The Market Regulation and Consumer Affairs (D) Committee met Dec. 8, 2020. The following Committee members participated: Barbara D. Richardson, Chair (NV); Sharon P. Clark, Vice Chair (KY); Alan McClain represented by Crystal Phelps (AR); Trinidad Navarro (DE); Dean L. Cameron (ID); Robert H. Muriel (IL); Anita G. Fox represented by Michele Riddering (MI); Chlora Lindley-Myers and Cynthia Amann (MO); Mike Causey represented by Michelle Osborne and Tracy Biehn (NC); Russell Toal represented by Robert Doucette (NM); Doug Slape (TX); Michael S. Pieciak represented by Christina Rouleau (VT); and Mark Afable and Rebecca Rebholz (WI). Also participating were: Bruce R. Ramge (NE); Michele Brugh Rafeld (OH); Elizabeth Kelleher Dwyer (RI); and John Haworth (WA).

1. **Adopted its Summer National Meeting Minutes**

   Commissioner Clark made a motion, seconded by Commissioner Navarro, to adopt the Committee’s Aug. 11 minutes (see NAIC Proceedings – Summer 2020, Market Regulation and Consumer Affairs (D) Committee). The motion passed unanimously.

2. **Adopted its 2021 Proposed Charges**

   Commissioner Richardson said each task force adopted its 2021 proposed charges in October, and the draft charges of the Committee were circulated to the Committee members for review and comment on Nov. 6. She said the charges were posted to the NAIC website the week of Nov. 23.

   Commissioner Richardson said the 2021 proposed charges of the Committee are very similar to the 2020 charges except for edits to the charges of the Market Conduct Examination Standards (D) Working Group. For 2021, she said the Working Group has been renamed the Market Conduct Examination Guidelines (D) Working Group. The Working Group will continue to focus on the development of examination standards and data calls to be incorporated into the *Market Regulation Handbook* (Handbook), but it will also focus on developing exam templates, such as a sample exam call letter, for states to reference. Commissioner Richardson said the Working Group will also have a closer tie to the activities of the Innovation and Technology (EX) Task Force’s work in developing guidance for the oversight of insurers’ use of data and models using artificial intelligence (AI).

   Director Lindley-Myers made a motion, seconded by Commissioner Clark, to adopt the Committee’s 2021 proposed charges (see NAIC Proceedings – Fall 2020, Executive (EX) Committee and Plenary, Attachment Two). The motion passed unanimously.

3. **Adopted Revisions to Guideline #1690**

   Commissioner Navarro said the Antifraud Technology (D) Working Group has revised the 2011 *Antifraud Plan Guideline* (#1690). He said the focus was to reorganize the guideline more intuitively, eliminate repetitive requirements, and add suggestions to better meet existing requirements for most states.

   Commissioner Navarro said the Working Group adopted the revisions and presented the revised guideline to the Antifraud (D) Task Force on Oct. 29. He said the Task Force exposed the revisions for a public comment period ending Nov. 12. No comments were received on the revised guideline, and the Task Force adopted the revisions on Nov. 16. Commissioner Navarro said Ms. Rafeld and Armand Glick (UT) were integral to completing the revisions.

   Ms. Rafeld said, in 2019, the Working Group determined that the guideline would be a great resource for the creation of an electronic antifraud submission or repository system to help streamline the submission of antifraud plans nationwide. She said for more than a year, interested parties, interested state insurance regulators, consumer representatives and industry representatives worked on redesigning the guideline to provide valuable insight on key elements an insurance company should consider when developing an antifraud plan.

   Ms. Rafeld said the following revisions were made: 1) the 2011 guideline was not written as a law or rule, so the language was updated to assist jurisdictions in their rulemaking and lawmakers process; 2) the content of the guideline was rearranged so
that it is more intuitive and will assist insurers in taking a logical and comprehensive approach to developing an antifraud plan; 3) definitions were added to reduce different interpretations; 4) the language was streamlined to eliminate duplication and requirements that were overly burdensome to insurers or were functions not performed by insurer Special Investigation Units (SIUs); 5) all current state requirements were added; and 6) new content was added to address hurdles faced by fraud directors in investigating allegations of agent misconduct and insurance fraud.

