NAIC NATIONAL MEETING
FALL 2022

Draft: 11/3/22

Virtual Meeting
(in lieu of meeting at the 2022 Fall National Meeting)

CYBERSECURITY (H) WORKING GROUP
Tuesday, November 15, 2022
2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

ROLL CALL

Cynthia Amann, Co-Chair	Missouri	Van Dorsey	Maryland
Wendy Erdly, Co-Chair	New York	Jake Martin	Michigan
C.J. Metcalf, Co-Vice Chair	Illinois	Troy Smith	Montana
Michael Peterson, Co-Vice Chair	Virginia	Martin Swanson	Nebraska
Sian Ng-Ashcraft	Alaska	Barbara D. Richardson	Nevada
Evan G. Daniels	Arizona	David Bettencourt	New Hampshire
Mel Anderson	Arkansas	Keith Briggs	North Carolina
Damon Diederich	California	Colton Schulz/Chris Aufenthie	North Dakota
Wanchin Chou	Connecticut	Don Layson/Todd Oberholtzer	Ohio
Matt Kilgallen	Georgia	Dan Petterson	Vermont
Lance Hirano	Hawaii	John Haworth	Washington
Shane Mead	Kansas	Rachel Cissne Carabell	Wisconsin

NAIC Support Staff: Miguel Romero/Frosty Mohn

AGENDA

1. Consider Adoption of its October 11 Minutes—*Wendy Erdly (NY)* — Attachment One

2. Discuss Cybersecurity with the Cybersecurity & Infrastructure Security Agency (CISA) — Attachment Two
   — *Brandon Wales (CISA) & Wendy Erdly (NY)*

3. Discuss Any Other Matters Brought Before the Task Force
   —*Wendy Erdly (NY)*

4. Adjournment

Draft: 10/31/22

Cybersecurity (H) Working Group
Virtual Meeting
October 11, 2022

The Cybersecurity (H) Working Group of the Innovation, Cybersecurity, and Technology (H) Committee met Oct. 11, 2022. The following Working Group members participated: Cynthia Amann, Co-Chair (MO); Wendy Erdly, Co-Chair (NY); C.J. Metcalf, Co-Vice Chair (IL); Michael Peterson, Co-Vice Chair (VA); Sian Ng-Ashcraft (AK); Damon Diederich (CA); Wanchin Chou (CT); Matt Kilgallen (GA); Lance Hirano (HI); Shane Mead (KS); Van Dorsey (MD); Jake Martin (MI); John Harrison (NC); Colton Schulz and Chris Aufenthie (ND); Don Layson and Todd Oberholtzer (OH); Dan Petterson (VT); John Jacobson (WA); and Rachel Cissne Carabell (WI).

1. Adopted its Summer National Meeting Minutes

Schulz made a motion, seconded by Erdly to adopt the Working Group's July 14 minutes (Attachment). The motion passed unanimously.

2. Heard an Update on International Work Related to Cyber

Rashmi Sutton (NAIC) started by introducing herself to the Working Group. She has worked with the NAIC on the international team for eight years. In that capacity, she is a member of the International Association of Insurance Supervisors' (IAIS') Operational Resilience Task Force (ORTF). By way of background, Sutton noted that the NAIC is a founding member of the IAIS, which was founded in 1994. The ORTF started meeting in the fall of 2020 to pull in all things resilience, including cybersecurity resilience. The mandate of the ORTF is to identify and assess factors and developments that may affect operational resilience in the insurance sector regarding information technology (IT) third-party outsourcing and insurance sector cyber resilience. The ORTF was tasked with taking stock of and reviewing relevant best practices from both the reinsurers' and supervisors' perspective. The ORTF's work will also consider the impact of the COVID-19 pandemic, specifically in the area of business continuity planning, both from the perspective of how it affected insurers and supervisors around the world.

The initial work of the ORTF was focused on information gathering. As part of its information gathering, the ORTF has heard from NAIC staff on the *Insurance Data Security Model Law* (#668 and about how examination processes have been enhanced in recent years to add cybersecurity questions to the work performed by state insurance regulators in the U.S. Other jurisdictions presented on their own efforts related to cybersecurity. As the information gathering came to a close, the ORTF settled on the first effort being an issues paper broadly focusing on insurer operational resilience, including cybersecurity resilience, third-party outsourcing, and business continuity management. Sutton explained that IAIS issues papers introduce a topic and its background while providing areas for future work that the IAIS could focus on. In contrast, IAIS application papers provide recommendations on best practices for supervisors to consider as they evaluate how their framework does or does not address international standards. The ORTF's work has progressed to where a public consultation will be held soon after the Working Group's meeting and would collect comments through early January 2023. This would represent an opportunity for state insurance regulators to provide feedback on the IAIS' work. Within the NAIC, feedback on international work is usually provided via the International Insurance Relations (G) Committee. However, given the subject matter, the Working Group and associated regulators could provide beneficial input.

