

SERFF BOARD OF DIRECTORS

SERFF Board of Directors Dec. 5, 2009, Minutes

SERFF Board Election Update (Attachment One)

SERFF Strategic Plan (Attachment Two)

SERFF Product Development Report (Attachment Three)

SERFF Marketing Report (Attachment Four)

SERFF Speed to Market Implementation Progress (Attachment Five)

SERFF Filing Access Working Group Issues List (Attachment Six)

SERFF Board of Directors October 21, 2009, Minutes (Attachment Seven)

SERFF Board
San Francisco, CA
December 5, 2009

The SERFF Board met in San Francisco, CA, Dec. 5, 2009. The following Board members participated: Mary Jo Hudson, Chair (OH); Susan Eckler-Kerns, Vice Chair (Prudential); Bill Lacy (AR); Susan E. Voss (IA); Tammy Lohmann (MN); Ted Hamby (NC); Kathie Stepp (OK); Fred Alvarado (Transamerica); Elaine Leighton (American Council of Life Insurers—ACLI); Hank Edmiston (Property Casualty Insurers Association of America—PCI); and David Emmett (Georgia Mutual).

The following ex-officio Board members participated: Karen Schutter (IIPRC); Larry Mirel (Wiley Rein); Charles Breitstadt (National Association of Mutual Insurance Companies—NAMIC); and Steve Buhr (AEGON).

1. Election of Board Members and Officers

Ms. Eckler-Kerns welcomed new Board members Theresa Boyce (ACE Group) and Robert Yass (American Insurers Association—AIA) and re-elected members Bill Lacy and Fred Alvarado. Ms. Eckler-Kerns nominated Director Hudson to serve as Chair of the SERFF Board in 2010. Commissioner Voss seconded the motion, and the vote to approve Director Hudson as Chair of the SERFF Board was unanimous. A motion was made by Ms. Leighton and seconded by Mr. Emmett to appoint Ms. Eckler-Kerns to serve as Vice Chair. The motion passed unanimously. A motion was made by Ms. Eckler-Kerns and seconded by Ms. Leighton to re-appoint Mr. Breistadt and Mr. Mirel as ex-officio Board members. The motion passed unanimously. Mr. Edmiston and Mr. Buhr declined to continue service as ex-officios. The remaining ex-officio members will be contacted to determine their desire to continue ex-officio service, and that list will be presented to the Board at the next meeting.

2. Update and Discussion of Strategic Plan

Joy Morrison (NAIC) reviewed the changes made to the strategic plan (Attachment Two) since the Fall National Meeting, noting that most of the work planned for 2009 would be completed with the release of SERFF v5.8 on Dec. 9. Ms. Morrison said the proof of concept work for the data modifications enhancements has not been completed and suggested this work should be scheduled in early 2010 to allow the Board to make decisions regarding moving data in SERFF. This would include the state data retention project. Also in early 2010, the work to move data from one hoster to another and data for customers that are currently unhosted to a hoster will begin. Each data move is anticipated to require 60-65 hours of developer time. The team will complete one move in January and then evaluate the process to determine if there are improvements to be made that could reduce development hours.

Ms. Morrison said the application has become very complex, especially with the Post-Submission Updates features being added in SERFF v5.8, and it is very difficult to manually regression-test the entire application before every release. Several patches had to be released in 2009 because bugs that had not been caught in pre-release testing were introduced. Each time a patch is done, it requires development and testing hours that then cannot be applied to new development work. Ms. Morrison requested that time be set aside in the first two quarters of 2010 to allow the team to build some automated tests to assist with regression testing. The SERFF team is also piloting a new tool at the NAIC that will assist in tracking and resolving bugs. Dedicating the first two quarterly releases in 2010 to maintenance, bug fixes, and the development of some automated testing will better position the application for new development that can then occur in subsequent releases. Ms. Morrison cautioned the Board that this is an ongoing process; every time SERFF changes, the automated tests will need to be updated, as will State Application Programming Interface (SAPI) and SERFF Programming Interface (SPI). There were no objections to the plan; however, the Board did request another strategic planning session be scheduled to coincide either with the Spring National Meeting or E-Reg Conference to allow the Board time to discuss the direction beyond the second half of 2010.

3. Reports

• Development Update

Ms. Morrison reported that the next major release of SERFF, version 5.8, is currently being tested and is scheduled for release on Dec. 9. The release includes two significant enhancements—the ability to update additional fields after submission of the filing and the incorporation of the IIPRC Statement of Intent as fielded data on the filing. The post-submission updates enhancement allows industry to request changes to the industry Rate Data and 11 other fields. States will have the opportunity to review the changes and may approve or deny them. States not currently in a position to accept these types of changes—such as those using the State API—may disable the feature for their state instance.

The IIPRC enhancement involves a new schedule on Compact filings. Filers will list the forms that apply to their mix-and-match filings. States included on the filing can view and export this information. Where the original state filing was made in SERFF, the state will be able to link to it directly.

A release of the Product Requirements Locator occurred Nov. 19. No functionality changes were made, but a release was necessary to move PRL to the Oracle Application Server platform. This is the new standard platform for the NAIC, and the move included a new Web address for PRL. This information was posted on the NAIC Web site and announced in the SERFF newsletter.

