

EXECUTIVE (EX) COMMITTEE

Executive (EX) Committee, Dec. 14, 2021, Minutes

Executive (EX) Committee Interim Meeting Report (Attachment One)

Executive (EX) Committee Task Force Reports (Attachment Two)

Executive (EX) Committee 2022 Proposed Charges (Attachment Three)

NAIC State Ahead Strategic Plan Implementation Report (Attachment Four)

Report of Model Law Development Requests (Attachment Five)

Draft Pending Adoption

Draft: 1/4/22

Executive (EX) Committee
San Diego, California
December 14, 2021

The Executive (EX) Committee met in San Diego, CA, Dec. 14, 2021. The following Committee members participated: David Altmaier, Chair (FL); Dean L. Cameron, Vice Chair (ID); Chlora Lindley-Myers, Vice President (MO); Andrew N. Mais, Secretary-Treasurer (CT); Raymond G. Farmer, Most Recent Past President (SC); Lori K. Wing-Heier (AK); Jim L. Ridling (AL); Michael Conway (CO); Doug Ommen (IA); James J. Donelon (LA); Gary D. Anderson (MA); Kathleen A. Birrane (MD); Mike Chaney (MS); Glen Mulready (OK); Andrew R. Stolfi (OR); Jessica K. Altman (PA); and Larry D. Deiter (SD).

1. Adopted the Dec. 12 Report of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee

Commissioner Altmaier reported that the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee met Dec. 12 in joint session. The meeting was held in regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC) and paragraph 6 (consultations with NAIC staff members) of the NAIC Policy Statement on Open Meetings.

During this meeting, the Committee and Subcommittee adopted its Dec. 7, Oct. 26, and Summer National Meeting minutes, which included the following action: 1) approved the proposed NAIC 2022 budget and recommended that it be considered by the full membership during the joint meeting of the Executive (EX) Committee and Plenary during the Fall National Meeting; 2) held a public hearing on the proposed NAIC 2022 budget with interested parties; 3) approved exposure of the proposed NAIC 2022 budget for a public comment period; and 4) approved the 2021 NAIC Staffing Request Fiscal.

The Committee and Subcommittee also adopted the report of the Audit Committee, which met Dec. 7 and took the following action: 1) received an overview of the Oct. 31 financial statements; 2) received an update on the 2021 financial audit and the 2021/2022 Service Organization Control (SOC) 1 and SOC 2 audits; 3) received an update on database filing fee payments and the Zone financials; 4) received an update on the Enterprise Resource Planning project; and 5) received an update on the operating reserve analysis project.

The Committee and Subcommittee also took the following action: 1) received the June 30 Long-Term Investment Portfolio and Defined Benefit Pension Plan Portfolio reports; 2) approved the Information Systems (EX1) Task Force's 2022 proposed charges; and 3) approved its 2022 proposed charges.

The Committee and Subcommittee also adopted the report of the Internal Administration (EX1) Subcommittee, which met Nov. 22 and took the following action: 1) received the Sept. 30 Long-Term Investment Portfolio and Defined Benefit Pension Plan Portfolio reports; 2) adopted a recommendation to increase the liability driven investment (LDI) percentage for the Defined Benefit Plan portfolio; and 3) adopted the report of the Information Systems (EX1) Task Force, which met Nov. 18 and took the following action: a) adopted its Summer National Meeting minutes; b) received an operational report on the NAIC's information technology (IT) activities; and c) received project status reports.

The Committee and Subcommittee also took the following action: 1) heard the joint chief executive officer/chief operating officer (CEO/COO) report; 2) heard an update on the System for Electronic Rates & Forms Filing (SERFF) Modernization Project; and 3) received a cybersecurity update.

Director Cameron made a motion, seconded by Commissioner Mais, to adopt the Dec. 12 report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee. The motion passed unanimously.

2. Adopted its Dec. 7, Oct. 26, and Oct. 12 Minutes

Director Lindley-Myers, made a motion, seconded by Director Cameron, to adopt the Committee's Dec. 7, Oct. 26, and Oct. 12 interim meeting report (Attachment One). The motion passed unanimously.

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3. Adopted the Reports of its Task Forces

The Committee received written reports from: 1) the Climate and Resiliency (EX) Task Force; 2) the Government Relations (EX) Leadership Council; 3) the Innovation and Technology (EX) Task Force; 4) the Long-Term Care Insurance (EX) Task Force; and 5) the Special (EX) Committee on Race and Insurance.

Commissioner Godfread provided an additional oral report from the Innovation and Technology (EX) Task Force concerning its work on a new letter committee. Commissioner Godfread reported that NAIC members discussed the importance of raising the visibility, as well as prioritizing and organizing the work of the many NAIC committees specific to innovation, technology and cybersecurity regardless of what committee is working on it. The intention is to provide more consistency and collaboration and ensure the coordination of related workstreams.

As the chair of the Innovation and Technology (EX) Task Force Commissioner Godfread was asked to create an ad hoc drafting group to put together proposed charges for a new NAIC letter committee, the Innovation, Cybersecurity, and Technology (H) Committee. Superintendent Dwyer chaired the Drafting Group, and Commissioner Birrane and Director Daniels served as vice chairs.

Commissioner Godfread thanked all the states that participated in the drafting process: Arizona, California, Connecticut, Georgia, Iowa, Maryland, Michigan, North Dakota, New Mexico, Ohio, Rhode Island, Tennessee, and Wisconsin. These states held their first meeting on Sept. 27, and a “strawman” charges draft was reviewed. It was exposed publicly, and an open public comment meeting was held on Nov. 19. The ad hoc drafting group considered another draft based on comments received on Nov. 30. The final version was completed and posted on the NAIC website. The charges will be considered for adoption during the Plenary meeting along with a bylaw amendment to establish the new committee.

Additionally, Commissioner White reported that the Long-Term Care Insurance (EX) Task Force adopted some important deliverables. The Task Force adopted the Long-Term Care Insurance Multi-State Rate Review Framework (MSA Framework). The MSA Framework is a cornerstone project for the Task Force that delivers on the charge to develop a consistent national approach for reviewing current long-term care insurance (LTCI) rates that result in actuarially appropriate increases being granted by the states in a timely manner. The Task Force gathered insights from a pilot project as the basis and spent most of this past year developing the MSA Framework. It is expected that the MSA process will continue to undergo work and enhancements in the future. It is anticipated that the members will be asked to consider adoption of the MSA Framework in the spring of 2022, with anticipated full implementation by September 2022.

Commissioner White also highlighted two other important work products that were developed by the Long-Term Care Insurance Reduced Benefit Options (EX) Subgroup and adopted by the Long-Term Care Insurance (EX) Task Force during its Dec. 12 meeting: 1) the “RBO Consumer Notices Checklist” intended to establish a consistent approach to drafting and reviewing LTCI reduced benefit options (RBO) policyholder communications; and 2) a document titled “Issues Related to LTC Wellness Benefits” outlining issues and observations in innovation of wellness benefits aimed at reducing the need for long-term care (LTC).

