
COMMENTS

Draft Charges for the Proposed NAIC Innovation, Cybersecurity and Technology (H) Committee

American Council of Life Insurers (ACLI)

America's Health Insurance Plans (AHIP)

American Property Casualty Insurance Association (APCIA)

Blue Cross Blue Shield Association (BCBSA)

California Department of Insurance

CyberAcuView

Medical Professional Liability Association (MPL Association)

Michigan Department of Insurance and Financial Services

National Association of Mutual Insurance Companies (NAMIC)

Gabrielle Griffith

Senior Policy Analyst and NAIC Coordinator

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November 15, 2021

Commissioner Jon Godfread

Chair, NAIC Innovation and Technology (EX) Task Force

North Dakota Insurance Department

Via-email with copy to Denise Matthews (dmatthews@naic.org)

Re: NAIC Innovation and Technology (EX) Task Force Request for Comments on draft charges for proposed Innovation, Cybersecurity and Technology (H) Committee

Dear Commissioner Godfread:

The American Council of Life Insurers (ACLI) appreciates the opportunity to submit these comments in response to the request of the NAIC Innovation and Technology (EX) Task Force (Task Force) for comments on the draft charges for the proposed Innovation, Cybersecurity and Technology (H) Committee. The points and recommendations below are intended as observations that will help inform the Committee as they discuss their charges for the new year.

While the charges well-written and thorough, as always, we think the following points will help to enhance the Committees charges.

1. We recommend adding “**Establish a foundational understanding of existing practices and use of innovative technologies by insurers in respective lines of business**” to one (or more) of the charges that discuss education and discussion of emerging technology. Industry has observed that in some of the recent reviews of emerging technologies, there seems to be a misunderstanding of how industry is actually using such, which can lead to a regulatory framework that may not address the regulated activity appropriately, or may be better suited for more risky use of technology than what industry is actually engaged in.
2. In the “Draft Mission” section, we suggest to make clear the multiple purposes at a glance not only to demonstrate how comprehensive this effort necessarily is, but to also reference those specific purposes more easily throughout the discussions/efforts.
3. “Draft Mission” section, ACLI also suggests including language for the need for carriers to be able to translate regulatory requirements simply, transparently, and in a way that actually accomplishes the goals of the regulators.

Thank you again for the opportunity to submit these comments. ACLI and its members look forward to working with the Innovation, Cybersecurity and Technology (H) Committee to meet its charges.

American Council of Life Insurers | 101 Constitution Ave, NW, Suite 700 | Washington, DC 20001-2133

The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 280 member companies represent 94 percent of industry assets in the United States.

Sincerely,



Gabrielle Griffith
Senior Policy Analyst
202-624-2371
gabrielgriffith@aclu.com



November 15, 2021

Jon Godfread, Chair
Innovation and Technology (EX) Task Force
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197

By e-mail to Denise Matthews at
DMatthews@NAIC.org

Re: Innovation, Cybersecurity, and Technology (H) Committee Draft Charges

Dear Chairman Godfread:

On behalf of America's Health Insurance Plans (AHIP), we appreciate this opportunity to comment on the proposed charges for the new Innovation, Cybersecurity, and Technology (H) Task Force. We have included a redline of the Charges with this letter, and we'd like to offer a few summaries and descriptions of our edits and intentions.

- On page 1, Section 1.A., we propose to amend the language to clarify that the (H) Committee coordinates with industry leaders in their efforts, and that these efforts should address not only the risks in industry, but also in insurance departments.
- In Section 1.E, our suggestion would highlight that regulatory efforts must maintain awareness of the impact any regulatory requirements may have on emerging technologies and innovation.
- Our suggestions in Section 1.I and 2.D are to encourage awareness of corresponding efforts in the federal government, including but not limited to those of the National Institute of Standards and Technology (NIST) and the Cybersecurity Infrastructure and Security Agency (CISA). This should help minimize duplication of effort and conflicting standards and practices.
- The H Committee Charges as drafted appear to only address the activities of existing (EX) groups under the Innovation and Technology (EX) Task Force. With the exception of the cybersecurity work in the Market Conduct Examination Guidelines (D) Working Group and the IT Examination (E) Working Group, the charges do not address current technology, innovation, and data efforts underway in groups like the Privacy Protections (D) Working Group, the Special (EX) Committee on Race and Insurance, the Market Information Systems (D) Task Force, the Casualty Actuarial and Statistical (C) Task Force, or the Improper Marketing of Health Insurance (D) Working Group. In order to address this work and allow for the H Committee to coordinate these efforts, the

proposed edits in Sections 1.J, 1.K, and 2.B include specific references to each of the groups in the H Committee charges.

- In addition to adding references to specific groups, the edits also include adding Section 6 to indicate moving the Privacy Protections Working Group under the H Committee with corresponding Working Group charge suggestions.
- Other suggested edits include the addition of clarification that responding to, investigating, creating oversight plans and tracking for cybersecurity events should include promoting consistent response efforts across state insurance departments. As the new innovation, cybersecurity, and technology letter committee, one of the H Committee's foundational elements should be promoting consistency across state insurance departments.

We appreciate the opportunity to review and comment, as well as for your consideration of our views. We look forward to working with this new regulatory structure within NAIC and we hope to discuss these charges with you soon.

Sincerely,

Bob Ridgeway
Bridgeway@ahip.org
501-333-2621

Innovation, Cybersecurity and Technology (H) Committee Draft Charges:

Draft Mission: To provide a forum for regulators to learn and have discussions regarding, cybersecurity, innovation, data security and privacy protections and emerging technology issues, to monitor developments in these areas that affect the state insurance regulatory framework, to coordinate NAIC efforts regarding innovation, cybersecurity, and technology across other committees, and to make recommendations and develop regulatory, statutory or guidance updates, as appropriate.