Ms. Rafeld said, while the development and submission of an antifraud plan is not mandated in all states, most state departments of insurance (DOIs) and fraud fighting agencies believe the development of an antifraud plan is a significant and important best practice for insurers, so the revised guideline provides valuable guidance to insurers looking to have strong antifraud measures in place. She said the Antifraud Technology (D) Working Group and the Antifraud (D) Task Force believe that the revised guideline can tremendously assist state fraud bureaus planning to introduce new antifraud plan legislation or revise existing antifraud plan laws in their jurisdictions.

Ms. Rafeld said the Antifraud (D) Task Force intends to utilize the revised guideline as a basis for developing an antifraud plan submission system. Until a system can be developed, the Task Force believes that the revised guideline is a very important antifraud tool for state insurance regulators and the industry.

Birny Birnbaum (Center for Economic Justice—CEJ) said the guideline drafting group explicitly excluded a requirement for insurers to test antifraud data and algorithms for bias and proxy discrimination against protected classes. He asked why the drafting group did not include that requirement.

Ms. Rafeld said the group knew this was an important topic, but there were other working groups and task forces addressing the issue, and it would be premature to include such a requirement in the guideline. She noted that many SIUs do not necessarily deal with those issues. She said the Working Group would consider those issues after the other work has been done by the other working groups.

Commissioner Navarro made a motion, seconded by Mr. Doucette, to adopt the revisions to the 2011 Guideline #1690 (Attachment One). The motion passed unanimously.

4. **Adopted Revisions to the MCAS**

Commissioner Richardson said the Market Conduct Annual Statement (MCAS) revision process was developed so insurance companies would have appropriate notice regarding what MCAS data needs to be captured in the coming year for future MCAS filings. She said the Market Conduct Annual Statement Blanks (D) Working Group must adopt substantive revisions, such as the addition of data elements or non-technical changes to definitions, by June 1. The Committee must then adopt the proposed revisions by Aug. 1. Finally, the Executive (EX) Committee and Plenary must adopt the proposed revisions by Dec. 31.

Ms. Rebholz said that earlier in 2020, the Working Group decided to make the MCAS questions regarding lawsuits consistent across all lines of business. As a result, the Working Group voted to add the data element “Lawsuits Closed in Consideration of the Consumer” to the home and auto MCAS blanks, and it copied the 2021 “lawsuit” definition from the life and annuity MCAS Data Call and Definitions. She said the Committee adopted the revisions on July 27.

Ms. Rebholz said the Working Group later became aware of unintended complications caused by directly using the definitions from the life and annuity MCAS Data Call and Definitions. She said the definition of “lawsuit” in the life and annuity MCAS Data Call and Definitions is specific to those lines of business, and it does not transfer well to the home and auto lines of business. She said, on Nov. 16, the Working Group voted to revert the 2021 “lawsuit” definition back to the definition used in 2019 and 2020. She said this means that company MCAS filings for the 2021 data year will use the 2020 data year definition of “lawsuit.”

Ms. Rebholz said, with the reversion to the 2020 “lawsuit” definition, the definition of “Lawsuits Closed During the Period with Consideration for the Consumer” needs to be clarified. To keep this definition in line with the 2019 and 2020 “lawsuit” definition currently being used in the home and auto MCAS blanks, the phrase “applicant, policyholder, or beneficiary” needs to be replaced with “claimant.”

Ms. Rebholz said the Working Group agrees with the proposed solution for the definition of “Lawsuits Closed During the Period with Consideration for the Consumer.” She asked that the Committee approve the Working Group decision to continue
using the definition of “lawsuit” used for the 2019 and 2020 data years and approve the edits to the definition of “Lawsuits Closed During the Period with Consideration for the Consumer.”

Ms. Rebholz said the Working Group believes that these are technical nonsubstantive changes that comply with the MCAS revision process. She said the “lawsuit” definition will be the same as the 2020 definition, and the change to the “Closed with Consideration for the Consumer” data element, which was adopted prior to June 1, is a clarification that the data element applies to lawsuits arising from claims.

Ms. Rebholz said the Working Group will more closely revisit the auto and home MCAS definition of “lawsuit” in spring 2021 to determine whether it wants to make a change to definition and, if so, the best way to do so.