Director Farmer made a motion, seconded by Commissioner Altman, to adopt the reports of the: 1) the Climate and Resiliency (EX) Task Force; 2) the Government Relations (EX) Leadership Council; 3) the Innovation and Technology (EX) Task Force; 4) the Long-Term Care Insurance (EX) Task Force; and 5) the Special (EX) Committee on Race and Insurance (Attachment Two). The motion passed unanimously.

4. Adopted its 2022 Proposed Charges

Director Cameron reported that the Committee’s 2022 proposed charges for consideration are largely the same from year to year. The Committee’s task forces will continue work on climate and resiliency, LTC, and race and insurance.

Director Cameron noted that the Committee is not adopting charges for the Innovation and Technology (EX) Task Force, as it anticipates adoption by the joint Executive (EX) Committee and Plenary of the formation of the new “H” Committee.

Director Cameron made a motion, seconded by Director Wing-Heier, to adopt the Committee’s 2022 proposed charges (Attachment Three). The motion passed unanimously.

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5. Received a Status Report on the NAIC *State Ahead* Strategic Plan Implementation

Commissioner Altmaier provided an update on NAIC *State Ahead* implementation efforts. *State Ahead* is a three-year strategic plan for the organization intended to further advance the products, services, and support the NAIC provides to state insurance regulators in order to better meet the changing regulatory landscape. Overall, NAIC staff continue to make good progress on the many *State Ahead* projects (Attachment Four). Planning has begun at the member level for the next iteration of the strategic plan.

6. Received a Report of Model Law Development Efforts

Commissioner Altmaier presented a written report on the progress of ongoing model law development efforts (Attachment Five).

7. Heard a Report from the NIPR Board of Directors

Director Deiter reported that the National Insurance Producer Registry (NIPR) Board of Directors met Dec. 12. During this meeting, the Board approved NIPR's 2022 budget with projected revenues of \$61.4 million and expenses of \$56.4 million, including the approval of five additional technical employees.

The Board also heard an update on the progress of NIPR's three-year strategic plan, including the recent implementation of moving NIPR's technical applications to cloud-based technology, which is a key element of the strategic plan.

This year marks NIPR's 25th anniversary. In October 1996, NIPR was incorporated to ease the inefficiency of state-based insurance regulation on agents and brokers by developing a comprehensive source of data and an electronic licensing system to be used for all states' producer licensing.

As NIPR enhanced the simplicity of its products, more states, producers and compliance professionals used it, creating year-over-year growth. Today, as the central hub around which producer credentialing revolves, NIPR will close 2021 with the strongest revenue year in its history processing more than 42 million transactions and moving more than \$1.1 billion in fees to state insurance departments helping to fulfill its mission of cost-effective, streamlined, and uniform producer licensing.

Director Dieter noted that NIPR Deputy Director, Laurie Wolf, was honored at NIPR's 25th anniversary celebration for her impact on the industry over the last 32 years. Ms. Wolf has been a part of NIPR's history since the beginning and is widely recognized as the national subject matter expert (SME) on producer licensing. After starting her career in the insurance industry, she spent 19 years serving as the director of the Agent Licensing and Investigation Division for the North Dakota Insurance Department where she worked tirelessly on NAIC committees and working groups to further the cause of improved producer licensing. She has served as NIPR's deputy director for 13 years. Her expertise has allowed NIPR to successfully understand and tackle the needs and challenges faced by state insurance producer licensing departments. Director Deiter thanked Ms. Wolf for her contributions to NIPR and the producer licensing community.

8. Heard a Report from the Compact

Superintendent Dwyer reported that the Interstate Insurance Product Regulation Commission (Compact) met Dec. 12 and elected Commissioner Birrane to serve as chair, Director Eric Dunning (NE) to serve as vice chair, and Commissioner Allan L. McVey (WV) to serve as Treasurer.

The 2022 Management Committee will include the three officers as well as: Illinois, Massachusetts, Michigan, Minnesota, New Jersey, Ohio, Pennsylvania, Rhode Island, Texas, Virginia, and Wyoming.

The Compact also approved 2022 committee assignments, appointed company and industry representatives to four open seats on the Industry Advisory Committee, and appointed Anna Howard (Cancer Action Network—CAN) to a vacant seat on the Consumer Advisory Committee.

The Compact also adopted changes to its individual LTC Uniform Standards, specifically with respect to separating requirements for in-force rate increase requests for Compact-approved products into a standalone standard. This change will facilitate the ability of Compacting States to opt out of the in-force rate schedule standard while continuing to participate in the other individual LTC Uniform Standards. These amendments were adopted after several discussions of options to respond to South Carolina's request to reduce or eliminate the 15% threshold when the Compact has authority to approve an in-force rate

Draft Pending Adoption

increase request. The 15% threshold stays in place but allows flexibility for a Compacting State to opt out of all in-force rate increase requests on Compact-approved products.

The Governance Committee also brought forward several amendments to the Compact's Bylaws, many of them recommended during the independent governance review performed by Squire Patton Boggs in 2020.

Having no further business, the Executive (EX) Committee adjourned.

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NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

EXECUTIVE (EX) COMMITTEE

December 7, 2021 / October 26, 2021 / October 12, 2021

Summary Report

The Executive (EX) Committee met Dec. 7, Oct. 26, and Oct. 12, 2021, in regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meetings. During these meetings, the Committee:

1. Approved the NAIC proposed 2022 budget and recommended the proposed 2022 budget be considered by the full membership during the joint meeting of the Executive (EX) Committee and Plenary during the Fall National Meeting.
2. Approved the 2021 NAIC Staffing Request Fiscal.
3. Approved the release of the NAIC proposed 2022 budget for public review and comment.
4. Approved the release of the 2021 NAIC Staffing Request Fiscal for public comment.
5. Reappointed Commissioner Andrew N. Mais (CT) to the International Association of Insurance Supervisors (IAIS) Executive Committee for a two-year term.

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Draft: 12/14/21

REPORT OF THE EXECUTIVE (EX) COMMITTEE TASK FORCES

Climate and Resiliency (EX) Task Force—The Climate and Resiliency (EX) Task Force met Dec. 14 and took the following action: 1) heard a recommendation from the Technology Workstream; 2) heard a presentation regarding the proposed redesigned NAIC Climate Risk Disclosure Survey; 3) heard status reports from the Solvency, Innovation, and Pre-Disaster Mitigation Workstreams; 4) heard a federal update; and 5) heard an international update.

Government Relations (EX) Leadership Council—The Government Relations (EX) Leadership Council did not meet at the Fall National Meeting. The Leadership Council meets weekly in regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to discuss federal legislative and regulatory developments affecting insurance regulation.

