

Market Conduct Annual Statement 2022 Data Year Filings

*Life & Annuity
Data Elements*



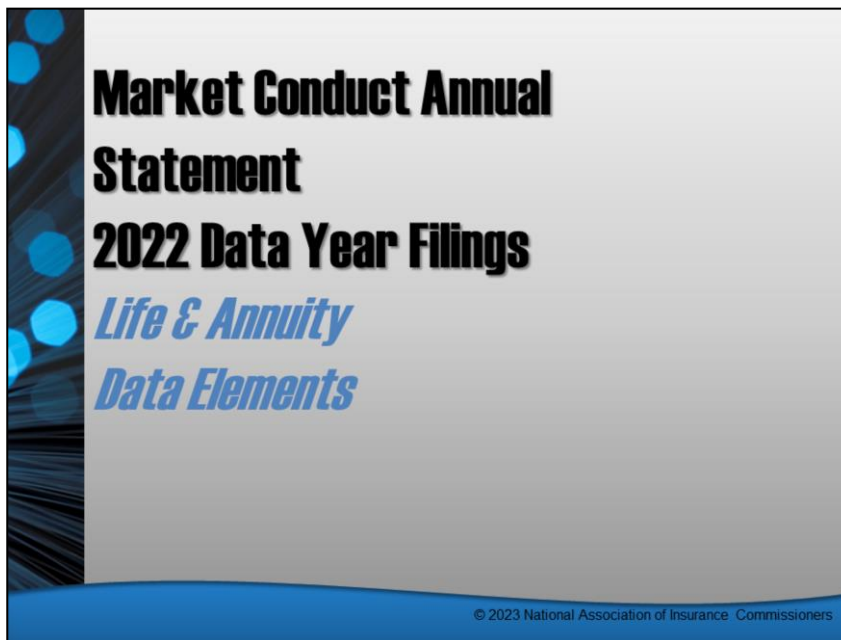
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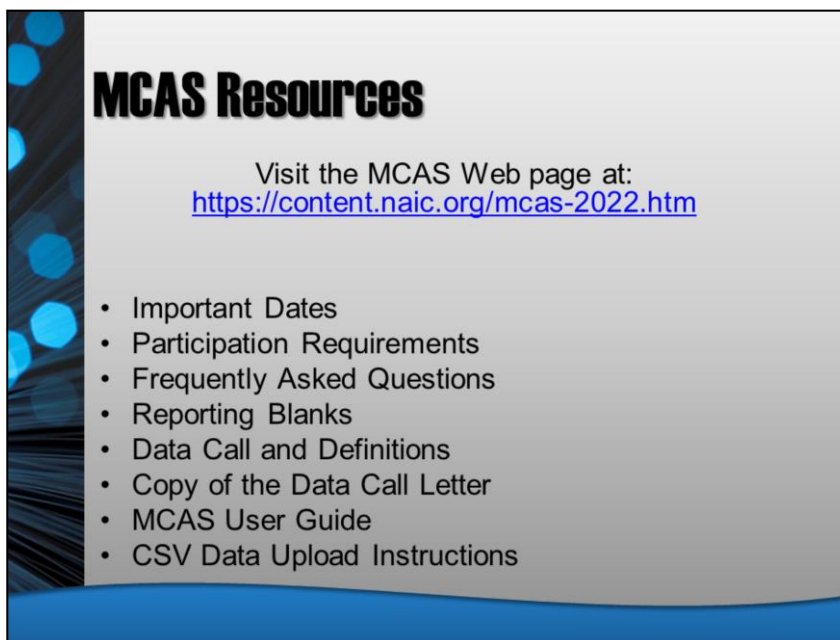
In this handout, you will be reviewing the data elements that must be provided for the Life MCAS and the Annuity MCAS.

Life & Annuity Data Elements



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We are covering the Life and Annuity lines of business at the same time, because most of the data elements are the same or similar. First, we will primarily review the Life line of business, and later in the materials you will review the differences in the Annuity MCAS filing that you should be aware of.



MCAS Resources

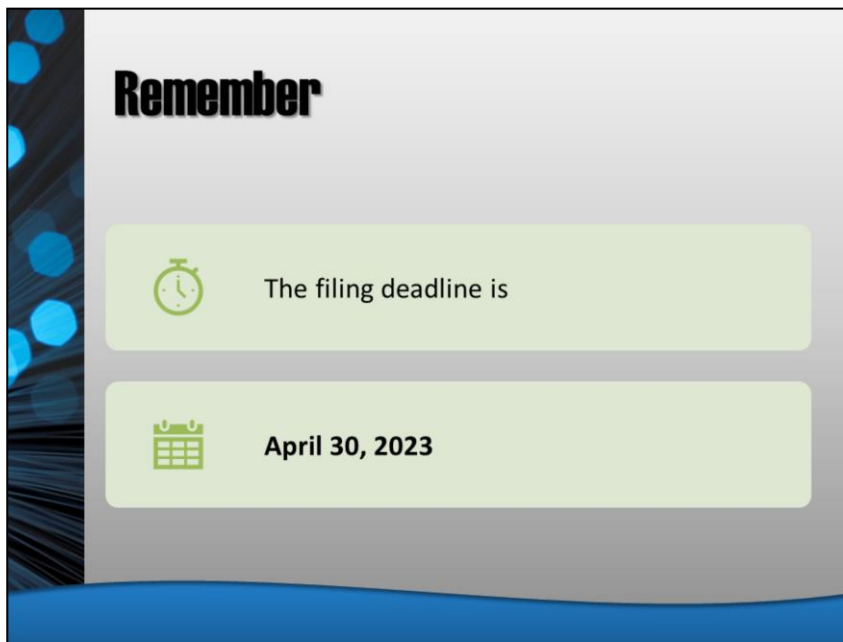
Visit the MCAS Web page at:
<https://content.naic.org/mcas-2022.htm>

- Important Dates
- Participation Requirements
- Frequently Asked Questions
- Reporting Blanks
- Data Call and Definitions
- Copy of the Data Call Letter
- MCAS User Guide
- CSV Data Upload Instructions


Many MCAS related resources are available to you on the MCAS web page. I encourage you to visit the page frequently to find the latest reporting information.


The available resources include:

- A Listing of Important Dates
- Participation Requirements
- Frequently Asked Questions
- Reporting Blanks
- Data Call and Definitions
- Copy of the Data Call Letter
- MCAS User Guide
- And CSV Data Upload Instructions.

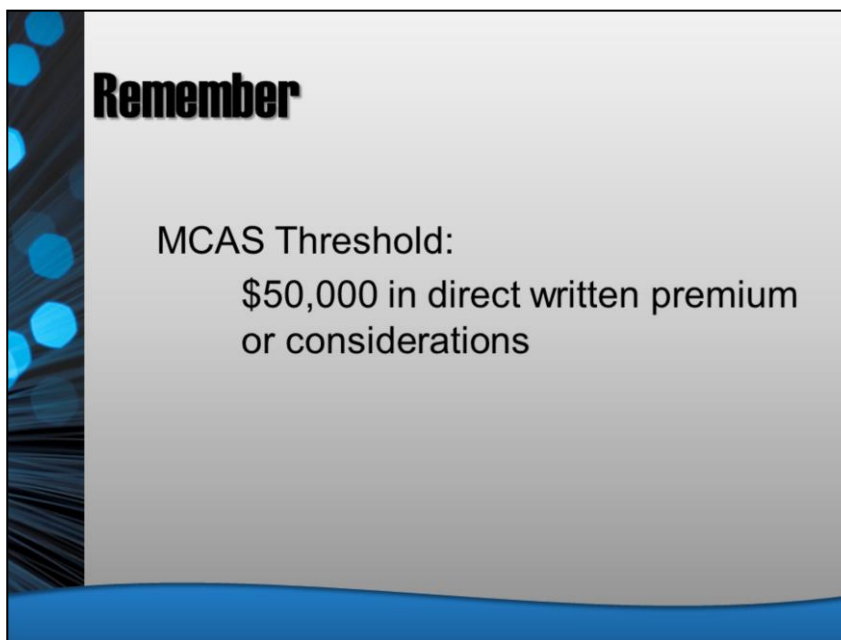
A graphic with a grey background and a blue wavy bottom. On the left, there is a vertical strip with a dark blue background and glowing blue circles. The word "Remember" is written in bold black text at the top left. Below it are two light green rounded rectangular boxes. The first box contains a green clock icon and the text "The filing deadline is". The second box contains a green calendar icon and the text "April 30, 2023".

Remember

 The filing deadline is

 **April 30, 2023**

Before we begin, please be sure to remember the current year MCAS filing deadline is April 30th.

A graphic slide with a grey background and a blue wavy border at the bottom. On the left side, there is a vertical strip with a dark blue background and several glowing blue circles. The word "Remember" is written in a large, bold, black font at the top left. Below it, the text "MCAS Threshold:" is followed by "\$50,000 in direct written premium or considerations" in a smaller black font.

Remember

MCAS Threshold:
\$50,000 in direct written premium
or considerations

Also remember, the Life and Annuity threshold for all jurisdictions is \$50,000 in individual life premium or \$50,000 in individual annuity considerations.

Life Interrogatories

	Yes	No	Response
1 Individual Life Cash Value - Does the company have data to report for this product type?	<input type="radio"/>	<input type="radio"/>	Choose One
2 Individual Life Non-Cash Value - Does the company have data to report for this product type?	<input type="radio"/>	<input type="radio"/>	Choose One
3 Is there a reason that the reported Individual Life Cash Value information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business; shifting market strategies; underwriting changes, etc)?	<input type="radio"/>	<input type="radio"/>	Choose One
4 If yes, provide explanation:	<input type="radio"/>	<input type="radio"/>	Explanation
5 Is there a reason that the reported Individual Life Non-Cash Value information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business; shifting market strategies; underwriting changes, etc)?	<input type="radio"/>	<input type="radio"/>	Choose One
6 If yes, provide explanation:	<input type="radio"/>	<input type="radio"/>	Explanation
7 Does the company use third party administrators (TPAs) for purposes of supporting the individual life business being reported?	<input type="radio"/>	<input type="radio"/>	Choose One
8 If yes, provide the names and functions of each TPA	<input type="radio"/>	<input type="radio"/>	Explanation
9 Additional state specific Individual Life Cash Value comments (optional):	<input type="radio"/>	<input type="radio"/>	Explanation
10 Additional state specific Individual Life Non-Cash Value comments (optional):	<input type="radio"/>	<input type="radio"/>	Explanation

The first section of questions that you will see in the data entry screen is the interrogatories. The interrogatories provide one location for all comments and questions that require a text response.

