

National Meeting Preview

TO: NAIC Members, State Insurance Regulators, and Interested Parties
FROM: NAIC Committee Support Staff
DATE: July 10, 2023
SUBJECT: Preview of NAIC Committee and Task Force Activities for the Summer National Meeting

The NAIC appreciates your active involvement and input. Our open meetings policy ensures the broadest access possible, while reserving the right to close a meeting for specific purposes as outlined in the NAIC Policy Statement on Open Meetings. To make your meeting experience as valuable as possible, we present this information to help you plan your schedule.

The *Preview* highlights key actions planned by the NAIC membership during its upcoming national meeting. The information should only be used as a general reference. These sessions are subject to change to reflect developments between the time this was written and the start of the national meeting.

Important Note: We strongly encourage you to check the detailed program agenda posted [here](#) on the NAIC website for the most current dates and times of all meeting sessions, as well as any events prior to or after the national meeting. Once the Event App is open, on-demand recordings for open interim meetings (Task Force and Working Groups) that were held in lieu of the Summer National Meeting will be available.

SPECIAL MEETINGS AND/OR EVENTS

CENTER FOR INSURANCE POLICY AND RESEARCH (CIPR) EVENT: Responsible Artificial Intelligence/Big Data – A Dialogue Highlighting Educational Opportunities and Needs in an Insurance Regulatory Context

As artificial intelligence (AI) and big data continue to proliferate in the insurance industry, the need for insurance regulatory education and training on the responsible uses and associated pitfalls of these tools continues to grow as well. Several related educational programs have been developed as state insurance regulators continue to evolve their understanding and assessment of tools being deployed by the insurance sector. In the context of initiatives underway at the NAIC, this event will serve as a dialogue between state insurance regulators and the broader industry educational community on current AI and big data education and training offerings in relation to existing regulatory education and training needs.

The program is scheduled for Tuesday, Aug. 15, 12:30 – 2:00 p.m.

REGULARLY SCHEDULED MEETINGS

The **EXECUTIVE (EX) COMMITTEE** will consider adoption of the report of the joint meeting of the **Executive (EX) Committee** and the **Internal Administration (EX1) Subcommittee**, as well as the reports of its task forces and the Special (EX) Committee on Race and Insurance. The Executive (EX) Committee may consider adoption of Requests for NAIC Model Law Development that are currently pending with sponsoring letter committees. The Committee will: 1) receive an update on the *State Connected* strategic plan; 2) hear a report on the New Avenues to Insurance Careers (N.A.I.C.) Foundation; 3) receive progress reports regarding work on NAIC models currently under development; and 4) hear updates from the Interstate Insurance Product Regulation Commission (Compact) and the National Insurance Producer Registry (NIPR). A draft agenda and materials for this meeting will be made available for review on the [Meetings and Events page](#) on the NAIC website.

During the joint meeting of the **Executive (EX) Committee** and **Plenary**, NAIC members will consider adoption of reports from its eight standing committees, as well as minutes from the Spring National Meeting. Progress reports will be provided on the states' implementation efforts on NAIC-adopted model laws, regulations, and/or amendments. Members will also consider adoption of amendments to the *Valuation Manual* and revisions to the *Nonadmitted Insurance Model Act* (#870). **Please Note:** An NAIC model law, regulation, bulletin, white paper, or other pertinent item for review and discussion by the **Executive (EX) Committee** and **Plenary** may be added to its agenda for consideration at any time prior to the Summer National Meeting. Please watch for updates on the Interactive Agenda on the [Meetings and Events page](#) on the NAIC website.

The **CLIMATE AND RESILIENCY (EX) TASK FORCE** will: 1) consider adoption of its Spring National Meeting minutes; 2) hear a presentation on climate effects on the coral reef; 3) hear a presentation on inclusive insurance; 4) receive an update from its Solvency Workstream; 5) hear a presentation on rising sea levels; and 6) hear a presentation on atmospheric river storms.

