

# Market Conduct Annual Statement 2020 Data Year Filings


*Private Flood*

*Data Elements and Validations*



National Association of Insurance Commissioners





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# Market Conduct Annual Statement

## *Private Flood Data Elements*



# Remember

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# Private Flood Data Call & Definitions

## Private Flood Insurance:

- Coverage that insures residential property against the peril of flood.



# Private Flood Data Call & Definitions

- Includes:
  - Mobile/manufactured homes intended for use as a dwelling
  - Individual unit condo coverage
  - Stand-alone policies
  - Endorsements or riders to residential property insurance policies
  - First dollar and excess policies
- Excludes:
  - NFIP policies
  - Commercial policies
  - Condo Master policies
  - Lender-placed or creditor-placed policies
  - Private flood written on a surplus lines basis

# Remember

## MCAS Threshold:

- \$50,000 in direct written premium
- Aggregate total
  - Applies to all Private Flood premium
  - Includes all individual sub lines

# Private Flood Coverages

- Stand-Alone Policies
  - First Dollar Coverage
  - Excess Coverage
- Endorsements to a Homeowners Policy
  - First Dollar Coverage
  - Excess Coverage
- Endorsements to a Policy Other than Homeowners
  - First Dollar Coverage
  - Excess Coverage



# Private Flood Coverages

- **First Dollar Coverage** - provides payment for covered losses up to the specified policy limit without use of deductibles
- **Excess Coverage** – provides payment for covered losses above the maximum amount available on first dollar policies

# Private Flood Entry Sections:

- Interrogatories
- Claims
- Underwriting
- Lawsuits and Complaints

# Interrogatories

## Private Flood Interrogatories

		Yes No Response	Explanation
<b>Interrogatories - General</b>			
01	Does the reporting company write private flood policies or endorsements? (Y/N)		--
02	Were private flood policies or endorsements in force during the reporting period? (Y/N)		--
03	In which annual statement lines of business on the state page of the statutory annual statement does the company report private flood experience?	--	
04	Were there private flood policies or endorsements in force during the reporting period that provided Personal Property coverage? (Y/N)		--
05	Were there private flood policies or endorsements in force during the reporting period that provided Loss of Use coverage? (Y/N)		--
06	Was the company still actively writing private flood coverage in the state at year end? (Y/N)		--
07	How does company treat subsequent supplemental payments on previously closed claims (or additional payments on a previously reported claim)? Re-open original claim/open new claim. If re-open original claim, report 1. If open new claim, report 2. If other, report 3.	--	
<b>Interrogatories - Private Flood Stand-Alone (first dollar coverage)</b>			
08	Does the reporting company have stand-alone (first dollar coverage) to report? (Y/N)		--
09	If Yes, has the company had a significant event/business strategy that would affect stand-alone (first dollar coverage) data for this reporting period? (Y/N)		--
10	If Yes, explain.	--	
11	If Yes, has the stand-alone (first dollar coverage) block of business or part of this block of business been sold, closed or moved to another company during the year? Y/N		--
12	If Yes, explain.	--	
13	If Yes, does the number of stand-alone (first dollar coverage) policies in force at the beginning of the reporting period in this report match the number of policies or endorsements in force at the end of the reporting period for the first prior year report? (Y/N)		--
14	If No, explain the difference.	--	

# Interrogatories - General

## Interrogatories - General

- 01 Does the reporting company write private flood policies or endorsements? (Y/N)
- 02 Were private flood policies or endorsements in force during the reporting period? (Y/N)
- 03 In which annual statement lines of business on the state page of the statutory annual statement does the company report private flood experience?
- 04 Were there private flood policies or endorsements in force during the reporting period that provided Personal Property coverage? (Y/N)
- 05 Were there private flood policies or endorsements in force during the reporting period that provided Loss of Use coverage? (Y/N)
- 06 Was the company still actively writing private flood coverage in the state at year end? (Y/N)
- 07 How does company treat subsequent supplemental payments on previously closed claims (or additional payments on a previously reported claim)? Re-open original claim/open new claim. If re-open original claim, report 1. If open new claim, report 2. If other, report 3.





# Interrogatories – Specific Coverages

## Interrogatories - General

- 01 Does the reporting company write private flood policies or endorsements? (Y/N)
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- 03 In which annual statement lines of business on the state page of the statutory annual statement does the company report private flood experience?
- 04 Were there private flood policies or endorsements in force during the reporting period that provided Personal Property coverage? (Y/N)
- 05 Were there private flood policies or endorsements in force during the reporting period that provided Loss of Use coverage? (Y/N)
- 06 Was the company still actively writing private flood coverage in the state at year end? (Y/N)
- 07 How does company treat subsequent supplemental payments on previously closed claims (or additional payments on a previously reported claim)? Re-open original claim/open new claim. If re-open original claim, report 1. If open new claim, report 2. If other, report 3.

