

The logo for the National Association of Insurance Commissioners (NAI), featuring the letters 'NAI' in a bold, sans-serif font, followed by a stylized 'C' that is composed of three overlapping, curved segments.

NAI

**NATIONAL
MEETING
FALL 2022**

SYNOPSIS

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

The NAIC is the authoritative source for insurance industry information. Our expert solutions support the efforts of regulators, insurers and researchers by providing detailed and comprehensive insurance information. The NAIC offers a wide range of publications in the following categories:

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Information about statutory accounting principles and the procedures necessary for filing financial annual statements and conducting risk-based capital calculations.

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**Synopsis of the NAIC Committee, Subcommittee, and Task Force Meetings
2022 Fall National Meeting
December 12–16, 2022**

TO: Members of the NAIC and Interested Parties

FROM: The Staff of the NAIC

Committee Action

NAIC staff have reviewed the committee, subcommittee, and task force reports and highlighted the actions taken by the committee groups during the 2022 Fall National Meeting. The purpose of this report is to provide NAIC members, state insurance regulators, and interested parties with a summary of these meeting reports.

EXECUTIVE (EX) COMMITTEE AND PLENARY (Joint Session)

Dec. 16, 2022

1. Received the Dec. 14 report of the Executive (EX) Committee. See the Committee listing for details.
2. Adopted by consent the committee, subcommittee, and task force minutes of the Summer National Meeting.
3. Adopted the NAIC 2023 proposed budget.
4. Adopted the NAIC 2023 proposed committee charges
5. Received the report of the Life Insurance and Annuities (A) Committee. See the Committee listing for details.
6. Received the report of the Health Insurance and Managed Care (B) Committee. See the Committee listing for details.
7. Received the report of the Property and Casualty Insurance (C) Committee. See the Committee listing for details.
8. Received the report of the Market Regulation and Consumer Affairs (D) Committee. See the Committee listing for details.
9. Received the report of the Financial Condition (E) Committee. See the Committee listing for details.
10. Received the report of the Financial Regulation Standards and Accreditation (F) Committee. See the Committee listing for details.
11. Received the report of the International Insurance Relations (G) Committee. See the Committee listing for details.
12. Received the report of the Innovation, Cybersecurity, and Technology (H) Committee. See the Committee listing for details.
13. Adopted the 2023 Generally Recognized Expense Table (GRET).
14. Adopted revisions to *Actuarial Guideline XLIV—Group Term Life Waiver of Premium Disabled Life Reserves (AG 44)* and the new 2022 Group Term Life Waiver Mortality Recovery Tables (2022 Tables).
15. Adopted the Guidelines for Uniform Licensing Applications.
16. Adopted the U.S. version of the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame).
17. Received a status report on the state implementation of NAIC-adopted model laws and regulations.
18. Received the results of the 2023 zone officer elections. Midwest Zone: Commissioner Doug Ommen, Chair (IA); Director Anita G. Fox, Vice Chair (MI); and Commissioner Vicki Schmidt, Secretary (KS). Northeast Zone: Commissioner Kathleen A. Birrane, Chair (MD); Commissioner Trinidad Navarro, Vice Chair (DE); and Commissioner Kevin Gaffney, Secretary (VT). Southeast Zone: Commissioner James J. Donelon, Chair (LA); Commissioner Carter Lawrence, Vice Chair (TN); and Commissioner Sharon P. Clark, Secretary (KY). Western Zone: Director Lori K. Wing-Heier, Chair (AK); Commissioner Michael Conway, Vice Chair (CO); and Commissioner Andrew R. Stolfi, Secretary (OR).

19. Elected the 2023 NAIC officers: Director Chlora Lindley-Myers, President (MO); Commissioner Andrew N. Mais, President-Elect (CT); Commissioner Jon Godfread, Vice President (ND); and Commissioner Scott A. White, Secretary-Treasurer (VA)

EXECUTIVE (EX) COMMITTEE

Dec. 14, 2022

1. Adopted the report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee, which met Dec. 13 and took the following action:
 - A. Adopted the Executive (EX) Committee's Summer National Meeting minutes.
 - B. Reported it met Dec. 9 and Oct. 20 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 and Subcommittee took the following action:
 - i. Approved the proposed NAIC 2023 budget and recommended that it be considered by the full membership during the joint meeting of the Executive (EX) Committee and Plenary at the Fall National Meeting.
 - ii. Held a public hearing on the proposed NAIC 2023 budget with interested parties.
 - iii. Approved the exposure of the proposed NAIC 2023 budget for a public comment period.
 - C. Adopted the report of the Audit Committee, which met Dec. 9. and took the following action:
 - i. Received the Oct. 31 financial update.
 - ii. Received an update on the 2022 year-end financial audit.
 - iii. Received an update on the upcoming Service Organization Control (SOC) 1 and SOC 2 reviews.
 - iv. Heard an update on the enterprise resource planning (ERP) project.
 - v. Reviewed the status of zone financials and zone technical training funds.
 - D. Received the chief executive officer/chief operating officer (CEO/COO) report.
 - E. Adopted the NAIC–National Insurance Producer Registry (NIPR) license and services agreement.
 - F. Approved an extension of the Texas Department of Insurance (TDI) pilot funding and received an update on System for Electronic Rates & Forms Filing (SERFF) modernization.
 - G. Received an update on the NAIC's Kansas City, MO, and Washington, DC, office spaces.
2. Adopted the report of the Executive (EX) Committee, which met Oct. 20 and took the following action:
 - A. Confirmed the chair and vice chair for the Valuation Analysis (E) Working Group.
 - B. Appointed members to the International Association of Insurance Supervisors (IAIS) Executive Committee.
 - C. Received an update on business and operational matters.
3. Adopted the report of the Climate and Resiliency (EX) Task Force. See the Task Force listing for details.
4. Adopted the report of the Government Relations (EX) Leadership Council. See the Task Force listing for details.
5. Adopted the report of the Long-Term Care Insurance (EX) Task Force. See the Task Force listing for details.
6. Adopted the report of the Special (EX) Committee on Race and Insurance. See the Committee listing for details.
7. Adopted its 2023 proposed charges.
8. Received a status report on *State Connected*, the NAIC strategic plan.
9. Heard a report on the New Avenues in Insurance Careers (N.A.I.C.) Foundation.
10. Received a status report on model law development efforts and adopted a Model Law Review Implementation memorandum and charge to letter committees.
11. Received a status report on model law development efforts for amendments to: 1) the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171); 2) the *Property and Casualty Insurance Guaranty Association Model Act* (#540); the *Mortgage Guaranty Insurance Model Act* (#630); 3) the *Nonadmitted Insurance Model Act* (#870); and 4) the new Insurance Consumer Privacy Protection Model Law.
12. Heard reports from NIPR and the Interstate Insurance Product Regulation Commission (Compact).

Climate and Resiliency (EX) Task Force

Dec. 15, 2022

1. Adopted its Summer National Meeting minutes.
2. Received an update on NAIC activities related to climate risk and resiliency. In 2023, work will continue related to referrals from the Solvency Workstream to the Property and Casualty Risk-Based Capital (E) Working Group, the Financial Analysis Solvency Tools (E) Working Group, and the Financial Examiners Handbook (E) Technical Group. Additionally, in 2023, the Property and Casualty Insurance (C) Committee will consider the need for a white paper on parametric products. Finally, the NAIC Catastrophe Modeling Center of Excellence (COE) is now fully staffed and will report periodically to the Task Force.
3. Discussed state actions to incentivize mitigation and resiliency. Examples of state insurance regulator actions include stakeholder coordination and hazard risk assessment, advocacy for state adoption of the latest building codes and effective land-use planning, mitigation action to reduce exposure to the built environment, identification of resilience funding options, consumer outreach and engagement, and the creation of residual market mechanisms to fill protection gaps.
4. Heard a federal update. The NAIC continues to support the federal Disaster Mitigation and Tax Parity Act. On Sept. 28, the U.S. Senate passed the Community Disaster Resilience Zones Act and the FEMA Improvement, Reform, and Efficiency (FIRE) Act. The U.S. House of Representatives (House) passed the Wildfire Response and Drought Resiliency Act, which included the House's Wildfire Insurance Coverage Study Act.
5. Heard an international update. The International Association of Insurance Supervisors' (IAIS') Climate Risk Steering Group has three workstreams: 1) supervisory guidance; 2) scenario analysis; and 3) data. Eight U.S. states are members of the Sustainable Insurance Forum (SIF). Ongoing dialogue between the U.S. and the European Union (EU) includes discussion of climate risk disclosures and financial oversight, as well as climate risk and resilience. In October, the Financial Stability Board (FSB) published its final report on supervisory and regulatory approaches to climate-related risks.

Government Relations (EX) Leadership Council

The Government Relations (EX) Leadership Council did not meet at the Fall National Meeting.

Long-Term Care Insurance (EX) Task Force

Nov. 30, 2022 (in lieu of the Fall National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 31 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted its 2023 proposed charges.
3. Discussed proposed edits to the Checklist for Premium Increase Communications, which were proposed by NAIC consumer representatives. The Task Force formed an ad hoc group including California, Pennsylvania, and Vermont to work with consumer representatives to review and draft any further edits to the checklist. The proposed edits will be exposed for a 30-day public comment period after the ad hoc group completes its review.
4. Received an update on industry trends that could have an impact on the solvency of long-term care insurance (LTCI) companies and reserves. The Task Force will continue to monitor the impacts of cost-of-care inflation and other factors.
5. Received an update on the Multistate Actuarial (MSA) Associate Program. The program involves assisting the MSA team in reviews and provides an opportunity for training. State insurance department staff are encouraged to join.
6. Reported that it would meet at the Fall National Meeting in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss confidential pilot project survey results.

Special (EX) Committee on Race and Insurance

Dec. 14, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its 2023 proposed charges.
3. Received a status report from the following workstreams:
 - A. Workstream One: Research/analyze the level of diversity and inclusion within the insurance industry.
 - B. Workstream Two: Research/analyze the level of diversity and inclusion within the NAIC and state insurance regulator community.
 - C. Workstream Three: Examine and determine which practices or barriers exist in the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups in the property/casualty (P/C) line of business.
 - D. Workstream Four: Examine and determine which practices or barriers exist in the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups in the life insurance and annuities line of business.
 - E. Workstream Five: Examine and determine which practices or barriers exist in the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups in the health insurance line of business.
4. Adopted Workstream One's diversity, equity, and inclusion (DEI) recommendations to the insurance industry and trade associations.
5. Adopted the report of the Health Innovations (B) Working Group that addresses mechanisms to reduce disparities in access to health insurance and focuses on telehealth services and alternative payment models.
6. Heard a report on the International Association of Insurance Supervisors (IAIS) diversity initiatives.
7. Heard an update on the State Diversity Leadership Forum.
8. Heard an update on the New Avenues in Insurance Careers (N.A.I.C.) Foundation. The Foundation is planning to provide college students with the opportunity to serve as an intern with a state insurance department and with an insurance company and then be provided with a scholarship following the successful completion of the internships.

INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE

See the Executive (EX) Committee listing for details.

LIFE INSURANCE AND ANNUITIES (A) COMMITTEE

Dec. 14, 2022

1. Adopted its Nov. 15 meeting minutes, which included the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Adopted the 2023 Generally Recognized Expense Table (GRET).
 - C. Adopted the Life Actuarial (A) Task Force's 2023 proposed charges.
 - D. Adopted its 2023 proposed charges.
 - E. Heard an update on the issue of enhanced cash surrender value (CSV) offers in universal life insurance. The NAIC Legal Division drafted a memorandum regarding the history of universal life insurance, and a survey of state insurance departments was developed to help the Committee get a better understanding of this issue. Survey responses were requested by Nov. 21.
2. Received an update from the Accelerated Underwriting (A) Working Group. An ad hoc group of regulators developed draft guidance for state insurance regulators with respect to accelerated underwriting in life insurance. The ad hoc group incorporated feedback from other NAIC groups and plans to have an open meeting to expose the guidance, which includes a referral to the Market Conduct Examination Guidelines (D) Working Group.

