OUR MEETING WILL BEGIN SHORTLY

Welcome to the 2022 Mortality Data Collection Reinsurer / Third-Party Administrator Reporting

June 29, 2022

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

Agenda

Background

Valuation Manual Changes

Direct Writer Responsibilities

Control Totals

Examples (Scenarios 1 4)

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting - Background

It is a common practice for companies to cede a block of business 100% to a reinsurer who also is responsible for the administration of that block.

This is different from assumption reinsurance where policies are legally novated and the assuming company reports the business in their annual statement.

In many of these cases, the direct writing company does not have access to the seriatim data on that block of business.

During the last data collection, many companies were asking whether the administrator of the business could submit the data.

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting VM Changes

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting VM Changes

- The amendment to the Valuation Manual also included some additional language to darify reporting requirements.
- VM-50 Section 4.B.3 gives instruction as to how the block of business is to be reported on the reconciliation to the Annual Statement.
 - If the administrator is not an insurance company or is otherwise not required to submit its direct data, the

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Direct Writer Responsibilities

- It is the responsibility of the direct writer to contact any reinsurers / third-party administrators to request that they submit the business they administer on behalf
 - third-party submits the required data.
- The direct writer must also notify the NAIC that business is going to be submitted by a reinsurer / third-party administrator and provide a contact individual from that company.
- When data exceptions are identified in business being administered by a reinsurer / third-party, the validation package will be sent to both the third-party and the direct writer. Ultimately, the direct writer is responsible for the quality of all their

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Control Totals & VM-51 Questionnaires

- VM-50 Section 4.B.2 requires that Control Totals be provided for each data submission.
- The requirement for Control Totals also applies to reinsurers/ third-parties that are submitting data on behalf of a direct writer.
- The questionnaires found in VM-51 Appendices 1-2 are also required from reinsurers / third parties. Appendix 3 is required if the reinsurer / third party is defining custom plan codes.

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Scenario 1

Very Fine Insurance Company (12345) is a direct writer of individual ordinary life insurance that is subject to the data collection.

Very Fine has ceded a portion of their business to Amazing Reinsurer (87654).

Amazing Reinsurer assumes 100% of the risk and administers the block of business.

Very Fine has requested that Amazing Reinsurer report the portion of business that they administer.

Amazing Reinsurer does not have any direct business that is subject to the data collection.

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Scenario 1 Data Files

DATA FILE SUBMITTED BY VERY FINE INSURANCE COMPANY (12345)

	NAIC Company Code of the			
Submitting Company ID	Direct Writer of Business	Observation Year	Policy Number	Segment Number
12345	12345	2020	A1B2C3D4	1
12345	12345	2020	K5L2M84P	1
12345	12345	2020	K5L2M84P	2
12345	12345	2020	9 6H1VT0	



Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Scenario 2

Very Fine Insurance Company (12345) is a direct writer of individual ordinary life insurance that is subject to the data collection.

Very Fine has ceded business to Amazing Reinsurer (87654) and also to Classic Reinsurer (76543).

Both reinsurers assume 100% of the risk and administer the blocks of business.

Very Fine has requested that the reinsurers report the portion of business that they administer.

Amazing Reinsurer does not have any direct business that is subject to the data collection.

Classic Reinsurer has direct business that is subject to the data collection.



Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Scenario 2 - Reconciliations

RECONCILIATION FOR VERY FINE INSURANCE COMPANY (12345)
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	Policy Count	Face Amount of Insurance
Total business as reported In the Annual Statement less business that is out of		
scope or otherwise excluded	1,000,000	25,000,000,000
Business being reported by Amazing Reinsurer (87654)	(50,000)	(625,000,000)
Business being reported by Classic Reinsurer (76543)	(100,000)	(1,100,000,000)
In force end of year included in this data submission	850,000	23,275,000,000

RECONCILIATION FOR AMAZING REINSURERnt

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Scenario 3

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Scenario 3 Data Files

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Scenario 3 - Reconciliations

