home wind-only, even though they do have data to report for home hazard that meets the reporting threshold.

## Interrogatory In-Force Coverage Questions

Collective premium threshold for lender placed home:

Auto \$125,000 – Respond “Yes”

Home Hazard \$100,000 – Respond “Yes”

Home Flood \$0 – Respond “No”

Home Wind-Only \$0 – Respond “No”

Now that we’ve reviewed the proper way to determine reporting for the collective lender placed home coverages, let’s look at examples where the company writes both lender placed home and auto.

If the company meets the lender placed auto threshold, they would respond yes to the appropriate auto coverages. Then they would respond to the lender placed home coverage questions as we previously reviewed.

## Interrogatory In-Force Coverage Questions

Collective premium threshold for lender placed home:

Auto \$15,000 – Respond “No”

Home Hazard \$100,000 – Respond “Yes”

Home Flood \$0 – Respond “No”

Home Wind-Only \$0 – Respond “No”

If the company meets the lender placed home threshold and they write less than the threshold amount for lender placed auto, they would respond “No” to the auto coverages and “Yes” to the appropriate home coverages.

## Interrogatory In-Force Coverage Questions

Collective premium threshold for lender placed home:

Auto \$125,000 – Respond “Yes”

Home Hazard \$10,000 – Respond “No”

Home Flood \$20,000 – Respond “No”

Home Wind-Only \$10,000 – Respond “No”

Likewise, if the company does NOT meet the lender placed home threshold and they DO meet the lender placed auto threshold, they would respond “Yes” to the appropriate auto coverages and “No” to all home coverages.

# Interrogatories

INSURANCE INTERROGATORIES

Yes/No Response

1	Were there policies/certificates in-force during the reporting period that provided single-interest lender-placed auto coverage? (Y/N)	Y
2	If Yes, enter the percentage of all lender-placed auto policies/certificates issued during the period which were single-interest lender-placed auto.	Enter percentage number here (numbers only, no symbols)
3	Were there policies/certificates in-force during the reporting period that provided dual-interest lender-placed auto coverage? (Y/N)	N
4	If Yes, enter the percentage of all lender-placed auto policies/certificates issued during the period which were dual-interest lender-placed auto.	Leave Blank

If you respond “YES” to an in-force coverage type question in the interrogatories, you must then enter the percentage number (without the percent sign) of the lender-placed policies or certificates issued during the period for the specific lender placed coverage.

In the example, you can see that the dual-interest auto response is “NO”, so the percentage field is left blank.

# Interrogatories

CLAIMS ACTIVITY > AUTO Previous Next Summary

	Single-Interest Auto	Dual-Interest Auto
29 Number of claims open at the beginning of the period.	<input type="text"/>	<input type="text"/>
30 Number of claims opened during the period.	<input type="text"/>	<input type="text"/>
31 Number of claims closed during the period, with payment.	<input type="text"/>	<input type="text"/>
32 Number of claims closed during the period, without payment.	<input type="text"/>	<input type="text"/>
33 Number of claims remaining open at the end of the period.	<input type="text"/>	<input type="text"/>
34 Number of claims closed with payment within 0-30 days.	<input type="text"/>	<input type="text"/>
35 Number of claims closed with payment within 31-60 days.	<input type="text"/>	<input type="text"/>
36 Number of claims closed with payment within 61-90 days.	<input type="text"/>	<input type="text"/>

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You should only provide data for schedules that you are required to report on. In this example, since in the previous slide, dual-interest auto indicated a “no” response, no data should be entered in the Dual-Interest Auto questions, and the boxes should remain blank.



# Interrogatories

17 Was the company still actively writing policies/certificates in the state at year end? (Y/N)

18 Has the company had a significant event/business strategy that would affect data for this reporting period?

19 If Yes, add additional comments.

Following the in-force coverage questions, you are asked to indicate if the company was actively writing business in the state at the end of the reporting year.

You are then asked if the company had any significant event or business strategy that would affect data for the reporting period. These could include assuming blocks of business, shifting market strategies, or underwriting changes.

The image shows a screenshot of a survey form with a decorative background on the left side featuring blue circles and light rays. The form contains six questions, each with a corresponding input field:

- 20** Has all or part of this block of business been sold, closed or moved to another company during the year?
- 21** If Yes, add additional comments.
- 22** How does the company treat subsequent supplemental payments on previously closed claims (or additional payments on a previously reported claim)? For example: Reopen original claim/open new claim.
- 23** Does the company require third parties it contracts with to forward insurance-related complaints to the company so the company may report the complaints in its complaints logs? (Y/N)
- 24** Additional comments if desired.
- 25** Does the company monitor third parties it contracts with to ensure insurance complaints are forwarded to the company? (Y/N)
- 26** Additional comments if desired.

You are then asked if any part of the block of business has been sold, closed or moved to another company during the year. The additional comments area below this question is your opportunity to explain any business changes throughout the reporting year that may cause data anomalies and generate an inquiry from state regulators.

The next question asks how the company treats subsequent supplemental payments on previously closed claims. The way a company handles subsequent payments will help regulators understand the claim reporting in the next section. The company may reopen the closed claim to make the supplemental payment, or they may open a new claim in order to make the supplemental payment.

The following questions ask about complaint reporting from contracted third parties. This provides insight into the company's complaint log reporting.



The interrogatories also provide space where you may enter any state specific comments for the policy types.

Any areas of your data that may raise questions or generated a warning when your data was validated should be explained fully in these comment areas.

At the end of this tutorial, we will discuss the MCAS validations in more detail along with the importance of using the comments sections.



# **Lender Placed Insurance Claims Data Elements**

## Lender-Placed Claim Activity

**Claim** - A request or demand for payment of a loss that may be included within the terms of coverage of an insurance policy. Each claimant/insured reporting a loss is counted separately.

Include:

- Both first and third-party claims.



Before talking about the reporting of claims, we need to talk about the definition of a claim.

A claim is a request or demand for payment of a loss that may be included within the terms of coverage of an insurance policy or certificate.

Each claimant or insured reporting a loss is counted separately and includes both first, and third party claims.

## Lender-Placed Claim Activity

### Claim

### Exclude:

- An event reported for “information only”.
- An inquiry of coverage if a claim has not actually been presented (opened) for payment.
- A potential claimant if that individual has not made a claim nor had a claim made on his or her behalf.

A claim does NOT include an event reported for “information only”, an inquiry of coverage if a claim has not actually been presented and opened for payment, or a potential claimant if an individual has not made a claim on his or her behalf.

## Precautionary Reserves



**CLOSED**

**Do Not Count as Opened or Closed Claims**

If it is your company's practice to open precautionary reserves on all potential claimants and then close them without payment as the investigation progresses, then you should not include those in the count of claims opened or the count of claims closed without payment.

## Lender Placed Data Call & Definitions

**Claims Closed with Payment** – Claims closed with payment where the claim was closed during the reporting period regardless of the date of loss or when the claim was received.



Remember that “Claims Closed WITH Payment” should include only those claims where the claim was **closed** during the reporting period.

Also, it does not matter that the claim may have been opened in any prior period, if it is closed in the company’s claims system during the reporting period and a payment was made, it is counted as a Claim Closed WITH Payment.



## **Lender Placed Data Call & Definitions**

**Final Claim Payment made December 20, 2020**

**Claim closed in company's claims system  
January 5, 2021**

**Report as Open at  
end of 2020**

**Report as Closed With  
Payment in 2021**

For example, if the final claim payment is made on December 20th, during the reporting year, and the claim is closed in the company's claims system on January 5<sup>th</sup> of the next reporting year, the claim would not be reported as closed with payment until the next MCAS data year is reported.

Total Payment to Insured = \$50,000  
Subrogation Recovered = \$50,000  
Net Loss = 0

The image shows a check stub with the following details:

- Check number: 1025
- Payee: Payment Subrogation
- Amount: \$
- Stamp: Closed with payment
- MEMO: \_\_\_\_\_
- Routing and account numbers: \*000000000 \*00000000
- Check number: 1025

Also, if you made a payment to the insured, but were able to subrogate the entire amount so that your net payment was zero, it would still be counted as a claim closed WITH payment.