Analysis and planning is under way for 2010. The SERFF team has been working on analysis and prototyping related to two potential enhancements—incorporating state data retention rules into SERFF and allowing filings to be moved between industry instances and data hosters. The Product Steering Committee is also discussing some of the remaining items on the Board's strategic plan, as well as prioritizing design suggestions submitted by users of the system. The PSC is discussing changes to Filing Rules to support future work for PRL integration and the Form Driven Filings enhancement, as well as an enhancement for states where two or more analysts share responsibility for reviewing a filing.

- Marketing Update

Since the Fall National Meeting, the Marketing Team has licensed 25 companies, and more than 2,950 unique companies are currently licensed. SERFF usage through October 2009 is down approximately 6% compared to the same time last year. Due to a good first quarter, usage for the first six months of 2009 is roughly 5% over the budgeted transactions; however, April through October actual transactions were less than budgeted in each month. Filing revenue has flattened since the second quarter of 2008, and there is no new growth anticipated in 2010. The SERFF team conducted a short, informal survey of several licensees to determine if there were factors impacting their filing volumes in 2009. All respondents indicated that there was no specific condition that altered their filing volumes in 2009.

The Marketing Team has implemented approximately 55 companies since the Fall National Meeting. Nearly 2,800 companies have implemented EFT—roughly 95% of the total number of unique licensed companies. Staff participated in the Association of Insurance Compliance Professionals (AICP) national conference as well as the Southeastern Regulators Associations (SERA) conference, both in October. For both events the team facilitated sessions and provided updates on SERFF, including upcoming releases and a question/answer session.

- State Implementation Update

The Implementation Team has been focusing on state satisfaction monitoring and general support. Nearly all states have implemented SERFF for all lines and speed-to-market initiatives. Indiana has set an implementation date of Jan. 1 for the Life and Health lines. They will set a goal for Property/Casualty once the Life side is implemented. Fifty states, DC and Puerto Rico accept filings via SERFF. Of those jurisdictions, 51 accept all major lines for Life, 51 for Health and 51 for Property/Casualty. Julie Fritz (NAIC) reported that there had been some work done with the Florida staff to determine the effort it would take to integrate the Life and Health lines. Ms. Fritz reminded the Board that, even with a willingness on Florida's part to consider integration, the cost may be higher for both sides than is reasonable for either to commit.

The implementation of Medicare Supplement changes to the Product Coding Matrix was completed Nov. 1. Fifty-one jurisdictions that allow filings via SERFF completed the implementation between July 1 and Nov. 1.

State implementation is nearly complete for those states that charge fees at the time of submission. South Carolina implemented EFT, effective Dec. 1. Only California remains, and it only charges fees to rating and advisory organizations.

4. Board Nominating Process

The Nominating Committee met Dec. 5 to discuss process improvements for the Board elections. Ms. Leighton reported that the purpose of the effort is to better define desirable criteria for SERFF Board members and to develop an application that would allow the nominees to demonstrate experience and education meeting those criteria. The group also plans to propose written guidelines for the process.

5. Access to SERFF Filings Discussion

The Filing Access (SERFF) Working Group met via conference call Nov. 23 to discuss comments collected at the Fall National Meeting. The Working Group put together an issues list (Attachment Six). At their next meeting, the group will identify some key issues to begin researching.

6. Approval of Minutes

Ms. Stepp made a motion to approve the Sept. 22 and Oct. 21 SERFF Board meeting minutes (Attachment Seven). Ms. Leighton seconded the motion, and the Board voted unanimously to approve the minutes.

Having no further business, the SERFF Board adjourned.

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Memo

To: SERFF Board and Interested Parties
From: Joy Morrison, Senior Manager II – SERFF
CC: Julie Fritz, Director, Insurance Products & Services Division
Date: Dec. 5, 2009
Re: SERFF Board Elections

The elections for the SERFF Board—for seats beginning January 2010—are complete. The industry nominees were as follows:

	Seat	Individual	Organization
1	LH	Fred Alvarado	Transamerica
2	LH	Karen E. Anagnos	National Catholic Society of Foresters
3	LH	Betty Dabrowski	McHugh Consulting Resources, Inc.
4	LH	Shirley Grossman	Lincoln Heritage Life Insurance Company
5	LH	Erin J. Hermsen	Humana Insurance Company
6	LH	Susan P. Martin	Unum
7	LH	Sindy Marty	New York Life Insurance Company
8	LH	Robin Perez	Massachusetts Mutual Life Insurance Company
9	LH	Suzanne Seay	Currin Compliance Services, LLC
10	LH	Jonna Shields	Nationwide Life Insurance Company
11	LH	John Shoemaker	Conventry Health Care of Kansas
12	PC	Theresa Boyce	ACE Group of Insurance Companies
13	PC	Erica Brownell	Washington Surveying & Rating Bureau
14	PC	Augustine O. Igwe	Cranbrook Insurance Company
15	PC	Terrel Madsen	Austin Mutual Insurance Company
16	PC	Ines Piquet	Perr & Knight
17	PC	Adam Reed	National Union Fire Insurance Company of Pittsburgh, PA
18	PC	Sonja Rodebaugh	Martin & Company
19	PC	Judy Thomas	Accident Fund Insurance Company of America

