

EXECUTIVE (EX) COMMITTEE

Executive (EX) Committee, Aug. 15, 2021, Minutes

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

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

NAIC State Ahead Strategic Plan Implementation Report (Attachment Three)

Report of Model Law Development Requests (Attachment Four)

Draft Pending Adoption

Date: 8/25/21

Executive (EX) Committee
Columbus, Ohio
August 15, 2021

The Executive (EX) Committee met in Columbus, OH, Aug. 15, 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). Also participating were: Jon Godfread (ND); and Elizabeth Kelleher Dwyer (RI).

1. Adopted the Aug. 13 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 Aug. 13 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 July 13, June 29, May 20, and Spring National Meeting minutes, which included the following action: 1) discussed elevating the Innovation and Technology (EX) Task Force to a standing committee; 2) received a mid-year financial update and overview of the preliminary 2022 budget; 3) approved the State Based Systems (SBS) Kansas Implementation 2021 Fiscal; 4) approved BlackRock as the commercial mortgage-backed securities (CMBS) and residential mortgage-backed securities (RMBS) financial modeling vendor; 5) approved the contribution of \$670,000 to the NAIC Defined Benefit Pension Plan portfolio; 6) approved the Solvency Workpaper Software Modernization Project – Implementation Preparation Phase Fiscal; 7) approved the System for Electronic Rate and Form Filing (SERFF) Modernization – Mobilization and Pilot Phase Fiscal; 8) approved the SBS State Implementation 2021 Fiscal; and 9) approved the Property/Casualty (P/C) Rate Model Review Staffing Resources Fiscal.

The Committee and Subcommittee also adopted the report of the Audit Committee, which met Aug. 10 and took the following action: 1) received an overview of the June 30 financial statements; 2) reconfirmed RSM for the 2021 financial audit; 3) received an update on the 2021 Service Organization Control (SOC) 2 review for transaction processing in the Cloud; 4) received an update on Zone financials and the 2022 budget calendar; and 5) reaffirmed its 2022 proposed charter.

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: 1) approved the Enterprise Resource Planning (ERP) Solution Evaluation Fiscal; 2) heard the joint chief executive officer/chief operating officer (CEO/COO) report; 3) approved the request for an amicus brief in *Gunn v. Continental Casualty Co.*; and 4) heard a cybersecurity report.

Director Lindley-Myers made a motion, seconded by Commissioner Altman, to adopt the Aug. 13 report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee. The motion passed unanimously.

2. Adopted its July 13, June 29, and May 20 Minutes

Director Lindley-Myers, made a motion, seconded by Director Cameron, to adopt the Committee's July 13, June 29, and May 20 interim meeting report (Attachment One). The motion passed unanimously.

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.

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Commissioner Godfread added that the Innovation and Technology (EX) Task Force discussed the formation of a standing “H” committee on Innovation, Technology, and Cybersecurity. If approved, the purpose of the new standing committee will be to enhance coordination and provide a central forum for discussion on the many issues in the areas of innovation, technology, and cybersecurity. The Task Force will appoint an ad hoc group to take the lead on developing a draft mission statement and proposed charges. The goal is to have the decision on the standing committee and the accompanying bylaw amendment considered for adoption by Executive (EX) Committee and Plenary during the Fall National Meeting.

Director Cameron made a motion, seconded by Commissioner Donelon, to adopt the reports of: 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. 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 to further advance the products, services, and support the NAIC provides to state insurance regulators to better meet the changing regulatory landscape. NAIC staff continue to make good progress on the many *State Ahead* projects. (Attachment Three). In 2020, the NAIC paused on the development of *State Ahead 2.0* to focus on COVID-19. The membership has now started the conversation on development of the next iteration of *State Ahead*. The NAIC will appoint a member steering committee to lead the effort along with the CEO, COO, and NAIC management.

5. Received a Report of Model Law Development Efforts

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

6. Heard a Report from the NIPR Board of Directors

Director Deiter reported that the National Insurance Producer Registry (NIPR) Board of Directors had a busy and productive 2021. Through the end of June, NIPR’s revenues are 28% over budget with a total product revenue of \$28.6 million through June 30. NIPR has experienced higher overall volume this year, with volumes and revenues outpacing 2019, which was NIPR’s highest revenue year before the pandemic.

Appointment transactions have been strong this year, as have other licensing and credentialing products. Non-resident licensing is particularly strong and continues to be NIPR’s largest revenue driver. NIPR is seeing a trend of individual producers obtaining more non-resident licenses and carrier appointments.

