

# Market Regulation & Market Conduct Analysis

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# Market Regulation

Market regulation

- protects consumers,

- ***by identifying***

- and correcting

insurer operating practices that are in conflict with contract provisions, state laws, rules, regulations, or orders of the Commissioner.

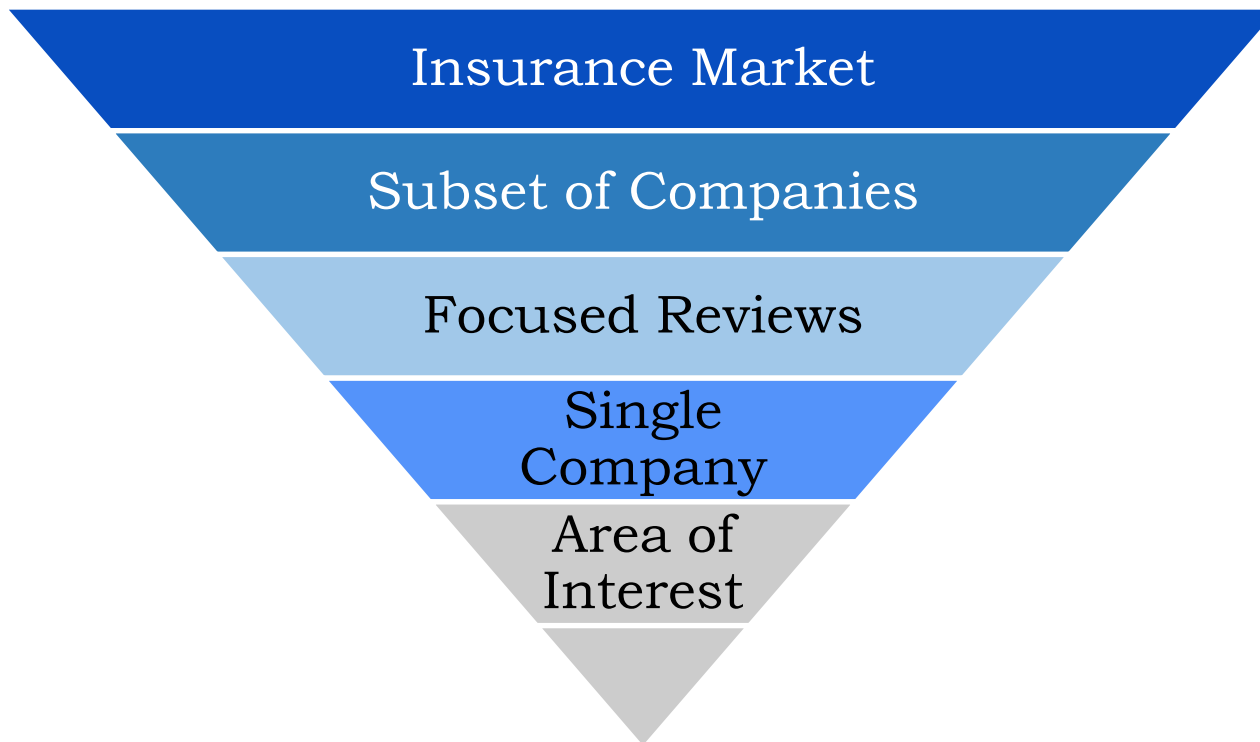
# Market Analysis

Market Analysis is a **structured** and formalized system of **collecting, organizing,** and **analyzing** data and other information to enable regulators to identify general market disruptions and specific market conduct problems **as soon as possible**, while maintaining an efficient and effective regulatory framework.

# Market Analysis Goals

- Increase Effectiveness
- Increase Efficiency
- Improve Uniformity
- Improve Collaboration
- Be More Proactive