Draft Charges:

Ongoing Support of NAIC Programs, Products or Services

1. The Innovation, Cybersecurity and Technology (H) Committee will:

- A. Provide forums, resources, and materials for the discussion of insurance sector developments in cybersecurity and data privacy to educate state insurance regulators on how these developments affect consumer protection, insurer and producer oversight, marketplace dynamics, and the state-based insurance regulatory framework.
- B. Discuss emerging issues related to cybersecurity, including cybersecurity event reporting, and consumer data privacy protections. Monitor and advise on the cybersecurity insurance market including rating, underwriting, product development and loss control. Report on the cyber insurance market including data reported within the Cybersecurity Insurance and Identity Theft Coverage Supplement.
- C. Coordinate with and oversee various subject matter expert groups on insurer internal cybersecurity. Discuss emerging developments and best risk management, internal controls, and governance practices with insurance industry leaders and how state insurance departments jurisdictions can best address industry and insurance department cyber risks and challenges. Work with the Center for Insurance Policy and Research to analyze cybersecurity related information from various data sources.
- D. Provide forums, resources, and materials for the discussion of innovation and technology developments in the insurance sector, including the collection and use of data by insurers and state insurance regulators and new products, services, and distribution platforms. Educate state insurance regulators on how these developments affect consumer protection, data privacy, insurer and producer oversight, marketplace dynamics, and the state-based insurance regulatory framework.
- E. Discuss emerging technologies and innovations related to companies, producers, regulators or licensees in addition to potential implications of these technologies for the state-based insurance regulatory structure—including, but not limited to, reviewing new products and technologies affecting the insurance space and the associated regulatory implications, and how current regulatory requirements impact emerging technologies and innovation efforts.
- F. Consider and coordinate the development of regulatory guidance including model laws or model law revisions, white papers, and other recommendations related to innovation, cybersecurity, data privacy, use of big data and AI/ML in the business of insurance, and technology, as appropriate. Consider best practices related to cybersecurity event tracking and coordination to promote consistent response efforts across state insurance departments.
- G. Track the implementation of and issues related to all model laws pertaining to innovation, technology, data privacy, and cybersecurity including but not limited to, the NAIC Insurance Data Security Model Law (*Model #668*), Insurance Information and Privacy and Privacy

Protections Model Act (*Model #670*), Privacy of Consumer Financial and Health Information Regulation (*Model #672*), and the Unfair Trade Practices Act (*Model #880*) rebating language, providing assistance to state insurance departments jurisdictions as needed.

H. Coordinate with other NAIC committees and task forces, as appropriate, and evaluate and recommend certifications, continuing education, and trainings for examiners and insurer employees related to technology, innovation, cybersecurity, and data privacy.

I. Follow the work of NIST and the Department of Homeland Security CISA to avoid conflicting standards and practices.

J. Oversee and coordinate work in the Special (EX) Committee on Race and Insurance and the Casualty Actuarial and Statistical (C) Task Force on issues related to data use, collection and reporting, predictive analytics and modeling, price algorithms, bias, and artificial intelligence (AI).

K. Coordinate with the Improper Market of Health Insurance (D) Working Group to examine and update, if necessary, NAIC white papers, such as The Marketing of Insurance Over the Internet and The Use of Social Media in Insurance.

H.

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2. The **Big Data and Artificial Intelligence (H) Working Group** will:

A. Research the use of big data and artificial intelligence (AI) and machine learning (ML) in the business of insurance and evaluate existing regulatory frameworks for overseeing and monitoring their use. Present findings and recommend next steps, if any, to the Innovation, Cybersecurity and Technology (H) Committee and which may include model governance for the use of big data and AI/ML for the insurance industry.

B. Review current audit and certification programs and/or frameworks that could be used to oversee insurers' use of consumer and non-insurance data and models using intelligent algorithms, including AI. If appropriate, recommend to and coordinate with the appropriate subject matter expert (SME) committees including but not limited to the Privacy Protections (H) Working Group and the Market Information Systems (D) Task Force on recommendations ~~development of modifications or modifications to and if necessary, development of, to~~ model laws and/or regulations and regulatory guidance and/or handbooks regarding data analysis, the use of AI in market analysis, marketing, rating, underwriting and claims, regulation of data vendors and brokers, regulatory reporting requirements, and consumer disclosure requirements.

C. Assess data needs and required tools for state insurance regulators to appropriately monitor the marketplace, and evaluate insurance industry governance regarding the use of big ~~data and intelligent algorithms~~ data, algorithms, and machine learning including AI in underwriting, rating, claims and marketing practices. This assessment shall include gaining a better understanding of currently available data and tools, as well as recommendations for additional data and tools, as appropriate. Based on this assessment, propose a means to include these tools into existing and/or new regulatory oversight and monitoring processes to promote consistent oversight and monitoring efforts across state insurance departments.

D. Follow the work of NIST and the Department of Homeland Security CISA to avoid conflicting standards and practices.

~~C.E.~~

3. The **Speed to Market (H) Working Group** will:
 - A. Consider proposed System for Electronic Rate and Form Filing (SERFF) features or functionality presented to the Working Group by the SERFF Advisory Board, likely originating from the SERFF Product Steering Committee (PSC). Upon approval and acquisition of any needed funding, direct the SERFF Advisory Board to implement the project. Receive periodic reports from the SERFF Advisory Board, as needed.
 - B. Provide feedback and recommendations concerning the SERFF modernization when requested by the Executive (EX) Committee and any group assigned oversight of the SERFF modernization by the Executive (EX) Committee.
 - C. Discuss and oversee the implementation and ongoing maintenance/enhancement of speed to market operational efficiencies related to product filing needs, efficiencies and effective consumer protection. This includes the following activities:
 1. Provide a forum to gather information from the states and the industry regarding tools, policies and resolutions to assist with common filing issues. Provide oversight in evaluating product filing efficiency issues for state insurance regulators and the industry, particularly with regard to uniformity. Evaluate the state survey results compiled in 2020 regarding the usefulness of existing tools and potential new tools, and propose a plan to make improvements.
 2. Use SERFF data to develop, refine, implement, collect and distribute common filing metrics that provide a tool to measure the success of the speed to market modernization efforts as measured by nationwide and individual state speed to market compliance, with an emphasis on monitoring state regulatory and insurer responsibilities for speed to market for insurance products.
 3. Facilitate proposed changes to the product coding matrices (PCMs) and the uniform transmittal document (UTD) on an annual basis, including the review, approval and notification of changes. Monitor, assist with and report on state implementation of any PCM changes.
 4. Facilitate the review and revision of the *Product Filing Review Handbook*, which contains an overview of all of the operational efficiency tools and describes best practices for industry filers and state reviewers with regard to the rate and form filing and review process. Develop and implement a communication plan to inform states about the *Product Filing Review Handbook*.
 - D. Provide direction to NAIC staff regarding SERFF functionality, implementation, development and enhancements. Direct NAIC staff to provide individual state speed to market reports to each commissioner at each national meeting. Receive periodic reports from NAIC staff, as needed.
 - E. Conduct the following activities as desired by the Interstate Insurance Product Regulation Commission (Compact):

1. Provide support to the Compact as the speed to market vehicle for asset-based insurance products, encouraging the states' participation in, and the industry's usage of, the Compact.
2. Receive periodic reports from the Compact, as needed.

4. **The E-Commerce (H) Working Group will:**

- A. Examine e-commerce laws and regulations; survey states regarding federal Uniform Electronic Transactions Act (UETA) exceptions; and work toward meaningful, unified recommendations. The working group will also examine whether a model bulletin would be appropriate for addressing some of the identified issues and will draft a proposed bulletin if determined appropriate.