3. Received an update from the Annuity Suitability (A) Working Group. As of Nov. 27, 29 states have adopted the 2020 revisions to the *Suitability in Annuity Transactions Model Regulation* (#275). Six jurisdictions have legislation pending. The Working Group plans to continue its work on the frequently asked questions (FAQ) document addressing the safe harbor/comparable standards provision in Model #275. Those states that have adopted the 2020 revisions—including Iowa, which is enforcing the safe harbor provision—are gathering information related to that enforcement, which will help to inform the Working Group’s work on the FAQ.
4. Adopted the report of the Life Actuarial (A) Task Force. See the Task Force listing for details.
5. Heard an update on the survey regarding enhanced CSV offers in universal life insurance. Thirty-one jurisdictions participated in the survey, the results of which will inform any next steps on the issue.

Life Actuarial (A) Task Force

Dec. 11–12, 2022

1. Adopted its Nov. 17, Nov. 10, Oct. 27, Oct. 24, Oct. 13, Oct. 6, Sept. 29, Sept. 15, Sept. 8, and Aug. 25 minutes. During these meetings, the Task Force took the following action:
 - A. Exposed a referral from the Financial Regulation Standards and Accreditation (F) Committee regarding whether an accreditation standard is still needed for the *Actuarial Opinion and Memorandum Regulation* (#822). The memorandum was exposed for a 21-day public comment period ending Dec. 7.
 - B. Exposed an NAIC staff memorandum regarding net negative interest maintenance reserve (IMR). The memorandum was exposed for a 14-day public comment period ending Nov. 30.
 - C. Exposed an NAIC staff memorandum and recommendation for a replacement for the London Interbank Offer Rate (LIBOR). The memorandum was exposed for a 14-day public comment period ending Nov. 30.
 - D. Discussed a project to consider improvements to indexed universal life (IUL) illustrations.
 - E. Exposed the Nov. 17 draft of the proposed Actuarial Guideline LIV—Nonforfeiture Requirements for Index Linked Variable Annuity Products (ILVA Actuarial Guideline) for a 14-day public comment deadline ending Nov. 30.
 - F. Adopted its Summer National Meeting minutes.
 - G. Discussed comments received on the Oct. 13 exposure of the proposed ILVA Actuarial Guideline.
 - H. Heard an update on the NAIC’s economic scenario generator (ESG) field test.
 - I. Heard a presentation from the American Academy of Actuaries (Academy) Economic Scenario Work Group on an independent set of corporate model stylized facts and acceptance criteria along with a proposed simplified corporate model.
 - J. Adopted its 2023 proposed charges.
 - K. Exposed the Oct. 13 draft of the proposed ILVA Actuarial Guideline for a 21-day public comment deadline ending Nov. 2.
 - L. Discussed comments received on the IUL Illustration (A) Subgroup exposure regarding a concept for improvements to IUL illustrations.
 - M. Adopted amendment proposal form (APF) 2022-06.
 - N. Heard guidance on the implementation of future mortality improvement in VM-20, Requirements for Principle-Based Reserves for Life Products.
 - O. Heard an update from the Academy on equity model stylized facts.
 - P. Requested volunteers for new ESG drafting groups.
 - Q. Heard an update on APF 2022-04 and the NAIC’s transition to the Secured Overnight Financing Rate (SOFR) for swap spread assumptions.
 - R. Adopted the Academy Mortality Improvements Life Work Group and the Society of Actuaries (SOA) Mortality and Longevity Oversight Advisory Council recommendation for historical mortality improvement (HMI) and future mortality improvement (FMI) tables.
 - S. Heard an update on the Health Actuarial (B) Task Force’s meeting to consider adoption of a replacement for the 2005 Group Term Life Waiver Mortality and Recovery Table (GLWPVT) used in *Actuarial Guideline XLIV—Group Term Life Waiver of Premium Disabled Life Reserves* (AG 44).

- T. Formed a drafting group to address its charge to: “Evaluate and provide recommendations regarding the VM-21/AG 43 Standard Projection Amount, which may include continuing as a required floor or providing as disclosure.”
 - U. Exposed APF 2022-06 for a 21-day public comment period ending Oct. 5.
 - V. Adopted the 2023 Generally Recognized Expense Table (GRET).
 - W. Adopted templates for the *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53) submissions.
 - X. Exposed APF 2022-07 for a 21-day public comment period ending Sept. 28.
 - Y. Exposed the HMI and FMI recommendations for a 21-day public comment period ending Sept. 21.
2. Adopted the report of the Experience Reporting (A) Subgroup, which has not met since the Summer National Meeting. Upcoming projects include monitoring the plans for collecting life insurance mortality and policyholder behavior data using the NAIC as the statistical agent, starting to develop mandatory reporting of variable annuity data, and continuing to work on evaluating actuarial aspects of accelerated underwriting.
 3. Adopted the report of the Index-Linked Variable Annuity (A) Subgroup, including its Sept. 27, Sept. 20, and Aug. 29 minutes. During these meetings, the Subgroup took the following action:
 - A. Discussed comments received on the proposed ILVA Actuarial Guideline.
 - B. Exposed draft versions of the proposed ILVA Actuarial Guideline.
 4. Adopted the report of the IUL Illustration (A) Subgroup, including its Nov. 9 and Oct. 12 minutes. During these meetings, the Subgroup took the following action:
 - A. Heard comments relating to a “quick fix” for *Actuarial Guideline XLIX-A—The Application of the Life Illustrations Model Regulation to Policies With Index-Based Interest to Policies Sold on or After December 14, 2020* (AG 49-A).
 - B. Exposed a request for comments related to its charge to provide recommendations for consideration of changes to the *Life Insurance Illustrations Model Regulation* (#582) for a 40-day public comment period ending Nov. 22.
 - C. Exposed the AG 49-A “quick fix” proposals—contained in the comment letters from Securian Financial and the group of six companies, a proposal that clarifies the Samuelson Moore comment letter, and the discussion topic of whether products and strategies associated with the same hedge budget should illustrate the same—for a 21-day public comment period ending Nov. 3.
 5. Adopted the report of the Longevity Risk (E/A) Subgroup, which has not met since the Summer National Meeting. The Subgroup will resume meeting once the currently exposed VM-22, Requirements for Principle-Based Reserves for Non-Variable Annuities, methodology is finalized and adopted. At that point, the Subgroup will work to develop and recommend longevity risk factor(s) for the product(s) that were excluded from the application of the current longevity risk factors.
 6. Adopted the report of the Valuation Manual (VM)-22 (A) Subgroup, including its Nov. 30, Oct. 27, Oct. 12, Oct. 4, Sept. 21, Sept. 7, Aug. 24, and Aug. 17 minutes. During these meetings, the Subgroup took the following action:
 - A. Exposed the Academy proposal for single premium immediate annuity (SPIA) exclusion testing for a 60-day public comment period ending Feb. 2, 2023.
 - B. Heard presentations on standard projection amount (SPA) expense, mortality, and policyholder behavior assumptions.
 - C. Discussed proposed revisions to VM-22.
 - D. Exposed the revised VM-22 for a 90-day public comment period ending Jan. 2, 2023.
 7. Adopted the report of the Variable Annuities Capital and Reserve (E/A) Subgroup, which has not met since the Summer National Meeting. At the request of the Task Force, the Subgroup chair has made a request to the SOA to expand the work it is currently carrying out for the VM-22 SPA mortality drafting group to include variable annuities.
 8. Adopted the proposed ILVA Actuarial Guideline.
 9. Adopted revisions to AG 49-A, with an updated effective date of May 1, 2023.

10. Discussed comments received on the exposure of the request for comment on suggested revisions to Model #582.
11. Discussed the Academy Economic Scenario Work Group's simplified corporate model.
12. Heard a presentation from the Academy on ESG interest rate stylized facts and acceptance criteria.
13. Adopted the NAIC staff recommendation memorandum on a replacement for the LIBOR. The SOFR will replace the LIBOR for swap spreads and will be effective at the end of 2022.
14. Heard an update on VM-50, Experience Reporting Requirements, and VM-51, Experience Reporting Formats, of the *Valuation Manual*. Data was collected from 108 insurance companies for 2018 and 2019 as part of the first year of the NAIC's mortality experience collection, which represented approximately 92% of the business in scope. The Task Force agreed to allow for the extension of the deadline for corrected submissions to Feb. 28, 2023.
15. Adopted an NAIC staff memorandum regarding net negative IMR.
16. Exposed APF 2022-08—which clarifies reporting and governance requirements for groups of contracts using the VM-21, Requirements for Principle-Based Reserves for Variable Annuities, alternative method—for a 21-day public comment period ending Jan. 4, 2023.
17. Heard an update from the Academy Life Practice Council.
18. Heard an update on the SOA's research and education activities.
19. Re-exposed APF 2022-07 for a 21-day public comment period ending Jan. 4, 2023.
20. Heard a presentation on the NAIC ESG field test qualitative survey results. The NAIC received qualitative surveys from 40 of the 41 participating companies. Meetings of the newly formed ESG drafting groups will begin in early 2023. It was reported that given the amount of work needed to be completed before the ESG is adopted, along with the need for a second field test, the ESG is expected to be implemented no earlier than 2025.

HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE

Dec. 14, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its Nov. 10 minutes. During this meeting, the Committee took the following action:
 - A. Adopted revisions to *Actuarial Guideline XLIV—Group Term Life Waiver of Premium Disabled Life Reserves* (AG 44) and its accompanying new tables and adjustments, the new 2022 Group Term Life Waiver Mortality and Recovery Tables (2022 Tables).
 - B. Adopted the Health Actuarial (B) Task Force's 2023 proposed charges.
 - C. Adopted the Regulatory Framework (B) Task Force's 2023 proposed charges.
 - D. Adopted the Senior Issues (B) Task Force's 2023 proposed charges.
 - E. Adopted its 2023 proposed charges.
 - F. Discussed the NAIC/American Indian and Alaska Native Liaison Committee's Oct. 28 meeting. During the regulator-to-regulator meeting, the Liaison Committee discussed the Sovereign Nations Health Consortium (SNHC) plan to have Sovereign Nations Insurance (SNI), which the SNHC characterizes as a tribal insurer, to offer and sell certain health insurance products to tribal members and potential non-tribal members without obtaining an insurance license from state departments of insurance (DOIs).
3. Adopted the report of the Consumer Information (B) Subgroup, including its Oct. 20 and Sept. 28 minutes. During these meetings, the Subgroup took the following action:
 - A. Adopted revisions to the *Frequently Asked Questions About Health Care Reform* document.
 - B. Discussed sharing a survey regarding consumer engagement activities with state public information officers (PIOs) during a PIO meeting in October.

4. Adopted the report of the Health Innovations (B) Working Group, including its Dec. 13 and Oct. 3 minutes. During these meetings, the Working took the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Heard presentations on hospital facility fees from the National Academy for State Health Policy (NASHP), the American Hospital Association (AHA), the Blue Cross and Blue Shield Association (BCBSA), and America’s Health Insurance Plans (AHIP).
 - C. Heard a presentation from Randolph Pate Advisors on the coverage of drugs to treat obesity.
 - D. Heard presentations from Johns Hopkins University and the HIV+Hepatitis Policy Institute on prescription drug formularies.
 - E. Adopted a memorandum to the Special (EX) Committee on Race and Insurance regarding mechanisms to resolve disparities through improved access to care.
5. Adopted the report of the Health Actuarial (B) Task Force. See the Task Force listing for details.
6. Adopted the report of the Regulatory Framework (B) Task Force. See the Task Force listing for details.
7. Adopted the report of the Senior Issues (B) Task Force. See the Task Force listing for details.
8. Heard a presentation from a large, multistate employer on pharmacy benefit manager (PBM) regulation.
9. Heard an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO) on its recent activities.

