
July 6, 2023

Sent via electronic mail to
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Matt Tarpley, Chair
Market Conduct Examination Guidelines (D) Working Group
c/o Petra Wallace, Sr. Market Regulation Specialist
National Association of Insurance Commissioners
1100 Walnut St. Suite 1500
Kansas City MO 64106

RE: Exposure Drafts
Chapter 4 – Collaborative Actions 06-06-23
Chapter 23 – Conducting the Life and Annuity Exam 06-06-23

Dear Mr. Tarpley,

Thank you for the opportunity to provide comments to these very important chapters of the *Market Regulation Handbook*. We appreciate all the time and effort expended to review and draft the revisions. We believe the revisions will be very helpful to in the future.

Chapter 4 – Collaborative Actions

Missouri feels the requirements set forth in Section E are very much needed and will be extremely useful for consistency and completeness of multistate actions going forward. To build on these efforts, Missouri is providing a few suggestions and comments for consideration as follows:

1. Page 14.A., last paragraph – Consider adding the following or similar language to the paragraph to ensure that all lead states have an opportunity to weigh in on the language before presenting it to the company(ies):

Prior to sharing the MSA with the Company, the MSA should be provided to the lead states for review. A period of at least 10 working days should be allowed for the lead states to provide feedback. All feedback should be considered by the group in drafting a final version of the MSA. The final MSA should be agreed to by all lead states prior to sharing with the entity(ies) examined.

2. Page 16.B.2.c. Self-Reporting – Consider removing “follow-up audit, examination,” from the first sentence. This seems out of place since the section title is ‘Self-Reporting’.

3. Page 17.D.2. Exhibits, first paragraph – Some state laws may not treat exhibits the same as the report. Missouri law considers the exhibits to be work papers and are, therefore, confidential. The final report is a public document in Missouri. Should this section be changed to allow this to be consistent with each state's laws? Or that it will follow the managing lead state's laws?
4. Page 18 – Consider changing the word "chilling" to "detrimental" or similar term that is common to insurance terminology.

Chapter 23 – Conducting the Life and Annuity Exam

Many changes have been incorporated in this chapter and we appreciate the group's consideration of our comments. There is one item that still stands out to us in this chapter and that is the placement of the Supplement Checklists. The existing checklists are at the end of the chapter but the new ones have been inserted immediately after the applicable standard. If the new checklists are to remain where they currently appear, then the lettering of the chapter sections should be updated to be in alphabetical order based on the physical order of items. The physical order of the items in the current draft is as follows:

- A. Operations/Management
- B. Complaint Handling
- C. Marketing and Sales (Several specialized Supplemental Checklists are available in Sections H–N of this chapter)
 - K. Supplemental Checklist for Marketing and Sales Standard #10
 - L. Supplemental Checklist for Marketing and Sales Standard #12
 - M. Supplemental Checklist for Marketing and Sales Standard #16
 - N. Supplemental Checklist for Marketing and Sales Standard #17
- D. Producer Licensing
- E. Policyholder Service
- F. Underwriting and Rating
- G. Claims (Several specialized checklists are available in Sections H–J of this chapter)
- H. Supplemental Checklist for Marketing and Sales Standard #1
- I. Supplemental Checklist for Marketing and Sales Standard #4
- J. Supplemental Checklist for Marketing and Sales Standard #8

For consistency purposes, we ask that you consider moving Supplemental Checklists K through M to the bottom or re-lettering the list so that the letters are in logical order.

Thank you again for the opportunity to provide comments and we appreciate your consideration again.

Sincerely,



Teresa Kroll,
Chief Examiner, Market Conduct
Missouri Department of Commerce and Insurance
Division of Market Regulation