5. **The Cybersecurity (H) Working Group will:**

- A. Monitor relevant insurance industry cybersecurity trends, vulnerabilities, and breaches with the likelihood potential to impact the insurance industry.
- B. Interact with and support state insurance departments responding to insurance industry cybersecurity event to promote consistent response efforts across state insurance departments.
- C. Promote communication across state insurance departments regarding cybersecurity risks and events.
- D. Oversee the development of a regulator cybersecurity response plan to assist regulators in the investigation of insurance cyber events and to promote consistent response efforts across state insurance departments.-
- E. Coordinate NAIC Committee cybersecurity work including but not limited to cybersecurity guidance developed by the Market Conduct Examination Guidelines (D) Working Group and the IT Examination (E) Working Group.
- F. Advise NAIC staff on the development of cybersecurity training for regulators.
- G. Support states with implementation efforts related to the adoption of the Insurance Data Security Model Law (NAIC #668).
- H. Engage with Federal and international supervisors and agencies on efforts to manage and evaluate cybersecurity risk.

6. **The Privacy Protections (H) Working Group will:**

- a. Consider whether current NAIC privacy models, such as the NAIC Insurance Information and Privacy Protection Model Act (#670) or the Privacy of Consumer Financial and Health Information Regulation (#672), should be revised, consolidated, retired, and/or updated in connection with current federal and state privacy laws regarding the collection, use, and disclosure of insurance information.

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November 15, 2021

Commissioner Jon Godfread, Chair
Superintendent Elizabeth Kelleher Dwyer, Vice Chair
Innovation and Technology (EX) Task Force
National Association of Insurance Commissioners
1100 Walnut Street
Suite 1500
Kansas City, MO 64106

Via Electronic Mail: dmatthews@naic.org

Re: Draft H Committee Charges

Dear Commissioner Godfread and Superintendent Dwyer:

The American Property and Casualty Insurance Association (APCIA) appreciates the opportunity to provide feedback on the draft charges for the new Innovation, Cybersecurity and Technology (H) Committee (Draft Charges). The Draft Charges are an important step in outlining the work and direction of the H Committee and its working groups. Below is a proposed mark-up and explanation of initial recommended edits for your consideration. APCIA looks forward to continuing to work with the Innovation and Technology (EX) Task Force on this important issue.

From a structural perspective, the Draft Charges outlined for the H Committee is a robust amount of work for a parent committee; therefore, APCIA suggests creating an Innovation Working Group and consistent with the charges for other NAIC Committees direct the H committee with oversight of its Working Groups and their activity. Also, to avoid redundancy, APCIA suggests moving the cybersecurity charges from the H Committee and merge them into the Cybersecurity Working Group charges, which we read to target the same goals and objectives.

APCIA

Additionally, APCIA notes that there are references throughout the Draft Charges to privacy issues. To avoid duplication and confusion, we encourage the Privacy Protections (D) Working Group be transferred to the H Committee.

Substantively, APCIA had questions about the intended goal or outcome of some of the Cybersecurity Working Group charges. For instance, Charge B of the Cybersecurity Working Group references interacting with and supporting state insurance departments responding to industry cyber events. How is this interaction currently happening and what is the NAIC and regulators' role in responding to insurance industry cybersecurity events? APCIA does not believe it is the intent of the charge to suggest that regulators would step into the shoes of the company and investigate and respond to an event; however, the charge is vague. We had similar questions for charge D. Also, how is a cyber event being defined? Further, what is the intent of the training identified in Charge F? The APCIA recommended edits seek to add clarity as to what we believe the Draft Charges are intended to achieve. It is also important throughout the Draft Charges to carefully balance the oversight needs of the regulator and the company's need to focus resources on protecting information and systems.

Finally, government entities are not immune to the activities of bad actors. Given the variety of information that insurers provide to regulators and the NAIC, APCIA has added a charge that would direct the development of best practices and/or principles applicable to state regulators and the NAIC to ensure strong data security measures and timely notice of material events that could impact the information that insurers have provided to regulators or the NAIC. This charge is an opportunity for industry and government to partner and enhance the overall security posture of our industry.

Thank you for your consideration and we welcome any questions that you may have.

Respectfully,



Angela Gleason

Senior Director, Cybersecurity & Counsel

Innovation, Cybersecurity and Technology (H) Committee Draft Charges:

Draft Mission: To provide a forum for regulators to learn and have discussions regarding, cybersecurity, innovation, data security and privacy protections and emerging technology issues, to monitor developments in these areas that affect the state insurance regulatory framework, to coordinate NAIC efforts regarding innovation, cybersecurity, and technology across other committees, and to make recommendations and develop regulatory, statutory or guidance updates, as appropriate.

Draft Charges:

Ongoing Support of NAIC Programs, Products or Services

1. The Innovation, Cybersecurity and Technology (H) Committee will:

- A. Provide forums, resources, and materials for the discussion of insurance sector developments in cybersecurity, ~~and~~ data privacy, innovation, and technology to educate state insurance regulators on how these developments affect consumer protection, insurer and producer oversight, marketplace dynamics, and the state-based insurance regulatory framework.
- B. Oversee the activities of the Big Data and Artificial Intelligence (H) Working Group.
- C. Oversee the activities of the Speed to Market (H) Working Group.
- D. Oversee the activities of the E-Commerce (H) Working Group.
- E. Oversee the activities of the Cybersecurity (H) Working Group.
- F. Oversee the activities of the Innovation (H) Working Group.
- A-G. Oversee the activities of the Privacy Protections (H) Working Group.
- ~~B. A. Discuss emerging issues related to cybersecurity, including cybersecurity event reporting, and consumer data privacy protections. Monitor and advise on the cybersecurity insurance market including rating, underwriting, product development and loss control. Report on the cyber insurance market including data reported within the Cybersecurity Insurance and Identity Theft Coverage Supplement.~~
- ~~C. A. Coordinate with various subject matter expert groups on insurer internal cybersecurity. Discuss emerging developments and best risk management, internal controls, and governance practices and how jurisdictions can best address industry cyber risks and challenges. Work with the Center for Insurance Policy and Research to analyze cybersecurity related information from various data sources.~~
- ~~D. Provide forums, resources, and materials for the discussion of innovation and technology developments in the insurance sector, including the collection and use of data by insurers and state insurance regulators and new products, services, and distribution platforms. Educate state insurance regulators on how these developments affect consumer protection, data privacy, insurer and producer oversight, marketplace dynamics, and the state-based insurance regulatory framework.~~
- ~~E. A. Discuss emerging technologies and innovations related to companies, producers, regulators or licensees in addition to potential implications of these technologies for the state based insurance regulatory structure including, but not limited to, reviewing new products and technologies affecting the insurance space and the associated regulatory implications.~~
- F. H. Consider and coordinate the development of regulatory guidance including model laws or model law revisions, white papers, and other recommendations related to innovation,