Commissioner Clark made a motion, seconded by Commissioner Afable, to adopt the revisions to the auto and home MCAS definitions of “lawsuit” and “Lawsuits Closed During the Period with Consideration for the Consumer” (Attachment Two). The motion passed.

5. **Adopted SDRs for LTC and Updates to the Market Regulation Handbook**

Director Ramge said on Nov. 19, the Market Conduct Examination Standards (D) Working Group adopted a new long-term care (LTC) policy-in-force standardized data request (SDR) and a new LTC claims SDR. He said the Working Group also updated examination standards addressing supplementary and short-term limited-duration (STLD) health insurance plans.

Director Ramge said the LTC SDRs will be incorporated in the Handbook reference documents. Director Ramge said the updated health examination standards are based upon the *Supplementary and Short-Term Health Insurance Minimum Standards Model Act* (#170), and they will be included in Chapter 24—Conducting the Health Examination of the Handbook.

Mr. Doucette made a motion, seconded by Commissioner Navarro, to adopt the LTC policy-in-force SDR (Attachment Three), the LTC claims SDR (Attachment Four) and the updates to Chapter 24 of the Handbook (Attachment Five). The motion passed unanimously.

6. **Adopted its Task Force and Working Group Reports**

   a. **Antifraud (D) Task Force**

Commissioner Navarro said the Antifraud (D) Task Force met Nov. 16 and took the following action: 1) adopted its Oct. 30 and Oct. 26 minutes; 2) adopted revisions to Guideline #1690; and 3) received updates from the Antifraud Education Enhancement (D) Working Group; and 4) heard reports on matters of national interest to the insurance fraud bureaus from the National Insurance Crime Bureau (NICB) and the Coalition Against Insurance Fraud (CAIF). He said the Antifraud Education Enhancement (D) Working Group hosted an investigator safety webinar on Sept. 30 for state insurance investigators, which had more than 230 attendees from all over the country. He said the Working Group also held an advanced training webinar on Nov. 19 concerning ecoATM, which is an outside source assisting fraud investigators with fraudulent claims involved mobile devices.

   b. **Producer Licensing (D) Task Force**

Superintendent Dwyer said the Producer Licensing (D) Task Force met Nov. 13 and adopted its Oct. 30 minutes, which included adoption of the Task Force’s 2021 proposed charges.

Superintendent Dwyer said the Task Force discussed state implementation of remote examinations. She said the National Insurance Producer Registry (NIPR) continues to work with the states and testing vendors to track state implementation of online examinations. She said 25 states have implemented online examinations, and two other states are scheduled to implement online examinations during the fourth quarter of 2020. She said in response to a request from the American Council of Life Insurers (ACLI), the Task Force requested that the Producer Licensing Uniformity (D) Working Group review the examination standards in the *State Licensing Handbook* regarding state implementation of remote examinations to avoid disruptions should physical testing become unavailable.

Superintendent Dwyer said the Task Force discussed adjuster licensing uniformity and reciprocity, which included the following issues for future discussion: 1) home state examination requirement only; 2) simplified fingerprinting; 3) using a uniform application; 4) implementing uniform license renewals; 5) implementing uniform and reciprocal continuing education
Draft Pending Adoption

(CE); 6) streamlining the licensing of adjusters after catastrophe losses; 7) eliminating the licensing of adjusters by line of authority; and 8) implementing consistent application of the Designated Home State standard.

Superintendent Dwyer said the Task Force received updates from the Producer Licensing Uniformity (D) Working Group and the Uniform Education (D) Working Group. She said the two working groups have not met this year, but they reported that 37 jurisdictions have signed the NAIC Continuing Education Reciprocity (CER) Agreement, which the NAIC membership adopted earlier this year.

Superintendent Dwyer said the Task Force discussed producer licensing uniformity and reciprocity, which the NAIC last formally reviewed in 2011. She said, in 2011, the National Association of Registered Agents and Brokers (NARAB) (EX) Working Group recommended to the NAIC membership that 40 jurisdictions be certified as reciprocal for the purposes of the federal Gramm-Leach-Bliley Act (GLBA). She said it is unknown when the NARAB Board might be appointed pursuant to NARAB II, which was signed into law in 2015. She said the Task Force agreed that further review of state compliance with uniform and reciprocal licensing standards should occur.

