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# National Meeting Preview

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TO: NAIC Members, State Insurance Regulators and Interested Parties  
FROM: NAIC Committee Support Staff  
DATE: June 27, 2019  
SUBJECT: Preview of NAIC Committee and Task Force Activities for the Summer National Meeting in New York, New York

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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](http://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: *Demystifying Artificial Intelligence in Insurance***

Please plan to join the NAIC Center for Insurance Policy and Research (CIPR) for its upcoming spring program, “Demystifying Artificial Intelligence and Machine Learning in Insurance.” The program is scheduled for Monday, Aug. 5 from 3:00–5:00 p.m., followed immediately by a networking reception.

The use of artificial intelligence (AI) has increased significantly across industries over the past several years. The rise in accessible data, increased computing capabilities and changing consumer expectations has led to a strong acceleration of AI development. The integration of AI is expected to bring a paradigm shift to the traditional insurance business model. InsurTechs and insurance

incumbents alike have developed machine learning (ML) algorithms that harness an expanding array of data to underwrite risk, process claims, detect fraud and more. As the use of AI and big data increase, state insurance regulators are interested in a more sophisticated understanding of the area. This CIPR program will explore the insurance industry is currently using AI/ML, as well as its associated risks and opportunities.

### **CIPR Policy Workshop – Reauthorization of the Terrorism Risk Insurance Act**

The Terrorism Risk Insurance Program (TRIP) under the Terrorism Risk Insurance Act (TRIA) is set to expire on December 31, 2020. Congressional conversations with key stakeholders concerning the program and its effectiveness have already begun. The NAIC has recommended prompt Congressional action on a long-term TRIA reauthorization of 7-10 years - [https://www.naic.org/documents/government\\_relations\\_terrorism\\_risk\\_insurance.pdf](https://www.naic.org/documents/government_relations_terrorism_risk_insurance.pdf). The aim of this workshop will be to discuss the operational aspects of TRIP, existing evidence of its effectiveness, and emergent terrorism insurance issues related to the program.

The **EXECUTIVE (EX) COMMITTEE** will not be holding a separate meeting as usually scheduled. However, it will consider its agenda items during the joint meeting of the Executive (EX) Committee and Plenary on Tuesday, Aug. 6. 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 Executive (EX) 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](http://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 its seven 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 also will consider adoption of: 1) interim meeting minutes; 2) revisions to *Actuarial Guideline XLIII—CARVM for Variable Annuities* (AG 43); 3) a new white paper: *A Regulator’s Guide to Pet Insurance*; 4) the Mental Health Parity Guidance and Data Collection Tool for Mental Health Parity Analysis; and 5) Market Conduct Annual Statement (MCAS) private flood data call and definitions.

**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.

The **FINANCIAL STABILITY (EX) TASK FORCE** will: 1) hear an update on Financial Stability Oversight Council (FSOC) developments; 2) consider adoption of the report of the **Liquidity Assessment (EX) Subgroup**, including progress toward achieving its deliverables related to liquidity stress testing; 3) 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 (MPI); 4) hear an update on leveraged loans; and 5) hear an update on macroprudential surveillance

The **INNOVATION AND TECHNOLOGY (EX) TASK FORCE** will: 1) consider adoption of the reports from the **Big Data (EX) Working Group** and the **Speed to Market (EX) Working Group**; 2) discuss options for addressing the anti-rebating issues, which will include a discussion on whether to pursue a model law or regulation language addition or amendment and exposing a draft guideline in the interim; 3) discuss cybersecurity initiatives, including the status of the implementation of the *Insurance Data Security Model Law* (#668), future cybersecurity activities planned and next steps related to data privacy; 4) release a report based on the Annual Statement Cybersecurity Supplement; and 5) hear a presentation from a guess innovator, Theta Lake, and 6) discuss drafting a document for startups on insurance products and services. The **Speed to Market (EX) Working Group** will not meet at the Summer National Meeting. However, it will report on adopted changes to the uniform product coding matrix (PCM) to be effective on Jan. 1, 2020. The **Big Data (EX) Working Group** will: 1) consider adoption of its Spring National Meeting minutes; 2) receive a report from the Casualty Actuarial (C) Task Force regarding its work on the *Product Filing Review Handbook* to include best practices for the review of predictive models and analytics; and 3) discuss the use of data analytics for fraud detection and claims settlement.

The **INFORMATION SYSTEMS (EX1) TASK FORCE** will: 1) receive a project portfolio summary and project status reports for approximately 22 active projects; and 2) receive an Information Technology (IT) Operational Summary Report on key NAIC-supported state-based technology initiatives, including: a) Product Highlights; b) Innovation and New Technology; c) Service and Support; and d) Team. 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 **LONG-TERM CARE INSURANCE (EX) TASK FORCE** will: 1) receive a report and discuss further considerations on workstreams of the Task Force; 2) discuss benefit reduction options offered in the long-term care insurance (LTCI) premium rate increase process and related consumer information; and 3) hear from consumer/industry representatives on matters related to the Task Force's workstreams.

