

Draft: 11/2/17

Innovation and Technology (EX) Task Force
Conference Call
October 16, 2017

The Innovation and Technology (EX) Task Force met via conference call Oct. 16, 2017. The following Task Force members participated: Patrick M. McPharlin, Chair (MI); Jennifer Hammer, Vice Chair and Susan Berry (IL); Lori K. Wing-Heier represented by Chris Murray (AK); Jim L. Ridling represented by Charles Angell (AL); Dave Jones represented by Lucy Jabourian (CA); Marguerite Salazar represented by Peg Brown (CO); Katharine L. Wade represented by Timothy Curry (CT); David Altmaier represented by Christina Huff (FL); Doug Ommen represented by Mike Yanacheak (IA); Dean L. Cameron represented by Kathy McGill (ID); Ken Selzer represented by Linda Scott (KS); James J. Donelon represented by Richard Piazza (LA); Eric A. Cioppa represented by Deanna Johnston (ME); Chlora Lindley-Myers represented by Cynthia Amann (MO); Bruce R. Ramge represented by Robert Bell (NE); Richard J. Badolato represented by Randall Currier (NJ); Barbara D. Richardson (NV); Jillian Froment and Rodney Beetch (OH); John D. Doak represented by Tyler Laughlin (OK); Elizabeth Kelleher Dwyer (RI); Larry Deiter represented by Dan Nelson (SD); Julie Mix McPeak represented by Lorrie Brouse (TN); and Kent Sullivan represented by Carole Cearley (TX).

1. Adopted its 2018 Proposed Charges

Director McPharlin asked if there were comments to the Task Force 2018 proposed charges. Mr. Currier proposed adding “privacy” to Charge 1A: “...in order to educate state insurance regulators on how these developments impact consumer protection, privacy, insurer and producer oversight” Mr. Murray suggested the language related to consumer protection would cover privacy. Following some discussion, Mr. Currier made a motion, seconded by Ms. Jabourian, to adopt the amendment to Charge 1A. The motion passed unanimously.

Mr. Laughlin proposed amendments to Charge 1D. He said the amendments make it clear and broaden the opportunity for the Task Force to hear from all companies, possibly companies that already have an insurance company or are looking to establish an insurance company and to look at any new products they might want to bring to the states. He said he wants to make sure the Task Force is not limiting itself to companies that have not submitted applications yet that want to take advantage of new technologies for new product filings.

Ms. Jabourian proposed changing the word “companies” to “licensees.” Mr. Laughlin said if it is changed to “licensees,” it may exclude companies that are not yet licensed, and he does not want to preclude them from discussing emerging technologies. Ms. Jabourian said she understands the use of the word “companies” to mean existing insurance companies. She said that there are licensed agent innovators that have broker licenses that are innovating a lot of products and that she wants to be sure all types of licensees are included. Mr. Laughlin said that from an InsurTech standpoint, there may be companies that provide services to licensed insurance companies and that he wants to be sure the Task Force includes those companies and how they are providing added value or services to existing carriers or licensees. He said he does not want to restrict the charge to only entities that are already in the insurance business and wants it to be broad enough to hear from people who have ideas that may affect the insurance industry in a positive way. He said his suggested language refers to “companies” in general and not necessarily just insurance companies. Mr. Currier suggested changing “companies” to “companies or other licensees.” Mr. Angell said that language may imply companies are also licensed. Ms. Brouse suggested changing it to “companies or licensees.” Mr. Laughlin agreed. Mr. Laughlin made a motion, seconded by Mr. Angell, to adopt his suggested changes with Ms. Brouse’s suggested language as a friendly amendment to charge 1D. The motion passed unanimously.