INTERROGATORIES Next Summary

Yes No Response

1 Individual Life Cash Value - Does the company have data to report for this product type?

2 Individual Life Non-Cash Value - Does the company have data to report for this product type?

LIFE Previous Next

	Individual Life Cash Value	Individual Life Non-Cash Value
11 Number of replacement policies issued during the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
12 Number of internal replacements issued during the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
13 Number of external replacements of unaffiliated company policies issued during the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>

You will notice on your data entry screen within the MCAS submission tool, that there are two separate pages to enter information.

The first page is for the Interrogatory questions, and the second page is for the data questions for the different policy types.

Life Interrogatories


INTERROGATORIES Next Summary

Yes No Response

1 Individual Life Cash Value - Does the company have data to report for this product type?

2 Individual Life Non-Cash Value - Does the company have data to report for this product type?

The first interrogatories ask insurers to indicate if they will be reporting data for each of the policy types for the line of business selected.



INTERROGATORIES	
	Yes No Response
1 Individual Life Cash Value - Does the company have data to report for this product type?	Y
2 Individual Life Non-Cash Value - Does the company have data to report for this product type?	Y

If you answer “YES” you must provide data to each of the data questions in the schedule.

INTERROGATORIES
Next Summary

Yes No Response

- 1 Individual Life Cash Value - Does the company have data to report for this product type? Y N
- 2 Individual Life Non-Cash Value - Does the company have data to report for this product type? Y N

LIFE
Previous Next

	Individual Life Cash Value	Individual Life Non-Cash Value
11 Number of replacement policies issued during the period.	Individual Life Cash Value <input type="text"/>	Individual Life Non-Cash Value <input type="text"/>
12 Number of internal replacements issued during the period.	Individual Life Cash Value <input type="text"/>	Individual Life Non-Cash Value <input type="text"/>
13 Number of external replacements of unaffiliated company policies issued during the period.	Individual Life Cash Value <input type="text"/>	Individual Life Non-Cash Value <input type="text"/>

If you respond “NO”, you must leave all of the response boxes blank. You should only provide data for schedules that you are required to report on.

INTERROGATORIES Next Summary

Yes No Response

1 Individual Life Cash Value - Does the company have data to report for this product type?

2 Individual Life Non-Cash Value - Does the company have data to report for this product type?

3 Is there a reason that the reported Individual Life Cash Value information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business; shifting market strategies; underwriting changes, etc)?

4 If yes, explain:

5 Is there a reason that the reported Individual Life Non-Cash Value information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business; shifting market strategies; underwriting changes, etc)?

6 If yes, explain:

If you indicate that you will be reporting data for a policy type, you are asked to provide any reasons that the reported information may identify the company as an outlier or be substantially different from previously reported data. These reasons may include such things as assuming, selling or closing blocks of business, shifting market strategies, or underwriting changes. This is your opportunity to explain any of your data that you anticipate may generate an inquiry from the state regulators. It is important that these questions be answered fully to allow for regulators to have an understanding of your company's MCAS filing results.

Life Interrogatories

		Yes	No	Response	Explanation
01	Individual Life Cash Value - Does the company have data to report for this product type?				----
02	Individual Life Non-Cash Value - Does the company have data to report for this product type?				----
03	Is there a reason that the reported Individual Life Cash Value information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business, shifting market strategies, underwriting changes, etc)?				----
04	If yes, add additional comments.				----
05	Is there a reason that the reported Individual Life Non-Cash Value information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business, shifting market strategies, underwriting changes, etc)?				----
06	If yes, add additional comments.				----
07	Does the company use third party administrators (TPAs) for purposes of supporting the individual life business being reported?				----
08	If yes, provide the names and functions of each TPA.				----
09	Additional state specific Individual Life Cash Value comments (optional)				----
10	Additional state specific Individual Life Non-Cash Value comments (optional)				----

The interrogatories also include two questions regarding the use of third-party administrators or TPAs. First you will answer a yes or no question about whether the company uses TPAs. If the response is yes, you must provide the names and functions of each TPA in the comment or explanation box.

Interrogatories

	Yes	No	Response
1 Individual Life Cash Value - Does the company have data to report for this product type?	<input type="radio"/>	<input type="radio"/>	Choose One
2 Individual Life Non-Cash Value - Does the company have data to report for this product type?	<input type="radio"/>	<input type="radio"/>	Choose One
3 Is there a reason that the reported Individual Life Cash Value information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business; shifting market strategies; underwriting changes, etc)?	<input type="radio"/>	<input type="radio"/>	Choose One
4 If yes, provide explanation:			Explanation
5 Is there a reason that the reported Individual Life Non-Cash Value information may identify the company as an outlier or be substantially different from previously reported data (such as assuming, selling or closing blocks of business; shifting market strategies; underwriting changes, etc)?	<input type="radio"/>	<input type="radio"/>	Choose One
6 If yes, provide explanation:			Explanation
7 Does the company use third party administrators (TPAs) for purposes of supporting the individual life business being reported?	<input type="radio"/>	<input type="radio"/>	Choose One
8 If yes, provide the names and functions of each TPA			Explanation
9 Additional state specific Individual Life Cash Value comments (optional):			Explanation
10 Additional state specific Individual Life Non-Cash Value comments (optional):			Explanation

The interrogatories also provide space where you may enter any state specific comments for the policy types. Any areas of your data that may raise questions or generated a warning when your data was validated should be explained fully in these comment areas. Please review the MCAS validations in more detail along with the importance of using the comments sections.

Life MCAS Data Elements



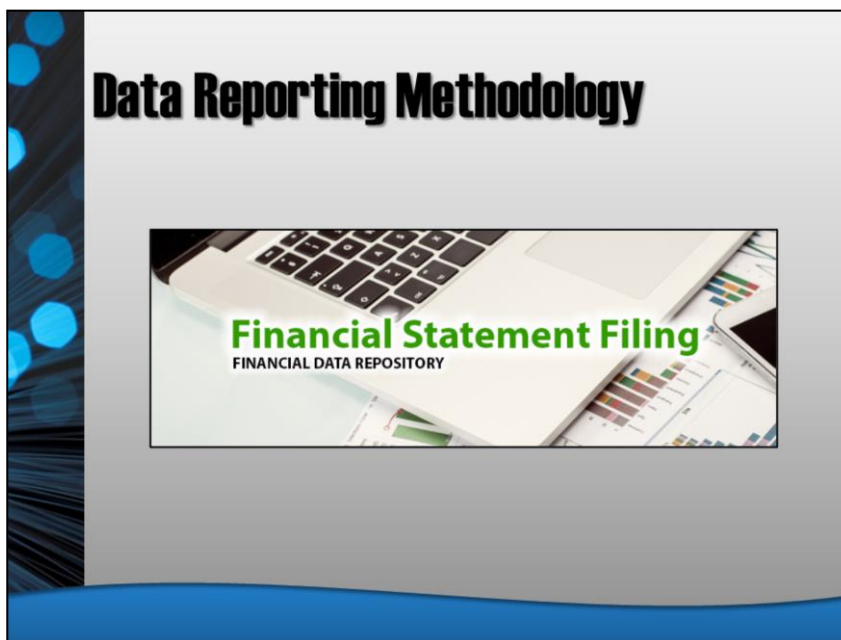
Now that we've looked at the Interrogatories, let's review the Life MCAS Data Elements.

Market Conduct Data

Life Policies

- Individual Life Cash Value
- Individual Life Non-Cash Value
- Do **not** include Accidental Death and Dismemberment policies

The Life MCAS requests market conduct data on two types of life policies. Life is split into individual life policies with a cash value component (which includes term life policies with a cash value), and life policies without a cash value component (or non-cash value Life policies). You should not report any data for Accidental Death and Dismemberment policies.



Before we move on to the main data elements, it's important to point out that if there is any question regarding data reporting methodology, you should follow the same methodology used to report on the Financial Annual Statement.

Replacements

LIFE Previous Next Summary

	Individual Life Cash Value	Individual Life Non-Cash Value
11 Number of replacement policies issued during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
12 Number of internal replacements issued during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
13 Number of external replacements of unaffiliated company policies issued during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
14 Number of external replacements of affiliated company policies issued during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
15 Number of policies replaced where age of insured at replacement was < 65.	Individual Life Cash Value	Individual Life Non-Cash Value
16 Number of policies replaced where age of insured at replacement was age 65 and over.	Individual Life Cash Value	Individual Life Non-Cash Value
17 Number of policies surrendered under 2 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value
18 Number of policies surrendered between 2 years and 5 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value
19 Number of policies surrendered between 6 years and 10 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value

January 1, 2022 – December 31, 2022

Now we're ready to discuss the individual life and individual annuity MCAS questions. The first series of questions addresses "replacement" activity during the reporting period. The reporting period for the current data year is January 1st through December 31st. So, you would provide the number of replacements **issued** between those dates, as indicated on the slide.

For both Individual Cash Value and Individual Non-Cash Value Life business you are asked to provide:

- the number of replacement policies issued during the period,
- the number of internal replacements issued during the period,
- the number of external replacements of unaffiliated company policies issued during the period, and
- the number of external replacements of affiliated company policies issued during the period.

Replacements

11	Number of replacement policies issued during the period.
12	Number of internal replacements issued during the period.
13	Number of external replacements of unaffiliated company policies issued during the period.
14	Number of external replacements of affiliated company policies issued during the period.

External replacement of an *unaffiliated* company policy is when the policy and/or annuity to be replaced was issued by a company not affiliated to the MCAS reporting company.

External replacement of an *affiliated* company policy is when the policy and/or annuity to be replaced was issued by a company affiliated to the MCAS reporting company.

Note: prior to the 2021 data year, the number of external replacements was only one question and did not specify if they were unaffiliated or affiliated.

The questions regarding external replacements were previously only one question, asking for the number of external replacements. Now you are asked to provide the number of external replacements of *unaffiliated* company policies issued during the period, which are replacement policies and/or annuities issued by a company not affiliated to the MCAS reporting company. Next you are asked for the number of external replacements of *affiliated* company policies issued during the period, which are replacement policies and/or annuities issued by a company affiliated to the MCAS reporting company.

Replacements

LIFE Previous Next Summary

	Individual Life Cash Value	Individual Life Non-Cash Value
11 Number of replacement policies issued during the period.	<input type="text"/>	<input type="text"/>
12 Number of internal replacements issued during the period.	<input type="text"/>	<input type="text"/>
13 Number of external replacements of unaffiliated company policies issued during the period.	<input type="text"/>	<input type="text"/>
14 Number of external replacements of affiliated company policies issued during the period.	<input type="text"/>	<input type="text"/>
15 Number of policies replaced where age of insured at replacement was < 65.	<input type="text"/>	<input type="text"/>
16 Number of policies replaced where age of insured at replacement was age 65 and over.	<input type="text"/>	<input type="text"/>

In addition, for just the Individual Life Cash Value products you are asked to provide:

- The number of policies replaced where the age of insured at replacement was less than 65 years old, and the
- Number of policies replaced where the age of insured at replacement was age 65 and over.