# Lender-Placed Data Call & Definitions

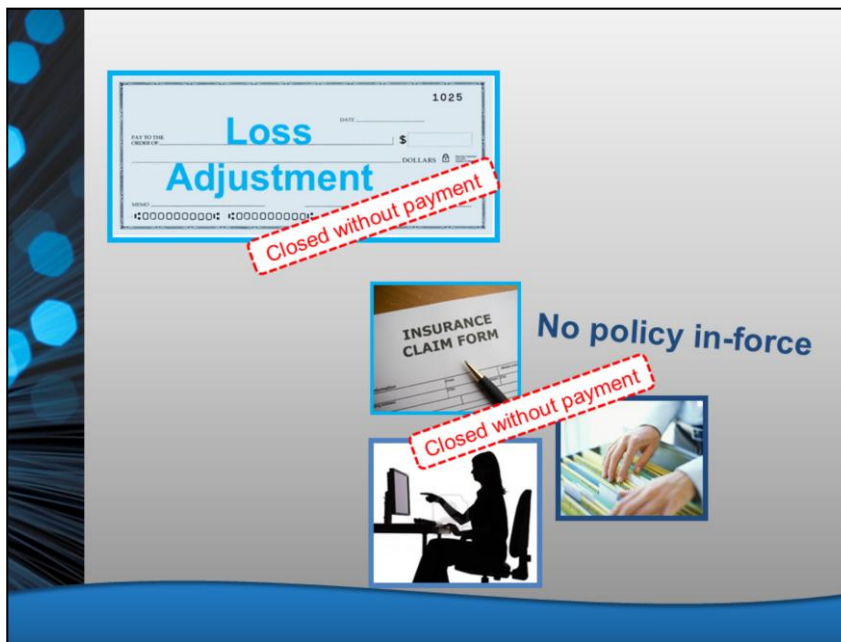
## Claims Closed WITHOUT Payment –

Include:

- Claims that are closed because the amount claimed is below the insured's deductible.



Claims that are closed because the amount claimed was below the insured's deductible are to be included in the count of "Claims Closed WITHOUT Payment".



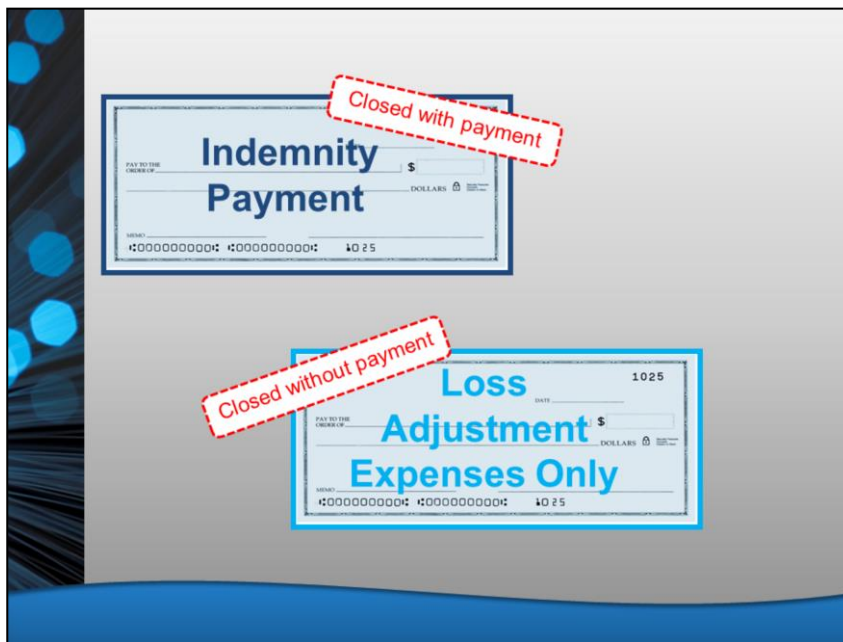
In addition to claims closed below the deductible, other types of claims that should be reported as “closed **without** payment” are those where the only payments made on the claim were loss adjusting expenses, or if a claim is made, a claim file is set up and investigated, and it is then determined that no policy was in-force at the time of loss.



**During the reporting period**

Claims closed with and without payment should include all claims that were closed **DURING** the reporting period regardless of the date of loss or when the claim was received

As with the “claims closed **with** payment”, “claims closed **without** payment” include all claims that were closed without payment during the reporting period regardless of the date of loss or when the claim was received.



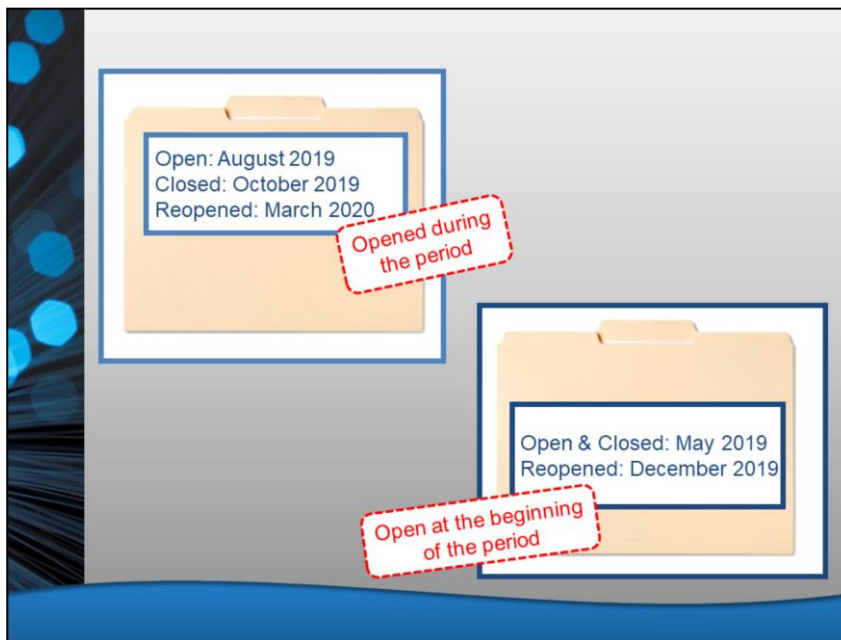
The basic thought to keep in mind when determining whether a claim was closed with or without payment is that any claim that has an indemnity payment, regardless of subrogation, is considered as closed “with payment” and any claim that had no indemnity payment, even if it had loss adjusting expenses, is considered as closed “without payment”.



## Reopened Claims

If a claim is closed and is later re-opened, the re-opened claim should be counted as a new and distinct claim.

Let's talk a little bit about re-opened claims. If the claim has been closed and is later re-opened, the re-opened claim should be counted as a new and distinct claim.



So if a claim is re-opened during the current period, it would be counted among the “claims opened during the period”, and if the claim had been re-opened in a prior period, but not yet closed, it would be counted among the “claims open at the beginning of the period”.



## Reopened Claims

- Closed With Payment or Closed Without Payment



Since the re-opened claim is its own distinct claim and counted separately as a new claim, it must also be recorded as “closed with payment” or “closed without payment” when it is finally closed.

**Deductible Reimbursement** 1025

PAY TO THE ORDER OF \$ \_\_\_\_\_ DOLLARS

1025

**Do not report a claim as opened and closed:**

- If the claim is reopened to reimburse an insured's deductible
- or to process a subrogation recovery

**Subrogation Recovery**

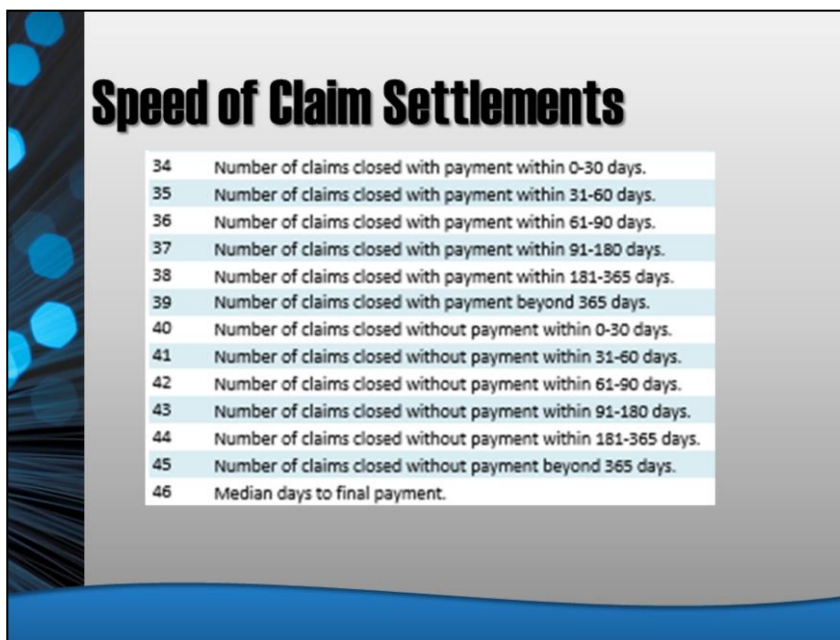
However, if a claim was re-opened just so an insured's deductible can be reimbursed, or a subrogation recovery can be processed, or for another similar reason, it does not need to be reported as opened and closed.



