
National Meeting Preview

TO: NAIC Members, State Insurance Regulators and Interested Parties
FROM: NAIC Committee Support Staff
DATE: March 1, 2019
SUBJECT: Preview of NAIC Committee and Task Force Activities for the Spring National Meeting in Orlando, Florida.

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 and make travel arrangements.

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: Before making travel arrangements to attend a national meeting, we strongly encourage you to check the detailed program agenda posted on the NAIC website at www.naic.org/meetings_events.htm for the most current dates and times of all meeting sessions, as well as any events prior to or after the national meeting.

SPECIAL MEETINGS AND/OR EVENTS

CIPR PROGRAM: *The Future of Blockchain in Insurance*

Please plan to join the NAIC Center for Insurance Policy and Research (CIPR) for its upcoming spring program, “The Future of Blockchain in Insurance.” The program is scheduled for 3:00 – 5:00 p.m., Monday, April 8, followed immediately by a networking reception.

Blockchain is a fast-developing technology that is expected to have a significant impact across the entire insurance sector. Insurance incumbents and InsurTech startups alike are attempting to use blockchain technology to reduce fraud, streamline payments and claims, track medical records and more. However, blockchain technology is still in its early stages of adoption and has a number of

challenges it must overcome prior to being widely implemented. As such, a number of blockchain consortia have been formed to help promote the adoption of blockchain technology.

This program will bring together distinguished blockchain experts and thought leaders to discuss the future of blockchain technology in insurance. The program will start with a brief presentation examining the history and evolution of blockchain technology, followed by a panel discussion exploring the impact of blockchain technology on the insurance sector, real insurance use-cases and the regulatory hurdles blockchain implementation may experience.

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. The Committee may consider adoption of model law development requests that are currently pending with sponsoring letter committees. The Committee will receive progress reports regarding work on NAIC models currently under development and 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 at www.naic.org/meetings_events.htm.

During the joint meeting of the **Executive (EX) Committee and Plenary**, NAIC members will consider adoption of reports from the **Executive (EX) Committee** and its seven standing committees, as well as the minutes from the 2018 Fall National Meeting. Progress reports will be provided on the states’ implementation efforts on NAIC-adopted model laws, regulations and/or amendments. Members also will consider adoption of: 1) interim meeting minutes; 2) the Bulletin Regarding Filing Requirements for Outlines of Coverage Forms, updated to comply with the federal Medicare Access and CHIP Reauthorization Act of 2015 (MACRA); 3) revisions to the *Shopper’s Guide to Long-Term Care Insurance*; 4) amendments to the *Accident and Sickness Insurance Minimum Standards Model Act* (#170) (including changing the title to the *Supplementary and Short-Term Health Insurance Minimum Standards Model Act*); 5) revisions to the *NAIC Medicare Supplement Insurance Model Regulation Compliance Manual*; 6) revisions to the *Health and Welfare Plans Under the Employee Retirement Income Security Act: Guidelines for State and Federal Regulation* (ERISA Handbook); and 7) the Guidelines on Nonadmitted Accident and Health Coverages.

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 Spring National Meeting.

The **FINANCIAL STABILITY (EX) TASK FORCE** will: 1) consider adoption of the report of the **Liquidity Assessment (EX) Subgroup**, including progress toward achieving its deliverables related to liquidity stress testing; and 2) receive an update from the **Receivership and Insolvency (E) Task Force** on its work to address the Task Force’s referral letter to undertake analysis relevant to the NAIC’s Macroprudential Initiative.

The **INNOVATION AND TECHNOLOGY (EX) TASK FORCE** will consider adoption of the reports of the **Big Data (EX) Working Group** and the **Speed to Market (EX) Working Group**, including a report on cybersecurity initiatives and implementation of the *Insurance Data Security Model Law* (#668). The Task Force will also: 1) receive an update on activities from the Innovation and

Technology Small Group; 2) hear an update on recent activity related to blockchain; 3) hear a presentation on innovation and regulatory challenges; 4) hear presentations from innovators and key players in the InsurTech space; and 5) receive an update on opportunities planned throughout 2019 related to expanding education and dialogue regarding innovation and technology. The **Speed to Market (EX) Working Group** will not meet at the Spring National Meeting. The **Big Data (EX) Working Group** will: 1) consider adoption of its Feb. 25 minutes; 2) receive a report from the Casualty Actuarial and Statistical (C) Task Force regarding its work on the *Product Filing Review Handbook* to include best practices for the review of predictive models and analytics; 3) discuss what tools the NAIC might provide to assist states in their review of property/casualty (P/C) rate filings; and 4) discuss companies' supervisory requirements for the use of external data and models used in accelerated life insurance underwriting.

