

Draft Pending Adoption

Draft: 3/3/20

Information Systems (EX1) Task Force
Austin, Texas
December 6, 2019

The Information Systems (EX1) Task Force met in Austin, TX, Dec. 6, 2019. The following Task Force members participated: Al Redmer Jr., Chair, represented by Paula Keen (MD); Lori K. Wing-Heier (AK); Allen W. Kerr represented by Letty Hardee (AR); Keith Schraad represented by Tom Zuppan (AZ); Michael Conway represented by Damion Hughes (CO); Trinidad Navarro represented by Frank Pyle (DE); Robert H. Muriel represented by Judy Mottar (IL); Vicki Schmidt (KS); Nancy G. Atkins represented by John Melvin (KY); Chlora Lindley-Myers represented by Cynthia Amann (MO); Barbara D. Richardson (NV); Jillian Froment represented by Angela Dingus (OH); Glen Mulready represented by Cuc Nguyen (OK); Kent Sullivan represented by Kenisha Schuster, Regan Ellmer, Nancy Clark, Marianne Baker and David Muckerheide (TX); and Scott A. White represented by Vicki Ayers (VA). Also participating were: Robin David (DE); Elizabeth Nunes (GA); Jerry Ehlers (IN); Robert Baron (MD); Matt Vatter (MN); Jennifer Demory (OH); Kirsten Anderson and Brian Fordham (OR); Matt Gendron (RI); Jessica Sherpa (VT); and John Haworth (WA).

1. Adopted its Summer National Meeting Minutes

Ms. Dingus made a motion, seconded by Mr. Pyle, to adopt the Task Force's Aug. 2 minutes (*see NAIC Proceedings – Summer 2019, Information Systems (EX1) Task Force*). The motion passed unanimously.

2. Received an Update on Draft 2020 Fiscals with a Technology Component

Ms. Keen reported that the Task Force met Sept. 26, in 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, to review and discuss the technical approach described by the three proposed 2020 fiscal impact statements: 1) Cloud Transition Phase IV: Cloud Migration; 2) Enhanced Regulatory Data Collection; and 3) Uniform Certificate of Authority Application (UCAA) Redesign and Biographical Affidavit Database.

3. Received the IT Operational Report

Scott Morris (NAIC) highlighted four sections included in the Information Technology (IT) Operational Report received by the Task Force members. The report outlines work that the NAIC Information Technology Group (ITG) performs, new offerings from the NAIC, and general updates on the activities of the NAIC technology team.

a. Product Highlights

Missouri and West Virginia transitioned from Legacy State Based Systems (SBS) to the new platform. Five states remain to transition to the new platform as follows: Alaska (December), New Hampshire (February), Iowa (April), North Carolina (June) and Tennessee (August). Connecticut is currently licensed and in queue for its new implementation planned for early 2021. An SBS collaboration space was recently implemented to provide state insurance regulators with opportunities to connect with other state insurance regulators using the system.

The Market Analysis Procedures (D) Working Group's short-term limited duration (STLD) data call is a collaborative data call of 40 participating NAIC jurisdictions. This call used new features released in October for the Regulatory Data Collection (RDC) system. The enhancements allow business users to more easily set up a data call without assistance by the technology team. The administrative tool allows the user to define the data call format, data definitions, validations, and error tolerances. The tool and its database were moved to the cloud to take full advantage of the elasticity, resilience and flexibility of the cloud.

NAIC membership approved the System for Electronic Rate and Form Filing (SERFF) Data Hosting fiscal on Aug. 3 at the Summer National Meeting, allowing the NAIC to proceed with de-commissioning the current data hosting model and replacing it with NAIC hosting for industry customers. NAIC hosting services became available on Nov. 1, and replication of data to the current hosting vendors will cease on Dec. 31. NAIC hosting will eliminate the need for customers to log in to two different places to see submitted and hosted filings.

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The NAIC created a functioning proof of concept (POC) collaboration tool for the Big Data (EX) Working Group. NAIC technical and actuarial staff worked closely together to identify the processes and procedures to develop the POC to meet member requirements. The tool provides the ability to collaborate on big data topics. We expect to receive feedback and adjust before releasing to a wider group early next year.

On Oct. 18, the NAIC released a Request for Proposal (RFP) for analysis of SERFF. The NAIC will hire an agency to do detailed analysis of the capabilities of SERFF in conjunction with the business needs of the association and its members. SERFF was built in 1997, with the first production filings submitted in early 1998, and it is widely used and has many stakeholders. Responses to the RFP were evaluated by a team of three state insurance regulators to select the firm. The assessment is expected to take four to six months, and it will include interviews with key stakeholders, including state insurance regulators who use the system, commissioners, and industry users.

b. Innovation and Technology

Three strategic decisions were made to help optimize the cost footprint in the cloud, increase operational capacity, and add to internal technical leadership: 1) the NAIC engaged with Cloudreach to help identify cost saving opportunities and provide expert feedback and industry best practices to minimize cloud costs; 2) the NAIC decided to partner with a cloud managed service provider (MSP) to help manage cloud infrastructure. The MSP will perform activities like installing patches, performing backups, and monitoring the performance of infrastructure; and 3) the Chief Architect position was filled, and this role's top priority is the cloud technical strategy.

Work continues to implement capabilities for the Service Organization Control (SOC) 2 for the cloud. The team has submitted 23 of the 30 controls for review by outside auditors. The auditors provided feedback on additional items needed for the controls to be complete, and the team is working to complete these tasks, as well as the remaining controls.

Protecting data that the NAIC collects and stores continues to be a top priority. In October, the Data De-identification project completed the implementation of software and processes to protect Personally Identifiable Information (PII) data in NAIC and National Insurance Producer Registry (NIPR) test environments.

c. Service and Support

The NAIC's service request volume remains steady around 11,500–13,000 inquiries per month. The NAIC anticipates overall volume remaining steady throughout the remainder of the year. Key call drivers included: SBS transitions for Missouri and West Virginia; as well as industry filing deadlines for Internet Filing, Online Premium Tax for Insurance (OPT_{ins}), SERFF, risk-based capital (RBC), and Market Conduct Annual Statement (MCAS).

d. Team

The ITG team completed an engagement survey for the fourth consecutive year that measures the level of connection, motivation and commitment that staff feel for their place of work. This year, the survey was expanded to all NAIC employees. Also, the ITG Culture Committee was formed a year ago, and it meets bi-weekly in an effort to fulfill its mission, which is to embody, reinforce and promote the core values to all employees. The committee has recently morphed into an all NAIC culture committee.

4. Received a Portfolio Update and Project Status Reports

Cheryl McGee (NAIC) reported on the project portfolio. As of November, the NAIC's technical project portfolio includes 20 active technical projects, 17 of which are projects of the *State Head* strategic plan. Three projects have been completed since the last report.

5. Received an Update on the NAIC Catalog

Jennifer Boren (NAIC), the NAIC's SBS and Service Management Assistant Director, provided an overview of the new NAIC Technology Products and Services Catalog.

Draft Pending Adoption

6. Discussed Other Matters

Ms. Keen encouraged state insurance regulators—both current and new members—to reach out to their commissioner to serve on the Task Force next year if interested.

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