Please note that if more than one person is insured on the policy, you should use the age of the oldest insured.



Life & Annuities Data Call & Definitions

Replacement Policy

- A policy and/or annuity contract application received by your company that is intended to replace an existing policy and/or annuity contract according to each state's definition of a replacement. This may include both external and internal replacements according to each state's replacement law.

The definition of a replacement policy as stated in the Life and Annuity Data Call & Definitions is: a policy and/or annuity contract application received by your company that is intended to replace an existing policy and/or annuity contract according to each state's definition of a replacement. This may include both external and internal replacements according to each state's replacement law.

Life & Annuities Data Call & Definitions

Replacements Include:

- Loan purchases, if the original policy is surrendered
- Surrenders, if a replacement policy is issued in conjunction with the surrender
- 1035 exchanges

Included in the definition of a replacement policy are:

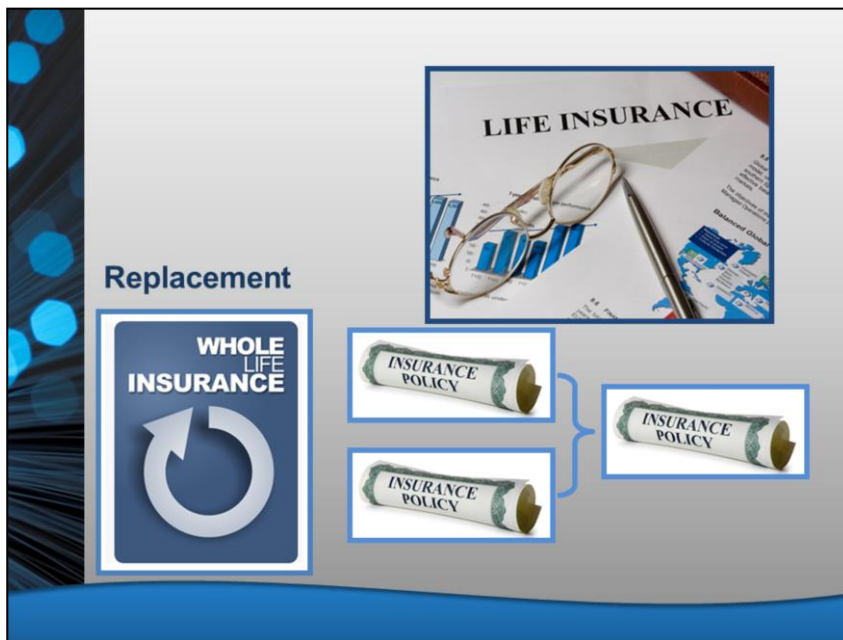
- Loan purchases, if the original policy is surrendered
- Surrenders, if a replacement policy is issued in conjunction with the surrender
- and 1035 exchanges.

Life & Annuities Data Call & Definitions

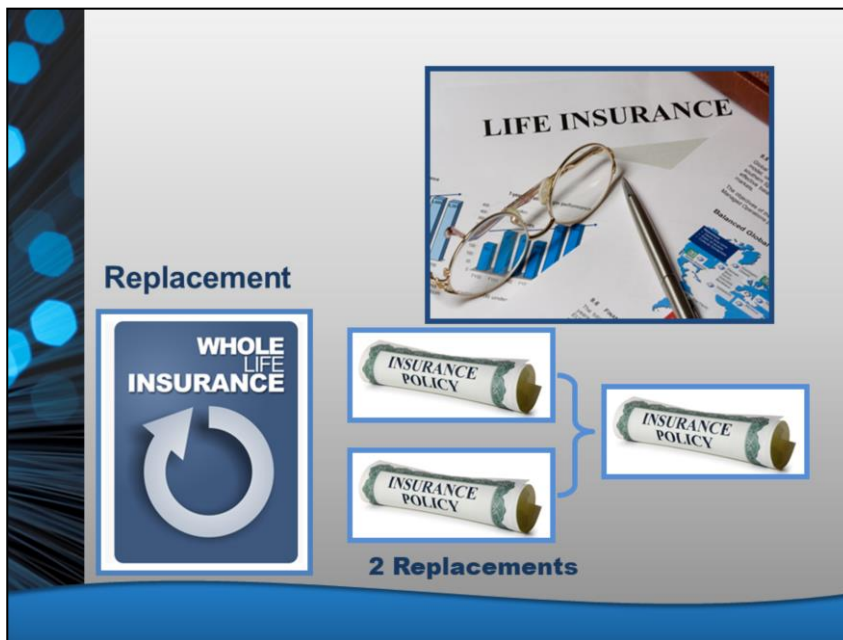
Replacements Do Not Include:

- Policy conversions
- Exchanges of a group policy for an individual policy

Policy conversions and exchanges of a group policy for an individual policy should not be considered replacements.



Note, that if a person replaces two policies with one policy,



This should be counted as two replacements.

Internal Replacement



Your Company

Original Policy

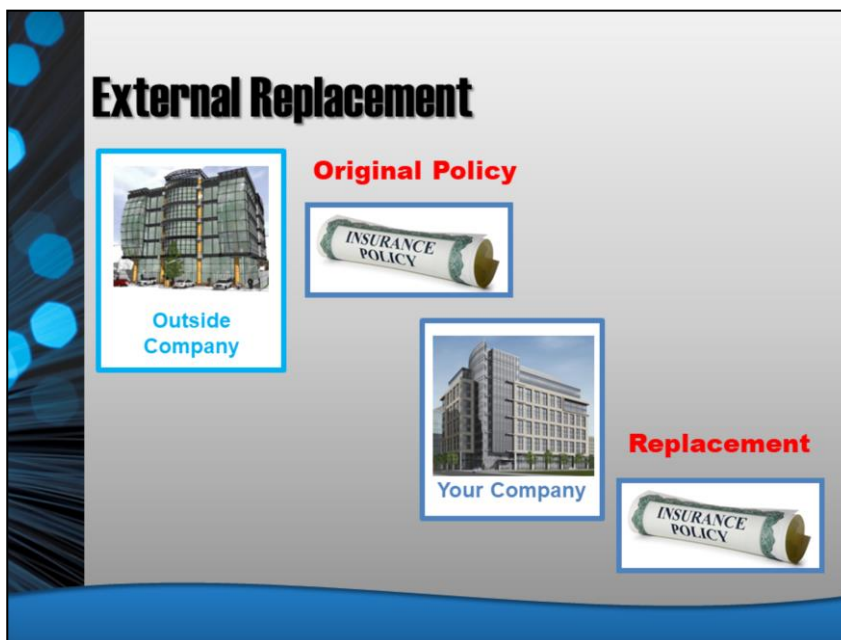


Your Company

Replacement



An internal replacement is when the policy to be replaced was also issued by your company,



And an external replacement is when the policy to be replaced was issued by another company. The replacements reported **do not** include policies written by your company that are replaced by policies issued by another company.

Surrenders

17	Number of policies surrendered under 2 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value
18	Number of policies surrendered between 2 years and 5 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value
19	Number of policies surrendered between 6 years and 10 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value
20	Number of policies surrendered more than 10 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value
21	Number of policies surrendered during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
22	Number of policies surrendered with a surrender fee.	Individual Life Cash Value	Individual Life Non-Cash Value

The next series of questions to be discussed are regarding surrenders. Of course, these only apply to the Life cash value policies. They do **not** apply to Life Non-Cash value business.

Life & Annuities Data Call & Definitions

Surrenders:

- Life Insurance policies or annuity contracts terminated at the request of the policy owner



Surrenders are policies or contracts that are terminated at the request of the policy or annuity owner.

Life & Annuities Data Call & Definitions

Surrenders Do Not Include:

- Life Insurance policies or annuity contracts not taken or cancelled during the free look period
- For annuities, systematic withdrawals and partial withdrawals

Surrenders do not include life insurance policies or annuity contracts not taken or cancelled during the free look period. It also does not include loans against the cash value of a policy, or systematic withdrawals and partial withdrawals from an annuity.

Surrenders

17	Number of policies surrendered under 2 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value
18	Number of policies surrendered between 2 years and 5 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value
19	Number of policies surrendered between 6 years and 10 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value
20	Number of policies surrendered more than 10 years from policy issue.	Individual Life Cash Value	Individual Life Non-Cash Value
21	Number of policies surrendered during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
22	Number of policies surrendered with a surrender fee.	Individual Life Cash Value	Individual Life Non-Cash Value

For surrenders, you are asked to provide:

- the number of policies or contracts surrendered under 2 years from issuance,
- the number of policies or contracts surrendered between 2 years through 5 years from issuance,
- the number of policies or contracts surrendered between 6 years through 10 years from issuance,
- the number of policies or contracts surrendered more than 10 years from issuance,
- the total number of policies or contracts surrendered during the period, and
- the number of policies surrendered with a surrender fee.

Policies Issued

23	Number of new policies issued during the period where age of insured at issue was < 65.	Individual Life Cash Value	Individual Life Non-Cash Value
24	Number of new policies issued during the period where age of insured at issue was age 65 and over.	Individual Life Cash Value	Individual Life Non-Cash Value
25	Total number of new policies issued by the company during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
26	Number of policies applied for during the period.	Individual Life Cash Value	Individual Life Non-Cash Value

The next questions are about policies issued during the period.

Both the Individual Life Cash Value and Non Cash Value schedules ask for the total number of policies issued by the company during the period.

Policies Issued

<p>23 Number of new policies issued during the period where age of insured at issue was < 65.</p>	Individual Life Cash Value	Individual Life Non-Cash Value
<p>24 Number of new policies issued during the period where age of insured at issue was age 65 and over.</p>	Individual Life Cash Value	Individual Life Non-Cash Value
<p>25 Total number of new policies issued by the company during the period.</p>	Individual Life Cash Value	Individual Life Non-Cash Value
<p>26 Number of policies applied for during the period.</p>	Individual Life Cash Value	Individual Life Non-Cash Value

However, the Individual Life Cash Value schedule also requires a breakout of policies issued by the age of the insured at issuance. You are asked for:

- The number of new policies issued during the period where age of the insured at issue was less than 65 years old, and
- The number of new policies issued during the period where age of the insured at issue was age 65 years and over.