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~~cybersecurity, data privacy, use of big data and AI/ML in the business of insurance, and technology, as appropriate. Consider best practices related to cybersecurity event tracking and coordination.~~

~~G-I.~~ Track the implementation of and issues related to all model laws pertaining to innovation, technology, data privacy, and cybersecurity including but not limited to, the NAIC Insurance Data Security Model Law (*Model #668*), Insurance Information and Privacy and Privacy Protections Model Act (*Model #670*), Privacy of Consumer Financial and Health Information Regulation (*Model #672*), and the Unfair Trade Practices Act (*Model #880*) rebating language, providing assistance to jurisdictions as needed.

~~H-J.~~ Coordinate with other NAIC committees and task forces, as appropriate, ~~including the Special (EX) Committee on Race and Insurance, and evaluate and recommend, certifications and trainings for examiners and insurer employees on issues~~ related to technology, innovation, cybersecurity, and data privacy.

~~H-K.~~ Monitor the activity of the National Institute of Standards and Technology (NIST) and Department of Homeland Security (DHS), as appropriate, to inform and educate the Committee's work, particularly as it relates to the subject of cybersecurity and artificial intelligence.

2. The **Big Data and Artificial Intelligence (H) Working Group** will:

- A. Research the use of big data, machine learning, and artificial intelligence (AI) in the business of insurance and evaluate existing regulatory frameworks for overseeing and monitoring their use. Present findings and recommend next steps, if any, to the Innovation, Cybersecurity and Technology (H) Committee and which may include model governance for the use of big data and AI for the insurance industry.
- B. Review current audit and certification programs and/or frameworks that could be used to oversee insurers' use of consumer and non-insurance data and models using intelligent algorithms, including AI. If appropriate, recommend to and coordinate with the appropriate subject matter expert (SME) committees on development of modifications to model laws and/or regulations and regulatory guidance and/or handbooks regarding marketing, rating, underwriting and claims, regulation of data vendors and brokers, regulatory reporting requirements, and consumer disclosure requirements.
- C. Assess data needs and required tools for state insurance regulators to appropriately monitor the marketplace, and evaluate the use of big data and intelligent algorithms, including AI in underwriting, rating, claims and marketing practices. This assessment shall include gaining a better understanding of currently available data and tools, as well as recommendations for additional data and tools, as appropriate. Based on this assessment, propose a means to include these tools into existing and/or new regulatory oversight and monitoring processes.

3. The **Speed to Market (H) Working Group** will:

- A. Consider proposed System for Electronic Rate and Form Filing (SERFF) features or functionality presented to the Working Group by the SERFF Advisory Board, likely originating from the SERFF Product Steering Committee (PSC). Upon approval and acquisition of any needed funding, direct the SERFF Advisory Board to implement the project. Receive periodic reports from the SERFF Advisory Board, as needed.
- B. Provide feedback and recommendations concerning the SERFF modernization when requested by the Executive (EX) Committee and any group assigned oversight of the SERFF modernization by the Executive (EX) Committee.

- C. Discuss and oversee the implementation and ongoing maintenance/enhancement of speed to market operational efficiencies related to product filing needs, efficiencies and effective consumer protection. This includes the following activities:
 - 1. Provide a forum to gather information from the states and the industry regarding tools, policies and resolutions to assist with common filing issues. Provide oversight in evaluating product filing efficiency issues for state insurance regulators and the industry, particularly with regard to uniformity. Evaluate the state survey results compiled in 2020 regarding the usefulness of existing tools and potential new tools, and propose a plan to make improvements.
 - 2. Use SERFF data to develop, refine, implement, collect and distribute common filing metrics that provide a tool to measure the success of the speed to market modernization efforts as measured by nationwide and individual state speed to market compliance, with an emphasis on monitoring state regulatory and insurer responsibilities for speed to market for insurance products.
 - 3. Facilitate proposed changes to the product coding matrices (PCMs) and the uniform transmittal document (UTD) on an annual basis, including the review, approval and notification of changes. Monitor, assist with and report on state implementation of any PCM changes.
 - 4. Facilitate the review and revision of the *Product Filing Review Handbook*, which contains an overview of all of the operational efficiency tools and describes best practices for industry filers and state reviewers with regard to the rate and form filing and review process. Develop and implement a communication plan to inform states about the *Product Filing Review Handbook*.
 - D. Provide direction to NAIC staff regarding SERFF functionality, implementation, development and enhancements. Direct NAIC staff to provide individual state speed to market reports to each commissioner at each national meeting. Receive periodic reports from NAIC staff, as needed.
 - E. Conduct the following activities as desired by the Interstate Insurance Product Regulation Commission (Compact):
 - 1. Provide support to the Compact as the speed to market vehicle for asset-based insurance products, encouraging the states' participation in, and the industry's usage of, the Compact.
 - 2. Receive periodic reports from the Compact, as needed.
4. **The E-Commerce (H) Working Group** will:
- A. Examine e-commerce laws and regulations; survey states regarding federal Uniform Electronic Transactions Act (UETA) exceptions; and work toward meaningful, unified recommendations. The working group will also examine whether a model bulletin would be appropriate for addressing some of the identified issues and will draft a proposed bulletin if determined appropriate.
5. **The Cybersecurity (H) Working Group** will:
- A. Through public/private partnership develop risk-based best practices and principles directed at insurance regulators and the NAIC to ensure they utilize appropriate data security controls and secure data transmission mechanisms. The principles and best practices should also address timely material incident notification procedures by the NAIC or regulators when industry data is impacted.
 - B. Monitor cybersecurity trends such as: vulnerabilities, risk management, and governance practices and breaches to stay aware of, and discuss, emerging issues through public/private collaboration. -with the potential to impact the insurance industry.

