
National Meeting Preview

TO: NAIC Members, State Insurance Regulators and Interested Parties
FROM: NAIC Committee Support Staff
DATE: September 29, 2017
SUBJECT: Preview of NAIC Committee and Task Force Activities for the Fall National Meeting in Honolulu, Hawaii

Aloha! The NAIC 2017 Fall National Meeting registration is open until Nov. 1, however, insurance regulators from 43 of our 56 member jurisdictions have already registered to attend the meeting.

This includes more than 30 Members/Commissioners who have made their travel arrangements. We expect a productive meeting with over 50 sessions planned over a full three-day schedule.

Remember to check the NAIC Meetings website for the most up-to-date information www.naic.org/meetings_events.htm.

The NAIC appreciates your active involvement and input. Our open meetings policy ensures the broadest access possible, while reserving the right to close a meeting for specific purposes as outlined in the NAIC Policy Statement on Open Meetings. To make your meeting experience as valuable as possible, we present this information to help you plan your schedule and make travel arrangements.

The *Preview* highlights key actions planned by the NAIC membership during its upcoming national meeting. The information should only be used as a general reference. These sessions are subject to change to reflect developments between the time this was written and the start of the national meeting.

REGULARLY SCHEDULED MEETINGS

The **EXECUTIVE (EX) COMMITTEE** will consider adoption of the report of the joint meeting of the **Executive (EX) Committee** and the **Internal Administration (EX1) Subcommittee**, as well as reports of its task forces. The Committee will consider adoption of its 2018 proposed charges and those of its working groups. The Committee may consider adoption of model law development requests that are currently pending with sponsoring letter committees. The Committee will receive progress reports regarding work on NAIC models currently under development and hear updates from the Interstate Insurance Product Regulation Commission (IIPRC) and National Insurance Producer Registry (NIPR). A draft agenda and materials for this meeting will be made available for review on the “Meetings and Events” page on the NAIC website at www.naic.org/meetings_events.htm.

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During the joint meeting of the **EXECUTIVE (EX) COMMITTEE AND PLENARY**, members will consider adoption of reports from the Executive (EX) Committee and its seven standing committees, as well as the minutes from the Summer National Meeting. Progress reports will be provided on the states' implementation efforts on NAIC-adopted model laws, regulations and/or amendments. Members also will consider adoption of: 1) interim meeting minutes; 2) the 2018 proposed budget; 3) 2018 proposed committee charges; and 4) 2017 revisions to the *Annual Financial Reporting Model Regulation* (#205) as an addition to the part A accreditation standards.

The 2018 NAIC officer election will follow the joint meeting of the **Executive (EX) Committee and Plenary**.

Please Note: An NAIC model law, regulation, bulletin, white paper or other pertinent item for review and discussion by the **Executive (EX) Committee and Plenary** may be added to its agenda for consideration at any time prior to the Fall National Meeting.

The **FINANCIAL STABILITY (EX) TASK FORCE** will hear a report from the newly formed **Liquidity Assessment (EX) Subgroup** on progress toward achieving its deliverables related to liquidity data gaps and stress testing. In addition, the Task Force will review an NAIC staff compilation of existing data available for analysis of counterparty exposure concentrations.

The **INNOVATION AND TECHNOLOGY (EX) TASK FORCE** will consider adoption of reports from the **Big Data (EX) Working Group**, **Cybersecurity (EX) Working Group** and **Speed to Market (EX) Working Group**. The Task Force will discuss how best to facilitate and ensure that dialogue between state insurance regulators and innovators is efficient. It also will hear presentations on innovation in the insurance space.

The **INFORMATION SYSTEMS (EX1) TASK FORCE** will not meet at the Fall National Meeting.

The **PRINCIPLE-BASED RESERVING IMPLEMENTATION (EX) TASK FORCE** will consider adoption of its Summer National Meeting minutes and discuss the activities of its **PBR Review Working (EX) Group** and the **Life Actuarial (A) Task Force**. The Task Force may consider disbanding.