Policies Issued

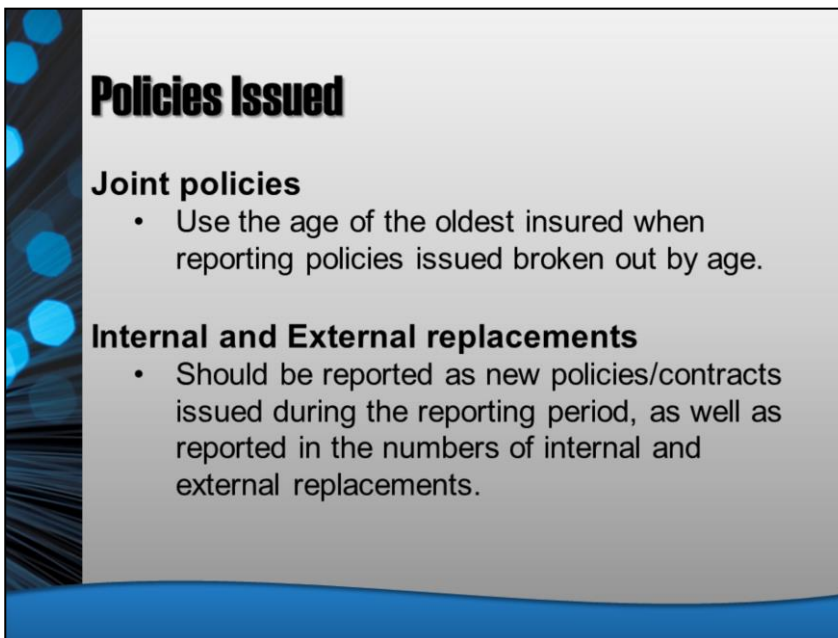
23 Number of new policies issued during the period where age of insured at issue was < 65.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
24 Number of new policies issued during the period where age of insured at issue was age 65 and over.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
25 Total number of new policies issued by the company during the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
26 Number of policies applied for during the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>

- A policy applied for on 12/31/22, but issued on 1/15/23, would **not** be counted.
- The sum of the total number of Individual Life Cash Value policies issued during the period by age group, should equal the total number of new policies issued.

January 1, 2022 – December 31, 2022

As mentioned before, the reporting period only includes those policies issued between January 1st and December 31st. As an example, if a policy was applied for on December 31st of the reporting period, but not finally issued until the middle of January of the next reporting period, it would not be counted.

Please also note that the sum of the number of policies issued during the period by age group, should equal the total number of new policies issued.



Policies Issued

Joint policies

- Use the age of the oldest insured when reporting policies issued broken out by age.

Internal and External replacements

- Should be reported as new policies/contracts issued during the reporting period, as well as reported in the numbers of internal and external replacements.

A couple of additional points regarding policies or contracts issued:

- If a joint policy is issued, use the age of the oldest insured when reporting policies issued broken out by the age of the insured or annuitant.
- Also, internal and external replacements should be reported as new policies or contracts issued during the reporting period, as well as reported in the numbers of internal and external replacements.

Policies Applied For

25 Total number of new policies issued by the company during the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
26 Number of policies applied for during the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
27 Number of free looks during the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
28 Number of policies in force at the end of the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
29 Dollar amount of direct premium during the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
30 Face amount of insurance issued during the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
31 Face amount of insurance in force at the end of the period.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>
32 Number of complaints received directly from any person or entity other than the DOI.	<input type="text" value="Individual Life Cash Value"/>	<input type="text" value="Individual Life Non-Cash Value"/>

The next data element asks that you report the number of policies applied for during the period.

Life & Annuities Data Call & Definitions

Policies/Contracts Applied For

- Applications for life insurance or annuities that are submitted to the company which have or will result in a formal offer of an insurance or annuity contract or a formal declination of the application by the company. Applications that are declined by a broker-dealer or producer and never reviewed by the company are not included in this count.



Policies/Contracts Applied For, are those applications for life insurance or annuities that are submitted to the company which have or will result in a formal offer of an insurance or annuity contract or a formal declination of the application by the company. Applications that are declined by a broker-dealer or producer and never reviewed by the company are not included in this count.

Free Looks

25	Total number of new policies issued by the company during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
26	Number of policies applied for during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
27	Number of free looks during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
28	Number of policies in force at the end of the period.	Individual Life Cash Value	Individual Life Non-Cash Value
29	Dollar amount of direct premium during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
30	Face amount of insurance issued during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
31	Face amount of insurance in force at the end of the period.	Individual Life Cash Value	Individual Life Non-Cash Value
32	Number of complaints received directly from any person or entity other than the DOI.	Individual Life Cash Value	Individual Life Non-Cash Value

Next you are asked to report the number of free looks during the period.

Life & Annuities Data Call & Definitions

Free Look

- A set number of days provided in an insurance or annuity contract that allows time for the purchaser to review the contract provisions with the right to return the contract for a full refund of all monies paid. Report the number of policies or contracts that were returned by the owner under the free look provision during the period, regardless of the original issuance date.



A Free Look is a set number of days provided in an insurance or annuity contract that allows time for the purchaser to review the contract provisions with the right to return the contract for a full refund of all monies paid. You are to report the number of policies or contracts that were returned during the reporting period by the owner for a refund within the free look period.

Free Looks

Do not report policies with a free look provision.

Report the policies where the free look provision was exercised.

MCAS is **not** asking for the number of policies that have a Free Look provision; you are expected to provide the number of times the free look provision was exercised during the reporting period.



If an alternative policy is offered and the originally offered policy is returned during the free look period in order to accept the alternative policy, this would be reported as a free look for the returned policy **and** as a policy issued for the alternative policy which was issued.

Free Looks

25	Total number of new policies issued by the company during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
26	Number of policies applied for during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
27	Number of free looks during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
28	Number of policies in force at the end of the period.	Individual Life Cash Value	Individual Life Non-Cash Value
29	Dollar amount of direct premium during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
30	Face amount of insurance issued during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
31	Face amount of insurance in force at the end of the period.	Individual Life Cash Value	Individual Life Non-Cash Value
32	Number of complaints received directly from any person or entity other than the DOI.	Individual Life Cash Value	Individual Life Non-Cash Value

January 1, 2022 – December 31, 2022

Be sure to remember that regardless of when the policy was issued, you should include only those free looks that occurred during the reporting period.

Policies In Force

25	Total number of new policies issued by the company during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
26	Number of policies applied for during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
27	Number of free looks during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
28	Number of policies in force at the end of the period.	Individual Life Cash Value	Individual Life Non-Cash Value
29	Dollar amount of direct premium during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
30	Face amount of insurance issued during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
31	Face amount of insurance in force at the end of the period.	Individual Life Cash Value	Individual Life Non-Cash Value
32	Number of complaints received directly from any person or entity other than the DOI.	Individual Life Cash Value	Individual Life Non-Cash Value

End of Reporting Period December 31, 2022

Next, you are asked to report the number of policies in-force at the end of the period.

The number of policies in-force, is simply the number of in-force policies and contracts on the last day of the **reporting** period (which is December 31st).

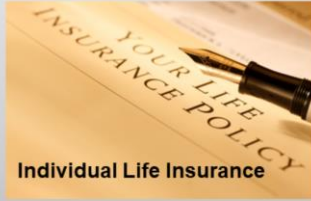
Premiums

25 Total number of new policies issued by the company during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
26 Number of policies applied for during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
27 Number of free looks during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
28 Number of policies in force at the end of the period.	Individual Life Cash Value	Individual Life Non-Cash Value
29 Dollar amount of direct premium during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
30 Face amount of insurance issued during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
31 Face amount of insurance in force at the end of the period.	Individual Life Cash Value	Individual Life Non-Cash Value
32 Number of complaints received directly from any person or entity other than the DOI.	Individual Life Cash Value	Individual Life Non-Cash Value

This is the actual amount of direct premiums written during the reporting period and should be determined in the same manner used on the financial annual statement.

The next question in MCAS asks for the dollar amount of direct premium during the period. This is the dollar amount of premium written by the company during the reporting period. How you report this premium (whether by residency or state of issuance, for example) must be consistent with how you report the premium on your financial annual statement state page.

Life Insurance Premium

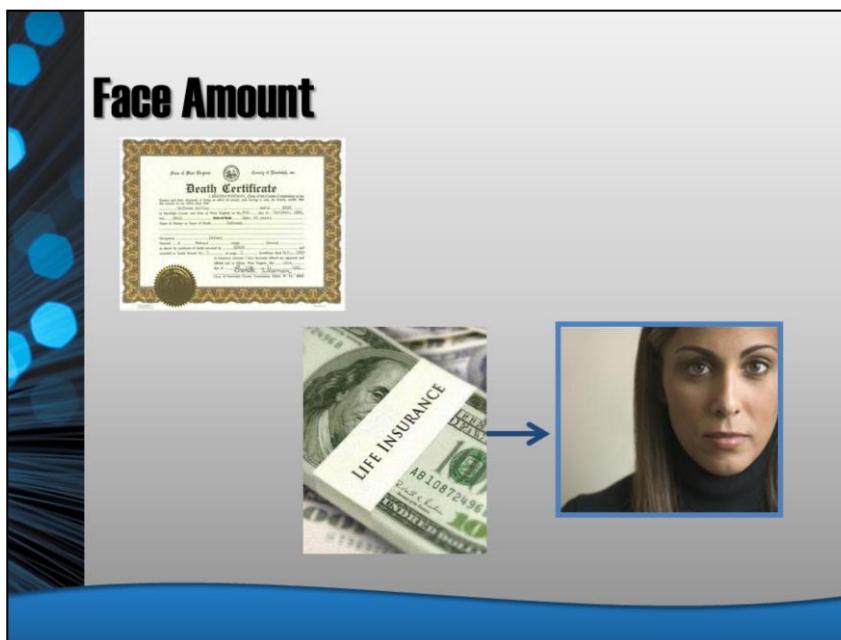


Only report the Life insurance premium received for individual life products – remember that group life insurance is excluded.

Face Amount

25 Total number of new policies issued by the company during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
26 Number of policies applied for during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
27 Number of free looks during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
28 Number of policies in force at the end of the period.	Individual Life Cash Value	Individual Life Non-Cash Value
29 Dollar amount of direct premium during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
30 Face amount of insurance issued during the period.	Individual Life Cash Value	Individual Life Non-Cash Value
31 Face amount of insurance in force at the end of the period.	Individual Life Cash Value	Individual Life Non-Cash Value
32 Number of complaints received directly from any person or entity other than the DOI.	Individual Life Cash Value	Individual Life Non-Cash Value

Following the premium question, there are two questions that ask for the face amounts of insurance issued and face amount of insurance in force.



By face amount, MCAS is looking for the amounts that would be payable to the beneficiary upon the death of the insured. As with premium, this amount should be reported in MCAS according to the same methodology that your company used when it reported face amounts on the financial annual statement.

Complaints

- 29 Dollar amount of direct premium during the period.
- 30 Face amount of insurance issued during the period.
- 31 Face amount of insurance in force at the end of the period.
- 32 Number of complaints received directly from any person or entity other than the DOI.

A sample of a complaint form. The form is titled "COMPLAINT" in large orange letters. It includes several fields: "TO:" with a dropdown menu, "WHOSE FAULT:" with a dropdown menu, "DESIRED OUTCOME:" with a dropdown menu, and "COMPLAINANT:" with a text input field. There are also some smaller, less legible fields and checkboxes.