The state nominees were as follows:

	Seat	Individual	State
1		Sider Esquibel	New Mexico
2		Maureen Hartsmith	New Hampshire
3		Bill Lacy	Arkansas
4		Kathleen Nakasone	Hawaii
5		Gayle Woods	Oregon

Elected Industry Members:

- PC-Theresa Boyce (ACE) new member, replacing Kim Kennedy (Travelers)
- LH-Fred Alvarado (Transamerica) elected to serve another term

Trade:

- American Insurance Association (AIA) appointed Robert Yass (The Hartford) as the PC Trade representative, replacing Hank Edmiston (PCI Representative)

State:

- Bill Lacy (Arkansas) elected to serve another term
- Susan E. Voss (Iowa) anticipated to serve another term pending ratification.

SERFF Strategic Plan						
Enh No	Project	Project Source	Initial Hrs	Updated Projection	Status	Recommendation
Work scheduled for completion by year end 2009 (SERFF 5.8)						
310-01	Reminders	PSC	750	2009 Q1	SERFF v5.7	9/09 RELEASED IN SERFF v5.7
280-01 & 280-02	Post-Submission Updates	PSC	500	2009 Q2	SERFF v5.8	Sept 2009 Planned for v5.8-to be released in Dec 2009. August 2009 - This feature will be released in v5.8 currently scheduled for Nov 4,2009.
240-02	Pipeline	PSC	500	2009 Q4	SERFF v5.7	9/09 RELEASED IN SERFF v5.7 August 2009 - These changes will be released in v5.7 scheduled for Aug 12.
11/09 This feature is now in production. Over 2,000 reminders have been created by approximately 250 different users. Feedback received on this enhancement has been very positive. We recommend this line item be considered complete and future changes be prioritized via the PSC's design suggestion process.						
11/09 This feature will be in production as part of SERFF 5.8 in December. The enhancement allows industry to request updates to a number of fields while leaving the ultimate control of filing updates in the hands of the state. All fields but the most complex, such as Company, TOI, and State Specific Fields, will be included with the 5.8 release. We recommend that this line item be considered complete in regard to the strategic plan and that the PSC evaluate the addition of other fields through their design suggestion process.						
11/09 Both performance and cosmetic improvements were made to PDF Pipeline throughout 2009, culminating with changes in the 5.7 release. Some new design suggestions have been received for Pipeline and have been added to the PSC Design Suggestions list for review and prioritization.						

Enh No	Project	Source	Project Hrs	Initial Projection	Updated Projection	Status	Recommendation
300-02	Field-based General Instructions Pt 2	PSC	500 160	NA	SERFF v5.7	9/09 RELEASED IN SERFF v5.7 August 2009 - This feature will be available in the v5.7 release scheduled for Aug 12.	11/09 The Field Based General Instructions project, including the addition of a search feature, is complete. As new fields are identified and approved by the PSC, they can be added to the existing FBGI framework. Once added, the SERFF implementation team can assist states in populating the information.
210-01 & 210-02	Searching PDFs	PSC	4500 240	2008 Q2	SERFF v5.7	9/09 RELEASED IN SERFF v5.7 August 2009-This will be released in production with v5.7 to a limited group of states for initial trial.	11/09 This feature was introduced in the 5.7 release. It is currently being piloted by ten states before being rolled out to a larger audience.
400-01	IIPRC Enhancements 2009	IIPRC	500 375	2009 Q1	SERFF v5.8	Sept 09 will be released on v5.8 (Dec 9) August 2009 - Incorporation of Statement of Intent will be in v5.8 as well as adding the mix-n-match indicator.	11/09 The 5.8 release will include the incorporation of the IIPRC's Statement of Intent as fielded data on the filing and the addition of an indicator for mix & match filings. The Compact and included states will be able to search for mix & match filings and export SOI date.
410-01	NAIC Technology Requirement - DB Char Set Conversion	NAIC	750	2009 Q2		Work to be prioritized for 2010	Sept 09 -No change June 2009 - This project is on hold for technical risk assessment.
							11/09 There are no changes to this item. It will be carried forward as a pending task, but there are no immediate plans to make the change. 9/09 This will need to be carried into 2010 although it appears unlikely there will be a solution within the next 12 months.