Superintendent Dwyer said the Task Force discussed draft procedures for amending the NAIC uniform applications, which were drafted as a starting point to address the Task Force’s charge to “draft procedures for amending the NAIC’s uniform producer licensing applications and uniform appointment form to ensure consistency with the NAIC membership’s goal of maintaining uniform and stable applications that encourage the efficient use of electronic technology.” She said the Task Force has exposed the draft procedures for a public comment period ending Dec. 14.

Superintendent Dwyer said the Task Force received a report from the NIPR Board of Directors. She said NIPR’s assets are $5.16 million higher than this time last year, and it is scheduled to achieve its budgeted revenue target for 2020. She said the NIPR Board of Directors is developing the 2021 budget and a strategic plan for the next three years. She noted that NIPR continues to be a source of producer licensing-related information for the states and industry through its COVID-19 Information Resource Center on the NIPR website, which centralizes the state specific bulletins relating to producer licensing and exam vendor updates.

Superintendent Dwyer said the Task Force also discussed producer licensing standards for pet insurance in response to the Pet Insurance (C) Working Group’s recommendation to remove Section 6 from the draft Pet Insurance Model Act and replace it with a drafting note that reads, “when each state considers adopting this model, they should review the NAIC State Licensing Handbook and other guidance adopted by the Task Force with respect to licensing issues.” She said the Task Force requested that the Producer Licensing Uniformity (D) Working Group review the uniform licensing standards for pet insurance.

c. Market Conduct Examination Standards (D) Working Group

Director Ramge said the Market Conduct Examination Standards (D) Working Group met Nov. 19 and Oct. 20. Director Ramge said, on Nov. 19, the Working Group: 1) adopted revisions to the introduction section and the marketing and sales examination standards two and three in the Conducting the Health Examination chapter for inclusion in the Handbook; and 2) adopted a new LTC in-force policy SDR and a new LTC claims SDR for inclusion in the reference documents of the Handbook. Director Ramge said on Oct. 20, the Working Group: 1) discussed revisions to the “Conducting the Health Examination” chapter of the Handbook to address the provisions of the Supplementary and Short-Term Health Insurance Minimum Standards Model Act (#170); and 2) discussed LTC SDRs addressing in-force policies and LTC claims for inclusion in the reference documents of the Handbook.

d. Market Analysis Procedures (D) Working Group

Mr. Haworth said the Market Analysis Procedures (D) Working Group met three time since the Summer National Meeting. He said the Working Group met Nov. 12, Oct. 22 and Sept. 10.

Mr. Haworth said the Working Group reviewed the 2020 MCAS filings for the current filing period. He said the Working Group provided all companies with a 60-day extension to file due to the COVID-19 pandemic. However, he said there were many companies filing MCAS filings for the first time, and many of them asked for additional extensions. He said the Working Group is considering requiring companies to report how the COVID-19 pandemic affected their 2020 data.

Mr. Haworth said the Working Group heard updates on the revisions to the MCAS Best Practices Guide and the market analysis chapters of the Handbook. He said the MCAS Best Practices Guide was first developed about eight years ago and was overdue for updating. He said the revisions are now complete, and the drafting group is going to review other MCAS documents to
Mr. Haworth said during the Nov. 12 meeting, the Working Group discussed an industry request to allow the ability for more than one attestation per NAIC company code. He said companies that file multiple lines of business or in multiple states often have different people who should attest to the data. He said the Working Group plans to consider options for allowing companies to have multiple attestors in the MCAS.

Mr. Haworth said the Working Group began discussions on providing technical market analysis training to state insurance regulators, and it is receiving comments on what training is needed by jurisdictions.

e. Market Conduct Annual Statement Blanks (D) Working Group

Ms. Rebholz said the Market Conduct Annual Statement Blanks (D) Working Group met Nov. 16. She said, in addition to discussing needed edits to the home and auto MCAS, the Working Group considered options for the collection of transaction-level data.