There is one question concerning complaints. The data element asks that you report the number of complaints received directly from any entity other than the Department of Insurance.



Life & Annuities Data Call & Definitions

Complaint

- Any written communication that expresses dissatisfaction with a specific person or entity subject to regulation under the state's insurance laws. An oral communication, which is subsequently converted to a written form in order to be analyzed and acted upon, will meet the definition of a complaint for this purpose.

A complaint is defined as any written communication that expresses dissatisfaction with a specific person or entity subject to regulation under the state's insurance laws. An oral communication, which is subsequently converted to a written form in order to be analyzed and acted upon, will meet the definition of a complaint for this purpose.

Any complaints that are **directly** received by the company through social media applications should be included if the complaint has enough specificity to meet the definition of a complaint.

Life & Annuities Data Call & Definitions

Complaints Include:

- Any complaint regardless of the subject of the complaint (claims, underwriting, marketing, etc.)
- Complaints received from third parties

Complaints should be included in the complaint count regardless of the subject of the complaint. So, whether it is regarding claims, underwriting, marketing, or another area, it should be included. Remember that the complaints should be reported separately for Life Cash Value and Life Non-Cash Value products.

Claims

- 33 Number of death claims closed with payment, during the period, within 30 days from the date the claim was received (Include claims where the final decision was payment in full, and was made within 30 days from when the claim was received)
- 34 Number of death claims closed with payment, during the period, within 31-60 days from the date the claim was received (Include claims where the final decision was payment in full, and full payment was made within 31-60 days from when the claim was received)
- 35 Number of death claims closed with payment, during the period, beyond 60 days from the date the claim was received (Include claims where the final decision was payment in full, and full payment was NOT made within 60 days from when the claim was received)
- 36 Number of death claims closed with payment, during the period, within 30 days from the date of due proof of loss (Include claims where the final decision was payment in full, and full payment was made within 30 days from when the date of due proof of loss occurred)
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- 39 Number of death claims denied, resisted or compromised during the period.
- 40 Number of death claims closed with payment during the period, which occurred within the contestability period.
- 41 Number of death claims denied during the period, which occurred within the contestability period.
- 42 Number of death claims received during the period.

There are ten questions remaining to be answered, all concerning claims.

Claims

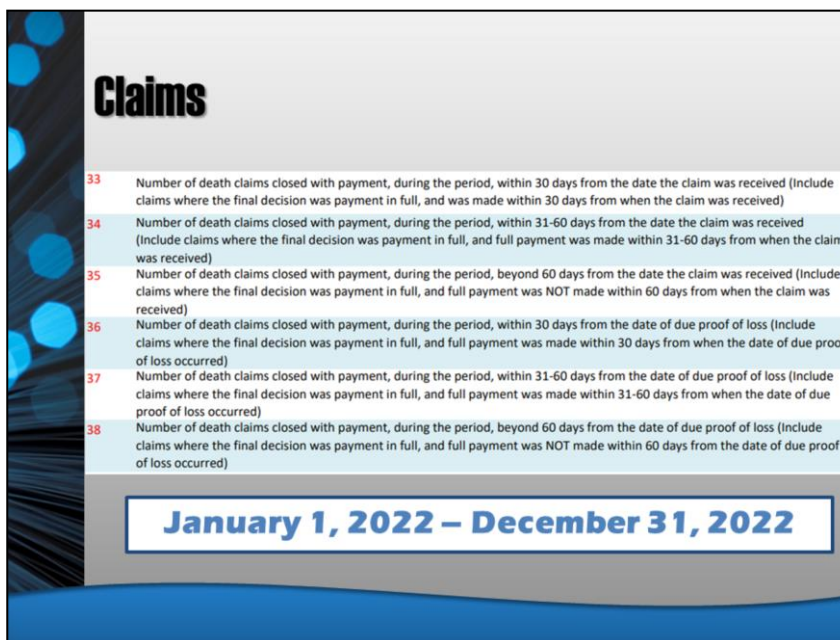
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39	Number of death claims denied, resisted or compromised during the period.
40	Number of death claims closed with payment during the period, which occurred within the contestability period.
41	Number of death claims denied during the period, which occurred within the contestability period.
42	Number of death claims received during the period.

The first three claims questions ask for the number of death claims that were closed with payment during the period. The reporting is broken out by those paid within 30 days from the *date the claim was received*, those paid within 31 to 60 days from the *date the claim was received* and those paid beyond 60 days from the *date the claim was received*.

Claims

- 33 Number of death claims closed with payment, during the period, within 30 days from the date the claim was received (Include claims where the final decision was payment in full, and was made within 30 days from when the claim was received)
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- 39 Number of death claims denied, resisted or compromised during the period.
- 40 Number of death claims closed with payment during the period, which occurred within the contestability period.
- 41 Number of death claims denied during the period, which occurred within the contestability period.
- 42 Number of death claims received during the period.

The next three claims questions are similar to the three before. They ask for the number of death claims that were closed with payment during the period, and the reporting for these questions is broken out by those paid within 30 days from the *date of due proof of loss*, those paid within 31 to 60 days from the *date of due proof of loss* and those paid beyond 60 days from the *date of due proof of loss*.

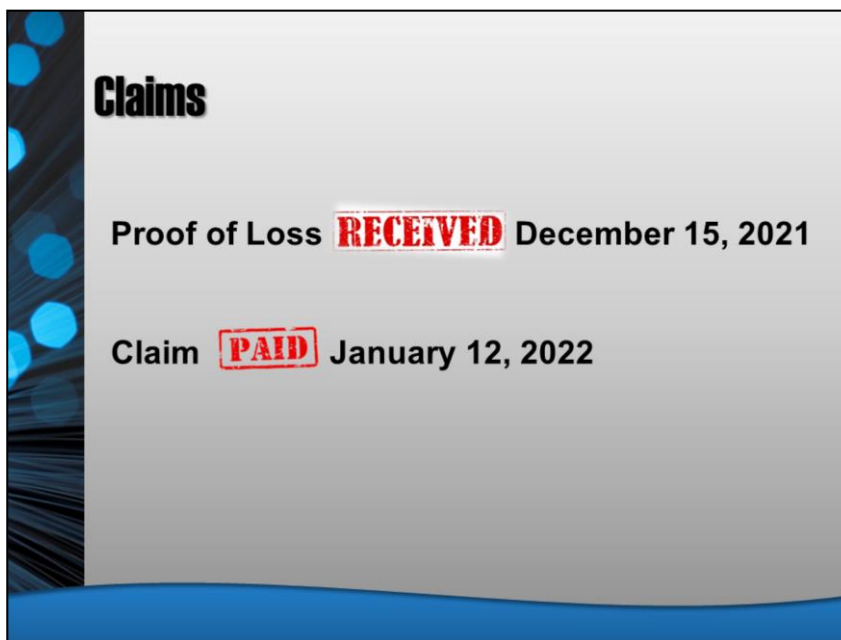


Claims

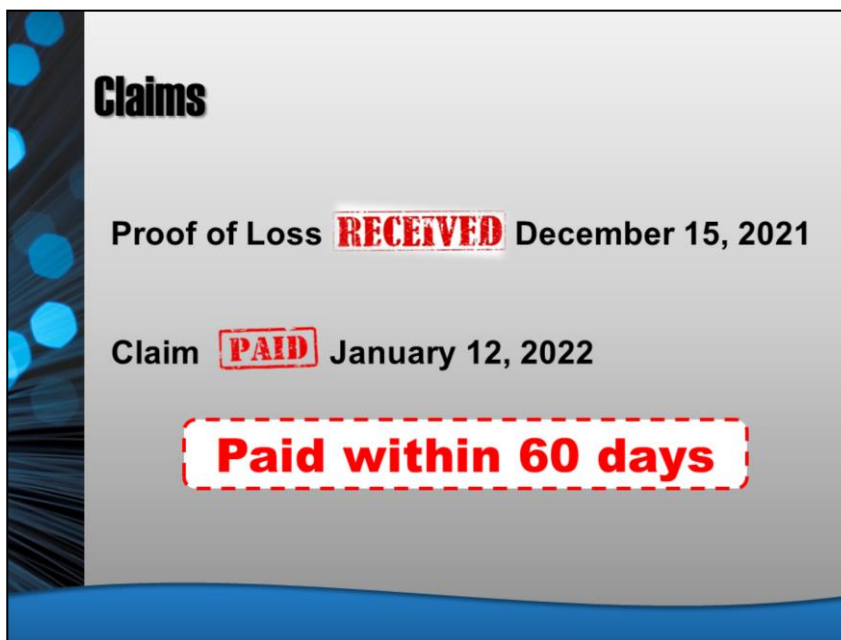
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January 1, 2022 – December 31, 2022

So, for these six questions, you are concentrating only on those claims that were *paid* between January 1st and December 31st of the reporting period (regardless of when they were presented or when you received the proof of loss).



As an example, if the Proof of Loss was received on December 15th of the prior reporting period, and paid on Jan 12th of this reporting period,

A graphic with a grey background and a blue wavy bottom. On the left, there is a vertical bar with blue circles and light rays. The text is as follows:

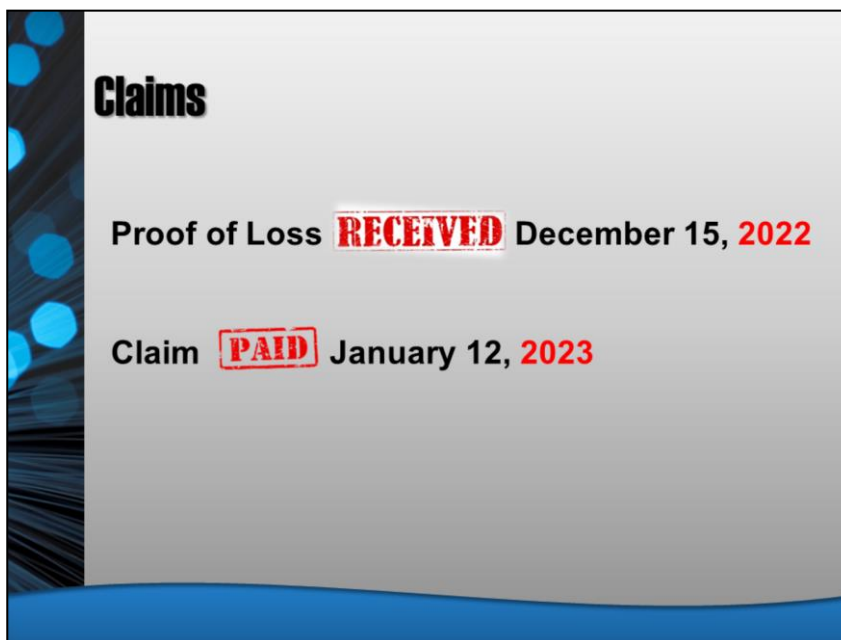
Claims

Proof of Loss **RECEIVED** December 15, 2021

Claim **PAID** January 12, 2022

Paid within 60 days

you would count it as paid within 60 days.