Innovation and Technology (EX) Task Force—The Innovation and Technology (EX) Task Force met Dec. 13 and took the following action: 1) adopted minutes from the Summer National Meeting and reports of the Big Data and Artificial Intelligence (EX) Working Group, the Speed to Market (EX) Working Group, and the E-Commerce (EX) Working Group; 2) heard an update on Colorado's SB 21-169 legislation from Commissioner Michael Conway (CO); 3) heard presentations from two insurtech coalitions—the American InsurTech Council (AITC) and the InsurTech Coalition; 4) heard an update on the progress of the Ad Hoc Drafting Group working on proposed charges for a new Innovation, Cybersecurity, and Technology (H) Committee; 5) heard reports from various NAIC committees working on related or potentially overlapping workstreams, such as the Special (EX) Committee on Race and Insurance, the Privacy Protections (D) Working Group, and the Accelerated Underwriting (A) Working Group; 6) heard a presentation from MIB on its algorithmic bias testing for life insurers; and 7) received an update on the System for Electronic Rates & Forms Filing (SERFF) modernization project.

The **Big Data and Artificial Intelligence (EX) Working Group** met Nov. 12 in regulator-to-regulator session, pursuant to paragraph 6 (consultation with NAIC staff members related to technical guidance) of the NAIC Policy Statement on Open Meetings, to: 1) discuss preliminary, aggregate analysis of industry responses to a survey on private passenger automobile (PPA) insurers' use and governance of big data, as used in an artificial intelligence (AI) and machine learning (ML) system; and 2) discuss the use of the NAIC's Regulatory Data Collection system to survey the use of AI/ML in other lines of business. The survey was conducted under the examination authority of Connecticut, Illinois, Iowa, Louisiana, Nevada, North Dakota, Pennsylvania, Rhode Island, and Wisconsin. The Working Group also met Dec. 3 and took the following action: 1) reviewed its 2022 proposed charges; 2) received a presentation on how to leverage the lessons learned in developing the regulatory framework for cybersecurity to the development of a regulatory framework for AI; 3) received two presentations on how state insurance regulators could regulate AI, including how to monitor and mitigate AI bias and enable AI transparency; 4) received a presentation on the PPA AI/ML survey results; 5) discussed the next line of insurance to survey; and 6) discussed the development of a 2022 workplan.

The **E-Commerce (EX) Working Group** met Oct. 7 and took the following action: 1) heard presentations from industry organizations and consumer groups about various issues facing insurers and consumers in electronic transactions in light of the regulations and bulletins issued by state insurance regulators as a result of the COVID-19 pandemic; and 2) heard from state insurance department representatives regarding their ongoing efforts at regulatory reform in electronic transactions and other related areas and discussed using these presentations and information to develop a survey to send to the states and industry organizations regarding these issues. The survey responses may also be helpful in the drafting of a white paper and/or model bulletin if determined appropriate.

The **Speed to Market (EX) Working Group** met Nov. 16 and took the following action: 1) adopted its June 30 and June 29 minutes; 2) adopted the *Regulatory Review of Predictive Models* white paper edits to Chapter Three of the *Product Filing Review Handbook*. These proposed edits were previously adopted by the Casualty Actuarial and Statistical (C) Task Force, which was charged with proposing modifications to reflect current best practices for the regulatory review of Generalized Linear Models (GLM) predictive analytics; and 3) discussed contacts and resources for updates to the Product Requirements Locator (PRL) tool.

Long-Term Care Insurance (EX) Task Force—The Long-Term Care Insurance (EX) Task Force met Dec. 12 in joint session with the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup and took the following action: 1) adopted its Oct. 29 minutes, which included adoption of the 2022 proposed charges for the Task Force and its subgroups; and 2) adopted its Summer National Meeting minutes.

During the Dec. 12 meeting, the Long-Term Care Insurance (EX) Task Force: 1) received the reports of its subgroups: a) the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup, which met Dec. 12, Nov. 15, and Sept. 10 to: i) hear comments from state insurance regulators and interested parties on the Long-Term Care Insurance (LTCI) Multistate Actuarial Rate Review Framework (MSA Framework) exposure draft; and ii) adopt the MSA Framework; b) the Long-Term Care Insurance Reduced Benefit Options (EX) Subgroup, which met Dec. 7, Nov. 19, Oct. 19, Oct. 4, Sept. 27, and Aug. 23 to receive comments on and adopt the documents titled “Issues Related to LTC Wellness Benefits” and “RBO Consumer Notices Checklist”; and c) the Long-Term Care Insurance Financial Solvency (EX) Subgroup, which reported on industry trends and factors affecting reserve levels; 2) adopted the MSA Framework; 3) adopted the “Issues Related to LTC Wellness Benefits” document; and 4) adopted the “RBO Consumer Notices Checklist” document.

During the Dec. 12 meeting, the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup: 1) adopted its Nov. 15 and Sept. 28 minutes; 2) heard comments on the MSA Framework from state insurance regulators and interested parties; and 3) adopted the MSA Framework.

Special (EX) Committee on Race and Insurance—The Special (EX) Committee on Race and Insurance met Dec. 14 and took the following action: 1) adopted its Summer National Meeting minutes; 2) heard reports from its five workstreams; and 3) heard presentations from interested parties.

- Workstream One of the Special Committee is focused on researching and analyzing the level of diversity and inclusion within the insurance sector. The Workstream met in regulator-to-regulator session in October to hear a presentation from California and New York regarding their respective diversity, equity, and inclusion (DE&I) efforts and the diversity-related industry data that these states are collecting. The Workstream also held a public call with stakeholders in November to better understand industry diversity-related programs, how companies are measuring progress, and what state insurance regulators can do to support these efforts.
- Workstream Two of the Special Committee continues gathering responses to the survey intended to examine, at the zone level, best practices and initiatives state insurance departments may consider when promoting DE&I in their offices. Once responses have been gathered, the Workstream will discuss a method and forum to share diversity and inclusion information among state insurance regulators. On Oct. 18, Evelyn Boswell, NAIC Director of Diversity, Equity, and Inclusion, held the first State Diversity Leader’s Forum. The Forum provides a space for diversity leaders in each state that has a diversity leader, to come together and discuss best practices in promoting diversity in their respective insurance departments.
- Workstream Three of the Special Committee is focused on property/casualty (P/C) insurance issues. The Workstream met Dec. 1 and heard from numerous interested parties about definitions contained within Charge F having to do with unfair discrimination, disparate treatment, proxy discrimination, and disparate impact. The Workstream expects to begin drafting a white paper to define relevant terms and determine next steps.
- Workstream Four of the Special Committee met in regulator-to-regulator session in October to discuss how best to develop a work plan. The Workstream members concluded that there is a need for data to drive discussion and advance understanding of these issues and next steps. The Workstream expects to meet in January to discuss how it fits into the larger work of the Special Committee and the other Workstreams as it moves forward to address the issues identified in its charges.
- Workstream Five of the Special Committee met Dec. 3, Nov. 18, Oct. 14, Sept. 9 and Aug. 26 to discuss issues related to data collection and provider networks, provider directories, and cultural competency. During these meetings, the Workstream discussed the comments received on its draft Principles for Data Collection document received by the public comment period ending Aug. 19. The Workstream discussed revisions to the draft document based on the comments received. The Workstream also exposed a draft outline for its proposed white paper on provider networks, provider directories, and cultural competency for a public comment period. The Workstream hopes to finalize the

Principles for Data Collection document by the end of 2021 and begin work in early 2022 on its white paper on provider networks, provider directories, and cultural competency.