## **Always Remember...**

You cannot close more claims than you have received.

Always remember that in all cases, the number of claims closed with payment plus the number of claims closed without payment will never be greater than the number of claims open at the beginning and opened during the year. That is, you cannot close more claims than you have received.



After the questions regarding the claims you have received and paid, are a series of questions pertaining to the speed of claim settlements.

You are asked to provide the number of claims that were settled WITH payment and WITHOUT payment, within “0-30 days”, “31-60 days”, “61-90 days”, “91-180 days”, “181-365 days”, and finally, the number that were settled beyond 365 days.

# Claims Closed With & Without Payment

34	Number of claims closed with payment within 0-30 days.
35	Number of claims closed with payment within 31-60 days.
36	Number of claims closed with payment within 61-90 days.
37	Number of claims closed with payment within 91-180 days.
38	Number of claims closed with payment within 181-365 days.
39	Number of claims closed with payment beyond 365 days.
40	Number of claims closed without payment within 0-30 days.
41	Number of claims closed without payment within 31-60 days.
42	Number of claims closed without payment within 61-90 days.
43	Number of claims closed without payment within 91-180 days.
44	Number of claims closed without payment within 181-365 days.
45	Number of claims closed without payment beyond 365 days.

**January 1, 2020 – December 31, 2020**

As with the previous data elements, the claims settled questions in MCAS are only asking for counts of claims settled DURING the January 1st to December 31st reporting period.

## Number of days to settlement

The number of days from when the claim was **reported** (not opened or reserved), to the date the final payment was made.



**Reported**

Remember, the number of days to settlement is the number of days from when the claim was REPORTED (not opened or reserved), to the date the final payment was made.

## Aging on supplemental payments

The time the request for supplemental payment was received to the date of payment of the supplement.



The aging on re-opened claims (that is, on supplemental payments) should be calculated using the time between when the request for supplemental payment was received, and the date the final payment was made.

# Claims Closed With & Without Payment

29	Number of claims open at the beginning of the period.	
30	Number of claims opened during the period.	
31	Number of claims closed during the period, with payment	Number of claims closed <u>with</u> payment during the period
32	Number of claims closed during the period, without payment	
33	Number of claims remaining open at the end of the period	
34	Number of claims closed with payment within 0-30 days.	
35	Number of claims closed with payment within 31-60 days.	
36	Number of claims closed with payment within 61-90 days.	
37	Number of claims closed with payment within 91-180 days.	Number of claims closed <u>without</u> payment during the period
38	Number of claims closed with payment within 181-365 days.	
39	Number of claims closed with payment beyond 365 days.	
40	Number of claims closed without payment within 0-30 days.	
41	Number of claims closed without payment within 31-60 days.	
42	Number of claims closed without payment within 61-90 days.	
43	Number of claims closed without payment within 91-180 days.	
44	Number of claims closed without payment within 181-365 days.	
45	Number of claims closed without payment beyond 365 days.	

Remember that earlier you were asked to provide the number of claims that were closed with payment and without payment during the reporting period.

The total of all the claims closed with payment in the 6 different time categories must match the number of claims that you reported as closed with payment.

Likewise, the total of all claims closed without payment in the 6 different time categories must match the number of claims that you reported as closed without payment.



# Median Days

34	Number of claims closed with payment within 0-30 days.
35	Number of claims closed with payment within 31-60 days.
36	Number of claims closed with payment within 61-90 days.
37	Number of claims closed with payment within 91-180 days.
38	Number of claims closed with payment within 181-365 days.
39	Number of claims closed with payment beyond 365 days.
40	Number of claims closed without payment within 0-30 days.
41	Number of claims closed without payment within 31-60 days.
42	Number of claims closed without payment within 61-90 days.
43	Number of claims closed without payment within 91-180 days.
44	Number of claims closed without payment within 181-365 days.
45	Number of claims closed without payment beyond 365 days.
46	Median days to final payment.

The last question related to claims asks you to provide the median days to final payment.

## Lender Placed Data Call & Definitions

**Median Days to Final Payment** – The median value for all claims closed with payment during the period.

Calculation for losses with one final payment date during the reporting period:

- Date the loss was reported to the company to the date of final payment.

Calculation for losses with multiple final payment dates during the reporting period:

- Date the request for supplemental payment received to the date of final payment (for each different final payment date.)

Exclude:

- Subrogation payments should not be included.

Calculation Clarification / Example:

- To determine the Median Days to Final Payment you must first determine the number of days it took to settle each claim. This is the difference between the date the loss was reported to the company, or the date the request for supplemental payment was received, to the date of final payment. The Median Days to Final Payment is the median value of the number of days it took to settle all claims closed with payment during the period.

The Data Call and Definitions provides a good discussion on what a median is, and how to calculate the median number of days.

If you are unfamiliar with what a “median” is, you should review this part of the “definitions”. An example is also provided.

**SPEED OF CLAIM SETTLEMENT**



The median is the value above which and below which there are an equal number of values.

30 days to settlement  
45 days to settlement  
60 days to settlement

Briefly, the median is the value above which, and below which, there are an equal number of values. For example, if you have “days to settlement” of 30, 45 and 60, the median is 45 days.

So, to find your median days to settlement, you will need to know the number of days to settlement for each claim closed.

Organize them from the most days, to the fewest days, and find the “days to settlement” value that falls right in the middle of all those values, and enter that amount.

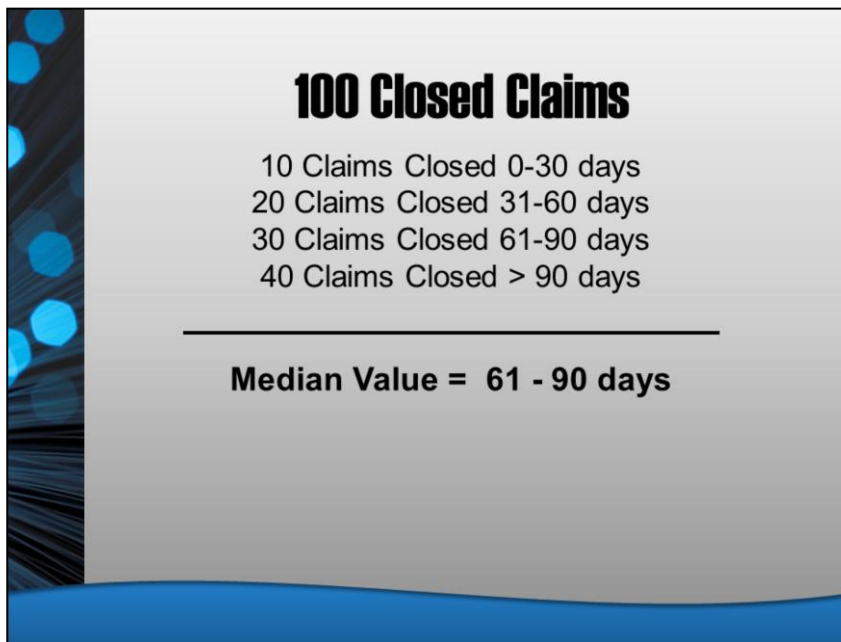
## Subrogation claims

- Should be removed from set of claims used to calculate median



A special note regarding subrogation claims – they should be removed from the set of claims used to calculate your median days to settlement, even though you would include them in your count of claims closed with payment.

They should be excluded from the median days calculation because they tend to take longer to settle than claims settled directly with the claimant.