The **INFORMATION SYSTEMS (EX1) TASK FORCE** will receive project status reports for approximately 25 active projects. The Task Force will also receive an Information Technology (IT) Operational Summary Report on key NAIC-supported state-based technology initiatives, including: 1) Product Updates; 2) Innovation and New Technology; 3) Service and Support; 4) Data Collection Metrics; 5) Team; 6) Project Portfolio Summary; and 7) Technology Adoption and System Usage. The Task Force will then adjourn into regulator-to-regulator session pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meetings.

The **LIFE INSURANCE AND ANNUITIES (A) COMMITTEE** will: 1) consider adoption of its task force and working group reports; 2) discuss comments received on the draft of proposed revisions to the *Suitability in Annuity Transactions Model Regulation* (#275); and 3) discuss next steps regarding its retirement security charge. The **Annuity Disclosure (A) Working Group** will not meet at the Spring National Meeting, but it plans to meet via conference call to continue discussion regarding its charge to review and revise, as necessary, Section 6—Standards for Illustrations of the *Annuity Disclosure Model Regulation* (#245) to take into account disclosures necessary to inform consumers about in light of the innovation of products currently in the marketplace. The **Annuity Suitability (A) Working Group** anticipates meeting at the Spring National Meeting to discuss its next steps for working to address any issues the Life Insurance and Annuities (A) Committee directs the Working Group to resolve based on the comments received by the Feb. 15 public comment deadline on the draft of proposed revisions to Model #275. The **Life Insurance Online Guide (A) Working Group** will not meet at the Spring National Meeting, but it plans to meet via conference call to work on an online resource on life insurance. The **Life Insurance Illustration Issues (A) Working Group** will not meet at the Spring National Meeting, but it plans to meet via conference call to continue discussions regarding the development of a one- to two-page policy overview document to fulfill its charge to enhance the consumer readability and understandability of the narrative summary required by Section 7B of the *Life Insurance Illustrations Model Regulation* (#582) and the policy summary required by Section 5A(2) of the *Life Insurance Disclosure Model Regulation* (#580).

The **LIFE ACTUARIAL (A) TASK FORCE** will work on and consider amendments to the *Valuation Manual* (for implementation in 2020), including proposals addressing issues identified in the **Valuation Analysis (E) Working Group's** public report. The Task Force will also: 1) continue development of requirements for principle-based reserving (PBR); 2) discuss the coordination of the *Valuation Manual* requirements with the requirements of the *Accounting Practices and Procedures Manual* (AP&P Manual); 3) discuss issues related to the use of the 2017

Commissioners Standard Guaranteed Issue Mortality Table (2017 CSGI) and the development of VM-21, Requirements for Principle-Based Reserves for Variable Annuities, including current exposures; and 4) consider adoption of its subgroup reports, including an update from the **IUL Illustration (A) Subgroup** on potential changes to *Actuarial Guideline XLIX—The Application of the Life Illustrations Model Regulation to Policies with Indexed-Based Interest* (AG 49).

The **HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE** will hold one meeting at the Spring National Meeting. During this meeting, it is anticipated that the Committee will: 1) continue its discussions of health care cost drivers; 2) hear an update from representatives of the federal Center for Consumer Information and Insurance Oversight (CCIIO) on recently adopted federal regulations and other CCIIO activities of interest to the Committee; 3) hear an update on legal action surrounding the federal Affordable Care Act (ACA); 4) consider adoption of its 2018 Fall National Meeting minutes and interim meeting minutes; and 5) consider adoption of its task force, working group and subgroup reports. The **Consumer Information (B) Subgroup** will not meet at the Spring National Meeting. The Subgroup will continue its discussions via conference call concerning the development of consumer-based pieces to help with health insurance literacy. It is anticipated the new **Health Innovations (B) Working Group** will meet at the Spring National Meeting to begin its work and possibly hear presentations related to health literacy and state waiver activities pursuant to Section 1332 of the ACA.

