**Innovation, Cybersecurity and Technology (H) Committee Draft Charges:**

**Draft Mission:** To provide a forum for regulators to learn and have discussions regarding, cybersecurity, innovation, data security and privacy protections and emerging technology issues, to monitor developments in these areas that affect the state insurance regulatory framework, to coordinate NAIC efforts regarding innovation, cybersecurity, and technology across other committees, and to make recommendations and develop regulatory, statutory or guidance updates, as appropriate.

**Draft Charges:**

**Ongoing Support of NAIC Programs, Products or Services**

1. The **Innovation, Cybersecurity and Technology (H) Committee** will:
2. Provide forums, resources, and materials for the discussion of insurance sector developments in cybersecurity and data privacy to educate state insurance regulators on how these developments affect consumer protection, insurer and producer oversight, marketplace dynamics, and the state-based insurance regulatory framework.
3. Discuss emerging issues related to cybersecurity, including cybersecurity event reporting, and consumer data privacy protections. Monitor and advise on the cybersecurity insurance market including rating, underwriting, product development and loss control. Report on the cyber insurance market including data reported within the Cybersecurity Insurance and Identity Theft Coverage Supplement.
4. Coordinate with various subject matter expert groups on insurer internal cybersecurity. Discuss emerging developments and best risk management, internal controls, and governance practices and how jurisdictions can best address industry cyber risks and challenges. Work with the Center for Insurance Policy and Research to analyze cybersecurity related information from various data sources.
5. Provide forums, resources, and materials for the discussion of innovation and technology developments in the insurance sector, including the collection and use of data by insurers and state insurance regulators and new products, services, and distribution platforms. Educate state insurance regulators on how these developments affect consumer protection, data privacy, insurer and producer oversight, marketplace dynamics, and the state-based insurance regulatory framework.
6. Discuss emerging technologies and innovations related to companies, producers, regulators or licensees in addition to potential implications of these technologies for the state-based insurance regulatory structure—including, but not limited to, reviewing new products and technologies affecting the insurance space and the associated regulatory implications.
7. Consider and coordinate the development of regulatory guidance including model laws or model law revisions, white papers, and other recommendations related to innovation, cybersecurity, data privacy, use of big data and AI/ML in the business of insurance, and technology, as appropriate. Consider best practices related to cybersecurity event tracking and coordination.
8. Track the implementation of and issues related to all model laws pertaining to innovation, technology, data privacy, and cybersecurity including but not limited to, the NAIC Insurance Data Security Model Law *(Model #668),* Insurance Information and Privacyand Privacy Protections Model Act *(Model #670)*, Privacy of Consumer Financial and Health Information Regulation *(Model #672)*, and the Unfair Trade Practices Act *(Model #880)* rebating language, providing assistance to jurisdictions as needed.
9. Coordinate with other NAIC committees and task forces, as appropriate, and evaluate and recommend certifications and trainings for examiners and insurer employees related to technology, innovation, cybersecurity, and data privacy.
10. The **Big Data and Artificial Intelligence (H) Working Group** will:
11. Research the use of big data and artificial intelligence (AI) in the business of insurance and evaluate existing regulatory frameworks for overseeing and monitoring their use. Present findings and recommend next steps, if any, to the Innovation, Cybersecurity and Technology (H) Committee and which may include model governance for the use of big data and AI for the insurance industry.
12. Review current audit and certification programs and/or frameworks that could be used to oversee insurers’ use of consumer and non-insurance data and models using intelligent algorithms, including AI. If appropriate, recommend to and coordinate with the appropriate subject matter expert (SME) committees on development of modifications to model laws and/or regulations and regulatory guidance and/or handbooks regarding marketing, rating, underwriting and claims, regulation of data vendors and brokers, regulatory reporting requirements, and consumer disclosure requirements.
