BIG DATA (EX) WORKING GROUP
Saturday, December 7, 2019
8:00 – 9:00 a.m.

Meeting Summary Report

The Big Data (EX) Working Group met Dec. 7, 2019. During this meeting, the Working Group:

1. Adopted its Oct. 7 minutes, which included the following action:
   a. Adopted its Summer National Meeting minutes.
   b. Heard a presentation from ISO Claims Solutions regarding the use of big data in fraud detection and claims settlement. The presentation provided information on ISO’s ClaimSearch database.

2. Received a summary of prior discussions regarding the use of data in fraud detection and claim settlements, which included two presentations from ISO and a presentation from NICB, and discussed the Working Group members’ views on whether state insurance regulators have the appropriate regulatory authority under existing unfair trade laws and unfair claims settlement regulations to address marketplace practices.

3. Received an update on the work of the Casualty Actuarial and Statistical (C) Task Force. The Task Force continues to facilitate training and sharing of expertise on predictive analytics through webinars and conference calls on Aug. 27, Oct. 8, Oct. 22, and Nov. 26. The Task Force continues to work on its draft white paper on best practices for the regulatory review of predictive analytics and is reviewing comments from 11 interested parties.

4. Received an update on the work of the Accelerated Underwriting (A) Working Group, which held an organizing conference call on Oct. 2 to review a work plan for accomplishing its charge. The work plan contemplates three general phases to accomplish its work. The first phase is information gathering. The second phase is to identify issues and the best ways to address them (white paper, model bulletin, model law or something else). The third phase is to develop a work product by the 2020 Fall National Meeting.

5. Received an update on NAIC technical and non-technical rate review trainings. In addition to “book club” calls, the NAIC is developing technical and non-technical training. The technical training will be conducted by the NAIC’s consultant, Dorothy Andrews (Actuarial & Analytics Consortium, LLC), and will focus on training actuaries and statisticians. The non-technical training will target rate filing reviewers and market conduct examiners. This training will focus on evaluating rate classes for unfair discriminations and understanding when additional actuarial assistance is needed.

6. Received a presentation from Birny Birnbaum (Center of Economic Justice—CEJ) on the role of advisory organizations and the need to create the accountability and regulatory oversight of new vendors of big data algorithms as contemplated in antitrust laws and advisory organization statutes.

1. During its Dec. 3, 2019, call, the Working Group:
   a. Adopted its Sept. 12 minutes.
   b. Received an update from Bridget Kieras (NAIC) and Brandy Woltkamp (NAIC) regarding an upcoming business and technical assessment of the System for Electronic Rate and Form Filing (SERFF), as well as a survey sent to state insurance regulators to gather input on potential SERFF enhancements.

2. During its Sept. 12, 2019, call, the Working Group:
   a. Heard and discussed a presentation by Joy E. Morrison (NAIC), Ms. Kieras and Ms. Woltkamp regarding prioritization of SERFF enhancements regarding submission validations, review tools, workload management, performance and reliability, search, document management, reporting and data export, streamlined correspondence, and user experience.
The Artificial Intelligence (EX) Working Group of the Innovation and Technology (EX) Task Force met Dec. 7, 2019. During this meeting, the Working Group:

1. Discussed comments related to the Organisation for Economic Co-operation and Development (OECD) Artificial Intelligence Principles as a basis for developing artificial intelligence (AI) principles for the insurance industry.
   a. Reviewed a draft principles document from the North Dakota Insurance Department as a “strawman” for moving forward to complete the deliverable.
   c. The Working Group decided to hold at least one conference call to discuss the comments and the draft prior to the 2020 Spring National Meeting in Phoenix, AZ.