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Enh No	Project	Source	Project Hrs	Initial Projection	Updated Projection	Status	Recommendation
270-01 & 270-02	NAIC Initiative (LDAP)	NAIC	1500	2008 Q4			<p>11/09 Representatives from SERFF have participated in a number of planning sessions related to moving SERFF to LDAP, the NAIC's enterprise user administration tool. However, there are a number of outstanding issues related to user migration and integrating the application. At this time, a date has not been set for moving SERFF to LDAP so this item will remain on the task list for SERFF.</p> <p>9/09 This project needs to be carried into 2010 as the NAIC hopes to have LDAP issues resolved implementation issues, and to continue implementation next year.</p>

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Enh No	Project	Source	Project Hrs	Initial Projection	Updated Projection	Status	Recommendation
200-02	Reports 2	PSC	750	320	NA		<p>11/09 The most frequently requested report is related to filing metrics. As the OEWG is slated to revive their discussion of metrics, development of such a report has been on hold. The SERFF Help Desk has assisted several states with custom reporting in the interim and has added fields to the Export Tool to facilitate both industry and state reporting.</p> <p>3/09 Assumes one state report is added and that the Export Tool is modified to allow the export of Correspondence.</p> <p>Description - A custom reporting framework is not available at this time and does not appear to be an option for the near future. However, lack of reporting continues to be one of the most common complaints from SERFF states, particularly those trying to move away from their back office systems.</p> <p>We propose a strategy of continual improvements to canned reporting, search, and the export tool. The improvements should be based on state feedback and consensus. A goal to add at least one significant reporting improvement per release is suggested.</p> <p>June 2009 - Proposal to the PSC is to hold off on an additional state report and use the time towards Post Submission Updates.</p>

Enh No	Project	Source	Project Hrs	Initial Projection	Updated Projection	Status	Recommendation
							<p>11/09 A number of PSC design suggestions were implemented in the past year, including expansion of support for confidentiality requests and improvements to the Export Tool. Users continue to submit design suggestions on a regular basis. We recommend a portion of available development hours be allocated to enhancement ideas submitted by users and approved by the PSC.</p> <p>8/09 PSC opted to table the upload shortcut 3/09 These would include: State Rate Data, PACM Confidentiality Updates, and Shortcut to Upload for Supp Doc Satisfy.</p> <p>The environment in which SERFF operates is constantly changing, as are the needs of its users. It is recommended that a substantial portion of hours for each SERFF release be reserved for small to medium enhancements suggested by users and approved by the PSC. Small to medium enhancements are those estimated at less than 200 development hours. Items larger than 200 hours will be reviewed by the PSC and, if approved, escalated to the Board for a final decision.</p> <p>9/09 RELEASED IN SERFF v5.7 August 2009 -State Rate Data and PACM updates will be in v5.7.</p>
PSC-57	Additional PSC Enhancements	PSC	540	NA			<p>11/09 No updates this quarter.</p> <p>We recommend that no further action be taken on this item until the PRL subgroup completes their discussions. The staff has been and will continue to attend the subgroup's calls</p>
	220-01	PRL/RSC Part 1 - Analysis	PSC	1000	2008 Q2		<p>June 2009 - Further action pending Speed to Market TF recommendation.</p>

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Enh No	Project	Source	Project Hrs	Initial Projection	Updated Projection	Status	Recommendation
220-02	PRL/RSC Part II - Development	PSC	2000	2008 Q4		June 2009 - Further action pending Speed to Market TF recommendation.	<p>11/09 No updates this quarter. We recommend that no further action be taken on this item until the PRL subgroup completes their discussions. The staff has been and will continue to attend the subgroup's calls</p>
No ID	State Sole System-Paper Letter Template	Board	750	2008 Q4		June 2009 - No update on this item. See recommendation.	<p>11/09 No updates this quarter. It is recommended that the hours for this project be redirected toward reporting improvements and PSC design suggestions. Alternatively, some of the hours could be allocated for improvements to Paper Tracking, an existing feature that is critical for states that have not mandated SERFF but do use it as their sole system for filing review and tracking.</p>
No ID	Form-driven Filings	PSC	4000	2009 Q2		June 2009 - No update on this item. Relies on PRL decision.	<p>11/09 This item is not specifically under analysis at this time, but items 420-01, 02, and 03 are related and intended to pave the way for Form Driven Filing and PRL integration. 6-09 One of the greatest challenges to this enhancement is its close tie to the PRL changes that are being reviewed under OEMG. We recommend that no development be started on Form Driven Filings until the PRL issues are resolved. However, additional work to detail this enhancement should be undertaken to help with additional prioritization once the PRL discussions are complete. We recommend that the SERFF team work with the PSC to create a project scope and a set of high level business requirements for this feature.</p>

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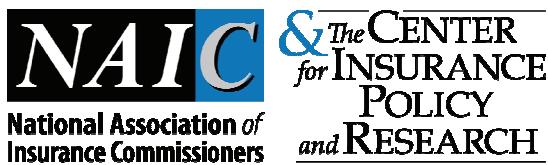
Enh No	Project	Source	Project Hrs	Initial Projection	Updated Projection	Status	Recommendation
420-01	Incorporate Filing Mode/Method into Submission Requirements	Board	500				<p>Sep 09-Preparing a survey to go to states regarding filing mode/method and their impact on Submission Requirements.</p> <p>August 2009-PSC is reviewing this item.</p> <p>8-09 The PSC has suggested a survey to states to determine whether incorporating the filing mode/method into the Submission Requirements will impact many Sub Reqs. If the states say it has little impact, this may not be a good use of development hours. This work was indicated as a potential risk for PRL. If the Board proceeds with this enhancement prior to a decision being made on the PRL redesign, it could cause rework and/or hamper the PRL redesign.</p> <p>11/09 Initial discussion with the PSC indicated this was still a desired enhancement. However, development effort is projected to be very large with wide reaching impact to the entire system. Direction is needed from the Board as to where this fits in overall priority.</p> <p>8-09 This was an item that was designated as one the team could move forward on without substantial impact from PRL changes. However, it has a significant impact on not only SERFF's filing wizard but the underlying structure of filings that have been created over the past 10 years.</p>
420-02	Allow selection of multiple TOIs and Sub-TOIs on a SERFF filing.	Board	500-750				<p>August 2009-PSC is reviewing this item.</p>