To double check your work regarding the median days to settlement, you can divide your total closed count in half and find in which category that value would fall. For example, if you have 100 closed claims and

10 are in 0-30 days,  
20 are in 31- 60 days,  
30 are in 61 to 90 days, and  
40 are in greater than 90 days,

you know that counting up 50 from the “0-30” range, puts the median value somewhere in the 61-90 category. So, your median should be a value between 61 and 90.

## 95 Closed Claims

15 Claims Closed 0-30 days  
25 Claims Closed 31-60 days  
30 Claims Closed 61-90 days  
25 claims closed >90 days

---

**Median Value = 61 - 90 days**

As another example for an odd number of claims, if we have 95 total closed claims, the median claim is the 48th claim which puts the median in the 61-90 days value.

		Single-Interest		Dual-Interest		Single-Interest		Dual-Interest	
		Auto	Auto	Home Hazard	Home Hazard	Home Flood	Home Flood	Home Wind-Only	Home Wind-Only
29	Number of claims open at the beginning of the period.								
30	Number of claims opened during the period.								
31	Number of claims closed during the period, with payment								
32	Number of claims closed during the period, without payment								
33	Number of claims remaining open at the end of the period								
34	Number of claims closed with payment within 0-30 days.								
35	Number of claims closed with payment within 31-60 days.								
36	Number of claims closed with payment within 61-90 days.								
37	Number of claims closed with payment within 91-180 days.								
38	Number of claims closed with payment within 181-365 days.								
39	Number of claims closed with payment beyond 365 days.								
40	Number of claims closed without payment within 0-30 days.								
41	Number of claims closed without payment within 31-60 days.								
42	Number of claims closed without payment within 61-90 days.								
43	Number of claims closed without payment within 91-180 days.								
44	Number of claims closed without payment within 181-365 days.								
45	Number of claims closed without payment beyond 365 days.								
46	Median days to final payment.								
47	Number of suits open at beginning of the period.								
48	Number of suits opened during the period.								
49	Number of suits closed during the period.								
50	Number of suits closed during the period with consideration for the borrower.								
51	Number of suits open at end of period.								

**LAWSUIT**



The next set of questions under claims activity relates to lawsuits.

A lawsuit is an action brought in a court of law in which one party, the plaintiff, claims to have incurred a loss as a result of the action of another party, the defendant.

Suit data elements should be reported separately for each type of lender-placed business, as shown in the separate blanks columns at the top.

## Lender Placed Lawsuits

- Include only lawsuits brought by an applicant for insurance, a policyholder or a beneficiary as a plaintiff against the reporting insurer or its agent as a defendant
- Include all lawsuits, whether or not a hearing or proceeding before the court occurred
- Do ***not*** include arbitrations of any sort
- If one lawsuit seeks damages under two or more policies, count the number of policies involved as the number of lawsuits.
  - For example, if one lawsuit seeks damages under three policies, count the action as three lawsuits
- If one lawsuit has two or more complainants, report the number of complainants as the number of lawsuits.
- Report a lawsuit in the jurisdiction in which the policy was issued with the exception of class action lawsuits.

For purposes of reporting lawsuits in the MCAS blanks:

-Include only lawsuits brought by an applicant for insurance, a policyholder, or a beneficiary as a plaintiff against the reporting insurer, or its agent as a defendant;

-Include all lawsuits, whether or not a hearing or proceeding before the court occurred;

-Do not include arbitrations of any sort;

-If one lawsuit seeks damages under two or more policies, count the number of policies involved as the number of lawsuits. For example, if one lawsuit seeks damages under 3 policies, count the action as 3 lawsuits.

-If one lawsuit has two or more complainants, report the number of complainants as the number of lawsuits.

-If the lawsuit is a class action, see instructions for treatment of class action lawsuits.

-Report a lawsuit in the jurisdiction in which the policy was issued with the exception of class action lawsuits.



## Treatment of Class Action Lawsuits

- Report the opening and closing of a class action lawsuit once in each state in which a potential class member resides.
- Include an explanatory note with your submission stating the number of class action lawsuits included in the data and the general cause of action.



In regards to the treatment of class action lawsuits, insurers should report the opening and closing of a class action lawsuit once in each state, in which a potential class member resides, and include an explanatory note with the submission stating the number of class action lawsuits included in the data and the general cause of action.



## **Lender-Placed Data Call & Definitions**

### Lawsuits Closed During the Period with Considerations for the Borrower

- A lawsuit closed during the reporting period in which a court order, jury verdict, or settlement resulted in payment, benefits, or other thing of value, such as consideration to the applicant, policyholder, or beneficiary, in an amount greater than offered by the reporting company before the lawsuit was brought.

A lawsuit closed during the period with consideration for the borrower, is a lawsuit closed during the reporting period in which a court order, jury verdict, or settlement resulted in payment, benefits, or other thing of value, such as consideration to the applicant, policyholder, or beneficiary, in an amount greater than offered by the reporting company before the lawsuit was brought.

Lender-Placed Underwriting Activity		Single-Interest	Dual-Interest	Single-Interest	Dual-Interest	Single-Interest	Dual-Interest	Single-Interest	Dual-Interest
		Auto	Auto	Home Hazard	Home Hazard	Home Flood	Home Flood	Home Wind-Only	Home Wind-Only
52	Number of master policies in-force at beginning of the period								
53	Number of master policies added during the period								
54	Number of master policies cancelled for any reason during the period								
55	Number of master policies in-force at the end of the period								
56	Number of certificates in-force at the beginning of the period								
57	Number of certificates written during the period								
58	Number of certificates in-force at the end of the period								
59	Number of certificates flat-cancelled during the period								
60	Number of certificates cancelled for reasons other than flat cancellations during the period								
61	Number of flat cancellations on certificates within 45 days of placement								
62	Number of flat cancellations on certificates within 45-90 days of placement								
63	Number of flat cancellations on certificates after 90 days from placement								
64	Number of individual policies in-force at the beginning of the period								
65	Number of individual policies written during the period								
66	Number of individual policies in-force at the end of the period								
67	Number of individual policies cancelled for reasons other than flat cancellations during the period								
68	Number of individual policies flat-cancelled during the period								
69	Number of flat cancellations on individual policies within 45 days of placement								
70	Number of flat cancellations on individual policies within 45-90 days of placement								
71	Number of flat cancellations on individual policies after 90 days from placement								

January 1<sup>st</sup>, 2020 – December 31<sup>st</sup>, 2020

The next set of questions relates to Lender-placed underwriting activity.

The first questions relate to master policies and certificates that were in force at the beginning of the period, added or written during the period, and canceled during the period.

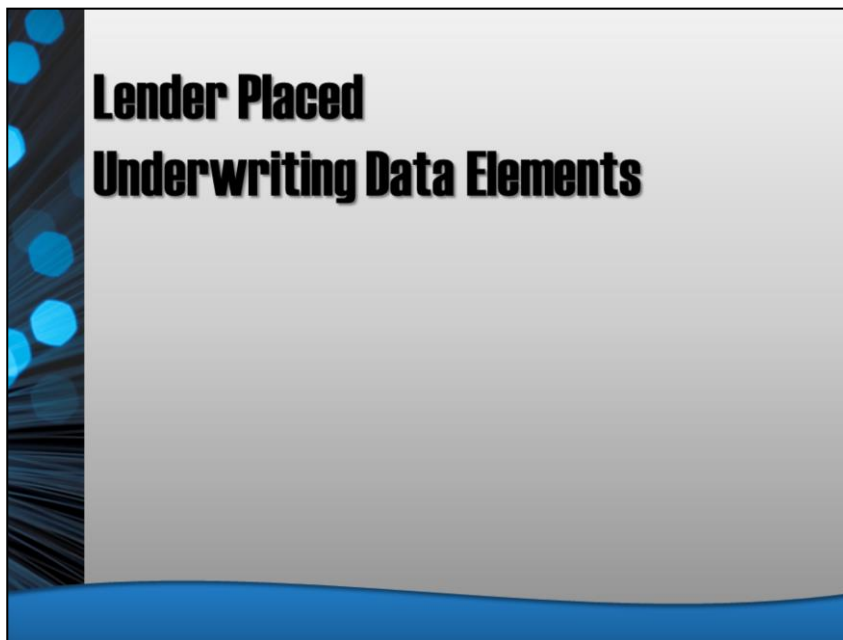
The next questions are regarding individual policy data questions.