# Interrogatories – Specific Coverages

## Interrogatories - Private Flood Stand-Alone (first dollar coverage)

- 08 Does the reporting company have stand-alone (first dollar coverage) to report? (Y/N)
- 09 If Yes, has the company had a significant event/business strategy that would affect stand-alone (first dollar coverage) data for this reporting period? (Y/N)
- 10 If Yes, explain.
- 11 If Yes, has the stand-alone (first dollar coverage) block of business or part of this block of business been sold, closed or moved to another company during the year? Y/N
- 12 If Yes, explain.
- 13 If Yes, does the number of stand-alone (first dollar coverage) policies in force at the beginning of the reporting period in this report match the number of policies or endorsements in force at the end of the reporting period for the first prior year report? (Y/N)
- 14 If No, explain the difference.

## Interrogatories - Private Flood Stand-Alone (excess coverage)

- 15 Does the reporting company have stand-alone (excess coverage) to report? (Y/N)
- 16 If Yes, has the company had a significant event/business strategy that would affect stand-alone (excess coverage) data for this reporting period? (Y/N)
- 17 If Yes, explain.
- 18 If Yes, has the stand-alone (excess coverage) block of business or part of this block of business been sold, closed or moved to another company during the year? Y/N
- 19 If Yes, explain.
- 20 If Yes, does the number of stand-alone (excess coverage) policies in force at the beginning of the reporting period in this report match the number of policies or endorsements in force at the end of the reporting period for the first prior year report? (Y/N)
- 21 If No, explain the difference.

# Interrogatories – Specific Coverages

## Interrogatories - Private Flood Stand-Alone (first dollar coverage)

- 08 Does the reporting company have stand-alone (first dollar coverage) to report? (Y/N) **Y**
- 09 If Yes, has the company had a significant event/business strategy that would affect stand-alone (first dollar coverage) data for this reporting period? (Y/N)
- 10 If Yes, explain.
- 11 If Yes, has the stand-alone (first dollar coverage) block of business or part of this block of business been sold, closed or moved to another company during the year? Y/N
- 12 If Yes, explain.
- 13 If Yes, does the number of stand-alone (first dollar coverage) policies in force at the beginning of the reporting period in this report match the number of policies or endorsements in force at the end of the reporting period for the first prior year report? (Y/N) **(not applicable for 2020 data year)**
- 14 If No, explain the difference. **(not applicable for 2020 data year)**

## Interrogatories - Private Flood Stand-Alone (excess coverage)

- 15 Does the reporting company have stand-alone (excess coverage) to report? (Y/N) **Y**
- 16 If Yes, has the company had a significant event/business strategy that would affect stand-alone (excess coverage) data for this reporting period? (Y/N)
- 17 If Yes, explain.
- 18 If Yes, has the stand-alone (excess coverage) block of business or part of this block of business been sold, closed or moved to another company during the year? Y/N
- 19 If Yes, explain.
- 20 If Yes, does the number of stand-alone (excess coverage) policies in force at the beginning of the reporting period in this report match the number of policies or endorsements in force at the end of the reporting period for the first prior year report? (Y/N) **(not applicable for 2020 data year)**
- 21 If No, explain the difference. **(not applicable for 2020 data year)**

# Interrogatories – Specific Coverages

## Interrogatories - Private Flood Stand-Alone (first dollar coverage)

- 08  Does the reporting company have stand-alone (first dollar coverage) to report? (Y/N) **N**
- 09 If Yes, has the company had a significant event/business strategy that would affect stand-alone (first dollar coverage) data for this reporting period? (Y/N)
- 10 If Yes, explain.
- 11 If Yes, has the stand-alone (first dollar coverage) block of business or part of this block of business been sold, closed or moved to another company during the year? Y/N
- 12 If Yes, explain.
- 13 If Yes, does the number of stand-alone (first dollar coverage) policies in force at the beginning of the reporting period in this report match the number of policies or endorsements in force at the end of the reporting period for the first prior year report? (Y/N) **(not applicable for 2020 data year)**
- 14 If No, explain the difference. **(not applicable for 2020 data year)**

## Interrogatories - Private Flood Stand-Alone (excess coverage)

- 15  Does the reporting company have stand-alone (excess coverage) to report? (Y/N) **N**
- 16 If Yes, has the company had a significant event/business strategy that would affect stand-alone (excess coverage) data for this reporting period? (Y/N)
- 17 If Yes, explain.
- 18 If Yes, has the stand-alone (excess coverage) block of business or part of this block of business been sold, closed or moved to another company during the year? Y/N
- 19 If Yes, explain.
- 20 If Yes, does the number of stand-alone (excess coverage) policies in force at the beginning of the reporting period in this report match the number of policies or endorsements in force at the end of the reporting period for the first prior year report? (Y/N) **(not applicable for 2020 data year)**
- 21 If No, explain the difference. **(not applicable for 2020 data year)**

**NOTE:** If you respond **no** when asked if reporting a particular coverage, leave all response boxes blank for the corresponding coverage types.



