

## Special (EX) Committee on Race and Insurance Transition

At the Executive (EX) Committee meeting on March 25, and as contemplated by the Special (EX) Committee's charges "to ensure ongoing engagement of the NAIC on these issues through charges to its committees, task forces, and working groups," the Executive (EX) Committee will vote on concluding the work of the Special (EX) Committee and directing the A, B, and C Committees to consider the status of the workstreams efforts and adopt charges, as appropriate, to continue the work supporting the NAIC's mission to ensure fair, sound, and stable insurance markets. Each Committee can determine whether, given its overall structure and workplan, it will form a separate working group.

The Special (EX) Committee is charged with:

- Conducting research and analyzing the level of diversity and inclusion within the insurance sector.
- Engaging with a broad group of stakeholders on issues related to race, diversity, and inclusion in, and access to, the insurance sector and insurance products.
- Examining and determining which current practices or barriers exist in the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups.
- Making recommendations to the Executive (EX) Committee and the NAIC membership regarding steps that: 1) state insurance regulators and the insurance industry can take to increase diversity and inclusion within the sector; 2) should be taken to address practices that potentially disadvantage people of color and/or historically underrepresented groups; and 3) ensure ongoing engagement of the NAIC on these issues through charges to its committees, task forces, and working groups.

The Special (EX) Committee was originally comprised of five workstreams. The workstream directed at diversity within the insurance industry adopted recommendations to industry. The workstream directed at diversity within state insurance departments has been taken up by the Member Diversity Leadership Forum which will continue its work as directed by NAIC Members. The other workstreams concerning Life Insurance, Health Insurance, and Property and Casualty Insurance continued work through 2024.

The Dec. 18, 2024 reports from the Workstreams are included below.

- **Life Workstream**—As the Life Workstream reported to the Special (EX) Committee on Race and Insurance on Nov. 17, it plans to continue to focus on "marketing, distribution, and access to life insurance products in minority communities," including focusing on criminal history. Throughout 2024, the Workstream heard a number of presentations exploring the impact of criminal history on an applicant's ability to access life insurance. To learn more, the Life Workstream circulated a draft survey asking about insurers' use of criminal history in life insurance underwriting for a public comment period that ended Sept. 5. Based on the comments received, a revised chair draft survey was distributed and discussed during a public Webex call on Oct. 17. Work continues to finalize the survey questions and develop a process for issuing the survey.
- **Health Workstream**—As reported during the Special (EX) Committee's Nov. 17 meeting, since the Summer National Meeting, the Health Workstream met Oct. 24 and Sept. 9. During its Sept. 9

meeting, the Workstream heard from the Pennsylvania Insurance Department (PID) about its work related to the collection of race and ethnicity data in insurance applications. The Workstream also heard from Independence Blue Cross (IBX) on how the collection of relevant demographic data helps it identify health equity issues and then intervene and monitor progress to address identified problems. The Workstream also heard about the Blue Cross Blue Shield Association's (BCBSA's) National Health Equity Strategy. This strategy aims to address health disparities and build a more equitable healthcare system. The Data Equity Coalition, a partnership between the BCBSA, National Minority Quality Forum (NMQF), and 17 other organizations, focuses on setting standards for collecting accurate and representative data on race, ethnicity, language, sexual orientation, and gender identification, with the goal of improving health outcomes by optimizing the collection of relevant demographic data and addressing barriers to providing personal information. The Workstream continued its demographic data collection discussions during its Oct. 24 meeting. During this meeting, the Workstream heard from AHIP on the challenges with demographic data collection, such as inaccurate and incomplete data, lack of interoperability, and a non-patient-centric demographic data collection process. AHIP also discussed its Demographic Data Element Modernization Initiative, which is aimed at addressing some of these issues by modernizing and enhancing national demographic data content and exchange standards so that they are culturally sensitive, sufficiently granular, and allow for alignment across stakeholders. The Workstream also heard from NCQA about its approach to building a foundation of equity data for action, including using its Health Equity Accreditation program and embedding equity in various programs to advance this goal. The Workstream plans to meet in regulator-to-regulator session after the Fall National Meeting to consider its work to date and potential year-end deliverables. The Workstream also plans to continue its work on its collaborative space on NAIC Connect, which the Workstream intends to be a platform where Workstream members can share with other NAIC members the information it has captured during its meetings and serve as a platform for discussions and conversations about health equity and other related topics, including adding blog posts from various stakeholders on issues and topics relevant to its work.

- **Property/Casualty (P/C) Workstream**—The P/C Workstream met Nov. 16 to hear updates on the District of Columbia Department of Insurance, Securities and Banking (DISB) initiative to evaluate unintentional bias in private passenger automobile (PPA) insurance; California's low-cost auto insurance program; Casualty Actuarial Society (CAS) papers related to race and insurance; and Verisk's work related to the testing of models for bias. The Workstream also discussed the possibility of how the NAIC Property and Casualty Market Intelligence (PCMI) Data Call results could be leveraged.