The **LONG-TERM CARE INSURANCE (EX) TASK FORCE** will not meet at the Summer National Meeting. The Task Force will conduct an e-vote to adopt minutes from the Spring National Meeting.

The **SPECIAL (EX) COMMITTEE ON RACE AND INSURANCE** will: 1) consider adoption of its Spring National Meeting minutes; 2) hear reports on the current activity and progress of its workstreams; 3) hear an update on the Member Diversity Leadership Forum; and 4) hear an update on industry diversity efforts.

The **LIFE INSURANCE AND ANNUITIES (A) COMMITTEE** will: 1) consider adoption of its July 19 minutes; and 2) consider adoption of its task force and working group reports. The **Accelerated Underwriting (A) Working Group** will not meet at the Spring National Meeting. The Working Group is still working on regulatory guidance for companies and state insurance regulators. The **Annuity Suitability (A) Working Group** will not meet at the Summer National Meeting. The Working Group is still reviewing and developing additional questions on the safe harbor provision for the frequently asked questions (FAQ) document. The Working Group developed the FAQ document as a guidance document for the states to use as they consider adoption of and implement provisions in the revised *Suitability in*

Annuity Transactions Model Regulation (#275). The Working Group anticipates resuming its meetings sometime after the Summer National Meeting.

The **LIFE ACTUARIAL (A) TASK FORCE** will: 1) continue the development of requirements for principle-based reserving (PBR); 2) discuss findings from state insurance regulator reviews of company *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53) reports; 3) hear a recommendation for generator of economic scenarios (GOES) interest rate model acceptance criteria from the American Academy of Actuaries (Academy); 4) hear an update on actuarial education from the Society of Actuaries (SOA); 5) consider adoption of historical and future mortality improvement factors; 6) discuss interest maintenance reserve guidance, a *Valuation Manual* amendment, and a template; 7) discuss GOES Field Test C3 Phase I results; and 8) consider adoption of its subgroup reports.

The **HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE** will: 1) hear presentations on issues of interest to the Committee; 2) consider adoption of its interim and Spring National Meeting minutes; and 3) consider adoption of its task force, working group, and subgroup reports. The **Consumer Information (B) Subgroup** will not meet at the Summer National Meeting. The **Health Innovations (B) Working Group** will hear presentations on various topics of interest to the Working Group.

The **HEALTH ACTUARIAL (B) TASK FORCE** will: 1) consider adoption of its Spring National Meeting minutes; 2) consider adoption of the report of the Long-Term Care Actuarial (B) Working Group; 3) hear an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO); 4) hear an update from the Academy Health Practice Council; and 5) hear an update from the SOA Research Institute.

The **LONG-TERM CARE ACTUARIAL (B) WORKING GROUP** will: 1) consider adoption of its interim minutes; 2) hear an update on a single long-term care insurance (LTCL) multistate rate review approach; 3) discuss drafting changes to VM-25, Health Insurance Reserves Minimum Reserve Requirements, of the *Valuation Manual* to add tables from the Academy and SOA Research Institute's Final LTCL Mortality and Lapse Study; and 4) discuss a referral from the Health Risk-Based Capital (E) Working Group regarding *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51).

The **REGULATORY FRAMEWORK (B) TASK FORCE** will: 1) hear a panel presentation on prior authorization; 2) consider adoption of its Spring National Meeting minutes; and 3) consider adoption of its working group and subgroup reports. The **Accident and Sickness Insurance Minimum Standards (B) Subgroup** will not meet at the Summer National Meeting. The Subgroup continues to meet about every two weeks to consider revisions to the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act (#171)*. The **Employee Retirement Income Security Act (ERISA) (B) Working Group** will discuss current issues related to ERISA. Following the open meeting, the Working Group will adjourn into a regulator-to-regulator session, pursuant to paragraphs 1 (potential or pending litigation or administrative proceedings), 2 (pending investigations), 3 (specific companies, entities or individuals), 8 (consideration of strategic planning issues), and 9 (any other subject required to be kept confidential under any Memorandum of Understanding or other agreement, state or federal law