Ms. Rebholz said the Market Conduct Annual Statement Blanks (D) Working Group is currently working to create MCAS blanks for lines of business approved by the Market Analysis Procedures (D) Working Group. She said the new lines of business are “other health” and travel insurance. She said the CEJ submitted proposals for capturing MCAS data for these two new lines of business at the transaction level. She said the Working Group had several questions, and it asked NAIC Information Technology Group (ITG) staff to provide a presentation about transaction-level data collection during the Working Group’s October meeting. She said this provided the Working Group with a better understanding of transaction-level data, along with potential technical effects. She said during its November meeting, the Working Group further discussed proposals for capturing transaction-level data for the MCAS.

Ms. Rebholz said, while the Working Group members are interested in transaction-level data, the Working Group determined that the collection of this type of data does not fit into the current structure of MCAS reporting, and review of this type of data at the state level would put a strain on available resources. She said the Working Group does not plan to pursue transaction-level data collection at this time. She asked the Committee to advise the Working Group if it desires more work to be done in the direction of transaction-level data reporting for the MCAS.

Commissioner Richardson asked the Committee for its thoughts on the collection of MCAS data at the transaction level.

Mr. Birnbaum noted that earlier in the meeting, the Committee adopted transaction-level reporting for LTC. He said there is no impediment. He said the MCAS does not specify that data must be collected at either a summary or transaction level. He asked what issues the Working Group members have with transaction-level reporting.

Ms. Rebholz said collecting MCAS data at a transaction-level would be a sea change for the MCAS. She also said even though the NAIC could roll up the transaction-level data into summary level reports for market analysts, the data still needs to be analyzed at both the summary and transaction levels. She said the Working Group did not think it could make that big of a change without direction from the Committee.

Commissioner Clark made a motion, seconded by Commissioner Afable, to defer discussion on transaction-level data collection until a later date. The motion passed unanimously.

f. Market Regulation Certification (D) Working Group

Mr. Haworth said the Market Regulation Certification (D) Working Group met three times since the Summer National Meeting. He said the Working Group met Nov. 12, Oct. 19 and Sept. 9.

Mr. Haworth said the Working Group developed and discussed a scoring matrix for the Voluntary Market Regulation Certification Program. He said the pass-and-fail scoring matrix divides the checklist questions into three color-coded categories. They are red for mandatory requirements, yellow for non-mandatory requirements, and green for questions that only provide supporting documentation. Mr. Haworth said the mandatory requirements need to be met for a jurisdiction to be certified. He said the non-mandatory requirement scores will be weighted based on their importance to the ideal functioning of a DOI’s

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market regulation division. Mr. Haworth said after receiving general agreement for the scoring matrix, the Working Group is now considering more revisions to the program guideline to match the scoring matrix color-coding scheme.

g. Privacy Protections (D) Working Group

Ms. Amann said the Privacy Protections (D) Working Group met Nov. 20. She said the Working Group adopted its Summer National Meeting minutes, which included receiving an update on federal and state privacy legislation and hearing a presentation on comparative analysis.

Ms. Amann said the Working Group began the initial draft of a gap analysis using the *Privacy of Consumer Financial and Health Information Regulation (#672)* as a baseline. She said the Working discussed the gap analysis of consumers issues related to notification, portability, opt-in/opt-out and disclosures.

Ms. Biehn made a motion, seconded by Commissioner Clark, to adopt the following reports: 1) Antifraud (D) Task Force; 2) Market Information Systems (D) Task Force; 3) Producer Licensing (D) Task Force; 4) Market Analysis Procedures (D) Working Group, including its Nov. 12 minutes (Attachment Six); 5) Market Conduct Annual Statement Blanks (D) Working Group, including its Nov. 16 minutes (Attachment Seven); 6) Market Conduct Examination Standards (D) Working Group, including its Nov. 19 minutes (Attachment Eight); 7) Privacy Protections (D) Working Group, including its Nov. 20 minutes (Attachment Nine); 8) Market Regulation Certification (D) Working Group, including its Nov. 12 minutes (Attachment Ten); and 9) Market Actions (D) Working Group. The motion passed unanimously.

Having no further business, the Market Regulation and Consumer Affairs (D) Committee adjourned.
IMPROPER MARKETING OF HEALTH INSURANCE

• March 2020 - Discussions between regulators in the health market conduct and fraud areas concerning the improper marketing of health insurance plans.