We will discuss definitions in further detail on the next two slides.

As mentioned previously, the reporting period includes policies and certificates issued between January 1<sup>st</sup> and December 31<sup>st</sup> of the current data year.

It is also important to remember that the underwriting data elements should be reported separately for each type of lender-placed business, as shown in the separate blanks columns at the top.

The claims questions are the same for Auto and for Homeowners - the only difference being the coverage parts to which claims are applicable.



Now we'll start discussing the Underwriting data elements.

## Lender-Placed Data Call & Definitions

### **Master Policy**

A Master Policy is a group policy providing coverage for the vehicles or property serving as collateral for a portfolio of loans. Individual coverage, typically in the form of a certificate, is issued from the Master Policy at the direction of the lender or servicer or automatically at the point in time when the borrower's required voluntary insurance ceases to be in force.

### **Individual Policy**

An Individual Policy is lender-placed insurance issued for an individual vehicle or property, respectively.

A master policy is a group policy providing coverage for the vehicles or property serving as collateral for a portfolio of loans. Individual coverage, typically in the form of a certificate, is issued from the Master Policy at the direction of the lender or servicer, or automatically at the point in time when the borrower's required voluntary insurance ceases to be in force.

An Individual Policy is lender-placed insurance issued for an individual vehicle or property, respectively.

## Lender-Placed Data Call & Definitions

### Certificate

A Certificate is lender-placed insurance issued under a master policy for an individual vehicle or property, respectively.

*-For example, if the insurer issues 300 certificates under a lender-placed master policy or policies, report 300*

### In-Force

In-Force refers to a master policy, individual policy or certificate in effect during the reporting period.

A certificate is lender-placed insurance issued under a master policy for an individual vehicle or property, respectively.

For example, if the insurer issues 300 certificates under a lender-placed master policy or policies, report 300

In-Force refers to a master policy, individual policy or certificate in effect during the reporting period.



# **Lender-Placed Data Call & Definitions**

## **Cancellations**

Cancellations include all cancellations of the policies and certificates where the cancellation was executed during the reporting year, regardless of the date of placement of the coverage.

## **Flat Cancellations**

A flat cancellation is when the coverage was cancelled effective the date of coverage with 100% refund of premium.

Cancellations include all cancellations of the policies and certificates where the cancellation was executed during the reporting year, regardless of the date of placement of the coverage.

A flat cancellation is when the coverage was cancelled effective the date of coverage with 100% refund of premium.

# Lender-Placed Data Call & Definitions

72	Average gross placement rate during period
73	Dollar amount of gross written premium during the period
74	Dollar amount of net written premium during the period
75	Net written premium during period for policies/certificates for which no separate charge is made to the borrower
76	Dollar amount of premium earned during the period
77	Dollars of claims paid during the period
78	Dollars of claims incurred during the period
79	Number of complaints received directly from the DOI
80	Number of complaints received directly from any person or entity other than the DOI

The next question asks for average gross placement rate.



## Average Gross Placement Rate

- Average gross placement rate is the total number of coverages placed before cancellations during the reporting period, **divided** by the average number of exposures during the reporting period
- Average number of exposures means the average number of vehicles covered by lender-placed auto policies, or the average number of properties covered by lender-placed home policies during the reporting period.

The Average gross placement rate is the total number of coverages placed before cancellations during the reporting period, divided by the average number of exposures during the reporting period.

The Average number of exposures means the average number of vehicles covered by lender-placed auto policies, or the average number of properties covered by lender-placed home policies during the reporting period.

# Lender-Placed Underwriting Activity

73	Dollar amount of gross written premium during the period.	Single-Interest Auto	Dual-Interest Auto
74	Dollar amount of net written premium during the period.	Single-Interest Auto	Dual-Interest Auto
75	Net written premium during period for policies/certificates for which no separate charge is made to the borrower.	Single-Interest Auto	Dual-Interest Auto
76	Dollar amount of premium earned during the period.	Single-Interest Auto	Dual-Interest Auto

The next set of questions relates to premiums.

## **Lender-Placed Data Call & Definitions**

### **Gross Premium Written During Period**

- The total premium written before any reductions for refunds for the particular type of lender-placed insurance during the reporting period.
- Include premium only for lender-placed insurance for which a separate charge is made to the borrower.

### **Net Premium Written During Period**

- Gross premium written less refunds for the particular type of lender-placed insurance during the reporting period.
- Include premium only for lender-placed insurance for which a separate charge is made to the borrower.

Gross Premium Written During Period is the total premium written before any reductions for refunds, for the particular type of lender-placed insurance during the reporting period.

It should include premium only for lender-placed insurance for which a separate charge is made to the borrower.

Net Premium Written During Period is the gross premium written, less refunds for the particular type of lender-placed insurance during the reporting period.

It should also include premium only for lender-placed insurance for which a separate charge is made to the borrower.

## Lender-Placed Data Call & Definitions

### Net Premium Written During Period for Policies/Certificates for Which No Separate Charge is Made to the Borrower

- Gross premium written less refunds for the particular type of lender-placed insurance during the reporting period.
- Include premium only for lender-placed insurance for which no separate charge is made to the borrower.

### Premiums Earned During Period

- Earned premiums for the particular type of lender-placed insurance during the reporting period.
- Include premium only for lender-placed insurance for which a separate charge is made to the borrower.

Net Premium Written During the Period for Policies and Certificates for Which No Separate Charge is Made to the Borrower is the gross premium written, less refunds for the particular type of lender-placed insurance during the reporting period. It should include premium only for lender-placed insurance for which no separate charge is made to the borrower.

Premiums Earned During Period are the earned premiums for the particular type of lender-placed insurance during the reporting period.

It should include premium only for lender-placed insurance for which a separate charge is made to the borrower.

# Lender-Placed Data Call & Definitions

72	Average gross placement rate during period
73	Dollar amount of gross written premium during the period
74	Dollar amount of net written premium during the period
75	Net written premium during period for policies/certificates for which no separate charge is made to the borrower
76	Dollar amount of premium earned during the period
77	Dollars of claims paid during the period
78	Dollars of claims incurred during the period
79	Number of complaints received directly from the DOI
80	Number of complaints received directly from any person or entity other than the DOI

The next two questions are related to dollar amounts of claims paid and incurred during the period.

## **Lender-Placed Data Call & Definitions**

### **Dollars of Claims Paid During Period**

- The total dollars paid for claims for the particular type of lender-placed insurance during the period.
- Include paid claim dollars only for lender-placed insurance for which a separate charge is made to the borrower.

### **Dollars of Claims Incurred During Period**

- The total dollars incurred for claims for the particular type of lender-placed insurance during the period.
- Include incurred claim dollars only for lender-placed insurance for which there is a separate charge to the borrower

The “Dollars of Claims Paid During Period” are the total dollars paid for claims for the particular type of lender-placed insurance during the period.

This should include paid claim dollars only for lender-placed insurance for which a separate charge is made to the borrower.

The “Dollars of Claims Incurred During Period” are the total dollars incurred for claims for the particular type of lender-placed insurance during the period.

This should include incurred claim dollars only for lender-placed insurance for which there is a separate charge to the borrower.

# Lender-Placed Data Call & Definitions

72	Average gross placement rate during period
73	Dollar amount of gross written premium during the period
74	Dollar amount of net written premium during the period
75	Net written premium during period for policies/certificates for which no separate charge is made to the borrower
76	Dollar amount of premium earned during the period
77	Dollars of claims paid during the period
78	Dollars of claims incurred during the period
79	Number of complaints received directly from the DOI
80	Number of complaints received directly from any person or entity other than the DOI

The last two questions are related to complaints received during the reporting period.

# Lender-Placed Data Call & Definitions

## Complaints Received Directly from the Department of Insurance

### All complaints:

- As identified by the DOI as a complaint
- Related to LPI or insurance tracking
- Sent or otherwise forwarded by the DOI to the reporting company



Complaints Received Directly from the Department of Insurance include all complaints:

- As identified by the Department of Insurance as a complaint,
- Related to Lender Placed Insurance or insurance tracking, and
- Sent or otherwise forwarded by the Department of Insurance to the reporting company.