or under any judicial or administrative order) of the NAIC Policy Statement on Open Meetings. The **Mental Health Parity and Addiction Equity Act (MHPAEA) (B) Working Group** will meet in open session and in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to continue the discussion of its work to provide additional compliance tools for the states in determining MHPAEA plan compliance, particularly related to non-quantitative treatment limitations (NQTLs). The **Pharmacy Benefit Manager Regulatory Issues (B) Subgroup** will not meet at the Summer National Meeting. The Subgroup anticipates completing its work prior to the Summer National Meeting on a white paper discussing pharmacy benefit manager (PBM) business practices, including the impact, if any, of the U.S. Supreme Court's *Rutledge vs. Pharmaceutical Care Management Association (PCMA)* decision and other issues related to the prescription drug supply distribution system. The Regulatory Framework (B) Task Force plans to review and consider adoption of the white paper during an interim meeting following the Summer National Meeting.

The **SENIOR ISSUES (B) TASK FORCE** will: 1) consider its April 14 and Spring National Meeting minutes; 2) hear presentations on Medicare Advantage issues; 3) hear an update on Minnesota's "Own Your Future" Initiative and Washington's "WA Cares Fund"; 4) hear a presentation on the problems associated with excessive preauthorization, claim denials, and the associated low percentage of appeals; and 5) revise, as necessary, the NAIC models; consumer guides; and training material on Medicare supplement insurance, LTCI, senior counseling programs, and other insurance issues that affect older Americans.

The **PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE** will: 1) consider adoption of its task force and working group reports; 2) hear a presentation on issues related to the use of telematics in auto insurance; 3) hear a presentation related to research on underinsurance; and 4) consider adoption of revisions to the *Understanding the Market for Cannabis Insurance 2.0* white paper. The **Cannabis Insurance (C) Working Group** will meet July 18 in lieu of the Summer National Meeting to: 1) consider adoption of its minutes; 2) discuss exposure comments received on the *Understanding the Market for Cannabis Insurance 2.0* white paper; 3) consider adoption of the *Understanding the Market for Cannabis Insurance 2.0* white paper; and 4) hear a panel discussion on the uncertainties in the treatment of hemp and cannabis. The **Catastrophe Insurance (C) Working Group** and the **NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group** will meet in joint session to: 1) hear federal updates; 2) discuss progress made on updates to the *Catastrophe Modeling Primer*; 3) hear a presentation from the Catastrophe Modeling Center of Excellence (COE); 4) hear a presentation from the Federal Alliance for Safe Homes (FLASH) about resources for mitigation grant programs; 5) hear from Alabama and Louisiana about their mitigation programs; and 6) hear updates on state and FEMA regional meetings held and planned for a future date. The **Terrorism Insurance Implementation (C) Working Group** will not meet at the Summer National Meeting. The **Transparency and Readability of Consumer Information (C) Working Group** will meet in August in lieu of the Summer National Meeting to discuss the variances between the recently adopted Washington Premium Change Transparency rule and the draft document the Working Group created to be used as guidance for departments of insurance (DOIs) wanting to put a premium disclosure in place.

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The **CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE** will: 1) discuss Directors and Officers (D&O) and Cybersecurity Supplements; and 2) consider adoption of a comment letter to the Actuarial Standards Board (ASB) on an exposed Enterprise Risk Management (ERM) Actuarial Standard of Practice (ASOP).

The **SURPLUS LINES (C) TASK FORCE** will: 1) consider adoption of the report of the **Surplus Lines (C) Working Group**; 2) consider adoption of its 2024 proposed charges; and 3) hear an overview of 2022 year-end surplus lines industry results.

The **TITLE INSURANCE (C) TASK FORCE** will: 1) consider adoption of its interim minutes; 2) hear an update on the compilation of consumer complaint data related to title insurance; and 3) hear a presentation on current fraud trends in the title space, including seller impersonation fraud.

