

Date: 3/11/2026

*Virtual Meeting*

**MARKET CONDUCT EXAMINATION GUIDELINES (D) WORKING GROUP**

Thursday, March 12, 2026

2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 – 12:00 p.m. PT

**ROLL CALL**

Brett Bache, Chair	Rhode Island	Ralph Boeckman	New Jersey
TBD, Vice Chair	XXXXX	Elouisa Tyler	New Mexico
Molly Nollette	Alaska	Sylvia Lawson	New York
Katherine Jessen	Arizona	Teresa Knowles	North Carolina
Teri Ann Mecca	Arkansas	Colton Schulz	North Dakota
Nick Gill	Connecticut	Rodney Beech	Ohio
Sharon Shipp	District of Columbia	Landon Hubbard	Oklahoma
Elizabeth Nunes/ Paula Shamburger	Georgia	Cassie Soucy	Oregon
Chris Heisler	Illinois	Gary Jones/Paul Towsen	Pennsylvania
Doug Ommen	Iowa	Rachel Moore/Tara Nixon	South Carolina
Mary Lou Moran	Massachusetts	Stacie Parker	Texas
Danielle Torres	Michigan	Karla Nuisl	Vermont
Teresa Kroll/Jo A. LeDuc	Missouri	Bryan Wachter	Virginia
Peggy Willard-Ross/ Hermoliva Abejar	Missouri	Sandy Ray	Washington
Peter Bliss	Nevada	Desiree Mauller/ Jeremy White	West Virginia
	New Hampshire	Darcy Paskey	Wisconsin

NAIC Committee Support: Petra Wallace

**AGENDA**

1. Hear Opening Remarks —*Brett Bache (RI)*
2. Discuss its 2026 Charges and Work Plan—*Brett Bache (RI)* Attachment 1
3. Discuss Coordination on Cybersecurity Events Attachment 2  
—*Colton Schulz (ND) and David Buono (PA)*
4. Discuss Any Other Matters Brought Before the Working Group—*Brett Bache (RI)*
5. Adjournment

## **Market Conduct Examination Guidelines (D) Working Group 2026 Charges**

*Posted on the Working Group's web page at*

[https://content.naic.org/cmte\\_d\\_market\\_conduct\\_exam\\_guidelines.htm](https://content.naic.org/cmte_d_market_conduct_exam_guidelines.htm)

The Market Conduct Examination Guidelines (D) Working Group will:

1. Develop market conduct examination standards, as necessary, for inclusion in the *Market Regulation Handbook*.
2. Monitor the adoption and revision of NAIC models and develop market conduct examination standards to correspond with adopted NAIC models.
3. Develop updated standardized data requests (SDRs), as necessary, for inclusion in the *Market Regulation Handbook*.
4. Discuss the development of uniform market conduct procedural guidance (e.g., a library, repository, or shared collaborative space with market conduct examination templates, such as an exam call letter, exam exit agenda, etc.) for inclusion in, or for use in conjunction with, the *Market Regulation Handbook*.
5. Coordinate with the Innovation, Cybersecurity, and Technology (H) Committee to develop market conduct examiner guidance for the oversight of regulated entities' use of insurance and non-insurance consumer data and models using algorithms and artificial intelligence (AI).

# Cybersecurity Coordination Framework

# Project Summary

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This project could lead to the creation of a coordination Framework to guide regulator responses to large and national cybersecurity events.



The Framework could work with and potentially reside within the Cybersecurity Event Response Plan.