# Interrogatories – Additional Comments

Yes No  
Response Explanation

## Interrogatories - Private Flood Endorsements to a Policy other than Homeowners (excess coverage)

43	Does the reporting company have endorsements to a policy other than homeowners (excess coverage) to report? (Y/N)		--
44	If Yes, has the company had a significant event/business strategy that would affect endorsements to a policy other than homeowners (excess coverage) data for this reporting period? (Y/N)		--
45	If Yes, explain.	--	
46	If Yes, has the endorsements to a policy other than homeowners (excess coverage) block of business or part of this block of business been sold, closed or moved to another company during the year? Y/N		--
47	If Yes, explain.	--	
48	If Yes, does the number of endorsements to a policy other than homeowners (excess coverage) in force at the beginning of the reporting period in this report match the number of endorsements in force at the end of the reporting period for the first prior year report? (Y/N)		--
49	If No, explain the difference.	--	

## Interrogatories - Private Flood Additional Comments

50	Additional state specific claims comments (optional):	--	
51	Additional state specific underwriting comments (optional):	--	



# Private Flood Claims Data Elements



# Private Flood Claims Information

## Private Flood Claims Information

		Stand-alone policies		Endorsement to a Homeowners Policy		Endorsement to a Policy Other than Homeowners	
		First dollar coverage	Excess Coverage	First dollar coverage	Excess Coverage	First dollar coverage	Excess Coverage
52	Number of claims open at the beginning of the period.						
53	Number of claims opened during the period.						
54	Number of claims closed during the period, with payment.						
55	Number of claims closed during the period, without payment.						
56	Number of claims open at the end of the period.						
57	Median days to final payment.						
58	Number of claims closed with payment within 0-30 days.						
59	Number of claims closed with payment within 31-60 days.						
60	Number of claims closed with payment within 61-90 days.						
61	Number of claims closed with payment within 91-180 days.						
62	Number of claims closed with payment within 181-365 days.						
63	Number of claims closed with payment beyond 365 days.						
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69	Number of claims closed without payment beyond 365 days.						

# Private Flood Claims Information

## Private Flood Claims Information

	Stand-alone policies		Endorsement to a Homeowners Policy		Endorsement to a Policy Other than Homeowners	
	First dollar coverage	Excess Coverage	First dollar coverage	Excess Coverage	First dollar coverage	Excess Coverage
52	Number of claims open at the beginning of the period.					
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63	Number of claims closed with payment beyond 365 days.					
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66	Number of claims closed without payment within 61-90 days.					
67	Number of claims closed without payment within 91-180 days.					
68	Number of claims closed without payment within 181-365 days.					
69	Number of claims closed without payment beyond 365 days.					

Stand-alone private flood insurance policies only provide coverage for the peril of flood.

# Private Flood Claims Information

## Private Flood Claims Information

	Stand-alone policies		Endorsement to a Homeowners Policy		Endorsement to a Policy Other than Homeowners	
	First dollar coverage	Excess Coverage	First dollar coverage	Excess Coverage	First dollar coverage	Excess Coverage
52	Number of claims open at the beginning of the period.					
53	Number of claims opened during the period.					
54	Number of claims closed during the period, with payment.					
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61	Number of claims closed with payment within 91-180 days.					
62	Number of claims closed with payment within 181-365 days.					
63	Number of claims closed with payment beyond 365 days.					
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65	Number of claims closed without payment within 31-60 days.					
66	Number of claims closed without payment within 61-90 days.					
67	Number of claims closed without payment within 91-180 days.					
68	Number of claims closed without payment within 181-365 days.					
69	Number of claims closed without payment beyond 365 days.					

The offer of private flood through *an addition* to a homeowners policy through endorsement, rider, amendment or any other means.



# Private Flood Claims Information

## Private Flood Claims Information

	Stand-alone policies		Endorsement to a Homeowners Policy		Endorsement to a Policy Other than Homeowners	
	First dollar coverage	Excess Coverage	First dollar coverage	Excess Coverage	First dollar coverage	Excess Coverage
52	Number of claims open at the beginning of the period.					
53	Number of claims opened during the period.					
54	Number of claims closed during the period, with payment.					
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63	Number of claims closed with payment beyond 365 days.					
64	Number of claims closed without payment within 0-30 days.					
65	Number of claims closed without payment within 31-60 days.					
66	Number of claims closed without payment within 61-90 days.					
67	Number of claims closed without payment within 91-180 days.					
68	Number of claims closed without payment within 181-365 days.					
69	Number of claims closed without payment beyond 365 days.					

The offer of private flood through *an addition* to a property insurance policy *other than a homeowners policy* through endorsement, rider, amendment or any other means.



