2020 Market Conduct

Life & Annuity

Schedule 1 - Individual Cash Value Products (ICVP)

The number of replacements issued compared to the number of new policies issued

$$\left(\frac{[\#\,\text{of replacement policies issued}]}{[\#\,\text{of new policies issued}]} \right)$$

The number of policies replaced where the age of the insured at replacement was greater than or equal to 65 compared to the total number of replace.009 Tw [mb)-18 (e)-15The n68d[83c64 -12(f)])2(t)16.9 (o)]TJ09.w7TT tacemr8rq

Schedule 2 - Individual Non-Cash Value Products (INCVP)

The number of replacements issued compared to the number of policies issued

The number of claims paid beyond 60 days from the date of due proof of loss compared to the number of claims paid

The number of claims denied, resisted or compromised compared to the number of claims closed

The number of complaints received directly from consumers per 1,000 policies in force

Schedule 3 - Individual Fixed Annuities (IFA) and
Schedule 4 - Individual Variable Annuities (IVA)
(Separate ratios are provided for each schedule)

The number of replacements issued compared to the number of contracts issued

The number of contracts replaced where the age of the annuitant at Replacement was > 80 to the total number of replacements

$$\left(\frac{[\#\,\text{of replacements where age} > 80]}{[\#\,\text{of replacements issued during the period}]} \right)$$

The number deferred annuity contracts issued to annuitants more than 80 years old compared to total deferred annuities issued

$$\left(\frac{[\#\,\text{of new deferred contracts issued where age was} > 80]}{[\#\,\text{of new deferred contracts issued during period}]} \right)$$

The number of contract

Long Term Care

The percentage of benefit request denials made more than 60 days from notice of request

[   ]

[   ]

Health

Both In-Exchange and Out-of-Exchange Markets

The number of claim denials to the total number of claims received (Excluding Pharmacy)

$$\left(\frac{[\text{\# of claim denials for in - network claims} + \text{\# of claim denials for out - of - network claims}]}{[\text{\# of claims received}]} \right)$$

Percentage of claims paid (Pharmacy Only)

$$\left(\frac{\left[\text{\# of claims paid for in - network services} + \text{\# of claims paid for out - of - network services} \right]}{\left[\text{\# of claims received} \right]} \right)$$

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2020 Market Conduct Annual Statement Ratios

$$\left(\frac{[\qquad\qquad\qquad\qquad\qquad\qquad\qquad]}{} \right)$$

$$\left. \frac{[\qquad\qquad\qquad\qquad\qquad\qquad\qquad]}{} \right]$$

$$\left(\frac{[\text{\# of final adverse determinations overturned upon request for external review}]}{[\text{\# customer requested appeals on adverse determinations to an ERO}]} \right)$$

Lender Placed Insurance (Auto and Home)

Both Single Interest and Dual Interest

Claims

Number of claims closed without payment to total number of claims closed

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

Claims open at the end of the period to total claims during the period

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

Claims paid beyond 60 days to total claims closed with payment

$$\left(\#\text{ of claims settled } 61 - 90 \text{ days} + \#\text{ of claims settled} \right.$$

B. Flat cancellations beyond 45 days to total flat cancellations: Individual policies

$$\frac{(\text{\#of individual policies flat cancelled beyond 45 days})}{(\text{total \#of individual policies flat cancelled during the period})}$$

A. Total cancelations to coverages issued - Certificates

$$\left[\frac{(\text{\#of certificates flat cancelled during the period} + \text{\#of certificates cancelled for reasons other than flat cancellations during the period})}{\text{\# of certificates written during the period}} \right]$$

B. Total cancelations to coverages issued – Individual policies

$$\left[\frac{(\text{\#of individual policies flat cancelled during the period} + \text{\#of individual policies cancelled for reasons other than flat cancellations during the peirod})}{\text{\# of individual policies written during the pe 0 Tc 0 Tw 1.58 0 Td ( )Tj -0.}} \right]$$

B. Total cancellations to average exposures – Individual policies

$$\frac{\left(\begin{array}{l}\#\text{of individual policies flat cancelled during the period}\\ +\ \#\text{of individual policies cancelled for reasons other than flat cancellations}\end{array}\right)}{\#\text{of individual policies written during the period} \times \text{average gross placement rate}}$$

A. Total flat cancellations to average exposures – Certificates

$$\frac{(\#\text{of certificates flat cancelled during the period})}{\#\text{of individual policies written during the period} \times \text{average gross placement rate}}$$

B. Total flat cancellations average exposures – Individual policies

$$\frac{(\#\text{of individual polciies flat cancelled during the period})}{(\#\text{of individual policies written during the period} \times \text{average gross placement rate})}$$

Suits

Suits opened during the period to claims closed without payment

$$\frac{(\#\text{of suits open during the period})}{(\#\text{ of claims closed without payment during the period})}$$

Suits closed with consideration for the consumer to suits closed

$$\frac{(\#\text{of suits closed during the period with consideration for the borrower})}{(\#\text{of suits closed during the period})}$$

Suits open at beginning of period to sum of certificates in force and individual policies in force at beginning of the period

$$\frac{(\#\text{of suits open at the beginning of the period})}{(\#\text{of certificates in force at beginning of period} + \#\text{of individual policies in force at beginning of period})}$$