RECONCILIATION FOR VERY FINE INSURANCE COMPANY (12345)			
	Policy Count	Face Amount of Insurance	
Total business as reported In the Annual Statement less business that is out of scope or otherwise excluded	1,000,000	25,000,000,000	
Business being reported by Classic Reinsurer (76543)	(100,000)	(1,100,000,000)	
In force end of year included in this data submission	900,000	23,900,000,000	
in force and or year moraded in this data submission	300,000	23,300,000,000	
RECONCILIATION FOR WONDERFUL LIFE INSURANCE (56789)			
	Policy Count	Face Amount of Insurance	
Total business as reported In the Annual Statement less business that is out of scope or	•		
otherwise excluded	50,000,000	10,000,000,000,000	
Business being reported by Classic Reinsurer (76543)	(250,000)	(2,750,000,000)	
In force end of year included in this data submission	49,750,000	9,997,250,000,000	
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RECONCILIATION FOR CLASSIC REINSURER (76543)			
	Policy Count	Face Amount of Insurance	
Total business as reported In the Annual Statement less business that is out of scope or	•		
otherwise excluded	25,350,000	3,802,500,000,000	
Business being reported on behalf of Very Fine Insurance Company (12345)	100,000	1,100,000,000	
Business being reported on behalf of Wonderful Life Insurance (76543)	250,000	2,750,000,000	
In force end of year included in this data submission	25,700,000	3,806,350,000,000	
in force one of year moraded in this data submission	20,700,000	3,000,000,000,000	

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Scenario 4 Data Files

DATA FILE SUBMITTED BY WONE	DERFUL LIFE INSURANCE (56789)			
Submitting Company ID	NAIC Company Code of the Direct Writer of Business	Observation Year	Policy Number	Segment Number
56789	56789	2020	A1B2C3D4	1
56789	56789	2020	K5L2M84P	1
56789	56789	2020	K5L2M84P	2
56789	56789	2020	S6H1VT0	1
DATA FILE SUBMITTED TOP NOT	CH ADMINISTRATORS (FEIN = 95-FL28	361)		
	NAIC Company Code of the			
Submitting Company ID	Direct Writer of Business	Observation Year	Policy Number	Segment Number
95FL2861	56789	2020	98KLM63	1
95FL2861	56789	2020	JC25DRT3	1
95FL2861	56789	2020	814 SOP 5	1
95FL2861	56789	2020	814SOP5	2

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting Scenario 4 - Reconciliations

	Policy Count	Face Amount of Insurance	
Total business as reported In the Annual Statement less business that is out of scope or otherwise excluded	1,000,000	25,000,000,000	
Business being reported by Top Notch Administrators (95-FL2861)	(50,000)	(625,000,000)	
In force end of year included in this data submission	950,000	24,375,000,000	
RECONCILIATION FOR TOP NOTCH ADMINISTRATORS (FEIN = 95-FL2861)			
	Policy Count	Face Amount of Insurance	
Business being reported on behalf of Wonderful Life Insurance (56789)	50,000	625,000,000	

Mortality Experience Data Collection Reinsurer / Third-Party Administrator Reporting

NOTE:

NAIC staff is making revisions to the Reconciliation Template. The reconciliation examples in this training are meant to identify the data that must be included. The format of the final template may be different.

2022 Mortality Experience Data Collection

Resources on the web

https://content.naic.org/pbr_data.htm

(Scroll to the VM-50/VM-51 Experience Reporting section).

- 2021 Training Webinars
- 2022 Training Webinars (coming June 30)
- RDC Submission Instructions
- Company Administrator Guide
- Templates for Control Totals and VM-51 Appendix Questionnaires (Reconciliation template coming soon)
- VM-51 Data Validations (coming June 30)

Companies can reach out to the NAIC with questions. Please email experience_reporting@naic.org.

Questions?

A complete list of questions and answers from this training will be posted to our website.