# Do not mix claims!!!

Endorsements to a  
Homeowners Policy



Stand-Alone Private  
Flood

Endorsements to a  
Homeowners Policy

Endorsements to a Property  
Insurance Policy Other than  
Homeowners

# Opened & Closed Claims

52	Number of claims open at the beginning of the period.
53	Number of claims opened during the period.
54	Number of claims closed during the period, with payment.
55	Number of claims closed during the period, without payment.
56	Number of claims open at the end of the period.

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

# Private Flood Data Call & Definitions

**Claim** - A request or demand for payment of a loss that may be included within the terms of coverage of an insurance policy or endorsement. Each insured reporting a loss is counted separately. Each reserve opened is counted separately; a single event may result in multiple private flood claims if there are multiple coverages provided in the policy or endorsement.

## **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/her behalf.

# Private Flood 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. The number of days to closure, however, should be measured as the difference between the date of the final payment and the date the claim was reported or between the date of the final payment and the request for supplemental payment was received. See also “Date of Final Payment”.



# **Private Flood 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**



# Private Flood Data Call & Definitions

## Claims Closed With Payment Clarifications:

- If a claim is reopened for the sole purpose of refunding the insured's deductible do not count it as a paid claim.
- For claims where the net payment is \$0 due to subrogation recoveries, report the number of claims in which any amount was paid to the insured; do not net the payment with subrogation recoveries when counting the number of paid claims.
- For each coverage identifier, the sum of the claims closed with payment across each closing time interval should equal the total number of claims closed with payment during the reporting period.

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



# Private Flood Data Call & Definitions

## Claims Closed With Payment Excludes:

- Claims where payment was made for company loss adjustment expenses if no payment was made to an insured/claimant.
- Claims that are closed because the amount claimed is below the insured's deductible.

# Private Flood Data Call & Definitions

**Claims Closed Without Payment** – Claims closed with no payment made to an insured. The number of days to closure is the difference between the date the claim was closed and the date the claim was reported and/or reopened.

## **Calculation Clarification:**

- For each coverage identifier, the sum of the claims closed without payment across each closing time interval should equal the total number of claims closed without payment during the reporting period.

# Private Flood Data Call & Definitions

## Claims Closed WITHOUT Payment –

Include:

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



Closed without payment

Amount Below Deductible





No policy in-force





**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**

*Closed with payment*

PAY TO THE ORDER OF

# Indemnity Payment

\$ \_\_\_\_\_

\_\_\_\_\_ DOLLARS

MEMO \_\_\_\_\_

⑆0000000000⑆ ⑆0000000000⑆ 1025

*Closed without payment*

DATE \_\_\_\_\_ 1025

PAY TO THE ORDER OF

# Loss Adjustment Expenses Only

\$ \_\_\_\_\_

\_\_\_\_\_ DOLLARS

MEMO \_\_\_\_\_

⑆0000000000⑆ ⑆0000000000⑆ 1025

# 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.



Opened during the period



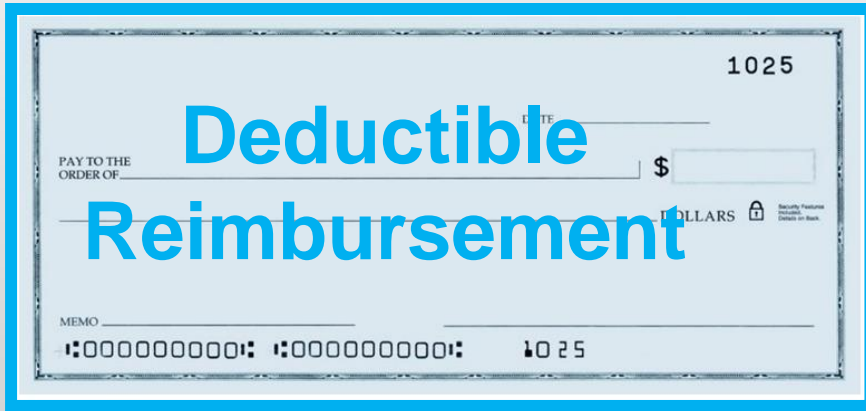
Open at the beginning of the period



# Reopened Claims

- Closed With Payment or Closed Without Payment





**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**

# **Always Remember...**

You cannot close more claims than you have received

# Speed of Claim Settlements

57	Median days to final payment.
58	Number of claims closed with payment within 0-30 days.
59	Number of claims closed with payment within 31-60 days.
60	Number of claims closed with payment within 61-90 days.
61	Number of claims closed with payment within 91-180 days.
62	Number of claims closed with payment within 181-365 days.
63	Number of claims closed with payment beyond 365 days.
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# Median Days

57	Median days to final payment.
58	Number of claims closed with payment within 0-30 days.
59	Number of claims closed with payment within 31-60 days.
60	Number of claims closed with payment within 61-90 days.
61	Number of claims closed with payment within 91-180 days.
62	Number of claims closed with payment within 181-365 days.
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# Private Flood 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.

