

# National Meeting Preview

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TO: NAIC Members, State Insurance Regulators and Interested Parties  
FROM: NAIC Committee Support Staff  
DATE: February 11, 2020  
SUBJECT: Preview of NAIC Committee and Task Force Activities for the Spring National Meeting in Phoenix, Arizona

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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: *Roadmap of Current and Emerging Initiatives in International Insurance Supervision***

Please plan to join the NAIC Center for Insurance Policy and Research (CIPR) for its upcoming spring program, “Roadmap of Current and Emerging Initiatives in International Insurance Supervision.” The program is scheduled for Friday, March 20, 3:30–5:30 p.m., followed immediately by a networking reception that lasts until 6:00 p.m.

Insurance matters that affect U.S. insurance regulation, U.S. insurance consumers, and the U.S. insurance industry are not limited to the domestic landscape. Consequently, the NAIC (primarily through the International Insurance Relations (G) Committee) participates in international discussions

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on the development of insurance regulatory and supervisory standards and promotes international cooperation.

One of the key entities in the international realm is the International Association of Insurance Supervisors (IAIS), a voluntary membership organization of insurance supervisors and regulators from more than 200 jurisdictions in nearly 140 countries. The NAIC and U.S. states were some of the founding members of the IAIS, which since 1994 has had the mission of promoting effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and contribute to global financial stability. Other international initiatives focus on emerging risks, such as climate risk, cyber resilience, big data & innovation, and privacy.

While international standards are non-binding, they address issues relevant to the U.S. insurance sector and raise considerations on appropriate implementation for the U.S. state-based system of insurance regulation. Thus, continued education around existing and emerging international issues is important for U.S. regulators. As such, this CIPR program will provide insights on the evolution of some key international initiatives and promote dialogue around the development process moving forward.

#### **CIPR Policy Workshop: Solvency Policy**

One of the fundamental aspects of insurance regulation is ensuring safe, solvent and stable markets. This workshop will present insights gleaned from research focused on modeling and thinking through varied solvency issues in innovative ways. We look forward to you joining us for this workshop and associated discussion, which will be held Sunday, March 22, 1:30–3:00 p.m.

#### **REGULARLY SCHEDULED MEETINGS**

The **EXECUTIVE (EX) COMMITTEE** will consider adoption of the report of the joint meeting of the **Executive (EX) Committee** and the **Internal Administration (EX1) Subcommittee**, as well as the reports of its task forces. The Executive (EX) Committee will consider adoption of Requests for NAIC Model Law Development 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 2019 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) *Considerations for State Insurance Regulators in Building the Private Flood Insurance Market*; and 2) the 2019 revisions to the *Credit for Reinsurance Model Law* (#785) and the *Credit for Reinsurance Model Regulation* (#786) as an addition to Part A: Accreditation Standards.

**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; 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 (MPI); and 3) hear an update on macroprudential surveillance.

The **INNOVATION AND TECHNOLOGY (EX) TASK FORCE** will: 1) consider adoption of the reports of the **Artificial Intelligence (EX) Working Group**, the **Big Data (EX) Working Group**, the **Speed to Market (EX) Working Group**; 2) hear comments and get an update on the development of model law language amendments to the *Unfair Trade Practices Act* (#880) pertaining to anti-rebating and inducements related to value added products and services and next steps; 3) discuss the coordination of the data use and privacy workstreams and receive an update from the various groups leading those efforts, including the Accelerated Underwriting (A) Working Group and the Privacy Protections (D) Working Group; 4) receive an update on the drafting of a document for startups on the difference between insurance products and services, as well as other banking- and consumer-related products and services; 5) hear an update on cybersecurity activities; and 6) hear an update on the National Council of Insurance Legislators' (NCOIL) insurance modernization activities. The **Artificial Intelligence (EX) Working Group** will expose an Artificial Intelligence Principles for the Insurance Industry draft for comment. The **Big Data (EX) Working Group** will: 1) consider adoption of its Dec. 17, 2019, 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 the use of data analytics for fraud detection and claims settlement; 4) hear an update on NAIC technical and non-technical rate review trainings; and 5) receive an update from the Accelerated Underwriting (A) Working Group. The **Speed to Market (EX) Working Group** will not meet at the Spring National Meeting.