The **HEALTH ACTUARIAL (B) TASK FORCE** will discuss actuarial issues related to health care reform and consider adoption of its working group reports. The **Long-Term Care Actuarial (B) Working Group** will discuss long-term care insurance (LTCI) pricing and valuation issues.

The **REGULATORY FRAMEWORK (B) TASK FORCE** will: 1) consider adoption of its working group and subgroup reports; and 2) hear presentations on the federal mental health parity law and tools developed to assist health carriers in complying with the law's requirements. The **Accident and Sickness Insurance Minimum Standards (B) Subgroup** will not meet at the Spring National Meeting. The Subgroup plans to continue to meet via conference call to consider revisions to the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171). The **HMO Issues (B) Subgroup** will not meet at the Spring National Meeting. The Subgroup plans to meet via conference call to discuss its potential work to revise the *Health Maintenance Organization Model Act* (#430) to address the conflicts with the recent revisions to the *Life and Health Insurance Guaranty Association Model Act* (#520). The **Pharmacy Benefit Manager Regulatory Issues (B) Subgroup** will not meet at the Spring National Meeting. The Subgroup plans to meet via conference call to discuss a Request for Model Law Development related to developing a new NAIC model to establish a licensing or registration process for pharmacy benefit managers (PBMs). The **ERISA (B) Working Group** will meet at the Spring National Meeting to discuss its anticipated 2019 activities and continue its discussions of the recently finalized federal regulations related to association health plans (AHPs). The Working Group also plans to adjourn into regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss investigations into specific plans.

The **SENIOR ISSUES (B) TASK FORCE** will: 1) discuss issues relating to LTCI and Medicare supplement insurance (Medigap); 2) monitor the progress of state implementation of MACRA requirements; 3) survey the states on Medigap "new or innovative" benefits; 4) work on guidance

related to improvements to LTCI rate stabilization standards; 5) discuss LTCI consumer disclosures; 6) hear updates on other topics of interest; and 7) hear a federal legislative update. The Task Force adopted the revised and updated version of the *Shopper's Guide to Long-Term Care Insurance* on Oct. 29, 2018. The Task Force will also consider disbanding the **Short Duration Long-Term Care Policies (B) Subgroup** and the **Long-Term Care Shopper's Guide (B) Working Group**.

The **PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE** will: 1) consider adoption of its task force and working group reports; 2) discuss flood insurance issues, including a report on private flood insurance and an update from the Federal Emergency Management Agency (FEMA); 3) discuss insurance issues related to autonomous vehicles; and 4) discuss the status of the pet insurance white paper. The **Catastrophe Insurance (C) Working Group** will: 1) consider adoption of its minutes; 2) receive an update on and discuss the NAIC *State Disaster Response Plan*; 3) receive an update regarding the claims guide that was referred to the Transparency and Readability of Consumer Information (C) Working Group; and 4) discuss private flood insurance initiatives. The **Terrorism Insurance Implementation (C) Working Group** will discuss the terrorism risk insurance data call and reauthorization of the federal Terrorism Risk Insurance Act.

The **CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE** will discuss a draft white paper regarding the regulatory review of predictive modeling used in rate filings.

The **TITLE INSURANCE (C) TASK FORCE** will: 1) review the results of its *Survey of State Insurance Laws Regarding Title Data and Title Matters, 2019*; 2) hear a presentation from CertifID regarding wire transfer fraud and prevention tips; and 3) hear a presentation from the American Land Title Association (ALTA) regarding current issues in the title insurance industry.

The **SURPLUS LINES (C) TASK FORCE** will: 1) consider adoption of the report of the **Surplus Lines (C) Working Group**; and 2) hear an update on the federal Flood Insurance Market Parity and Modernization Act (H.R. 1422/S. 563).

The **WORKERS' COMPENSATION (C) TASK FORCE** will: 1) consider adoption of its minutes; and 2) hear a presentation from the National Council on Compensation Insurance (NCCI) regarding workers' compensation rate decreases.