## ***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

# Number of days to settlement

- The number of days from when the claim was reported



**Reported**

# Aging on supplemental payments

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



**Request Received**

# Subrogation claims

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



**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

**Not Included in Median Count**



# 100 Closed Claims

10 Claims Closed 0-30 days  
20 Claims Closed 31-60 days  
30 Claims Closed 61-90 days  
40 Claims Closed > 90 days

---

**Median Value = 61 - 90 days**

# 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**

# Claims Closed With & Without Payment

57	Median days to final payment.
58	Number of claims closed with payment within 0-30 days.
59	Number of claims closed with payment within 31-60 days.
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# Claims Closed With & Without Payment

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

# Claims Closed With & Without Payment

52	Number of claims open at the beginning of the period.
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67	Number of claims closed without payment within 91-180 days.
68	Number of claims closed without payment within 181-365 days.
69	Number of claims closed without payment beyond 365 days.

Number of claims closed with payment during the period

Number of claims closed without payment during the period



# Private Flood Underwriting Data Elements



## Private Flood Underwriting

		Stand-alone policies		Endorsement to a		Endorsement to a Policy Other	
		First dollar	Excess	First dollar	Excess	First dollar	Excess
		coverage	Coverage	coverage	Coverage	coverage	Coverage
70	Number of private flood policies or endorsements in force at end of reporting period in the first prior year report.	--	--	--	--	--	--
71	Number of private flood policies or endorsements in force at the beginning of the reporting period.						
72	Number of private flood policies or endorsements written during the reporting period.						
73	Number of private flood policies or endorsements in force at the end of the reporting period.						
74	The number of private flood policies or endorsements in force at the beginning of the reporting period in this report minus the number of policies or endorsements in force at the end of the reporting period for the first prior year report.	--	--	--	--	--	--
75	Dollar amount of direct premium written during the reporting period for private flood policies or endorsements.						
76	Number of company-initiated non-renewals during the period for private flood policies.						
77	Number of cancellations for non-pay or non-sufficient funds for private flood policies or endorsements.						
78	Number of cancellations at the insured's request for private flood policies or endorsements.						
79	Number of company-initiated cancellations that occur in the first 59 days after effective date, excluding rewrites to an affiliated company for private flood policies or endorsements.						
80	Number of company-initiated cancellations that occur 60 to 90 days after effective date, excluding rewrites to an affiliated company for private flood policies or endorsements.						
81	Number of company-initiated cancellations that occur greater than 90 days after effective date, excluding rewrites to an affiliated company for flood policies or endorsements.						

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

## Private Flood Underwriting

		Stand-alone policies		Endorsement to a		Endorsement to a Policy Other	
		First dollar	Excess	First dollar	Excess	First dollar	Excess
		coverage	Coverage	coverage	Coverage	coverage	Coverage
70	* Number of private flood policies or endorsements in force at end of reporting period in the first prior year report.	--	--	--	--	--	--
71	Number of private flood policies or endorsements in force at the beginning of the reporting period.						
72	Number of private flood policies or endorsements written during the reporting period.						
73	Number of private flood policies or endorsements in force at the end of the reporting period.						
74	* The number of private flood policies or endorsements in force at the beginning of the reporting period in this report minus the number of policies or endorsements in force at the end of the reporting period for the first prior year report.	--	--	--	--	--	--
75	Dollar amount of direct premium written during the reporting period for private flood policies or endorsements.						
76	Number of company-initiated non-renewals during the period for private flood policies.						
77	Number of cancellations for non-pay or non-sufficient funds for private flood policies or endorsements.						
78	Number of cancellations at the insured's request for private flood policies or endorsements.						
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81	Number of company-initiated cancellations that occur greater than 90 days after effective date, excluding rewrites to an affiliated company for flood policies or endorsements.						

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

\*Note: First prior year report questions are not applicable for 2020 data year reporting.

# Policies or Endorsements In-Force

- Coverage, through the relevant policy or endorsement, was in effect at some point in time during the specified time frame.
- Time frames used in the Private Flood MCAS:
  - ✓ at the end of the prior reporting period,
  - ✓ at the beginning of the current reporting period,
  - ✓ at any point during the current reporting period, and
  - ✓ at the end of the current reporting period.

## Private Flood Underwriting

		Stand-alone policies		Endorsement to a		Endorsement to a Policy Other	
		First dollar	Excess	First dollar	Excess	First dollar	Excess
		coverage	Coverage	coverage	Coverage	coverage	Coverage
70	Number of private flood policies or endorsements in force at end of reporting period in the first prior year report.	--	--	--	--	--	--
71	Number of private flood policies or endorsements in force at the beginning of the reporting period.						
72	Number of private flood policies or endorsements written during the reporting period.						
73	Number of private flood policies or endorsements in force at the end of the reporting period.						
74	The number of private flood policies or endorsements in force at the beginning of the reporting period in this report minus the number of policies or endorsements in force at the end of the reporting period for the first prior year report.	--	--	--	--	--	--
75	Dollar amount of direct premium written during the reporting period for private flood policies or endorsements.						
76	Number of company-initiated non-renewals during the period for private flood policies.						
77	Number of cancellations for non-pay or non-sufficient funds for private flood policies or endorsements.						
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81	Number of company-initiated cancellations that occur greater than 90 days after effective date, excluding rewrites to an affiliated company for flood policies or endorsements.						