Health Actuarial (B) Task Force

Dec. 5, 2022 (in lieu of the Fall National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Adopted its Sept. 28 and Sept. 6 minutes. During these meetings, the Task Force took the following action:
 - A. Adopted the American Academy of Actuaries (Academy) and Society of Actuaries (SOA) Research Institute Group Life Waiver of Premium Valuation Table (GLWPVT) Work Group proposal for valuation tables to replace the 2005 Group Term Life Waiver Mortality and Recovery Tables in *Actuarial Guideline XLIV—Group Term Life Waiver of Premium Disabled Life Reserves (AG 44)*.
 - B. Adopted its 2023 proposed charges.
3. Adopted the report of the Long-Term Care Actuarial (B) Working Group, including its Oct. 17 minutes. During this meeting, the Working Group took the following action:
 - A. Discussed comments received on an exposure of the Academy and SOA Research Institute’s final *Long-Term Care Insurance (LTCI) Mortality and Lapse Study*.
4. Heard an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO) on Plan Year 2024 federal Affordable Care Act (ACA) rate filing submissions.
5. Heard a presentation from the American Council of Life Insurers (ACLI) on combination LTCI products.
6. Heard an update on SOA Research Institute activities.
7. Heard an update from the Academy Health Practice Council

Regulatory Framework (B) Task Force

Dec. 13, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 11 minutes. During this meeting, the Task Force took the following action:
 - A. Decided not to consider revisions to the *Health Carrier Prescription Drug Benefit Management Model Act (#22)*. The revisions address a concern raised during a presentation from the Association for Accessible Medicines (AAM) with a provision in the model concerning drug substitutions for certain biosimilar drugs at the Task Force’s meeting at the Summer National Meeting.
 - B. Adopted its 2023 proposed charges.

3. Adopted the report of the Accident and Sickness Insurance Minimum Standards (B) Subgroup, including its Dec. 5, Nov. 28, Nov. 14, Oct. 31, Oct. 18, Sept. 29, Sept. 12, and Aug. 29 minutes. During these meetings, the Subgroup took the following action:
 - A. Discussed the comments on Section 8—Supplementary and Short-Term Health Minimum Standards for Benefits of the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act (#171)*.
 - B. Completed its review of Model #171, Section 8.
 - C. Exposed comments on Model #171, Section 9 and Section 10, for a public comment period ending Nov. 18.
4. Adopted the report of the Employee Retirement Income Security Act (ERISA) (B) Working Group. The Working Group has not met in open session since the Summer National Meeting, but it is continuing its work to update the NAIC Chart on Multiple Employer Welfare Arrangements (MEWA)/Multiple Employer Trust (MET) and Association Plans and surveying the states regarding their stop loss laws in relation to level-funded plans.
5. Adopted the report of the Mental Health Parity and Addiction Equity Act (MHPAEA) (B) Working Group, including its Aug. 11 minutes. During this meeting, the Working Group took the following action:
 - A. Heard an expert presentation on parity issues from The Kennedy Forum.
 - B. Heard presentations from mental health care providers on parity issues.
 - C. Adjourned into regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to continue work on its goals.
6. Adopted the report of the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup, which planned to meet Dec. 15. During this meeting, the Subgroup planned to: 1) consider adoption of its Oct. 24 and Summer National Meeting minutes; and 2) discuss work on the initial draft of the pharmacy benefit manager (PBM) white paper.
7. Heard a presentation from Dialysis Patient Citizens (DPC) titled “Addressing Low-Value Insurance Products Through Improved Consumer Education.” The presentation discussed a potential consumer disclosure and labeling regime for ancillary health products and how this potential regime could address issues affecting consumer decision-making at the three levels of the shopping process: 1) first impression; 2) pre-decision; and 3) and post-decision.
8. Heard a presentation on individual coverage health reimbursement arrangements (ICHRA) from a representative of the Robert Wood Johnson Foundation (RWJF), including its potential for more consumer choice and its growth implications for the individual market. The presentation also touched on questions related to these arrangements, such as its rate of take-up by employers and barriers and other areas of concern affecting its rate of take-up. The presenter also discussed several policy recommendations to address some of these issues, such as allowing choice between group plan and ICHRA, requiring the ICHRA be offered to all employees, and conducting outreach and education to employers.
9. Heard an update on federal legislative and regulatory activities of interest to the Task Force.

Senior Issues (B) Task Force

Dec. 13, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 17 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted its 2023 proposed charges.
 - B. Discussed the conflict between Medicare and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) rules that has led to some confusion about which system and which set of rules govern eligibility for coverage, and how the responsibility for payment of health care benefits for eligible individuals is determined.
3. Discussed two letters, one to the U.S. Congress and the second to the U.S. Department of Labor (DOL), regarding the conflict between Medicare and COBRA rules that has led to some confusion about which system and which set of rules govern eligibility for coverage, and how the responsibility for payment of health care benefits for eligible individuals is determined. The Task Force did not take any action on the letters.

4. Heard a review of a summary prepared to illustrate the work done by the now-disbanded Long-Term Care Insurance Model Update (B) Subgroup.
5. Heard a federal legislative update on State Health Insurance Assistance Program (SHIP) funding.
6. Heard an update on improper marketing practices related to Medicare and Medicare Advantage. It was reported that there is an influx of scammers who are based offshore, outside the reach of not only the states but also the federal Centers for Medicare & Medicaid Services (CMS).
7. Heard an update from Washington on its WA Cares Fund program, which is a long-term care insurance (LTCI) benefit established by Washington state law in 2019.

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE

Dec. 15, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted the report of the Casualty Actuarial and Statistical (C) Task Force. See the Task Force listing for details.
3. Adopted the report of the Surplus Lines (C) Task Force. See the Task Force listing for details.
4. Adopted the report of the Title Insurance (C) Task Force. See the Task Force listing for details.
5. Adopted the report of the Workers' Compensation (C) Task Force. See the Task Force listing for details.
6. Adopted the report of the Cannabis Insurance (C) Working Group, including its Nov. 29 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Oct. 19 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its Summer National Meeting minutes.
 - ii. Adopted a vote of consensus on its 2023 proposed charges. The new charges will include adding an appendix on emerging issues to the *Understanding the Market for Cannabis Insurance 2.0* white paper.
 - B. Received an update on the drafting of the *Understanding the Market for Cannabis Insurance 2.0* white paper. The drafting group continues to meet every two to three weeks, and the white paper draft is nearly complete.
 - C. Heard a panel discussion on recent federal and state political movements and how they may affect the industry. The discussion included the impact of the federal pardon on simple marijuana possession. It also highlighted the importance of federal legislation addressing a safe harbor for the insurance industry.
7. Adopted the report of the Catastrophe Insurance (C) Working Group, which met Dec. 12 in joint session with the NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group and took the following action:
 - A. Adopted the Working Group and Advisory Group's Summer National Meeting minutes.
 - B. Heard an update from FEMA regarding the National Flood Insurance Program (NFIP). The presentation included information about using a model that enables consumers to act prior to a disaster. FEMA is seeking to be aware of, and responsive to, all individuals and communities, making sure the benefits of its program are available to everyone by using a consumer-centric model. FEMA also discussed the NFIP transformation, which includes the redesign of policy forms, as well as direct-to-customer innovations. FEMA continues to work with the U.S. Congress to help ensure long-term reauthorization.
 - C. Heard a presentation from Florida on Hurricane Ian and Hurricane Nicole. The Florida Office of Insurance Regulation (OIR) set up disaster response centers with a FEMA presence. The homes built to newer Florida building codes sustained less damage.
 - D. Heard an update from FEMA on the interaction with the Florida OIR in the recovery of Hurricane Ian and Hurricane Nicole. FEMA presented regarding the NFIP's National and Region 4 status, as well as presented a Hurricane Ian claims report. FEMA also discussed the NAIC/FEMA Region 4 Working Group's activities.
 - E. Heard an update from FEMA on training opportunities and resources. FEMA discussed its available webinars, as well as provided some helpful resources for state insurance regulators. FEMA provided a map of its regions, including its flood insurance liaisons for each region. It also provided information about how the FEMA regions can help the state departments of insurance (DOIs).

- F. Heard an update on federal legislation. The NAIC continues to support the federal Disaster Mitigation and Tax Parity Act. On Sept. 28, the U.S. Senate passed the federal Community Disaster Resilience Zones Act and the federal FEMA Improvement, Reform, and Efficiency (FIRE) Act. The U.S. House of Representatives passed the federal Wildfire Response and Drought Resiliency Act, which included the House's Wildfire Insurance Coverage Study Act.
 - G. Heard a presentation from the NAIC regarding a survey on wind/hail deductibles that was sent to the DOIs. The survey asked questions regarding separate roof deductibles, as well as actual cash value (ACV) versus replacement cost value (RCV). The survey also asked the states for information regarding extended replacement cost.
 - H. Heard an update on the *Catastrophe Modeling Primer*, which is being drafted by a drafting group. The primer will be a bridge to the training that the NAIC Catastrophe Modeling Center of Excellence (COE) is developing. The drafting group will continue to meet on a regular basis.
 - I. Heard an update on how the private flood insurance numbers compare to NFIP figures. The data shows that the increase in the number of private flood insurance policies has not kept up with the decrease in the number of NFIP policies.
8. Adopted the report of the Terrorism Insurance Implementation (C) Working Group, including its Nov. 30 minutes. During this meeting the Working Group took the following action:
 - A. Received an overview of data related to workers' compensation terrorism risk, showing that the percentage of workers' compensation policies with explicit charges for terrorism coverage and the average terrorism premium per policy have remained fairly stable over the past few years.
 - B. Heard an overview of the joint U.S. Department of the Treasury (Treasury Department)/state insurance regulator terrorism risk insurance data call, showing take-up rates, average premiums, and percentage of total premium allocated to terrorism risk.
 - C. Discussed the 2023 terrorism risk insurance data call. The request for workers' compensation data will be submitted to the National Council on Compensation Insurance (NCCI) and independent bureaus in early 2023.
 9. Adopted the report of the Transparency and Readability of Consumer Information (C) Working Group, including its Nov. 15 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Adopted the *Regulator Resources for Consumers on Personal Lines Pricing and Underwriting* document. The document consists of resources for state insurance regulators to use in educating consumers on homeowners and auto insurance rating factors, underwriting, and discounts.
 - C. Adopted the *Rate/Rule Filing Checklist*. This document provides a checklist that state insurance regulators can provide insurers to ensure the proper documents are included in their rate filings. This document is not required but is available for state DOIs.
 - D. Discussed the disclosure document for premium increases. The Working Group is following the progress of the Washington State Office of the Commissioner of Insurance (OCI) in its efforts to produce a similar document. Once the results are available, the Working Group can decide on its disclosure document's content.
 10. Adopted revisions to the *International Insurers Department (IID) Plan of Operation*. The *IID Plan of Operation* covers the application process and the core requirements and guidelines that must be met by the non-U.S. insurers and Lloyd's syndicates, such as the minimum required equity and the establishment of a U.S. trust fund.
 11. Adopted the *Regulatory Resources for Consumers on Personal Lines Pricing and Underwriting* document, which is meant to provide state DOIs with information they can use to educate consumers about homeowners and auto insurance premiums.
 12. Adopted the *Rate/Rule Filing Checklist*, which is meant to be a resource for state DOIs to use to ensure the necessary information is sent in with a filing.
 13. Adopted its 2023 proposed charges.

14. Heard a federal update, including information on the NFIP, cannabis legislation, and legislation affecting risk retention groups (RRGs).
15. Heard an update on the Big Data and Artificial Intelligence (H) Working Group's artificial intelligence (AI)/machine learning (ML) private passenger auto (PPA) public report.
16. Heard a presentation from the Center for Economic Justice (CEJ) on the future of the NFIP.