Sonja Larkin-Thorne (Consumer Advocate) referred to Charge 1C: “consider development of a white paper or model legislation if necessary.” She said there is legislation pending at the federal level regarding autonomous vehicles that is being pushed by the developers of these vehicles, and some of the language in the legislation would tie the hands of insurance companies if they need data regarding an accident where that autonomous vehicle may have been or could have been involved in an accident with another vehicle. She asked if the Task Force should be only “considering development” of a white paper or model legislation or if it should be “developing” a whitepaper or model legislation to address the issues that are coming out at the federal level. Director McPharlin said he understands the concern and that the Task Force could address this topic through its meetings.

a. Big Data (EX) Working Group

Dave Snyder (Property Casualty Insurers Association of America—PCI) expressed concern in regard to the evolution of Charge B. He said Charge A and Charge C are fundamental to defining the issues, but instead Charge B has gotten out in front of Charge A and Charge C. He said PCI suggests the Task Force either remove it or at least sequence Charge B to follow Charge A and Charge C, where there has been a more thorough consideration of what needs to be done. He said Charge B has led to a proposal that is highly controversial and not generally supported, so he said PCI proposes deletion of Charge B or sequencing things under the Big Data (EX) Working Group so that Charge A and Charge C are thoroughly accomplished before moving on to Charge B to better understand what a mechanism should do.

Mr. Angell said the Big Data (EX) Working Group has worked on Charge B and has had several meetings where it has been debated. He said it would be a shame to discard it at this point. He said that he strongly urges that it be kept in and that previously the Working Group had chosen to change the order because Charge B could be handled relatively quickly.

Birny Birnbaum (Center for Economic Justice—CEJ) said the CEJ opposes PCI’s recommendation. He said that the charges are the result of a lengthy conversation and feedback from interested parties and that the charges reflect a well thought out and deliberate conversation. He said PCI’s assertion that Charge B follows from Charge A or Charge C is incorrect. He said state insurance regulators at the Casualty Actuarial and Statistical (C) Task Force and Big Data (EX) Working Group have spoken again and again about their need for resources to help state insurance regulators look at these complex models. He said he knows the industry opposes this but that this is a critical resource for state insurance regulators. He said the fact that industry does not like the proposal should not be a deterrent. He said the CEJ strongly supports the current charges and urged the Task Force to keep it as is.

Commissioner Richardson said she supports keeping the charges as they are. She said these types of charges need to be brought forward so there can be open discussion. Superintendent Dwyer echoed previous comments to keep the charges as is. Ms. Jabourian agreed as well.

Michael O’Malley (American Insurance Association—AIA) pointed out that Charge B presupposes that there are merits to the mechanisms and that he suggests a possible compromise would be to “consider” the merits of a mechanism. He said any mechanism will have pros and cons. He said the merit of proposing a mechanism should be considered first and that the charge should be modified in that way.

Mr. Angell made a motion, seconded by Superintendent Dwyer, to adopt the Big Data (EX) Working Group’s 2018 proposed charges as written. The motion passed unanimously.

b. Cybersecurity (EX) Working Group

Commissioner Richardson proposed amending Charge D by changing the word “brokers” to “producers.” Several states agreed that would be an appropriate change.

Mr. O’Malley said the AIA agrees that educating consumers is an important goal but that industry is inundated with disclosures and there are existing disclosures relative to cybersecurity. He said on most insurers’ websites, there are already privacy policies that will have disclosures related to security procedures. He said this presupposes that there is a need for additional disclosure. Mr. O’Malley proposed Charge E be amended to say: “Consider what, if any, additional consumer disclosures related to cybersecurity might be necessary and effective and, if appropriate, develop model consumer disclosure guidance by December 2018.”

Superintendent Dwyer said she generally does not like something that presupposes something and that the language suggested will allow the Working Group to do what is most appropriate. Several states voiced agreement with the proposed language.

Ms. Jabourian she would like to do more research to make sure existing privacy disclosures are sufficient. She said she is not opposing the language but would like to research further whether separate disclosure is needed. Mr. Angell said the way it is worded does not assume anything about existing disclosures but leaves it open to saying the existing disclosures are sufficient or are not sufficient and, therefore, additional disclosures are needed. He said he does not think research needs to be done just

to rephrase the charge. Superintendent Dwyer said she reads this charge as allowing the Working Group to either draft additional disclosures or decide they are not necessary.

