Welcome to the
2021 Mortality Data Collection Kick-off Call

April 21, 2021

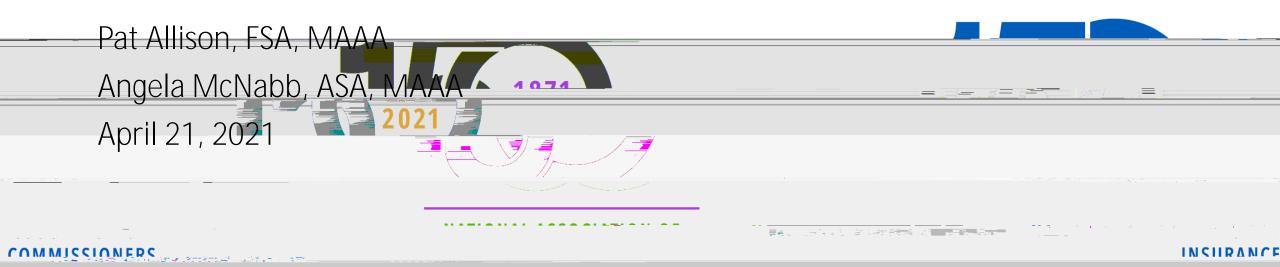All attendees will be muted throughout the presentation.

Please use the "Q&A" for questions and send to all panelists. Questions will be addressed at the end of the presentation.

This webinar is being recorded and will be made available on the NAIC website.

For technical help, please contact the NAIC Technical Support Team at MeetingTechHelp@naic.org or 866-874-4905

2021 Mortality Data Collection Kick-off Call

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April 21, 2021

Data collection timeline
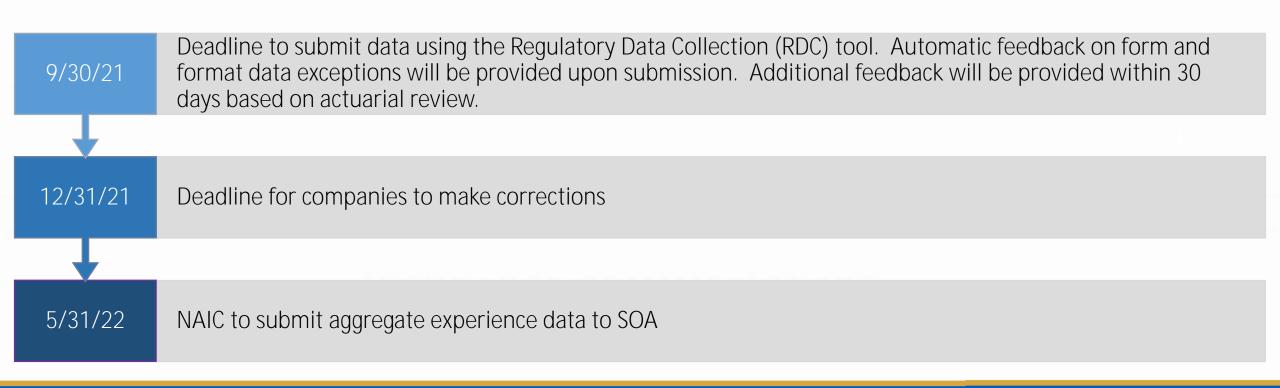
Exclusions and exemptions

Setting up secure and confidential access

Data submission requirements and process

Pitfalls to avoid

Resources on the NAIC website

2021 Experience Data Collection Timeline

9/30/21	Deadline to submit data using the Regulatory Data Collection (RDC) tool. Automatic feedback on form and format data exceptions will be provided upon submission. Additional feedback will be provided within 30 days based on actuarial review.
12/31/21	Deadline for companies to make corrections
5/31/22	NAIC to submit aggregate experience data to SOA

Exemptions

VM-51 Section 2.C states that additional exemptions may be granted by the NAIC where appropriate, following consultation with the domestic regulator. For example, a large proportion of the company's business may be out of scope (Simplified Issue, Guaranteed Issue, COLI, etc.), but there is a small amount that is in scope.

Hardship exemptions may apply for some companies with legacy systems used for older policies.

Please contact the NAIC at experience_reporting@naic.org

Hardship Exemptions: VM-51 Section 2.E

Policies issued **before** 1/1/1990	Policies issued **on or after** 1/1/1990

• Companies may certify that submitting data presents a hardship due to fields not readily available in their systems/databases or legacy computer systems that continue to be used for older issued policies and differ from computer systems for newer issued policies.	• If policies are excluded, companies must:
	  • Document the percentage that the face amount of policies excluded are relative to the face amount of submitted policies issued on or after Jan. 1, 1990; and
	  • Certify that this requirement presents a hardship (for same reasons noted in left box).

Exclusions

A group of affiliated companies may exclude affiliates with less than $10 million in direct individual life premium provided the premium for the rest of the group remains above $50 million. **We are encouraging groups to take advantage of this exclusion**.

Companies whose entire block of individual life business is out of scope (Simplified Issue, Guaranteed Issue, COLI, etc.) are excluded from this data collection.