Amann thanked Sutton for the presentation and asked that state insurance regulators consider volunteering to give feedback on the IAIS' issues paper when the comment period opens up. Romero further noted how important

it can be for state insurance regulators to engage in this work to make sure the end product adequately incorporates U.S. insurance regulator views, as appropriate.

3. Adopted the "Summary of Cybersecurity Tools" Memorandum

The Working Group next discussed the formerly exposed "Summary of Cybersecurity Tools" Memorandum. Amann noted that the document was exposed for a public comment period after the Working Group's last meeting on July 18 with a comment period ending August 16. No comments were received, but NAIC staff did identify minor revisions for state insurance regulators to consider. Romero discussed the attached "Summary of Cybersecurity Tools" memorandum drafted by NAIC staff as a resource for state insurance regulators. The memorandum describes the various tools that state insurance regulators have available, and it is intended to be a reference guide for future regulators who follow the Working Group's work. The revision reflected in the meeting materials clarifies that if state insurance regulators inquire pursuant to the Cybersecurity Vulnerability Response Plan, they may determine that an insurer was subject to a cybersecurity event. In that case, the revisions clarify that the intention is that the response plan would cease to be the right tool to guide the state insurance regulators' efforts and that they should instead consider a more detailed inquiry via other regulatory guidance. Romero further clarified that this "Summary of Cybersecurity Tools" is intended as an informative reference guide describing the tools available to state insurance regulators and is not intended as an authoritative piece of guidance.

Martin made a motion, seconded by Ng-Ashcraft, to adopt the "Summary of Cybersecurity Tools" memorandum as amended (Attachment). The motion passed unanimously.

4. Received an Update on the Cybersecurity Workstreams Document

Romero provided an update on the cybersecurity workstreams document (Attachment). The document describes the various workstreams underway related to cybersecurity that Romero was aware of as an aide to state insurance regulators interested in tracking cybersecurity-related work. The workstreams are not assignments of the Working Group but may still represent relevant projects that the Working Group may wish to be aware of. Romero noted the intention to post the document on the Working Group's page as a means of being transparent on the ongoing cybersecurity work being undertaken at or through the NAIC. He then provided an update on the contents of the workstreams document, noting how it included references to the following projects:

- Model #668
- *Financial Condition Examiners Handbook*
- *Market Regulation Handbook*
- Cybersecurity Tabletop Exercises
- Cybersecurity Research (Center for Insurance Policy and Research [CIPR])
- Incident Response Best Practices Guidelines for State Insurance Departments
- Coordination and Communication in Addressing Cyber Events
- European Union (EU)-U.S. Cyber Exercise Template (non-active workstream)
- Macroprudential (E) Working Group – Global Insurance Market Report (GIMAR)
- Operational Resilience Task Force – Issues Paper

5. Received a Preview of the Working Group's Meeting

Amann and Romero provided a preview of the Working Group's next meeting, which will feature a discussion with the Cybersecurity and Infrastructure Security Agency (CISA). This meeting builds on the update provided during

the Working Group's last meeting on July 14 from Brooke Stringer (NAIC), who talked about CISA's new role in cybersecurity incident reporting. NAIC staff are working with CISA staff to finalize the logistics, but the meeting is currently scheduled for Nov. 15. Amann requested input on discussion topics and questions, with Amann's goal being to understand the role CISA will play going forward on cybersecurity events. Romero further added that the discussion may be beneficial in allowing state insurance regulators to understand the work of this federal agency. Moreover, he suggested that the group discuss CISA's Shields Up program, which provides good insights that companies may find beneficial to bolster their security. Also, a dialogue with CISA may help ensure both CISA and state insurance regulators are comfortable sharing information when cybersecurity events take place.

6. Discussed Other Matters

Amann shared a development that the White House released a *Blueprint for an AI Bill of Rights* providing insights on the use of artificial intelligence (AI) and on cybersecurity matters.

Additionally, Mead promoted a cybersecurity summit in Kansas intended to unite the public sector and critical infrastructure resources of Kansas. He said the summit's aim is to build a stronger cybersecurity community in the state of Kansas but that it is open to all people that are interested. The event is scheduled for Oct. 25.

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

SharePoint/NAIC Support Staff Hub/

Fireside Chat with the Cybersecurity & Infrastructure Security Agency (CISA)

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Who is CISA?

CYBERSECURITY
& INFRASTRUCTURE
SECURITY AGENCY

What is the significance of the Cyber Incident Reporting for Critical Infrastructure Act of 2022 (CIRCIA)?

Cybersecurity Performance Goals

CISA & The NAIC

Shield's Up Program

Questions?