- ~~A-C. Consider best practices related to cyber event tracking and coordination.~~
- ~~B-D. Interact with and support state insurance departments responding to insurance industry cybersecurity event.~~
- ~~C-E. Consider opportunities to promote confidential coordinated communication across state insurance departments regarding cybersecurity risks and events, as defined in the Insurance Data Security Model, to alleviate multi-state inquiries.~~
- ~~D-F. Oversee the development of a regulator cybersecurity response plan to assist regulators in the investigation of insurance cyber events.~~
- ~~E-G. Coordinate NAIC Committee cybersecurity work including but not limited to cybersecurity guidance developed by with the Market Conduct Examination Guidelines (D) Working Group and/or the IT Examination (E) Working Group on cybersecurity matters as appropriate.~~
- ~~F-H. Consider advising NAIC staff on the development of cybersecurity examination training for regulators.~~
- ~~G-I. Support states with implementation efforts related to the adoption of the Insurance Data Security Model Law (NAIC #668).~~
- ~~J. Engage with Federal and international supervisors and agencies on efforts to manage and evaluate cybersecurity risk.~~
- ~~K. Discuss emerging issues related to cybersecurity, including cybersecurity event reporting, and consumer data privacy protections.~~
- ~~L. Monitor and advise on the cybersecurity insurance market developments including rating, underwriting, product development and loss control. -Report on the cyber insurance market including through data reported within the Cybersecurity Insurance and Identity Theft Coverage Supplement.~~
- ~~M. Coordinate with various subject matter expert groups on insurer internal cybersecurity. Discuss emerging developments and best risk management, internal controls, and governance practices and how jurisdictions can best address industry cyber risks and challenges. Work with the Center for Insurance Policy and Research to analyze publicly available cybersecurity related information from various public data sources.~~

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6. Innovation (H) Working Group

- ~~A. Discuss emerging technologies and innovations related to companies, producers, regulators or licensees in addition to potential implications of these technologies for the state-based insurance regulatory structure—including, but not limited to, reviewing new products and technologies affecting the insurance space and the associated regulatory implications.~~
- ~~B. Provide forums, resources, and materials for the discussion of innovation and technology developments in the insurance sector, including the collection and use of data by insurers and state insurance regulators and new products, services, and distribution platforms. Educate state insurance regulators on how these developments affect consumer protection, data privacy, insurer and producer oversight, marketplace dynamics, and the state-based insurance regulatory framework.~~

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7. Privacy Protections (H) Working Group

- ~~A. Review state insurance privacy protections regarding the collection, use and disclosure of information gathered in connection with insurance transactions, and make recommended changes, as needed, to certain NAIC models, such as the NAIC Insurance Information and~~

APCIA

Privacy Protection Model Act (#670) and the Privacy of Consumer Financial and Health Information Regulation (#672).



November 17, 2021

Commissioner Jon Godfread, Chair
Superintendent Beth Dwyer, Vice Chair
Innovation and Technology (EX) Task Force
National Association of Insurance Commissioners
444 North Capitol Street NW, Suite 700
Washington, D.C. 20001-1512

Submitted electronically to: Denise Matthews (dmatthews@naic.org)

RE: Comments on Innovation, Cybersecurity and Technology (H) Committee Draft Charges

Dear Commissioner Godfread and Superintendent Dwyer:

The Blue Cross Blue Shield Association (BCBSA) appreciates the opportunity to provide comments on the draft charges of the proposed Innovation, Cybersecurity and Technology (H) Committee.

BCBSA is a national federation of 35 independent, community-based and locally operated Blue Cross and Blue Shield (BCBS) companies (Plans) that collectively provide health care coverage for one in three Americans. For more than 90 years, Blue Cross and Blue Shield companies have offered quality health care coverage in all markets across America — serving those who purchase coverage on their own, as well as those who obtain coverage through an employer, Medicare and Medicaid.

BCBSA supports the formation of the new H Committee to better coordinate and align the efforts of the various workstreams at the NAIC that currently address innovation, technology, data and privacy issues. We also support the inclusion of cybersecurity in the committee's scope since it remains a growing area of concern and focus for insurers. Additionally, given the emerging and evolving nature of the issues charged to the committee including privacy, cybersecurity and machine learning/artificial intelligence (ML/AI), we encourage the new committee to coordinate with all industry stakeholders and federal policy makers similar to the charges of other NAIC committees.¹

Additionally, BCBSA notices that a specific charge related to privacy has not been included in the NAIC document. At a minimum, we recommend that the charges should indicate regular coordination between the new H Committee, the Privacy Protections (D) Working Group and Consumer Affairs and Market Regulation (D) Committee. This coordination would ensure that the important discussions and ongoing work related to privacy are encompassed in the work of the new

¹ [Health Insurance and Managed Care \(B\) Committee 2021 Adopted Charges: Section 1. A-E](#)

H Committee. Alternatively, we suggest that the privacy work be moved under the purview of the new H Committee as the Privacy Protections (D) Working Group is examining issues that are consistent with the H Committee proposed charges.

The attached redline captures our suggested amendments to the draft H Committee charges. Specifically, BCBSA proposes the following changes to the Big Data and Artificial Intelligence (H) Working Group charges:

- BCBSA believes machine learning should be referenced throughout the charges as it is often used in conjunction with artificial intelligence. The Big Data and Artificial Intelligence (EX) Working Group issued a survey on the industry's use of big data, artificial intelligence and machine learning in private passenger auto earlier this year. It is our understanding that the working group intends to consider the survey for other lines of business in the future. The addition of machine learning would make the charges consistent with the working group's current and anticipated activity.
- We propose rewording the language in charge (B) to clarify the intent of working group regarding recommendations and modifications (if necessary) to existing models and regulatory guidance.

We appreciate the opportunity to share our views and welcome the opportunity to further discuss our comments. If you have questions, please contact Randi Chapman, managing director, state relations, at Randi.Chapman@bcbsa.com or Lauren Choi, managing director for health data and technology policy, at Lauren.Choi@bcbsa.com.

Sincerely,



Clay S. McClure
Executive Director, State Relations

Innovation, Cybersecurity and Technology (H) Committee Draft Charges:

Draft Mission: To provide a forum for regulators to learn and have discussions regarding, cybersecurity, innovation, data security and privacy protections and emerging technology issues, to monitor developments in these areas that affect the state insurance regulatory framework, to coordinate NAIC efforts regarding innovation, cybersecurity, and technology across other committees, and to make recommendations and develop regulatory, statutory or guidance updates, as appropriate.