Jigar Gandhi (American Council of Life Insurers—ACLI) asked if it is necessary to put a due date of December 2018 on the charge. Director Hammer commented that she appreciates a deadline so there is a timeline to work toward and would prefer it be left on the charge. Director McPharlin asked if there was any support from any of the Task Force members to eliminate the timeline. Hearing none, it was not removed.

Mr. Angell made a motion, seconded by Director Hammer, to adopt the Cybersecurity (EX) Working Group's 2018 proposed charges as amended. The motion passed unanimously.

c. Speed to Market (EX) Working Group

Director McPharlin asked if there were any comments or questions regarding the 2018 proposed charges for the Speed to Market (EX) Working Group. Hearing none, Commissioner Richardson made a motion, seconded by Mr. Angell, to adopt the Working Group's 2018 proposed charges. The motion passed unanimously.

Mr. Currier made a motion, seconded by Ms. Brouse, to adopt the Innovation and Technology (EX) Task Force's 2018 proposed charges, 1A through 1E, as amended (Attachment A). The motion passed unanimously.

Having no further business, the Innovation and Technology (EX) Task Force adjourned.

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Innovation and Technology (EX) Task Force
Philadelphia, Pennsylvania
August 8, 2017

The Innovation and Technology (EX) Task Force met in Philadelphia, PA, Aug. 8, 2017. The following Task Force members participated: Patrick M. McPharlin, Chair, and Teri Morante (MI); Laura Cali Robison, Vice Chair (OR); Lori K. Wing-Heier represented by Anna Latham (AK); Jim L. Ridling represented by Charles Angell (AL); Peter Fuimaono (AS); Dave Jones represented by Lucy Jabourian (CA); Katharine L. Wade and Tim Curry (CT); Stephen C. Taylor (DC); David Altmaier represented by Caitlin Murray (FL); Gordon I. Ito (HI); Dean L. Cameron represented by Kathy McGill (ID); Doug Ommen (IA); Ken Selzer represented by LeAnn Crow (KS); James J. Donelon represented by Richard Piazza (LA); Eric A. Cioppa (ME); Chlora Lindley-Myers represented by Angela Nelson (MO); Matthew Rosendale represented by Michael Kakuk (MT); Jon Godfread (ND); Bruce R. Ramge and Christy Neighbors (NE); Roger A. Sevigny represented by John Elias (NH); Richard J. Badolato (NJ); John G. Franchini represented by Robert Doucette (NM); Barbara D. Richardson (NV); Jillian Froment (OH); John D. Doak represented by Tyler Laughlin (OK); Elizabeth Kelleher Dwyer and Paula Palozzi (RI); Raymond G. Farmer (SC); Larry Deiter and Travis Jordan (SD); Julie Mix McPeak represented by Lorrie Brouse (TN); Kevin Brady represented by Michael Nored (TX); and Todd E. Kiser (UT). Also participating were: Don Beatty (VA); and Ted Nickel (WI).

1. Adopted its May 23 Minutes

Ms. Nelson made a motion, seconded by Commissioner Badolato, to adopt the Task Force's May 23 minutes (Attachment One). The motion passed unanimously.

2. Adopted the Reports of its Working Groups

a. Big Data (EX) Working Group

Commissioner Cali Robison said the Big Data (EX) Working Group met Aug. 6 and received an update from NAIC staff on regulatory frameworks for the oversight of insurers' use of consumer data and on data needs and tools for regulators to monitor the marketplace. The Working Group discussed an initial draft of a proposed mechanism for the review of complex rating models and large data sets for auto and homeowners insurance. She said the Working Group also heard from interested parties and had a robust discussion about adjustments the Working Group members may want to consider making to the proposal. She said the next steps are to make those adjustments and then further discuss the proposal, as no decisions have yet been made.