• May 2020 – Monthly NAIC closed conference calls.

• Collaboration between NAIC’s Health Insurance and Managed Care (B) Committee and the Market Regulation and Consumer Affairs (D) Committee to identify common practices, themes and actors.

• Administrative actions that have occurred against entities and schemes have been identified.

• Review existing NAIC Models or create new models to address the aggressive and improper marketing of plans and the oversight of lead generators.

• Review of the NAIC White Paper on internet sales for potential updates concerning how internet is utilized.
Virtual Meeting
(in lieu of meeting at the 2021 Spring National Meeting)

ANTIFRAUD (D) TASK FORCE
Wednesday, March 24, 2021
2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

Summary Report

The Antifraud (D) Task Force met March 24, 2021. During this meeting, the Task Force:

1. Adopted its Nov. 16, 2020, minutes, which included the following action:
   b. Adopted revisions to the NAIC Antifraud Plan Guideline (#1690).
   c. Received updates from the Antifraud Education Enhancement (D) Working Group and the Antifraud Technology (D) Working Group.
   d. Heard reports on antifraud activity from NAIC staff and the following organizations: the National Insurance Crime Bureau (NICB) and the Coalition Against Insurance Fraud (CAIF).

2. Received updates from the Antifraud Education Enhancement (D) Working Group. The Working Group held a webinar on Feb. 11 from CARCO regarding the mobile capabilities it can provide state insurance departments to assist with fighting insurance fraud. The Working Group will be holding an Investigator Safety Training on June 2. The Working Group advised the Task Force members to send any suggested training/webinar topics they would like to have provided.

3. Received an update from the Antifraud Technology (D) Working Group. The Working Group noted that the revision of Guideline #1690 was step one in its charge to “review and provide recommendations for the development of an Antifraud Plan Repository to be used by insurers to create and store an electronic fraud plan for distribution among the states/jurisdictions.” The Working Group’s next step is to build a template for industry to use when creating their Antifraud Plan. Once the template is finalized, the Working Group will work with NAIC staff to finalize recommendations for the Antifraud Plan Repository.

4. Discussed its 2021 charges, including the monitoring of insurance fraud related to the COVID-19 pandemic. The Task Force will continue to monitor the insurance fraud trends generated by the COVID-19 pandemic and hold conference calls to bring general awareness to the state, industry and the public about possible threats.

5. Received an update on the NAIC Online Fraud Reporting System (OFRS) redesign project. The NAIC is continuing its work on the redesign of the OFRS. The Task Force was informed that beta testing is on schedule to begin in April.

6. Heard reports on antifraud activity from NAIC staff and the following organizations: the NICB and the CAIF.
Virtual Meeting  
*(in lieu of meeting at the 2021 Spring National Meeting)*

MARKET INFORMATION SYSTEMS (D) TASK FORCE  
Monday, March 22, 2021  
11:30 a.m.– 12:30 p.m. ET / 10:30 – 11:30 a.m. CT / 9:30 – 10:30 p.m. MT / 8:30 – 9:30 a.m. PT

Summary Report  

The Market Information Systems (D) Task Force met March 22, 2021. During this meeting, the Task Force:

1. Adopted its 2020 Fall National Meeting minutes.

2. Reviewed its 2021 charges and assigned the charge to “develop recommendations for the incorporation of artificial intelligence (AI) abilities in NAIC Market Information Systems (MIS) for use in market analysis” to the Market Information Systems Research and Development (D) Working Group.

3. Adopted the report of the Market Information System Research and Development (D) Working Group, which included the following action:
   a. Adopted proposed changes to the coding structure of the Regulatory Information Retrieval System (RIRS). The proposal will be exposed on the Task Force web page.
   b. Reviewed the MIS data analysis metrics and recommendations.
   c. Adopted changes to the Uniform System Enhancement Request (USER) process reflecting the agile approach used by the NAIC.
   d. Discussed how to proceed with the charge to develop recommendations for the incorporation of artificial intelligence (AI) abilities in NAIC MIS for use in market analysis.

