



NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

COVID-19 Regulatory Relief or Regulatory Accommodations Related to Innovation and Technology

Request for Information – Spring Follow-Up

Introduction:

This document summarizes comments received from interested parties related to a follow up to the Request for Information sent prior to the NAIC Fall National Meeting. Those responses covered the following areas:

- Electronic Commerce
- Regulatory Capabilities
- Claims Facilitation
- Specific to Surplus Lines

This follow-up summary includes those same sections but reflects updated information the respondents noted or prioritized for the Innovation and Technology (EX) Task Force consideration.

Responses were received from the following organizations:

- American Council of Life Insurers (ACLI)
- American Property Casualty Insurance Association (APCIA)
- Lloyd's
- McDermott Will & Emery (mwe)
- National Association of Professional Insurance Agents (PIA)
- Wholesale & Specialty Insurance Association (WSIA)

The following entities submitted responses in the fall but did not submit a response to this request:

- BlueCross BlueShield Association (BCBSA)
- Insured Retirement Institute (IRI)
- National Association of Mutual Insurance Companies (NAMIC)

Follow-Up Request:

Sent: March 3, 2021

Request to solicit comments from any interested party related to specific “regulatory relief” or “regulatory accommodations” related to innovation and technology

On behalf of the Task Force chair, Commissioner Godfred, and Vice Chair, Superintendent Dwyer, we are requesting your input where you believe these issues are interpretative versus what changes will need to be done legislatively. We ask that if you believe change must be done at the legislative level, please identify the law (or model law) impacted so the Task Force can address it more expeditiously. I believe it was mentioned during the meeting that some of that information has already been gathered and compiled, noting that it does involve a mix of legislation and interpretation, as well as federal overlay.

The ask is to break down your previous suggestions, if you can, and provide more specific information as to where the issues are more interpretative or lack a uniform interpretation, versus it being a legislative issue. Further if you have suggestions regarding prioritization of these issues as summarized in this document, those would be welcome.

The Task Force may also be interested in drafting a bulletin or bulletins as a solution, as suggested during the meeting. Both discussing and targeting more specific areas for attention and the bulletin concept will be discussed during the Task Force's Spring Meeting on April 9, 1:00 pm CT.



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Response Summary – Priorities:

Electronic Commerce

Issue	Commented on by:
1. Allow e-signatures	ACLI, mwe
2. Allow e-delivery	ACLI
3. Elimination notary requirements; allow e-notary	APCIA, mwe, PIA
4. Address “opt-in” requirements; change to “opt-out” for e-delivery	ACLI, APCIA
Specific Action Suggestions: ACLI: 1) Create a Working Group to examine e-commerce laws and regulations and “work toward meaningful, unified recommendations that are actionable by the NAIC.” 2) Survey states regarding UETA exceptions and then prioritize getting those exceptions eliminated. APCIA: 1) Insurance departments should provide information to companies electronically. 2) Supports NCOIL’s efforts to move to Remote Online Notarization (RON) and specific to vehicle titling in a total loss claim situation.	

Regulatory Capabilities

Issue	Commented on by:
1. Education/Continuing Education: Eliminate in person classroom licensing requirements replaced with virtual or online options and eliminate or allow remote fingerprinting.	APCIA, PIA
2. Modify or eliminate proctor/monitor requirements for continuing education.	PIA
3. Authorize remote Workers’ Compensation hearings.	PIA
4. e-filings: eliminate hard copy regulatory filings or eliminate the need for a wet signature or traditional notarization for those filings.	Lloyd’s
5. Allow e-payment for all required regulatory fees such as premium taxes.	
6. Eliminate wet signature requirements for regulatory filings such as biographical affidavits and certified reinsurer filings.	Lloyd’s, mwe
7. Expedite rate and form filing review following a pre-filing meeting.	mwe
8. Implement bulletins that alleviate the need for in-person MGA/TPA audits and allow virtual audits of employers and other similar requirements.	APCIA
9. Eliminate requirement for in person visit of physical office.	mwe
Specific Action Suggestions:	



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Claims Facilitation

Key Points – from Fall National Meeting Comment Letters	Commented on by:
Allow digital adjudication of claims including photo inspection particularly around auto inspections and allow non-licensed adjusters to be able to the photos.	
Drones: Allow drones in adjusting including relaxing “fly beyond their line of sight” requirements.	
Possibly draft legislation that would resolve concerns over “paper trail” liability related to certified letters for reservation of rights and coverage denials. The letter noted that there is no existing regulatory requirement to do this, but still concerns.	
Allow remote/virtual administrative hearings to take place as well as video depositions.	
Consider timing of electronic payments happening “at the same time” – proof of loss must be sent through the mail.	
Telemedicine: Allow this and relax in-person requirements. <ul style="list-style-type: none"> BCBSA suggests leveraging their existing “Guiding Principles for Telehealth” and allowing private insurers establish appropriate rules. 	
Specific Action Suggestions:	

Specific to Surplus Lines

Issue	Commented on by:
1. Diligent Search: “on demand” product pricing is difficult due to the three-declination process in the current environment. Particularly where it must be documented and filed with the state. Should relax and automate this process.	Lloyd’s, mwe, WSIA
2. Expand export lists for coverages typically unavailable in the admitted market.	WSIA
3. Allow electronic tax payment and reporting options.	WSIA
4. Eliminate wet signature and notarization requirements on surplus lines reports.	WSIA
Specific Action Suggestions: Lloyd’s: 1) The Surplus Lines (C) Task Force is currently amending the relevant model law (Nonadmitted Insurance Model Act) pertaining to this issue so recommends this be deferred to that Task Force. WSIA: 1) WSIA provided a summary of related regulatory requirements by state.	Lloyd’s, WSIA

Comments related to whether the recommended action is related to and interpretive, uniform interpretation or legislative type issue, were provided as were specific examples. The ACLI provided key purposes for a proposed bulletin that could address issues that do not appear to require a legislative change. Areas requiring a legislative change would either have to be taken up by the specific jurisdiction with the issue or addressed by an NAIC committee such as the Surplus Lines (C) Task Force.

Entities specifically noting it would support the drafting of a bulletin included:

- ACLI
- APCA
- PIA

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