INFORMATION SYSTEMS (EX1) TASK FORCE

Information Systems (EX1) Task Force Aug. 5, 2020, Minutes
    2021 Proposed Charges (Attachment One)

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Draft: 8/18/20

Information Systems (EX1) Task Force
Virtual Summer National Meeting
August 5, 2020

The Information Systems (EX1) Task Force met via conference call Aug. 5, 2020. The following Task Force members participated: Kathleen A. Birrane, Chair, represented by Paula Keen (MD); Ricardo Lara, Vice Chair, represented by David Noronha (CA); Lori K. Wing-Heier (AK); Alan McClain represented by Letty Hardee (AR); Robert H. Muriel represented by Judy Mottar (IL); Vicki Schmidt represented by Shannon Lloyd (KS); Sharon P. Clark represented by Russell Hamblen (KY); Steve Kelley represented by Matthew Vatter (MN); Chlora Lindley-Myers represented by Cynthia Amann (MO); Barbara D. Richardson (NV); Jillian Froment represented by Tynesia Dorsey (OH); Kent Sullivan represented by Nancy Clark (TX); and Scott A. White represented by Vicki Ayers (VA). Also participating were: Chris Murray and Katrina Kelly (AK); Blase Abreo (AL); Bud Leiner, Vanessa Darrah and Cheryl Hawley (AZ); Charlene Ferguson, Stephanie Wong and Henry Tam (CA); Lady Mendoza (CT); Gordon I. Ito, Mio Shimamura and Melanie Fujiwara (HI); Doug Ommen and Kim Cross (IA); Lauren Peters and Cindy Anderson (IL); Jenifer Groth (IN); Timothy Schott and Pamela Roybal (ME); Christine Peters and Adam Goldhammer (MN); Kathy Shortt and Tracy Biehn (NC); Johnny Palsgraaf (ND); Russell Toal and Myra Morris (NM); Eileen Fox, Nellie Rosin and Leigh Solomon (NY); Ben Anderson, Lori Barron and Michelle Brugh Rafeld (OH); Ron Kreiter, Cuc Nguyen and Michael Parrott (OK); Tashia Sizemore, Brian Fordham and Kirsten Anderson (OR); David Kelly (PA); Matt Gendron (RI); David Muckerheide (TX); Trish Todd, Richard Tozer and Andrea Baytop (VA); Randy Fong, John Haworth and Molly Nollette (WA); Timothy Cornelius (WI); and Bryan Stevens (WY).

1. Consider Adoption of its 2019 Fall National Meeting Minutes

Director Wing-Heier made a motion, seconded by Ms. Amann, to adopt the Task Force's Dec. 6, 2019, minutes (*see NAIC Proceedings – Fall 2019, Information Systems (EX1) Task Force*). The motion passed unanimously.

2. Considered Adoption of its 2021 Proposed Charges

Mr. Noronha made a motion, seconded by Mr. Hamblen, to adopt the Task Force's 2021 proposed charges, which remain consistent with 2020. The motion passed unanimously.

3. Received an IT Operational Summary Report

Scott Morris (NAIC) highlighted several sections included in the Information Technology (IT) Operational Report received by the Task Force members. The report provides updates on technology initiatives at the NAIC, upcoming improvements, impacts to state technology, new offerings from the NAIC, and general updates on the activities of the NAIC technology team.

    a. Product Highlights

The Iowa and State Based Systems (SBS) teams successfully transitioned Iowa from legacy SBS to the new platform. This milestone was the first virtual transition due to the COVID-19 work environment. The final two states moving to the new platform this year are Tennessee (September) and North Carolina (November). Connecticut is currently licensed and in queue for its new implementation in 2021 and Hawaii for a 2022 implementation.

In mid-March, the NAIC swiftly moved into a work-from-home mode, given the COVID-19 pandemic. The NAIC team realigned priorities to support state insurance departments' needs around COVID-19. Some of the COVID-19 work and activities included:

*   Creating a regulator-only collaboration website for sharing COVID-19 related information.
*   Supporting members with SBS needs, such as extension of licenses, temporary license setup, continuing education (CE) waivers, certificate of authority emailing, etc.
*   Helping several states move to electronic payments using the NAIC Online Premium Tax for Insurance (OPTins) platform.
*   Completing the Property and Casualty data collection for business interruption insurance and supporting the life data collection.
*   Supporting virtual meetings, such as the 2,900 attendee COVID-19 special event.

- Creating a new SharePoint document portal as an iPad alternative for commissioners and senior staff to access meeting artifacts.