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Draft: 11/29/21

Adopted by the Executive (EX) Committee and Plenary, Dec. 16, 2021

Adopted by the Executive (EX) Committee, Dec. 14, 2021

2022 Proposed Charges

EXECUTIVE (EX) COMMITTEE

The mission of the Executive (EX) Committee is to manage the affairs of the NAIC in a manner consistent with its Articles of Incorporation and its Bylaws.

Ongoing Support of NAIC Programs, Products or Services

1. The **Executive (EX) Committee** will:
 - A. Identify the goals and priorities of the organization and make recommendations to achieve such goals and priorities based on input of the membership. Make recommendations by the 2022 Commissioners Conference.
 - B. Create/terminate task force(s) and/or Executive (EX) Committee-level working groups to address special issues and monitor the work of these groups. Create necessary task force(s) and/or Executive (EX) Committee-level working groups throughout 2022 as necessary.
 - C. Submit reports and recommendations to NAIC members concerning the activities of its subcommittee and the standing committees. Submit a report at each national meeting.
 - D. Consider requests from NAIC members for friend-of-the-court briefs.
 - E. Establish and allocate functions and responsibilities to be performed by each NAIC zone.
 - F. Pursuant to the Bylaws, oversee the NAIC offices to assist the organization and the individual members in achieving the goals of the organization.
 - G. Conduct strategic planning on an ongoing basis.
 - H. Plan, implement and coordinate communications and activities with the Federal Insurance Office (FIO).
 - I. Plan, implement and coordinate communications and activities with other state, federal, local and international government organizations to advance the goals of the NAIC and promote understanding of state insurance regulation.
 - J. Review and approve requests for the development of model laws and/or regulations. Coordinate the review of existing model laws and/or regulations.
 - K. Select NAIC national meeting sites five and six years in advance of the meeting date to ensure efficient and economical locations and facilities.
 - L. Review and revise, as necessary and appropriate, the criteria and categories for registrants at NAIC national meetings.

NAIC Support Staff: Andrew J. Beal/Kay Noonan

Draft: 11/5/21

Adopted by the Executive (EX) Committee and Plenary, Dec. __, 2021

Adopted by the Executive (EX) Committee, Dec. __, 2021

Adopted by the Climate and Resiliency (EX) Task Force, Nov. 5, 2021

2022 Proposed Charges

CLIMATE AND RESILIENCY (EX) TASK FORCE

The mission of the Climate and Resiliency (EX) Task Force is to serve as the coordinating NAIC body for discussion and engagement on climate-related risk and resiliency issues, including dialogue among state insurance regulators, industry, and other stakeholders.

Ongoing Support of NAIC Programs, Products or Services

1. The **Climate and Resiliency (EX) Task Force** will:
 - A. Consider appropriate climate risk disclosures within the insurance sector, including:
 1. Evaluation of the Climate Risk Disclosure Survey.
 2. Evaluation of alignment with other sectors and international standards.
 - B. Evaluation of financial regulatory approaches to climate risk and resiliency in coordination with other relevant committees, task forces, and working groups, such as the Financial Condition (E) Committee and the Financial Stability (E) Task Force.
 1. Evaluation of the use of modeling by carriers and their reinsurers concerning climate risk.
 2. Evaluation of how rating agencies incorporate climate risk into their analysis and governance.
 3. Evaluation of the potential solvency impact of insurers' exposures, including both underwriting and investments, to climate-related risks.
 4. Evaluation and development of climate risk-related disclosure, stress testing, and scenario modeling.
 - C. Consider innovative insurer solutions to climate risk and resiliency, including:
 1. Evaluation of how to apply technology and innovation to the mitigation of storm, wildfire, other climate risks, and earthquake.
 2. Evaluation of insurance product innovation directed at reducing, managing, and mitigating climate risk and closing protection gaps.
 - D. Identify sustainability, resilience, and mitigation issues and solutions related to the insurance industry.
 - E. Consider pre-disaster mitigation and resiliency and the role of state insurance regulators in resiliency.

NAIC Support Staff: Jennifer Gardner

Draft: 11/22/21

Adopted by the Executive (EX) Committee and Plenary, Dec. __, 2021

Adopted by the Executive (EX) Committee, Dec. __, 2021

Adopted by the Government Relations (EX) Leadership Council, Dec. 8, 2021

2022 Proposed Charges

GOVERNMENT RELATIONS (EX) LEADERSHIP COUNCIL

The Government Relations (EX) Leadership Council coordinates the NAIC's ongoing work with the federal government and state government officials on legislative and regulatory policy. The Leadership Council, in conjunction with the NAIC's other standing committees, is responsible for quickly responding to federal legislative and regulatory developments that affect insurance regulation.

The mission of the Government Relations (EX) Leadership Council is to develop, coordinate, and implement the NAIC's legislative, regulatory, and outreach initiatives. The Leadership Council will devise strategies for NAIC action and promote the participation of all NAIC members in the NAIC's government relations initiatives.

Ongoing Support of NAIC Programs, Products or Services

1. The **Government Relations (EX) Leadership Council** will:
 - A. Monitor, analyze, and respond to federal legislative and regulatory actions and other issues of importance to the NAIC membership.
 - B. Work with other standing committees, task forces, and working groups to help develop and communicate the NAIC's policy views to federal and state officials on pending legislation and regulatory issues by the involvement of NAIC members through testimony, correspondence, and other approaches.
 - C. Develop a strategy and program for directly engaging NAIC members with the U.S. Congress (Congress) and federal agencies to advocate for NAIC objectives and the benefits and efficiencies of state-based insurance regulation.
 - D. Secure broader participation from NAIC membership on all government affairs advocacy initiatives.
 - E. Report to the Executive (EX) Committee on all activities and matters relating to the annual charges of the Leadership Council.

NAIC Support Staff: Ethan Sonnichsen/Brian R. Webb/Brooke Stringer

Draft: 11/1/21

Adopted by the Executive (EX) Committee and Plenary, Dec. __, 2021

Adopted by the Executive (EX) Committee, Dec. __, 2021

Adopted by the Long-Term Care Insurance (EX) Task Force, Oct. 29, 2021

2022 Proposed Charges

LONG-TERM CARE INSURANCE (EX) TASK FORCE

Recognizing the gravity of the threat posed by the current long-term care insurance (LTCI) environment both to consumers and our state-based system of insurance regulation, the mission of the Long-Term Care Insurance (EX) Task Force is to: 1) further develop and implement a coordinated national approach for reviewing LTCI rates; 2) monitor and evaluate the rate review process; 3) evaluate and recommend options to help consumers manage the impact of rate increases; and 4) monitor work performed by other NAIC groups to review the financial solvency of long-term care (LTC) insurers.