4. Adopted the MIS data analysis metrics and recommendations.

5. Reviewed outstanding USER forms. NAIC staff support will check on the status of the implementation of USER form 10069B to add complaint codes for lender-placed insurance in the Complaint Database System (CDS).
Virtual Meeting
(in lieu of meeting at the 2021 Spring National Meeting)

PRODUCER LICENSING (D) TASK FORCE
Friday, March 26, 2021
1:30 – 2:30 p.m. ET / 12:30 – 1:30 p.m. CT / 11:30 a.m. – 12:30 p.m. MT / 10:30 – 11:30 a.m. PT

Summary Report

The Producer Licensing (D) Task Force met March 26, 2021. During this meeting, the Task Force:

1. Adopted its Nov. 13, 2020, minutes.

2. Heard an update on the state implementation of online examinations. Thirty-two states have implemented online examinations, and three states are scheduled to implement online examinations by the end of April. The Task Force Co-Chairs have polled the remaining states and thirteen additional states are moving toward implementation of remote. Only three states have decided not to implement remote at this time. The Producer Licensing Uniformity (D) Working Group will review the examination standards in the State Licensing Handbook (Handbook) to ensure that the Handbook is consistent with the state practices of implementing remote examinations.

3. Heard a briefing on the National Association of Registered Agents and Brokers Reform Act of 2015 (NARAB Reform Act), which is a federal law that sets nonresident producer license qualifications on a multi-state basis. The briefing addressed the impact on state producer licensing and included an overview of the National Association of Registered Agents and Brokers (NARAB) structure and governance, the timeline of activities since the adoption of NARAB Reform Act, and NARAB board responsibilities.

4. Received a report from the Producer Licensing Uniformity (D) Working Group. The Working Group met March 18 and discussed licensing standards for pet insurance. The Working Group discussed three options: 1) confirm that the current uniform licensing standards for pet insurance are the correct policy direction; 2) recommend that pet insurance become a core limited line that all states shall adopt; and 3) recommend that the major lines of authority of property/casualty (P/C) be required to sell pet insurance.

5. Received a report from the Uniform Education (D) Working Group. The Working Group met March 2 and discussed: 1) the 2019 Continuing Education Reciprocity (CER) Agreement, which 44 jurisdictions have signed; 2) exam pass rates and a new process of obtaining and posting annual state exam pass rates from testing vendors; and 3) continuing education (CE) course instructor requirements and how to create greater uniformity among the states.

6. Received a report from the National Insurance Producer Registry (NIPR) Board of Directors. NIPR launched a major upgrade to its Attachment Warehouse application used to enable insurance producers and other licensees to upload licensing-related documents for review by state insurance regulators. NIPR processed 38 million credentialing and report transactions in 2020, a 5.2% increase from 2019. NIPR had $47.9 million in revenue in 2020, a 5.7% increase from 2019. The NIPR Board of Directors approved a 2021–2023 NIPR Strategic Plan – Our Bridge to the Future. The plan has the following three areas of focus: 1) engaged and empowered team; 2) customer-focused excellence; and 3) high-quality and reliable technology.
7. Received comments from the American Council of Life Insurers (ACLI) on how the NAIC’s initiatives on race and insurance relate to insurance producers and the desire to increase the number of minority producers.

8. Discussed procedures for amending NAIC Uniform Producer Licensing Applications. These procedures set forth the process for making changes to the applications while maintaining stable applications that comply with state statutes and regulations.
Date: 3/30/21

MARKET CONDUCT EXAMINATION GUIDELINES (D) WORKING GROUP
Tuesday, March 30, 2021
2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

Summary Report

The Market Conduct Examination Guidelines (D) Working Group met March 30, 2021. During this meeting, the Working Group:

1. Reviewed its 2021 charges.


3. Discussed new title insurance standardized data requests (SDRs) to address in force policies and claims for inclusion in the reference documents of the Market Regulation Handbook.