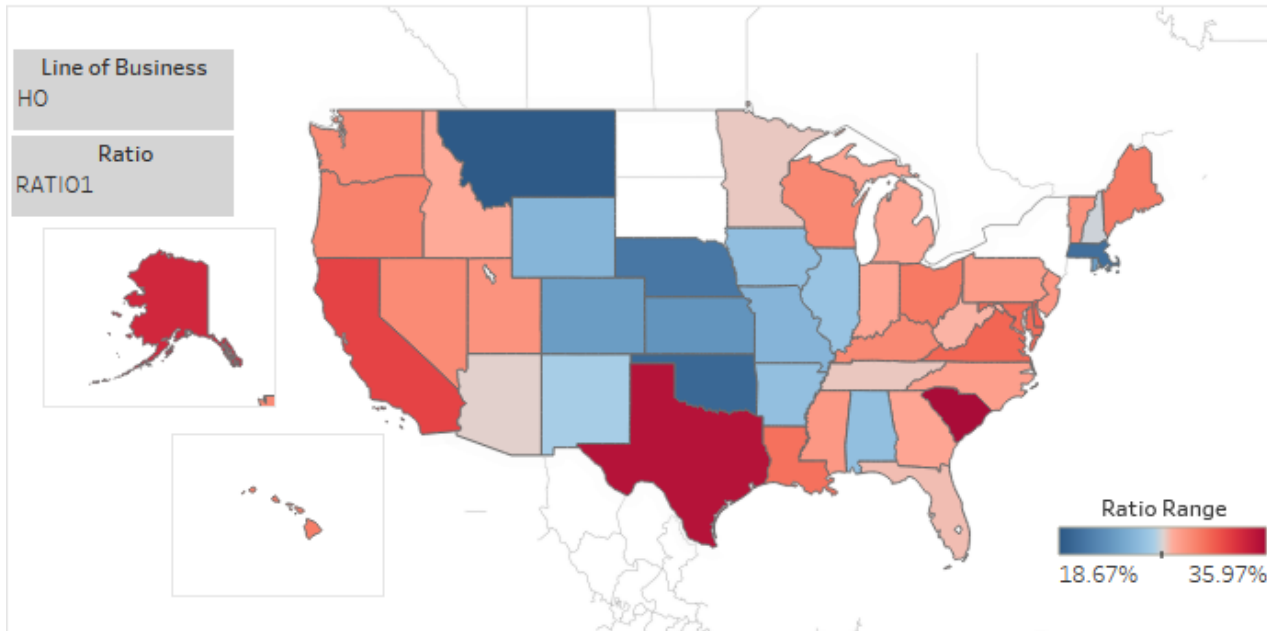
# Funnel Analysis



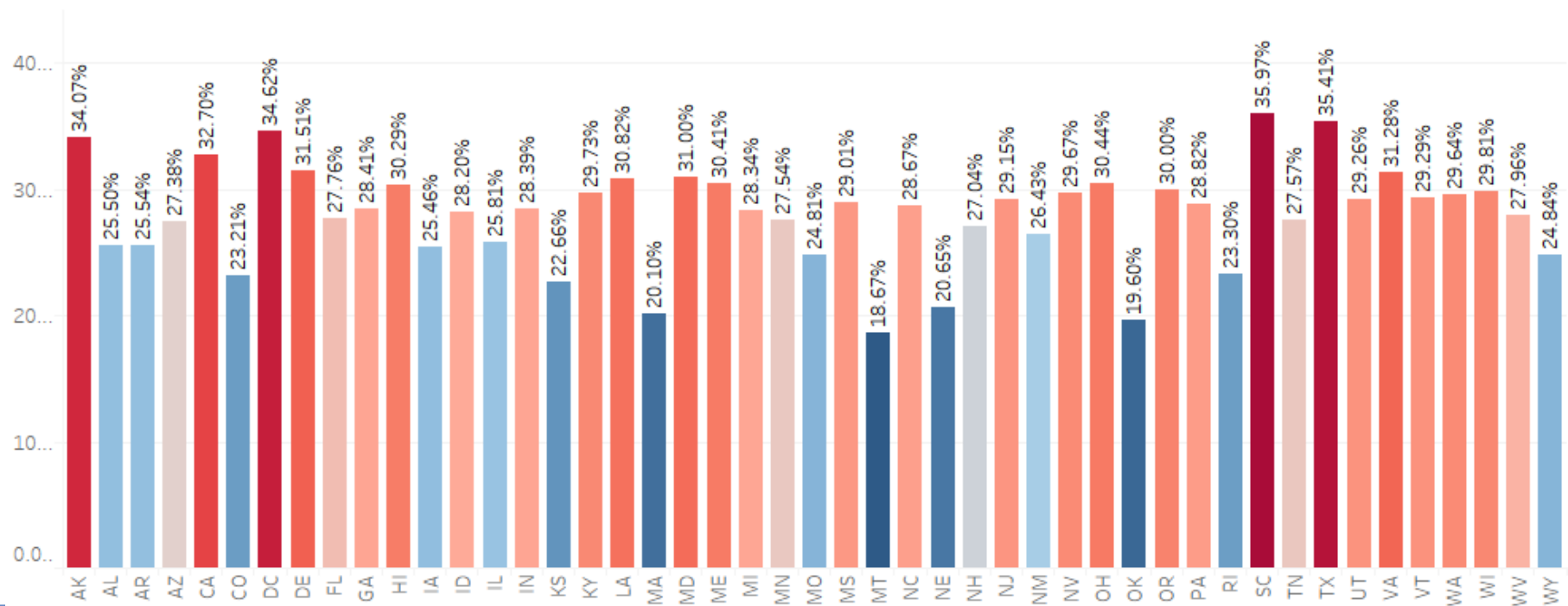
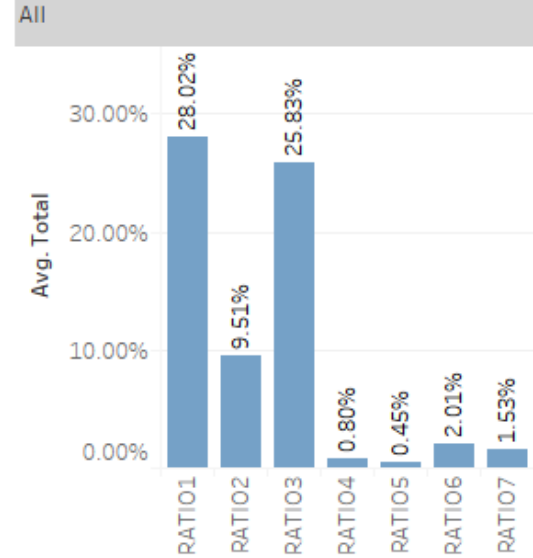
# Baseline Overview