Due to the increased volume of transactions, the NIPR Board of Directors recently approved adding additional staff members to NIPR’s customer service center. These NIPR staff provide a valuable service to state insurance regulators by answering producer licensing-related questions for all states and territories, helping to reduce the administrative burden on individual state insurance departments.

After the completion of implementations scheduled for 2021 and 2022, there will only be two states—New York and Washington—that do not fully leverage the services of NIPR to provide cost-effective, streamlined, and uniform producer licensing services for state insurance regulators and industry.

7. Heard a Report from the Compact

Superintendent Dwyer reported that the Interstate Insurance Product Regulation Commission (Compact) met Aug. 12.

The Compact welcomed Delaware as its newest member. Gov. John Carney (D-DE) signed the Compact bill after bipartisan support in its General Assembly. Delaware is the 45th state to enact the Compact, bringing it to 47 Compact members, including Washington, DC and Puerto Rico.

The Compact considered changing the current 15% threshold for its approval authority of in-force rate increases on Compact-approved individual long-term care insurance (LTCI) products. The Compact held a public hearing and will be refining the options for what is hopefully final action at its next meeting.

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The Compact heard an update from its Governance Committee, which is working on a proposed course of action in response to the recommendations from the Squire Patton Boggs governance review, which was received earlier this year, with respect to the next steps in addressing the Colorado Supreme Court opinion of April 2020.

The Compact put in place another emergency rule to apply the changes made to its individual deferred annuity standards to have the applicable minimum nonforfeiture law follow state law as states adopt *Standard Nonforfeiture Law for Individual Deferred Annuities* (#805) changes made by the NAIC at the end of 2020. The Compact adopted these changes on a permanent basis, and they will be effective in mid-October.

The Compact adopted amendments to two existing uniform standards for life benefit features: 1) waiver of premium and waiver of monthly deductions; and 2) a new standard for waiver of surrender charges for life policies.

The Compact also appointed Iowa to fill the opening of vice chair of the Product Standards Committee. Rhode Island stepped down as the vice chair this year, and the Compact's designated representative, Sarah Neil (RI), is now a full-time employee of the Compact as its Communications and Outreach Coordinator.

The Compact continues to operate over-budgeted revenues this year, as it is seeing higher than anticipated life filings as companies update their interest rates in response to changes in federal law and the *Valuation Manual*.

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

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NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

EXECUTIVE (EX) COMMITTEE

July 13, 2021 / June 29, 2021 / May 20, 2021

Summary Report

The Executive (EX) Committee met July 13, June 29, and May 20, 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. Discussed creating a new standing Committee on Innovation, Technology, and Cybersecurity.
2. Received a mid-year financial update and an overview of the preliminary 2022 budget.
3. Approved the State Based Systems (SBS) Kansas Implementation 2021 Fiscal.
4. Approved BlackRock Solutions as the commercial mortgage-backed securities (CMBS) and residential mortgage-backed securities (RMBS) modeling vendor.
5. Approved a contribution to the NAIC Defined Benefit Pension Plan Portfolio.
6. Adopted the Audit Committee report, including the 2020/2021 Service Organization Control (SOC) reports.
7. Adopted the Internal Administration (EX1) Subcommittee's May 13 minutes.
8. Approved a Fiscal for the Solvency Workpaper Software Modernization Project – Implementation Preparation Phase.

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REPORT OF THE EXECUTIVE (EX) COMMITTEE TASK FORCES

Climate and Resiliency (EX) Task Force—The Climate and Resiliency (EX) Task Force met on Aug. 15 and took the following action: 1) heard reports from its workstreams; 2) heard a presentation regarding the California Department of Insurance (DOI) Working Group recommendations report, *Protecting Communities, Preserving Nature, and Building Resiliency: How First-of-its-Kind Climate Insurance Will Help Combat the Costs of Wildfires, Extreme Heat and Floods*; and 3) heard a presentation from the Reinsurance Association of America (RAA) regarding its mapping and analysis tool for resiliency planning utilizing the Federal Emergency Management Agency’s (FEMA’s) Natural Risk Index for natural hazard data.

Government Relations (EX) Leadership Council—The Government Relations (EX) Leadership Council did not meet at the Summer 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 on Aug. 14 and took the following action: 1) adopted minutes from the Spring 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. The Task Force will also hear a report on cybersecurity workstreams and international activity. The Task Force will discuss issues related to consumer data ownership and hear reports from various NAIC committees working on related or potentially overlapping workstreams, such as the Special (EX) Committee on Race and Insurance, the Accelerated Underwriting (A) Working Group, the Property and Casualty Insurance (C) Committee, and the Privacy Protections (D) Working Group. The Task Force will also hear an update on the predictive model review process and discussed the coordination of the various NAIC cybersecurity workstreams.