The **MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE** will: 1) consider adoption of its Feb. 8 minutes; 2) consider adoption of a Mental Health Parity Guidance and Data Collection Template for inclusion in the *Market Regulation Handbook*; 3) consider adoption of revised charges to move the Advisory Organization Examination Oversight (C) Working Group under the Market Regulation and Consumer Affairs (D) Committee; and 4) consider adoption of its task force and working group reports. The **Market Analysis Procedures (D) Working Group** will discuss the creation of a data call to collect information regarding short-term limited duration health products. The **Market Conduct Annual Statement Blanks (D) Working Group**, the **Market Conduct Examination Standards (D) Working Group** and the **Market Regulation Certification (D) Working Group** will not meet at the Spring National Meeting.

The **ANTIFRAUD (D) TASK FORCE** will: 1) consider disbanding the **Antifraud Technology (D) Working Group**; 2) consider adoption of the report of the **Antifraud Education Enhancement (D) Working Group**; 3) hear an update on the Online Fraud Reporting System rewrite; 4) hear an

update on the federal legislative and regulatory initiatives related to insurance fraud; and 5) hear updates from interested parties about their recent activities to address insurance fraud.

The **MARKET INFORMATION SYSTEMS (D) TASK FORCE** will: 1) consider adoption of the report of the **Market Information Systems Research and Development (D) Working Group**; and 2) hear a presentation on the revised NAIC Consumer Information Source (CIS).

The **PRODUCER LICENSING (D) TASK FORCE** will: 1) consider adoption of proposed revisions to the NAIC Continuing Education Reciprocity (CER) Agreement; 2) consider adoption of a recommendation to allow a life or accident and health license to satisfy the requirement of an underlying license, which is needed to qualify for a surplus lines license; 3) consider adoption of the reports of the **Producer Licensing Uniformity (D) Working Group** and the **Uniform Education (D) Working Group**; 4) hear a report from the NIPR Board of Directors; and 5) hear a presentation on the role of chatbots and artificial intelligence (AI) in the distribution of insurance products.

The **FINANCIAL CONDITION (E) COMMITTEE** will consider adoption of its task force and working group reports. The **Group Capital Calculation (E) Working Group** will discuss comments received on its previously exposed Group Capital Calculation Testing Template and Instructions.

The **ACCOUNTING PRACTICES AND PROCEDURES (E) TASK FORCE** will consider adoption of its working group reports. The **Blanks (E) Working Group** will: 1) consider adoption of eight proposals previously exposed; 2) consider adoption of its editorial listing; and 3) consider exposure of new agenda items affecting the financial reporting blanks and instructions. The **Statutory Accounting Principles (E) Working Group** will hear comments on exposed items and consider new agenda items affecting statutory accounting principles. Potential topics include: leases; regulatory transactions; affiliated transactions; and revisions to the tax implementation guide. The Working Group also may discuss generally accepted accounting principles (GAAP) issuances.

The **CAPITAL ADEQUACY (E) TASK FORCE** will consider adoption of its working group and subgroup reports. The **Health Risk-Based Capital (E) Working Group** will: 1) consider adoption of its minutes; 2) discuss health care receivables; 3) discuss the referral letter for health maintenance organizations (HMOs) and long-term care guaranty funds; and 4) discuss the excessive growth charge. The **Investment Risk-Based Capital (E) Working Group** will not meet at the Spring National Meeting. The **Life Risk-Based Capital (E) Working Group** will: 1) consider adoption of its minutes; 2) consider adoption of the report of the Variable Annuities Capital and Reserve (E/A) Subgroup and receive an update on the work done to implement the Variable Annuities Framework; 3) consider adoption of the report of the Longevity Risk (A/E) Subgroup; and 4) discuss items to be addressed in 2019. The **Property and Casualty Risk-Based Capital (E) Working Group** will: 1) consider adoption of its minutes; 2) consider adoption of proposals 2018-16-P, 2018-20-P and 2018-02-P; 3) consider exposing the underwriting risk line 1 reserve and premium factors; 4) discuss P/C RBC statistics; 5) hear updates from the American Academy of Actuaries (Academy) regarding its current P/C RBC projects; and 6) discuss possible changes of the R3 factor related to the “Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance” (Bilateral Agreement). The **Catastrophe Risk (E) Subgroup** will: 1) consider the adoption of its minutes; and 2) hear presentations from AIR Worldwide and A.M. Best regarding wildfire peril.

The **EXAMINATION OVERSIGHT (E) TASK FORCE** will consider adoption of the reports of the **Financial Analysis Solvency Tools (E) Working Group**, the **Financial Examiners Coordination (E) Working Group** and the **Financial Examiners Handbook (E) Technical Group**.