Please contact the NAIC at experience_reporting@naic.org as soon as possible if you plan to claim an exclusion.

Setting up Secure and Confidential Access - FTP

In order to facilitate communications regarding confidential company data, the NAIC will be setting up a secure FTP site for each company.

There will be one account set up for each company. We are planning to assign the company's RDC administrator as the user for that account.

It will be the company's responsibility to notify the NAIC of a change in the RDC/FTP company administrator.

Data Submission Requirements

1. Experience data for all policies in force or issued during calendar year 2018 with terminations that were incurred in 2018 and reported before 7/1/2019, excluding rescinded policies

2. Experience data for all policies in force or issued during calendar year 2019 with terminations that were incurred in 2019 and reported before 7/1/2020, excluding rescinded policies

Notes:

Items 1 and 2 must be provided in separate submissions.

There must be only one company per submission.

The data must be provided in a comma delimited csv file.

Items 1 and 2 will need to be submitted via the RDC Tool. A click-agreement will need to be executed each time a user enters RDC.

Data Submission Requirements (continued)

Data Submission Requirements (continued)

5. Preferred Class Structure Questionnaire (VM-51 Appendix 1)

6. Mortality Claims Questionnaire (VM-51 Appendix 2)

7. Additional Plan Code Form (VM-51 Appendix 3)

Notes:

Separate templates for items 5-7 are provided on the NAIC website.

Item 7 is only required if the company has additional plan codes for products in addition to those shown in Appendix 4, Item 19.

Data Submission Requirements (continued)

8. Responses to communications from the NAIC

VM-50 Requirements:

After notification of syntax errors and missing data elements, companies are required to respond to the NAIC by submitting a corrected data file (VM-50 Section 4.B.1)

Companies must respond to data exceptions identified by the NAIC as "critical" (VM-50 Section 4.B.11)

Companies shall acknowledge and respond to reasonability queries from the NAIC. Corrections for critical indications shall be provided or, when a correction is not feasible, the extent and nature of the error shall be reported to the NAIC. (VM-50 Section 4.B.13)

Pitfalls to avoid

Not using the VM-51 Appendix 4 Mortality Data Elements and Format

Note that the New York Data Call has different requirements, so the same file cannot be used for both NY and NAIC submissions. Examples:

There are plan codes included in the NY data that are not part of VM-51

Different data codes for the underwriting requirements

NY has two additional data elements

The data needs to be submitted to the NAIC using a comma delimited csv file. NY and KS may have allowed other formats.

Pitfalls to avoid

Multiple companies in the same file

Companies should submit only their own direct written business and should not include assumed business from any company. Note: This may differ from the approach some companies used for the Kansas data calls.

Groups of affiliated companies must use a separate file for each company subject to the data call. Also, do not provide data for any affiliates not selected for the data call. Data should not be provided for any company that has been approved for exemption or exclusion.

Resources on the NAIC Website

https://content.naic.org/pbr_data.htm (Go to the VM-50/VM-

Resources on the NAIC Website (continued)

Submission Templates

Control Totals

Reconciliation between submitted data and financial data

Preferred Class Structure Questionnaire

Mortality Claims Questionnaire

Additional Plan Code Form

RDC Instructions for data submission

Resources on the NAIC Website (continued)
https://content.naic.org/pbr_data.htm (Go to the VM-50/VM-51 Experience Reporting section)

Policy for data submission by a reinsurer or third-party administrator

List of data validations and reasonability checks the NAIC will perform. Companies may use these to help ensure the quality of their submissions.

Company administrator instructions for RDC and FTP (to be provided shortly)

Data Dictionary (to be provided shortly)

NAIC Data Validity and Reasonability Checks

Identification of Critical Indications

"Critical indications" are those that, if not corrected or confirmed, would leave a significant degree of doubt whether the affected data should be used (VM-50 Section 4.B.11)

The NAIC will report "critical indications" to the company with an explanation of the unusual findings and their possible significance. Under the direction of the state insurance regulators, the NAIC will have reasonable flexibility to implement this, and may grade the severity of indications or simply identify certain indications as critical. (VM-50 Section 4.B.11)

Data Scoring System

Where quality would not appear to be significantly compromised, the NAIC may use records with missing or invalid data if such invalid or missing data do not involve a field that is relevant or would affect the credibility of the report (VM-50 Section 4.B.5)

For companies with a body of data for a state, line of business, product type or observation period that fails to meet these standards, the NAIC will use its discretion, with regulatory disclosure of key decisions made, regarding the omission of the entire body of data or only including records with valid data

Communication with Companies

1. Cover Letter

2. Data Exception Distributions

3. Submission Summary spreadsheet – high level summary (record counts, rejected record counts, acceptance/rejection of submission)

4. Field Distributions

5. Rejected Record List

6. Detail file of all data exceptions with record identifier

Topics for Future Meetings

A series of meetings will be held to discuss the following topics:

Data validation and reasonability checks the NAIC will perform

Walk-through of sample control total and reconciliation templates

Communications with companies

Policy for data submission by a reinsurer or third-party administrator

RDC submission training

Company Administrator training

Questions?