A RFP process was completed in the fourth quarter of 2019, and Deloitte was selected to complete an assessment of the System for Electronic Rate and Form Filing (SERFF) system. Deloitte started the assessment in January and completed interviews with over 100 stakeholders. Essentially, Deloitte found that the platform has performed well for states to help improve the rate and form filing process, but foundational improvements are needed. The report recommends a phased approach to SERFF's redesign, with a pilot phase and three implementation phases. That assessment was shared with the Executive (EX) Committee at the mid-year meeting, and it will be also be shared during the Roundtable at the Summer National Meeting, after which next steps will be determined.

OPT*ins* is used by 28 states to process premium and surplus lines tax forms and fees. It also allows taxes to be collected electronically, and some can be very large. The NAIC is working to reduce transactional risk by modifying OPTins to delay the settlement to states to reduce the number of failed payments. Prior to moving forward with this enhancement, the NAIC solicited feedback from the states on this change. Based on that input, the system enhancement will move forward, and it will be released in December, ahead of the 2020 annual filing deadline for most states.

b. Innovation & Technology

The NAIC continues to explore technology to provide secure, reliable and flexible options for its members. Creating an NAIC data cloud platform is one key area of focus, and many pieces are now in place and being configured. The NAIC is starting to test a proof of concept using a new data warehouse technology called Snowflake as the access point for a safe and secure way for the states to connect to NAIC datasets. The solution will provide access to read-only data, and it is being piloted with two states. Feedback from those participants will help shape the solution to best meet member needs as we move forward with building the platform.

Cloud migrations of the applications that the NAIC builds and supports for state insurance regulators are underway. Applications are being migrated to multiple test and development environments first. Once proven, the production systems that state insurance regulators use will be moved. Third and fourth quarters will also include database upgrades and migrations. The NAIC is targeting to be complete by the end of the year, with these migrations with full cut-over most likely occurring in the first quarter of 2021.

c. Service & Support

Overall NAIC service request volume remains steady at around 11,000 to 13,700 inquiries per month. In March, volume had increased by approximately 10%. This increase in volume was related to the COVID-19 pandemic, and the NAIC continues to receive calls related to this event. Overall, most of call drivers during the second quarter were primarily made up of industry users requesting assistance while accessing NAIC products and services to accomplish regulatory filing deadlines for annual statements (Internet Filing), premium and surplus lines tax filings (OPTins), product and rate filings (SERFF), annual corporate updates (Uniform Certificate of Authority Application—UCAA), and licensing transactions (SBS).

4. Received a Portfolio Update and Project Status Reports

Cheryl McGee (NAIC) reported on the project portfolio. As of July, the NAIC's technical project portfolio includes 23 active technical projects, 17 of which are projects of the *State Head* strategic plan. Two projects have been completed since the last report.

5. Discuss Other Matters

Ms. Keen said the Task Force will hold a regulator-only call in September to review the Attachment A documents for new 2021 financial impact statements that are considered technical projects.

Having no further business, the Information Systems (EX1) Task Force adjourned into a regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meetings.

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Adopted by the Executive (EX) Committee and Plenary, xxx.x, 2020
Adopted by the Internal Administration (EX1) Subcommittee, xxx.x, 2020
Adopted by the Information Systems (EX1) Task Force, Aug. 5, 2020

2021 PROPOSED CHARGES

INFORMATION SYSTEMS (EX1) TASK FORCE

The mission of the Information Systems (EX1) Task Force is to: 1) provide regulator-based technology expertise to the Internal Administration (EX1) Subcommittee; and 2) support committee activities and objectives by monitoring projects that provide technical services or systems for state-based insurance regulation, as prioritized by the Executive (EX) Committee.

Ongoing Support of NAIC Programs, Products or Services

1. The **Information Systems (EX1) Task Force** will:
   A. Serve as the Internal Administration (EX1) Subcommittee's project-independent technology monitor and consultant. This involves monitoring the development, deployment and operations of NAIC information technology (IT) systems and services for state insurance regulators and, based on this effort, providing reports and recommendations to the Subcommittee as appropriate. To achieve this, the Task Force will receive regular portfolio and technical operational reports.
   B. Provide consultation to the NAIC technology staff, as well as the interpretation of intent and specific technology direction where needed. For example, from time to time, NAIC technology staff may request approval of a specific technology approach, such as a proposal to drop support for a particular version of software. The Task Force will provide direction in such matters, either directly or through a working group. Task Force members will also communicate current and future state technology changes planned for their state to alert NAIC technology staff of potential impacts and requirements for NAIC systems and services used by state insurance regulators.
   C. Review, with technical recommendations for the Subcommittee: 1) Fiscal Impact Statements Appendix A for all *State Ahead* projects, as well as others involving a technology component exceeding $100,000 or 1,150 hours of technology staff development and which is not limited to the support of the internal operations; and 2) project requests that involve technology being submitted to the Subcommittee or directly to the Executive (EX) Committee.

NAIC Support Staff: Cheryl McGee/Sherry Stevens

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