The **LIFE INSURANCE AND ANNUITIES (A) COMMITTEE** will consider adoption of its task force and working group reports. The **Annuity Disclosure (A) Working Group** will not meet at the Fall National Meeting, but it plans to meet via conference call to continue discussion regarding its charge to review and revise, as necessary, Section 6—Standards for Illustrations in the *Annuity Disclosure Model Regulation* (#245) to take into account disclosures necessary to inform consumers in light of the innovations in products currently in the marketplace. The **Annuity Suitability (A) Working Group** will not meet at the Fall National Meeting, but it plans to meet via conference call to continue its discussion on potential revisions to the *Suitability in Annuity Transactions Model Regulation* (#275). The **Life Insurance Buyer's Guide (A) Working Group** will not meet at the Fall National Meeting, but it plans to meet via conference call to continue discussions regarding its charge to revise, as necessary, the *Life Insurance Buyer's Guide*. The **Life Insurance Illustration Issues (A) Working Group** will not meet at the Fall National Meeting, but it plans to meet via conference call to continue discussions regarding the development of a one- to two-page policy overview document to fulfill its charge to enhance the consumer readability and understandability of the narrative summary required by Section 7B of the *Life Insurance Illustrations Model Regulation* (#582) and the policy summary required by Section 5A(2) of the *Life Insurance Disclosure Model Regulation* (#580). The **Promoting Appropriate Sales Practices in Life Insurance and Annuities (A) Working Group** will not meet at

the Fall National Meeting, but it plans to meet via conference call to continue discussions regarding its charge to review the *Model Regulation on the Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities* (#278), as well as the producer and insurer bulletin and the NAIC Consumer Alert, “Preventing Abusive Practices: The Misuse of Senior Designations and ‘Free Lunch’ Seminars.” The **Model Law Review (A) Subgroup** will not meet at the Fall National Meeting, but it plans to meet via conference call to review survey results regarding the Modified *Guaranteed Annuity Regulation* (#255) and the *Annuity Nonforfeiture Model Regulation* (#806).

The **LIFE ACTUARIAL (A) TASK FORCE** will work on and consider amendments to the *Valuation Manual* (for implementation in 2018.) The Task Force will discuss efforts to support and coordinate with the **Principle-Based Reserving Implementation (EX) Task Force**. The Task Force also will receive reports from its subgroups and an update on international insurance regulatory requirements. The Academy of Actuaries (Academy) Life Experience Committee and Society of Actuaries (SOA) Preferred Mortality Project Oversight Group will jointly provide updates on the development of simplified issue mortality and accelerated underwriting mortality.

The **HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE** will consider adoption of its task force, working group and subgroup reports. The **Consumer Information (B) Subgroup** will not meet at the Fall National Meeting. The Subgroup will continue its discussions via conference call concerning the development of consumer-based pieces to help with health insurance literacy. The **Medical Loss Ratio Quality Improvement Activities (B) Subgroup** will not meet at the Fall National Meeting. The Subgroup will continue to meet via conference call when necessary. The **CO-OP Solvency and Receivership (B) Subgroup** also will not meet at the Fall National Meeting but will continue to meet in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, when necessary. The **Health Care Reform Regulatory Alternatives (B) Working Group** will not meet at the Fall National Meeting. The Working Group plans to continue its work in 2018 to hear information from the states on their waiver activities pursuant to Section 1332 of the federal Affordable Care Act (ACA).

The **HEALTH ACTUARIAL (B) TASK FORCE** will discuss actuarial issues related to health care reform and other types of health insurance. The **Long-Term Care Actuarial (B) Working Group** will discuss long-term care insurance (LTCI) pricing and valuation issues.

The **REGULATORY FRAMEWORK (B) TASK FORCE** will consider adoption of its working group and subgroup reports. As part of its adoption of its subgroup reports, the Task Force could consider adoption of revisions to the *Health Carrier Prescription Drug Benefit Management Model Act* (#22). The **Model #22 (B) Subgroup**, which does not plan to meet at the Fall National Meeting, may complete its work on Model #22 prior to the Fall National Meeting and forward the revised model to the Task Force for its consideration. The Task Force most likely also will continue its discussion of its potential activities regarding NAIC models that could be affected by ACA repeal and replace federal legislation. The Task Force also may adjourn into regulator-to-regulator session, pursuant paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss investigations into specific plans. The **Accident and Sickness Insurance Minimum Standards (B) Subgroup** will not meet at the Fall National Meeting, but it plans to continue its meetings via conference call to consider revisions to the *Accident and Sickness Insurance Minimum Standards Model Act* (#170) and the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171). At the Summer National

Meeting, the Task Force decided to move forward with the revisions despite uncertainty related to ACA repeal and replacement federal legislation. The **ERISA (B) Working Group** does not plan to meet at the Fall National Meeting. The Working Group intends to meet via conference call to consider a revised draft of proposed revisions to the *Health and Welfare Plans Under the Employee Retirement Security Act: Guidelines for State and Federal Regulation* (ERISA Handbook) based on comments received by Aug. 31 and comments received in January 2016.

