

Draft Pending Adoption

Attachment xx
Innovation, Cybersecurity, and Technology (H) Committee
8/13/25

Draft: 8/20/25

Cybersecurity (H) Working Group Minneapolis, Minnesota August 11, 2025

The Cybersecurity (H) Working Group of the Innovation, Cybersecurity, and Technology (H) Committee met Aug. 11, 2025. The following Working Group members participated: Michael Peterson, Chair (VA); Colton Schulz, Vice-Chair (ND); Richard Fiore (AL); Julia Jette (AK); Chris Erwin (AR); Mel Anderson and Lori Dreaver Munn (AZ); Damon Diederich (CA); Wanchin Chou (CT); Lance Hirano and Kathleen Nakasone (HI); Daniel Mathis (IA); C.J. Metcalf and Ryan Gillespie (IL); Shane Mead (KS); Nina Hunter and Ron Henderson (LA); Mary Kwei and Lynn Beckner (MD); Danielle Torres (MI); Gregory Maus (MN); Kim Dobbs and Jo A. LeDuc (MO); Martin Swanson and Connie Van Slyke (NE); D.J. Bettencourt and Christian Citarella (NH); Ned Gaines and Roger Hayashi (NV); Gille Ann Rabbin (NY); Matt Walsh and Don Layson (OH); David Buono (PA); Rebecca Rebholz and Christina Keeley (WI); and Lela D. Ladd (WY). Also participating were: Weston Trexler (ID); and Aaron Cooper (MS).

1. Adopted its July 15 and March 13 Minutes

The Working Group met July 15 and March 13. During its July 15 meeting, the Working Group took the following action: 1) heard a presentation from Coalition on Scattered Spider. During its March 13 meeting, the working group took the following action: 1) discussed the 2025 cyber work plan.

Diederich made a motion, seconded by Chou, to adopt the Working Group's July 15, 2025, minutes (Attachment Two-A). The motion passed unanimously.

Diederich made a motion, seconded by Anderson, to adopt the Working Group's March 13, 2025, minutes (*see NAIC Proceedings – Spring 2025, Innovation, Cybersecurity, and Technology (H) Committee*). The motion passed unanimously.

2. Discussed the Chief Financial Regulator Forum Referral and Response

Schulz expressed appreciation to the state departments of insurance (DOIs) and trade organizations for the comments received during the shortened public review and comment process. The Working Group exposed the *Insurance Data Security Model Law* (#668) Compliance and Enforcement Guide and Chief Financial Regulator Forum Referral Response drafts on July 17, 2025, for a 20-day, public comment period, and received six written responses from state DOIs, trade organizations, and the Center for Internet Security (CIS). Schulz asked about issuing another request for comments to consider the revisions made to incorporate the comments received. Torres said she supports re-exposing for an additional 30-day public comment period.

Schulz requested the DOIs provide verbal comments first, followed by the trade organizations.

Chou made brief comments to explain the written comments suggested using wording that is consistent with what is used by Information Technology (IT) specialists, noting any exceptions or non-compliance for clearer understanding. Chou stated the concerns were resolved with the revisions made in the days leading up to the meeting.

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Kansas' comments were included in the materials for the meeting. No other states were prepared to provide comments.

Kristin Abbott (American Property Casualty Insurance Association-APCIA) to provide comments on behalf of the joint letter submitted to the Working Group to communicate comments from the APCIA, American Council of Life Insurers (ACLI), and the National Association of Mutual Insurance Companies (NAMIC). Abbott said the groups appreciate the Working Group's efforts, especially the emphasis on reducing redundant regulatory requirements. Abbot said that in her preliminary review, she recognized revisions made to incorporate some of the feedback but asked for more time to review for the other elements suggested.

Having no other organizations or industry representatives prepared to provide comments, Peterson suggested coordinating with NAIC staff to re-expose following the Summer National Meeting.

3. Discussed the Cybersecurity Event Notification Portal Project Memorandum

Peterson brought up the request for NAIC staff and Working Group members to study the feasibility of developing a centralized portal to receive cybersecurity event notifications. The Working Group passed a motion for this request during the 2024 Fall National Meeting. Subsequent work and conversations have made it apparent that the current system has generated multiple variations in the required process through which regulated entities are expected to provide notification to the commissioner. The variations observed are more than initially anticipated, and additional research and legal analysis are required to develop accurate development resource estimates. Peterson also talked about the benefits of such a portal. In addition to reducing the burden on licensees, it would ensure security and confidentiality of the data entered. He also described the substantial data privacy requirements set in state laws that have to be followed.

Peterson suggested there is strong support for stakeholder engagement and feedback on the portal project to ensure that it is developed with all concerns addressed. As an example of a question being considered, he stated that if the portal is built with NAIC staff having access, then the licensees would not be able to contact the NAIC for user issues. Lindsey Klarkowski (NAMIC) asked when the Working Group expects to provide the documentation to the public for comments. Miguel Romero (NAIC) said that while there is no timeline for exposure, part of the research process could benefit from conducting information gathering meetings with stakeholders to include cyber insurance companies and law firms. Hearing from organizations actively involved in regular response activity for cybersecurity incidents would provide key insights into the portal's development.

4. Heard an Update on Changes Made to the Cybersecurity Supplement for 2024.

Koty Henry (NAIC) presented an update on the changes implemented in the 2024 data reported through the Cybersecurity Insurance Coverage Supplement. He explained that prior years were collected in a two-way split between stand-alone and packaged policies. However, beginning in 2025, the data is split between primary, excess, and endorsement policies. In streamlining reporting by removing low-value data points to reduce reporting burden, the changes focus on data quality improvements to provide actionable insights for regulators and policymakers. Henry explained that this aligns with market reality, reflecting the standardized nature of cyber insurance products. The original two categories led to inconsistent reporting because companies interpreted "package" differently. The new three-way split improves comparability and trend analysis, helping regulators track where risk is concentrated and how coverage is evolving.

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Chou said he supports the changes that were made and suggested collecting more data in the future. He said that the American Academy of Actuaries (Academy) has several people who would be interested in collaborating. Romero and Chou discussed whether and how a data wish list could be developed to support enhancements to cyber modeling data.

Peterson said that one of the primary goals of the Working Group continues to be the convergence of methods of regulation as well as the alignment of tools, ensuring that regulators are approaching problems the same way. He said that cybersecurity in the insurance industry is one of the few places that stakeholders overlap to include those with national security and law enforcement responsibilities and concerns.

Having no further business, the Cybersecurity (H) Working Group adjourned.

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