

TO:  
President/Y2K Project Manager - All Domestic Insurance Companies

FROM:  
Nat Shapo, Illinois Director of Insurance

DATE:  
December 2, 1999

SUBJECT:  
(CB #99-10) Post Year 2000 Reporting Requirements and Performing Data Archives

This notice is to advise you of certain regulatory requirements regarding the year 2000 date change, specifically, post year 2000 reporting requirements and performing back-ups of critical computer files. In order to prepare an assessment of the effects of the year 2000 date change on insurance companies domiciled in this state, pursuant to the authority granted by Section 132.1 through 132.7, specifically 132.3(b) and Sections 131.21 and 131.22 of the Illinois Insurance Code (ILCS 215 5/132, ILCS 215 5/131.32 and ILCS 215 5/131.22), you are required to complete the attached survey at three different dates: January 5, February 3, and April 5, 2000.

In order to protect the confidential nature of this information, the applicable provisions cited above have been invoked. Reports are to be filed via the Internet in accordance with the following guidelines.

A completed version of the enclosed survey form shall be filed at the designated location on the NAIC website address at [www.naic.org](http://www.naic.org).

Completed survey forms shall be filed on the above NAIC website no later than 8:00 p.m. Eastern Standard Time on or before January 5, 2000, with subsequent updates to be filed on or before February 3 and April 5, 2000. The same survey form should be used for all three filings, please indicate the applicable date with each filing.

Insurance companies which are members of a holding company with at least one other insurance company, or an insurance group, shall complete the enclosed survey on a group basis or on an individual entity basis.

Insurance companies, which are not members of a holding company or an insurance group, shall complete the survey on an individual entity basis.

The information provided to the NAIC will be analyzed, summarized and made available first to the Illinois Department, and then other insurance regulators, to aid in post Y2K review efforts. The information you submit to the NAIC will be kept confidential pursuant to applicable provisions of this state's examination statute and the NAIC Year 2000 Information Sharing and Confidentiality Agreement and released to only state insurance regulators. Summary statistics will be developed and shared with federal and international regulators. Similar industry wide statistics will be used to respond to media inquiries and for media communications. You are asked to complete this survey in a timely manner as I am requiring a 100% response. You and your project manager will be contacted by my staff in the event that a survey response is not filed with the NAIC.

In addition, as a matter of prudent management, many insurance companies have taken steps to ensure that data files critical to on-going operations are archived before and after December 31, 1999. In the event this issue was not fully considered in your company's Year 2000 contingency plan, I am hereby directing the company to secure data archives of all financial, claims, policy administration, sales and all other critical information beginning immediately and through the first quarter of the year 2000.

It is our intent to simplify the response process and to avoid duplicate efforts between and among the various states where your company is licensed. Your cooperation and prompt response at each reporting date will be appreciated and make the most effective use of all resources at this very important and especially busy time of year.

If you have any questions regarding these two matters, please contact Jeff Johnston from the NAIC at 816/889-6889 or Jeff Pirmann at the Illinois Department of Insurance at 217/557-1397.

Thank you in advance for your cooperation.

Report date: \_\_\_\_ Jan. 5, 2000

\_\_\_\_ Feb. 3, 2000

\_\_\_\_ Apr. 5, 2000

Year 2000 Century Rollover Survey  
For the Insurance Industry

Please complete the following chart with name(s) and NAIC company code(s) for all companies covered by this filing:

Insurer Name NAIC Group of Co. Code State of Domicile

Group Name N/A\_\_\_\_\_

Lead Insurance Co.\*\_\_\_\_\_

Affiliate #1\_\_\_\_\_

Affiliate #2\_\_\_\_\_

Affiliate #3 \_\_\_\_\_  
Affiliate #4 \_\_\_\_\_  
Affiliate #5 \_\_\_\_\_  
Affiliate #6 \_\_\_\_\_  
Affiliate #7 \_\_\_\_\_  
Affiliate #8 \_\_\_\_\_

Instructions:

Purpose: This survey is intended to gather information about your company's ability to do business during the first business days and months of the year 2000. In order to reduce the reporting burden on the industry during this period, this survey is intended to gather information on your group of companies, including specific companies where problems exist.

Filing Instructions: In accordance with state insurance department administrative directive(s), the response to this survey shall be filed with the NAIC no later than 8 p.m. Eastern Standard Time on Wednesday January 5, 2000. You are encouraged to report earlier, if feasible. This same survey shall be subsequently filed on February 3 and April 5, 2000. Each response shall be prepared online at a designated Internet website. It is critical that the website be used for all responses to this survey. The Internet website can be located by referring to the NAIC homepage at <http://www.naic.org/>.