## **Lender-Placed Data Call & Definitions**

### **Complaints Received Directly from any Person or Entity Other than the Dept. of Insurance**

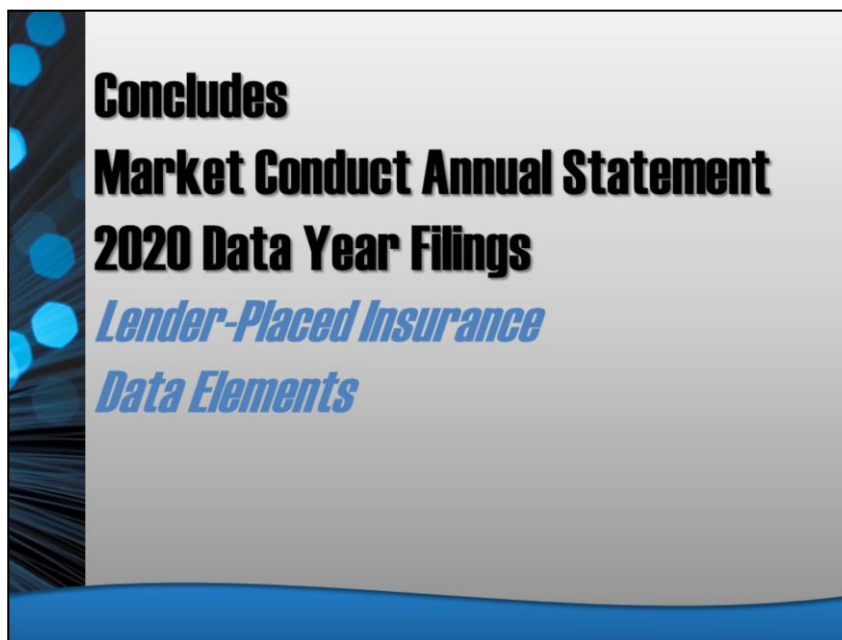
Any written communication that expresses dissatisfaction with a specific person or entity subject to regulation under the state's insurance laws. An oral communication, which is subsequently converted to a written form in order to be analyzed and acted upon.

#### **Includes:**

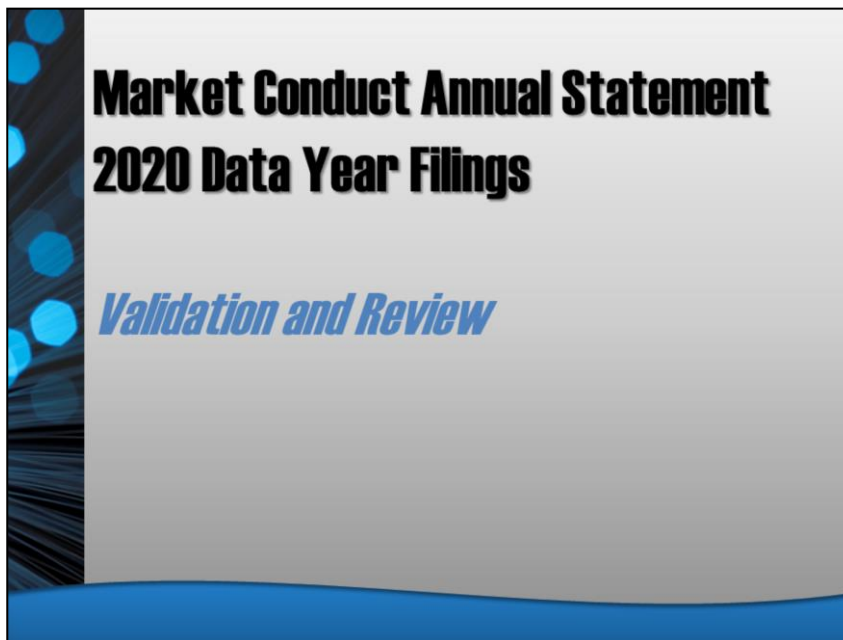
- Any complaint regardless of the subject of the complaint (claims, underwriting, marketing, etc.)
- Complaints received from third parties, including, but not limited to, lenders or servicers
- From social media sites if specific enough to meet the definition of complaint

Complaints Received Directly from any Person or Entity Other than the Department of Insurance include any written communication that expresses dissatisfaction with a specific person or entity, subject to regulation under the state's insurance laws, an oral communication which is subsequently converted to a written form in order to be analyzed and acted upon and includes:

- any complaint regardless of the subject of the complaint, such as claims, underwriting, marketing, etc. and also includes
- complaints received from third parties, including, but not limited to, lenders or servicers.



This concludes the data elements review portion of the tutorial. Now we'll discuss the MCAS data validations.



MCAS Validation and Review

# MCAS Validations

- MCAS Validations are data checks programmed within the MCAS data submission application.

Errors - some validations are considered to be errors and must be corrected before submission of data is allowed.

Warnings - other validations are considered to be warnings. Filings containing Warnings can be successfully submitted.

MCAS Validations are data checks programmed within the MCAS data submission application.

- Some validations are considered to be Errors and must be corrected before submission of data is allowed.
- Other validations are considered to be Warnings. Filings containing Warnings can be successfully submitted.

## MCAS Validation Warnings

MCAS Validations assist insurers in the review of their data within the MCAS application to ensure their data is accurate and entered as intended.

MCAS Validations assist state insurance regulators and NAIC staff in reviewing submitted MCAS data.

MCAS Validations have multiple purposes.

- They assist insurers in the review of their data within the MCAS application to ensure their data is accurate and entered as intended. For example: the validations can point out data issues that are a result of data entry errors or coding errors,
- And they assist state insurance regulators and NAIC staff in reviewing submitted MCAS data.



## **MCAS Validation Warnings**

It is understood that some validation warning failures may be generated on accurate data that is the result of valid circumstances.

It is understood that some validation warning failures may be generated on accurate data that is the result of valid circumstances; for example, companies with small amounts of business to report, or runoff business to report may trigger validation warning failures that are not concerning.

The screenshot displays two tables from the MCAS system filing matrix. The top table shows filings with various statuses and associated warnings and errors. A red arrow points to the 'WARNINGS' column for the 'Health\*' row. The bottom table shows filings that are 'Not Started'.

	STATUS	WARNINGS	ERRORS	WAIVER	EXTENSION
Total Errors: 20    Total Warnings: 20					
Health *	Filed	2	0		
Lender-Placed Insurance	In Progress	16	17		
Homeowners	In Progress	1	1		
Private Passengers Auto *	In Progress	1	2	PENDING	
Long Term Care *	In Progress	0	0		
Disability Income *	In Progress	0	0	APPROVED	
	STATUS	WARNINGS	ERRORS	WAIVER	EXTENSION
Health *	Not Started	0	0		
Lender-Placed Insurance	Not Started	0	0		
Homeowners	Not Started	0	0		
Private Passengers Auto *	In Progress	0	0		PENDING

The MCAS system filing matrix provides the MCAS user with information regarding their filings. The filing matrix displays the number of warnings found in submitted or started filings. Before a company submits each filing containing warnings, they are prompted to add comments regarding any outstanding warnings in the submission.

The screenshot displays a filing matrix with two tables. The top table shows the following data:

	STATUS	WARNINGS	ERRORS	WAIVER	EXTENSION
Health *	Filed	2	0		
Lender-Placed Insurance	In Progress	16	17		
Homeowners	In Progress	1	1		
Private Passengers Auto *	In Progress	1	2	PENDING	
Long Term Care *	In Progress	0	0		
Disability Income *	In Progress	0	0	APPROVED	

The bottom table shows the following data:

	STATUS	WARNINGS	ERRORS	WAIVER	EXTENSION
Health *	Not Started	0	0		
Lender-Placed Insurance	Not Started	0	0		
Homeowners	Not Started	0	0		
Private Passengers Auto *	In Progress	0	0		PENDING

Once a company has filed the MCAS data, the filing matrix will display a status of “filed” for each state and line of business submitted. At this point in the process, NAIC staff will begin a review of the data, checking for data inconsistencies and anomalies.



