Meeting Summary Report

The Innovation, Cybersecurity, and Technology (H) Committee met Aug. 10, 2022. During this meeting, the Committee:

1. Adopted its Spring National Meeting minutes, which included the following action:
   A. Adopted structural and charge revisions.
   B. Adopted its working group reports.
   C. Received a report on the Casualty Actuarial and Statistical (C) Task Force predictive model review process.
   D. Discussed various committee-level projects, including:
      i. The creation of a new Collaboration Forum that will serve as a platform for multiple NAIC committees to work together to identify and address foundational issues and develop a common framework.
      ii. The development of a portal or library of resources related to innovation, cybersecurity, data and consumer privacy, and technology.
      iii. The creation of a forum to facilitate training and education of state insurance regulators on innovation and technology topics, SupTech issues, and potential ways data and technology might affect the insurance sector in the future.
   E. Received an update on the implementation of the Insurance Data Security Model Law (#668) and the Unfair Trade Practices Act (#880) revised language specific to rebating.


3. Adopted the report of the Big Data and Artificial Intelligence (H) Working Group:
   A. The Working Group held a Collaboration Forum on Algorithmic Bias, which included a presentation from Scott Kosnoff (Faegre Drinker Biddle & Reath LLP) on different perspectives on artificial intelligence (AI) risk management and governance and a presentation from Eric Krafcheck (Milliman) on bias detection methods and tools.
   B. The Working Group received reports from Workstreams One and Two. Workstream One is focusing on AI/machine learning (ML) surveys lead by Commissioner Kevin Gaffney (VT), and Workstream Two reported on its work focusing on determining the appropriate regulatory evaluation of third-party data and model vendors.
4. Adopted the report of the Cybersecurity (H) Working Group, which met July 14 and took the following action:
   A. Received an update on its revised work plan, which includes: 1) developing a state insurance regulator cybersecurity survey; 2) considering the development of a cybersecurity response plan to aid state insurance regulators in situations where cybersecurity events take place within the insurance industry; 3) determining training that would be beneficial to state insurance regulators; and 4) monitoring state, federal, and international cybersecurity efforts.
   B. The Working Group also received an update on: 1) the implementation of Model #668; 2) federal activity related to cybersecurity; 3) the NAIC’s cybersecurity tabletop exercises; and 4) state insurance regulator cybersecurity tools. NAIC staff prepared a memorandum summarizing cybersecurity tools available to state insurance regulators as a resource for regulators.

5. Adopted the report of the E-Commerce (H) Working Group. The Working Group has been working to clarify and analyze the various issues raised by the states and industry in response to the e-commerce surveys that were sent out in late 2021. The Working Group prepared a working framework that identified five categories of issues: 1) e-signatures; 2) e-notices; 3) claims; 4) policy; and 5) a general “other” category. The Working Group plans to complete the updated framework and expose it for review and comment soon and hold an open meeting following the Summer National Meeting to discuss the framework and get feedback.

6. Adopted the report of the Innovation in Technology and Regulation (H) Working Group, including its May 25 minutes. During this meeting, the Working Group discussed different approaches insurance departments are taking related to encouraging innovation through technology in their states, and it plans to hold another meeting on industry perspectives related to those approaches after the Summer National Meeting.

7. Adopted the report of the Privacy Protections (H) Working Group, which included:
   A. Updates on state and federal privacy legislation.
   B. Comments received from various stakeholders on model law development.
   C. Next steps on the Consumer Data Ownership and Use white paper drafting efforts.
   D. Next steps for drafting a new model and the Working Group’s revised work plan.

8. Received an update on its projects, including the proposed ICT-Hub and Collaboration Forum on Algorithmic Bias Fly-In.

9. At the conclusion of the Committee meeting and as a part of the Collaboration Forum on Algorithmic Bias Panel, the Committee members heard presentations entitled, “Approaches Companies Are or Can Implement to Manage and Mitigate the Risk of Unintended Bias and Illegal Discrimination When Developing and Using AI/ML” from:
   A. Dale Hall, Managing Director of Research for the Society of Actuaries (SOA).
   B. Tulsee Doshi, Head of Product for Responsible AI & Human Centered Technology at Google and an Advisor of Lemonade Insurance Company.
   C. Daniel Schwarcz, a professor at the University of Minnesota.