Enh No	Project	Source	Project Hrs	Initial Projection	Updated Projection	Status	Recommendation
420-03	Tools to Make Filing Rules Maintenance Easier	Board				August 2009-PSC is reviewing this item.	<p>11/09 SERFF business analysis team has worked with the Implementation team to identify potential improvements for Filing Rules maintenance. Once report is complete, it will be shared with the PSC for additional input and prioritization.</p> <p>8-09 Note, the enhancement to display the TOIs and SubTOIs that apply for each Requirement on the Requirements page will be included in this enhancement. Until the PSC defines what else would be included here, we will not be able to provide a ballpark estimate.</p> <p>11/09 Staff have been working with New York and Ohio Baseline business requirements document is being prepared to facilitate PSC discussion.</p> <p>8/09 It is recommended that an initial call be held with the six states that provided feedback on this enhancement to try and develop a scope of work and high level business requirements. This information could be used to develop a more precise estimate so the enhancement can be evaluated further.</p> <p>Sept 09 Business Analyst assigned to begin work with PSC.</p> <p>6/09 This work was indicated as a potential risk for PRL. If the Board proceeds with this enhancement prior to a decision being made on the PRL redesign, it could cause rework and/or hamper the PRL redesign.</p>
No ID	Concurrent Rate/Form Review	PSC	3000	2009 Q4			

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Enh No	Project	Source	Project Hrs	Initial Projection	Updated Projection	Status	Recommendation
No ID	Messages for Filing Rule Changes	PSC	500	2009 Q4		June 2009 - Requirements work not started.	<p>11/09 Scheduled for discussion on November PSC call.</p> <p>It is recommended this feature be re-evaluated after requirements work for the 5.7 release is complete. At that time, the PSC could discuss the feature and provide a recommendation. Alternately, this work could be completed in 5.7 instead of the proposed work for Reminders. However, this feature will require more analysis and development than a scaled back Reminders.</p>
No ID	State Sole System Feature M (TBD)	Board	750	2009 Q4		June 2009 - No update on this item. See recommendation.	<p>11/09 No updates this quarter.</p> <p>It is recommended that the hours for this project be redirected toward reporting improvements and PSC design suggestions. Alternatively, some of the hours could be allocated for improvements to Paper Tracking, an existing feature that is critical for states that have not mandated SERFF but do use it as their sole system for filing review and tracking.</p>
No ID	Sole System State Analysis Pt 2	Board	250	NA		June 2009 - No update at this time.	<p>11/09 No updates this quarter.</p> <p>Recommendation is amended per PSC meeting. New proposal is to survey states. The goal of the survey is to validate whether states feel SERFF is moving in the right direction and will be able to meet this strategic goal as a natural consequence of the overall development plan.</p>

Enh No	Project	Source	Project Hrs	Initial Projection	Updated Projection	Status	Recommendation
No ID	Company data moves from one Data Hoster to another	Board	250	2009 Q3	This process will be outside of the SERFF system so it will not be associated with a release item.	August 2009 Development has been completed on this item.	11/09 Goal is to begin migration of non-hosted to hosted customers in January 2010. The team will migrate data for one customer then evaluate process to determine if there are any improvements available that could save time.
No ID	Proof of concepts - remove data per state data retention policy and more complex company data moves	Board	120	2009 Q3	This process will be outside of the SERFF system so it will not be associated with a release item.	August 2009 - Work has not yet begun.	11/09 This proof of concept has not begun as the team is still collecting information from states related to data retention regulations. Staff is suggesting this becomes a priority for Q1 2010.
Enh No -this number corresponds to the 07-08 plan and is added here to assist you in matching those up - color coding in this column is based on the 07-08 plan's estimates of effort and is just added here to help you time these features back to the 07-08 plan. This number has also been added to each feature as it appears in the Roadmap Summary document. Yellow= <500 hours; Blue= 500-750 hours; Purple= 750-1,500 hours; Green= >1,500 hours Project -This is the current name for the enhancement but it should generally match to the 07-08 plan. Source - This column was added so that the Board could see what group is behind each enhancement. Project Hours -this is a high-level estimate only and may not reflect the actual hours spent on any one enhancement. Initial Projection : refers to the tentative release set when the roadmap was developed in 2007. Updated Projection : indicates the release for which the project is currently slated. Status : Shows current status of the feature. Recommendation : this is the summary recommendation from the Roadmap Summary document							



Memo

To: SERFF Board
From: Bridget Kieras, SERFF Product Support Manager
CC: Julie Fritz, Joy Morrison
Date: November 11, 2009
Re: SERFF Development Update

The next major release of SERFF, version 5.8, is currently being tested and is scheduled for release on Dec. 9. The release includes two significant enhancements—the ability to update additional fields after submission of the filing and the incorporation of the IIPRC Statement of Intent as fielded data on the filing. The post submission updates enhancement allows industry to request changes to the industry Rate Data and 11 other fields. States will have the opportunity to review the changes and may approve or deny them. States not currently in a position to accept these types of changes—such as those using the State API—may disable the feature for their state instance.