Suits opened during the period to sum of average coverages in force

$$\frac{(\#\text{of suits opened during the period})}{\dfrac{(\#\text{of certificates in force at beginning} + \text{certificates in force at end}) + (\#\text{individual policies in force beginning} + \#\text{individual policies in force end})}{2}}$$

Complaints

Total complaints to coverages written

$$\left[\dfrac{\begin{pmatrix} \#\text{of complaints received directly from the DOI} \\ + \ \#\text{of complaints received directly from any person or entity other than the DOI} \end{pmatrix}}{\begin{pmatrix} \#\text{of certificates issued during the period} \\ + \ \#\text{of individual policies issued during the period} \end{pmatrix}}\right]$$

Total complaints to claims opened

$$\left[\dfrac{\begin{pmatrix} \#\text{of complaints received directly from the DOI} \\ + \ \#\text{of complaints received directly from any person or entity other than the DOI} \end{pmatrix}}{\#\text{ of claims opened during the period}}\right]$$

Placement Rate

Average gross placement rate

First calculate industry aggregate sum of average exposures by coverage:

$$\sum_{\text{all insurers}} \left[\dfrac{\begin{pmatrix} \#\text{of certificates issued during the period} \\ + \ \#\text{of individual policies issued during the period} \end{pmatrix}}{\text{average gross placement rate}}\right]$$

Then calculate aggregate average gross placement rate by coverage by dividing the sum of industry coverages written for a coverage by the sum of the industry number of exposures:

$$\dfrac{\sum_{\text{all insurers}} \left[\begin{pmatrix} \#\text{of certificates issued during the period} \\ + \ \#\text{of individual policies issued during the period} \end{pmatrix}\right]}{\sum_{\text{all insurers}} (\text{number of average exposures})}$$

Disability Income

.   **Percentage of claims denied**

$$C \frac{[\text{Number of claims denials during reporting period (21)}]}{[\text{Number of claims denials during reporting period (21)}] \ x} \hat{F}$$

É+ {Number of paid claims closed during reporting period (22)} Ì

.   **Percentage of claims processed with initial decision after 45 days**

$$\begin{array}{l} C \\ È \\ È \\ È \\ È \\ È \\ F \end{array}$$
[Number of claims processed with initial claim decision over 45 days (28)]
[Number of claims processed with i7ET q 0 421cessed with i7ET q 0 421Number

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. The number of complaints received directly from any entity other than the DOI per 1,000 lives covered on group policies

$$\left[\frac{[\text{Number of complaints received directly from any entity other than the DOI (83)}]}{([\text{Number of lives covered at the beginning of the reporting period (76)}] + [\text{Number of lives covered at the end of the reporting period (82)}]) \div 2} \div 1000\right]$$

. The number of complaints relating to group policies to average number of group policies in force during the reporting period

$$\left[\frac{[\text{Number of complaints received directly from any entity other than the DOI (83)}]}{([\text{Number of policies in force at beginning of reporting period (67)}] + [\text{Number of policies in force at end of the reporting period (75)}]) \div 2}\right]$$

. The percentage of lawsuits closed with consideration for the consumer

$$\left[\frac{[\text{Number of lawsuits closed with consideration for consumer (87)}]}{[\text{Total number of lawsuits closed during the period (86)}]}\right]$$

. Insurer non-renewals and cancellations to average policies in force

$$\left[\frac{[\text{Number of insurer non-renewals (71)}] + [\text{Number of insurer cancellations] (72)}]}{([\text{Number of policies in force at the beginning of the reporting period (67)}] + [\text{Number of policies in force at the end of the reporting period (75)}]) \div 2}\right]$$

. Covered lives affected by insurer non-renewals and cancellations to average policies in force

$$\left[\frac{[\text{Number of lives covered under insurer non-renewals (79)}] + [\text{Number of lives covered under insurer cancellations (80)}]}{([\text{Number of lives covered under policies in force at the beginning of the reporting period (76)}] + [\text{Number of lives covered under policies in force at the end of the reporting period (82)}]) \div 2}\right]$$

. Average pending benefit determinations to claims received

$$\left[\frac{([\text{Number of pending benefit determinations, beginning of reporting period (17)}] + [\text{Number of pending benefit determinations, end of reporting period (23)}]) \div 2}{[\text{Number of claims received during the reporting period (19)}]} \right]$$

. Rescissions after two years from issuance to total rescissions

$$\left[\frac{[\text{Number of rescissions after two years from policy issue (74)}]}{[\text{Number of rescissions within two years from policy issue (73)}] + [\text{Number of rescissions after two years from policy issue (74)}]} \right]$$

Private Flood

Same Ratios Apply Separately for First Dollar Coverage (stand-alone plus endorsements)
and Excess Coverage (stand-alone plus endorsements)

The number of claims closed without payment compared to the total number of claims closed

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[Number of claims closed during the period, without payment (5-0.0i(5-0.06()))]TJ 0 Tw 0 Tw 2..2

Suits opened during the period to claims closed without payment

F   [number of lawsuits opened during the period (83)