6. Receive an Update on the Formation of a Subject Matter Expert (SME) Group to Review the Private Passenger Auto (PPA) MCAS Blank—*Rebecca Rebholz (WI)*

7. Discuss Any Other Matters Brought Before the Working Group
    —*Rebecca Rebholz (WI)*

8. Adjournment

Draft: 8/1/24

<div align="center">

Market Conduct Annual Statement Blanks (D) Working Group
Virtual Meeting
July 11, 2024

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The Market Conduct Annual Statement Blanks (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met July 11, 2024. The following Working Group members participated: Rebecca Rebholz, Chair (WI); Tolanda Coker, Vice Chair (AZ); Keith Nault (FL); Paula Shamburger (GA); Erica Weyhenmeyer (IL); Mary Lou Moran (MA); Raymond Guzman (MD); Julie Hesser and Cynthia Amann (MO); Martin Swanson (NE); Ben Houck (OH); Karen Veronikis (PA); Glynda Daniels (SC); Tony Dorschner (SD); Shelli Isiminger (TN); William Stimpson (UT); Melissa Gerachis (VA); John Kelcher (W/i.004 Tc 0.Po0.004 T(()-11 (ik)-2.6   0 Td8G61 Tw 0.282(r)5.25y(MActe ( )-7()-7]/ (T)-3.1

the MCAS definition. The second element is data. FCRA-compliant, non-medical, third-party data and/or other non-medical, third-party data is used, including if it is used in conjunction with application data and/or medical data. If only application data and/or medical data are used, it does not meet the definition. The third element is decision, as life Insurance is underwritten by predicting an insurance outcome.

Rebholz moved to the third FAQ question, which is, "C

Rodriguez suggested putting together an SME group to look at the types of information being received for this interrogatory. Coker suggested continuing to receive the information and only updating if a company has a change in the following year and then only having to report the changes. Rebholz suggested forming an SME group and discussing Coker's suggestion.

n Rebholz asked that any comments related t a oa

NAIC MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP
Changes/Additions to Approved Blanks and Data Call and Definitions
Proposal Submission Form

NAIC USE ONLY

Proposal Submission Date	6/19/2024
Proposed Effective Data Year for Reporting	2024 Data Year

Proposed   Substantive Change

Accelerated Underwriting Definitions

DRAFT Document – Edited 5/ 23/24

Algorithm   - All of the following should be considered :
- x A clearly specified mathematical process for computation (NAIC Model Bulletin: Use of Artificial Intelligence Systems by Insurers, AI Bulletin)
- x A set of rules that, if followed, will give a prescribed result (AI Bulletin)
- x A list of steps to finish a task (NAIC Glossary for Regulators of InsurTech)
- x A set of instructions that can be performed with or without a computer   (NAIC Glossary for Regulators of InsurTech)

For example, the collection of steps to make a peanut butter and jelly sandwich could be considered as an algorithm. (NAIC Glossary for Regulators of InsurTech)

Artificial Intelligence (AI) - refers to a branch of computer science that uses data processing systems that perform functions normally associated with human intelligence, such as reasoning, learning, and self-improvement, or the capability of a device to perform functions that are normally associated with human intelligence such as reasoning, learning, and self-improvement. This definition considers machine learning to be a subset of artificial intelligence. (AI Bulletin)

Big data - refers to extremely large datasets analyzed computationally to infer laws (regressions, nonlinear relationships, and causal effects) to reveal relationships and dependencies or (ent)1 (,)2lar003 D [(pe
tion, e.g,, a life insurance underwriter uses a set of rules (,)2laace an individ,l insured in
icular (ent)1 isk category. The 'learning' part of machine learning eans hat hose ograms
e how they process data aent,me, much as humans change how they process data by
ng. Machine learning often falls into (,)2lwo groups: supervised or 10 (uns)-0.9 (uper)]TJ 0.001 Tw 36.652 0 Td [(vi
ated. (NAIC's Accelerated Underwriting in Life Insurance Ed,ational Report)

Pred,-2.6 (i)-0.6 (ct)-4e3e(i)-0.6h(v)7i4g(e)f4s5o(ic)0a6a (Mly-1g5arehms nd/r achine learning o identify patterns nd edict utcomes hat an ed o ke r support he making of decisions. (AI Bulletin)

MCAS Pet Insurance Definitions

DRAFT Document - Edited 6/20/24

Partial Payment – A claim not paid in full for costs included within the terms of coverage of the insurance policy/certificate.

Removal from a claim of charges for costs not covered in the policy – where there is full payment for costs covered in the policy – is not considered a partial payment.

Do not report as a partial payment claims that are reduced by deductibles, copays, maximum benefit limits, or other limitations set by the insurance policy/certificate.

Cancellations – Includes all cancellations of the policies where the cancellation effective date is during the reporting year.

• These should be reported every time a policy cancels during the reporting period. (i.e., if a policy cancels for non-pay three times in a policy period and is reinstated each time; each cancellation should be counted.)

Exclude:

- x Policies cancelled for 're-write' purposes where there is no lapse in coverage.
- x Policies returned by the owner under the right to review or the free look provision.