Casualty Actuarial and Statistical (C) Task Force

Nov. 8, 2022 (in lieu of the Fall National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 18 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted its 2023 proposed charges with nonsubstantive updates to reflect completed 2022 charges.
3. Reported that it met Oct. 18 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss rate filing issues.
4. Reported that it held Predictive Analytics Book Club meetings on Oct. 25 and Aug. 30. On Oct. 25, NAIC staff presented on "P-Values and Alternatives." On Aug. 30, Cambridge Mobile Telematics (CMT) presented on "Current Trends in Telematics."
5. Adopted the report of the Actuarial Opinion (C) Working Group, including its Sept. 26, Sept. 15, and Sept. 8 minutes. During these meeting, the Working Group took the following action:
 - A. Adopted the 2022 *Regulatory Guidance on Property and Casualty Statutory Statements of Actuarial Opinion* (Regulatory Guidance).
 - B. Adopted a comment letter to the Actuarial Standards Board (ASB) regarding *Actuarial Standard of Practice (ASOP) No. 36—Statements of Actuarial Opinion Regarding Property/Casualty Loss, Loss Adjustment Expense, or Other Reserves Exposure Draft*.
 - C. Discussed a referral from the Financial Analysis (E) Working Group asking for discussion of the use of predictive analytics in reserve setting and consideration of drafting guidance. The Working Group decided to provide a general response and mention the issues discussed.
6. Adopted the report of the Statistical Data (C) Working Group, including its Oct. 26 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Sept. 28 minutes. During this meeting, the Working Group took the following action:
 - i. Discussed proposed changes to the *Report on Profitability by Line by State* (Profitability Report).
 - ii. Discussed the current process of receiving statistical data to gain an understanding of how regulators could modernize and improve the process.
 - B. Discussed proposed changes to the NAIC statistical reports. The Working Group will continue to discuss changes to these reports in future meetings.
7. Adopted a single NAIC loss cost multiplier (LCM) form to replace multiple LCM forms and adopted an accompanying memorandum.
8. Exposed a proposal to eliminate the NAIC Expense Constant Supplement for a 45-day public comment period ending Dec. 22. The Task Force is seeking any current use(s) that should be considered when deciding whether to eliminate the form or keep and update the form.
9. Heard reports from the American Academy of Actuaries (Academy) Committee on Property and Liability Financial Reporting (COPLFR) and Casualty Practice Council (CPC), the Actuarial Board for Counseling and Discipline (ABCD), and the Casualty Actuarial Society (CAS) regarding current activities and research efforts. The Society of Actuaries (SOA) provided a written report.

Surplus Lines (C) Task Force

Dec. 12, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted its Oct. 17 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted the report of the Surplus Lines (C) Working Group, which met Sept. 15 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss three applications seeking approval for listing on the NAIC *Quarterly Listing of Alien Insurers*, and all three applications were approved.
 - B. Adopted its 2023 proposed charges.
 - C. Discussed comments received on the proposed revisions to the *Nonadmitted Insurance Model Act* (#870).
 - D. Heard an update from NAIC staff on surplus lines industry results.
3. Adopted the report of the Surplus Lines (C) Working Group, including its Dec. 7 and Oct. 19 minutes. During these meetings, the Working Group took the following action:
 - A. Discussed and adopted proposed revisions to the *International Insurers Department (IID) Plan of Operation*.
 - B. Reported it would meet Dec. 8 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings.
4. Discussed comments received on the proposed revisions to Model #870.

Title Insurance (C) Task Force

Dec. 14, 2022

1. Adopted its Oct. 24 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted its 2023 proposed charges. The new charges include the addition of charges to: 1) update the *Survey of State Insurance Laws Regarding Title Data and Title Matters*; 2) review Section 15C of the *Title Insurers Model Act* (#628) to determine if a request should be made to remove the requirement for on-site review of underwriting and claims practices; and 3) obtain information on consumer complaints submitted to states regarding title insurance to determine if updates are needed to insurance regulatory best practices or standards.
2. Heard a presentation on Voxtur Analytic's new product it sells as an alternative to title insurance through its Attorney Opinion Letter (AOL) program. The attorney's opinion of title is backed by surplus lines transactional liability insurance. Voxtur Analytic currently offers AOL in select states and plans to make it available throughout the U.S. in the coming months.
3. Heard a presentation on closing trends, including results from the American Land Title Association's (ALTA's) recent digital closing survey. Use of remote online notarizations (RONs) is expected to grow with 20% of companies indicating they plan to begin offering RON within the next two years.

Workers' Compensation (C) Task Force

Nov. 15, 2022 (in lieu of the Fall National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 7 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted its 2023 proposed charges.
3. Heard a presentation from the National Council on Compensation Insurance (NCCI) on federal updates as they pertain to workers' compensation and decreasing rates.
 - A. Current federal legislation is being discussed regarding cannabis and single-payer health plans. Additionally, workers' compensation rates have seen decreases for the past several years. Finally, there is discussion regarding an independent contractor rule that is currently out for comment.

- B. Workers' compensation is inflation-sensitive. While wages are increasing, the benefits being paid out are not increasing, and the severity of claims has also increased slower than wages have risen. There has been a decrease in claims frequency over the past nine years, and the combined ratio has remained steady for the past five years.

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE

Dec. 15, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its Nov. 28 minutes. During this meeting, the Committee took the following action:
 - A. Discussed a Request for NAIC Model Law Development for the *Unfair Trade Practices Act* (#880). The Improper Marketing of Health Insurance (D) Working Group is charged to: "Review existing NAIC Models and Guidelines that address the use of lead generators for sales of health insurance products, and identify models and guidelines that need to be updated or developed to address current marketplace activities." To achieve this goal and provide regulation over lead generators, the Antifraud (D) Task Force and the Improper Marketing of Health Insurance (D) Working Group requested the review of Model #880, Section 2, Section 3, and Section 4.
3. Adopted 2023 proposed charges for the Market Regulation and Consumer Affairs (D) Committee, the Antifraud (D) Task Force, the Market Information Systems (D) Task Force, and the Producer Licensing (D) Task Force.
4. Adopted a Request for NAIC Model Law Development to amend Model #880 to provide state insurance regulators appropriate regulatory authority over the activities of lead generators in the health insurance marketplace. The Request for NAIC Model Law Development proposes amendments to Model #880, Section 2, Section 3, and Section 4.
 - A. Section 2: This section may be amended to include a definition of health insurance lead generator.
 - B. Section 3: This section may be amended to prohibit a health insurance lead generator, as defined in Section 2, from engaging in an unfair trade practice.
 - C. Section 4: This section may be amended to define what marketing-related activities of health insurance lead generators are unfair trade practices.
5. Adopted the report of the Antifraud (D) Task Force. See the Task Force listing for details.
6. Adopted the report of the Market Information Systems (D) Task Force. See the Task Force listing for details.
7. Adopted the report of the Producer Licensing (D) Task Force. See the Task Force listing for details.
8. Adopted the report of the Advisory Organization (D) Working Group, which has not met since the Summer National Meeting. The Working Group meets as needed in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings.
9. Adopted the report of the Market Analysis Procedures (D) Working Group, including its Aug. 22 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Adopted pet insurance as the next line of business in the Market Conduct Annual Statement (MCAS).
 - C. Adopted a motion to calculate loss ratios for travel insurance by coverage part and not publish them publicly until evaluated for their usefulness.
10. Adopted the report of the Market Conduct Annual Statement Blanks (D) Working Group, including its Oct. 19 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Sept. 15 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its Aug. 24 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Adopted a new filing deadline of May 31 for the health MCAS.
 - c. Reviewed the travel MCAS data element proposed by the Market Analysis Procedures (D) Working Group.

- d. Adopted a change to the short-term, limited-duration (STLD) MCAS data element to add “dollar amount of claims paid during the reporting period” within the claims section of the STLD MCAS blank.
 - e. Adopted a change to the MCAS lawsuit definition to delete the bullet from all nine MCAS lines of business that reads: “If one lawsuit seeks damages under two or more policies, count the number of policies involved as the number of lawsuits. For example, if one lawsuit seeks damages under three policies, count the action as three lawsuits.”
 - ii. Adopted a data element, “Policies/Certificates in Force During the Reporting Period,” to be added to the underwriting section of the travel MCAS, as proposed by the Market Analysis Procedures (D) Working Group.
 - iii. Formed a subject matter expert (SME) group to create the pet insurance MCAS data call and definitions.
 - iv. Provided an overview of the process for submitting requests for edits to the MCAS data call and definitions.
 - B. Discussed the draft frequently asked questions (FAQ) document for the digital claims MCAS.
 - C. Adopted a motion to update the MCAS blank as soon as possible to clarify that direct written premium is the data being requested for the STLD and “other health” blanks and to add an asterisk in the current blank to clarify this point.
 - D. Heard an update on the development of the pet insurance MCAS. If the pet insurance MCAS is approved prior to the June 1, 2023, deadline, it is possible that the pet insurance MCAS data will be reported for the 2024 data year, to be submitted in 2025.
11. Adopted the report of the Market Conduct Examination Guidelines (D) Working Group, including its Oct. 20 minutes. During this meeting, the Working Group took the following action:
- A. Adopted its Sept. 8 minutes. During this meeting, the Working Group took the following action:
 - i. Discussed revisions to the Aug. 22 draft Chapter 23—Conducting the Life and Annuity Examination of the *Market Regulation Handbook* (Handbook). The public comment period was extended to Sept. 16.
 - ii. Discussed the new Aug. 17 draft travel insurance-related in-force policy standardized data request (SDR) and a new Aug. 17 travel claims SDR. The drafts were exposed for a public comment period ending Sept. 16.
 - B. Discussed revisions to the Aug. 22 draft Chapter 23 of the Handbook. The ad hoc group of SMEs was asked to make additional edits and expose a revised draft, considering any decisions the Annuity Suitability (A) Working Group will be making on the issue of broker-dealer/safe harbor provisions in its FAQ document.
 - C. Discussed the Aug. 17 draft travel insurance-related in-force and claims SDRs. The ad hoc group of SMEs was asked to make additional edits. The revised drafts will be exposed for public comment during a future Working Group meeting.
 - D. Discussed its 2022 charges, specifically Charge #4, Charge #6, and Charge #7, which are, respectively, to develop uniform market conduct procedural guidance, discuss the effectiveness of group supervision of market conduct risks, and discuss the role of market conduct examiners in reviewing insurers’ corporate governance.
12. Adopted the report of the Market Regulation Certification (D) Working Group, including its Nov. 28 minutes. During this meeting, the Working Group took the following action:
- A. Adopted its Oct. 27 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its Sept. 15 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Reviewed the pilot states’ revisions to the Voluntary Market Regulation Certification Program requirements, guidelines, and checklist.
 - c. Reviewed the implementation plan for the certification program.
 - ii. Received an update on the revisions to the Voluntary Market Regulation Certification Program requirements, checklist, and guidelines.
 - iii. Discussed potential revisions to the certification program implementation plan.

- B. Received an update on the revisions to the Voluntary Market Regulation Certification Program requirements, checklist, guidelines, and scoring matrix, which included: 1) adding “Objective” and “Measurement” sections to each requirement; 2) clarifying that requirement 3 measures staffing resources and that requirement 4 measures staffing qualifications; 3) combining requirements 6 and 11 since they both concern collaboration; 4) revising requirement 8 by moving the time requirements to the checklist; and 5) updating the scoring matrix to be consistent with the revised requirements and checklist.
 - C. Heard comments from two states on the certification program implementation plan. The suggested comments will be combined and incorporated into the implementation plan.
13. Adopted the report of the Speed to Market (D) Working Group, including its Nov. 10 minutes. During this meeting, the Working Group took the following action:
- A. Adopted its July 12 minutes, which included the following action:
 - i. Adopted its Summer National Meeting minutes.
 - ii. Discussed and considered suggestions received on the product coding matrix (PCM) and uniform transmittal document (UTD). Effective Jan. 1, 2023, the Working Group decided that the only change from the suggestions made in 2022 is to amend the life and health UTD to include an option for “withdrawn” as a status option and that no changes to the PCM would be implemented.
 - B. Received an update on proposed revisions to the *Product Filing Review Handbook*. Work continues to bring it up to date.
 - C. Received an update on the System for Electronic Rates & Forms Filing (SERFF) and the Product Steering Committee (PSC). There are six new PSC members who are replacing members rolling off the committee. The SERFF Modernization Project has three phases that are running concurrently: 1) search improvements and document capabilities; 2) the introduction of Tableau dashboards; and 3) the first part of the build-out of the user interface that filers and reviewers log in to every day.