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Virtual Meeting  
(in lieu of meeting at the 2021 Spring National Meeting)

MARKET ANALYSIS PROCEDURES (D) WORKING GROUP  
Friday, March 19, 2021  
3:00 – 4:00 p.m. ET / 2:00 – 3:00 p.m. CT / 1:00 – 2:00 p.m. MT / 12:00 – 1:00 p.m. PT

Summary Report

The Market Analysis Procedures (D) Working Group met March 19, 2021. During this meeting, the Task Force:

1. Adopted its Feb. 25 minutes, which included the following action:  
   a. Adopted its Jan. 27 minutes.

2. Adopted revisions to the Market Conduct Annual Statement (MCAS) Best Practices Guide (Best Practices Guide). The revisions included: 1) identifying additional best practices and highlighting them in an appendix; 2) recommending a 14-day extension limitation; and 3) reflecting changes since the Best Practices Guide was created in 2014.

3. Adopted revisions to the four market analysis chapters of the NAIC Market Regulation Handbook. The revisions updated the market analysis chapters to reflect changes since the last revisions of the chapters.

4. Adopted a 14-calendar day limitation on MCAS filing extension requests. The MCAS Filing Submission tool will only allow extensions up to 14-calendar days, but it will allow multiple extension requests if additional time is required. This requires a re-coding of the submission tool. Implementation will be no earlier than 2021 data filed in 2022.

5. Adopted a proposal to change the MCAS filing blanks to require companies to identify MCAS filing attesters by both line-of-business and by state. This change should be implemented for the 2021 data year reported in 2022.

6. Discussed market analysis training suggestions and opportunities.

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Virtual Meeting

MARKET CONDUCT ANNUAL STATEMENT BLANKS (D) WORKING GROUP
Tuesday, March 23, 2021
3:30 – 4:30 p.m. ET / 2:30 – 3:30 p.m. CT / 1:30 – 2:30 p.m. MT / 12:30 – 1:30 p.m. PT

Summary Report

The Market Conduct Annual Statement Blanks (D) Working Group met March 23, 2021. During this meeting, the Working Group:

1. Adopted its Feb. 24 minutes, which included the following action:
   a. Adopted its Nov. 16, 2020, minutes.
   b. Heard an update on the Travel Market Conduct Annual Statement (MCAS).
   c. Heard an update on the Other Health MCAS.
   d. Discussed a new MCAS proposal submission form.
   e. Discussed the reporting of complaint and lawsuit data elements within the Home and Auto MCAS reporting blanks.
   f. Discussed the MCAS lawsuit definitions.
   g. Discussed the addition of Accelerated Underwriting data elements to the Life MCAS and Digital Claims data elements to the Home and Auto MCAS lines of business.

2. Heard an update on the Travel MCAS. The subject matter expert (SME) group discussions continue on the definitions and the next meeting is April 19.

3. Heard an update on the Other Health MCAS. The SME group is focusing on short-term limited-duration (STLD) insurance products, and it plans to vote on the STLD blank and definitions prior to June 1. Work on Other Health products will begin after the STLD work is complete.

4. Heard an update on the Accelerated Underwriting and Digital Claims MCAS discussions. The next SME group meetings for Accelerated Underwriting and Digital Claims MCAS will take place on April 15.

5. Discussed the placement of Complaint and Lawsuit data elements within the Home and Auto MCAS reporting blanks. The Working Group will continue this discussion in the next meeting on April 28.

6. Discussed the MCAS lawsuit definitions. The Working Group will continue this discussion in the next meeting on April 28.
Virtual Meeting
(in lieu of meeting at the 2021 Spring National Meeting)

PRIVACY PROTECTIONS (D) WORKING GROUP
Monday, March 29, 2021
4:00 – 5:00 p.m. ET / 3:00 – 4:00 p.m. CT / 2:00 – 3:00 p.m. MT / 1:00 – 2:00 p.m. PT

Summary Report

The Privacy Protections (D) Working Group met March 29, 2021. During this meeting, the Working Group:

1. Adopted its 2020 Fall National Meeting minutes, which included a discussion of the initial draft gap analysis of consumer issues.

2. Received NAIC status reports on federal and state privacy legislation.

3. Reviewed the 2021 NAIC member-adopted strategy for consumer data privacy protections.

4. Discussed comments received on 2020 Fall National Meeting verbal gap analysis from the American Council of Life Insurers (ACLI), the Coalition of Health Carriers, the National Association of Mutual Insurance Companies (NAMIC), and the American Property Casualty Insurance Association (APCIA).

5. Announced the consumer privacy protections panel for the virtual NAIC Insurance Summit in June.

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