Ongoing Support of NAIC Programs, Products or Services

1. The **Long-Term Care Insurance (EX) Task Force** will:
 - A. Once adopted by the NAIC Executive (EX) Committee and Plenary, monitor, and evaluate the progress of the multistate actuarial (MSA) rate review process as outlined in the MSA Framework document. Monitor state insurance department rate review actions subsequent to implementation of the MSA Framework and MSA rate review recommendations.
 - B. Complete an evaluation and recommend options to provide consumers with choices regarding modifications to LTCI contract benefits where policies are no longer affordable due to rate increases.
 - C. Monitor the work performed by other NAIC solvency working groups and assist in the timely multi-state coordination and communication of the review of the financial condition of LTC insurers.

Staff Support: Jeff Johnston, Jane Koenigsman

2. The **Long-Term Care Insurance Multistate Rate Review (EX) Subgroup** will:
 - A. Finalize the development of the MSA rate review process as outlined in the MSA Framework document which outlines a consistent national approach for reviewing LTCI rates that results in actuarially appropriate increases being granted by the states in a timely manner and eliminates cross-state rate subsidization. Implement the MSA rate review process once adopted by the NAIC Executive (EX) Committee and Plenary.
 - B. Evaluate the progress of the MSA rate review process and provide ongoing maintenance and enhancements, as deemed necessary.
 - C. The Subgroup should complete its charges by the 2022 Fall National Meeting.

Staff Support: Eric King

3. The **Long-Term Care Reduced Benefit Options (EX) Subgroup** will:
 - A. Complete an evaluation and/or recommendation of options to help consumers manage the impact of rate increases. This includes:
 1. Finalizing development of a process to evaluate innovative options that allow for insurers to offer benefits that lessen the likelihood of an insured needing long-term care services, including evaluation of the suitability of and regulatory barriers to proposed options.
 2. The potential development of mechanisms to help regulators and consumers objectively compare reduced benefit options (RBOs), including comparison of accepting a rate increase and retaining current benefits to electing an offered RBOs.
 3. Finalizing the Consumer Notices Checklist for RBOs.
 - B. Support and provide expertise to the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup regarding evaluation of RBOs.
 - C. The Subgroup should complete its charges by the 2022 Fall National Meeting.

Staff Support: Eric King

Draft: 8/15/21

Adopted by the Executive (EX) Committee and Plenary, Dec. __, 2021

Adopted by the Executive (EX) Committee, Aug. 15, 2021

Adopted by the Special (EX) Committee on Race and Insurance, July 21, 2021

2022 Proposed Charges

SPECIAL (EX) COMMITTEE ON RACE AND INSURANCE

The mission of the Special (EX) Committee on Race and Insurance is to serve as the NAIC's coordinating body on identifying issues related to: 1) race, diversity, and inclusion within the insurance sector; 2) race, diversity, and inclusion in access to the insurance sector and insurance products; and 3) practices within the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups.

Ongoing Support of NAIC Programs, Products or Services

1. The **Special (EX) Committee on Race and Insurance** will:
 - A. Serve as the NAIC's coordinating body on identifying issues related to: 1) race, diversity, and inclusion within the insurance sector; 2) race, diversity, and inclusion in access to the insurance sector and insurance products; and 3) practices within the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups.
 - B. Coordinate with existing groups such as the Big Data and Artificial Intelligence (EX) Working Group and the Casualty Actuarial and Statistical (C) Task Force and encourage those groups to continue their work on issues affecting people of color and/or historically underrepresented groups, particularly in predictive modeling, price algorithms, and artificial intelligence (AI).
 - C. (Workstream One) Continue research and analysis to identify issues and develop specific recommendations on action steps state insurance regulators and companies can take to improve the level of diversity and inclusion in the industry, including:
 1. Seek additional engagement from stakeholders to understand the efficacy of diversity-related programs, how companies measure their progress, and what state insurance regulators can do to support these efforts.
 2. Collect input on any existing gaps in available industry diversity-related data.
 - D. (Workstream Two) In coordination with the Executive (EX) Committee, receive reports on NAIC diversity, equity, and inclusion (DE&I) efforts. Serve as the coordinating body for state requests for assistance from the NAIC related to DE&I efforts.
 - E. (Workstream Two) Research best practices among state insurance departments on DE&I efforts and develop forums for sharing relevant information among states and with stakeholders, as appropriate.
 - F. Continue research and analysis of insurance, legal, and regulatory approaches to addressing unfair discrimination, disparate treatment, proxy discrimination, and disparate impact. Make recommendations for statutory or regulatory changes and additional steps, including:
 1. (Workstream Four) The impact of traditional life insurance underwriting on traditionally underserved populations, considering the relationship between mortality risk and disparate impact.
 2. (Workstream Three) Developing analytical and regulatory tools to assist state insurance regulators in defining, identifying, and addressing unfair discrimination in property/casualty (P/C) insurance, including issues related to:
 - a. Rating and underwriting variables, such as socioeconomic variables and criminal history, including:
 1. Identifying proxy variables for race.
 2. Correlation versus causation, including discussion of spurious correlation and rational explanation.
 3. Potential bias in underlying data.
 4. Proper use of third-party data.
 - b. Disparate impact considerations.
 - G. (Workstreams Three, Four, and Five) Consider enhanced data reporting and record-keeping requirements across product lines to identify race and other sociodemographic factors of insureds, including consideration of legal and privacy concerns. Consider a data call to identify insurance producer resources available and products sold in specific ZIP codes to identify barriers to access.
 - H. Continue research and analysis related to insurance access and affordability issues, including:
 1. (Workstream Four) The marketing, distribution, and access to life insurance products in minority communities, including the role that financial literacy plays.

2. (Workstream Four) Disparities in the number of cancellations/rescissions among minority policyholders.
 3. (Workstream Five) Measures to advance equity through lowering the cost of health care and promoting access to care and coverage, with a specific focus on measures to remedy impacts on people of color, low income and rural populations, and historically marginalized groups, such as the LGBTQ+ community, individuals with disabilities, and Alaska Native and other Native and Indigenous people.
 4. (Workstream Five) Examination of the use of network adequacy and provider directory measures (e.g., provider diversity, language, and cultural competence) to promote equitable access to culturally competent care.
 5. (Workstream Five) Conduct additional outreach to educate consumers and collect information on health and health care complaints related to discrimination and inequities in accessing care.
 6. (Workstream Three) Whether steps need to be taken to mitigate the impact of residual markets, premium financing, and nonstandard markets on historically underrepresented groups.
 7. Make referrals for the development of consumer education and outreach materials, as appropriate.
- I. Direct NAIC and Center for Insurance Policy & Research (CIPR) staff to conduct necessary research and analysis, including:
1. (Workstream Three) The status of studies concerning the affordability of auto and homeowners insurance, including a gap analysis of what has not been studied.
 2. (Workstream Three) The availability of producer licensing exams in foreign languages, steps exam vendors have taken to mitigate cultural bias, and the number and locations of producers by company compared to demographics in the same area.
 3. (Workstream Five) Aggregation of existing research on health care disparities and the collection of insurance responses to the COVID-19 pandemic and its impact across demographic populations.