Antifraud (D) Task Force

Dec. 14, 2022

1. Adopted its Nov. 16, Oct. 28, and Sept. 6 minutes. During these meetings, the Task Force took the following action:
 - A. Adopted a Request for NAIC Model Law Development to amend the *Unfair Trade Practices Act* (#880).
 - B. Adopted its 2023 proposed charges.
 - D. Adopted its Summer National Meeting minutes.
 - D. Discussed its 2022 priorities.
 - E. Received updates from the National Insurance Crime Bureau (NICB), the Coalition Against Insurance Fraud (CAIF), and the Healthcare Fraud Prevention Partnership (HFPP).
 - F. Discussed future antifraud training activities.
2. Discussed its 2023 proposed charges and priorities. The Task Force will continue with its charges from 2022.
3. Discussed a proposal for the creation of an NAIC Producer Portal. The goal of the proposal is to create a centralized portal that would allow consumers to find licensing information on insurance producers.
4. Discussed a 1033 waiver request. The Task Force was made aware of discussions taking place within the Producer Licensing (D) Task Force concerning 1033 waiver requests. The Antifraud (D) Task Force was responsible for the development of the NAIC’s *Guidelines for State Insurance Regulators to the Violent Crime Control and Law Enforcement Act of 1994*. Due to the life insurance industry’s recent efforts on racial equity, including a focus on second-chance hiring within the insurance industry, a draft template will be distributed to the Task Force for comment through January.
5. Discussed its educational and training efforts. The Task Force was involved with the NAIC/National Insurance Producer Registry (NIPR) Insurance Summit, the Annual Fraud Directors Conference, and a new fraud training that was presented to the Northeast Zone in October. The Task Force encourages the remaining zones to schedule this training when appropriate.

6. Adopted the report of the Improper Marketing of Health Insurance (D) Working Group, including its Dec. 14 and Nov. 3 minutes. During these meetings, the Working Group took the following action:
 - A. Discussed its 2023 proposed charges.
 - B. Discussed topics concerning improper marketing.
 - C. Adopted an NAIC Request for Model Review for amendments to Model #880.
 - D. Discussed possible revisions to Model #880.
7. Heard reports on antifraud activity from the CAIF, the HFPP, and the NICB.

Market Information Systems (D) Task Force

Dec. 1, 2022 (in lieu of the Fall National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 28 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted its 2023 proposed charges. The Task Force adopted two new charges for 2023 to begin work on the recommendations of the *Review of Artificial Intelligence Techniques in Market Analysis*.

Producer Licensing (D) Task Force

Dec. 8, 2022 (in lieu of the Fall National Meeting)

1. Adopted its Spring National Meeting minutes.
2. Adopted its Oct. 28 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Adopted its 2023 proposed charges.
 - C. Discussed the template for the 1033 process. NAIC staff have been working with state insurance regulators from Connecticut, Missouri, Pennsylvania, and Rhode Island, as well as representatives from Prudential, on the draft template. The template is not intended to be a list of best practices or minimum standards but, rather, a resource document a state can use if it believes its process could be improved.
 - D. Adopted the report of the Adjuster Licensing (D) Working Group, including its Sept. 28 minutes. During this meeting, the Working Group took the following action:
 - i. Discussed its membership and its 2022 charge.
 - ii. Discussed issues surrounding the designated home state (DHS) and ways to achieve uniformity.
 - iii. Discussed data integrity surrounding the Producer Licensing Database (PDB) and ways to achieve reciprocity.
 - E. Adopted the report of the Uniform Education (D) Working Group, including its Sept. 29 minutes. During this meeting, the Working Group took the following action:
 - i. Discussed the “Continuing Education Recommended Guidelines for Instructor Approval” document.
 - ii. Discussed the 2019 Continuing Education Reciprocity (CER) Agreement, noting that the goal is achieve full compliance signing the agreement. To date, the CER Agreement has been signed by 47 states.
 - iii. Discussed state exam pass rates. The Working Group is working to finalize the collection of the 2021 pass rates from the continuing education (CE) vendors.
 - F. Received a report from the National Insurance Producer Registry (NIPR) Board of Directors.
3. Adopted the report of the Adjuster Licensing (D) Working Group, including its Nov. 2 minutes. During this meeting, the Working Group took the following action:
 - A. Discussed collaboration related to the uniformity and reciprocity of adjuster licensing. It was discussed that perhaps a licensing best practice guideline may be necessary to clear up the confusion that exists. The Working Group will draft a survey to be used for zone-specific questions and concerns.
4. Adopted the report of the Uniform Education (D) Working Group, including its Nov. 30 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted the “Continuing Education Recommended Guidelines for Instructor Approval” document.
 - B. Discussed the different subjects allowed for CE course credit.
 - C. Discussed state exam pass rates. The Working will begin collecting 2022 data at the beginning of 2023, including information for in-person and virtual meetings.

- D. Discussed the 2019 CER Agreement. The Working Group will reach out to the remaining jurisdictions to get full compliance signing the agreement.

FINANCIAL CONDITION (E) COMMITTEE

Dec. 15, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its Nov. 15 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted a pre-receivership memorandum of understanding to be used by the states as a template in ensuring that the guaranty funds are prepared and have the appropriate information.
 - B. Adopted its 2023 proposed charges.
3. Heard a presentation from the National Conference of Insurance Guaranty Funds (NCIGF) regarding a summary of items it considered in suggesting revisions to the *Property and Casualty Insurance Guaranty Association Model Act (#540)*.
4. Adopted a Request for NAIC Model Law Development to amend Model #540 related to cybersecurity insurance coverage.
5. Adopted the list of qualified jurisdictions and reciprocal jurisdictions, as proposed by the Mutual Recognition of Jurisdictions (E) Working Group.
6. Heard a technical overview and update on the interest maintenance reserve (IMR), known as the IMR liability. It was reported that on Oct. 31, the American Council of Life Insurers (ACLI) provided a comment letter to the Statutory Accounting Principles (E) Working Group requesting that urgent attention be given to the reporting of the net negative IMR, with a request that the negative position be permitted as an admitted asset. A review of the financial statements has shown a noted decline in the IMR liability balance since year-end 2021. Additionally, 60 companies with prior IMR liability balances have been identified as flipping to a net negative with a disallowed, or nonadmitted, asset on the balance sheet representing \$1 billion as of the third quarter of 2022.
7. Adopted the report of the Accounting Practices and Procedures (E) Task Force. See the Task Force listing for details.
8. Adopted the report of the Capital Adequacy (E) Task Force. See the Task Force listing for details.
9. Adopted the report of the Examination Oversight (E) Task Force. See the Task Force listing for details.
10. Adopted the report of the Financial Stability (E) Task Force. See the Task Force listing for details.
11. Adopted the report of the Receivership and Insolvency (E) Task Force. See the Task Force listing for details.
12. Adopted the report of the Reinsurance (E) Task Force. See the Task Force listing for details.
13. Adopted the report of the Risk Retention Group (E) Task Force. See the Task Force listing for details.
14. Adopted the report of the Valuation of Securities (E) Task Force. See the Task Force listing for details.
15. Adopted the report of the Group Solvency Issues (E) Working Group, including its Dec. 14 minutes. During this meeting, the Working Group took the following action:
 - A. Received and discussed a referral from the Financial Stability (E) Task Force and the Macroprudential (E) Working Group related to issues associated with private equity ownership of insurers. The referral outlined two issues for Working Group consideration. The first issue is that state insurance regulators may not be obtaining clear pictures of risk due to holding companies' structuring contractual agreements to avoid regulatory disclosures and requirements. The second issue relates to the definition of control outlined in the *Insurance Holding Company System Regulatory Act (#440)* and how that affects regulatory reporting and monitoring activities. After some discussion, the Working Group agreed to form a drafting group to develop a work plan to address these issues.
 - B. Received an update on the status of the Uniform Certificate of Authority Application (UCAA) redevelopment project led by the National Treatment and Coordination (E) Working Group. Members of the Group Solvency Issues (E) Working Group were encouraged to monitor and participate in changes to the Form A – Change of Control portion of the project as deemed appropriate.

- C. Discussed takeaways from the International Association of Insurance Supervisors (IAIS) Targeted Jurisdictional Assessment program, which recently concluded. One of the concrete takeaways discussed is the importance of state insurance regulators in working with internationally active insurance groups (IAIGs) in recovery and resolution planning. The Working Group discussed the possibility of working with the Receivership and Insolvency (E) Task Force on a joint project in this area and agreed to continue discussion on this possibility in the future.
 - D. Received an update on other international activities related to group supervision, which noted that the IAIS has disbanded its Insurance Groups Working Group and encouraged supervisory aspects relating to group-wide supervision to be integrated into the work of its re-mandated Supervisory Forum. As such, the Working Group's charges will be updated to encourage monitoring of the Supervisory Forum's efforts in this area.
16. Adopted the report of the Mortgage Guaranty Insurance (E) Working Group, including its Dec. 13 minutes. During this meeting, the Working Group took the following action:
- A. Adopted its Oct. 6 minutes. During this meeting, the Working Group took the following action:
 - i. Exposed proposed revisions to the *Mortgage Guaranty Insurance Model Act* (#630) for a 30-day public comment period ending Nov. 7.
 - B. Discussed comments received on the exposure of Model #630.
17. Adopted the report of the Mutual Recognition of Jurisdictions (E) Working Group, which met Nov. 7 in regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to discuss the annual re-reviews of the seven qualified jurisdictions and the three reciprocal jurisdictions that are not subject to an in-force Covered Agreement. The Working Group then referred its due diligence review memorandum to the Financial Condition (E) Committee for its consideration.
18. Adopted the report of the NAIC/American Institute of Certified Public Accountants (AICPA) (E) Working Group, including its Oct. 21 and Sept. 15 minutes. During these meetings, the Working Group took the following action:
- A. Adopted the Contract Examiner Attestation Template, which will be incorporated into the existing "AICPA Four-Step Process for Use by Regulators" document. This four-step process is designed to assist state insurance regulators who are experiencing difficulty in obtaining access to certified public accountant (CPA) workpapers, have questions with respect to the CPA's individual engagement to perform a statutory audit, or have concerns about the work performed by the CPA.
 - B. Discussed the premium threshold amounts contained within the *Annual Financial Reporting Model Regulation* (#205). The results were within the Working Group's expectations, and no action to adjust the threshold was deemed necessary.
 - C. Received a referral from the Chief Financial Regulator Forum regarding contractor access to external audit workpapers. The referral indicates that some state insurance regulators have had difficulty obtaining access to external audit workpapers in situations where the department uses contractors to conduct an examination. A proposed Contract Examiner Attestation Template was subsequently exposed for public comment.
 - E. Referred proposed revisions to the *Financial Condition Examiners Handbook* to help provide clarity regarding regulatory expectations related to audit awareness letters.
 - F. Heard an update from the AICPA on recent auditing pronouncements.
19. Adopted the report of the National Treatment and Coordination (E) Working Group, including its Nov. 9 minutes. During this meeting, the Working Group took the following action:
- A. Adopted its Aug. 17 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted proposal 2022-02 MOD (Primary and Redomestication Application and Instructions).
 - ii. Discussed the enhanced guidance referral regarding the Form A application.
 - iii. Exposed proposal 2022-03 (Domestic Corporate Amendment Application and Instructions) for a 45-day public comment period ending Sept. 30.
 - iv. Adopted proposal 2022-04 (Biographical Affidavit Addendum Page for Residence).

- B. Re-exposed proposal 2022-03 for a 30-day public comment period ending Dec. 12.
 - C. Discussed the biographical affidavit and addendum page. It was reported that NAIC staff received numerous complaints and questions regarding discrepancy letters and the addition or removal of lines from the biographical affidavit and the use of the templates. This issue was tabled and will be discussed further during future Working Group meetings.
 - D. Reported that the electronic primary application will be available for testing in production by Dec. 8.
 - E. Reported that development of the Form A application is currently underway by the ad hoc group, noting that industry input for the application and instructions is welcome.
20. Adopted the report of the Restructuring Mechanisms (E) Subgroup, including its Nov. 9 and May 4 minutes. During this meeting, the Subgroup took the following action:
- A. Discussed comments received on the May 4 exposure of the proposed foundational principles, best practices, and the Property and Casualty Risk-Based Capital (E) Working Group’s run-off response. The Subgroup received 11 comment letters, which were sorted into the seven topics. The Subgroup discussed the first four topics and will continue its discussion during a future Subgroup meeting.
 - B. Exposed the proposed foundational principles and best practices for a 45-day public comment period ending June 20.
 - C. Received a response from the Property and Casualty Risk-Based Capital (E) Working Group regarding the Subgroup’s request for assistance with in addressing its charge to “consider the need to make changes to the RBC formula to better assess the minimum surplus requirements for companies in run-off.” The Working Group’s response was exposed for a 45-day public comment period ending June 20.
21. Adopted the report of the Risk-Focused Surveillance (E) Working Group, including its Nov. 1 minutes. During this meeting, the Working Group took the following action:
- A. Received an update on the status of the Affiliated Services Drafting Group. The Drafting Group plans to continue its development efforts, with the goal of bringing something to the full Working Group for review in early 2023.
 - B. Received a referral from the Macroprudential (E) Working Group requesting the Subgroup’s response on two items: 1) the development of guidance around the regulatory review of investment management agreements between an insurer and an investment manager affiliate; and 2) activity relating to capital maintenance agreements between an insurer and a parent company or affiliate. It was noted that both items relate to the ongoing efforts of the Affiliated Services Drafting Group to develop additional guidance for the regulatory review of affiliated service agreements.
 - C. Adopted updated examiner salary rates for inclusion in the *Financial Condition Examiners Handbook*.
 - D. Exposed updated job descriptions for financial analysts and financial examiners for a 17-day public comment period ending Nov. 18.