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A release of the Product Requirements Locator is scheduled for Nov. 19. No functionality changes are being made, but a release was necessary to move PRL to the Oracle Application Server platform. This is the new standard platform for the NAIC, and the move includes a new Web address for PRL. This information will be posted on the NAIC Web site and announced in the SERFF newsletter.

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The SERFF team is hoping to move to quarterly releases in 2010. The planned release months are February, May, August, and November. The team believes smaller but more frequent releases will be more manageable for development and testing.

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Memo

To: SERFF Board and Interested Parties
From: Thea Cook, Product Implementation Manager
CC: Joy Morrison, Senior Manager II – SERFF
Julie Fritz, Director, Insurance Products & Services Division
Date: Nov. 11, 2009
Re: Marketing Update

SERFF Company Implementation

Since the Fall National Meeting, the Marketing Team has licensed 25 companies, and more than 2,950 unique companies are currently licensed.

Usage

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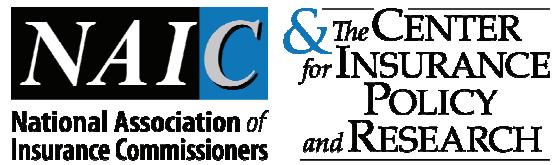
EFT

The Marketing Team has implemented approximately 55 companies since the Fall National Meeting. Nearly 2,800 companies have implemented EFT—roughly 95% of our total number of unique licensed companies.

Events

Staff participated in the Association of Insurance Compliance Professionals (AICP) national conference as well as the Southeastern Regulators Associations (SERA) conference, both in October. For both events the team facilitated sessions and provided updates on SERFF, including upcoming releases and a question/answer session.

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Memo

To: SERFF Board and Interested Parties
From: Thea Cook, Product Implementation Manager
CC: Joy Morrison, Senior Manager II – SERFF
Julie Fritz, Director, Insurance Products & Services Division
Date: Nov. 11, 2009
Re: State Implementation Update

SERFF State Implementation

The Implementation Team has been focusing on state satisfaction monitoring and general support. As reported at both the Summer and Fall National Meetings, nearly all states have implemented SERFF for all lines and speed-to-market initiatives. By doing so, the states have demonstrated their willingness to achieve uniformity that benefits themselves, the industry and, ultimately, the consumer.

Fifty states, DC and Puerto Rico accept filings via SERFF. Of those jurisdictions, 51 accept all major lines for life, 51 for health and 51 for property/casualty.

The implementation of Medicare Supplement changes to the Product Coding Matrix was completed on November 1. Fifty-one jurisdictions that allow filings via SERFF completed the implementation between July 1 and November 1.

EFT

State implementation is nearly complete for those states that charge fees at the time of submission. South Carolina implemented EFT, effective December 1. Only one state remains and it only charges fees to rating and advisory organization. Staff is hopeful to have the final state implemented by year-end.

Conclusion

Overall, implementation goals for 2009 are on target and nearly all states should be fully implemented for all speed-to-market initiatives this year.

State Initiative Implementation

EFT	27 (of 29 requiring fees in advance) states have implemented.
Product Coding Matrix	50 states representing 150 business areas have implemented. 50 states fully implemented.
SERFF Integrated Uniform Transmittal Document	49 states utilize the Document as built in SERFF.
Standardized Filing Types	51 jurisdictions have implemented

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The Filing Access (SERFF) Working Group was formed to identify the issues related to allowing internet access to filings currently available for access via SERFF. The group met via conference call on Nov. 23 and identified the following items that will need to be considered as this proposal is further explored.