# Why is this necessary?



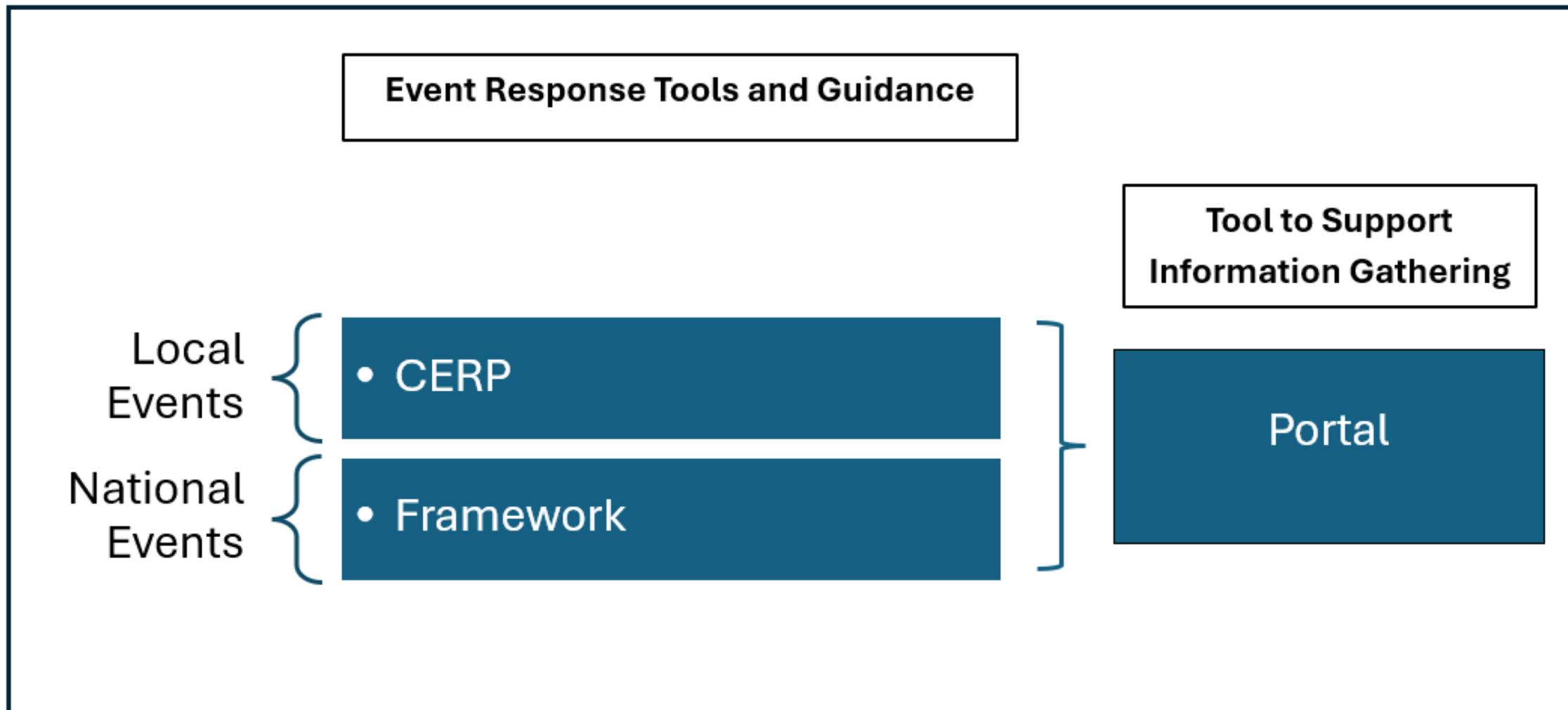
The Insurance Data Security Model Law establishes

- Standards for data security
- Standards for the investigation of and notification for the Commissioner

The Cybersecurity Event Response Plan supports “a Department of Insurance (DOI) in its response following notification or otherwise becoming aware of a cybersecurity event at a regulated insurance entity (licensee).”

# NAIC Priorities

**Leading on AI Model Governance, Innovation Oversight, and Cyber Threats:** The state-based system remains the best equipped to protect policyholders as emerging technology creates new opportunities and risks. **By advancing frameworks to address cybersecurity threats** and insurers' use of technology and data, piloting an artificial intelligence evaluation tool, and expanding capacity and expertise through education and training, the NAIC will support state insurance regulators as they encourage responsible innovation.



# Cybersecurity Coordination Framework (Illustrative)

Initial Assessment: Does the framework apply?

(no) End Process

Regulator Assessment Group:  
Assess Primary Impact

Recommend Initial Regulatory  
Response

Identify Lead State: Based on  
Event Specifics, Consult with  
SMEs to

Market  
Regulation (D)

Financial  
Conditions (E)

Evaluate Assess  
Market  
Data Exposure

Assess Market  
Conduct  
Implications

Assess Risk  
Management  
Systems

Monitor Claims-  
Paying  
Ability

Recommend  
Consumer  
Protection  
Measures

Evaluate Financial  
Impact

# What's in a Framework?

Core design choices could include:

Whether the Framework supports regulatory action beyond facilitating communication

Whether the Framework centers around a Lead State and whether existing NAIC groups take a role in such a Framework

Triggering Thresholds (i.e., # of states/policyholders impacted, size of insurer, etc.)

# What's in a Framework? Cont.

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Types of  
Events  
Potentially  
in Scope :

Events with a solvency implication

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Events where policyholder  
information is affected

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Events with an operational resilience  
implication (i.e., inability to pay  
claims)

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Events with industry wide implications  
that would benefit from coordinated  
monitoring (i.e., Log4J, etc.)

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# What's in a Framework? Cont.

Activities and content could include

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Protocol for all-state communication

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Guidance for when to issue informational regulator notices explaining events

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Expectations on information sharing from the Lead State

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Guidance for when specific committees or groups should be included in discussions

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Cross references to other key documents (i.e., Cybersecurity Event Response Plans, Handbooks, etc.)

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