

December 1, 2021

Mr. Damion Hughes
Market Conduct Examination Standards (D) Working Group Chair

Ms. Erica Weyhenmeyer
Market Conduct Examination Standards (D) Working Group Chair

Ms. Petra Wallace
Market Regulation Specialist

NAIC Central Office
1100 Walnut, Suite 1500
Kansas City, MO 64107

RE: Request for Comments on Core Competencies and Standards – Chapter 11: The Property and Casualty Examination NAIC Market Regulation Handbook

Dear Mr. Hughes, Ms. Weyhenmeyer and Ms. Wallace:

Examination Resources, LLC (ER) (would like to provide comments on the proposed October 27, 2021

The proposed wording is as follows:

Standard 8: Underwriting, rating and classification are based on adequate information developed at or near inception of the coverage rather than before the effective date of the insurance, near expiration of a claim, or following a claim.

We believe the suggested changes will cause confusion among both examiners and regulated entity staff. For example, the proposed revised language ~~second line~~ stating, "before the effective date of the insurance" appears indistinguishable from the prior language stating, "developed at or near inception of the coverage" and may cause confusion in regards to what the underwriting, rating and classification is based on. In addition, we are uncertain of the meaning of the phrase "near the expiration of a claim."

Since the standard is applicable to all Property/Casualty Underwriting and Rating reviews, we believe the original language remains efficient for the examination of most coverages as it is written. We suggest changes, specific to a limited line of business, are more appropriately placed in the "Review Procedure Criteria" section with a note regarding the applicable lines of business that would be subject to clarification.

Feel free to contact me if you have questions. My direct line is (866) 213-

Respectfully submitted,

Craig L. Leonard, CIE, CPCU, CCP, FLMI, ARC, AIAF, CRM
Director, Property/Casualty and Life/Annuity Examinations
CraigLeonard@examresources.net

cc: Rebecca Belanger, Manager, RebeccaBelanger@examresources.net