Accounting Practices and Procedures (E) Task Force

Dec. 14, 2022

- 1. Adopted its Summer National Meeting minutes.
- 2. Adopted the report of the Statutory Accounting Principles (E) Working Group, including its Dec. 13 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Adopted its Nov. 16 minutes. During this meeting, the Working Group took the following action:
 - i. Exposed, as new statutory accounting principle (SAP) concepts, a revised *Statement of Statutory Accounting Principles (SSAP) No. 26R—Bonds, SSAP No. 43R—Loan-Backed and Structured Securities*, and revisions to other SSAPs to reflect updated proposed guidance under the principles-based bond project for a public comment period ending Feb. 23, 2023.

- ii. Exposed revisions to *Interpretation (INT) 22-02: Third Quarter 2022 Reporting of the Inflation Reduction Act – Corporate Alternative Minimum Tax* to extend the effective date to include year-end 2022 and the first quarter of 2023 with an additional disclosure regarding applicable entities for a public comment period ending Dec. 1. This INT provides an exception related to accounting impacts of the federal Inflation Reduction Act.
 - iii. Received comments on negative interest maintenance reserve (IMR) in regard to bonds sales in the current rising interest rate environment.
- C. Adopted its Oct. 24 minutes. During this meeting, the Working Group took the following action:
- i. Adopted INT 22-02, which includes proposed changes for new required disclosures and allows a subsequent event exception but does not require reporting changes for the third quarter of 2022 as reasonable estimates cannot be made
 - ii. Discussed *INT 22-03: Inflation Reduction Act – Corporate Alternative Minimum Tax* and planned further discussion during its Nov. 16 meeting.
- D. Adopted its Oct. 6, minutes. During this meeting, the Working Group took the following action:
- i. Exposed INT 22-02 to include accounting exceptions to the federal Inflation Reduction Act for the third quarter of 2022, with required disclosures.
 - ii. Exposed INT 22-03 to address the fourth quarter of 2022 and interim 2023 accounting of the federal Inflation Reduction Act.
- E. Adopted the following clarifications to statutory accounting guidance:
- i. Revisions clarify that leasehold improvements shall be immediately expensed upon lease termination unless limited exceptions are met. (Ref #2021-25)
 - ii. Revisions identify foreign open-end investment funds as a fund in which ownership percentage is not deemed to reflect control unless the entity actually controls with the power to direct the underlying company. (Ref #2022-13)
 - iii. Revisions reject *Accounting Standards Update (ASU) 2022-02, Troubled Debt Restructurings and Vintage Disclosures* and identify that retained guidance reflects superseded U.S. generally accepted accounting principles (GAAP). (Ref #2022-10)
 - iv. Revisions adopt with modification derivative guidance from *ASU 2017-12, Derivatives and Hedging* and *ASU 2022-01, Fair Value Hedging – Portfolio Layer* to include guidance for the portfolio layer method and partial-term hedges. These revisions are effective Jan. 1, 2023, with early adoption permitted. (Ref #2022-09)
 - v. INT 22-02: Revisions extend INT 22-02 for Dec. 31, 2022, and first-quarter 2023 statutory financial statements. This INT provides an exception that does not require entities to assess valuation allowance and deferred tax asset impacts from the federal Inflation Reduction Act for the third quarter of 2022 through the first quarter of 2023 and provides subsequent event exceptions.
- F. Exposed the following revisions to statutory accounting for a public comment period ending Feb. 10, 2023:
- i. Exposure proposes a new or revised *SSAP No. 93—Low-Income Housing Tax Property Investments* to expand current guidance to capture all tax equity investments that qualify and provide general federal business tax credits or state premium tax credits. (Ref #2022-14)
 - ii. Re-exposure of an issue paper and SSAP changes revising the definition of a liability to be consistent with the Financial Accounting Standards Boards (FASB) Concepts Statement and directing NAIC staff to collaborate on proposed clarifying language. (Ref #2022-01)
 - iii. Exposure of the agenda item on IMR guidance, focusing on net negative IMR. Requested industry to provide potential guardrails and details on unique considerations. Directed NAIC staff to coordinate a joint regulator discussion with the Life Actuarial (A) Task Force and to develop a memorandum regarding considerations for state insurance regulators. (Ref #2022-19)

- iv. Revisions clarify that an asset pledged as collateral must qualify as an admitted invested asset for a collateral loan to be admitted. (Ref #2022-11)
 - v. Revisions clarify that any invested asset held by a reporting entity that is issued by an affiliated entity or includes the obligations of an affiliated entity is an affiliated investment. (Ref #2022-15)
 - vi. Exposure proposes additional disclosures for interest income due and paid-in-kind (PIK) interest included in current principal balances. Also supports a blanks proposal to data-capture the disclosure. (Ref #2022-17)
 - vii. Exposure proposes to adopt with modification *ASU 2022-03, Fair Value Measurement of Equity Securities Subject to Contractual Sale*. (Ref #2022-16)
 - viii. Exposure proposes to reject *ASU 2022-04, Disclosure of Supplier Finance Program Obligations* for statutory accounting. (Ref #2022-18)
 - ix. Exposure proposes a new issue paper to detail adopted revisions from the review of ASU 2017-12 and ASU 2022-01. (Ref #2017-33)
 - x. Exposure details proposed reporting changes for bonds in response to the principles-based bond project. In addition to a new schedule and granular reporting lines, the exposure includes proposed revisions to other schedules and instructions that reference bond reporting. Exposure also included a revised issue paper to detail current discussions and decisions on the bond project. (Ref #2019-21)
 - xi. Re-exposure nullifies *INT 03-02: Modification to an Existing Intercompany Pooling Arrangement* as it is inconsistent with other related party guidance, with comments requested on specific items. (Ref #2022-12)
- G. Received an update on the status of items referred by the Macroprudential (E) Working Group.
 - H. Received an update on U.S. GAAP exposures, noting that pending items will be addressed during the normal maintenance process.
3. Adopted the report of the Blanks (E) Working Group, including its Nov. 17 minutes. During this meeting, the Working Group took the following action:
- A. Adopted its Summer National Meeting minutes.
 - B. Adopted its editorial listing and the following proposals:
 - i. 2022-12BWG – Combine the Health Analysis of Operations by Lines of Business Supplement page and the Health Care Receivable Supplement pages (Exhibit 3 and Exhibit 3A) into one supplement filing set for health blank pages filed as a supplement by life/fraternal companies.
 - ii. 2022-19BWG Modified – Modify the Life Insurance (State Page) to include the line of business detail reported on the Analysis of Operations by Lines of Business pages. Adds definitions for life and annuity products to the lines of business definitions in the health appendix.
 - C. Exposed six new proposals for a public comment period ending Feb. 1, 2023.
 - D. Approved adding language to the blanks proposal form to address duplication of reporting.
 - E. Reviewed its 2023 proposed charges adopted by the Financial Condition (E) Committee.
 - F. Received a Statutory Accounting Principles (E) Working Group memorandum referencing INT 22-02.
 - G. Approved the state filing checklists.

Capital Adequacy (E) Task Force

Dec. 14, 2022

- 1. Adopted its Summer National Meeting minutes.
- 2. Adopted its Nov. 18 and Sept. 22 minutes. During these meetings, the Task Force took the following action:
 - A. Adopted proposal 2022-04-CR (2013-2021 Wildfire Event Lists).
 - B. Adopted the Jan. 1 – Sept. 30 U.S. and non-U.S. catastrophe risk event lists, as referred by the Property and Casualty Risk-Based Capital (E) Working Group.
 - C. Adopted its 2023 proposed charges.
 - D. Exposed proposal 2022-09-CA (Revised Affiliated Investments Structures and Instructions) for a 60-day public comment period ending Oct. 10.

3. Adopted the report of the Health Risk-Based Capital (E) Working Group, including its Dec. 12 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Sept. 9 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its Summer National Meeting Minutes.
 - ii. Exposed proposal 2022-10-H (Preferred Stock Instructions) for a 30-day public comment period ending Oct. 11.
 - iii. Exposed proposal 2022-11-H (Analysis of Operations – Underwriting Risk Experience Fluctuation page) for a 30-day public comment period ending Oct. 11.
 - iv. Discussed the next steps for the H2-Underwriting Risk Review with the American Academy of Actuaries (Academy).
 - v. Exposed a request for input regarding health run-off companies for a 30-day public comment period ending Oct. 11.
 - B. Adopted proposal 2022-10-H (Preferred Stock Instructions) for year-end 2023.
 - C. Adopted proposal 2022-11-H (Underwriting Risk – Analysis of Operations) for year-end 2023.
 - D. Adopted revisions to its working agenda.
 - E. Heard a presentation from the Academy on the H2 – Underwriting Risk Component.
 - F. Exposed a draft response letter to the Capital Adequacy (E) Task Force regarding health run-off companies for a 30-day public comment period ending Jan. 13, 2023.
 - G. Discussed stop loss data and factors. The Working Group will begin working with the Academy on the next steps and data analysis.
 - H. Received an update from the Excessive Growth Charge Ad Hoc Group, which is meeting on a regular basis and continues to look at the queried data.
 - I. Received an update from the Health Test Ad Hoc Group, which is continuing to discuss the reserve ratio.
4. Adopted the report of the Life Risk-Based Capital (E) Working Group, including its Dec. 13 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Adopted its Oct. 20 and Oct. 7 minutes. During these meetings, the Working Group took the following action:
 - i. Exposed the Academy’s C-2 Mortality Risk Work Group’s Instruction Supplement for Applying the Newly Adopted Life Insurance C-2 Mortality Factors (Instruction Supplement) for a 21-day public comment period ending Nov. 10.
 - ii. Discussed the status of mortgage and reinsurance proposals. Both proposals will be added to a future agenda when information becomes ready for next steps.
 - iii. Discussed proposed revisions to the risk-based capital (RBC) factors and formula for CM6 and CM7 mortgages.
 - iv. Discussed proposed changes to the life RBC formula related to reinsurance and comfort trusts. Before exposing the proposal, the Working Group agreed the Reinsurance (E) Task Force should provide advice on the issue.
 - C. Discussed comments received on the Academy’s C-2 Mortality Risk Work Group’s Instruction Supplement. NAIC staff will work with the Academy to provide an updated guidance document for the Working Group’s consideration.
 - D. Discussed run-off companies. In response to a request for input from the Restructuring Mechanisms (E) Working Group, the Property and Casualty Risk-Based Capital (E) Working Group shared its response with the Life Risk-Based Capital (E) Working Group. This issue will be discussed in more detail during a future Working Group meeting.