Further instructions on locating and completing the survey form will be provided at the NAIC website. In the unexpected event that Internet communications are unavailable, responses to this survey may be sent via facsimile to the NAIC Financial Services Division at 816.460.7803.

\* Lead Insurance Company - Means parent insurance company or, in instances where there is no parent insurance company, the largest insurance subsidiary in the group based on premium writings.

General

1. All members of the group (or the company if a single company filing) have resumed normal business operations as of the date of this filing.

True \_\_\_\_\_ False \_\_\_\_\_

2. The group's (or the company's if a single company filing) century rollover plan has not caused any significant setbacks. For purposes of this question, significant setbacks include any unplanned interruptions to business processes, services to customers or unanticipated personnel resource allocations.

True \_\_\_\_\_ False \_\_\_\_\_

3. The group's first business day of the year 2000 was:

1/3/2000 \_\_\_\_\_ 1/4/2000 \_\_\_\_\_ Other \_\_\_\_\_

4. Regulators with questions regarding this survey response may direct their inquiries to:

Name \_\_\_\_\_ Facsimile \_\_\_\_\_

Title \_\_\_\_\_ E-mail address \_\_\_\_\_

Telephone \_\_\_\_\_

Please use the following codes to designate mission critical systems for completion of the remainder of this survey:

Premiums (Code P)

Claims (Code C)

Investments (Code I)

Reinsurance (Code R)

Policyholder Services (Code S)

Other (Code O)

#### Mission Critical Systems

5. In transaction processing (operational or test environment) subsequent to 12-31-1999, the group has not encountered significant problems with respect to mission critical systems (for purposes of this question, significant problems mean problems that will cause Year 2000 contingency processing plans to be implemented.)

True \_\_\_\_\_ False \_\_\_\_\_

If False, please list below NAIC Company Codes and mission critical systems codes where significant problems have been identified.

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

Please list below the names of "Other mission critical systems identified as having significant problems.

1. \_\_\_\_\_ 2. \_\_\_\_\_

3. \_\_\_\_\_ 4. \_\_\_\_\_

#### Contingency Plans

6. It will not be necessary to implement any contingency or business continuity plans with respect to the continued operation of mission critical systems.

True \_\_\_\_\_ False \_\_\_\_\_

If False, contingency plans have been or are planned to be implemented with respect to the following mission critical systems:

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_  
NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_  
NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

Please list below the names of "Other" mission critical systems for which related contingency plans will be implemented.

1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_ 4. \_\_\_\_\_

7. If the answer to question No. 6 is False, respond to the following. The group has not experienced and does not anticipate experiencing significant problems implementing its contingency plans.

True \_\_\_\_\_ False \_\_\_\_\_ Don't Know \_\_\_\_\_

If False, problems have been encountered or are we expected to be encountered with respect to contingency plans relating to the following mission critical systems:

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_  
NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_  
NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_  
NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

Please list below the names of "Other" mission critical systems for which related contingency plans are experiencing or may experience problems.

1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_ 4. \_\_\_\_\_

Vendors, Service Providers, Etc.

8. With respect to vendors, service providers or other third parties (e.g. utilities, banks, telecommunications providers, hardware and software vendors, transfer agents, etc.), the group has not experienced and does not anticipate experiencing significant problems.

True \_\_\_\_\_ False \_\_\_\_\_ Don't Know \_\_\_\_\_

If False, problems have been encountered or are expected to be encountered with respect to vendors, service providers, or other third parties that affect the following mission critical systems:

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_  
NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_  
NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_  
NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

Please list below the names of "Other" mission critical systems adversely affected by vendors, service providers or other third parties.

1. \_\_\_\_\_ 2. \_\_\_\_\_

3. \_\_\_\_\_ 4. \_\_\_\_\_

9. If the response to question No. 8 is False, respond to the following. Subsequent to 12/31/99, the group has contacted key vendors, service providers or other third parties to determine their readiness for business in 2000.

True \_\_\_\_\_ False \_\_\_\_\_

**Business Partners**

10. With respect to business partners that provide policyholder services (e.g., TPA's, MGA's, MGU's, agents, brokers, etc.), the group has not experienced and does not anticipate experiencing significant problems:

True \_\_\_\_\_ False \_\_\_\_\_ Don't Know \_\_\_\_\_

If False, problems have been encountered or are expected to be encountered with respect to business partners that provide policyholder services that affect the following mission critical systems:

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

NAIC Co. Code \_\_\_\_\_ System Code(s) \_\_\_\_\_

Please list below the names of "Other" mission critical systems adversely affected by business partners.

1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_ 4. \_\_\_\_\_

11. If the response to question No. 10 is False, respond to the following. Subsequent to 12/31/99, the group has contacted key partners that provide policyholder services to determine their readiness for business in 2000.

True \_\_\_\_\_ False \_\_\_\_\_