The **WORKERS' COMPENSATION (C) TASK FORCE** will meet in July in lieu of the Summer National Meeting to discuss predictive modeling in workers' compensation.

The **MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE** will: 1) consider adoption of its July 27 minutes; 2) discuss the Voluntary Market Regulation Certification Program; and 3) consider adoption of its task force and working group reports. The **Market Actions (D) Working Group** will meet in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to continue work on its goals. The **Market Analysis Procedures (D) Working Group** will meet July 17 in lieu of the Summer National Meeting to: 1) consider adoption of the standard ratios for the Other Health Market Conduct Annual Statement (MCAS); 2) discuss the MCAS reporting exemption of fraternal; and 3) continue its discussions of data sources for market analysis. The **Market Conduct Annual Statement Blanks (D) Working Group** will meet July 19 in lieu of the Summer National Meeting to: 1) discuss clarifications for reporting closed claims data in the auto and homeowners MCAS blanks; and 2) consider revisions to the MCAS Data Element Revision Process Timeline. The **Speed to Market (D) Working Group** will meet July 25 in lieu of the Summer National Meeting to: 1) consider suggestions for the Product Coding Matrix (PCM); and 2) hear a report from the Compact. The **Advisory Organization (D) Working Group**, the **Market Conduct Examination Guidelines (D) Working Group**, and the **Market Regulation Certification (D) Working Group** will not meet at the Summer National Meeting.

The **ANTIFRAUD (D) TASK FORCE** will: 1) consider adoption of its Spring National Meeting minutes; 2) consider adoption of the reports from the **Antifraud Technology (D) Working Group** and the **Improper Marketing of Health Insurance (D) Working Group**; and 3) hear updates from interested parties about their recent activities to address insurance fraud. The Task Force will also meet in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to continue work on its goals. The **Improper Marketing of Health Insurance (D) Working Group** will consider adoption of revisions to the NAIC's *Unfair Trade Practices Act* (#880) to provide greater regulatory oversight of insurance lead generators operating in the health insurance marketplace.

The **MARKET INFORMATION SYSTEMS (D) TASK FORCE** will meet July 31 in lieu of the Summer National Meeting to hear updates on the activities of the Market Analysis Procedures (D) Working Group

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and the Market Information Systems Research and Development (D) Working Group. Both working groups are considering the first two recommendations of the Market Information Systems (MIS) AI recommendations, which was adopted last year.

The **PRODUCER LICENSING (D) TASK FORCE** will meet in lieu of the Summer National Meeting to: 1) consider adoption of its May 31 minutes; 2) consider adoption of a Request for NAIC Model Law Development to amend the *Public Adjuster Licensing Model Act* (#228); 3) discuss a template for the 1033 waiver process pursuant to the federal Violent Crime Control and Law Enforcement Act of 1994; 4) discuss changes to the NAIC's Uniform Producer Licensing Applications; and 5) consider adoption of reports from the **Adjuster Licensing (D) Working Group** and the **Uniform Education (D) Working Group**.

The **FINANCIAL CONDITION (E) COMMITTEE** will: 1) consider adoption of its task force and working group reports; and 2) hear a presentation from a representative of Canadian Office of the Superintendent of Financial Institutions (OSFI) regarding AI. The **Mortgage Guaranty Insurance (E) Working Group** will discuss comments received on the exposure of the *Mortgage Guaranty Insurance Model Act* (#630). The **Restructuring Mechanisms (E) Working Group** will not meet at the Summer National Meeting. The **Risk-Focused Surveillance (E) Working Group** will discuss progress on its project to update regulatory guidance regarding the review of affiliated service agreements.