Bylaws
1. Would providing access to filing via SERFF violate provisions of the existing SERFF bylaws and/or the intent of the bylaws?
License Agreement
1. Existing SERFF licenses contain a confidentiality provision. Would allowing internet access to filings via SERFF violate/contradict that SERFF license agreement?
Costs and Funding
1. If allowing access to SERFF filings via the internet would require funding, what would the source of the funding be? 2. If there is a need to add functionality to allow access to the filings, how would it be prioritized as compared to other requested SERFF enhancements? 3. Will there be a cost to view filings in SERFF? Does the cost currently vary by state to use the public access terminal? Will person who wants to view a filing need to register with (and potentially pay) each state or will there be a single login? 4. Will there be a cost difference between viewing versus downloading a filing? 5. Is it expected that this will be a revenue generator – if so, for whom? 6. Will making these filings available create an incentive to disclose data broadly versus protecting proprietary data? 7. Will states pass along the savings to industry as a result of no longer needing backroom operations to locate and copy materials? 8. Once scope decisions are made will a cost benefit analysis be created?
Trade Secret Protection
1. Who is liable (states or NAIC) should an error be made and something that is proprietary become available to the public? Has there been a legal opinion on this? 2. What would be the process to remedy such an error? 3. Who owns the data/filings in SERFF--states or the NAIC? 4. Does this constitute a delegation of state duty to the NAIC? 5. Will allowing internet access to filings via SERFF facilitate state sharing of proprietary information with other state insurance departments? 6. Should communication protections be built in to allow advance (not concurrent) warning to an insurer when the confidentiality request is not granted? 7. If a state subsequently makes public data which was previously non-public because the company considered it a trade secret, will the company be notified about the change in status? If so, according to what timeframe? Will there be an appeals process? 8. Should there be a delay in a state override of a request for trade secret to allow the company time to withdraw the filing? 9. For states that require filing of non-forms and rates via SERFF (e.g. LTC rescission filings), would these filings also be available for access or should these be excluded? Should the states make this decision individually? 10. Do state public access laws trump trade secret protections? Do these establish state responsibilities for honoring trade secrets?
Process Issues
1. Will filings be accessed from a common URL or a link off of each state's website? 2. Will a user need a login and ID? Who will issue those (states, NAIC)? 3. Who will collect any designated fees and how? 4. Who will handle the customer service function (states, NAIC) for technical questions, content questions, etc.?

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| <ul style="list-style-type: none">5. What information would a person key in to initiate a search?6. What will the protection be to ensure manipulation or misuse of data does not occur?7. What format will filings be viewed in (i.e. PDF)?8. Would there ever be the ability to aggregate or compare aspects of different filings, so it's not just stand alone one filing view at a time?9. In some states, documents are only made public if requested. How would that work from a process and technology standpoint?10. Do the "Default Public Access" settings that exist today need to be modified should access to filings be granted as described?11. Does an insurer have the ability to request confidentiality on filings with default public access set to yes, and/or does a regulator have an opportunity to review any confidentiality requests made on a filing? |
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Other Issues

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| <ul style="list-style-type: none">1. Will there be new delays in the approval process as a result of states looking at similar filings made in other jurisdictions?2. Given the differing regulatory environments, is there any benefit in sharing filing data between states?3. Are states concerned that this could result in having to defend actions taken on filings approved?4. Will this decrease SERFF usage in favor of paper filings? In some states even withdrawn filings become public access so an insurer would not have the opportunity to withdraw the filing if the confidentiality requested is denied.5. Given the trend toward states increasingly making filing via SERFF mandatory, is this "fair"?6. Will states that do not currently make filings available do so now, if it is a feature that has been made available to them via SERFF?7. OR and PA want to use the Public access features to invite consumer comments. How would this work? Would the consumer comments be public? Would the company get to see them? Would the company have the opportunity to respond? Would it hold up disposition of the filing?8. Will allowing internet access to filings via SERFF be mandatory for states or optional? If optional, then what will benefits be if public access is not on one system?9. Are the current confidentiality mechanisms in SERFF available for use on older filings?10. Would allowing internet access to filings via SERFF prevent private competition and put third party vendors currently providing this service out of business? |
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Draft: 11/13/09

SERFF Board
Conference Call
October 21, 2009

The SERFF Board met via conference call Oct. 21, 2009. The following Board members participated: Mary Jo Hudson, Chair (OH); Susan Eckler-Kerns, Vice Chair (Prudential); Susan E. Voss (IA); Bill Lacy (AR); Tammy Lohman (MN); Ted Hamby (NC); Doris Kullman (NY); Kathie Stepp (OK); Elaine Leighton (American Council of Life Insurers—ACLI); Kim Kennedy (Travelers); and David Emmett (Georgia Mutual).

The following ex-officio Board members participated: Charlie Rapacciulo (IIPRC); Peg Ising (Nelson Levine deLuca & Horst); and Steve Buhr (Aegon).

1. Update and Discussion of Strategic Plan

Joy Morrison (NAIC) said there were no major changes made to the strategic plan since the Fall National Meeting. The Post Submission Update work is the biggest piece of the plan that is active right now and will be moving into testing next week. It is part of the 5.8 release scheduled for December. The Product Steering Committee (PSC) is working on the proposed filing rules changes and will continue in 2010, depending on how quickly an agreement can be reached on what should be done there and the priority for doing that work. Another project on the strategic plan is the data modifications enhancements, which will include moving data from one hoster to another and moving requesting customers that are currently unhosted to a hoster. Beyond these efforts is the state data retention project, which has yet to be addressed. A block of hours was used to make changes to allow the movement of data from hoster to hoster, and that work is complete. The plan is to start the data moves with EDS, as they have had customers waiting the longest, and in January 2010 they should have resources available to start working on the data moves. The first move will be evaluated to see if things can be done programmatically to improve the process and cut down on the number of developer hours.

