

2021/2022 Proposed Charges

SPECIAL (EX) COMMITTEE ON RACE AND INSURANCE

The **Special (EX) Committee on Race and Insurance** will:

- A. Serve as the NAIC's coordinating body ~~on non identifying~~ issues related to (i) ~~race, diversity~~ diversity, and inclusion within the insurance sector; (ii) race, diversity, and inclusion in access to the insurance sector and insurance products; and (iii) practices within the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups.
- B. Coordinate with existing groups such as the Big Data and Artificial Intelligence (EX) Working Group and the Casualty Actuarial and Statistical (C) Task Force and encourage those groups to continue their work on issues impacting people of color and historically underrepresented groups, particularly in predictive modeling, price algorithms and artificial intelligence (AI), ~~with a particular focus on how race is impacted.~~
- C. (Workstream One) Continue research and analysis to identify issues and develop specific recommendations on action steps that state insurance regulators and companies can take to improve the level of diversity and inclusion in the industry, including:
 1. Seek additional engagement from stakeholders to understand the efficacy of diversity-related programs, how companies measure their progress and what state insurance regulators can do to support these efforts.
 2. Collect input on any existing gaps in available industry diversity-related data.
- D. (Workstream Two) In coordination with the Executive (EX) Committee, receive reports on NAIC diversity, equity, and inclusion (DE&I) efforts. Serve as the coordinating body for state requests for assistance from the NAIC related to DE&I efforts.
- E. (Workstream Two) Research best practices among state insurance departments on DE&I efforts and develop forums for sharing relevant information among states and with stakeholders as appropriate.
- F. Continue research and analysis of insurance, legal and regulatory approaches to addressing unfair discrimination, disparate treatment, specifically proxy discrimination and disparate impact. Make recommendations for statutory or regulatory changes and additional steps, including determining appropriate steps to address, including:
 1. (Workstream Four) The impact of traditional life insurance underwriting on ~~minority~~ traditionally underserved populations, considering the relationship between mortality risk and disparate impact.
 2. (Workstream Three) Developing analytical and regulatory tools to assist state insurance regulators in defining, identifying, and addressing ~~determining~~ unfair discrimination in property/casualty insurance including issues related to:
 - a. Rating and underwriting The use of socioeconomic variables, e.g., socioeconomic variables, criminal history, including:-
 1. Identifying proxy variables for race.
 2. Correlation vs. causation, including discussion of spurious correlation and rational explanation.
 3. Potential bias in underlying data
 - 2.4. Proper use of third-party data
 - b. Disparate impact considerations.
- G. (Workstreams Three, Four and Five) Consider enhanced data reporting and record-keeping requirements across product lines to identify race and other sociodemographic factors of insureds, including consideration of legal and privacy concerns- Consider a data call to identify insurance producer resources available and products sold in specific ZIP codes to identify barriers to access.
- H. Continue research and analysis related to insurance access and affordability issues, including:
 1. (Workstream Four) The marketing, distribution and access to life insurance products in minority communities, including the role that financial literacy plays.
 2. (Workstream Four) Disparities in the number of cancellations/rescissions among minority policyholders.
 3. (Workstream Five) Measures to advance equity through lowering the cost of health care and promoting access to care and coverage, with specific focus on measures to remedy impacts on people of color, low income and rural populations, and historically marginalized groups, such as the LGBTQ+ community, individuals with disabilities, and Alaska Native and other Native and Indigenous people.

4. (Workstream Five) Examination of the use of network adequacy and provider directory measures (such as provider diversity, language and cultural competence) to promote equitable access to culturally competent care.
 5. (Workstream Five) Conduct additional outreach to educate consumers and collect information on health and health care complaints related to discrimination and inequities in accessing care.
 6. (Workstream Three) ~~Whether Steps~~ ~~steps need to be that can~~ taken to mitigate the impact of residual markets, premium financing and nonstandard markets on historically underrepresented disadvantaged groups.
 7. Make referrals for the development of consumer education and outreach materials as appropriate.
- I. Direct NAIC and Center for Insurance Policy and Research (CIPR) staff to conduct necessary research and analysis, including:
1. (Workstream Three) The status of studies concerning the affordability of auto and homeowner's insurance, including a gap analysis of what has not been studied.
 2. (Workstream Three) The availability of producer licensing exams in foreign languages, steps exam vendors have taken to mitigate cultural bias, and the number and locations of producers by company compared to demographics in the same area.
 3. (Workstream Five) Aggregation of existing research on health care disparities and collection of insurance responses to the COVID-19 pandemic and its impact across demographic populations.

LIFE INSURANCE AND ANNUITIES (A) COMMITTEE – NEW CHARGES

The **Accelerated Underwriting (A) Working Group**, as part of its ongoing work to consider the use of external data and data analytics in accelerated life underwriting, will include an assessment of and recommendations, as necessary, regarding the impact of accelerated underwriting on minority populations.

HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE – NEW CHARGES

The **Health Insurance and Managed Care (B) Committee** will:

- A. Respond to inquiries from the U.S. Congress (Congress), the White House and federal agencies; analyze policy implications and the effect on the states of proposed and enacted federal legislation and regulations, **including, where appropriate, an emphasis on equity considerations and the differential impact on underserved populations**; and communicate the NAIC's position through letters and testimony, when requested.

The **Mental Health Parity and Addition Equity Act (MHPAEA) (B) Working Group** of the Regulatory Framework (B) Task Force will develop model educational material for state departments of insurance (DOIs) and research disparities in and interplay between mental health parity and access to culturally competent care for people of color and other underrepresented groups.

The **Health Innovations (B) Working Group** will evaluate mechanisms to resolve disparities through improving access to care, including the efficacy of telehealth as a mechanism for addressing access issues; the use of alternative payment models and value-based payments and their impact on exacerbating or ameliorating disparities and social determinants of health; and programs to improve access to historically underserved communities.

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE – NEW CHARGES

The **Producer Licensing (D) Task Force** will receive a report from on the availability of producer licensing exams in foreign languages, the steps exam vendors have taken to mitigate cultural bias, and the number and location of producers by company compared to demographics in the area.