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



# Private Flood Data Call & Definitions

**New Business Policy Written** – A newly written agreement that puts insurance coverage into effect during the reporting period.

Exclude:

- 'Re-written' policies unless there was a lapse in coverage.



## Private Flood Underwriting

		Stand-alone policies		Endorsement to a		Endorsement to a Policy Other	
		First dollar	Excess	First dollar	Excess	First dollar	Excess
		coverage	Coverage	coverage	Coverage	coverage	Coverage
70	Number of private flood policies or endorsements in force at end of reporting period in the first prior year report.	--	--	--	--	--	--
71	Number of private flood policies or endorsements in force at the beginning of the reporting period.						
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81	Number of company-initiated cancellations that occur greater than 90 days after effective date, excluding rewrites to an affiliated company for flood policies or endorsements.						

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

# Private Flood Data Call & Definitions

**Direct Written Premium** – The total amount of direct written premium for all policies covered by the market conduct annual statement (new and renewal) written during the reporting period.

- Determine premium amounts in same manner as used for the financial annual statement state page exhibit.

# Calculation Clarifications

- If premium is refunded or additional premium is written during the reporting period (regardless of the policy effective date), the net effect should be reported.
- A difference of 20% or more between Direct Written Premium for stand-alone private flood reported for MCAS and direct written premium reported on financial annual statement page exhibit line 2.5 must be explained.
- Reporting should not include premiums received from or losses paid to other carriers on account of reinsurance assumed by the reporting carrier, nor should deductions be made by the reporting carrier for premiums added to or losses recovered from other carriers on account of reinsurance ceded.

# Non-Renewed and Cancelled Policies

- |    |   |
|----|---|
| 76 | Number of company-initiated non-renewals during the period for private flood policies.  |
| 77 | Number of cancellations for non-pay or non-sufficient funds for private flood policies or endorsements.   |
| 78 | Number of cancellations at the insured's request for private flood policies or endorsements.  |
| 79 | Number of company-initiated cancellations that occur in the first 59 days after effective date, excluding rewrites to an affiliated company for private flood policies or endorsements. |
| 80 | Number of company-initiated cancellations that occur 60 to 90 days after effective date, excluding rewrites to an affiliated company for private flood policies or endorsements.        |
| 81 | Number of company-initiated cancellations that occur greater than 90 days after effective date, excluding rewrites to an affiliated company for flood policies or endorsements.         |

# Non-Renewals

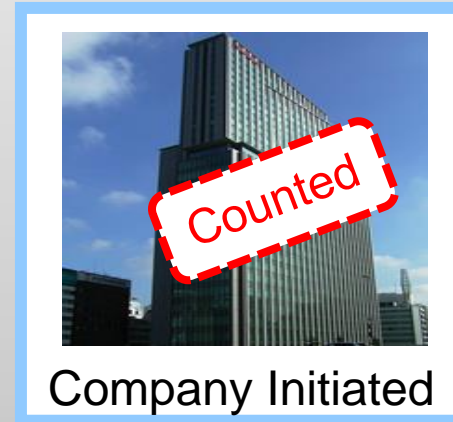


Company Initiated

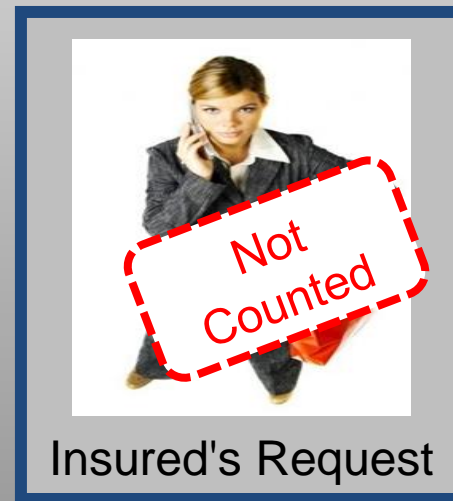


Insured's Request

# Non-Renewals



Company Initiated



Insured's Request



# Cancellations

- |    |   |
|----|---|
| 76 | Number of company-initiated non-renewals during the period for private flood policies.  |
| 77 | Number of cancellations for non-pay or non-sufficient funds for private flood policies or endorsements.   |
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| 81 | Number of company-initiated cancellations that occur greater than 90 days after effective date, excluding rewrites to an affiliated company for flood policies or endorsements.         |

