Regulation 60 Electronic Reporting Instructions

Pursuant to Section 51.6(b)(5) of Department Regulation Number 60, insurers are required to submit reports to the Superintendent of Financial Services indicating which insurers, if any, have failed to provide the information as required by Section 51.6(c)(2) of Department Regulation Number 60. The purpose of this report is to provide Department with relevant information as to those insurers that have been notified of a possible replacement ("Notified Company"), but have not provided to the insurer replacing the existing life insurance or annuity coverage ("Reporting Company"), the required information necessary for the Reporting Company to complete the "Disclosure Statement".

A "Disclosure Statement" that is completed with the information provided from both the Notified Company and the Reporting Company will enable an applicant who is contemplating replacement of existing life insurance or annuity coverage, to make an informed decision that is in their best interests. Providing this report in an electronic format will enable the Department to obtain a centralized source of data that will allow an efficient and effective method of identifying, assessing and prioritizing those insurers who have not provided the required information necessary to complete the "Disclosure Statement".

The review of this information will also aid the Department in determining what market conduct actions, if any, may be taken against those insurer's reported for non-compliance. This could lead to less intrusive and shorter on-site examinations.

The following are the instructions to complete an electronic Excel version (Office 97 or greater) of the "Regulation 60 Report". **Each insurer or fraternal benefit society should complete this electronic form, even if there is no non-compliant activity to report.** When opening the worksheet, you must enable macros. The worksheet is designed to be completed using the indicated macros. If desired, you may complete by entering data manually in the blue area of the spreadsheet.

If you wish to enter the information using the macros, click once on the "Enter Company information" button. If you wish to enter the information without the use of the macros, you can begin by placing the cursor in cell B6. The following information will need to be entered:

1. Reporting period (format qtr – yr.) "e.g. "01-05" for 1st quarter of 2005. (Cell B6)
2. Reporting Company NAIC NUMBER AND NAME. (from pull down menu) If the pull down menu is not used, enter the 5 digit NAIC company code in cell B7 and the full name of the reporting company in cell C7.
3. Company contact person for Regulation 60. This will be the person whom the Department will contact if there are any questions concerning this report. This may be a different person then the designated principal officer required under Section 51.6(d) of Department Regulation No. 60. (Cell B8)
4. Street address for Company contact person. (Cell B9)
5. City address for Company contact person. (Cell B10)
6. State address for Company contact person. (Cell B11)
7. Zip code for Company contact person. (format five digit zip code – four digit) "00000-0000". (Cell B12)
8. Title of Company contact person. (Cell B13)
9. Telephone number of Company contact person. (format area code – number – extension) "000-0000000-x000". (Cell B14)
10. E-mail address of Company contact person. (format xxx@xxx.xxx). (Cell B15)
11. The number of times that the Reporting Company was notified by another Company of a possible replacement of a life policy during the reporting period. (Cell C16).
12. The number of times that the Reporting Company was notified by another Company of a possible replacement of an annuity contract during the reporting period. (Cell E16).

In the macro, the question is then asked; "Is the Company reporting other insurers' non-compliant replacement activity during the period? Select Yes or No". Click the "yes" or "no" button.

If the answer is "no", the message "You have no non compliant replacement activity to report", will appear. (Cell B17) Click the "OK" button and the words "No non compliant replacement activity" will appear in the box. Click "OK". **The entering of information on the report is complete.**

If the answer is "yes", the message "Non compliant replacement activity", will appear in Cell B17 and a form titled "Replacement Information" will open to allow you to enter specific data about each instance of non-compliance.

<u>Replacement information form</u>

Enter the following information in the replacement form by placing the cursor in the appropriate box:

Name of notified company. (Use arrow to select company.)
Notified Company policy number.
Last name of policy owner or certificate holder.
First name of policy owner or certificate holder.
Name of agent of record on proposed policy of reporting company (format first name, last name). If proposed policy is sold through direct marketing, with no agent involvement, (i.e. internet or mail order), enter the word "direct".
Date request for information sent to Notified Company (format "mm/dd/yy")

When all the information for the first policy is entered, click on the "add record" to enter the information. The message "one record written to sheet 1" will appear. Click OK. The message "do you wish to add another record?" will appear. If there are more records to add, click "yes". The "replacement information" form will clear and you can enter another record. If it was your last record, click "no". After clicking "no", the "Regulation 60 quarterly report" form will appear for your review.

If at any time during the recording of information on the "replacement form" you click on "exit", the current information entered will not be saved.

If there is a mistake in the information entered, you can manually overwrite by going to the correct cell.

When all replacement information has been correctly entered, click on the "complete form" button to finish. If using the manual mode to enter data on non compliant activity, it is not necessary to click on "complete form". **Only click on "complete form" when all information has been entered using the macro.**

To save file, click on the "save file" button and change location to where you want item saved.

To print the form, click on the "print file" button. If form does not print correctly, you may have to change the "set print area" to include additional lines of data.

To clear the entire form, click on the "clear form" button.

If you do not want to use the macro, information can be entered in the spreadsheet.

1. Reporting period (format qtr – yr.) "e.g. "01-05" for 1st quarter of 2005. (Cell B6)
2. Reporting Company NAIC NUMBER AND NAME. (from pull down menu) If the pull down menu is not used, enter the 5 digit NAIC company code in cell B7 and the full name of the reporting company in cell C7.
3. Company contact person for Regulation 60. This will be the person whom the Department will contact if there are any questions concerning this report. This may be a different person then the designated principal officer required under Section 51.6(d) of Department Regulation No. 60. (Cell B8)
4. Street address for Company contact person. (Cell B9)
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10. E-mail address of Company contact person. (format xxx@xxx.xxx). (Cell B15)
11. The number of times that the Reporting Company was notified by another Company of a possible replacement of a life policy during the reporting period. (Cell C16).
12. The number of times that the Reporting Company was notified by another Company of a possible replacement of an annuity contract during the reporting period. (Cell E16).
13. "Non compliant replacement activity" or "No non compliant replacement activity" (Cell B17)
14. Beginning on line 20, enter information about each non-compliant replacement activity. **Do not enter anything in Column A**, NAIC No. of Reporting Company. Column A will be automatically populated.
15. If using manual mode to enter data, it will not be necessary to use the macro "complete form" to finalize the information.