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 its retirement security charge. The **Annuity Disclosure (A) Working Group** will not meet at the Summer National Meeting. However, it plans to report its progress 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 Summer National Meeting to discuss the results of its June 20 interim meeting and draft revisions to Model #275. The **Life Insurance Online Guide (A) Working Group** will not meet at the Summer National Meeting, but it plans to continue 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 Summer National Meeting. However, it plans to report on its progress revising the *Life Insurance Disclosure Model Regulation* (#580) to include 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 in the *Life Insurance Illustrations Model Regulation* (#582) and the policy summary required by Section 5A(2) of Model #580.

The **LIFE ACTUARIAL (A) TASK FORCE** will: 1) work on and consider amendments to the *Valuation Manual* (for implementation in 2021), including the remaining proposals addressing issues identified in the **Valuation Analysis (E) Working Group's** public report; 2) continue development of requirements for principle-based reserving (PBR); 3) discuss the coordination of the *Valuation Manual* requirements with the requirements of the *Accounting Practices and Procedures Manual* (AP&P Manual); 4) discuss issues related to the development of VM-22, Maximum Valuation Interest Rates for Income Annuities; 5) hear an update on the status of efforts to develop an economic scenario generator; and 6) 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: 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 current federal regulatory, legislative and legal action surrounding the federal Affordable Care Act (ACA); 4) consider adoption of its interim meeting minutes and its Spring National Meeting minutes; and 5) consider adoption of its task force, working group and subgroup reports. The Committee also plans a panel discussion on current issues related to implementation of the parity requirements under the federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA). The **Consumer Information (B) Subgroup** will not meet at the Summer National Meeting. However, it will continue its discussions via conference call concerning the development of consumer-based pieces to help with health insurance literacy. The Subgroup is currently discussing a new tool to assist consumers with using their health insurance coverage. The **Health Innovations (B) Working Group** will meet at the Summer National Meeting to continue its discussions of health care costs and state waiver activities pursuant to Section 1332 of the ACA.

The **HEALTH ACTUARIAL (B) TASK FORCE** will: 1) discuss actuarial issues related to health care reform; 2) discuss updates to the 2005 Group Term Life Waiver Mortality and Recovery Table; and 3) consider adoption of its working group reports. The **Long-Term Care Actuarial (B) Working Group** will discuss LTCI pricing and valuation issues.

The **REGULATORY FRAMEWORK (B) TASK FORCE** will: 1) consider adoption of its working group and subgroup reports; and 2) possibly hear presentations related to health care costs and state efforts to address the issue. The **Accident and Sickness Insurance Minimum Standards (B) Subgroup** will not meet at the Summer National Meeting. However, it 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 Summer National Meeting. However, it plans to meet via conference call to discuss its 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 Summer National Meeting. However, it plans to meet via conference call to begin discussion of its work to develop 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 Summer National Meeting to continue its discussions of the federal regulations related to association health plans (AHPs) and its current status. The Working Group also plans to adjourn into regulator-to-regulator session,

## Preview

### NAIC 2019 Summer National Meeting

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 meet at the Summer National Meeting to continue the monitoring of MACRA implementation; the continued discussion on genetic/DNA testing and swabs for cancer detection purposes and Medicare fraud; and hear a federal legislative update, among other possible topics.

The **PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE** will: 1) consider adoption of its task force and working group reports; 2) hear a presentation on underinsurance; 3) consider adoption of the cannabis insurance white paper, a document overviewing regulatory actions to facilitate the private flood insurance market and a catastrophe claims guide; and 4) recognize NAIC-accepted actuarial designations. 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) hear a presentation from Milliman regarding state regulatory impediments in the private flood insurance market. The **Terrorism Insurance Implementation (C) Working Group** will discuss the terrorism risk insurance data call and reauthorization of the federal Terrorism Risk Insurance Act (TRIA). The **Climate Risk and Resilience (C) Working Group** will: 1) consider adoption of its minutes; 2) hear an update from California on lessons learned from the recent wildfires; and 3) hear presentations from One Concern and American Family Insurance. One Concern is a start-up, backed in part by American Family, that uses AI to enable cities, corporations and citizens to build resilience in the face of natural disaster.

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) hear a presentation from CertifID regarding recent fraudulent events and attempts; and 2) hear a presentation from the American Land Title Association (ALTA) regarding its Homebuyer Outreach Program.

The **SURPLUS LINES (C) TASK FORCE** will: 1) consider adoption of the report of the **Surplus Lines (C) Working Group**; 2) hear a summary of 2018 year-end surplus lines financial results; 3) consider adoption of its 2020 proposed charges; and 4) receive an update on a referral to the Producer Licensing (D) Task Force.

The **WORKERS' COMPENSATION (C) TASK FORCE** will: 1) consider adoption of its minutes; 2) hear an update from the International Association of Industrial Accident Boards and Commissions (IAIABC) regarding the changing workforce white paper; and 3) hear a presentation from Cake regarding its workers' compensation platform.

The **MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE** will: 1) consider adoption of its July 9 minutes; and 2) consider adoption of its task force and working group reports. The **Market Analysis Procedures (D) Working Group** will discuss the data call to collect information regarding short-term limited duration health products and the proposed disability income MCAS scorecard ratios. 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 Summer National Meeting.