b. Speed to Market (EX) Working Group

Ms. Nelson said the Speed to Market (EX) Working Group met Aug. 7. During this meeting, the Working Group adopted its Spring National Meeting minutes and the report of the Operational Efficiencies (EX) Subgroup. The Working Group also adopted the 2018 revisions to the uniform product coding matrices and the uniform transmittal document. The Working Group heard an update on the NAIC System for Electronic Rate and Form Filing (SERFF) implementation projects and activities. As of June 30, SERFF was 5% behind budget for transaction volume; however, July saw an increase in plan management submissions which should bring this back in line with budget. She said SERFF version 7.12 is in final testing and is expected to be released later in August. This version includes a new feature to allow for the implementation of state-specific record retention of SERFF filings. The SERFF Advisory Board reported that the SERFF evaluation for cloud migration has been completed and SERFF is not recommended as an early candidate for the NAIC cloud migration program, in part because the system has a number of vendor dependencies but also because there is a strong desire to move forward on the cloud project with smaller applications that will allow the NAIC technical teams to learn faster. She said the Working Group also heard a report from the Interstate Insurance Product Regulation Commission (IIPRC) indicating Connecticut is the most recent compacting state becoming effective for filings in July. She said the Working Group heard a report on current IIPRC activities, including that it is conducting its five-year review of the individual disability income uniform standards.

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She said the Working Group considered the composition of the Subgroup and Working Group going forward and agreed that, given the value of the work of the Operational Efficiencies (EX) Subgroup that must be continued, NAIC staff will summarize the pros and cons regarding that work happening as a part of a combined working group. NAIC staff will follow up with a written summary to the Working Group members.

Ms. Nelson made a motion, seconded by Mr. Elias, to adopt the report of the Big Data and Speed to Market (EX) Working Group (Attachment Three) and it passed unanimously.

c. Cybersecurity (EX) Working Group

Director Farmer provided the report of the Cybersecurity (EX) Working Group, which met Aug. 7. He said the Insurance Data Security Model Law was first exposed in 2016 and has gone through a number of iterations. After receiving hundreds of pages of comments and having several in-person meetings and many conference calls, version 5 was released July 7, followed by version 6 reflecting comments received and additional changes made. He said the Working Group considered those changes and adopted version 6 at its Aug. 7 meeting.

Director Farmer made a motion, seconded by Mr. Piazza, to adopt the report of the Cybersecurity (EX) Working Group (Attachment Four). The motion passed unanimously.

3. Adopted the Insurance Data Security Model Law

Director Farmer presented the Insurance Data Security Model Law for consideration of adoption. He said it passed the Cybersecurity (EX) Working Group with overwhelming support, even though there were three dissenting votes. Director Farmer made a motion, seconded by Superintendent Dwyer, to adopt the Insurance Data Security Model Law (Attachment Five). The motion passed, with Utah dissenting.

4. Heard Presentations from Guest Innovators

a. Swiss Re

Matthew Horvath-Wulf (Swiss Re) said traditional insurers are interested in innovation through partnerships with startups, as well as through the development of their own internal expertise. He said other industries are embracing and utilizing new technology and sometimes insurance is a little slow to adapt. He said slow adoption is related to the insurance culture and sometimes it is due to regulation, including how to interpret some of the basic principles of insurance and how to apply them to new technology. Mr. Horvath-Wulf said artificial intelligence (AI) and big data are specific areas of focus, noting that his colleague Jayne Olsen (Swiss Re) will present on that topic.

Ms. Olsen provided an overview of how and why AI and big data are being leveraged in the insurance space. She reviewed the consumer benefits that can be gained from the use of AI and big data. She highlighted benefits that can be achieved from every aspect of the value chain from a June 2017 paper Swiss Re published titled, "Technology and insurance: themes and challenges." She provided examples of where regulation can stifle innovation and said it is not always clear that the solutions actually make sense and whether they will help consumers. She said this can create friction and slow progress. She said consumers are willing to share data and appreciate how it can expedite the decision-making process, in addition to helping guide an applicant through the prospecting, marketing and underwriting processes. She said this is an example of uncertainty the insurers are facing. She said there will be new data sources available and consumers will feel comfortable sharing their data with insurance companies in order to make the process more efficient.