5. Adopted the report of the Property and Casualty Risk-Based Capital (E) Working Group, including its Dec. 13 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Adopted its Nov. 15 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted the Jan. 1 – Sept. 30 U.S. and non-U.S. catastrophe risk event lists, lists, which the Working Group exposed for a seven-day public comment period ending Nov. 8.
 - C. Adopted the report of the Catastrophe Risk (E) Subgroup, including its Dec. 12 minutes. During this meeting, the Subgroup took the following action:
 - i. Adopted its Nov. 15 and Sept. 26 minutes. During these meetings, the Subgroup took the following action:
 - a. Received a status update from its Catastrophe Model Technical Review Ad Hoc Group. The goal of this ad hoc group is not to approve models; rather, it is to gain a better understanding of different vendor models by performing a more in-depth technical study of different model assumptions and limitations, conducting impact analyses in the upcoming months, and providing a proper risk charge recommendation to the Subgroup for consideration.
 - b. Discussed the wildfire peril impact analysis. Only a handful of states were able to participate in the wildfire impact analysis review process in December 2022 due to concerns from CAT modelers regarding their propriety information.
 - c. Discussed its 2023 working agenda. The Subgroup agreed to send its working agenda to the Property and Casualty Risk-Based Capital (E) Working Group for consideration.
 - d. Heard a presentation from Verisk on its severe convective thunderstorm model.
 - e. Adopted its Summer National Meeting minutes.
 - f. Adopted proposal 2022-08-CR (Independent Model Review Instructions).
 - g. Discussed convective storm modeling and the RBC charge development process. The Subgroup formed the Catastrophe Model Technical Review Ad Hoc Group to conduct a more in-depth review of different convective storm models.
 - D. Adopted proposal 2022-07-P (PR035 Line of Business).
 - E. Adopted its 2023 working agenda.
 - F. Heard an update on current property/casualty (P/C) RBC projects from the Academy.
6. Adopted the report of the Risk-Based Capital Investment Risk and Evaluation (E) Working Group, including its Dec. 14 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Adopted its working agenda.
 - C. Exposed the Academy’s presentation on collateralized loan obligations (CLOs), along with an interim proposed structural change to address residual tranches for year-end 2023, for a 45-day public comment period ending Jan. 27, 2023.
7. Forwarded proposal 2022-09-CA (Revised Affiliated Investments Structure and Instructions) to the Blanks (E) Working Group and the Statutory Accounting Principles (E) Working Group for a 45-day comment period ending Jan. 28, 2023.
8. Adopted proposal 2022-10-H (Preferred Stock Instructions).
9. Adopted proposal 2022-11-H (Underwriting Risk – Analysis of Operations).
10. Adopted proposal 2022-07-P (PR035 Line of Business).
11. Adopted proposal 2022-08-CR (Independent Model Review Instructions).
12. Adopted its working agenda.
13. Exposed proposal 2022-13-CA (Health Premiums and Underwriting Risk Premium References) for a 45-day public comment period ending Jan. 28, 2023.
14. Discussed a referral from the Restructuring Mechanisms (E) Subgroup.
15. Received a referral from the Valuation of Securities (E) Task Force on the risk assessment of structured securities and CLOs. This issue will be discussed during a future meeting of the Capital Adequacy (E) Task Force.

16. Reported that the Capital Adequacy (E) Task Force and its working groups will be working with the Valuation of Securities (E) Task Force on revised wording for a bullet point in the definition of an NAIC designation in Part One and Part Two of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual).

Examination Oversight (E) Task Force

Dec. 14, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its Sept. 30 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted its 2023 proposed charges, with revisions to the Information Technology (IT) Examination (E) Working Group charges to encourage coordination with the Cybersecurity (H) Working Group to monitor cybersecurity trends and develop guidance as necessary.
3. Adopted the report of the Electronic Workpaper (E) Working Group, which met Dec. 6, Oct. 6, and Sept. 14 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.
4. Adopted the report of the Financial Analysis Solvency Tools (E) Working Group, including its Dec. 6 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Oct. 20 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted the following revisions to the *Financial Analysis Handbook*:
 - a. Revisions to incorporate relevant elements from the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) into the analysis process.
 - ii. Exposed several proposed revisions to the *Financial Analysis Handbook* for a 30-day public comment period ending Nov. 18.
 - iii. Received a referral from the Climate and Resiliency (EX) Task Force asking the Working Group to explore enhancements to existing solvency-monitoring processes surrounding this topic, including potential revisions to the *Financial Analysis Handbook*.
 - iv. Heard an update from Arthur Schwartz (LA) regarding work he has been doing on the Insurance Regulatory Information System (IRIS) ratios. He will make a formal recommendation to the Working Group as soon as the work is completed.
 - B. Adopted the following revisions to the *Financial Analysis Handbook*:
 - i. Terrorism reinsurance guidance was removed from the *Solvency Monitoring Risk Alert* and incorporated into the Pricing/Underwriting Risk Repository – Property/Casualty (P/C).
 - ii. Revisions to the Credit Risk Repository to include information about the fiduciary responsibility of agents and brokers for trust accounts, as well as procedures that the analyst could consider if there are concerns in this area.
 - iii. Revisions to the Strategic Risk Repository to include additional considerations for analysts, such as obtaining a five-year business plan and projections from the insurer and assessing future capital funding, growth expectations, and profitability.
 - iv. Revisions to the Introduction – Interstate Communication and Cooperation section of the Handbook to encourage state insurance regulator communication before a priority insurer is approved for redomestication.
 - v. Revisions to expand the use of a combined risk assessment and/or Insurer Profile Summary (IPS) to all pool participants, even those domiciled in other states.
 - vi. Revisions to no longer require a separate analysis worksheet or checklist for the lead and non-lead state where the review of Form F and the Corporate Governance Annual Disclosure (CGAD) is filed on a group basis when performing a holding company analysis.
 - vii. A new procedure added in the Credit, Market, Liquidity, and Operational Risk Repositories for identifying material exposure to investments involving related parties along with qualitative procedures related to expertise, fee structure, and investment policies.

- viii. Revisions to the risk assessment clarify guidance regarding how the three branded risk assessment levels are defined. A new procedure in the Reputational Risk Repository for health insurers was added to assess the impact of the rating or changes in the rating on the insurer's reputation and strategic plans going forward.
 - ix. New guidance on complex assets was included in the Reserving Risk Repository – Life/Accident and Health (A&H)/Fraternal. New guidance was also included in the Statement of Actuarial Opinion Worksheet – Life/A&H/Fraternal regarding assumptions and sensitivity testing, asset adequacy testing (AAT) on high-yielding complex assets, and whether concerns exist in meeting asset adequacy requirements. Revisions also include a footnote explaining that additional guidance may be added in the future, as this is a new reporting requirement for annual 2022.
5. Adopted the report of the Financial Examiners Coordination (E) Working Group, which met Dec. 13 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings.
 6. Adopted the report of the Financial Examiners Handbook (E) Technical Group, including its Nov. 15 and met Oct. 5 minutes. During these meetings, the Technical Group took the following action:
 - A. Adopted revisions to guidance within the *Financial Condition Examiners Handbook* (Handbook) related to:
 - i. Revisions to incorporate relevant elements from ComFrame into the exam process.
 - ii. Revisions to the Capital & Surplus Examination Repository to integrate the updated Own Risk and Summary Assessment (ORSA) guidance, including Capital Model Review Procedures, more directly into the exam process.
 - iii. Additional guidance to address regulatory concerns arising from the Financial Analysis (E) Working Group, including:
 - a. Terrorism reinsurance – Guidance in this area was added to the Handbook that was previously maintained in the *Solvency Monitoring Risk Alert*.
 - b. Uncollected premiums and agent balances – Guidance emphasizes the importance of understanding and evaluating affiliated relationships in monitoring the services provided by and receivable balances due from key agents and producers.
 - c. Monitoring of startup insurers – Guidance was added to evaluate the reasonableness of an insurer's business plan, projections, and strategy, and specifically, the projected timeline to profitability and the level of funding needed to meet targets.
 - iv. Revisions related to private equity issues intended to assist examiners in evaluating related party investment holdings, as well as asset adequacy of complex investments.
 - v. Revisions to Exhibit E to clarify expectations surrounding Audit Awareness Letters.
 7. Adopted the report of the IT Examination (E) Working Group, including its Nov. 30 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Oct. 13 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its Summer National Meeting minutes.
 - ii. Exposed proposed revisions to the *Financial Condition Examiners Handbook* for a 30-day public comment period ending Nov. 14.
 - B. Adopted revisions to the *Financial Condition Examiners Handbook* related to:
 - i. Revisions to incorporate guidance for identifying and addressing IT prospective risks, and communicating such matters to the financial examiner.
 - ii. Revisions to highlight areas of importance when conducting an IT review of a company that heavily outsources IT functions to third parties.
 - iii. Updates to the Exhibit C Mapping document to include a new tab that maps Service Organization Control (SOC) 2 principles to existing Exhibit C procedures.

Financial Stability (E) Task Force

Dec. 13, 2022 (joint session with the Macroprudential (E) Working Group)

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 28 minutes. During this meeting, The Task Force took the following action:
 - A. Adopted its 2023 proposed charges.
 - B. Received an update on key initiatives, including the 2021 liquidity stress testing (LST) results and the 2022 LST Framework.
 - C. Exposed the draft 2022 LST Framework for a 30-day public comment period ending Dec. 2.
3. Adopted the 2022 LST Framework.
4. Received an update from the Macroprudential (E) Working Group; specifically: 1) a summary of the aggregated 2021 LST submissions and key findings; 2) the status of the 13 Working Group considerations with respect to private equity (PE) ownership of insurance; and 3) the status of the Macroprudential Risk Assessment report.
5. Heard an update on the Financial Stability Oversight Council (FSOC). It was noted that, despite representing the primary insurance regulators on the FSOC, the NAIC does not have a vote on any aspect of the FSOC's work, and issues relevant to the insurance sector have only increased in recent years. As such, the NAIC supports legislation that would improve the FSOC by granting the primary insurance regulators a vote on FSOC proceedings.
6. Heard an international update, which included an update on the International Association of Insurance Supervisors' (IAIS) Global Monitoring Exercise. The Global Monitoring Exercise includes the individual insurers monitoring exercise and the sector-wide monitoring exercise with three more additional topics of interest: private equity, climate, and cyber.

Receivership and Insolvency (E) Task Force

Dec. 14, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 11 minutes. During this meeting, the Task Force took the following action:
 - A. Exposed a Request for NAIC Model Law Development to amend the *Property and Casualty Insurance Guaranty Association Model Act (#540)* for a 30-day public comment period ending Nov. 11.
 - B. Requested regulator volunteers for ad hoc feedback on revisions to the uniform data standards (UDS) being considered by the property/casualty (P/C) guaranty funds.
 - C. Adopted a memorandum of understanding for pre-liquidation planning, as proposed by the Receivership Law (E) Working Group.
3. Adopted a Request for NAIC Model Law Development to amend Model #540.
4. Adopted the report of the Receiver's Handbook (E) Subgroup, which has not met since the Summer National Meeting. Its drafting groups have continued to make progress on drafting revisions to the *Receiver's Handbook for Insurance Company Insolvencies*. The Subgroup will consider exposure and adoption of the proposed revisions during future meetings.
5. Adopted the report of the Receivership Law (E) Working Group, including its Nov. 7 and Sept. 14 minutes. During these meetings, the Working Group took the following action:
 - A. Discussed comments received on proposed amendments to Model #540 for restructuring mechanisms. A drafting group was formed to consider the comments and make revisions to the proposed amendments.
 - B. Adopted a memorandum of understanding for pre-liquidation planning.
 - C. Exposed proposed amendments to Model #540 for a 30-day public comment period ending Oct. 14.
 - D. Discussed exemptions for Federal Home Loan Banks (FHLBs). It was noted that a memorandum was produced in 2013 that outlines considerations and recommendations for the states if they are approached by an FHLB. The memorandum is available on the Receivership and Insolvency (E) Task Force web page.
6. Adopted the report of the Receivership Financial Analysis (E) Working Group. The Working Group will meet Dec. 14 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss companies in receivership and related topics.

7. Heard a report on the Receivers Uniform Data Standards (UDS) Ad Hoc Group. The states are encouraged to participate in future technical discussions on future revisions to UDS.
8. Heard an update on international resolution activities. The International Association of Insurance Supervisors (IAIS) is developing an application paper on policyholder protection schemes. Further progress is anticipated in 2023. The Financial Stability Board (FSB) Plenary announced on Dec. 9 that it endorsed the Holistic Framework, and it has decided to discontinue the annual identification of global systemically important insurers (G-SIIs). The Task Force discussed the results of the FSB's Targeted Jurisdictional Assessment. It agreed to work on a joint project with the Group Solvency Issues (E) Working Group to address results related to resolution planning.