The **Big Data and Artificial Intelligence (EX) Working Group** met July 9 and took the following action: 1) adopted its March 29 minutes; 2) discussed a draft survey to conduct analysis on private passenger automobile insurers’ use and governance of big data, as used in an artificial intelligence (AI) and machine learning system. The survey is being conducted under the examination authority of Connecticut, Illinois, Iowa, Louisiana, Nevada, North Dakota, Pennsylvania, Rhode Island, and Wisconsin. This analysis will help inform the Working Group in completing its long-term goals of developing guidance and recommendations to update the existing regulatory framework for the use of big data and AI, including how to monitor and oversee the industry’s compliance with the NAIC’s AI principles. The survey work will be expanded to other lines of insurance as needed, such as life insurance and homeowners insurance.

The **E-Commerce (EX) Working Group** met June 30 and took the following action: 1) heard an introductory report, as well as additional background and other information explaining what led to its establishment; 2) discussed its 2021 charges, which include examining the states’ e-commerce laws and regulations, surveying the states regarding their various exceptions to the federal Uniform Electronic Transactions Act (UETA) while also examining whether a model bulletin may be appropriate; and 3) discussed its overall work plan and what sorts of efforts it can undertake moving forward in order to satisfy its charges, including: identifying key legislation; surveying the states; and working with state insurance regulators, industry, and consumer representatives to further evaluate what type of deliverable the Working Group will ultimately provide.

The **Speed to Market (EX) Working Group** met June 30 and June 29 and took the following action: 1) adopted its March 10 minutes; 2) heard an update from the Information Technology Group (ITG) regarding the implementation of last year’s changes to the product coding matrix (PCM); and 3) discussed and considered new suggested changes to the PCM and the uniform transmittal document (UTD). No new revisions were adopted.

Long-Term Care Insurance (EX) Task Force—The Long-Term Care Insurance (EX) Task Force met on Aug. 13 in joint session with the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup to: 1) adopted its July 6 minutes, which included adoption of its Spring National Meeting minutes; and 2) received the reports of the Long-Term Care Insurance Reduced Benefit Options (EX) Subgroup and the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup.

During the Aug. 13 meeting, the Task Force received the reports of its subgroups: 1) the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup, which met June 22 to hear comments from state insurance regulators and interested parties on

the operational section of the long-term care insurance (LTCI) multistate actuarial (MSA) rate review framework exposure draft; 2) the Long-Term Care Insurance Reduced Benefit Options (EX) Subgroup, which met July 28, July 22, and May 4 where it heard presentations on current innovative long-term care (LTC) wellness pilot programs, exposed a document titled “Issues Related to LTC Wellness Benefits” for a public comment period ending Sept. 5, and began making revisions to the draft “RBO Consumer Notices Checklist” based on comments received; and 3) the Long-Term Care Insurance Financial Solvency (EX) Subgroup, which reported on industry trends and factors affecting reserve levels.

During the Aug. 13 meeting, the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup discussed the status of revisions to the operational section of the LTCI MSA rate review framework. The drafting group continues to work through issues identified in the comments received. A second draft is expected to be released for comment in the fall. The Subgroup heard comments on the actuarial section of the LTCI MSA rate review framework from state insurance regulators and interested parties. The drafting group will begin work addressing the issues identified in the comments received.

Special (EX) Committee on Race and Insurance—The Special (EX) Committee on Race and Insurance met Aug. 15 and took the following action: 1) adopted its July 21, July 1, and Spring National Meeting Minutes; 2) heard reports from its five workstreams; and 3) heard presentations from interested parties. The Special Committee met on July 21 and July 1 to hear comments on its proposed charges and adopt those charges for 2021–2022.

