

CLIENT ALERT

Preview: 2021 NAIC Summer National Meeting

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The National Association of Insurance Commissioners (the “NAIC”) will hold its 2021 Summer National Meeting (the “Summer National Meeting”) from August 14-17, 2021. The Summer National Meeting will be a hybrid format, taking place in Columbus, Ohio, and also streamed virtually. Below is a preview of some of the key topics that Willkie attorneys will be following at the upcoming Summer National Meeting.

A link to the full agenda for this meeting is available [here](#). Please contact any of the attorneys listed below if you would like to discuss these topics before or after the Summer National Meeting.

I. Innovation and Technology (EX) Task Force (Saturday, August 14, 2:30pm ET)

At the Summer National Meeting, the Innovation and Technology (EX) Task Force will discuss consumer data ownership issues and potential guidance, and will hear a presentation regarding Colorado Senate Bill 21-169, which prohibits use of “external” consumer data sources, algorithms or predictive models that unfairly discriminate against individuals based on protected classes and gives the Insurance Commissioner broad new rule-making and enforcement authority in this area. The Task Force will also hear a report on ongoing work at the International Association of Insurance Supervisors (the “IAIS”) related to innovation and technology matters.

The following working groups (among others) will also report to the Task Force:

- Big Data and Artificial Intelligence (EX) Working Group, which continues to consider a draft survey that it is preparing to better understand insurance industry practices around the use of big data, artificial intelligence and machine learning.

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- E-Commerce (EX) Working Group, which was newly formed following a vote at the 2021 Spring National Meeting as we reported [here](#). The working group is charged with examining e-commerce laws and regulations and surveying states regarding federal Uniform Electronic Transactions Act exceptions. The working group's charges also include considering and, if appropriate, drafting a model bulletin for addressing some of the identified issues.

II. Climate and Resiliency (EX) Task Force (Sunday, August 15, 10:30am ET)

The Climate and Resiliency (EX) Task Force will hear reports on its five workstreams, which relate to solvency, climate risk disclosures, pre-disaster mitigation, innovation and technology. We also expect that the Task Force will hear presentations on federal and international updates to better understand the impact of climate change on the insurance industry.

III. Long-Term Care Insurance (EX) Task Force (Friday, August 13, 3:00pm ET)

The Long-Term Care Insurance (EX) Task Force will hear updates on the current activity and recent progress of its three subgroups, which are focused on long-term care insurance financial solvency, multi-state rate review and reduced benefit options. The Task Force will discuss comments on the Long-Term Care Insurance Multistate Rate Review Framework, with a likely focus on actuarial sections of the framework.

IV. Special (EX) Committee on Race and Insurance (Sunday, August 15, 12:30pm ET)

The Special (EX) Committee on Race and Insurance (the "[Special Committee](#)") has focused on developing an understanding of the issues surrounding race and insurance and historically underserved populations. At its recent meeting on July 21, 2021, the Special Committee finalized its 2021 and 2022 charges, which are expected to be adopted at the Summer National Meeting. The Special Committee will also hear presentations related to its various workstreams.

V. Life Insurance and Annuities (A) Committee (Monday, August 16, 12:30pm ET)

The Life Insurance and Annuities (A) Committee will discuss providing guidance to the Life Insurance Illustration Issues (A) Working Group on continued development of a policy overview document under the *Life Insurance Disclosure Model Regulation* (#580). A policy overview is a high-level summary for insurance applicants which describes key policy features and information obtained for underwriting purposes. The proposed overview document includes a brief description of the information obtained from the applicant and other sources, features that affect premium, rate class, cost information, policy information, and additional policy benefits.

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VI. Property and Casualty Insurance (C) Committee (Monday, August 16, 10:30am ET)

The Property and Casualty Insurance (C) Committee will consider the adoption of the Pet Insurance Model Law, which is currently under revision by the Pet Insurance (C) Working Group, and seeks to establish appropriate regulatory standards for the pet insurance industry and promote the public welfare by creating a comprehensive legal framework within which pet insurance may be sold. As currently drafted, the model law requires insurers transacting pet insurance to make various disclosures to their customers, and sets out additional disclosure requirements for insurers that wish to exclude certain coverages on the basis of preexisting conditions or impose waiting periods upon the effectuation of a policy.

The Committee will also discuss potential charges related to race and insurance and issues related to closing the insurance protection gap, and will hear reports on both the cyber insurance market and private flood insurance data. Willkie attorneys are also following the work of certain Committee subgroups, including the Catastrophe Insurance (C) Working Group and Cannabis Insurance (C) Working Group to report on any relevant developments in these areas.

VII. Market Regulation and Consumer Affairs (D) Committee (Monday, August 16, 4:00pm ET)

The Market Regulation and Consumer Affairs (D) Committee will consider the Privacy Protections (D) Working Group's draft Privacy Policy Statement, which sets forth the minimum consumer data privacy protections that are appropriate for the business of insurance.

The Committee may also hear updates related to the charges of the Improper Marketing of Health Insurance (D) Working Group, which was formed in July 2021 to address issues discussed by the Committee at the 2021 NAIC Spring National Meeting relating to the role of regulators in regulating improper marketing of health insurance, identifying areas of fraud (including actors and schemes) and the implications of improper marketing with respect to internet sales. The Working Group's current charges are to: (i) coordinate with regulators, both on a state and federal level, to provide assistance and guidance monitoring the improper marketing of health plans, and coordinate appropriate enforcement actions, as needed, with other NAIC committees, task forces, and working groups; and (ii) review existing NAIC models and guidelines that address the use of lead generators for sales of health insurance products, and identify models and guidelines that need to be updated or developed to address current marketplace activities.

VIII. Financial Condition (E) Committee (Saturday, August 14, 4:15pm ET)

On an interim conference call, the Financial Condition (E) Committee adopted revisions to the *Insurance Holding Company System Model Act* (#440) and the *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions* (#450) to ensure the continuation of essential services by affiliates if an insurer were to be placed into supervision, conservatorship or receivership. At the Summer National Meeting, Executive (EX) Committee and Plenary will consider adoption of these proposed revisions. At the Summer National Meeting, the Committee will consider adoption of its working group reports.

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IX. Financial Regulation Standards and Accreditation (F) Committee (Saturday, August 14, 11:30am ET)

At the 2021 Summer National Meeting, the Financial Regulation Standards and Accreditation (F) Committee intends to discuss comments on the proposed updates to the accreditation standards pertaining to the *Insurance Holding Company System Model Act* (#440) and the *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions* (#450), as amended by the NAIC in December 2020. These amendments implement the annual filing requirement for the group capital calculation and the liquidity stress test framework for large U.S. life insurers, both of which will serve as tools for insurance regulators.

The Committee will also consider updates to the *Term and Universal Life Insurance Reserve Financial Model Regulation* (#787), which will become effective on September 1, 2022 as a new accreditation standard.

X. International Insurance Relations (G) Committee (Monday, August 16, 8:30am ET)

The International Insurance Relations (G) Committee will discuss the progress of certain projects at the IAIS related to its comprehensive set of reforms regarding the cross-border supervision of internationally active insurance groups (“IAIGs”). These projects include the assessment of (i) the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), (ii) the holistic framework for assessing and mitigating systemic risk, (iii) the risk-based global insurance capital standard (“ICS”) that will apply to IAIGs, and (iv) the comparability of the ICS and the aggregation method (AM), which is used as part of the NAIC’s group capital calculation. The Committee will also discuss updates regarding the IAIS’s plans for addressing emerging risks.

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If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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