The **RECEIVERSHIP AND INSOLVENCY (E) TASK FORCE** will: 1) consider adoption of its minutes; 2) hear federal and international updates; 3) consider adoption of its working group reports; and 4) discuss progress on work related to the referral from the **Financial Stability (EX) Task Force** on resolution and recovery.

The **REINSURANCE (E) TASK FORCE** will: 1) consider adoption of its minutes; 2) consider adoption of the reports of the **Qualified Jurisdiction (E) Working Group** and the **Reinsurance Financial Analysis (E) Working Group**; and 3) discuss the progress of any other ongoing projects.

The **VALUATION OF SECURITIES (E) TASK FORCE** will: 1) consider adoption of its minutes; 2) consider adoption of amendments to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) to: a) clarify the stand-alone status of an investment security used in a regulatory transaction; b) improve and expand disclosure on transactions not eligible for filing exemption; c) update the new P&P Manual format with cumulative updates and comprehensive instructions for fund investments; and d) guidance on bank loans and debtor in possession financings; 3) discuss updating the definition of the term “obligation”; 4) discuss comments on the filing exemption (FE) logic procedure and nationally recognized statistical rating organization (NRSRO) symbols; 5) discuss referring updates to the *Statement of Statutory Accounting Principles (SSAP) No. 105—Working Capital Finance Investments* to the **Statutory Accounting Principles (E) Working Group**; and 6) hear reports on the modernization of the Committee of Testing Laboratories (CTL) standards, the application of the Japan Credit Rating Agency, LLC to be a vendor of credit rating ratings to the NAIC, the implementation of carry-over procedure and the implementation of NAIC designation categories.

The **FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE** will: 1) discuss revisions adopted in 2018 to NAIC publications that are referenced in the accreditation standards, such as the AP&P Manual and the *Financial Condition Examiners Handbook*; 2) receive a referral from the **National Treatment and Coordination (E) Working Group** regarding Part D: Organization, Licensing and Change of Control of Domestic Insurers accreditation standards; and 3) consider updates to the accreditation Preamble to subject entities licensed as fraternal orders to the Liabilities and Reserves accreditation standard as it relates to PBR.

The **INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE** will: 1) discuss progress on initiatives of the International Association of Insurance Supervisors (IAIS), including the status of revisions to the Insurance Core Principles (ICPs), the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), the global insurance capital standard (ICS), the holistic framework for systemic risk assessment and standards implementation and assessment issues; 2) hear an update on work in progress at the Organisation for Economic Co-operation and Development (OECD); 3) receive updates on ongoing activities to enhance cooperation with international insurance regulators; and 4) consider adoption of the report of the **ComFrame Development and Analysis (G) Working Group**. The Working Group will discuss progress on the development of ComFrame and the ICS, as well as the ongoing field-testing process.

Preview

NAIC 2019 Spring National Meeting

The **NAIC/CONSUMER LIAISON COMMITTEE** will: 1) discuss new developments in health insurance issues regarding short-term health plans and implications for state regulators, insurers and consumers due to the latest recommendations from the U.S. Preventive Services Task Force; and 2) discuss new developments in non-health (life and annuity or P/C) insurance, such as underinsurance in the wake of natural disasters, company interference in the automotive repair process, and insurers' use of criminal history databases and scores that result in unfair discrimination against some communities.

The **NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE** will: 1) discuss the rising suicide rate of American Indian youth (ages 10–18 in Colorado) and Alaska Native youth (ages 18–25) due to isolation, opioid abuse, alcoholism and mental illness; and 2) discuss suicide prevention (e.g., insurance companies putting telehealth into schools, getting consumer information about the availability and access to free or affordable care into the hands of children at risk, etc.).

The **NAIC/STATE GOVERNMENT LIAISON COMMITTEE** will not meet at the Spring National Meeting.

The **NAIC/INDUSTRY LIAISON COMMITTEE** will continue dialogue between state insurance regulators and industry representatives on issues of common interest.

The joint meeting of the **COMPACT MANAGEMENT COMMITTEE** and the **COMMISSION** will convene to receive reports from its committees and the Insurance Compact Office. The **Commission** will receive an update on the Insurance Compact Strategic Planning Initiative.