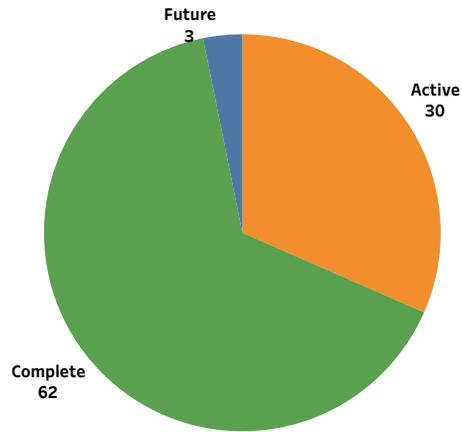
- Workstream One of the Special Committee is focused on researching and analyzing the level of diversity and inclusion within the insurance sector. The Workstream submitted an initial report to the Special Committee in February outlining its findings, as well as its recommendations to the Executive (EX) Committee and membership on next steps.
- Workstream Two of the Special Committee has not met since the Spring National Meeting. The Workstream recently emailed to commissioners a survey intended to examine, at the zone level, best practices and initiatives state insurance departments can consider to promote diversity, equity, and inclusion (DE&I) in their offices. Once responses have been gathered, the Workstream will meet to discuss and develop a method and forum to share diversity and inclusion information among state insurance regulators.
- Workstream Three of the Special Committee is focused on property/casualty (P/C) insurance issues. The Workstream has met four times to develop a list of issues that it wishes to focus on. The Workstream leveraged the issues list to create a final report in January that it submitted to the Special Committee for its consideration. The report included potential charges related to affordability; availability and access; producer issues; education and outreach; and unfair discrimination. The Workstream expects to take the adopted charges and begin to draft a work plan to complete its tasks.
- Workstream Four of the Special Committee drafted and adopted an initial report and recommendations via e-vote ending Feb. 5 and forwarded it to the Special Committee for its consideration. The Workstream expects to meet in September to discuss the charges adopted by the Special Committee and draft a work plan to complete its tasks.
- Workstream Five of the Special Committee met July 8 and June 10 to discuss issues related to data collection and provider networks, provider directories, and cultural competency. During these meetings, the Workstream heard responses and testimony from stakeholders on a specified set of questions related to these issues. The Workstream recently exposed a draft Principles for Data Collection document for a public comment period ending Aug. 19. The Workstream plans to discuss the comments received by the Aug. 19 public comment deadline during a meeting on Aug. 26. The Workstream anticipates developing a similar document for issues related to provider networks, provider directories, and cultural competency. After its Aug. 26 meeting, the Workstream plans to finalize a work plan to complete its work on both documents by the end of 2021.

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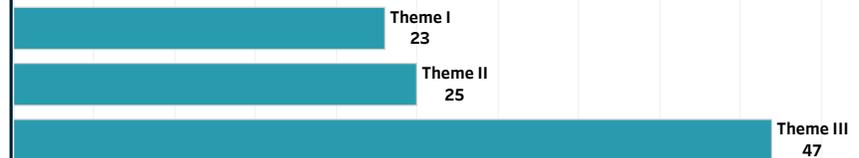