Ms. Olsen said AI models are different from traditional statistical models being used, noting that AI models tend to favor correlation and pattern recognition and are not always connected to causation. She said AI operatives work best if there is the ability to compute missing values to make the models more efficient and accurate, noting that the capability exists. She said there is recognition of technical knowledge gaps that exist and it would be helpful to be able to get guidance from regulators who are able to understand this area. She said regulation should recognize the modern social norm of sharing and leveraging data, especially with future generations of consumers who will be comfortable sharing their data if companies are offering a

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trustworthy brand and promise. She said regulation should encourage innovation and the use of the modern technologies available to benefit the value chain from end to end.

Ms. Olsen said being able to engage with people in the regulatory environment who have the expertise and the knowledge to help insurers navigate some of the regulatory rules in a language and way that advances the new technology would be helpful, noting that regulation should also leverage modern technologies to improve and advance insurance supervision.

Commissioner Cali Robison said it is hard to disagree with the need for regulators to evolve and have the expertise to evaluate these new technologies. However, she asked Ms. Olsen where the line should be drawn and how she would recommend regulators approach that discussion when there are varying sentiments among the consumers who regulators protect. Ms. Olsen said there is a safe line where consumers are willing to share data, where it makes sense in terms of risk assessment and the insurance product that is being purchased. She said when that is the case, such as use of data from wearable devices providing flexibility, a person might be more willing to share that information.

b. Startupbootcamp New York

Megan Hayes (Startupbootcamp New York) said Startupbootcamp is a global network of startup accelerators that started in 2007 and has expanded globally, with each program focusing on a particular industry vertical. She said the InsurTech startup accelerator began in 2015 in London, noting that it is in the process of launching a program in New York matching companies that want to actively engage with innovation with startups. She said Startupbootcamp spends a lot of time working with both on the current challenges they are facing, new technologies they are looking to implement and solutions that will help them grow their business.

She said Startupbootcamp spoke with more than 2,000 startups in 2016 that were looking to bring products to market, consisting of technologies interesting to the insurance startup space, including Internet of Things (IoT), AI, blockchain, drones and data analytics. This pool of startups was narrowed to 300 applicants for the Startupbootcamp three-month residential program. The top 50 startups were shared with corporate partners, who then narrowed to 18 the number of startups that joined the Startupbootcamp in London for two days leading to the selection of 10 that made it to the corporate accelerator program, which she described as sort of an MBA for startups. She said the reason New York was selected for the U.S.-based office as opposed to, for example, San Francisco, where there is a lot of technology innovation, is because Startupbootcamp believed it was important to launch in an ecosystem that can fully support the startups in all areas, and that meant being close to the headquarters of insurers, noting that there are many insurers headquartered in Connecticut and New York.

She said Startupbootcamp also wants to be close to, and build relationships with, state insurance regulators where there will be a need for an open-mindedness, understanding that it is a process that can be slow to change. She asked regulators for a willingness to engage in what is happening in technology, so companies can stay relevant to their customers and the rest of the industry. She said one of the ways Startupbootcamp hopes to work with regulators is to have them engage with startups in “office hours,” helping the startups to better understand the regulatory environment, as they often struggle to understand the framework within which they are expected to work. This creates an opportunity for all parties to understand the trends and what will be happening in the next two to five years. She said it will provide a better view of what is happening and how changes can be made together that support this trend and build on what has happened so far.

c. Turo, Inc.

Alex Benn (Turo, Inc.) said Turo was previously called Relay Rides. He said a lot has changed since then, as the company has been rebranded as Turo and the business model is now more of a travel-based, longer-duration model than ride-sharing, which covers more of the hourly model. He said Turo is much more about the adventure, owning the experience and traveling, noting that this is the difference between ride-sharing and car-sharing. He said there are 300 million cars and 200 million drivers, leaving 100 million extra cars. He said Turo’s mission is to put all of the excess cars to better use, resulting in fewer cars used in a better way through technology and community.