Draft Charges:

Ongoing Support of NAIC Programs, Products or Services

1. The **Innovation, Cybersecurity and Technology (H) Committee** will:
 - A. Provide forums, resources, and materials for the discussion of insurance sector developments in cybersecurity and data privacy to educate state insurance regulators on how these developments affect consumer protection, insurer and producer oversight, marketplace dynamics, and the state-based insurance regulatory framework.
 - B. Discuss emerging issues related to cybersecurity, including cybersecurity event reporting, and consumer data privacy protections. Monitor and advise on the cybersecurity insurance market including rating, underwriting, product development and loss control. Report on the cyber insurance market including data reported within the Cybersecurity Insurance and Identity Theft Coverage Supplement.
 - C. Coordinate with various subject matter expert groups on insurer internal cybersecurity. Discuss emerging developments and best risk management, internal controls, and governance practices and how jurisdictions can best address industry cyber risks and challenges. Work with the Center for Insurance Policy and Research to analyze cybersecurity related information from various data sources.
 - D. Provide forums, resources, and materials for the discussion of innovation and technology developments in the insurance sector, including the collection and use of data by insurers and state insurance regulators and new products, services, and distribution platforms. Educate state insurance regulators on how these developments affect consumer protection, data privacy, insurer and producer oversight, marketplace dynamics, and the state-based insurance regulatory framework.
 - E. Discuss emerging technologies and innovations related to companies, producers, regulators or licensees in addition to potential implications of these technologies for the state-based insurance regulatory structure—including, but not limited to, reviewing new products and technologies affecting the insurance space and the associated regulatory implications.
 - F. Consider and coordinate the development of regulatory guidance including model laws or model law revisions, white papers, and other recommendations related to innovation, cybersecurity, data privacy, use of big data and AI/ML in the business of insurance, and technology, as appropriate. Consider best practices related to cybersecurity event tracking and coordination.
 - G. Track the implementation of and issues related to all model laws pertaining to innovation, technology, data privacy, and cybersecurity including but not limited to, the NAIC Insurance

Data Security Model Law (*Model #668*), Insurance Information and Privacy and Privacy Protections Model Act (*Model #670*), Privacy of Consumer Financial and Health Information Regulation (*Model #672*), and the Unfair Trade Practices Act (*Model #880*) rebating language, providing assistance to jurisdictions as needed.

- H. Coordinate with other NAIC committees and task forces, including the Privacy Protections (D) Working Group, as appropriate, and evaluate and recommend certifications and trainings for examiners and insurer employees related to technology, innovation, cybersecurity, and data privacy.

I. Respond to inquiries from the U.S. Congress (Congress), the White House and federal agencies; analyze policy implications and their effect on the states of proposed and enacted federal legislation and regulations; and communicate the NAIC's position through letters and testimony, when requested.

2. The **Big Data and Artificial Intelligence (H) Working Group** will:

- A. Research the use of big data and artificial intelligence (AI) and machine learning (ML) in the business of insurance and evaluate existing regulatory frameworks for overseeing and monitoring their use. Present findings and recommend next steps, if any, to the Innovation, Cybersecurity and Technology (H) Committee and which may include model governance for the use of big data and AI/ML for the insurance industry.
- B. Review current audit and certification programs and/or frameworks that could be used to oversee insurers' use of consumer and non-insurance data and models using intelligent algorithms, including AI. If appropriate, ~~recommend to and~~ coordinate with the appropriate subject matter expert (SME) committees on ~~development of recommendations or~~ modifications to and if necessary, development of, model laws and/or regulations and regulatory guidance and/or handbooks regarding marketing, rating, underwriting and claims, regulation of data vendors and brokers, regulatory reporting requirements, and consumer disclosure requirements.
- C. Assess data needs and required tools for state insurance regulators to appropriately monitor the marketplace, and evaluate the use of big data ~~and intelligent~~, algorithms, and machine learning including AI in underwriting, rating, claims and marketing practices. This assessment shall include gaining a better understanding of currently available data and tools, as well as recommendations for additional data and tools, as appropriate. Based on this assessment, propose a means to include these tools into existing and/or new regulatory oversight and monitoring processes.

3. The **Speed to Market (H) Working Group** will:

- A. Consider proposed System for Electronic Rate and Form Filing (SERFF) features or functionality presented to the Working Group by the SERFF Advisory Board, likely originating from the SERFF Product Steering Committee (PSC). Upon approval and acquisition of any needed funding, direct the SERFF Advisory Board to implement the project. Receive periodic reports from the SERFF Advisory Board, as needed.
- B. Provide feedback and recommendations concerning the SERFF modernization when requested by the Executive (EX) Committee and any group assigned oversight of the SERFF modernization by the Executive (EX) Committee.
- C. Discuss and oversee the implementation and ongoing maintenance/enhancement of speed to market operational efficiencies related to product filing needs, efficiencies and effective consumer protection. This includes the following activities:
 - 1. Provide a forum to gather information from the states and the industry regarding tools, policies and resolutions to assist with common filing issues. Provide oversight in evaluating

- product filing efficiency issues for state insurance regulators and the industry, particularly with regard to uniformity. Evaluate the state survey results compiled in 2020 regarding the usefulness of existing tools and potential new tools, and propose a plan to make improvements.
2. Use SERFF data to develop, refine, implement, collect and distribute common filing metrics that provide a tool to measure the success of the speed to market modernization efforts as measured by nationwide and individual state speed to market compliance, with an emphasis on monitoring state regulatory and insurer responsibilities for speed to market for insurance products.
 3. Facilitate proposed changes to the product coding matrices (PCMs) and the uniform transmittal document (UTD) on an annual basis, including the review, approval and notification of changes. Monitor, assist with and report on state implementation of any PCM changes.
 4. Facilitate the review and revision of the *Product Filing Review Handbook*, which contains an overview of all of the operational efficiency tools and describes best practices for industry filers and state reviewers with regard to the rate and form filing and review process. Develop and implement a communication plan to inform states about the *Product Filing Review Handbook*.
- D. Provide direction to NAIC staff regarding SERFF functionality, implementation, development and enhancements. Direct NAIC staff to provide individual state speed to market reports to each commissioner at each national meeting. Receive periodic reports from NAIC staff, as needed.
- E. Conduct the following activities as desired by the Interstate Insurance Product Regulation Commission (Compact):
1. Provide support to the Compact as the speed to market vehicle for asset-based insurance products, encouraging the states' participation in, and the industry's usage of, the Compact.
 2. Receive periodic reports from the Compact, as needed.
4. **The E-Commerce (H) Working Group** will:
- A. Examine e-commerce laws and regulations; survey states regarding federal Uniform Electronic Transactions Act (UETA) exceptions; and work toward meaningful, unified recommendations. The working group will also examine whether a model bulletin would be appropriate for addressing some of the identified issues and will draft a proposed bulletin if determined appropriate.
5. **The Cybersecurity (H) Working Group** will:
- A. Monitor cybersecurity trends, vulnerabilities, and breaches with the potential to impact the insurance industry.
 - B. Interact with and support state insurance departments responding to insurance industry cybersecurity event.
 - C. Promote communication across state insurance departments regarding cybersecurity risks and events.
 - D. Oversee the development of a regulator cybersecurity response plan to assist regulators in the investigation of insurance cyber events.
 - E. Coordinate NAIC Committee cybersecurity work including but not limited to cybersecurity guidance developed by the Market Conduct Examination Guidelines (D) Working Group and the IT Examination (E) Working Group.
 - F. Advise NAIC staff on the development of cybersecurity training for regulators.