13. Assess data needs and required tools for state insurance regulators to appropriately monitor the marketplace, and evaluate the use of big data and intelligent algorithms, including AI in underwriting, rating, claims and marketing practices. This assessment shall include gaining a better understanding of currently available data and tools, as well as recommendations for additional data and tools, as appropriate. Based on this assessment, propose a means to include these tools into existing and/or new regulatory oversight and monitoring processes.
14. The **Speed to Market (H) Working Group** will:
15. Consider proposed System for Electronic Rate and Form Filing (SERFF) features or functionality presented to the Working Group by the SERFF Advisory Board, likely originating from the SERFF Product Steering Committee (PSC). Upon approval and acquisition of any needed funding, direct the SERFF Advisory Board to implement the project. Receive periodic reports from the SERFF Advisory Board, as needed.
16. Provide feedback and recommendations concerning the SERFF modernization when requested by the Executive (EX) Committee and any group assigned oversight of the SERFF modernization by the Executive (EX) Committee.
17. Discuss and oversee the implementation and ongoing maintenance/enhancement of speed to market operational efficiencies related to product filing needs, efficiencies and effective consumer protection. This includes the following activities:
18. Provide a forum to gather information from the states and the industry regarding tools, policies and resolutions to assist with common filing issues. Provide oversight in evaluating product filing efficiency issues for state insurance regulators and the industry, particularly with regard to uniformity. Evaluate the state survey results compiled in 2020 regarding the usefulness of existing tools and potential new tools, and propose a plan to make improvements.
19. Use SERFF data to develop, refine, implement, collect and distribute common filing metrics that provide a tool to measure the success of the speed to market modernization efforts as measured by nationwide and individual state speed to market compliance, with an emphasis on monitoring state regulatory and insurer responsibilities for speed to market for insurance products.
20. Facilitate proposed changes to the product coding matrices (PCMs) and the uniform transmittal document (UTD) on an annual basis, including the review, approval and notification of changes. Monitor, assist with and report on state implementation of any PCM changes.
21. Facilitate the review and revision of the *Product Filing Review Handbook*, which contains an overview of all of the operational efficiency tools and describes best practices for industry filers and state reviewers with regard to the rate and form filing and review process. Develop and implement a communication plan to inform states about the *Product Filing Review Handbook.*
22. Provide direction to NAIC staff regarding SERFF functionality, implementation, development and enhancements. Direct NAIC staff to provide individual state speed to market reports to each commissioner at each national meeting. Receive periodic reports from NAIC staff, as needed.
23. Conduct the following activities as desired by the Interstate Insurance Product Regulation Commission (Compact):
24. Provide support to the Compact as the speed to market vehicle for asset-based insurance products, encouraging the states’ participation in, and the industry’s usage of, the Compact.
25. Receive periodic reports from the Compact, as needed.
26. **The E-Commerce (H) Working Group** will:
27. Examine e-commerce laws and regulations; survey states regarding federal Uniform Electronic Transactions Act (UETA) exceptions; and work toward meaningful, unified recommendations. The working group will also examine whether a model bulletin would be appropriate for addressing some of the identified issues and will draft a proposed bulletin if determined appropriate.
28. **The Cybersecurity (H) Working Group** will:
29. Monitor cybersecurity trends, vulnerabilities, and breaches with the potential to impact the insurance industry.
30. Interact with and support state insurance departments responding to insurance industry cybersecurity event.
31. Promote communication across state insurance departments regarding cybersecurity risks and events.
32. Oversee the development of a regulator cybersecurity response plan to assist regulators in the investigation of insurance cyber events.
33. Coordinate NAIC Committee cybersecurity work including but not limited to cybersecurity guidance developed by the Market Conduct Examination Guidelines (D) Working Group and the IT Examination (E) Working Group.
34. Advise NAIC staff on the development of cybersecurity training for regulators.
35. Support states with implementation efforts related to the adoption of the Insurance Data Security Model Law (NAIC #668).
36. Engage with Federal and international supervisors and agencies on efforts to manage and evaluate cybersecurity risk.