Reinsurance (E) Task Force

Nov. 17, 2022 (in lieu of the Fall National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Adopted the report of the Reinsurance Financial Analysis (E) Working Group, which met Oct. 18, Sept. 6, and Aug. 31 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings. During these meetings, the Working Group completed the reviews of certified reinsurers and reciprocal jurisdiction reinsurers.
3. Received a status report on the reinsurance activities of the Mutual Recognition of Jurisdictions (E) Working Group.
4. Received a status report on the states' implementation of the 2019 revisions to the *Credit for Reinsurance Model Law* (#785) and the *Credit for Reinsurance Model Regulation* (#786), as well as the implementation of the *Term and Universal Life Insurance Reserve Financing Model Regulation* (#787).

Risk Retention Group (E) Task Force

The Risk Retention Group (E) Task Force did not meet at the Fall National Meeting.

Valuation of Securities (E) Task Force

Dec. 14, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 20 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted its 2023 proposed charges.
 - B. Exposed a proposed *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) amendment to add instructions for the financial modeling of collateralized loan obligations (CLOs) for a 45-day comment period ending Dec. 5. NAIC staff were also directed to refer the amendment to the Risk-Based Capital Investment Risk and Evaluation (E) Working Group.
 - C. Exposed a proposed P&P Manual amendment to update instructions for related party and subsidiary, controlled, and affiliated (SCA) investments for a 45-day comment period ending Dec. 5.
 - D. Exposed a proposed P&P Manual amendment to clarify the definition of an NAIC designation in Part One and Part Two of the P&P Manual for a 45-day comment period ending Dec. 5.
3. Re-exposed an updated proposed amendment to the P&P Manual to add instructions for the financial modeling of CLOs for a 15-day public comment period ending Jan. 9, 2023.
4. Adopted a proposed P&P Manual amendment to update instructions for related party and SCA investments.
5. Discussed comments received on a proposed P&P Manual amendment to clarify the definition of an NAIC designation in Part One and Part Two of the P&P Manual. NAIC staff were directed to continue to review the recommendations made in the comment letters and to work with the Capital Adequacy (E) Task Force to improve the verbiage and potentially make some other changes. The updated amendment will be brought back to the Task Force for further consideration at a future meeting.

6. Exposed a proposed P&P Manual amendment to add instructions for structured equity and funds for a 60-day public comment period ending Feb. 13, 2023. NAIC staff were directed to provide an informational referral to the Capital Adequacy (E) Task Force, given some of the components that are impactful to risk-based capital (RBC).
7. Exposed a proposed P&P Manual amendment to update references to 5GI for a 60-day public comment period ending Feb. 13, 2023.
8. Exposed a memorandum from the NAIC Structured Securities Group (SSG) on a proposed CLO modeling methodology (excluding scenarios and probabilities) for a 60-day public comment period ending Feb. 13, 2023.
9. Received a report on the projects of the Statutory Accounting Principles (E) Working Group.

FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE

Dec. 13, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its 2023 proposed charges, which remain unchanged from its 2022 charges.
3. Received an update on the status of the Committee's referral to the Life Actuarial (A) Task Force as to whether sections of the *Actuarial Opinion and Memorandum Regulation* (#822) that relate to statements of actuarial opinion, appointed actuary, and adequacy of reserves is duplicative of requirements in the *Valuation Manual*. Currently, both are required for accreditation under the Part A: Laws and Regulations Standard #9: Liabilities and Reserves.
4. Reported that it met Dec. 12 in regulator-to-regulator session, pursuant to paragraph 7 (consideration of individual state insurance department's compliance with NAIC financial regulation standards) of the NAIC Policy Statement on Open Meetings, to: 1) discuss state-specific accreditation issues; and 2) vote to award continued accreditation to the insurance departments of Colorado, Nevada, and North Dakota and to re-accredit Puerto Rico.

INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE

Dec. 13, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its 2023 proposed charges.
3. Heard a presentation from the International Association of Insurance Supervisors (IAIS) on international activities related to financial stability. The presentation provided an overview of the development and functioning of the IAIS holistic framework for systemic risk and touched on the recent announcement by the Financial Stability Board (FSB) to discontinue global systemically important insurer (G-SII) designations and future related work.
4. Heard an update on recent activities and priorities of the IAIS, including: 1) a review of recent committee meetings, its Annual General Meeting, and its Annual Conference; 2) an update on work related to financial stability and macroprudential supervision; 3) the comparability assessment process for the aggregation method (AM); and 4) the release of a stock-take report on diversity, equity, and inclusion (DE&I).
5. Heard an update on international activities, including: 1) bilateral meetings held on the sidelines of the IAIS Annual Conference and committee meetings; 2) recent meetings, events, and speaking engagements with international insurance regulators; 3) workstreams of the EU-US Insurance Dialogue Project and its plans for 2023; 4) the NAIC 2022 Fall International Fellows Program; 5) recent meetings of the Organisation for Economic Co-operation and Development (OECD) Insurance and Private Pensions Committee; and 5) a review of the recent meeting of the Sustainable Insurance Forum (SIF) and its priorities.

INNOVATION, CYBERSECURITY, AND TECHNOLOGY (H) COMMITTEE

Dec. 13, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 14 minutes. During this meeting, the Committee met in joint session with the NAIC/Consumer Liaison Committee and took the following action:
 - A. Heard presentations on algorithmic bias and approaches insurance companies are or can implement to manage and mitigate the risk of unintended bias and illegal discrimination when developing and using artificial intelligence (AI)/machine learning (ML).
 - B. Heard presentations on algorithmic bias and a holistic approach to confronting structural racism in insurance.
 - C. Heard comments from interested parties.
3. Adopted the report of the Big Data and Artificial Intelligence (H) Working Group, including its Dec. 13 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Received an update on the AI/ ML private passenger auto (PPA) survey.
 - C. Received an update on the AI/ML homeowners survey. Any company licensed to write home insurance in one of the 10 requesting states and has at least \$50 million in national home insurance premiums for 2020 is required to complete the survey. The response deadline was extended to Dec. 15.
 - D. Received comments on the AI/ML life insurance survey. Fourteen states collaborated to develop a survey to understand how life insurance companies are deploying AI/ML technologies in the following operational areas: 1) pricing and underwriting; 2) marketing; and 3) loss prevention. The requesting states will review the submitted comments for possible revisions to the survey. Companies will have 30 days to respond to the survey after the issuance of the formal examination call letter.
 - E. Exposed draft model and data regulatory questions related to the use of third parties for a 62-day public comment period ending Feb. 13, 2023.
 - F. Received an update on the activities of the Accelerated Underwriting (A) Working Group, which is considering the development of specific guidance for state insurance regulators with respect to accelerated underwriting in life insurance.
4. Adopted the report of the Cybersecurity (H) Working Group, including its Nov. 15 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Oct. 11 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its Summer National Meeting minutes.
 - ii. Heard an update on international work related to cyber.
 - iii. Adopted the Summary of Cybersecurity Tools memorandum.
 - iv. Received an update on the cybersecurity workstreams document.
 - B. Discussed cybersecurity with the Cybersecurity and Infrastructure Security Agency (CISA).
5. Adopted the report of the E-Commerce (H) Working Group, which has not met since the Summer National Meeting. The Working Group continues to analyze the work product provided by the five small volunteer groups in order to finalize its framework before exposing it for public comment.
6. Adopted the report of the Innovation in Technology and Regulation (H) Working Group, including its Sept. 14 minutes. During this meeting, the Working Group took the following action:
 - A. Heard presentations from Degree Insurance and Boost Insurance on how they have worked through the regulatory processes related to introducing innovative products and services based on data and technology.
7. Adopted the report of the Privacy Protections (H) Working Group, including its Dec. 12 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Summer National Meeting minutes.
 - B. Reported that an updated Nov. 11 work plan for the Working Group was posted to the Working Group's web page.
 - C. Heard an update on privacy legislation.

- D. Heard a presentation from a consumer perspective on general market practices regarding the use of personal information during the insurance process. This is important because it helps the Working Group understand how the needs of a consumer can be addressed through the drafting of a new model on privacy.
 - E. Heard a presentation from a company perspective on general market practices regarding the use of personal information during the insurance process. This is important because it helps the Working Group understand how the needs of a company can be addressed through the drafting of a new model on privacy.
 - F. Discussed general market practices regarding the use of personal information during the insurance process from both perspectives. This is important because it helps the Working Group understand how the needs of both a consumer and a company can be addressed through the drafting of a new model on privacy.
8. Adopted its 2023 charges.
 9. Received a status report on model law development efforts. Twenty-one states have adopted the *Insurance Data Security Model Law* (#668), and it is pending in two states. Ten states have adopted the *Unfair Trade Practices Act* (#880) revisions, and they are currently being considered in one state. Five states have insurance regulatory sandbox laws in place, and nine have indicated they have an innovation regulatory initiative or regulatory flexibility allowing for innovation in insurance products and services.
 10. Heard an update on Committee-level projects, including a review of the status of the online portal or “hub” referred to as the ICT-Hub, an interim solution that provides an activities page reflecting “related group” activity, a vocabulary deliverable based on the Committee’s Collaboration Forum on Algorithmic Bias, and an online resources page that may provide an access point for “related group” activities and vocabulary information.
 11. Discussed the plan and next steps related to the Collaboration Forum on Algorithmic Bias. The plan includes the collaborative drafting of an interpretative bulletin including the following sections: introduction, background, and legislative authority; definitions (vocabulary), regulatory expectations for the use of AI by the insurance industry; and regulatory oversight and examination standards.
 12. Heard presentations on the feasibility of transparency and explainability to consumers regarding adverse decisions from the use of big data and AI.

NAIC/CONSUMER LIAISON COMMITTEE

Dec. 12, 2022

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 14 minutes. During this meeting, the Liaison Committee met in joint session with the Innovation, Cybersecurity, and Technology (H) Committee and took the following action:
 - A. Heard presentations on algorithmic bias and approaches insurance companies are or can implement to manage and mitigate the risk of unintended bias and illegal discrimination when developing and using artificial intelligence (AI)/machine learning (ML).
 - B. Heard presentations on algorithmic bias and a holistic approach to confronting structural racism in insurance.
 - C. Heard comments from interested parties.
3. Announced the reaffirmation of its mission statement.
4. Heard an update on enhancements to NAIC/Consumer Liaison Committee meetings.
5. Heard a presentation from United Policyholders (UP) on insurance and recovery in Hurricane Ian’s aftermath. This is important to consumers, industry, and state insurance regulators as they work together to help insurance consumers rebuild their lives following such a disaster.
6. Heard a presentation from the Consumer Federal of America (CFA) titled “Watch Where You’re Going: Crafting Rules of the Road for Auto Insurance Telematics.” This is important for industry and state insurance regulators to help them educate consumers about automobile insurance.

7. Heard a presentation from the Automobile Education & Policy Institute (AEPI) and Consumers' Checkbook titled "I Bought Insurance but Have No Idea What It Means or What Is Actually Covered." This is important for consumers as it helps them to figure out what coverage they purchased.
8. Heard a presentation from the Coalition Against Insurance Fraud (CAIF) on the results of the *Ethical Use of Data to Investigate Insurance Fraud* research study. This is important because it helps state insurance regulators, industry, and consumers understand the various types of fraud, how rampant fraud is, and how data can be used to ethically investigate insurance fraud.
9. Heard an update from the HIV+Hepatitis Policy Institute, the National Health Law Program (NHELP), and the Leukemia & Lymphoma Society (LLS) on federal actions affecting state regulation of the health insurance market. This is important so state insurance regulators can coordinate their efforts with the federal government to help consumers understand their health coverage.

NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE

Dec. 14, 2022

1. Adopted its Summer National Meeting minutes.
2. Announced the reaffirmation of its mission statement.
3. Heard a status update on the NAIC response to the letter from Sovereign Life Insurance Company.
4. Discussed its work products that its ad hoc drafting groups prepared. The Liaison Committee also discussed having ad hoc group meetings with the NAIC Legal Division on a monthly basis to discuss next steps. This is important because Liaison Committee members created valuable consumer outreach tools customized to American Indian and Alaska Native communities.



**NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS**

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