- G. Support states with implementation efforts related to the adoption of the Insurance Data Security Model Law (NAIC #668).
- H. Engage with Federal and international supervisors and agencies on efforts to manage and evaluate cybersecurity risk.

DRAFT

California Department of Insurance

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- C. Coordinate with various subject matter expert groups on insurer and producer internal cybersecurity. Discuss emerging developments; ~~and~~ best practices for risk management, internal controls, and governance; ~~practices~~ and how ~~jurisdictions-regulators~~ can best address industry cyber risks and challenges. Work with the Center for Insurance Policy and Research to analyze cybersecurity related information from various data sources.
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- F. Consider and coordinate the development of regulatory guidance ~~including model laws or model law revisions, white papers, and other recommendations~~ related to innovation, cybersecurity, data privacy, use of big data and AI/ML in the business of insurance, and technology, including drafting of model laws or model law revisions, white papers, and other recommendations as appropriate. Consider best practices related to cybersecurity event tracking and coordination among regulators, and produce guidance related to regulatory response to cybersecurity events.

California Department of Insurance

- G. Track the implementation of and issues related to all model laws pertaining to innovation, technology, data privacy, and cybersecurity including but not limited to, the NAIC Insurance Data Security Model Law (*Model #668*), Insurance Information and Privacy and Privacy Protections Model Act (*Model #670*), Privacy of Consumer Financial and Health Information Regulation (*Model #672*), and the Unfair Trade Practices Act (*Model #880*) rebating language, providing assistance to jurisdictions as needed.
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 - B. Review current audit and certification programs and/or frameworks that could be used to oversee insurers' use of consumer and non-insurance data, and models using intelligent algorithms, including AI. If appropriate, ~~recommend to issue~~ recommendations and coordinate with the appropriate subject matter expert (SME) committees on ~~development of~~ modifications to model laws ~~and/or,~~ regulations ~~and regulatory guidance and/or,~~ handbooks, and regulatory guidance, regarding marketing, rating, underwriting and claims, regulation of data vendors and brokers, regulatory reporting requirements, and consumer disclosure requirements.
 - C. Assess data ~~needs and required tools~~ and regulatory tools needed for state insurance regulators to appropriately monitor the marketplace, and evaluate the use of big data and intelligent algorithms, including AI in underwriting, rating, claims and marketing practices. This assessment shall include ~~gaining a better understanding a review~~ of currently available data and tools, as well as recommendations for development of additional data and tools, as appropriate. Based on this assessment, propose a means to include these tools into existing and/or new regulatory oversight and monitoring processes.
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California Department of Insurance

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 3. Facilitate proposed changes to the product coding matrices (PCMs) and the uniform transmittal document (UTD) on an annual basis, including the review, approval and notification of changes. Monitor, assist with, and report on state implementation of any PCM changes.
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 - F. Advise NAIC staff on the development of cybersecurity training for regulators.

California Department of Insurance

- G. Support states with implementation efforts related to the adoption of the Insurance Data Security Model Law (NAIC #668).
- H. Engage with Federal and international supervisors and agencies on efforts to manage and evaluate cybersecurity risk.

DRAFT



Date: November 15, 2021

Commissioner Jon Godfread, Chair
Superintendent Elizabeth Kelleher Dwyer
Innovation & Technology (EX) Task Force
National Association of Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106

Via Electronic Mail: dmatthews@naic.org

Re: NAIC Proposed Innovation, Cybersecurity, and Technology (H) Committee Draft Charges

Dear Commissioner Godfread and Superintendent Dwyer:

CyberAcuView appreciates the opportunity to comment on the draft charges for the NAIC's proposed Innovation, Cybersecurity, and Technology (H) Committee.

CyberAcuView was formed to help increase innovation and competition in the cyber insurance market and help combat the increasing threat of cyberattacks to society. CyberAcuView's objectives include (a) developing cyber insurance data standards to assure consistency (b) providing insight into the overall state of the cyber threat landscape (c) acting as a focal point for improving the industry's understanding of systemic risk threats; and (d) developing practical solutions so the industry can help both policyholders and broader society prepare for these events.

To date, the NAIC has done a commendable job educating its members and tracking the issues of insurance innovation, cybersecurity, and new technologies through a variety of executive and letter committee task forces and working groups. Creation of this new committee demonstrates the NAIC's recognition of how important and complex these issues are, and will continue to be, to the insurance industry, regulators, and consumers.

In general, the proposed charges for the committee and its working groups appear to be appropriate and cover a wide range of issues which would be considered. CyberAcuView and its members look forward to the details on how the committee and working groups intend to carry out those charges. While CyberAcuView intends to monitor the workstreams of all the working groups, we are particularly interested in the proposed Cybersecurity (H) Working Group. These charges align closely with much of the work we engage in daily.

CyberAcuView is a cyber insurance consortium with membership representing an overwhelming majority of direct writers of cyber insurance. Our company is in a unique position to assist and educate regulators and consumers on many issues related to cybersecurity and threats, cyber insurance and the market, cyber risk and management of risk, and other related issues.

CyberAcuView is not an industry trade group and does not participate in lobbying efforts. We seek to represent the collective voice of the cyber insurance industry in our efforts to educate industry, federal, state, and local regulators, government entities, and other interested organizations. CyberAcuView can be a valuable resource and we look forward to working collaboratively with both the Innovation, Cybersecurity, and Technology (H) Committee and its working groups, once approved.

Respectfully,

A handwritten signature in black ink, appearing to read "Monica G. Lindeen". The signature is fluid and cursive, with a large initial 'M' and 'L'.

Directory of Regulatory Affairs

Email: monica.lindeen@cyberacuvview.org

CyberAcuView
8130 Lakewood Main Street, Suite 103 #329
Lakewood Ranch, FL 34202

Medical Professional Liability Association

From: Simit Pandya <spandya@mplassociation.org>

Sent: Monday, November 15, 2021 8:45 AM

To: Matthews, Denise <DMatthews@naic.org>

Cc: Mike Stinson <mstinson@mplassociation.org>

Subject: Preliminary Feedback Related to Proposed 2022 Charges for New H Committee

Good Morning, Denise.

Thank you to the Innovation and Technology Task Force for the opportunity to provide feedback on the proposed 2022 charges for the new Innovation, Cybersecurity, & Technology (H) Committee. We are still soliciting feedback from our members on the charges, but wanted to propose the following modification to 5(D) on Page 3 regarding charges for the Cybersecurity (H) Working Group.