The **INFORMATION SYSTEMS (EX1) TASK FORCE** will: 1) consider adoption of its 2019 Fall National Meeting minutes; 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; and 3) receive a portfolio update and project status reports. 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) consider adoption of its 2019 Fall National Meeting minutes; and 2) receive status reports on the current activity of the workstreams of the Task Force.

The **LIFE INSURANCE AND ANNUITIES (A) COMMITTEE** will consider adoption of its task force and working group reports. The **Accelerated Underwriting (A) Working Group** will: 1) discuss the presentations it has heard since the 2019 Fall National Meeting; and 2) discuss the issues identified and what its work products might be. The **Annuity Disclosure (A) Working Group** will not meet at the Spring 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**

will not meet at the Spring National Meeting. It is anticipated that the Committee will disband the Working Group during its meeting at the Spring National Meeting. The **Life Insurance Online Guide (A) Working Group** will not meet at the Spring National Meeting. However, 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 Spring 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 of the *Life Insurance Disclosure Model Regulation* (#582) and the policy summary required by Section 5A(2) of Model #580.

The **LIFE ACTUARIAL (A) TASK FORCE** will: 1) develop and consider amendments to the *Valuation Manual* for implementation in 2021; 2) continue development of requirements for principle-based reserving (PBR); 3) discuss the development of PBR for non-variable annuities in VM-22, Maximum Valuation Interest Rates for Income Annuities; 4) hear an update on the status of efforts to develop an economic scenario generator (ESG); 5) hear an update on the yearly renewable term (YRT) field test; 6) hear an update on efforts to find a replacement for LIBOR; and 7) consider adoption of its subgroup reports, including a proposal 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) to address the illustration of index multipliers.

The **HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE** will: 1) continue its discussions of health care cost drivers; 2) hear updates from a few of its key subgroups on their activities of interest to the Committee; 3) hear an update from representatives of the federal Center for Consumer Information and Insurance Oversight (CCIO) on recently adopted federal regulations and other CCIO activities of interest to the Committee; 4) hear an update on current federal regulatory, legislative and legal action surrounding the federal Affordable Care Act (ACA); 5) hear a presentation on the small group market; 6) consider adoption of any interim meeting minutes and its 2019 Fall National Meeting minutes; and 7) consider adoption of its task force, working group and subgroup reports. The **Consumer Information (B) Subgroup** will not meet at the Spring National Meeting. However, it will provide an update on its activities to the Committee and continue its discussions via conference call concerning the development of consumer-based pieces to help with health insurance literacy. The **Health Innovations (B) Working Group** will continue its discussions of health care costs and state innovations.

The **HEALTH ACTUARIAL (B) TASK FORCE** will: 1) discuss actuarial issues related to health care reform; 2) hear an update from the Society of Actuaries (SOA) on the 2005 Group Life Waiver of Premium Table Update; and 3) 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 issues of interest related to the Task Force's mission to look at policy issues affecting state health insurance regulation. The **Accident and Sickness Insurance Minimum Standards (B) Subgroup** will not meet at the Spring 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 Spring National Meeting. However, it plans to meet via conference call to begin discussion of an initial draft of proposed revisions to 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: 1) continue its discussion of its work to develop a new NAIC model to establish a licensing or registration process for pharmacy benefit managers (PBMs); and 2) provide an update on its work to the **Health Insurance and Managed Care (B) Committee** during the Committee's meeting at the Spring National Meeting. The **MHPAEA (B) Working Group** will meet at the Spring National Meeting if the Task Force meets prior to the Spring National Meeting to establish the Working Group and adopt its 2020 charges. The **ERISA (B) Working Group** will continue its discussions of the federal regulations related to association health plans (AHPs) and its current status. The Working Group will then 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 continue to: 1) consider policy issues; 2) develop appropriate regulatory standards; and 3) revise, as necessary, the NAIC models, consumer guides and training material on Medicare supplement insurance, LTCI, senior counseling programs, and other insurance issues that affect older Americans.