Private Passenger Auto Interrogatories		Yes	No	
		Response	Explanation	
01	Were there policies in force during the reporting period that provided Collision coverage?	--	--	
02	Were there policies in force during the reporting period that provided Comprehensive coverage?	--	--	
03	Were there policies in force during the reporting period that provided Bodily Injury coverage?	--	--	
04	Were there policies in force during the reporting period that provided Property Damage coverage?	--	--	
05	Were there policies in force during the reporting period that provided Uninsured Motorists and Underinsured Motorists (UMBI) coverage?	--	--	
06	Were there policies in force during the reporting period that provided Uninsured Motorists and Underinsured Motorists (UMPD) coverage?	--	--	
07	Were there policies in force during the reporting period that provided Medical Payments coverage?	--	--	
08	Were there policies in force during the reporting period that provided Combined Single Limits coverage?	--	--	
09	Were there policies in force during the reporting period that provided Personal Injury Protection coverage?	--	--	
10	Was the company actively writing policies in the state at year end?	--	--	
11	Does the company write in the non-standard market?	--	--	
12	If Yes, what percentage of your business is non-standard?	--	--	
13	If Yes, how is non-standard defined?	--	--	
14/15	Has the company had a significant event/business strategy that would affect data for this reporting period?	--	--	
16/17	Has all or part of this block of business been sold, closed or moved to another company during the year?	--	--	
18	How does the company treat subsequent supplemental or additional payments on previously closed claims?	--	--	
19	Additional state specific Claims comments (optional):	--	--	<b>Comments</b>
20	Additional state specific Underwriting comments (optional):	--	--	

As NAIC analysts review company filings, they view comments found in the interrogatories,

By checking the "I attest" box below, I understand, agree and certify on behalf of the named company that:

1. I am authorized to submit the Market Conduct Annual Statement on behalf of the named company and to bind the company to the statements in this attestation;
2. I am knowledgeable of the information required to be provided in the Market Conduct Annual Statement filed by this company and have reviewed this filing;
3. To the best of my knowledge and belief, this filing represents a full and accurate statement of the information required to be provided in the Market Conduct Annual Statement pursuant to the applicable instructions; and
4. I am aware that the state insurance department(s) receiving the data may initiate regulatory action as authorized by law in a specific jurisdiction if the data submitted in the MCAS is inaccurate, incomplete, or found to be materially false, misleading or omissive.
5. I affirm that the company is able to accurately trace the data as reported to its source within the company and if necessary recreate the MCAS results as reported in this filing.

I Attest    First name    MI    Last name    Suffix    Title    Clear

I Attest    First name    MI    Last name    Suffix    Title    Clear

NOTE: The company must provide the name for at least two individuals who are able to attest that the criteria listed above have been met, and attest to the overall accuracy of the MCAS filing. Both attesters should have participated in the review and validation of the filing. We recommend that one person be the individual with operational responsibility for the source data such as a responsible individual from claims, underwriting or compliance. We recommend that the second person should be a responsible IT person that participated in the creation of the data in the filing.

Overall comments for the filing year 2020

Close    Submit Attestation

and in the attestation to determine if the warnings have been sufficiently addressed.

If a filing contains “warning messages,” and there are no comments entered by the company, it is more likely that the company will be contacted for an explanation by NAIC staff.

**Lender Placed Insurance (Auto and Home)**

**Both Single Interest and Dual Interest**

**Claims**

Ratio 1. **Number of claims closed without payment to total number of claims closed**  

$$\frac{(\# \text{ of claims closed without payment})}{(\# \text{ of claims closed with payment}) + (\# \text{ of claims closed without payment})}$$

Ratio 2. **Claims open at the end of the period to total claims during the period**  

$$\frac{(\# \text{ of claims open at the beginning of period} + \# \text{ of claims opened during period} - \# \text{ of claims closed with payment} - \# \text{ of claims closed without payment})}{(\# \text{ of claims open at the beginning of period} + \# \text{ of claims opened during the period})}$$

Ratio 3. **Claims paid beyond 60 days to total claims closed with payment**  

$$\frac{(\# \text{ of claims settled 61} - 90 \text{ days} + \# \text{ of claims settled 91} - 180 \text{ days} + \# \text{ of claims settled 181} - 365 \text{ days} + \# \text{ of claims settled beyond 365 days})}{\text{total } \# \text{ of claims closed with payment}}$$

Ratio 4. **Loss Ratio – Incurred claims to earned premium**  

$$\frac{(\text{dollars of claims incurred during the period})}{(\text{dollar amount of premium earned during the period})}$$

**Cancellations**

Ratio 5. **Master policy cancellations to master policies in force at beginning of the period**  

$$\frac{(\text{total } \# \text{ of master policy cancellations})}{(\text{total } \# \text{ of master policies in force at beginning of period})}$$

The company's standard ratio results are also reviewed. A listing of the scorecard ratios can be found on the MCAS web page.

During review of a company's ratio results, values that are significantly different than the expected value are identified, along with any significant changes in a company's ratio values year to year. Companies will be notified of these anomalies to allow verification of the submitted data.

## Validation and Review

- Listed warnings
- Ratios
- Data comparisons
- General review



In addition to warnings and ratios, data relationships within the submission are reviewed. An example would be a comparison of policies in-force to the number of claims. Another example would be the comparison of policies in-force to written premiums. If an unusual data relationship is identified, the company will be asked to explain.

A final review is a general review of the data for potential data inaccuracies. An example of this might be the submission of a data element that contains a value much larger than expected; perhaps too many zeros were added, or two data elements were transposed. Again, if these anomalies are identified, the company will be asked to review the data.

2021 | 2020 | 2019 (Current Data Year) | 2018 | Contacts and Scorecards

**Log In**

Don't have an MCAS login?  
Click Here to get it.

Help | [FAQ \(PDF\)](#) | [Contact](#)

**GENERAL FILING INFORMATION**

[Participation Requirements \(PDF\)](#)

**TRAINING**

[Online Data Element Tutorials](#)

**RESOURCES**

[Data Collection Worksheets \(Blanks\)](#)

- [Annuity \(PDF\)](#)
- [Disability Income \(PDF\)](#)
- [Health \(PDF\)](#)
- [Homeowners \(PDF\)](#)
- [Lender-Placed Home and Auto \(PDF\)](#)
- [Life \(PDF\)](#)
- [Long-Term Care \(PDF\)](#)
- [Private Passenger Auto \(PDF\)](#)

[Data Call and Definitions \(Instructions\)](#)

- [Disability Income \(PDF\)](#)
- [Health \(PDF\)](#)
- [Homeowners \(PDF\)](#)
- [Lender-Placed Home and Auto \(PDF\)](#)
- [Life & Annuity \(PDF\)](#)
- [Long-Term Care - Hybrid \(PDF\)](#)
- [Long-Term Care - Stand-Alone \(PDF\)](#)
- [Private Passenger Auto \(PDF\)](#)

[Summary of 2019 Changes \(PDF\)](#)

[2019 MCAS User Guide \(PDF\)](#)

**KEY 2019 MCAS DATES**

December 16, 2019	Call letters to companies
Mid-January 2020	Last day to submit 2018 corrections (See FAQ Document)
March 16, 2020	Filing may be submitted via the online MCAS filing tool
March - April, 2020	MCAS training webinars
June 30, 2020	MCAS submissions due for all lines of business except Disability Income and Health
August 31, 2020	MCAS submissions due for Disability Income and Health
September 1, 2020	MCAS industry scorecards posted to MCAS Web page for all lines of business except Disability Income and Health
November 1, 2020	MCAS industry scorecards posted to MCAS Web page for Disability Income and Health

**NEW FOR 2019 DATA YEAR**

- The disability income MCAS was adopted on August 7, 2018 at the NAIC Executive/Plenary session during the NAIC Summer National Meeting. Disability income MCAS data will be collected for the first time beginning with the 2019 data year.