Mr. Benn said Turo provides a more economical and better user experience, along with the ability to rent a specific vehicle you want from a trusted source via a mobile phone. He demonstrated the app on the phone, showing both the traveler and the

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host side, and explaining how it helps individuals to defray the cost of car ownership. He said, across the marketplace, Turo's data shows it costs about nine days to cover the monthly cost of the car, and he provided an example using a Tesla. He said, on the guest side, Turo competes with traditional car rentals on convenience, pricing and service and, in terms of selection, Turo has a lot of different cars available, including more than 850 makes and models.

Turo is in 5,000 cities all around the U.S., it recently moved into Canada and the United Kingdom (UK), and is looking to expand to create a global marketplace. Regarding the insurance aspect, he said Turo partners with Liberty Mutual for liability insurance, noting that the owner-side coverage is intended to be exclusive and primary; it does not interact with the personal lines coverage the owner has, so the personal lines coverage should not be impacted. He said it functions like traditional car rental, where travelers can bring their own insurance or select protection packages through Liberty Mutual.

Commissioner Kiser asked if a regulator has been an obstacle or blocked Turo's path. Mr. Benn responded affirmatively, noting that Turo currently operates in 49 states but is unable to operate in New York, as the group insurance laws there do not allow it. He said Turo was able to work through issues in other states through conversations with the regulators, but has been unable to get past the issues in New York. Commissioner Kiser said the regulators are sometimes considered the bad guys, and state laws do sometimes prohibit some things, but the regulator must enforce state law. He said he appreciated the Startupbootcamp presentation for indicating the importance of being located in an insurance environment, so they can work with insurers to accomplish their goals. He said, many times, the innovator needs to work with the insurance companies to get its goals accomplished and it is not necessarily the regulator standing in the way.

Commissioner Richardson asked if companies have some way to prove to the regulator whether there has been tampering with the AI. Ms. Olsen said AI is based on data; therefore, it should be possible to prove the results of the AI methods. Commissioner Richardson said it should allow for the detection of fraud and understanding of tampering situations, adding that it would be beneficial if the insurer could help the regulator understand how that is being done.

Commissioner Cali Robison said being able to track and see the data is helpful, but as new technologies are still developing, there is still a lot of learning occurring along the way. She said there continues to be a human element in making decisions about how to build models, noting that what the AI is being asked to learn, as well as how that design is working, still has an element of human decision-making. She said it is important to know what the oversight and governance is over those processes, as well as what is actually being delegated to the model itself or accomplished through AI.

5. Discussed "Microinsurance" Definition and Next Steps for the Task Force

Eric Nordman (NAIC) presented a paper (Attachment Six) on defining the term "microinsurance." Mr. Nordman said microinsurance traditionally has been defined as products sold to protect the health and livelihoods of underserved low-income populations in emerging markets and developing countries. He said it would be good to understand that background, because using the term could result in confusion when it is used in respect to technology and that is completely different from the traditional definition of the past.

He said the International Association of Insurance Supervisors (IAIS) has defined "microinsurance" as "the protection of low-income people against specific perils in exchange for regular premium payments appropriate to the likelihood and cost of the risk involved," and none of these tended to involve technology. He provided another example of the Self-Employed Women's Association (SEWA) union that started with micro-loans and then graduated into a microinsurance product that offers a package of coverages including natural death (\$5,000), health (\$2,000), asset loss (\$10,000) and accidental death (\$40,000) for a \$100 annual premium. He said the definition has generally been related to small policies with low premium sold to people near the poverty level, so he advised that before forming a group to study "microinsurance," the Task Force may want to consider a different term closer to the intended area of study such as "on demand," which pertains more to the technology world than the term "microinsurance." He said this might prevent confusion regarding this area of study.

Commissioner Cali Robison said this topic was discussed at the Spring National Meeting and it is important to be clear in regard to what the Task Force members want to study. She asked if it is the more "on demand" type product with limited scope and duration, or the type of microinsurance Mr. Nordman described. She said it is also important to note that the Task Force has an existing charge to "Discuss emerging issues related to on-demand insurance applications—in addition to potential implications on the state-based insurance regulatory structure—including, but not limited to, cancellations,

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nonrenewals, coverage issues, notice provisions and policy-delivery requirements.” She said the Task Force might want to think about this and clarify what the members truly intend to study.

