

12/15/2014

XYZ Company
Market Conduct Contact

Re: 2014 Life/Annuity and Long-Term Care Market Conduct Annual Statement

Please refer any questions regarding this data call to mcas@naic.org.

Under the auspices of the National Association of Insurance Commissioners' (NAIC) Market Regulation and Consumer Affairs (D) Committee, the Market Conduct Annual Statement (MCAS) project was developed with input from state insurance regulators and the insurance industry. The MCAS supplies insurance regulators with key market performance data, which, in turn, helps regulators effectively, allocate market conduct resources.

The participating states have elected to email one letter to each company. Attached to this email is a list of the participating states and the applicable legal authority of each participating state.

Your company is receiving this letter because it reported in the company's 2013 Financial Annual Statement that it was licensed to write one or more of the applicable lines of business in in one or more of the participating states. If your company is an insurance company authorized to do business in any of the participating states, the company *may* be required to provide data in the MCAS as follows:

- An MCAS must be filed to each participating state in which the company reports at least \$50,000 in individual life insurance premium for 2014; or \$50,000 in individual annuity considerations for 2014; or both for that state. Note: For Arkansas, an MCAS must be filed if the company reports at least \$7 million in individual life insurance premium for 2014; or \$7 million in individual annuity considerations for 2014; or both for the state.
- An MCAS must be filed to each participating state in which the company reports any positive premium in stand-alone long-term care (LTC), or LTC coverage provided in conjunction with any life or annuity product (that is, hybrid life-LTC or hybrid annuity-LTC products) for 2014. Note: For Arkansas, an MCAS must be filed if the company reports at least \$7 million in stand-alone LTC, hybrid LTC-Life, or hybrid Annuity-LTC premium for 2014; or all for the state.
- Each company, including those within a holding company system, must file separately for each state in which it does business.
- If the company meets the threshold for individual life insurance, individual annuities, or LTC, but does not meet the threshold for the other lines of business, reporting should be made only for the one line of business that meets the threshold.

The company is automatically exempt from filing in a particular participating state if:

- **The company is not licensed to do business in that state; or**
- **The company writes no stand-alone LTC, hybrid life-LTC, hybrid annuity-LTC coverage, and reports less than \$50,000 in individual life insurance premium and**

less than \$50,000 in individual annuity considerations for that particular participating state in 2014. Note: For Arkansas, the company is exempt if they report less than \$7 million in individual life insurance premium for 2014; and less than \$7 million in individual annuity considerations for 2014; and less than \$7 million in stand-alone LTC, hybrid life-LTC, or hybrid annuity-LTC premium for 2014.

Please direct any participation questions to mcas@naic.org.

Please review your company's State Pages in the 2014 Financial Annual Statement and confirm the states in which your company is required to file.

If your company is required to file an MCAS, the data is requested for the period Jan. 1, 2014, through Dec. 31, 2014, and is due by April 30, 2015.

You will provide your annual statement data through an online tool available on the NAIC website at www.naic.org/mcas_2014.htm. This tool will be available by March 15, 2015. Within the online submission tool, the Market Conduct Administrator will be able to designate users of the tool who will be allowed to input and submit data on behalf of the company.

We recommend that you check the NAIC website frequently for updates during the data-collection and filing process. It is the responsibility of the company to verify that the company's filings meet the requirements of the data request and other documentation available through the NAIC website. It is strongly recommended that the company internally confirm the accuracy of all information provided. This information is relied upon heavily and is a large portion of each participating state's market analysis program. Failure to validate this information may lead to further scrutiny by the participating state, including, but not limited to, a market conduct examination.

If your company participated in last year's life/annuity MCAS filing process, you are able to compare your company's ratio results with the industry ratio results in the states for which you submitted data. The statewide industry ratio results are posted on the NAIC website. While the industry ratio results are made public, your company's specific data will be kept confidential to the extent permitted by applicable state law.

Additional questions should be directed to mcas@naic.org.

Sincerely,

Market Conduct Annual Statement Participating States

Attachments