The **ANTIFRAUD (D) TASK FORCE** will: 1) consider adoption of reports from the **Antifraud Technology (D) Working Group** and the **Antifraud Education Enhancement (D) Working Group**; 2) hear an update on the Online Fraud Reporting System (OFRS) rewrite; 3) hear an update on the federal legislative and regulatory initiatives related to insurance fraud; and 4) 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**.

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 from 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 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** is expected to receive and discuss comments from non-volunteer insurance groups that are testing the Group Capital Calculation Testing Template and Instructions. The **Group Solvency Issues (E) Working Group** will discuss: 1) comments received on an exposure of guidance to address group analysis documentation questions; and 2) ongoing projects of the International Association of Insurance Supervisors (IAIS) Insurance Groups Working Group. The **Restructuring Mechanisms (E) Working Group** will continue to receive input from parties on their views of restructuring structures, their need and related issues.

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 exposed items and consider new agenda items affecting statutory accounting principles. Potential topics include: leases; a life and health reinsurance drafting group update; 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** and the **Investment Risk-Based Capital (E) Working Group** will not meet at the Summer meeting. The **Life Risk-Based Capital (E) Working Group** will: 1) consider adoption of its minutes; 2) consider adoption of the report from 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 the report of the **Catastrophe Risk (E) Subgroup**; 3) consider adoption of 2019 property/casualty (P/C) risk-based capital (RBC) newsletter; 4) consider exposure of proposals 2019-11-P and 2019-12-P; 5) discuss P/C RBC statistics; 6) discuss the 2019 P/C RBC working agenda; 7) discuss the scope letter from the American Academy of Actuaries (Academy) Property and Casualty Committee regarding the plan on reviewing the underwriting risk component; 8) discuss R3 impact analysis and overall P/C RBC analysis; 9)

discuss proposed changes of bond pages in the P/C RBC formula; 8) discuss proposed changes of percentage ownership calculation in the affiliated investments page; and 9) 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” (Covered Agreement). The **Catastrophe Risk (E) Subgroup** will: 1) hear presentations from AIR Worldwide and RMS regarding aggregate exceedance probability vs. occurrence exceedance probability.

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

The **RECEIVERSHIP AND INSOLVENCY (E) TASK FORCE** will: 1) consider adoption of its minutes; 2) consider adoption of proposed revisions to a drafting note for the *Guideline for Stay on Termination of Netting Agreements and Qualified Financial Contracts* (#1556); 3) hear federal and international updates; 4) consider adoption of its working group reports; and 5) 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 reports from 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) update the definition and instructions for structured notes; b) add instructions for new administrative fields “RTS” and “RT” for regulatory transactions; and c) remove obsolete modified filing exempt (MFE) instructions; and 3) hear updates on the following projects: a) existing credit tenant loan (CTL) guidance and possible new guidance on other lease-based transactions; b) implementation of carry-over procedures; and c) implementation of NAIC designation categories.

The **FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE** will: 1) consider adoption of changes to Part D: Organization, Licensing and Change of Control of Domestic Insurers accreditation standards. Proposed changes include updates to the current standards, incorporation of redemestications and including Part D in the review team’s recommendation with the result that the outcome can affect a state’s accredited status; 2) consider adoption of revisions to the accreditation Preamble to subject entities licensed as fraternal orders to the Liabilities and Reserves accreditation standard as it relates to PBR; and 3) receive a referral from the Financial Analysis (E) Working Group to align accreditation guidelines with recent updates to the *Troubled Insurance Company Handbook*.

The **INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE** will: 1) discuss progress on initiatives of the 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

## Preview

### NAIC 2019 Summer National Meeting

activities to enhance cooperation with international insurance regulators; 4) hear an update on the International Monetary Fund's (IMF) Financial Sector Assessment Program (FSAP); and 5) consider adoption of the report from 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 2019 field-testing and future monitoring period process.

The **NAIC/CONSUMER LIAISON COMMITTEE** will: 1) discuss new developments in health insurance issues regarding direct enrollment in marketplace coverage lacking protections for consumers, updates on Section 1557 and the role of state insurance regulators, and how regulators can protect consumers shopping for short-term health and other limited benefit products; and 2) discuss new developments in non-health (life and annuity or P/C) insurance, such as the approaches state insurance departments can employ for consumer input when designing consumer education, information and disclosures, and how regulators can address low loss ratios on credit-related insurance.

The **NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE** will: 1) continue its discussion of 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; 2) continue its discussion on 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.); and 3) discuss best practices for working with tribal leaders.

The **NAIC/STATE GOVERNMENT LIAISON COMMITTEE** will not meet at the Summer 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 **INSURANCE COMPACT MANAGEMENT COMMITTEE and the COMMISSION** will convene to receive reports from its committees and the Insurance Compact Office. The **Management Committee and Commission** will consider final action on proposed amendments to the *Additional Standards for Overloan Protection Benefits*. The **Management Committee** will hold a public hearing on two proposed new Uniform Standards. The **Commission** will receive an update on the Insurance Compact Strategic Planning Initiative and discuss comments received on the draft Strategic Plan Framework.