State Ahead Status Reporting - July 2021

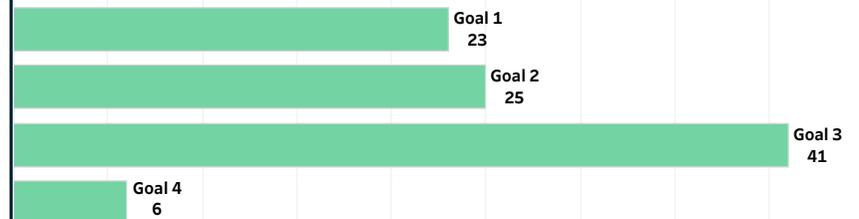
Current Project Phase



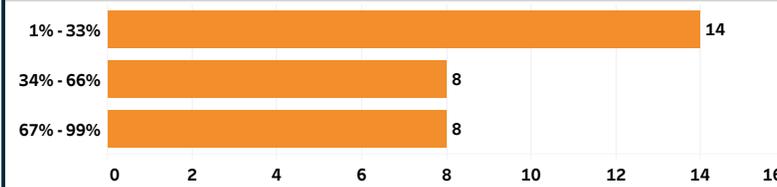
Projects by Strategic Themes



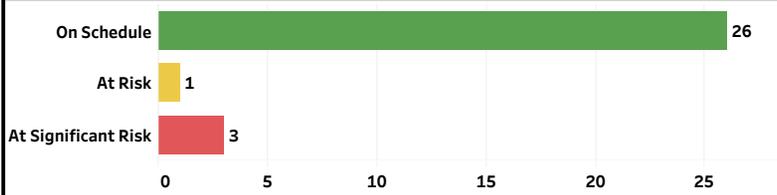
Projects by Strategic Goals



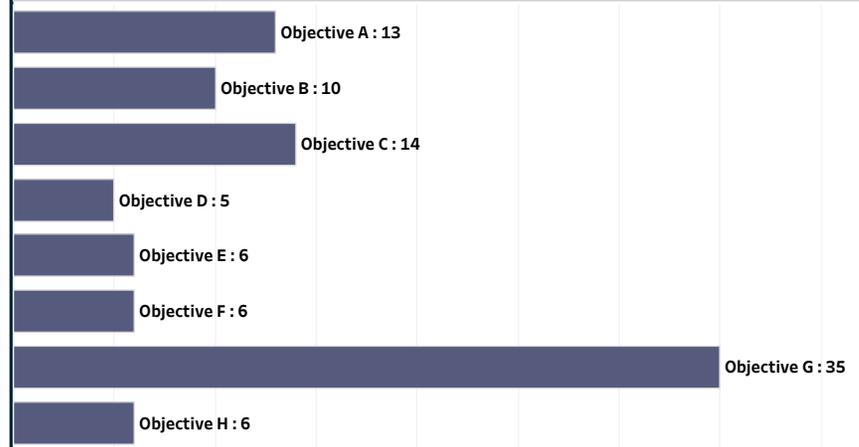
Progress On Active Projects



Current Status of Active Projects



Projects by Strategic Objectives



Draft: 8/11/21

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 Section 6 and Section 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 Section 6 and Section 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 Section 1 through Section 7 of Model #171. The Subgroup met July 26 and July 12, 2021, to discuss revisions to Model #171 based on the comments received by the July 2, 2021, public comment deadline. The Subgroup does not plan to meet at the Summer National Meeting. It plans to meet Aug. 9, 2021, to continue its discussion of possible revisions to Model #171.

Amendments to the *Annuity Disclosure Model Regulation (#245)*—The Executive (EX) Committee met June 19, 2017, and approved a Request for NAIC Model Law Development to amend Model #245. The amendments will revise Section 6—Standards for Illustrations. The purpose of the revision is to address issues identified by the Annuity Disclosure (A) Working Group of the Life Insurance and Annuities (A) Committee related to innovations in annuity products that are not addressed, or not addressed adequately, in the current standards. Revisions addressing participating income annuities were adopted by the Life Insurance and Annuities (A) Committee during its July 19, 2018, meeting and held pending the resolution of the Working Group's discussions regarding illustrating indexes in existence for less than 10 years. The Working Group is no longer considering the index issue, and the 2018 revisions are being considered for adoption by the Executive (EX) Committee and Plenary at the Summer National Meeting.

Amendments to the *Insurance Holding Company System Regulatory Act (#440)* and the *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions (#450)*—The Executive (EX) Committee approved a Request for NAIC Model Law Development for amendments to Model #440 and Model #450 at the 2020 Summer National Meeting. The Receivership Law (E) Working Group met six times in 2020 and 2021 to develop revisions to Section 5 of Model #440 and Section 19 of Model #450 that address the issue of continuation of essential services by affiliates in receivership. The Working Group adopted the amendments following the exposure period ending April 9, 2021. The Receivership and Insolvency (E) Task Force adopted the amendments on May 20, 2021. The Financial Condition (E) Committee adopted the amendments on July 8, 2021.

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 Life Insurance and Annuities (A) 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-under writing, 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 Summer National Meeting.

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 on Aug. 5, 2021, and appointed a drafting group to work on the revisions to Model #870.

New Model: Pet Insurance Model Law—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 Model Law on Aug. 4, 2021.

New Model: Pharmacy Benefit Manager (PBM) Model Law—The Executive (EX) Committee approved a Request for NAIC Model Law Development at the 2019 Summer National Meeting to draft a new model law addressing the licensure or registration of PBMs. The Pharmacy Benefit Manager Regulatory Issues (B) Subgroup of the Regulatory Framework (B) Task Force is drafting the model as a result of discussions that began during the Health Insurance and Managed Care (B) Committee's work to revise the *Health Carrier Prescription Drug Benefit Management Model Act (#22)*. Following the 2019 Summer National Meeting, the Working Group held several information-gathering sessions to assist it in working on its charge. The Working Group met in regulator-to-regulator session to discuss its next steps. The Working Group formed an ad hoc drafting group to develop an initial draft regulating PBMs. The Subgroup met July 16, 2020, to discuss a draft of establishing a PBM licensing requirement and other PBM provisions, including a gag clause provision. The Subgroup exposed the draft for a public comment period ending Sept. 1, 2020. The Subgroup discussed the comments received on the proposed new model during a series of meetings in September and October. The Subgroup adopted the proposed new model on Oct. 29, 2020, and forwarded it to the Regulatory Framework (B) Task Force for consideration of adoption. The Regulatory Framework (B) Task Force discussed the proposed new model during its Nov. 19, 2020, meeting. The Task Force deferred adopting the proposed new model and exposed it for an additional 30-day public comment period. The Task Force discussed the comments received on the proposed new model on March 1, 2021, and adopted it on March 18, 2021. The Health Insurance and Managed Care (B) Committee adopted the model law during its meeting on June 22, 2021. The Executive (EX) Committee and Plenary will consider adoption of the model law during the Summer National Meeting.

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