June 1, 2012

BULLETIN NO. 5-2012

TO:        ALL LICENSED PROPERTY AND CASUALTY INSURERS REPORTING SEVEN MILLION DOLLARS ($7,000,000) OR MORE IN HOMEOWNER OR PRIVATE PASSENGER AUTOMOBILE GROSS PREMIUMS AND LIFE AND ANNUITY INSURERS REPORTING SEVEN MILLION ($7,000,000) OR MORE IN INDIVIDUAL GROUP LIFE OR INDIVIDUAL ANNUITY GROSS PREMIUMS

FROM:      ARKANSAS INSURANCE DEPARTMENT

SUBJECT:   NOTIFICATION PURSUANT TO ARK. CODE ANN. 23-63-216 (b) and (c) REGARDING ANNUAL FILING OF THE MARKET CONDUCT ANNUAL STATEMENT FOR CERTAIN INSURERS

The State of Arkansas will be participating in the Market Conduct Annual Statement ("MCAS") for the 2012 data year. The purpose of this Bulletin is to remind companies that they need to be collecting and maintaining certain information to be reported on the annual market conduct statement that is required by Ark. Code Ann. 23-63-216. Property and casualty insurers reporting seven million dollars ($7,000,000) or more in homeowner or private passenger automobile gross premiums and life and annuity insurers reporting seven million dollars ($7,000,000) or more in individual or group life or individual annuity gross premiums shall be required to file the Market Conduct Annual Statement. The National Association of Insurance Commissioners ("NAIC") will send out a data call to companies on or around December 15, 2012. Only those companies meeting the above criteria are required to file an MCAS report in the State of Arkansas.

Pursuant to 23-63-216(c), the information shall be submitted in electronic format and the Commissioner hereby designates the NAIC to receive the MCAS on behalf of the State of Arkansas. To submit MCAS filings, companies are required to go to http://www.naic.org/industry_market_conduct_statement.htm to log into the MCAS submission tool and upload or manually input their data. The NAIC’s MCAS Web page also contains instructions for properly submitting the filing.

In addition to the information currently required by MCAS, Arkansas law requires that, in addition to the insurance companies named in the first paragraph of this Bulletin, group life companies are required to submit MCAS data. For the 2012 reporting period, group life companies will not be required to submit data to MCAS. Also, Ark. Code Ann. 23-63-216 requires that property and casualty insurers and life and annuity insurers meeting the aforementioned criteria file the following: (1) policies and procedures regarding the handling of
claims; and (2) any complaints received during the covered period and the nature and disposition of those complaints. For the 2012 reporting period, it will NOT be necessary for companies to submit this Arkansas-specific documentation on their MCAS filing, unless specifically requested by the Department. **This data is not supported by the current MCAS system and, in an effort to achieve uniformity in reporting, the Department is not requiring submissions that do not conform to MCAS at this time.**

Key dates for the 2012 MCAS are as follows:

- **December 15, 2012** Call letters to companies sent out
- **March-April 2013** MCAS webinars will be held by NAIC
- **April 30, 2013** All MCAS submissions due for all lines of business
- **October 1, 2013** MCAS industry scorecards made available to the participating jurisdictions

For companies who believe they should be granted a waiver, log into the online MCAS submission tool. Within the tool there is a section for requesting waivers and extensions. You will be able to make your request to one or more states. Requests can be made as soon as the submission tool is available for 2012 data filing and should be made as early as possible. Companies should not wait until the data is due.

If you have any questions concerning this Bulletin, please contact the Legal Division at (501)371-2820 or send an email to mcas@arkansas.gov.

![Signature]

JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS

6-1-12
DATE