



Date: 4/6/22

*2022 Spring National Meeting
Kansas City, Missouri*

INNOVATION, CYBERSECURITY, AND TECHNOLOGY (H) COMMITTEE

Tuesday, April 5, 2022

2:30 – 4:00 p.m.

Meeting Summary Report

The Innovation, Cybersecurity, and Technology (H) Committee met April 5, 2022. During this meeting, the Committee:

1. Adopted structural and charge revisions, which included the following action:
 - A. Moved the Speed to Market (H) Working Group to the Market Regulation and Consumer Affairs (D) Committee.
 - B. Moved the Privacy Protections (D) Working Group from the Market Regulation and Consumer Affairs (D) Committee to the Innovation, Cybersecurity, and Technology (H) Committee.
 - C. Modified the charge to the Privacy Protections (H) Working Group to add the words “data ownership and use rights” to the charge.
 - D. Appointed a new working group, the Innovation in Technology and Regulation (H) Working Group, and adopted proposed charges.
2. Adopted the report of the Big Data and Artificial Intelligence (H) Working Group, including its 2022 work plan including the following workstreams:
 - A. Complete survey work including analysis of the private passenger auto (PPA) artificial intelligent (AI)/machine learning (ML) survey results and development of a homeowners and life insurance AI/ML survey.
 - B. Analyze third-party vendors providing data and AI/ML models in the insurance industry.
 - C. Gather data and evaluate information on governance models/frameworks and software tools/resources from various sources, including vendors, academics, industry, and international supervisory authorities. This could assist state insurance regulators in overseeing and monitoring industry’s use of data and AI/ML and eliminate unintended bias in such use.
 - D. Determine how to implement the expectations outlined in the NAIC AI Principles and provide suggestions on next steps, which could include regulatory guidance such as model governance.
 - E. Received a report on the status of the AI/ML survey work.
3. Adopted the report of the Cybersecurity (H) Working Group, which met March 23 and took the following action:
 - A. Reviewed its charges and discussed potential projects including:
 - i. The development of a cybersecurity response plan to aid state insurance regulators in situations where cybersecurity events take place within the insurance industry.
 - ii. The development of a cybersecurity survey to better understand cybersecurity practices by insurers.

- iii. The development of cybersecurity-related training that would be beneficial to state insurance regulators.
 - B. Heard a report on state, federal, and international cybersecurity efforts.
- 4. Adopted the report of the E-Commerce (H) Working Group, which met March 30 and took the following action:
 - A. Heard a summary of the recent state and industry surveys regarding the federal Uniform Electronic Transactions Act (UETA), actions taken by states regarding e-commerce both during and because of the COVID-19 pandemic, and industry concerns and recommendations moving forward with electronic commerce.
 - B. Discussed its overall work plan and timelines moving forward.
- 5. Received a report on the Casualty Actuarial and Statistical (C) Task Force predictive model review process. The report included an update on the Task Force's meetings on rate filing issues and its predictive analytics webinars called the "Book Club." The Task Force has reviewed 54 rate models and produced 127 reports to assist state insurance regulators with model reviews.
- 6. Received a report from the Privacy Protections (D) Working Group, which met April 4 and took the following action:
 - A. Heard updates on state and federal privacy legislation.
 - B. Discussed comments received from the American Council of Life Insurers (ACLI) and the Health Coalition on the Working Group's 2022 work plan.
- 7. Discussed various Committee-level projects, including:
 - A. 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 that can inform the specific workstreams in each group. The first Collaboration Forum will be on algorithmic bias.
 - B. The development of a portal or library of resources related to innovation, cybersecurity, data and consumer privacy, and technology tentatively called the "ICT-Hub."
 - C. The creation of a forum to facilitate training and education of state insurance regulators on innovation and technology topics, supotech issues, and potential ways that data and technology might affect the insurance sector in the future.
- 8. Received an update on implementation of the *Insurance Data Security Model Law* (#668) and the *Unfair Trade Practices Act* (#880) revised language specific to rebating.

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