If, however, the proof of loss was received on December 15th of THIS reporting period, and not paid until January 12th of the NEXT reporting period,

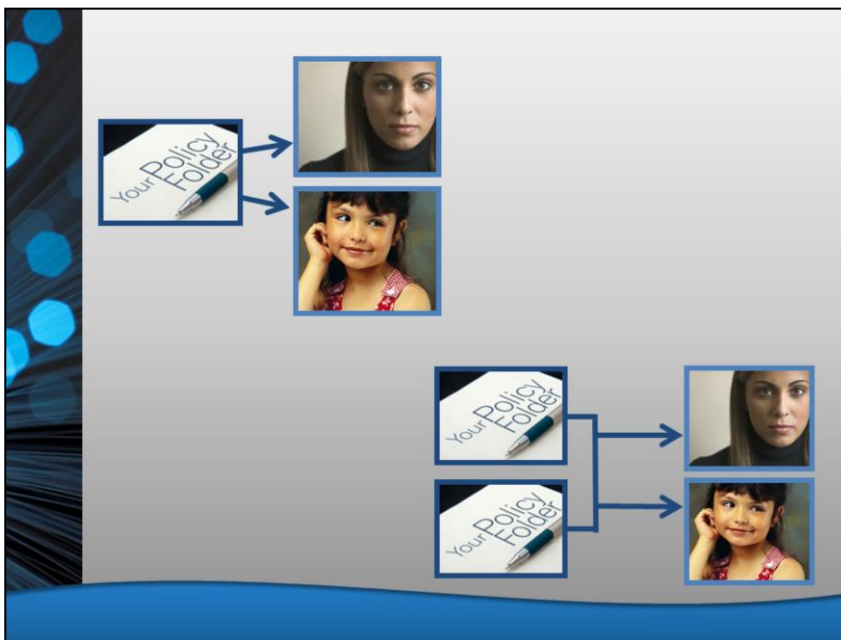
Claims

Proof of Loss **RECEIVED** December 15, **2022**

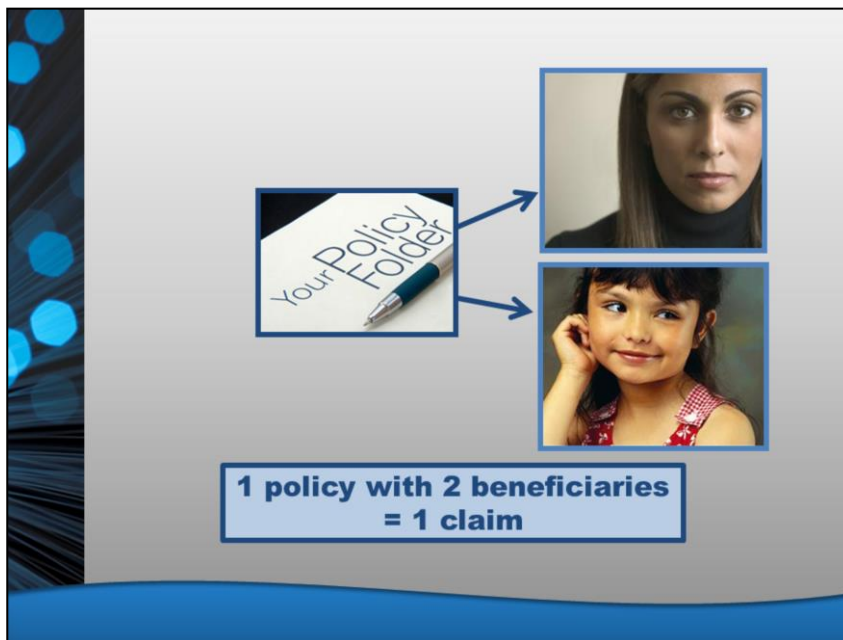
Claim **PAID** January 12, **2023**

Not included in count

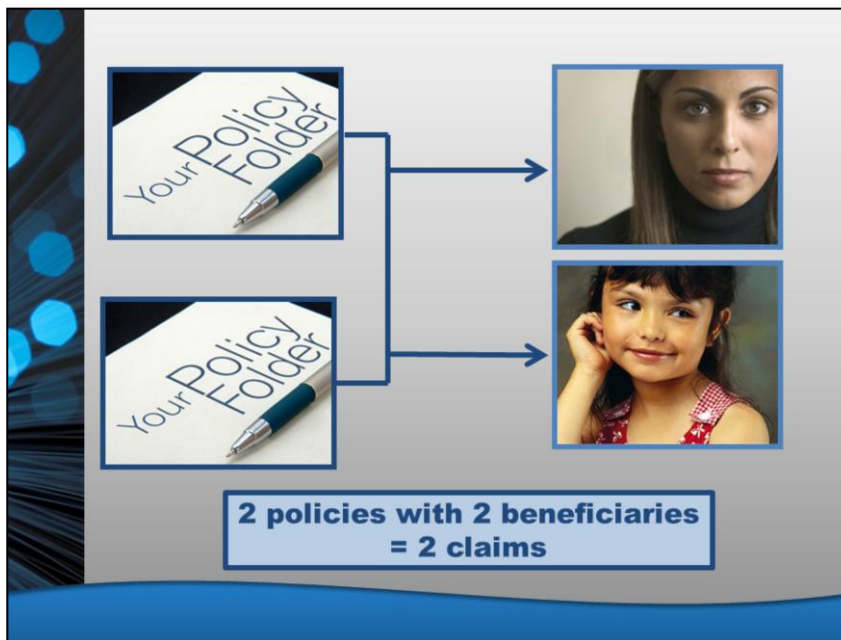
do NOT include it in your count.



What if you have a claim with multiple beneficiaries or an insured covered under multiple policies? You will count the claims per life policy.



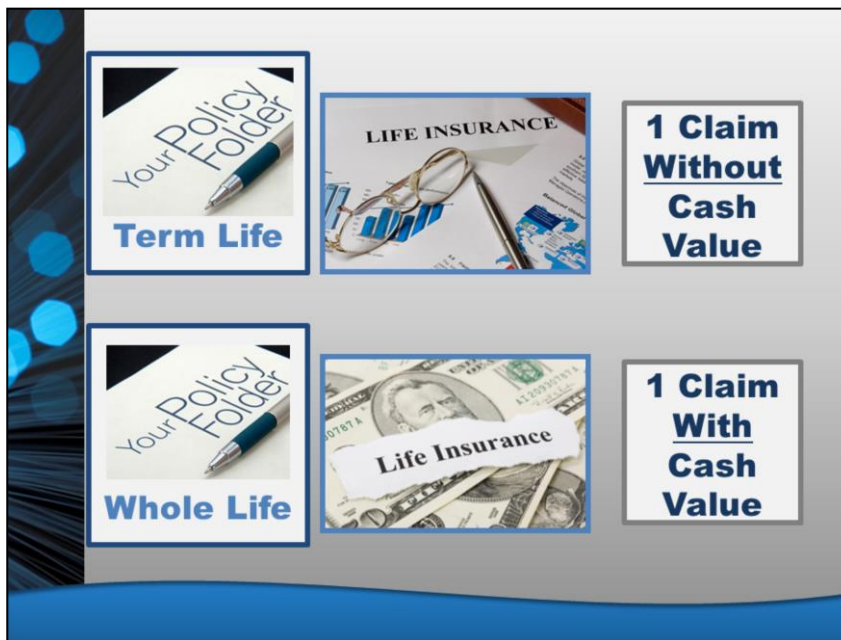
So, if the insured owned one policy that had two beneficiaries, it is counted as 1 claim.



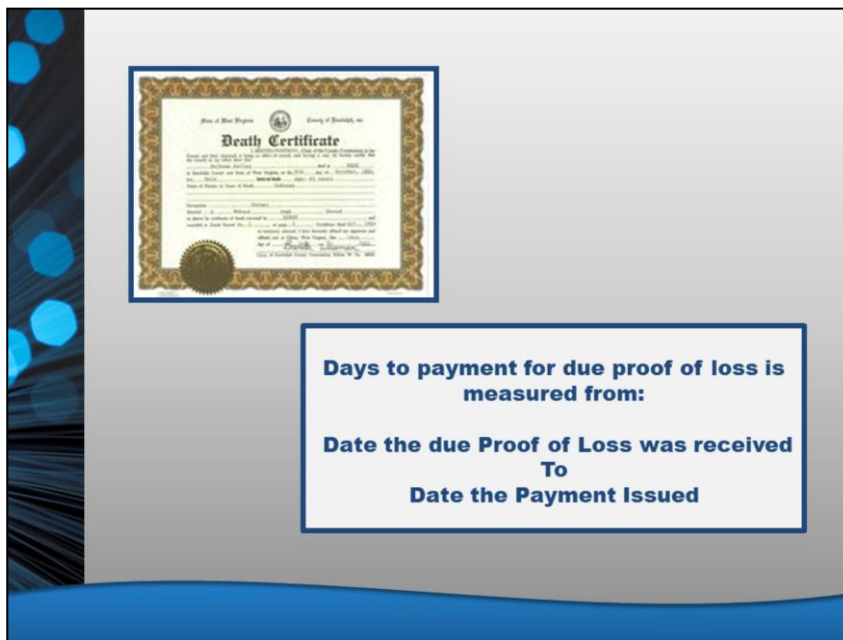
If the insured was covered on two separate policies, that would be 2 claims (1 claim per policy, regardless of the number of beneficiaries). Remember also to report the claim under the correct schedule.



If the insured was covered under a term life policy (without cash value) and a whole life policy (with cash value),



you would report 1 claim on the non-cash value life schedule and 1 claim on the cash value life schedule.



Remember when you are measuring the number of days from the due proof of loss, that this date of due proof of loss is defined in MCAS as the date the company received the necessary proof of loss on which to base a claim determination.