The **PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE** will: 1) consider adoption of its task force and working group reports; 2) hear presentations on underinsurance; 3) hear a presentation from the International Code Council (ICC) on building codes; 4) hear updates on activities related to resiliency; and 5) hear a presentation on ride-sharing related to volunteers. The **Catastrophe Insurance (C) Working Group** will: 1) consider adoption of its minutes; 2) consider adoption of the NAIC *State Disaster Response Plan*; 3) receive an update on federal legislation regarding the National Flood Insurance Program (NFIP); and 4) hear a presentation from Milliman regarding the possibility of a catastrophe modeling clearinghouse. The **Climate Risk and Resilience (C) Working Group** will meet in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss its work plan in light of insurers' resilience efforts. The **Terrorism Insurance Implementation (C) Working Group** will: 1) discuss the 2020 terrorism risk insurance data call; 2) discuss analysis of workers' compensation data as it relates to terrorism risk; and 3) discuss reauthorization of the federal Terrorism Risk Insurance Act (TRIA). The **Transparency and Readability of Consumer Information (C) Working Group** will: 1) begin discussions regarding disclosures for state insurance regulators to consider requiring disclosures to be added to homeowners policies to indicate that homeowners policies do not cover some catastrophic events; and 2) begin discussions regarding the need for consumer disclosures regarding significant premium increases on property/casualty (P/C) insurance products.

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 **SURPLUS LINES (C) TASK FORCE** will: 1) consider adoption of the report of the **Surplus Lines (C) Working Group**; 2) discuss a plan of action for revisions to the *Nonadmitted Insurance Model Act* (#870); 3) hear an update on domestic surplus lines insurers; and 4) discuss and expose revisions to the Standard Form Trust Agreement for Alien Excess and Surplus Lines Insurers.

The **TITLE INSURANCE (C) TASK FORCE** will hold a panel discussion on possible coverage gaps of closing protection letters (CPLs) and potential new insurance products.

The **WORKERS' COMPENSATION (C) TASK FORCE** will: 1) consider adoption of its minutes; 2) consider adoption of the "Workers' Compensation Policy and the Changing Workforce" whitepaper; and 3) hear a presentation and hold an interactive discussion regarding formularies.

The **MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE** will: 1) consider adoption of its Dec. 19, 2019, minutes; 2) consider adoption of its task force and working group reports; and 3) discuss the comments on the *Best Practices and Guidelines for Consumer Information Disclosure*. The **Market Analysis Procedures (D) Working Group** will: 1) discuss a proposal to add "Travel" to the Market Conduct Annual Statement (MCAS); 2) discuss updates to the MCAS Best Practices Guide; and 3) discuss revisions to the market analysis chapters of the NAIC's *Market Regulation Handbook*. The **Privacy Protections (D) Working Group** will review its workplan regarding its review of state insurance privacy protections regarding the collection, use and disclosure of information gathered in connection with insurance transactions. 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 adoption of the report of the **Antifraud Technology (D) Working Group** and the **Antifraud Education Enhancement (D) Working Group**; 2) discuss its charges for the year; and 3) 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 its Dec. 7, 2019, minutes; and 2) 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 its Dec. 7, 2019, minutes; 2) discuss licensing uniformity and reciprocity for Independent Adjusters; 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) discuss 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 continue discussions on a proposed group capital calculation (GCC). The **Group Solvency Issues (E) Working Group** will discuss issues related to U.S. implementation of the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame). The **Restructuring Mechanisms (E) Working Group** will review draft sections of a white paper.

The **ACCOUNTING PRACTICES AND PROCEDURES (E) TASK FORCE** will consider adoption of its working group reports. The **Statutory Accounting Principles (E) Working Group** will: 1) hear comments on exposed items; and 2) consider new agenda items affecting statutory accounting principles. Potential topics include: goodwill; push-down accounting; cash equivalents and short-term investments; affiliates/related party transactions; commission reporting; and asset-backed

securities (or other similarly structured instruments). The Working Group will also discuss generally accepted accounting principles (GAAP) issuances. The **Blanks (E) Working Group** will consider: 1) adoption of 12 proposals previously exposed where seven of the proposals relate to the statements of statutory accounting principle (SSAP) disclosure changes to the Notes to the Financial Statement; 2) adoption of its editorial listing; and 3) exposure of any new items presented.

