



# Market Conduct Annual Statement - 2024 Reporting Changes

The following is a summary of MCAS changes for the 2024 data year.

North Dakota will be added to MCAS reporting beginning with the 2024 data year.

### Homeowners and Private Passenger Auto

The following clarifying change has been made to the first bullet point on the existing definition of lawsuit:

- “For non-claims related lawsuits, include only lawsuits brought by an applicant for insurance, a policyholder or claimant as a plaintiff against the reporting insurer as a defendant.”
  - Note: This clarifying definition was approved by the D Committee in May of 2024 and updated to the 2023 documents. Due to the late addition, we are noting it here to ensure there is awareness of the update.

### Life

The following clarifying change has been made to the definition of Accelerated Underwriting:

- For this MCAS, data should be reported as Accelerated Underwriting when artificial intelligence and/or machine learning which utilizes, in whole or in part, Other Non-medical Third-party Data and/or FCRA Compliant Non-medical Third-party Data in the underwriting of life insurance is applied; including when that data is used in combination with Application Data or Medical Data.

New definitions:

- o (New definitions were adopted by the MCAS Blanks (D) Working Group on 9-5-24)
- Algorithm - All of the following should be considered:
  - A list of steps to follow
  - A set of instructions

Glossary for Regulatory Reporting

For example, the collection and processing of data should be considered as an algorithm.

- Artificial Intelligence (AI) - processing systems that perform tasks such as reasoning, learning

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Declining coverage if there is a prior conviction of insurance fraud, a recent bankruptcy or multiple speeding violations.

(b) 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 credit information data and/or Medical data. If only credit information data and/or medical data is used, it does not meet the definition of

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- Cancellations -