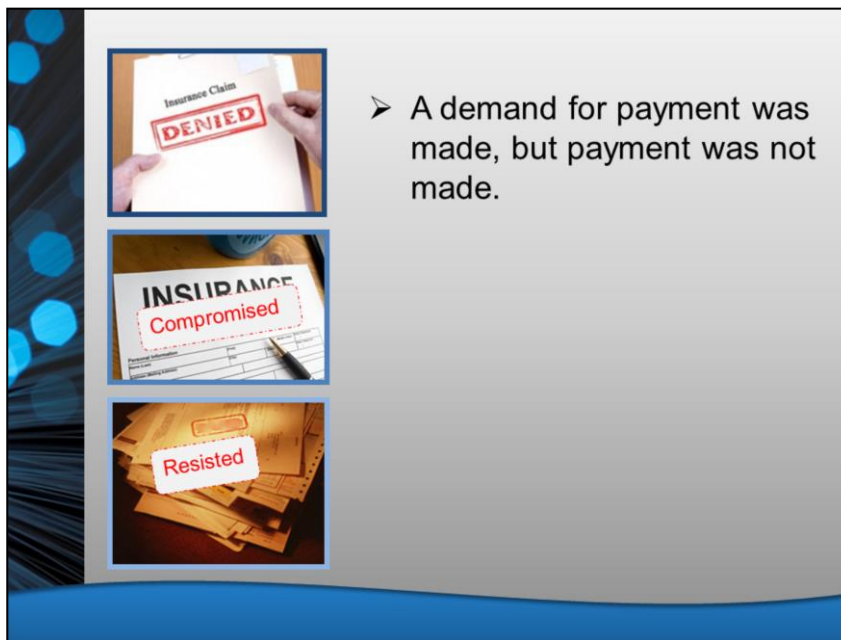


You will use a similar method as that just outlined for the questions regarding how long it was between the date a claim was received and the date it was paid. Instead of the “beginning date” being the date the due proof of loss was received, it will be the date the claim was received. As defined in MCAS, the date the claim was received is the first date the claim is opened on the company system.

Claims

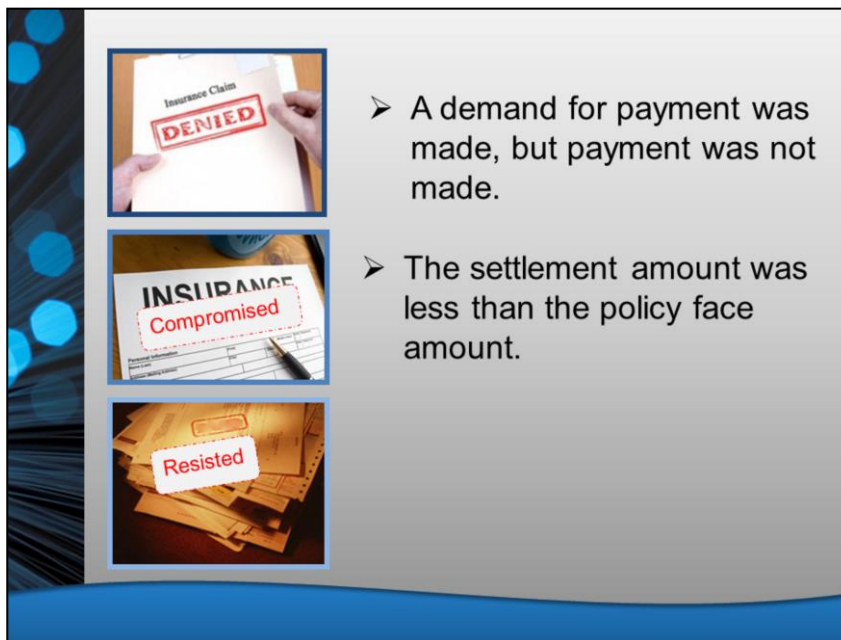
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- 39 Number of death claims denied, resisted or compromised during the period.
- 40 Number of death claims closed with payment during the period, which occurred within the contestability period.
- 41 Number of death claims denied during the period, which occurred within the contestability period.
- 42 Number of death claims received during the period.

For the next MCAS question, you are asked to provide the number of claims that were denied, resisted or compromised.

The image consists of three vertically stacked rectangular panels. The top panel shows a person's hands holding a white document titled "Insurance Claim" with a large red stamp that says "DENIED". The middle panel shows a document with the word "INSURANCE" in large black letters and "Compromised" in red below it, with a pen resting on the document. The bottom panel shows a stack of yellowish papers with a red stamp that says "Resisted".

- A demand for payment was made, but payment was not made.


A denied claim is, of course, a claim where a demand for payment was made, but payment was not made. If an event was reported “for information only” or if there was just an inquiry regarding coverage, do not consider it as a claim, since no formal claim has actually been presented.



The image contains three vertically stacked photographs. The top photo shows a person's hands holding a white document titled 'Insurance Claim' with a large red stamp that says 'DENIED'. The middle photo shows a document with the word 'INSURANCE' at the top and 'Compromised' written in red below it. The bottom photo shows a stack of papers with a red stamp that says 'Resisted'.

- A demand for payment was made, but payment was not made.
- The settlement amount was less than the policy face amount.

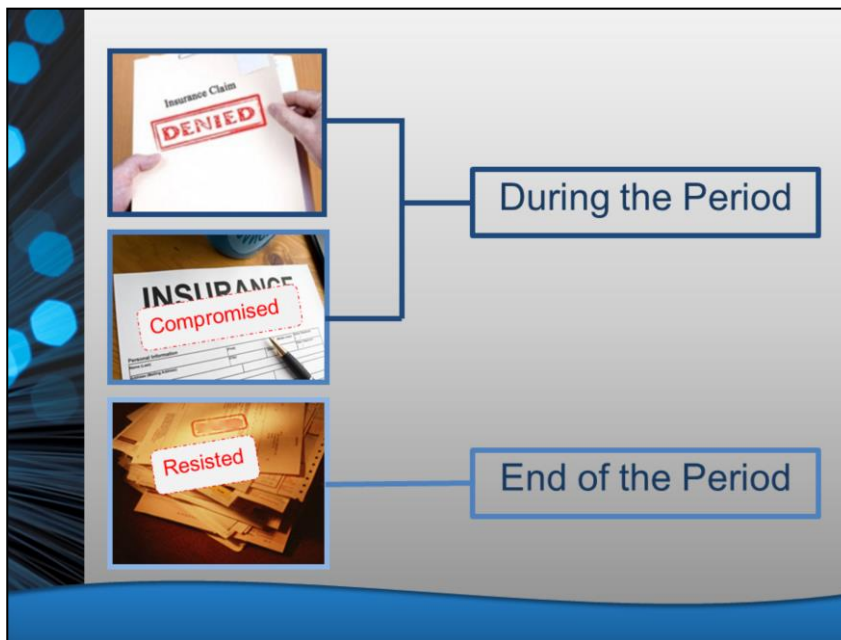
A compromised claim is a claim for which there was a settlement that was less than the face value of the policy or anything less than 100% of what was owed under the policy.



The image contains three vertically stacked photographs. The top photo shows a person's hands holding a white document titled 'Insurance Claim' with a large red stamp that says 'DENIED'. The middle photo shows a document with the word 'INSURANCE' in bold black letters and 'Compromised' in red cursive script below it. The bottom photo shows a stack of yellowish papers with a red stamp that says 'Resisted'.

- A demand for payment was made, but payment was not made.
- The settlement amount was less than the policy face amount.
- The claim is in dispute and remains unresolved at the end of the reporting period.

A claim is considered resisted when it is in dispute and not resolved on the financial statement date for the reporting period. Where the company is holding up payment for sufficient evidence or where a beneficiary has made a claim and then withdraws it, such items should be considered as in the course of settlement—that is, you would not count as paid or resisted.



In counting the total number of claims denied, compromised or resisted, you will count those claims that were denied or compromised during the period, and then add to that the number of claims being resisted at the end of the reporting period.

Claims

- 33 Number of death claims closed with payment, during the period, within 30 days from the date the claim was received (Include claims where the final decision was payment in full, and was made within 30 days from when the claim was received)
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- 40 Number of death claims closed with payment during the period, which occurred within the contestability period.
- 41 Number of death claims denied during the period, which occurred within the contestability period.
- 42 Number of death claims received during the period.

The next two questions deal with the contestability period.

Life & Annuities Data Call & Definitions

Contestability Period

- The contestability period is the period of time before a policy's incontestability clause becomes effective. During this period, a company may contest a claim based upon material misrepresentation or concealment during the policy application process. The contestability period is usually 2 years.

The contestability period is the period of time before a policy's incontestability clause becomes effective. During this period, a company may contest a claim based upon material misrepresentation or concealment during the policy application process. The contestability period is usually 2 years.

Life & Annuities Data Call & Definitions

Contestability Period

- Do not report claims on guaranteed issue life policies and do not report claims that are contested after the incontestability clause is in effect.



Do not report claims on guaranteed issue life policies and do not report claims that are contested after the incontestability clause is in effect.

Life & Annuities Data Call & Definitions

REPORT:



One question asks for claims closed with payment during the period that occurred within the contestability period and the other asks for claims denied during the period that occurred within the contestability period.

Claims

33	Number of death claims closed with payment, during the period, within 30 days from the date the claim was received (Include claims where the final decision was payment in full, and was made within 30 days from when the claim was received)
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40	Number of death claims closed with payment during the period, which occurred within the contestability period.
41	Number of death claims denied during the period, which occurred within the contestability period.
42	Number of death claims received during the period.

MCAS also asks for the total number of claims that were received during the reporting period. As mentioned before, do not count events that were only reported for information or that were simply inquiries about coverage. Count only those claims for which a claim was opened within your company's system. And for purposes of determining whether or not the claim was reported during the period, use the date that it was opened on your system.

Lawsuits

39	Number of death claims denied, resisted or compromised during the period.
40	Number of death claims closed with payment during the period, which occurred within the contestability period.
41	Number of death claims denied during the period, which occurred within the contestability period.
42	Number of death claims received during the period.
43	Number of lawsuits open at the beginning of the period.
44	Number of lawsuits opened during the period.
45	Number of lawsuits closed during the period.
46	Number of lawsuits closed during the period with consideration for the customer.
47	Number of lawsuits open at the end of the period.

Note: lawsuit data element collection began for the Life and Annuity lines of business with the 2021 data year.

There are five remaining data elements that are now collected in the Life and Annuity MCAS. These concern lawsuits received by your company. They ask for the number of lawsuits that are open at the beginning of the reporting period, the number of lawsuits opened during the period, the number of lawsuits closed during the period, the number of lawsuits closed during the period with consideration for the customer, and the number of lawsuits open at the end of the period.

Let's review the lawsuit definitions.

Lawsuit Definitions



Lawsuit

- An action brought in a court of law in which one party, the plaintiff, claims to have incurred a loss as a result of the action of another the defendant.

Lawsuit Closed During the Period with Consideration for the Consumer

- A lawsuit closed during the reporting period in which a court order, jury verdict, or settlement resulted in payment, benefits, or other thing of value, i.e., consideration, to the applicant, policyholder, or beneficiary in an amount greater than offered by the reporting insurer before the lawsuit was brought.

A lawsuit is defined as an action brought in a court of law in which one party, the plaintiff, claims to have incurred a loss as a result of the action of another party, the defendant.

