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NATIONAL COUNCIL OF INSURANCE LEGISLATORS (NCOIL)

RESOLUTION ENCOURAGING THE ADOPTION OF VOLUNTARY DATA CALL PRINCIPLES

Adopted by the NCOIL Financial Services Committee on November 16, 2017 and the NCOIL Executive Committee on November 19, 2017

****Sponsored by Sen. Bob Hackett (OH)***

WHEREAS, in recent years insurers have faced increasing burdens in complying with various federal and state data calls ranging from dual state/federal terrorism data calls, the Federal Insurance Office's (FIO) auto affordability data call, and a proliferation of state data calls on a myriad of subjects; and

WHEREAS, compliance costs for insurers have increased significantly in recent years with data calls being one of the fastest increasing categories as many data calls require extensive staff time that can sometimes also require input from a company's agents, thus generating costs that may ultimately become reflected in the price of insurance; and

WHEREAS, data calls often provide timely and useful information to legislators, regulators, policyholders, and the general public on insurance regulatory and public policy matters; and

WHEREAS, data calls provide the most timely and useful information when planned and coordinated by and with interested stakeholders while keeping in mind various data call principles; and

WHEREAS, such data call principles may include such matters as:

- Limiting data calls to subjects within the regulators' statutory authority and its core missions of balancing consumer protection (solvency/market conduct) with effective/efficient regulation.
- Identifying clearly the reasons for collecting the data.
- Consulting in advance with the statistical agents to understand what data insurers report in statutory financial reports, the format in which the data is reported, and what alternative data may be available.
- Providing, where applicable clear plans for how the data will be aggregated and how its confidentiality will be protected.

- Providing clear instructions, and where helpful, a “sample report” with proposed data fields populated to provide insurers with visual guidance on how to complete the response form.
- Developing a timeline for the data call that is not in conflict with insurers’ existing financial statement and other relevant filing deadlines, and that recognizes a reasonable amount of time insurers will need to respond given existing resources.
- Creating an industry advisory group to assist with the establishment of the goals, the data call requirements, and to assist in the construction of the design specifications, especially for those data elements that are not currently being captured by insurers:
 - If the data call generates a significant number of questions and concerns, consider reviewing, revising, and reissuing the data call and the associated instructions in consultation with the industry advisory group;
 - Seek guidance from the industry advisory group during the aggregation phase of the project on scenarios involving conflicting data results, missing data fields, numeric values that are not reasonable based on the definition of the data element, etc., to avoid potentially incorrect conclusions based on faulty data.
- Providing a method to resolve issues, maintain and make available to industry on an ongoing basis a list of issues and frequently asked questions and how they have been resolved.
- Where possible, coordinate and standardize data calls on similar issues (e.g., catastrophe losses) across the states and with federal agencies.

Now Be It Resolved, that the National Council of Insurance Legislators (NCOIL), recognizing the benefits to insurance regulation of data calls emanating from a timely, coordinated, and appropriate process now calls upon the National Association of Insurance Commissioners, state insurance regulators, and others to consider and design future data calls in a manner consistent with such principles.