The **ACCOUNTING PRACTICES AND PROCEDURES (E) TASK FORCE** will consider adoption of its working group reports. The **Statutory Accounting Principles (E) Working Group** will hear comments on previously exposed items, including the following agenda items: 1) 2019-21: Proposed Bond Definition related to the ongoing work on updating the bond definition; 2) 2022-11: Collateral for Loans to clarify that invested assets pledged as collateral for admitted collateral loans must qualify as admitted invested assets; 3) 2022-12: Review of INT 03-02: Modification to an Existing Intercompany Pooling Arrangement, which intends to nullify Interpretation (INT) 03-02 due to conflicts in guidance regarding economic and non-economic transactions between related parties; and 4) 2022-19: Negative IMR (INT 23-01T) regarding negative interest maintenance reserve (IMR). Additionally, the Working Group is expected to consider adoption of several other clarifications to statutory accounting and consider new items for exposure. The **Blanks (E) Working Group** will not meet at the Summer National Meeting. The Working Group will provide its report of interim activity.

The **CAPITAL ADEQUACY (E) TASK FORCE** will: 1) consider adoption of its working group and subgroup reports; 2) consider adoption of its minutes; 3) consider adoption of its working agenda; 4) consider exposure of its 2024 proposed charges; 5) consider exposure of its revised procedures document; and 6) receive an update from its Risk Evaluation Ad Hoc Group. The **Health Risk-Based Capital (E) Working Group** will meet July 25 to: 1) consider adoption of its minutes; 2) consider adoption of its 2022 statistics; 3) consider adoption of its 2023 newsletter; 4) discuss its working agenda; 5) receive updates from the Academy on the H2 – Underwriting Risk project and the Health Care Receivables project; 6) discuss the referral of the Health Test; 7) discuss its working agenda; and 8) receive an update on the Excessive Growth Charge Ad Hoc Group. The **Risk-Based Capital (RBC) Investment Risk and Evaluation (E) Working Group** will: 1) consider

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adoption of its minutes; and 2) continue discussions to move forward with key projects. The **Life Risk-Based Capital (E) Working Group** will: 1) consider adoption of its minutes; and 2) discuss its working agenda. The **Property and Casualty Risk-Based Capital (E) Working Group** will: 1) consider adoption of its minutes ; 2) consider adoption of its subgroup's report; 3) consider adoption of its 2023 newsletter; 4) discuss its revised working agenda; 5) discuss the possibility of reviewing and analyzing the property/casualty (P/C) RBC charges that have not been reviewed since developed; and 6) hear a presentation from the Academy of a report on "Update to Property and Casualty Risk-Based Capital Underwriting Factors." The **Catastrophe Risk (E) Subgroup** will: 1) consider adoption of its minutes; 2) receive an update from its Catastrophe Model Technical Review Ad Hoc Group; 3) discuss the impact analysis on wildfire; 4) discuss its working agenda; 5) hear a presentation from Verisk on a severe convective storms model update and technical review; and 6) discuss flood insurance market.

The **EXAMINATION OVERSIGHT (E) TASK FORCE** will meet July 24 to: 1) consider adoption of its 2022 Fall National Meeting minutes; and 2) consider adoption of its working group reports.

The **FINANCIAL STABILITY (E) TASK FORCE** and the **Macroprudential (E) Working Group** will meet in joint session to: 1) consider adoption of their joint June 20 and Spring National Meeting minutes; 2) hear an update on Financial Stability Oversight Council (FSOC) developments; 3) receive a Macroprudential (E) Working Group update; and 4) hear an international update.

The **RECEIVERSHIP AND INSOLVENCY (E) TASK FORCE** will: 1) consider adoption of its Spring National Meeting minutes; 2) consider adoption of its working group and subgroup reports; 3) discuss a draft overview of the U.S. receivership regime for use by lead states in resolution plans; and 4) hear updates on any federal and international resolution activities.

The **REINSURANCE (E) TASK FORCE** will meet July 24 in lieu of the Summer National Meeting to: 1) consider adoption of its minutes; 2) consider adoption of its 2024 proposed charges; 3) consider adoption of the report of the **Reinsurance Financial Analysis (E) Working Group**; 4) receive an update on the reinsurance activities of the **Mutual Recognition of Jurisdictions (E) Working Group**; and 5) discuss the progress of any other ongoing projects.

