The Market Information System (D) Task Force met in New York, NY, Aug. 3, 2019. The following Task Force members participated: Lori K. Wing-Heier, Chair (AK); Chlora Lindley-Myers, Vice Chair, represented by Cynthia Amann and Teresa Kroll (MO); Keith Schraad represented by Maria Ailor (AZ); Ricardo Lara represented by Pam O’Connell (CA); Michael Conway represented by Damion Hughes (CO); Stephen C. Taylor represented by Sharon Shipp (DC); Dafne M. Shimizu (GU); Nancy G. Atkins represented byRussell Hamblen (KY); James J. Donelon represented by Jeff Zewe (LA); Steve Kelley represented by Paul Hanson (MN); Mike Chaney represented by Chad Bridges (MS); Mike Causey represented by Tracy Biehn (NC); Bruce R. Ramge represented by Matt Holman (NE); Marlene Caride represented by Ralph Boeckman (NJ); John G. Franchini represented by Melissa Martinez (NM); Jillian Froment represented by Angela Dingus (OH); Glen Mulready represented by Landon Hubbard (OK); Andrew Stolfi (OR); Kent Sullivan represented by Leah Gillum and Ignatius Wheeler (TX); Michael S. Pieciak represented by Christina Rouleau (VT); Mike Kreidler represented by John Haworth (WA); James A. Dodrill represented by Erin K. Hunter (WV). Also participating was: Lucy Jabourian (CA).

1. Adopted its Spring National Meeting Minutes

Ms. Dingus made a motion, seconded by Mr. Haworth, to adopt the Task Force’s April 6 (see NAIC Proceedings – Spring 2019, Market Information Systems (D) Task Force) minutes. The motion passed unanimously.


Mr. Haworth said the Market Information Systems Research and Development (D) Working Group met on July 17 and May 9. He said the meetings were held via conference call in regulator-to-regulator session pursuant to paragraphs 3 (specific companies, entities or individuals) and 6 (consultations with NAIC staff) of the NAIC Policy Statement on Open Meetings.

Mr. Haworth said the Working Group reviewed the recommendations it made last year to address data quality issues identified in the market information systems (MIS) data analysis metrics results. First, to address Complaint Database System (CDS) completeness issues, requests were sent to the primary state’s back office system vendors, State Based Systems (SBS), and Vertafore to make system modifications to prevent the most common errors that impede data loading to the NAIC database. He said state Data Load Error Viewer documentation was distributed to the system users in each state. Second, to provide more accurate data in the Market Action Tracking System (MATS) completeness metrics, the Insurance Department Resources Report instructions were clarified. Third, to address MATS timeliness issues, the system was modified to require an estimated start date when the “Called, Not Begun” status is selected for an action. Fourth, to address Regulatory Information Retrieval System (RIRS) completeness issues, requests were sent to the primary state’s back office system vendors to make system modifications to prevent the most common errors that impede data loading to the NAIC database.

Mr. Haworth said the Working Group has four MIS metric analysis recommendations remaining to address. The first recommendation is to define and communicate best practices regarding the use of the MATS and RIRS. The second is to define the RIRS action and effective dates. The third is to provide training on the Market Conduct Annual Statement (MCAS) waiver and extension process. The fourth is to reach out to the jurisdictions not participating in the RIRS. Mr. Haworth said action plans were created for each of these four remaining items, and the Working Group plans to finish later this summer.

Mr. Haworth said the Working Group acted on two new Uniform System Enhancement Request (USER) forms. He said USER form 10080 is a request to update the RIRS in iSite+ to include the data retention policies and terminology related to action dates; and USER 10081 is a request to make all MCAS data available through the Market Analysis Prioritization Tool (MAPT). He said the Working Group adopted motions to move forward with a detailed analysis of both requests.

Mr. Haworth said the Working Group began its review of the latest MIS data analysis results, and it will review the results in more detail during future conference calls and identify opportunities to improve data quality. He said a summary of the results will be provided to the Task Force when completed.

3. Reviewed Outstanding USER Forms

Marian Drape (NAIC) said USER form 10053 is a request to enhance the RIRS. She said a NAIC business analyst is working with a state insurance regulator subject-matter expert (SME) group on the detailed analysis of the USER form to clarify the
requirements and define design options. She said the SME group is currently focusing on additions, changes and deletions in the existing RIRS codes. She said the changes require minimal technical resources, and they should be implemented easily. She said they can be implemented before the other, more complex proposed changes.

Ms. Drape said the other proposed changes include: 1) adding a “reporting of action” attribute to describe the area of the state insurance department that is reporting the action; 2) adding a “line of business” attribute; 3) adding functionality to enter and display multitale actions; 4) clarifying functionality for entering and displaying aggregate monetary penalty disposition; 5) adding functionality to identify the relationship between regulatory actions and actions in the MATS; 6) adding functionality to update actions with the history of updates to users; 7) allowing market actions entered in the MATS to populate the RIRS; 8) providing “tool tips” for each field in the RIRS; and 9) adding functionality to submit portable document format (PDF) files of actions to the RIRS.

Ms. Drape said USER form 10063 is a request to ensure that state insurance regulators are aware of Financial Industry Regulatory Authority (FINRA) actions on producers who are in the NAIC’s State Producer Licensing Database (SPLD). She said the request includes four steps, of which the first three are complete. The first three steps were:

1) NAIC staff reviewed FINRA’s monthly disciplinary reports and conducted “name searches” against the SPLD to determine if there was a potential match between a barred broker-dealer and a licensed insurance producer. If there was a potential match, NAIC staff emailed the producer licensing director of the home state where the insurance producer was licensed and requested additional research be conducted to determine if the FINRA action should be associated with the identified producer.