Baseline analysis is a systematic process whereby **basic parameters** are used to evaluate the **entire marketplace** in order to identify those companies that require more detailed and thorough analysis

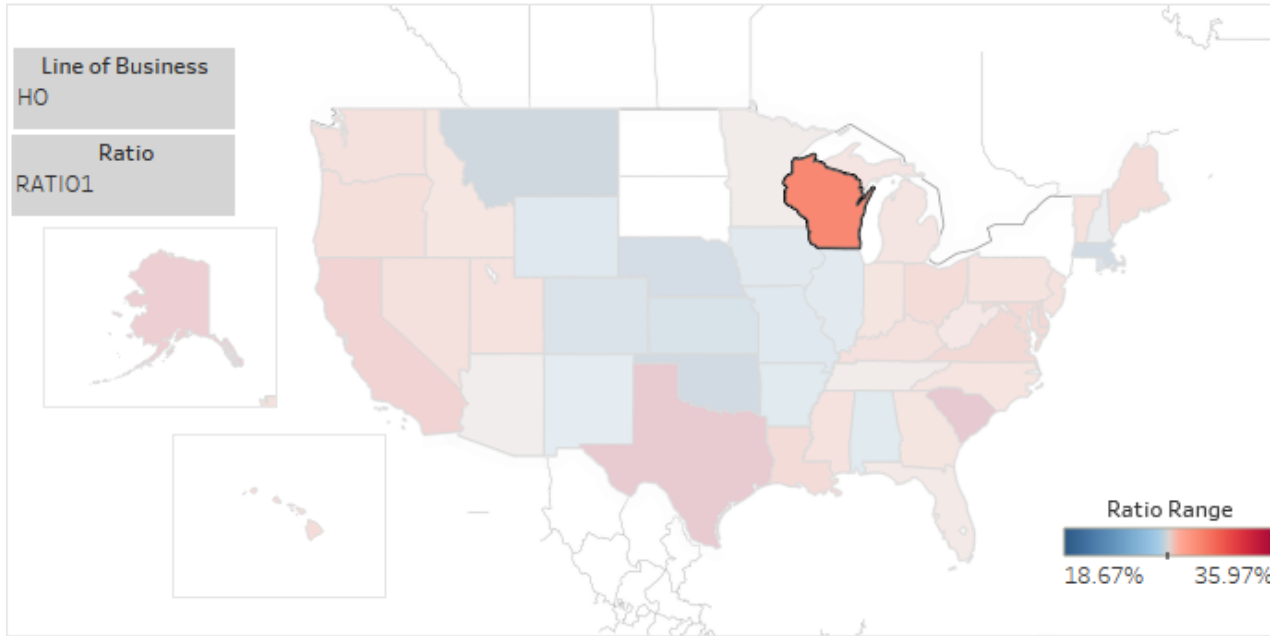
# Market Conduct Annual Statement Ratio Scorecard



