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## MEMORANDUM

**TO:** Commissioners, Directors, Superintendents, and Interested Parties  
**FROM:** Jennifer Neuerburg, Legal Counsel  
**DATE:** December 11, 2023  
**RE:** Action on Model Laws, Guidelines, and White Papers at the 2023 Fall National Meeting

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This memorandum describes NAIC action on model laws, guidelines, and white papers at the 2023 Fall National Meeting. For further information, including current drafts and staff support contacts for each item, please consult the NAIC web site ([www.naic.org](http://www.naic.org)), Committees page.

### **I. Actions by Executive (EX) Committee and Plenary**

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#### **A. Model Laws and Regulations Considered by the Executive (EX) Committee and Plenary**

##### **1. Amendments to the *Property and Casualty Insurance Guaranty Association Model Act* (#540)**

The Executive (EX) Committee and Plenary adopted two sets of amendments to the *Property and Casualty Insurance Guaranty Association Model Act* (#540). The first set of amendments was in response to a referral from the Restructuring Mechanisms (E) Working Group that identified the need to preserve guaranty fund coverage for policyholders subject to insurance business transfers (IBT) and corporate divisions (CD) where the policyholder had guaranty fund coverage before the transaction. The Executive (EX) Committee approved the model law development request for these amendments at the Summer 2022 National Meeting.

The second set of amendments clarify guaranty fund coverage of cybersecurity insurance. The Executive (EX) Committee approved the model law development request for these amendments at the Spring 2023 National Meeting.

##### **2. Amendments to the Part A Insurance Holding Company Systems Accreditation Standard**

The Executive (EX) Committee and Plenary adopted the 2020 revisions to the *Insurance Holding Company System Regulatory Act* (#440) and the *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions* (#450) as significant elements of Part A accreditation standards. The revisions implement a group capital calculation (GCC) for the purpose of group solvency supervision and a liquidity stress test (LST) for macroprudential

surveillance. The amendments also include provisions allowing the commissioner to grant exemptions to GCC for groups meeting standards set forth in Sections 21A and 21B of Model #450 without the requirement to file at least once. This exemption applies primarily to risk retention groups (RRGs). States should adopt the amendments by the effective date of Jan. 1, 2026, in order to comply with the accreditation standard.

**B. Guidelines Adopted by the Executive (EX) Committee and Plenary**

The Executive (EX) Committee and Plenary did not adopt any guidelines at the 2023 Fall National Meeting.

**C. Actuarial Guidelines Adopted by the Executive (EX) Committee and Plenary**

The Executive (EX) Committee and Plenary did not adopt any actuarial guidelines at the 2023 Fall National Meeting.

**D. Bulletins/Consumer Alerts Adopted by Executive (EX) Committee and Plenary**

***New: Model Bulletin on the Use of Algorithms, Predictive Models, and Artificial Intelligence Systems by Insurers***

The Executive (EX) Committee and Plenary adopted the *Model Bulletin on the Use of Algorithms, Predictive Models, and Artificial Intelligence Systems by Insurers*. The Model Bulletin informs insurance carriers that decisions impacting consumers that are made or supported by advanced analytical and computational technologies, including AI, must comply with all applicable insurance laws and regulations, including unfair trade practices. The Innovation, Cybersecurity, and Technology (H) Committee adopted the Model Bulletin on Dec. 1, 2023.

**E. White Papers Adopted by Executive (EX) Committee and Plenary**

The Executive (EX) Committee and Plenary did not adopt any white papers at the 2023 Fall National Meeting.

**II. Actions by Executive (EX) Committee**

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**A. Model Law and Regulation Requests Approved for Development by the Executive (EX) Committee**

The Executive (EX) Committee did not approve any model law or regulation requests for development at the 2023 Fall National Meeting.

### **III. Actions by Other Committees, Task Forces and Working Groups**

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#### **A. Life Insurance and Annuities (A) Committee**

The Life Insurance and Annuities (A) Committee did not take action on any model laws at the 2023 Fall National Meeting.

#### **B. Health Insurance and Managed Care (B) Committee**

##### ***White Paper: A Guide to Understanding Pharmacy Benefit Manager and Associated Stakeholder Regulation***

The Health Insurance and Managed Care (B) Committee adopted the white paper, *A Guide to Understanding Pharmacy Benefit Manager and Associated Stakeholder Regulation*, during an interim meeting on Nov. 2, 2023. This white paper is considered a Health Insurance and Managed Care (B) Committee document, and therefore, will not be presented to the Executive Committee and Plenary.

#### **C. Property and Casualty Insurance (C) Committee**

The Property and Casualty Insurance (C) Committee did not take action on any model laws at the 2023 Fall National Meeting.

#### **D. Market Regulation and Consumer Affairs (D) Committee**

The Market Regulation and Consumer Affairs (D) Committee adopted revisions to the *Unfair Trade Practices Act* (#880) to provide state insurance departments the means to regulate lead generators. The Executive (EX) Committee approved the model law development request for these amendments at the 2023 Spring National Meeting.

#### **E. Financial Condition (E) Committee**

The Financial Condition (E) Committee did not take action on any model laws at the 2023 Fall National Meeting.

#### **F. Financial Regulation Standards and Accreditation (F) Committee**

The Financial Regulation Standards and Accreditation (F) Committee did not take action on any model laws at the 2023 Fall National Meeting.

**G. Innovation, Cybersecurity, and Technology (H) Committee**

**New: Insurance Consumer Privacy Protection Model Law**

During an interim meeting on Nov. 16, 2023, the Innovation, Cybersecurity, and Technology (H) Committee approved the Privacy Protections (H) Working Group's request to extend the deadline for completion of the *Insurance Consumer Privacy Protection Model Law* until Dec. 31, 2024.