Meeting Summary Report

The Market Regulation and Consumer Affairs (D) Committee met Aug. 12, 2022. During this meeting, the Committee:

1. Adopted its July 15 minutes, which included the following action:
   A. Adopted a revised charge to delete a reference to the System for Electronic Rates & Forms Filing (SERFF) Advisory Board (SAB) since the SAB was disbanded at the Spring National Meeting.
   B. Adopted a revised charge of the Producer Licensing (D) Task Force to appoint a new Adjuster Licensing (D) Working Group to review adjuster licensing reciprocity and uniformity issues rather than the Producer Licensing (D) Task Force.
   C. Adopted a new “Other Health” Market Conduct Annual Statement (MCAS) Data Call and Definitions.
   D. Adopted revisions to the Homeowners MCAS to add digital claim interrogatories and lawsuit data elements and definitions.
   E. Adopted revisions to the Private Passenger Auto (PPA) MCAS to add digital claim interrogatories and lawsuit data elements and definitions.
   F. Adopted revisions to the Life MCAS to add accelerated underwriting (AU) data elements, interrogatories, and definitions.

2. Adopted revisions to the Market Regulation Handbook. These edit included: 1) revisions to Chapter 1 to encourage market regulators to coordinate with a company’s domestic financial regulator to obtain information related to the company’s group capital calculations (GCCs), liquidity stress test (LST) results, corporate governance, and Own Risk and Solvency Assessment (ORSA); 2) revisions to Exam Standard 1 of marketing and sales in Chapter 20 to add the NAIC’s Insurance Holding Company System Regulatory Act (§440) to the list of NAIC models to reference for guidance; and 3) revisions to Chapter 21 to include references to the NAIC’s Real Property Lender-Placed Insurance Model Act (§631).

3. Adopted a new Mental Health Parity chapter to the Market Regulation Handbook. This chapter will provide updated examination guidelines in response to the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) compliance analysis requirements for non-quantitative treatment limitations (NQTLs), which were amended at the federal level in 2021.

4. Adopted the “Recommendations for the Incorporation of Artificial Intelligence in the NAIC Market Information Systems.” The report recommends that artificial intelligence (AI) should be contemplated in the context of a long-range plan, beginning with repairing known issues with existing data and employing more rigorous traditional statistical techniques to assess predictive accuracy of analytical
tools. Subsequently, state insurance regulators can consider the potential collection of data appropriate to AI.

5. Adopted the “Guidelines for Amending the NAIC Uniform Applications.” These guidelines will be used for the review and adoption of substantive changes to the NAIC’s Uniform Licensing Applications in support of the NAIC and National Insurance Producer Registry (NIPR) mission of maintaining stable and consistent NAIC Uniform Applications for producer licensing.

6. Adopted the Antifraud Plan Repository Workflow. This workflow will serve as the template for the creation of a centralized filing system for insurers to report their antifraud plans to state insurance departments and eliminate the need for multiple state filings of the same plan.

7. Adopted the reports of its task forces and working groups: the Antifraud (D) Task Force; the Market Information Systems (D) Task Force; the Producer Licensing (D) Task Force; the Advisory Organization Examination Oversight (D) Working Group; the Market Analysis Procedures (D) Working Group; the Market Conduct Annual Statement Blanks (D) Working Group; the Market Conduct Examination Guidelines (D) Working Group; the Market Regulation Certification (D) Working Group; and the Speed to Market (D) Working Group.

8. Heard a presentation on dark patterns on websites, which are website designs that are designed to intentionally mislead consumers into making unintended choices.