**WHAT DO DOCUMENTS FOUND ON THIS WEB PAGE TELL ME?**

**General Filing Information**

- [Participation Requirements](#) - Detailed information to assist in determining if your company is required to submit MCAS data

**Resources**

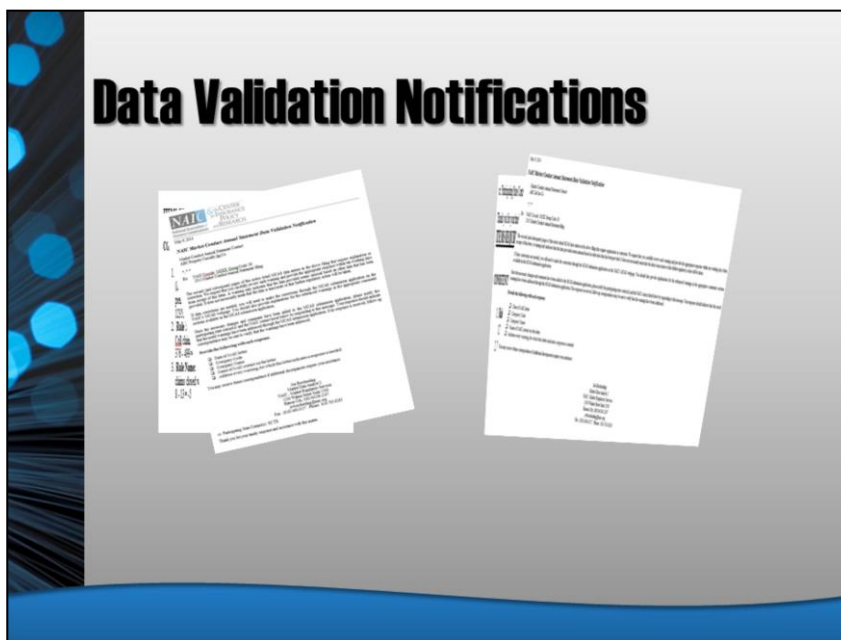
- [Data Collection Worksheets \(Blanks\)](#) - Table layout representation of the required data elements
- [Data Call and Definitions \(Instructions\)](#) - Listing of MCAS data elements and definitions to follow when preparing data for submission
- [MCAS User Guide](#) - Information about how to use the MCAS application and a listing of data validations used within the application
- [CSV Data Upload Instructions](#) - Layout guidelines for preparing a CSV file for uploading to the MCAS

The MCAS User Guide, (found on the MCAS webpage) lists the data validation messages that may be encountered while validating data. This includes both “Error” and “Warning” messages. Use the listing to prepare data and to determine comments that will be needed to explain “Warning” messages received during the data validation process.

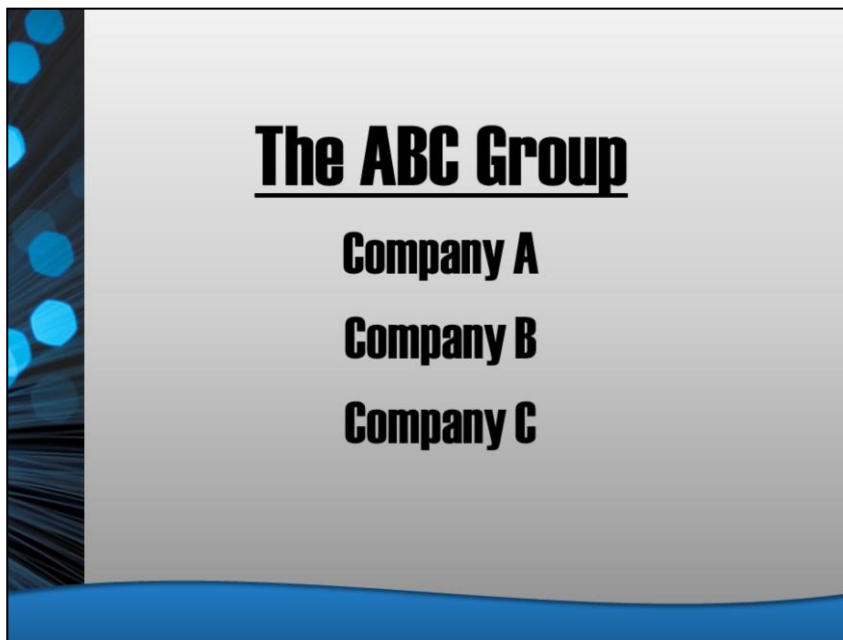
## State Regulators have Oversight



It is important to note, state regulators have full access to all data and will also review data for accuracy. State regulators will concentrate on submission for their states only, while the NAIC will review the data and look for potential trends in data filed within **multiple** states.

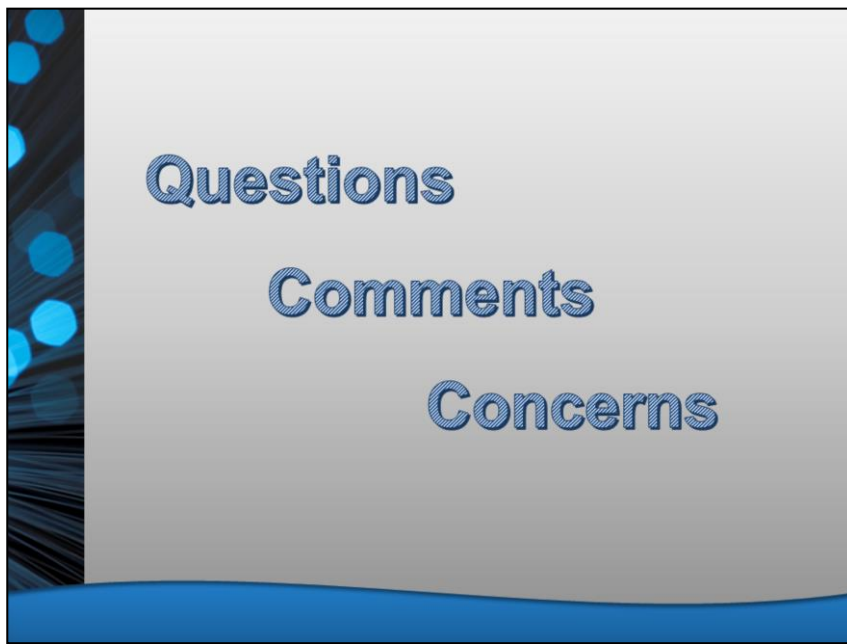


If there is reported data that appears to be mis-reported or inaccurate based on a review of data for states where data was submitted, NAIC will send an email letter to the Market Conduct Annual Statement Contact. When contact is made with individual companies, state regulators are notified of this correspondence. If they have additional questions or concerns, they may also contact the company. However, keeping state regulators in the line of communication, should lessen the number of inquiries received for any particular data concern.

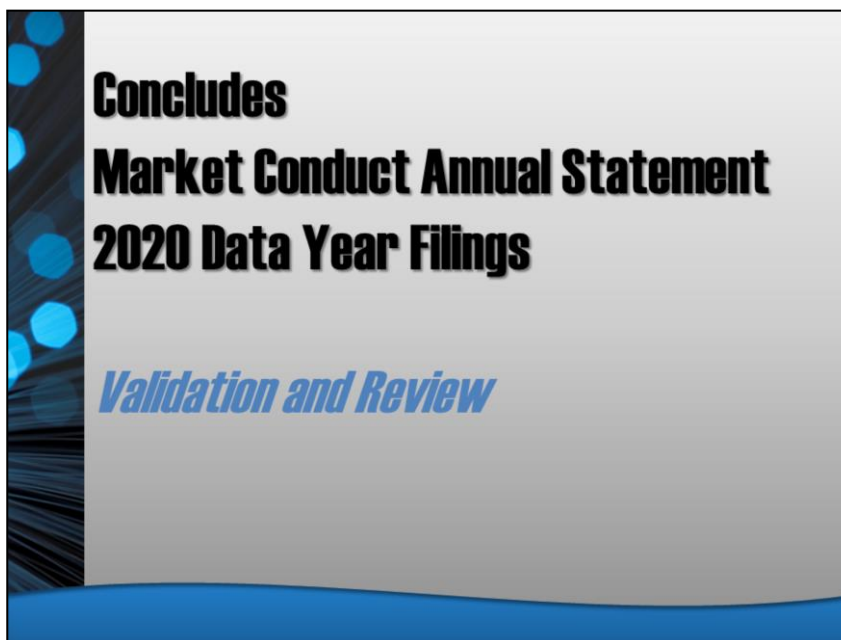


If company A is part of ABC group, and the same observations are made for other companies within the group, then separate correspondence will be sent to each company. It is important to respond to requests in a timely manner to avoid follow up from the NAIC or state regulators. In the company response to the NAIC, please include comments on what action the company will take.





If you receive correspondence from an NAIC analyst, we encourage you to reach out to the analyst with any questions, comments or concerns you may have regarding the correspondence, the validations, or other MCAS filing related issues.



Thank you for your time. This concludes the filing validation and review discussion. Additional questions may be sent to [mcas@naic.org](mailto:mcas@naic.org).