LIFE INSURANCE AND ANNUITIES (A) COMMITTEE – NEW CHARGES

The **Accelerated Underwriting (A) Working Group**, as part of its ongoing work to consider the use of external data and data analytics in accelerated life underwriting, will include an assessment of and recommendations, as necessary, regarding the impact of accelerated underwriting on minority populations.

HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE – NEW CHARGES

1. The **Health Insurance and Managed Care (B) Committee** will:
 - A. Respond to inquiries from the U.S. Congress (Congress), the White House, and federal agencies; analyze policy implications and the effect on the states of proposed and enacted federal legislation and regulations, **including, where appropriate, an emphasis on equity considerations and the differential impact on underserved populations**; and communicate the NAIC's position through letters and testimony, when requested.

The **Mental Health Parity and Addiction Equity Act (MHPAEA) (B) Working Group** of the Regulatory Framework (B) Task Force will develop model educational material for state departments of insurance (DOIs) and research disparities in and interplay between mental health parity and access to culturally competent care for people of color and/or historically underrepresented groups.

The **Health Innovations (B) Working Group** will evaluate mechanisms to resolve disparities through improving access to care, including the efficacy of telehealth as a mechanism for addressing access issues; the use of alternative payment models and value-based payments and their impact on exacerbating or ameliorating disparities and social determinants of health; and programs to improve access to historically underserved communities.

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE – NEW CHARGES

The **Producer Licensing (D) Task Force** will receive a report on the availability of producer licensing exams in foreign languages, the steps exam vendors have taken to mitigate cultural bias, and the number and location of producers by company compared to demographics in the area.

NAIC Support Staff: Andrew J. Beal/Michael F. Consedine

Draft: 8/9/21

Adopted by the Executive (EX) Committee and Plenary, Dec. __, 2021

Adopted by the Executive (EX) Committee, Dec. __, 2021

Adopted by the Internal Administration (EX1) Subcommittee, Aug. 13, 2021

2022 Proposed Charges

INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE

The mission of the Internal Administration (EX1) Subcommittee is to monitor the operations of the NAIC, including: 1) preparing a budget for Executive (EX) Committee review; 2) providing direction on personnel issues; 3) approving emergency expenditures; 4) evaluating the chief executive officer (CEO); and 5) assisting the CEO in resolving competing demands for NAIC staff resources.

Ongoing Support of NAIC Programs, Products or Services

1. The **Internal Administration (EX1) Subcommittee** will:
 - A. Review and approve all expenditures of funds not included in the annual budget by considering any fiscal impact statements of unbudgeted resource requests and reporting its actions to the Executive (EX) Committee.
 - B. Annually work with the CEO, chief operating officer/chief legal officer (COO/CLO), and chief financial officer (CFO) to review the business operations plan, which will incorporate the Executive (EX) Committee's strategic management initiatives, and report its actions to the Executive (EX) Committee.
 - C. Oversee a review of any management areas of the NAIC that should be designated for formal operational reviews by working with the CEO and COO/CLO.
 - D. Oversee the development, revision, and delivery of all NAIC education programs, or the addition of new programs, by coordinating with other committees, as appropriate, and providing direction to the CEO and COO/CLO.
 - E. Receive a report at each national meeting from the NAIC Audit Committee, which will be chaired by the secretary-treasurer. The NAIC Audit Committee will meet with NAIC management at or before each national meeting, or more frequently as necessary, to review the NAIC financial statements and hear reports from NAIC management on emerging financial issues for the NAIC, and it will report such information to the Internal Administration (EX1) Subcommittee. The NAIC Audit Committee shall also carry out the following activities pursuant to its charter:
 1. Engage the NAIC's independent accountants with respect to the annual audit. This will include the appointment of an independent audit firm, a review of the results of the annual audit, and discussions with the independent auditors and NAIC management to ensure all audit comments or suggestions are addressed in a timely manner.
 2. Engage the NAIC's service advisory firm. This will include the selection of an independent firm to provide Statement on Standards for Attestation Engagements (SSAE) services to the NAIC.
 - F. Serve as the primary liaison between the NAIC membership and the NAIC investment advisor, or appoint a subcommittee to act in that capacity, including receiving reports on the performance of the NAIC's investment portfolio and, from time to time, meeting directly with investment firm representatives to hear periodic reports and recommendations.
 - G. Review and revise, as necessary and appropriate, the criteria and categories for registrants at NAIC national meetings.
 - H. Appoint the Information Systems (EX1) Task Force to provide regulator-based technology expertise.
 - I. Conduct evaluations of the CEO and COO/CLO, and make appropriate recommendations to the Executive (EX) Committee. Consult with the CEO and COO/CLO on compensation of senior management.

NAIC Support Staff: Andrew J. Beal/Jim Woody

Draft: 7/27/2021

Adopted by the Executive (EX) Committee and Plenary, Dec. __, 2021

Adopted by the Internal Administration (EX1) Subcommittee, Aug. 13, 2021

Adopted by the Information Systems (EX1) Task Force, Jul. 27, 2021

2022 Proposed Charges

INFORMATION SYSTEMS (EX1) TASK FORCE

The mission of the Information Systems (EX1) Task Force is to: 1) provide regulator-based technology expertise to the Internal Administration (EX1) Subcommittee; and 2) support committee activities and objectives by monitoring projects that provide technical services or systems for state-based insurance regulation, as prioritized by the Executive (EX) Committee.

Ongoing Support of NAIC Programs, Products or Services

1. The **Information Systems (EX1) Task Force** will:

- A. Serve as the Internal Administration (EX1) Subcommittee's project-independent technology monitor and consultant. This involves monitoring the development, deployment and operation of NAIC information technology (IT) systems and services for state insurance regulators and, based on this effort, providing reports and recommendations to the Subcommittee, as appropriate. To achieve this, the Task Force will receive regular portfolio and technical operational reports.
- B. Provide consultation to NAIC technology staff, as well as the interpretation of intent and specific technology direction, where needed. For example, from time to time, NAIC technology staff may request approval of a specific technology approach, such as a proposal to drop support for a particular version of software. The Task Force will provide direction in such matters, either directly or through a working group. Task Force members will also communicate current and future state technology changes planned for their state to alert NAIC technology staff of potential impacts and requirements for NAIC systems and services used by state insurance regulators.
- C. Review, with technical recommendations for the Subcommittee: 1) Fiscal Impact Statements Appendix A for all *State Ahead* projects, as well as others involving a technology component exceeding \$100,000 or 1,150 hours of technology staff development and which is not limited to the support of the internal operations; and 2) project requests that involve technology being submitted to the Subcommittee or directly to the Executive (EX) Committee.