A lawsuit closed during the period with consideration for the consumer is a lawsuit closed during the reporting period in which a court order, jury verdict, or settlement resulted in payment, benefits, or other thing of value, in other words consideration, to the applicant, policyholder, or beneficiary in an amount greater than offered by the reporting insurer before the lawsuit was brought.



Reporting Lawsuits in the Life & Annuity MCAS

- Include only lawsuits brought by an applicant for insurance, a policyholder or a beneficiary as a plaintiff against the reporting insurer or its agent as a defendant.
- Include all lawsuits, whether or not a hearing or proceeding before the court occurred.
- Do **not** include arbitrations of any sort.
- Report lawsuits in the jurisdiction in which the policy was issued, with the exception of class action lawsuits.

There are several things to consider for the purposes of reporting lawsuits in the Life & Annuity MCAS:

- Include only lawsuits brought by an applicant for insurance, a policyholder or a beneficiary as a plaintiff against the reporting insurer or its agent as a defendant.
- Include all lawsuits, whether or not a hearing or proceeding before the court occurred.
- do not include arbitrations of any sort, and remember that lawsuits must be reported in the jurisdiction in which the policy was issued, with the exception of class action lawsuits.

Reporting Lawsuits in the Life & Annuity MCAS

If one lawsuit seeks damages under two or more policies, count the number of policies involved as the number of lawsuits.



Please also note that if one lawsuit seeks damages under two or more policies, you should count the number of policies involved as the number of lawsuits. For example: if one lawsuit seeks damages from two policies, count the action as two lawsuits.

Reporting Lawsuits in the Life & Annuity MCAS

If one lawsuit has two or more complainants, report the number of complainants as the number of lawsuits.

Example: if one lawsuit has three complainants, report three lawsuits, unless it is a class action lawsuit which has separate instructions.



Similar to the previous slide, if one lawsuit has two or more complainants, report the number of complainants as the number of lawsuits.

For example: if one lawsuit has three complainants, report three lawsuits. This does not include class action lawsuits.

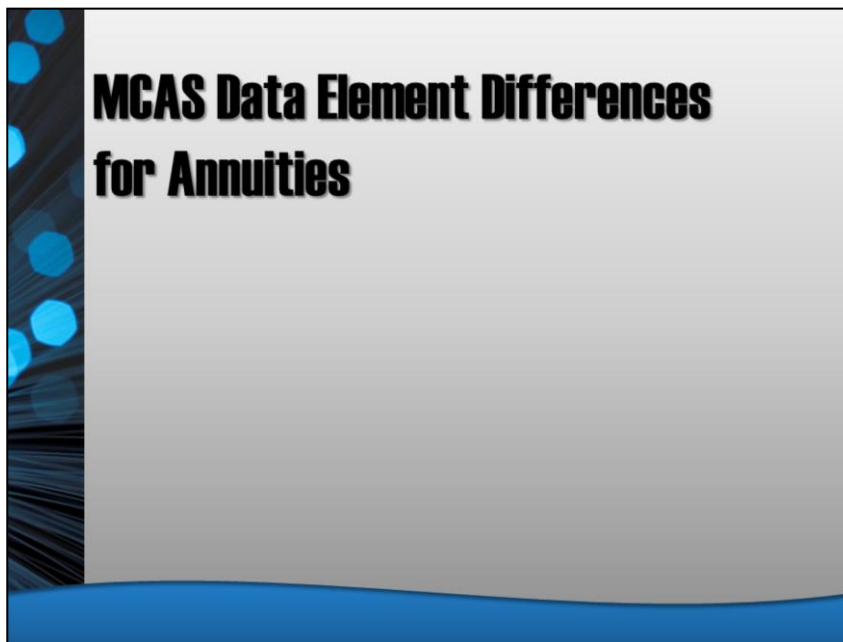
Reporting Lawsuits in the Life & Annuity MCAS

For class action lawsuits, report the opening and closing of a class action lawsuit once in each state where a potential class member resides.

- Include an explanatory note with your submission stating the number of class action lawsuits included in the data and the general cause of action.



For class action lawsuits, report the opening and closing of a class action lawsuit once in each state where a potential class member resides. Be sure to include an explanatory note with your submission stating the number of class action lawsuits included in the data and the general cause of action.



Now we'll review some of the differences between the Life MCAS and the Annuity MCAS data elements.

Annuity Interrogatories

	Yes No Response	Explanation
01		----
02		----
03		----
04		----
05		----
06		----
07		----
08		----
09		----
10		----
11		----
12		----

As mentioned earlier, the interrogatories ask insurers to indicate if they will be reporting data for each of the policy types for the line of business selected. For annuities, there are four different types of contracts, as opposed to two product types for the Life line of business. Insurers are asked if they are reporting data for Individual Indexed Fixed Annuities, Individual Other Fixed Annuities, Individual Indexed Variable Annuities, and Individual Other Variable Annuities.

Previously there were only two types of annuity contracts in this area, so we will review the new definitions on the next slide.

Annuity Definitions

Individual Indexed Fixed Annuity

- A fixed annuity whose accumulation or policy value is, in whole or in part, linked to an index or indices and offers principal protection.
- Includes equity indexed annuities or fixed indexed annuities that offer principal protection through a 0% floor feature.

Individual Indexed Variable Annuity

- A variable annuity whose accumulation or policy value is, in whole or in part, linked to an index or indices and may offer some principal protection.
- Includes buffer annuities or registered index-linked annuities that offer some principal protection but do not provide a guaranty against loss of principal.

An Individual Indexed Fixed Annuity is defined as a fixed annuity whose accumulation or policy value is, in whole or in part, linked to an index or indices and offers principal protection. Indexed fixed annuities include equity indexed annuities or fixed indexed annuities that offer principal protection through a 0% floor feature.

An Individual Indexed Variable Annuity is defined as a variable annuity whose accumulation or policy value is, in whole or in part, linked to an index or indices and may offer some principal protection. Variable indexed annuities include buffer annuities or registered index-linked annuities that offer some principal protection but do not provide a guaranty against loss of principal.

Annuity Replacement Age Breakout

Annuities

13	Number of replacement contracts issued during the period.
14	Number of internal replacement contracts issued during the period.
15	Number of external replacements of unaffiliated company contracts issued during the period.
16	Number of external replacements of affiliated company contracts issued during the period.
17	Number of contracts replaced where age of annuitant at replacement was < 65.
18	Number of contracts replaced where age of annuitant at replacement was 65 to 80.
19	Number of contracts replaced where age of annuitant at replacement was > 80.
20	Number of new immediate contracts issued during the period.
21	Number of new deferred contracts issued during the period where age of annuitant was < 65.
22	Number of new deferred contracts issued during the period where age of annuitant was 65 to 80.

Additional data elements that are reported for Annuities that differ from the Life lines of business are the number of contracts replaced. For Annuities, the age breakouts are different. The breakouts are :

- The number of contracts replaced where the age of annuitant at replacement was <65 years old,
- The number of contracts replaced where the age of annuitant at replacement was 65 to 80 years old, and the
- Number of contracts replaced where the age of annuitant at replacement was >80 years old.

Immediate and Deferred Contracts

13	Number of replacement contracts issued during the period.
14	Number of internal replacement contracts issued during the period.
15	Number of external replacements of unaffiliated company contracts issued during the period.
16	Number of external replacements of affiliated company contracts issued during the period.
17	Number of contracts replaced where age of annuitant at replacement was < 65.
18	Number of contracts replaced where age of annuitant at replacement was 65 to 80.
19	Number of contracts replaced where age of annuitant at replacement was > 80.
20	Number of new immediate contracts issued during the period.
21	Number of new deferred contracts issued during the period where age of annuitant was < 65.
22	Number of new deferred contracts issued during the period where age of annuitant was 65 to 80.
23	Number of new deferred contracts issued during the period where age of annuitant was > 80.
24	Number of new deferred contracts issued during the period.

The next difference is that for Annuity lines you are asked for information regarding immediate and deferred contracts by the age of the annuitant at the time of issuance of the annuity. The immediate and deferred questions for Annuities are:

- The number of new immediate contracts issued during the period,
- The Number of new deferred contracts issued during the period where the age of the annuitant was < 65 years old,
- The Number of new deferred contracts issued during the period where the age of the annuitant was 65-80 years old,
- The Number of new deferred contracts issued during the period where the age of the annuitant was >80 years old, and the
- Total number of new deferred contracts issued by the company during the period.

Life & Annuities Data Call & Definitions

Annuity Considerations

Funds deposited to or used to purchase annuity contracts issued by the company.

- Do **not** report “Other Considerations” or “Deposit-Type Contract” considerations.
- MCAS requires that you report only allocated considerations on contracts that have a mortality or morbidity risk.

The remaining area that requires some clarification for Annuities is related to the reporting of the dollar amount of annuity considerations during the period. For Annuity, report only considerations on specifically allocated business that has insurance risk.

Annuity Considerations

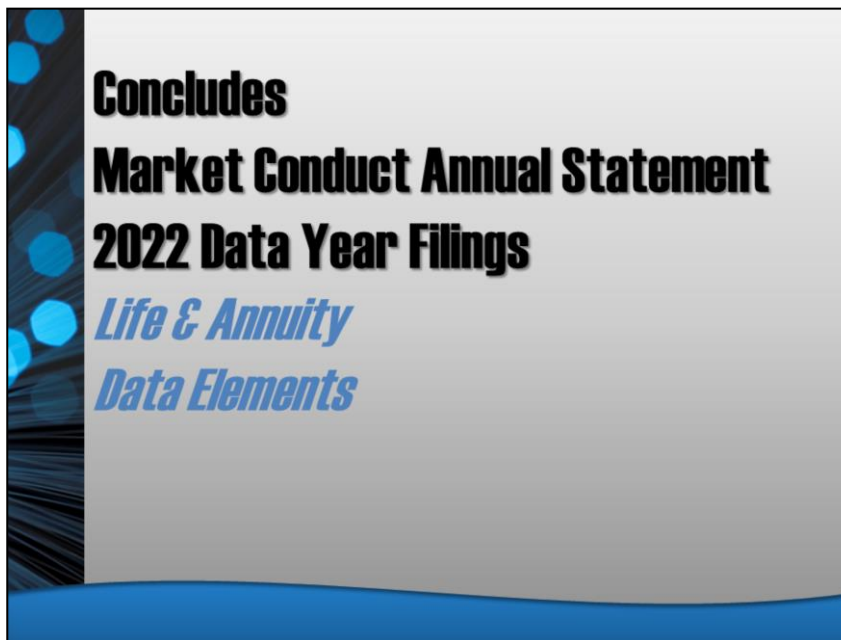


Deposit Type Funds



Pension Fund

For example, you would not report considerations received on deposit-type contracts, nor would you report considerations received toward a pension plan where the funds are not allocated prior to retirement.



This concludes the data elements review portion of the Life and Annuity Data Elements.