The **CAPITAL ADEQUACY (E) TASK FORCE** will: 1) consider adoption of its working group and subgroup reports; and 2) and discuss its current working agenda. The **Health Risk-Based Capital (E) Working Group** will: 1) consider adoption of its minutes; 2) receive an update on the proposed bond factors; 3) hear comments on the Health Test language; 4) discuss the health care receivables guidance; and 5) consider referral of the ACA Fee Sensitivity Test proposal to the Capital Adequacy (E) Task Force for exposure. The **Investment Risk-Based Capital (E) Working Group** will discuss the bond designations and its current working agenda. 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**; 3) consider adoption of the report of the **Longevity Risk (A/E) Subgroup**; and 4) discuss items to be addressed in 2020. 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) discuss referrals from the Statutory Accounting Principles (E) Working Group; 4) discuss the possibility of using the NAIC as a centralized location for reinsurer designations; 5) discuss the referral from the Restructuring Mechanisms (E) Subgroup; 6) discuss the 2020 P/C RBC working agenda; and 7) hear updates on current P/C RBC projects from the American Academy of Actuaries (Academy). The **Catastrophe Risk (E) Subgroup** will: 1) discuss the questions raised at the presentation from the Academy on “Wildfire: Lessons Learned From the 2017-2018 Event”; 2) hear presentations from Karen Clark & Company (KCC) on its catastrophe model; and 3) discuss the possibility of allowing additional third-party commercial vendors.

The **EXAMINATION OVERSIGHT (E) TASK FORCE** will consider adoption of the reports of the **Electronic Workpaper (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) hear federal and international updates; 3) consider adoption of its working group reports; 4) consider adoption of revisions to the *Receiver’s Handbook for Insurance Company Insolvencies* related to federal taxes and federal releases; and 5) discuss and consider other ongoing projects.

The **REINSURANCE (E) TASK FORCE** will: 1) consider adoption of its minutes; 2) consider adoption of 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) rename the U.S. Direct Obligations/Full Faith and Credit Exempt List to the NAIC U.S. Government Money Market Fund List and migrate the Bond Fund List into the NAIC Fixed Income-Like SEC Registered Funds List; b) add instructions for

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principal-protected securities; and c) produce NAIC Designation Categories for residential mortgage-backed securities (RMBS)/commercial mortgage backed-securities (CMBS); 3) receive amendments to the *P&P Manual* to clarify the application of sovereign rating limits for filing exempt securities; and 4) receive and discuss an NAIC staff report on bespoke securities; 5) hear staff reports on: a) the year-end carry over; b) derivatives and exchange-traded funds (ETFs); and c) implementation of NAIC designation categories.

The **FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE** will: 1) discuss revisions adopted in 2019 to NAIC publications that are referenced in the accreditation standards, such as the *Accounting Practices and Procedures Manual* (AP&P Manual) and the *Financial Condition Examiners Handbook*; 2) receive a referral from the Risk-Focused Surveillance (E) Working Group regarding revisions to Part C: Organizational and Personnel Practices to include references to updated salary ranges in the *Financial Condition Examiners Handbook* and *Financial Analysis Handbook*; and 3) receive a referral from the Risk Retention Group (E) Task Force regarding risk retention group (RRG)-specific updates to analysis guidelines.

The **INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE** will: 1) discuss progress on initiatives of the IAIS, including the implementation and assessment of the updated Insurance Core Principles (ICPs), ComFrame, and the holistic framework for systemic risk assessment; ongoing work on the global insurance capital standard (ICS), the aggregation method (AM), and comparability; and plans for addressing emerging risks and trends; 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) hear an update on the International Monetary Fund's (IMF's) Financial Sector Assessment Program (FSAP).

The **NAIC/CONSUMER LIAISON COMMITTEE** will: 1) discuss new developments in health insurance; and 2) discuss new developments in non-health (life and annuity or P/C) insurance.

The **NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE** will: 1) discuss P/C issues of concern to tribal members, particularly the ways tribes' and tribal members' assets are insured; and 2) discuss best practices for working with tribal leaders on these issues.

The joint meeting of the **INSURANCE COMPACT MANAGEMENT COMMITTEE** and the **COMMISSION** will convene to: 1) consider final action on three new or amended individual life insurance uniform standards; 2) consider meeting practices; 3) consider the terms of restructuring repayment of the outstanding debt to the NAIC; and 4) discuss the implementation of the Insurance Compact Strategic Plan, *Insurance Compact Compass*.