NAIC Support Staff: Sherry Stevens/Keith Bollig

Draft: 8/3/2021

Reaffirmed by the Executive (EX) Committee and Plenary, Dec. __, 2021

Reaffirmed by the Executive (EX) Committee, Dec. __, 2021

Reaffirmed by the Internal Administration (EX1) Subcommittee, Aug. 13, 2021

Reaffirmed by the Audit Committee, Aug. 10, 2021

2022 PROPOSED NAIC AUDIT COMMITTEE Committee Charter

1. The **Audit Committee** will:
 - A. Provide continuous audit oversight, including:
 1. Provide an open avenue of communication between the independent auditor and the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee.
 2. Confirm and ensure the independence of the independent auditor.
 3. Inquire of management and the independent auditor about significant risks or exposures, and assess the steps management has taken to minimize such risk.
 4. Consider and review with the independent auditor:
 - a. Significant findings during the year, including the status of previous audit recommendations.
 - b. Any difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information.
 - c. The adequacy of internal controls, including computerized information system controls and security, as documented in the Statement on Auditing Standards (SAS) 115 letter from the independent auditor.
 - d. Related findings and recommendations of the independent auditor with management's responses, as documented in the SAS 114 letter from the independent auditor.
 5. Meet periodically with the independent auditor in separate executive sessions to discuss any matters the Committee believes should be discussed privately with the Committee.
 6. Report periodically to the Executive (EX) Committee and Internal Administration (EX1) Subcommittee on significant results of the foregoing activities.
 7. Instruct the independent auditor that the Executive (EX) Committee and Internal Administration (EX1) Subcommittee are the auditor's clients.
 - B. Provide continuous oversight of reporting policies, including:
 1. Advise financial management and the independent auditor that they are expected to provide a timely analysis of significant current financial reporting issues and practices.
 2. Inquire as to the auditor's independent qualitative judgments about the appropriateness, not just the acceptability, of the accounting principles and the clarity of the financial disclosure practices.
 3. Inquire as to the auditor's views about whether management's choices of accounting principles are conservative, moderate or aggressive from the perspective of income, asset and liability recognition, and whether those principles are common practices or minority practices.
 4. Inquire as to the auditor's views about how choices of accounting principles and disclosure practices may affect NAIC members, the insurance industry, and public views and attitudes.
 - C. Provide continuous oversight of financial management, including:
 1. Review the monthly consolidated financial statements, and receive regular reports from executive management on the financial operations of the association.
 2. Meet prior to, or at, each national meeting or more frequently, as circumstances require. The Committee may ask members of management or others to attend meetings and provide pertinent information, as necessary.
 3. Report on significant results of the foregoing activities to the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee on a regular basis.
 - D. Conduct scheduled audit activities, including:
 1. Recommend the selection of the independent auditor for approval by the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee, approve the compensation of the independent auditor, and review and approve the discharge of the independent auditor.
 2. Review annually the audit scope and plan of the independent auditor with management and the independent auditor, including:
 - a. The independent auditor's audit of the financial statements, accompanying footnotes, and its report thereon.
 - b. Any significant changes required in the independent auditor's audit plans.
 - c. Any difficulties or disputes with management encountered during the course of the year under audit.

- d. Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards (GAAS).
- 3. Review and approve needs-based funding allocations, as needed.
- 4. Review and update the Committee charter on at least an annual basis.
- E. Conduct other activities when necessary, including:
 - 1. Arrange for the independent auditor to be available to the full Executive (EX) Committee and the Internal Administration (EX1) Subcommittee, as needed.
 - 2. Review and approve requests for any management consulting engagement to be performed by the independent auditor, and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter.
 - 3. Conduct and/or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.
 - 4. Ensure that members of the Committee receive the appropriate orientation to the Committee and receive a copy of the policy manual.

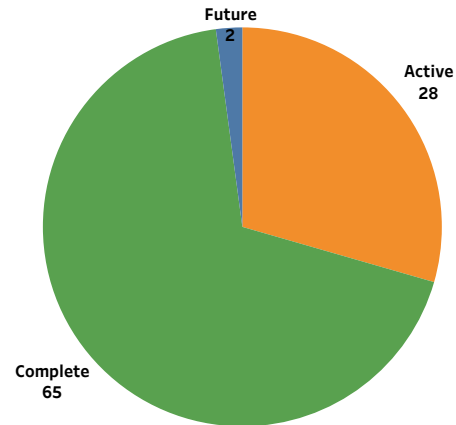
NAIC Support Staff: Jim Woody

NAIC Support Staff Hub/Member Meetings/Fall 2021/Cmte/Ex/Att 3 ExCmteProposedCharges.docx