D. Oversee the development of a regulator cybersecurity response ~~plan~~ **guidance document** to assist regulators in the investigation of insurance cyber events.

We firmly believe that individual state insurance departments should be given flexibility to develop a regulator cybersecurity response plan that fits their state regulatory environment. The modification above clarifies that the regulator cybersecurity response document will serve as guidance for states to consider when developing their own response plan.

We will be sure to share any additional feedback that we receive from our members with the task force via email and during Friday's virtual meeting.

Thank you for your consideration.

Best Wishes,

Simit

Simit H. Pandya

Manager of Government Relations & Public Policy



2275 Research Blvd., Suite 250

Rockville, MD 20850

Office: 301-947-9000

Direct: 240-813-6136

spandya@mplassociation.org

www.MPLassociation.org

[MPL insurance professional education](#): Network with colleagues and hear from experts about trends and challenges in underwriting, claims, risk, patient safety, IT, HR, finance, legal, and more.

Michigan Department of Insurance and Financial Services

Innovation, Cybersecurity and Technology (H) Committee Draft Charges:

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Draft Charges:

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 - C. Coordinate with various subject matter expert groups on insurer internal cybersecurity. Discuss emerging developments and best risk management, internal controls, and governance practices and how jurisdictions can best address industry cyber risks and challenges. Work with the Center for Insurance Policy and Research to analyze cybersecurity related information from various data sources.
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Commented [AC(1): Consider an H Committee charge along the lines of: "Monitor the Financial Condition Examiners and Market Regulation Handbooks guidance on Insurance Data Security to ensure consistency in guidance, and providing best practices for coordination and sharing of information with other state regulators."

Commented [AC(2): Is the current language too limiting?

Michigan Department of Insurance and Financial Services

Regulation (*Model #672*), and the Unfair Trade Practices Act (*Model #880*) rebating language, providing assistance to jurisdictions, as needed.

- H. Coordinate with other NAIC committees and task forces, as appropriate, and evaluate and recommend certifications and trainings for examiners and insurer employees related to technology, innovation, cybersecurity, and data privacy.

Commented [AC(3)]: Should other state insurance department employees be included?

2. The **Big Data and Artificial Intelligence (H) Working Group** will:

- A. Research the use of big data and artificial intelligence (AI) in the business of insurance and evaluate existing regulatory frameworks for overseeing and monitoring their use. Present findings and recommend next steps, if any, to the Innovation and Technology (EX) Task Force ~~and which may include~~ including model governance for the use of big data and AI for the insurance industry.
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Commented [AC(4)]: Why is there a distinction between "consumer" and "non-insurance" data? Could this all be captured by saying just "consumer data"?

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Michigan Department of Insurance and Financial Services

on monitoring state regulatory and insurer responsibilities for speed to market for insurance products.

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 - F. Advise NAIC staff on the development of cybersecurity training for regulators.
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 - H. Engage with Federal and international supervisors and agencies on efforts to manage and evaluate cybersecurity risk.

Commented [AC(5)]: Regulator or regulatory? Possibly just delete the word "regulator".

Commented [AC(6)]: Should this be NAIC staff or the H Committee?

November 15, 2021

Commissioner Jon Godfread, Chair
NAIC Innovation and Technology (EX) Task Force
c/o Denise Matthews – dmatthews@naic.org
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197

Re: NAMIC comments – H Committee Draft Charges – November 2, 2021, exposure

Dear Commissioner Godfread and Members of the EX Task Force,

On behalf of National Association of Mutual Insurance Companies' ("NAMIC")¹ members, this letter provides comments regarding the draft charges of the Innovation, Cybersecurity, and Technology (H) Committee. NAMIC wants to sincerely thank the Task Force for providing the proposed text and substantive framework for the new H Committee, and the opportunity to comment on same. NAMIC understands and applauds the work of NAIC in this important and historic endeavor.

NAMIC looks forward to working with the new Innovation, Cybersecurity and Technology (H) Committee, the Big Data and Artificial Intelligence (H) Working Group, the Speed to Market (H) Working Group, the E-Commerce Working Group, and the Cybersecurity (H) Working Group. NAMIC looks forward to the possibility of partnering with the NAIC to identify the best approach to consumer benefits of artificial intelligence, machine learning, and predictive analytics. NAMIC shares in similar concerns with regulators and agrees that at times, it may be important to review the usage of guardrails in business models and ultimately for consumer protection and education. Please know that NAMIC stands able and ready to provide the access and demonstration of how innovation and technology, when used with appropriate protective measures, enhances, and fortifies: (1) positive experience for consumers who continue to demand barriers be removed to achieve desired service and outcomes; as well as (2) strong market competition. NAMIC wants to participate in the discussions to achieve progress and eradicate concerns in innovation and technology-related concepts. NAMIC members value contractual commitments made to their policyholders. NAMIC members also strive to reach the goal of symmetry in regulation. We also strongly

¹The National Association of Mutual Insurance Companies is the largest property/casualty insurance trade group with a diverse membership of more than 1,400 local, regional, and national member companies, including seven of the top 10 property/casualty insurers in the United States. NAMIC members lead the personal lines sector representing 66 percent of the homeowner's insurance market and 53 percent of the auto market. Through our advocacy programs we promote public policy solutions that benefit NAMIC member companies and the policyholders they serve and foster greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.



believe that it is beneficial to regulators, industry, and most importantly consumers when there is a competitive and robust marketplace that allows for a vast array of product availability to all consumers.

NAMIC is additionally supportive of adding this forum for understanding and discussing cybersecurity. Director Dean Cameron of Idaho, NAIC President-Elect, highlights the cybersecurity threat. While this concept can mean many things to different stakeholders, in many instances cyber is an issue of national and international security concern. Data security is paramount for all parties involved in the industry. NAMIC members have many years of experience addressing data security and look forward to additional conversations and utilization of their knowledge base.

NAMIC continues to remain supportive of the E-Commerce Working Group as well as of the removal of barriers for electronic transactions. The pandemic further highlights the need for our industry to continue business activities, despite the devastating consequences of the virus. NAMIC hopes these issues are resolved in a deliberate fashion and at a brisk pace; but in a way that protects the authority of the relief granted and provides needed stability for the industry from litigation or other regulatory risk.

In closing, NAMIC is optimistic regarding the H Committee charges and do not offer any substantive suggestions for alteration at this time. NAMIC understands this is only a framework for the tasks to be undertaken in support thereof, and there is much work to be done. NAMIC enters into this new era and letter committee creation with support and interest in providing productive input, feedback, commentary, and other educational or thought leadership that might benefit these endeavors. Thank you, again.

Sincerely,

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