

September 24, 2020

Director Raymond G. Farmer, President
Commissioner David Altmaier, President-Elect
Director Dean L. Cameron, Vice President
Director Chlora Lindley-Myers, Secretary-Treasurer
National Association of Insurance Commissioners
1100 Walnut Street
Suite 1500
Kansas City, Missouri 64106-2197

Re: NAIC Special Committee on Race and Insurance

Dear NAIC Officers:

We write united in our commitment as consumer stakeholders to address racial inequities in insurance markets. We commend the NAIC for your stated commitment to racial justice in insurance and the concrete actions you've taken to date – the principles on Artificial Intelligence and the creation of the Committee on Race and Diversity. This promising start must, of course, be matched with additional concrete actions and changes.

We welcome the NAIC openly investigating, addressing and seeking the correct path forward to eliminate systemic racial biases in all lines of insurance and across all aspects of the insurance benefit design, marketing, purchasing, pricing and claims process. We recommend the following concrete actions by state regulators and the NAIC:

- **Collect and publish consumer market outcome data such that the information can be analyzed by race and other protected class factors.** It is only through the analysis of such data that practices with racist outcomes can be identified and appropriate interventions be developed.
- **Appoint a select group of non-regulator advisors to assist the Committee in identifying key issues for change and solutions to help address the lopsided disparity between industry voices and resources with those of consumer stakeholders at the NAIC and in the states.** These advisors shall participate in all committee meetings and discussions and be involved in the development of any plans or recommendations for actions. Special efforts should be undertaken to ensure that the voices of communities of color are incorporated throughout this process.
- **Plan a national symposium to be held in the summer or fall of 2021 hosted by the NAIC.** This “summit” would present the findings and recommendations of the Race and Insurance Committee and serve as a call for unity and action to address systemic racism in American insurance markets. Attendees would be all regulators, legislative leaders of insurance committees from all states (we would suggest partnering with both NCSL and NCOIL), representatives from the legislative and executive branches of the U.S. government and representatives from both the federal Judicial Conference and the National Conference of State Trial Judges, as well as members of and advocates for communities of color. A call should be made for the CEOs of all top insurers in the U.S. across all lines of insurance to attend. We urge you involve individual insurers over trade associations.

- **Commit to consider the recommendations for new regulatory guidance presented by the Center for Economic Justice at the August 2020 Consumer Liaison meeting.**¹ CEJ’s analysis of the institutional barriers that have prevented regulatory action on systemic racism in insurance warrants your close review.
- **Define specific and clearly stated action steps and measurable results to be achieved and assessed at 1-, 3-, 5- and 10-year intervals.** These results should include evaluating state departments of insurance, insurers providing policies and services, and consumer benefits and impact. Success in reaching these goals should also become a mandatory component of receiving NAIC accreditation

In closing, we acknowledge the lack of diversity among consumer stakeholders at the NAIC and urge the NAIC to reach out to organizations representing communities of color to recruit their participation at the NAIC and in the states. We pledge our full support to this vital issue.

Thank you for your consideration.

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¹ Center for Economic Justice. A Model Law to address systemic racism in insurance. Presentation to the NAIC Consumer Liaison Committee. Aug. 14, 2020. Available at https://content.naic.org/sites/default/files/national_meeting/Version%20%20-%20Slideshow%20-%20Consumer%20Liaison%20Cmte%20-%202008.14.20.pdf at page 30.