A survey regarding the state data retention project was submitted to the states in late summer. The responses received may not have reflected the states' legal obligations, so the survey may need to be resubmitted to target the legal staff. From a data warehousing perspective, if the states don't want to delete or remove data from the databases, there may be some data warehousing options that can be used to help control the cost of additional storage space and to prevent the size of the database and the number of attachments from impacting performance. Bridget Kieras (NAIC) added that the PSC will continue their work on enhancements, such as rate/form concurrent review. The group is setting a baseline with New York and Ohio as two large states that have been asking for the enhancement. Ms. Kieras said Post Submission Updates will include all the rate data fields, product name, project number, effective date and reference filing. Company Name, Type of Insurance (TOI), sub TOI filing type, and state-specific fields will remain uneditable.

2. SERFF Board Election Update

Ms. Morrison reported that the Nominating Committee received and reviewed the nominations and approved the nominees to put on the ballot. There are 11 Life and Health nominees and nine P&C nominees on the Industry side. There are five state nominees. The ballots will be sent Oct. 23 and are due back by Nov. 6. In an effort to improve the process of qualifying nominees, the Nominating Committee will develop a draft questionnaire and recommended guidelines to present to the Board.

3. Product Steering Committee Member Recommendations

Ms. Kieras explained that six seats on the PSC expire at the end of 2009. A person has been recommended for each seat along with alternates in case the person who has been recommended cannot serve. All of the recommendations are based on overall participation in SERFF via actual attendance and participation in the PSC as an interested party or in some cases, very active participation in things like attending the E-Reg Conference, submitting SERFF design suggestions, attending the Association of Insurance Compliance Professionals (AICP) conferences, and other compliance activities. The recommendation for the life and health regulator seat currently held by Linda Graham (VT) is Scott Henderson (WA). Jeff Graham (KY) is recommended for the property/casualty regulator seat currently held by Angelia Johnson (TX). It is recommended that Rob Reichart (MO) be reappointed to his property/casualty regulator seat; he has served for less than a year, as he stepped in to fill a vacant seat, and he is currently serving as the PSC State Chair. Carmen Kuechenmeister (Allianz Life) and Kim Mahaffey (Penn Mutual Group) are recommended to fill the two L&H industry seats held by Shawna

Greenway (Farm Bureau) and Cindy Meyer (Americus). It is recommended that Don Harrison (Berkley Underwriters) assume the industry seat for property/casualty currently held by Lisa Chin (Zurich).

Ms. Kennedy made a motion to accept the recommendations proposed. Mr. Emmett seconded the motion, and the recommendations were approved.

4. Reports

Development Update

Ms. Kieras reported that SERFF 5.8 is in testing. This release, scheduled for December, includes Post Submission Updates and the incorporation of the IIPRC's Statement of Intent as fields in SERFF. Analysis continues on the Rate & Form Concurrent Review enhancement, one of the items on the Board's strategic development plan. Currently, feedback from Ohio and New York is being reviewed. The project scope will be updated and presented to the PSC for feedback. Members of the implementation team have provided some feedback on possible enhancements to Filing Rules. This is the first step toward modifications that will support the Form Driven Filings project. PRL has been migrated to the NAIC's new enterprise platform, Oracle Application Server; this change is in testing and is tentatively scheduled for release in November. The platform move was required to stay current with NAIC infrastructure, and there are no functionality changes in this version. The PSC has considered some design suggestions, including automatic deletion of messages and a change in handling the display of Supporting Document items, and will continue to review both design suggestions and work on the projects from the strategic plan in preparation for SERFF's 2010 releases. A survey has been created to capture more complete information from user design suggestions and to facilitate a faster turn-around in presenting these to the PSC. The survey will be available from the SERFF home page in the next few weeks.

Marketing Update

In September 2009, SERFF transaction volume was slightly under budget at 45,399 transactions, for a daily average of 2,162 and an average per filing transaction rate of \$7.53. There are 16 new licensed companies since the Fall National Meeting, bringing the total of unique licensed companies to 2,943. One SERFF demo has been delivered and one person attended the AICP National Conference in early October, participating in two sessions.

State Implementation Update

Julie Fritz (NAIC) confirmed that the dual paper copy requirement was eliminated in Hawaii. On the Medicare Supplement side, only three jurisdictions remain. One is to go into production today, a second on Nov. 1 and the last state is still waiting for a rule change. There are two states remaining—California and South Carolina—that still need to implement Electronic Funds Transfer (EFT). California charges fees to rating and advisory organizations only, and staff hopes to have both states implemented by year-end. Only one SERFF state remains to be implemented for the Product Coding Matrix, and progress on requirements should occur by year-end.

5. Access to SERFF Filings Discussion

Director Hudson started the follow-up discussion with the Board in an effort to identify some of the open issues and put together a due diligence checklist for review. Additional demos will be offered. Director Hudson said there was a need to reinforce that access to SERFF filings on the Internet is an option and, further, to address some of the legal concerns if it is offered as an option. The suggestion was made to identify a subcommittee of industry and state Board members to create a proposal that outlines the questions that have been raised related to this issue.

6. Any Other Matters Brought Before the Board

The December Board meeting is tentatively scheduled for Dec. 5, during the Winter National Meeting.

Having no further business, the SERFF Board adjourned.