# Cancellations-

## Non-Payment, Non-Sufficient Funds, Insured's Request



Non-Pay/  
Non-Sufficient Funds



Insured's Request

# Cancellations



## **3 Cancellations**

**January - non-pay**

**April - non-pay**

**November - non-pay**

# Cancellations-

## Non-Payment, Non-Sufficient Funds, Insured's Request



Non-Pay/  
Non-Sufficient Funds



Insured's Request



Company Initiated

# Cancellations - Company Initiated



Company Initiated



# Cancellations - Company Initiated



Company Initiated



**Do not  
report in  
MCAS**





# Cancellations - Company Initiated



Company Initiated



**Do not  
report in  
MCAS**

**Cancelled:  
< 60 days  
60 – 90 Days  
> 90 days**



**Originally Effective**  
**October 1, 2019**

**Renewed**  
**October 1, 2020**

Policy cancelled more than 90 days from the  
effective date

**Cancelled**  
**October 15, 2020**

# Cancellations - Company Initiated



Effective Date of Cancellation

Determines Year to Report the Cancellation in MCAS



Notice Issuance Date

Determines which category of cancellations it should be reported in (first 59 days, 60-90 days or > 90 days)

# Cancellations - Company Initiated

Originally Effective  
**October 20, 2020**

Cancelled within First  
59 Days

Cancellation Notice Issued  
**December 15, 2020**



Cancellation Effective Date  
**January 2021**

Report  
Cancellation in  
2021 MCAS

# Private Flood Lawsuits and Complaints

## Private Flood Lawsuits and Complaints

82	Number of lawsuits open at beginning of the period.
83	Number of lawsuits opened during the period.
84	Number of lawsuits closed during the period.
85	Number of lawsuits closed during the period with consideration for the consumer.
86	Number of lawsuits open at end of period.
87	Number of complaints received directly from any person or entity other than the DOI.

# Private Flood Data Call & Definitions

**Lawsuit** – 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.

**Lawsuits Closed During the Period with Consideration for the Consumer** – 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, i.e., consideration, to the applicant policyholder, or beneficiary in an amount greater than offered by the reporting company before the lawsuit was brought.





# Private Flood Data Call & Definitions

## 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.

# Lawsuit Reporting





**Lawsuit**



**1 lawsuit with 5 complainants  
= 5 lawsuits**

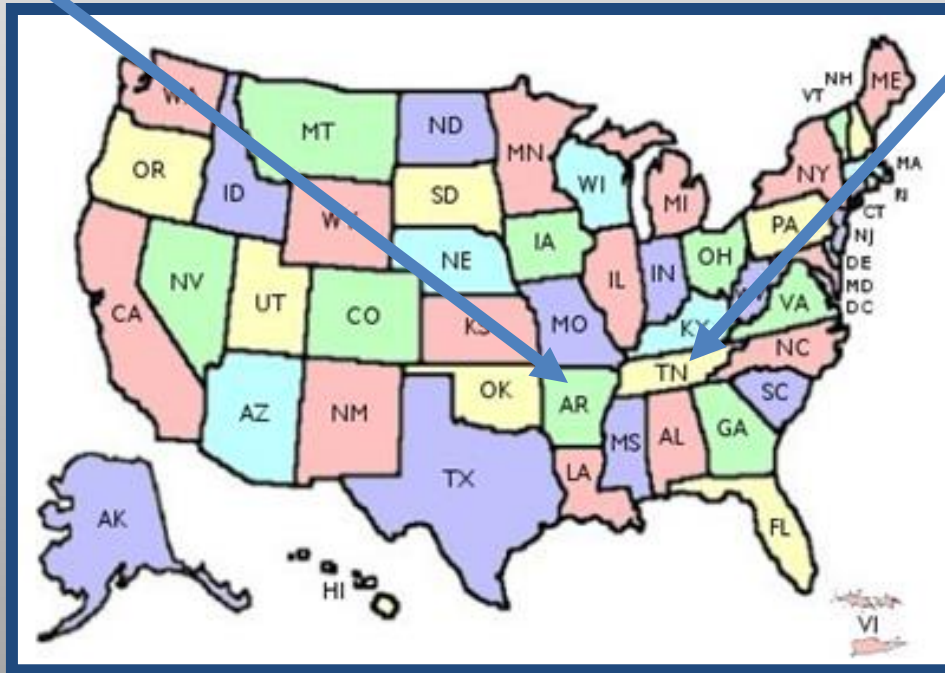


## **Arbitration**

Lawsuit reporting does not include arbitrations of any sort.



**Lawsuit**



**Report Lawsuit to Tennessee**



# Complaints

## Private Flood Lawsuits and Complaints

- 82 Number of lawsuits open at beginning of the period.
- 83 Number of lawsuits opened during the period.
- 84 Number of lawsuits closed during the period.
- 85 Number of lawsuits closed during the period with consideration for the consumer.
- 86 Number of lawsuits open at end of period.
- 87 Number of complaints received directly from any person or entity other than the DOI.