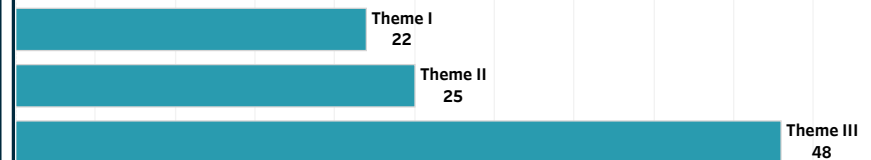


State Ahead Status Reporting - November 2021

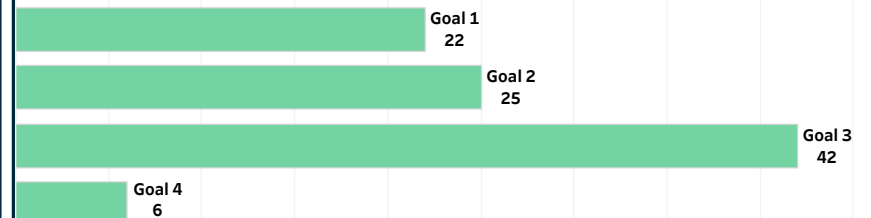
Current Project Phase



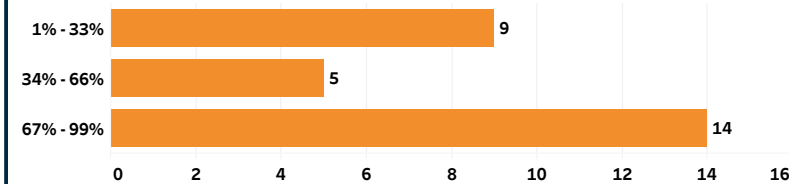
Projects by Strategic Themes



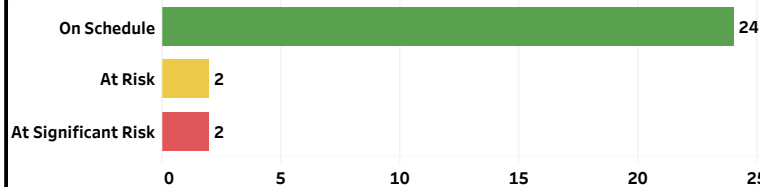
Projects by Strategic Goals



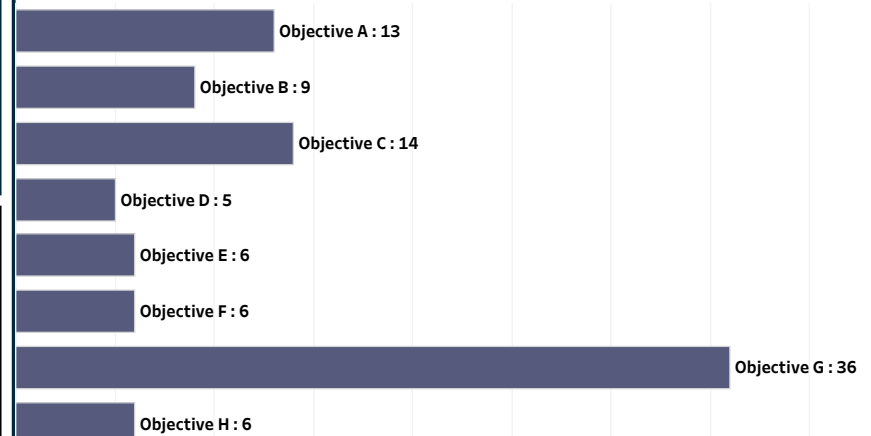
Progress On Active Projects



Current Status of Active Projects



Projects by Strategic Objectives



Draft: 12/13/21

Model Law Development Report

Amendments to the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171)—Amendments to Model #171 are required for consistency with the federal Affordable Care Act (ACA). Therefore, they did not require approval of a Request for NAIC Model Law Development by the Executive (EX) Committee. At the 2015 Fall National Meeting, the Regulatory Framework (B) Task Force discussed the proposed revisions to this model. The Task Force met Feb. 11, 2016, and appointed the Accident and Sickness Insurance Minimum Standards (B) Subgroup to work on revisions to this model. The Subgroup has been meeting on a regular basis since the 2016 Spring National Meeting, and it plans to continue meeting until it completes its work. During its meetings, the Subgroup has discussed several issues, including its approach for revising the model's disability income insurance coverage provisions, and it decided preliminarily to review the Interstate Insurance Product Regulation Commission's (Compact's) approach. After pausing its work due to the ACA's potential repeal, replacement, or modification—and the possible impact on the provisions of this model, as well as the Subgroup's preliminary proposed revisions to the model—the Subgroup began meeting again in May 2018. Revisions to the *Supplementary and Short-Term Health Insurance Minimum Standards Model Act* (#170) were adopted by the full NAIC membership at the 2019 Spring National Meeting. The Subgroup has been meeting to consider revisions to Model #171 for consistency with the revised Model #170 since the 2019 Summer National Meeting discussion on comments received on Sections 1–5 of Model #171. In December 2019, the Subgroup set a public comment period ending Feb. 7, 2020, to receive comments on Sections 6–7 of Model #171. Due to the COVID-19 health emergency, the Subgroup has not scheduled any meetings. Any future meetings will depend on when a new co-chair is appointed and the duration of the COVID-19 health emergency. As requested, the Subgroup received comments from stakeholders on Sections 6–7 of Model #171. A new Subgroup co-chair has been appointed. The Subgroup met June 7, 2021, to discuss the status of the proposed revisions to Model #171 and its next steps. The Subgroup decided to establish a new public comment period ending July 2, 2021, to receive comments on Sections 1–7 of Model #171. The Subgroup does not plan to meet at the 2021 Fall National Meeting. Since the 2021 Summer National Meeting, the Subgroup has been meeting to discuss possible revisions to Model #171 based on the comments received by the July 2, 2021, public comment deadline. During some of these meetings, the Subgroup heard from industry presenters about the products currently covered under Model #171 and the products to be covered under Model #171 after it is revised.

Amendments to the *Life Insurance Disclosure Model Regulation* (#580)—The Executive (EX) Committee met June 19, 2017, and approved a Request for NAIC Model Law Development to incorporate a policy overview document requirement into Model #580 and the *Life Insurance Illustrations Model Regulation* (#582) in order to improve the understandability of the life insurance policy summary and narrative summary already required by Section 5A(2) of Model #580 and Section 7B of Model #582. While the Life Insurance Illustration Issues (A) Working Group of the Life Insurance and Annuities (A) Committee was originally planning to revise both Model #580 and Model #582, it will now revise only Model #580. The Working Group has been meeting to develop language to add a requirement for a one- to two-page consumer-oriented policy overview. The Working Group continued to make progress during meetings in late 2019 and early 2020, and it received an extension from the Committee at the 2021 Spring National Meeting to continue its work. The Working Group completed alternative draft versions of model law revisions and a sample policy overview document for term life policies. One version shows the model and sample pre-underwriting, and the other shows the model and sample under existing model law timing requirements. The Working Group developed these alternative versions to aid the Committee in providing guidance to the Working Group with respect to the timing of the delivery of the policy overview document. Discussion of this issue is on the Committee's agenda at the 2021 Fall National Meeting.

Amendments to the *Mortgage Guaranty Insurance Model Act* (#630)—The Executive (EX) Committee approved a Request for NAIC Model Law Development for amendments to Model #630 at the 2013 Summer National Meeting. The Mortgage Guaranty Insurance (E) Working Group has developed proposed changes to the model, which have been exposed for comment, and subsequent changes have been made to address the comments. However, the Working Group has been focused on the development of a capital model, which is currently incorporated as a requirement in the model, but further changes are expected to be made to that model before adoption can occur. The Working Group previously received an extension to continue work on the capital model until the 2022 Spring National Meeting. Because the work on the capital model is not completed, an additional request for extension is expected in the future.

Amendments to the *Nonadmitted Insurance Model Act* (#870)—The Executive (EX) Committee approved a Request for NAIC Model Law Development for amendments to Model #870 at the 2021 Spring National Meeting. The amendments will modernize the model and bring it into alignment with the federal Nonadmitted and Reinsurance Reform Act. The Surplus Lines (C) Task Force met Aug. 5, 2021, and appointed a drafting group to work on the revisions to Model #870.

New Model: Pet Insurance Model Act—The Executive (EX) Committee approved a Request for NAIC Model Law Development at the 2019 Summer National Meeting. The Pet Insurance (C) Working Group held numerous meetings to draft the model law to define a regulatory structure for pet insurance and address issues such as producer licensing, policy terms, coverages, claims handling, premium taxes, disclosures, arbitration, and preexisting conditions. The Working Group adopted the Pet Insurance Model Act on Aug. 4, 2021, and the Property and Casualty Insurance (C) Committee adopted it on Nov. 10, 2021. The Executive (EX) Committee and Plenary is expected to consider the model at the 2021 Fall National Meeting.

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