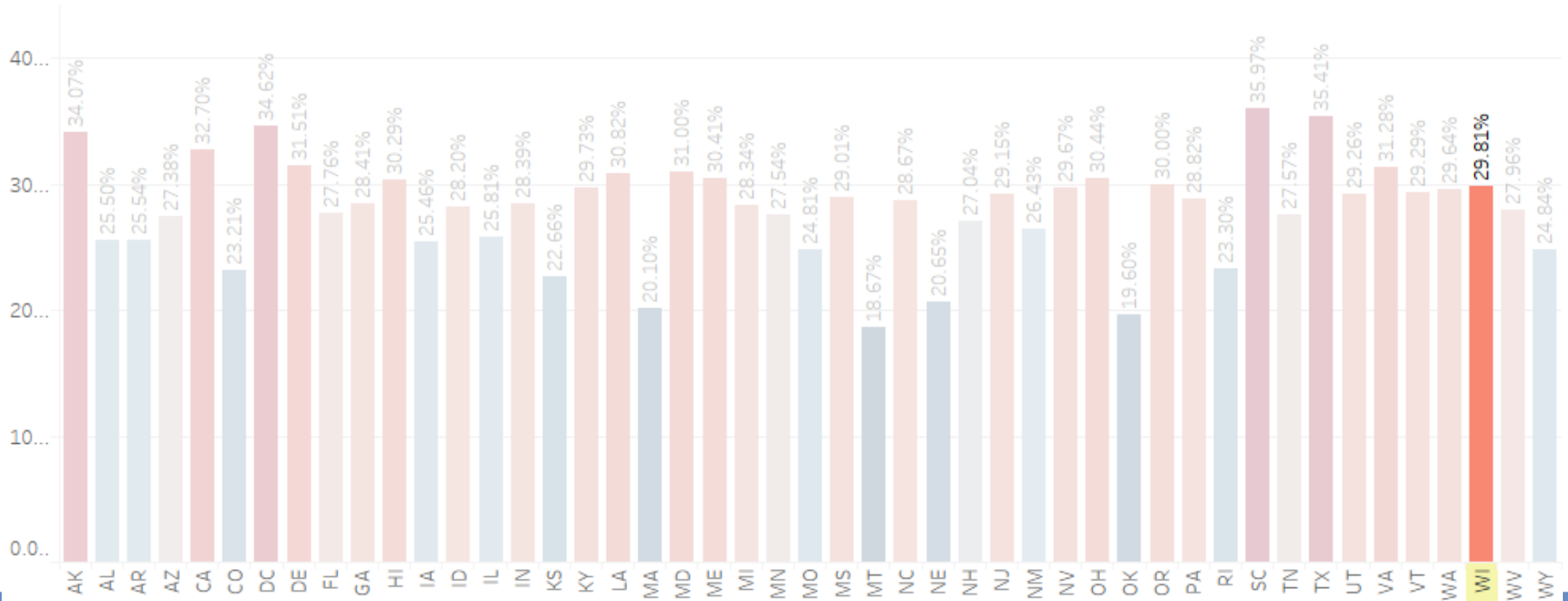
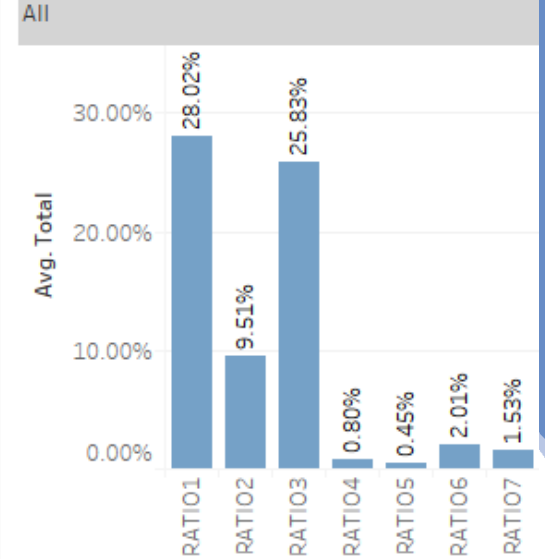
## State Ratios



# Market Conduct Annual Statement Ratio Scorecard



## State Ratios





# Level 1 and Level 2 Overview

- A more **detailed** review of companies
- Identifies the **market conduct concerns** of companies that may warrant additional analysis or investigation
- Identifies companies that do not warrant additional analysis or investigation
- This is a more detailed review of certain information contained in **NAIC databases**, which is provided to the analyst through the **Market Analysis Review System (MARS)**

# QUESTIONS?