Draft Pending Adoption

Draft: 12/1/20

Information Systems (EX1) Task Force
Virtual Meeting *(in lieu of meeting at the 2020 Fall National Meeting)*
November 20, 2020

The Information Systems (EX1) Task Force met Nov. 20, 2020. The following Task Force members participated: Kathleen A. Birrane, Chair; Ricardo Lara, Vice Chair, represented by David Noronha (CA); Lori K. Wing-Heier and Chris Murray (AK); Alan McClain represented by Letty Hardee (AR); Trinidad Navarro represented by Tim Li (DE); Robert H. Muriel represented by Judy Mottar (IL); Vicki Schmidt, Julie Holmes and Shannon Lloyd (KS); Sharon P. Clark represented by Satish Akula (KY); Chlora Lindley-Myers represented by Cynthia Amann (MO); Barbara D. Richardson (NV); Tynesia Dorsey (OH); Texas represented by Nancy Clark (TX); and Scott A. White represented by Vicki Ayers and Trish Todd (VA). Also participating were: Rebecca Smid (FL); Martha Im (HI); Paula Keen (MD); Clara Powers (OR); Joseph Javier (SC); Chad Thompson (UT); and Sharmila Chalasani and Molly Nollette (WA).

1. Adopted its Summer National Meeting Minutes

Commissioner Richardson made a motion, seconded by Director Wing-Heier, to adopt the Task Force's Aug. 5 minutes (*see NAIC Proceedings – Summer 2020, Information Systems (EX1) Task Force*). The motion passed unanimously.

2. Received an Update on Draft 2021 Fiscals with a Technology Component

Commissioner Birrane reported that the Task Force met Sept. 26 in 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, to review and discuss the technical approach described by the two proposed 2021 fiscal impact statements: 1) Enterprise Data Asset Management; and 2) System for Electronic Rate and Form Filing (SERFF) Plan Management Enhancements.

3. Received an IT Operational Summary Report

Scott Morris (NAIC) highlighted several sections included in the Information Technology (IT) Operational Report received by the Task Force members. The report provides updates on technology initiatives at the NAIC, upcoming improvements, impacts to state technology, new offerings from the NAIC and general updates on the activities of the NAIC technology team.

    a. Product Highlights

Tennessee and North Carolina transitioned to the new State Based Systems (SBS) platform in October and November, respectively. Work also started with Connecticut in November with a planned new implementation of third- or fourth-quarter 2021. Future implementations include Hawaii and Massachusetts.

The SERFF modernization initiative is moving forward as approved by the Executive (EX) Committee. A governance committee was formed of nine states (Connecticut, Maine, Nevada, New Mexico, North Dakota, Ohio, Rhode Island, Texas and Washington). The committee and NAIC staff prepared a request for proposal (RFP) for the initial mobilization and pilot phase of the multi-phase initiative. The RFP will solicit bids for a technology partner to be selected early first-quarter 2021.

Other key product highlights include:
*   The Life Insurance Policy Locator application continues to connect consumers with life insurance benefits. It is currently undergoing improvements to enhance consumer usability and efficiencies. To date, consumers have submitted more than 275,000 requests, which have led to more than 81,000 matches of policies with claims of more than $1 billion.
*   A collaboration space for the Big Data (EX) Working Group was developed using SharePoint Online, and it is ready for production use. The tool allows state insurance regulators to communicate with each other and the NAIC actuarial modeling team about companies' property/casualty (P/C) rate classification models and the states' questions about the model.

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- A process improvement project is underway to modernize and streamline the NAIC's expense reporting process to an electronic system (Chrome River). The initial configuration and integration work finished, and testing of the initial build of the system is in progress. End users have also been engaged to begin testing later this year.

b. <u>Innovation and Technology</u>

NAIC teams continue the work to prepare their applications to migrate to the cloud. The development, integration and quality assurance environments utilized to develop and test applications were provisioned using Infrastructure as Code (IaC) to ensure a standard, repeatable build process. These environments were tested to validate functionality and performance. As environments are available in the cloud, the teams are also working to shut down on-premises environments. Currently, 90% of on-premises development environments have been shut down. Also, an Oracle cloud environment has been created to support the database requirements of applications running in the cloud. Application validation and security hardening of the environment was performed, and database migrations are underway.

Identity management is a foundational part of the NAIC's technology platform, and it is how users are supported across the NAIC's applications and services. An engagement with a third-party firm is underway to assess the NAIC's requirements and provide enterprise design recommendations. This design will help guide the future of the NAIC Identity Platform in support of the NAIC's members and member services.

The NAIC has developed a prototype solution that uses a Snowflake data warehouse as the access point to the financial and market conduct data. The solution provides access to read-only database tables and views via Snowflake's unique, secure data sharing capabilities, allowing users to access the data needed in a secure and cost-effective manner. The team worked with pilot states to complete testing for their database connections. States with access to this data are being surveyed to provide information about state-specific connections and potential time frames for migration to occur in 2021.

c. <u>Team Highlights</u>

This year marks the five-year anniversary of the NAIC Information Technology Group (ITG) taking an employee engagement survey. Over the years, survey questions have remained the same, consisting of five engagement questions and 48 additional questions that affect engagement. This year, the ITG was interested to see the results with COVID-19 affecting the way the group works and with almost everyone working from home since mid-March. The ITG management team is currently reviewing the results with its staff to identify potential areas of focus. This information will inform next steps for the division's continuous improvement.

Some highlights include:
- This year, ITG had 99% participation in the survey, which is up five percentage points from last year.
- Overall, ITG engagement is 83%, one point higher than the organization results and 10 points higher than 2019.
- Scores for all 15 factors increased in 2020 over 2019. The greatest increase was in the action factor with 22 points, which reflects ITG staff's increased confidence that action will take place when concerns are raised.

The ITG hosted 16 technical sessions at the virtual 2020 Insurance Summit. Nearly 2,100 attendees were in attendance from state insurance departments, industry, the NAIC and the National Insurance Producer Registry (NIPR). The ITG offered more sessions this year than any other track. Half of the sessions were offered to state insurance regulators and staff, with the remaining sessions open for all attendees. The sessions consisted of deeper dives into the many products and services offered and supported by the organization.

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4.   Received a Portfolio Update and Project Status Reports

Sherry Stevens (NAIC) reported on the project portfolio. As of October, the NAIC's technical project portfolio includes 20 active technical projects, 15 of which are projects of the *State Ahead* strategic plan. Three projects have been completed since the last report.

Having no further business, the Information Systems (EX1) Task Force adjourned 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.

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