Commissioner Cali Robison asked if the Task Force members wanted to give more thought to determining where to focus its time and give consideration to this more explicitly in regard to the 2018 charges. She said there seemed to be consensus to do so, noting that it will be a topic of discussion for the next meeting of the Task Force.

6. Discussed Potential Development of a Framework to Facilitate Innovator and Regulator Dialogue

Commissioner Cali Robison provided some background to facilitate discussion related to creating a framework for facilitating dialogue between innovators and state insurance regulators. She said proposals for a “sandbox” or some other approach to facilitating dialogue have been submitted, noting that it would be good for the Task Force to discuss how to move forward.

She said the term “sandbox” often implies the relaxing of regulatory laws or rules and that is probably not where the Task Force will start, because having the laws and rules of 56 jurisdictions to deal with would probably make that difficult. She said it would be good to think about how a dialogue might be structured and facilitated. She proposed the Task Force members consider having dialogues and getting feedback from innovators (incumbents as well as startups) to hear what they are doing, as well as what their questions and concerns are, in addition to allowing innovators to hear directly from regulators. She said this might be more of a constructive dialogue about how issues could be worked through, and if there are ways to mitigate concerns through an adjustment to product design or other elements, doing it earlier rather than later, providing a way to have these discussions among a group of states instead of having to do it one by one.

Commissioner Cali Robison asked if the Task Force would like to discuss how best to approach this and if there is interest in creating a framework, including setting up objectives and goals to guide it. Ms. Nelson said she would be supportive of doing something like and having a structure around when the meetings might occur (at national meetings or via conference call), what types of products would be discussed and what types of subject-matter experts would be needed. She said regulators have the ability to provide a well-rounded preliminary review that could benefit the industry, consumers and regulators.

Director Range said consideration should be given to the framework to provide for the ability to protect trade secrets in order to make the dialogue as productive as possible and get innovators to the table. Ms. Brouse said it would be helpful to do a survey of these groups to get their perspective on the benefits and the obstacles they see, ensuring no penalties for participating in order to get good, unbiased feedback. Commissioner Cali Robison asked if Ms. Brouse was suggesting working with accelerators or other bootcamps that have access to innovators that are less knowledgeable about regulation, to get their help in framing some of the general questions and concerns from those that are not incumbents.

Mr. Angell said it would be helpful to hear from the accelerators or incubators about the differences they see in terms of the regulators in other countries and if they approach innovation differently than is done in the U.S. and what can be learned from them. Commissioner Cali Robison said it would be good to get more concrete feedback on that. She asked Ms. Hayes if she had any comment regarding that topic. Ms. Hayes said Startupbootcamp has worked with regulators in the UK and Singapore, where regulation is a little more relaxed and open to innovation, noting that she would be happy to offer advice or insights regarding those entities.

Commissioner Cali Robison said it would be helpful to know the differences. She proposed asking NAIC staff to help start the process of creating a framework for dialogue between innovators and regulators by drafting a set of objectives and sketching out a framework that is mindful of the comments shared regarding what should be considered and what information would be helpful in making this as effective as possible. She asked staff to do some analysis and draft something for the Task Force to discuss at a later meeting. The Task Force members agreed this would be a good idea.

7. Discussed Other Matters

Commissioner Cali Robison mentioned the need to consider 2018 proposed charges in the near future, so the Task Force should be giving that some consideration. She also said the plan for determining future presentations to the Task Force is to

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put together an information sheet indicating who to contact and what types of topics the Task Force would like to cover so the process can be streamlined.

Birny Birnbaum (Center for Economic Justice—CEJ) said he is in agreement with staff's recommendation on the microinsurance issue and asked that the Task Force consider formalizing a plan to have consumer presentations at Task Force meetings. He said a presentation was given at the NAIC/Consumer Liaison Committee meeting about innovation and how it might empower consumers, and said he would appreciate an opportunity to engage in a conversation about that with this Task Force.

Having no further business, the Innovation and Technology (EX) Task Force adjourned.

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