The **VALUATION OF SECURITIES (E) TASK FORCE** will: 1) consider adoption of its minutes; 2) discuss comments and consider adoption of a proposed *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) amendment to update the definition of an NAIC Designation; 3) discuss comments and consider adoption of a P&P Manual amendment authorizing the procedures for the Securities Valuation Office's (SVO's) discretion over NAIC Designations assigned through the Filing Exemption (FE) Process; 4) hear staff reports on the proposed collateralized loan obligation (CLO) modeling methodology and CLO Ad Hoc Working Group; and 5) receive staff reports on the Statutory Accounting Principles (E) Working Group's projects.

The **FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE** will consider adoption of revisions drafted in response to a referral from the Financial Condition (E) Committee recommending that the 2020 revisions to the *Insurance Holding Company System Regulatory Act* (#440) and the

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Insurance Holding Company System Model Regulation with Reporting Forms and Instructions (#450), which are related to the group capital calculation (GCC) and the liquidity stress test (LST), be included as an update to the accreditation standards.

The **INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE** will: 1) discuss progress on initiatives of the International Association of Insurance Supervisors (IAIS), including: a) the implementation and the assessment of the updated Insurance Core Principles (ICPs), the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), and the holistic framework for systemic risk assessment; b) ongoing work on the global insurance capital standard (ICS), aggregation method (AM), and comparability; and c) plans for addressing emerging risks and trends; 2) hear an update on work in progress at other international organizations, including the Organisation for Economic Co-operation and Development (OECD) and the Sustainable Insurance Forum (SIF); and 3) receive updates on ongoing activities to enhance cooperation with international insurance regulators.

The **INNOVATION, CYBERSECURITY, AND TECHNOLOGY (H) COMMITTEE** will: 1) consider adoption of its Spring National Meeting minutes; 2) receive reports and hear updates from its working groups; and 3) discuss committee-level projects, including the Model Bulletin. The **Big Data and Artificial Intelligence (H) Working Group** will: 1) consider adoption of its Spring National Meeting minutes; 2) receive a report on the Homeowners AI/Machine Learning (ML) Survey; 3) receive an update on the Life AI/ML Survey; 4) and receive updates on other projects. The **Privacy Protections (H) Working Group** will: 1) hear an update on federal and state privacy legislation; 2) receive comments on the revised exposure draft of the *Insurance Consumer Privacy Protection Model Law (#674)* with changes incorporated from private calls with interested parties, the two-day interim meeting, and open calls following the interim meeting; and 3) discuss the next steps of its revised work plan. The Working Group will also meet in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to continue work on its goals. The **Cybersecurity (H) Working Group**, the **E-Commerce (H) Working Group**, and the **Innovation in Technology and Regulation (H) Working Group** will not meet at the Summer National Meeting.

The **NAIC/CONSUMER LIAISON COMMITTEE** will: 1) hear a summary of the NAIC/Consumer Participation Board of Trustees meeting; 2) discuss non-health insurance issues currently affecting consumers, such as a meaningful framework for the supervision of insurers' use of big data and AI; and 3) discuss recent changes to the appraisal process as it relates to automotive and property damage claims, as well as health insurance issues currently affecting consumers, such as: a) the impact of recent federal updates to health care; b) preventative services; and c) appeals and denials.

The **NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE** will continue to discuss the lack of consumer education and outreach regarding tribal members' access to insurance products, which is complicated by tribal differences in experience, funding, internet, geographic locations, traditions, and tribal governments.

The **INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION (COMPACT)** will meet in joint session with the Management Committee to: 1) discuss the development of the standards pertaining to index-linked variable annuities (ILVAs); and 2) continue strategic planning discussions on priorities, objectives,

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and action items for the coming three years, including adjunct services to states. The consent agenda will include reports from the other working committees and meeting minutes from the interim meeting held in June.