2) Updated the definition of the RIRS and RIRS codes to facilitate the entry of FINRA actions in the RIRS.

3) Provided an electronic alert whereby all the states in which a producer is licensed are notified when a producer’s record is updated with a FINRA action.

Ms. Drape said the final step is to add FINRA’s unique identifier, the Central Registration Depository (CRD) number, to the NAIC database. She said the NAIC has entered into an information-sharing agreement with FINRA and is now receiving the CRD numbers directly from FINRA. In return, the NAIC is sending FINRA the associated National Producer Numbers (NPNs). Ms. Drape said the process is to compare specific entity attributes—such as the last four digits of the Social Security number (SSN), the last name, and the first name—from FINRA with the data the NAIC has in the SPLD. She said the NAIC is exchanging data files with FINRA weekly, and analysis is being done to ensure that the matches are correct. She said, once this is complete, the NAIC will make CRD numbers available in iSite+. She said the CRD numbers will first be added to the Business Entity selection criteria, and then NAIC staff will work with the Market Information Systems Research and Development (D) Working Group to determine where else it will be displayed.

Ms. Drape said USER form 10065 is a request to provide functionality to access and download data from NAIC systems. She said detailed analysis began with surveys and interviews with NAIC-member jurisdictions. The surveys included questions about financial and market data access, and they presented options for how to move forward. However, she said the analysis for this request is on hold, and it will pick up again in a couple months. She said this allows the Enterprise Data Platform and Data Strategy, Governance and Management projects to layout the framework that can be leveraged. She said analysis will resume in the next couple of months, and NAIC staff will most likely recommend a phased approach beginning with complaint and regulatory action data.

Ms. Drape said USER form 10066 is a Market Analysis Procedures (D) Working Group request to merge the Market Analysis Review System (MARS) Level 1 and Level 2 reviews. She said a MARS Redesign project was approved to begin in August 2019 in order to allow NAIC staff time to build more of the new cloud infrastructure.

Ms. Drape said USER form 10080 is a request that the RIRS data-retention policies and other system definitions be documented and made more widely available. She said the Market Information Systems Research and Development (D) Working Group directed NAIC staff to complete preliminary analysis and have a recommendation for the Working Group by its next conference call.

Ms. Drape said USER form 10081 is a request to include all MCAS data in the MCAS MAPT results. She said NAIC staff will complete their preliminary analysis and make a recommendation to the Market Information Systems Research and Development (D) Working Group by its next conference call.
4. Discussed Public Data Improvements

Director Wing-Heier said at the Spring National Meeting, the Task Force asked for comments and suggestions from state insurance regulators and interested parties concerning its charge to make public data more meaningful and accessible. She said the only comment received was from the American Property Casualty Insurance Association (APCIA). She said the comment indicated that there is confusion on the scope of the charge. She said the charge reads, “develop a plan for making public data collected in the NAIC Market Information Systems more meaningful and widely available by the 2019 Fall National Meeting.” She said her interpretation of the charge is that the Task Force is only to consider the data currently publicly available through the NAIC. This includes confirmed complaints and complaints indexes, market share reports, and the MCAS scorecard ratios. Director Wing-Heier said the Task Force is only charged to develop a plan for making the current public data more meaningful and available. The charge does not include making a recommendation for making any additional data publicly available.

Director Wing-Heier noted that at the Spring National Meeting, the Task Force received a demonstration of the redesigned Consumer Information Source (CIS). She said the redesigned CIS webpage is a good example of how public data can be made more meaningful and readily available.

Lisa Brown (APCIA) thanked the Task Force for the clarification of the charge. She said the APCIA was concerned by an earlier request from ValChoice to provide access to other non-public data.

Birny Birnbaum (Center for Economic Justice—CEJ) said there are two types of users: 1) consumers who need a user-friendly format to search for information on specific companies or insurance issues; and 2) organizations that want to utilize the data for analysis. He said these organizations might use the data to assist consumers with consumer scores and other tools. He said for these types of organizations, the ability to download large datasets would be helpful. Mr. Birnbaum noted that it was useful for consumers to learn the meaning of complaints indexes and to see how different individual companies compare; but for consumer-protection organizations, the ability to have access to nationwide data is essential. Ms. Gillum supported Mr. Birnbaum’s suggestion.

5. Discussed Other Matters

Mr. Birnbaum said at the Information Systems (EX1) Task Force’s meeting on Aug. 2, Scott Morris (NAIC) reported on work to develop new artificial intelligence (AI) abilities for financial analysis. Mr. Morris urged the Task Force to consider the same application of AI in market analysis. He suggested that the Task Force add a charge to this effect for 2020. Andrew R. Pauley (National Association of Mutual Insurance Companies—NAMIC) asked if the addition of this charge would be exposed and open for discussion prior to its adoption. Director Wing-Heier said it would.

Ms. Ailor said Arizona submitted USER form 10069 to add Pet Insurance and Force Placed Insurance as lines of business on the CIS. She said these two lines are growing, and they are increasing in importance to consumers and state insurance regulators. She said there has been no progress on the request. Ms. Jabourian said those two lines are embedded in the Inland Marine line of business. She said in CDS coding, a second level coverage under Inland Marine would need to be added. Director Wing-Heier acknowledged the priority of NAIC State Ahead strategic plan projects, but she said the Task Force would look for ways to speed up the other USER requests.

Having no further business, the Market Information Systems (D) Task Force adjourned.