



SOCIETY OF ACTUARIES

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► **Summary**

There are strong reasons to consider adding CII to your product portfolio:

- Supplementing declining life sales.
- Leveraging a traditional distribution system.
- Offering potential for higher return on capital.
- Meeting the sales force's desire for a new product.
- Satisfying consumers' unmet needs.

Critical illness insurance is a new, exciting product with many challenges. The product will evolve as we obtain more claims experience and market exposure. Education is key to the growth of CII; the more consumers, marketers, insurance companies and regulators learn about this product, the more eager they will be to have this new insurance offering ●

¹"Dread Disease Cover, An Actuarial Perspective" by Alison Dash and David Grimshaw, Presented to Staple Inn Actuarial Society, January 1990.

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Product Requirements Locator Improves Filing Efficiency

Insurers Can Now Obtain State-by-State Requirements from Searchable National Database

State insurance regulators have developed a searchable database that will provide insurers immediate access to summarized product content requirements for rates, rules and forms on a national basis. Called the Product Requirements Locator, it allows filers to obtain current state-by-state filing requirements from a search engine on the National Association of Insurance Commissioners' (NAIC) Web site.

"We can now provide a one-stop, national information source for product filings," said District of Columbia Insurance Commissioner Larry Mirel, who co-chairs the Improvements to State-Based Systems Working Group.

The Product Requirements Locator's property & casualty category is functional and, with the recent addition of New York, includes filing requirements from 12 states, with more than 10 others nearing completion.

A life, accident & health category is currently in prototype mode and is expected go live after a brief comment period. Both product categories query state filing requirements based on a selection of "Product Name," "Filing Requirement" and "Jurisdiction."

The need for greater speed and efficiency in the product approval process was recognized in the NAIC's Statement of Intent, the Future of Insurance Regulation, which was adopted unanimously by NAIC members in March 2000. The Improvements to State-Based Systems Working Group was created in order to develop a series of operational and regulatory efficiencies to meet this objective. The Product Requirements Locator is one of the working group's key initiatives in this area.

"We have received tremendous feedback from insurance industry representatives that have used the Product Locator," said Peg Ising,

assistant director of the property and casualty division for the Ohio Insurance Department. "The industry has enthusiastically expressed its view that this will be a very effective speed-to-market tool."

The Product Requirements Locator's many benefits include:

- Insurers will be able to proactively and efficiently create rates, rules and forms that comply with all requirements before submitting filings.
- Insurers will be able to quickly implement new and revised products on a national basis.
- Products that already comply with state review requirements will be approved faster.
- The NAIC's Product Uniformity Subgroup will be better able to determine where there is

uniformity in state laws and will facilitate best practices for products.

The Product Locator can be found on the NAIC Web site, <http://www.naic.org>, by clicking on "Industry," then "Rates & Forms Filing."

About the NAIC

Headquartered in Kansas City, Mo., the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and four U.S. territories. The association's overriding objective is to protect consumers and help maintain the financial stability of the insurance industry by offering financial, actuarial, legal, computer, research, market conduct and economic expertise. Formed in 1871, it is the oldest association of state officials. For more information, visit NAIC on the Web at <http://www.naic.org/>. ●