COMPLAINT									
TO:		MOBILE	WIRELESS	SECURE					
WHOSE FAULT:		MIKE	OURS						
		YOURS	OTHER:	MOBILE	DAY	YEAR			
DESIRED OUTCOME:		APOLDOY	LITIGATION	RESTITUTION					
		EXPLANATION	PROMOTION	CHANGE					
COMPLAINANT: <input type="checkbox"/> ANONYMOUS									



# Private Flood Data Call & Definitions

**Complaint** – 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, will meet the definition of a complaint for this purpose.

# Private Flood Data Call & Definitions

## Complaints Include:

- Any complaint regardless of the subject of the complaint (claims, underwriting, marketing, etc.
- Complaints received from third parties



**Concludes**

**Market Conduct Annual Statement**

**2020 Data Year Filings**

*Private Flood*

*Data Elements*





# **Market Conduct Annual Statement 2020 Data Year Filings**

*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 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 Validation Warnings**

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

Total Errors: 20

Total Warnings: 20

	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	

	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

Total Errors: 20

Total Warnings: 20

	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	

	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

# Private Passenger Auto Interrogatories

		Yes	No	Explanation
		Response		
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?	--		<b>Comments</b>
19	Additional state specific Claims comments (optional):	--		
20	Additional state specific Underwriting comments (optional):	--		

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                        [Clear](#)

I Attest                        [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 attestors 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](#)



# 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**

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

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

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

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

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

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

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

### **Cancellations**

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

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



# Validation and Review

- Listed warnings
- Ratios
- Data comparisons
- General review



[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 \(PDF\)](#)

Due to hardships caused by COVID-19, the MCAS Participating States, based upon the recommendation of the Market Analysis Procedures (D) Working Group have decided to extend all 2019 data year MCAS filing deadlines 60 days. See the updated deadlines below.

### 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	Filings may be submitted via the online MCAS filing tool
March - April, 2020	<b>MCAS training webinars</b>
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

# State Regulators have Oversight



# Data Validation Notifications

**NAIC** & **THE CENTER FOR INSURANCE POLICY AND RESEARCH**  
 National Association of Insurance Commissioners  
 May 9, 2014

**NAIC Market Conduct Annual Statement Data Validation Notification**  
 Market Conduct Annual Statement Contact  
 ABC Property Casualty Ins Co

1. \*\*\*  
 Re: NAIC Code: 100XX, Group Code: 00  
 2013 Market Conduct Annual Statement Filing

The second (and subsequent) pages of this notice detail MCAS data entries in the above filing that require explanation or correction. We request that you carefully review each warning and provide the appropriate response within ten working days from receipt of this letter. A warning only indicates that the data provided seems unusual based on other data that has been provided. It does not necessarily mean that the data is inaccurate or that further regulatory action will be taken.

If data corrections are needed, you will need to make the corrections through the MCAS submission application on the NAIC's MCAS website. You should also provide explanations for the referenced warnings in the appropriate comment sections available in the MCAS submission application.

Once the necessary changes and comments have been added to the MCAS submission application, please notify the participating state contact(s) and the NAIC contact listed below by responding to this message. Your response should indicate that the noted warnings have been addressed through the MCAS submission application. If no response is received, follow-up correspondence may be sent to verify that the warnings have been addressed.

**Provide the following with each response.**

Date of NAIC letter  
 Company Code  
 Company Name  
 Name of NAIC contact on the letter  
 Address every warning, for which this letter indicates a response to your assistance.

You may receive future correspondence if additional discrepancies require your assistance.

Jon Borcherting  
 Market Data Analyst 2  
 NAIC - Market Regulatory Services  
 1100 Walnut Street, Suite 1100  
 Kansas City, MO 64106-2197  
 jrborcherting@naic.org  
 Phone: 816-460-0157 Fax: 816-783-4243

cc: Participating State Contact(s): SC TX  
 Thank you for your timely response and assistance with this matter.

May 9, 2014  
**NAIC Market Conduct Annual Statement Data Validation Notification**  
 Market Conduct Annual Statement Contact  
 ABC Ins Co

Re: NAIC Code: 100XX, Group Code: 00  
 2013 Market Conduct Annual Statement Filing

**PLEASE REVIEW** The second (and subsequent) pages of this notice detail MCAS data entries in the above filing that require explanation or correction. We request that you carefully review each warning and provide the appropriate response within ten working days from receipt of this letter. A warning only indicates that the data provided seems unusual based on other data that has been provided. It does not necessarily mean that the data is inaccurate or that further regulatory action will be taken.

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 1100 Walnut Street, Suite 1100  
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 Phone: 816-460-0157 Fax: 816-783-4243



# **The ABC Group**

**Company A**

**Company B**

**Company C**







**Questions**

**Comments**

**Concerns**







**Concludes**

**Market Conduct Annual Statement**

**2020 Data Year Filings**

*Validation and Review*