The **SENIOR ISSUES (B) TASK FORCE** will continue to discuss issues relating to LTCI and Medicare supplement insurance (Medigap); continue work on guidance related to improvements to LTCI rate stabilization standards; discuss LTCI consumer disclosures and partnership plan reporting; and receive updates on other topics of interest. The Task Force hopes to complete work on updating the *Shopper's Guide to Long-Term Care Insurance* and to make a final recommendation on the referral from the IIPRC regarding non-duplication provisions in LTCI policies. The Task Force will adopt reports from the **Long-Term Care Innovation (B) Subgroup**, the **Long-Term Care Benefit Adjustment (B) Subgroup** and the **Short Duration Long-Term Care Policies (B) Subgroup**. The **Long-Term Care Innovation (B) Subgroup** continues to examine ways on breaking down barriers to pursue concrete solutions that can pave the way for the private market to play a more meaningful role in financing society's long-term care (LTC) needs. The Subgroup is examining what regulatory barriers need to be broken down to spur further innovation. In addition, the Subgroup will review the referral from the IIPRC on non-duplication provisions in LTCI policies once the Long-Term Care Pricing (B) Subgroup completes its actuarial analysis. The **Short Duration Long-Term Care Policies (B) Subgroup** has been meeting via conference call to develop a model to address short-term duration policies that are excluded from the *Long-Term Care Insurance Model Act* (#640) and the *Long-Term Care Insurance Model Regulation* (#641) but do not quite fit under Model #170 or Model #171. The Subgroup has completed its initial section-by-section review and edit of Model #640 and continues to work on Model #641. **The Long-Term Care Benefit Adjustment (B) Subgroup** continues its work to: 1) determine what contractual authority is required to make a benefit change to an LTCI policy, including as an alternative to a rate revision; 2) evaluate whether reduction of daily benefits upon the elimination of inflation protection pursuant to a contractual provision is reasonable; 3) evaluate the sufficiency of disclosure requirements associated with policy provisions to reduce benefit amounts; and 4) determine what actuarial equivalence is appropriate for benefit change proposals and recommend related disclosure improvements. Additionally, the Task Force will hear a federal legislative update.

The **PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE** will consider adoption of its task force and working group reports. In addition, the Committee will: 1) consider adoption of interim minutes; 2) consider adoption of 2018 proposed charges; 3) hear a federal update on property/casualty (P/C) insurance issues; 4) hear an update on the National Flood Insurance Program (NFIP); and 5) hear updates from states related to recent hurricanes and flooding.

The **CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE** will discuss its work plan for its new charges regarding appointed actuary qualifications, discuss regulatory review of predictive modeling used in rate filings, and hear reports of its Working Groups and on activities being conducted by professional actuarial associations.

The **TITLE INSURANCE (C) TASK FORCE** will: 1) consider adoption of its Summer National Meeting minutes; 2) consider adoption of its Working Group reports; and 3) discuss a work plan for 2018.

The **SURPLUS LINES (C) TASK FORCE** will not meet at the Fall National Meeting.

The **WORKERS' COMPENSATION (C) TASK FORCE** will hear a progress report on the effort by its NAIC/IAIABC Joint (C) Working Group that is updating the 2008 study *An Overview of Workers' Compensation Independent Contractor Regulatory Approaches*. It will also hear a report on 2018 charges adopted by the Financial Condition (E) Task Force. This group will address the recommendations contained in the *2016 Workers' Compensation Large Deductible Study* the Workers' Compensation (C) Task Force published last year. The Task Force will hear a presentation from the National Council on Compensation Insurance (NCCI) on the state of the standard and residual workers' compensation markets. It will hear a report from FAIR Health on its data-collection work in the workers' compensation arena.

The **MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE** will consider adoption of reports from its task forces and working groups. The **Market Analysis Procedures (D) Working Group** will not meet at the Fall National Meeting. The **Pre-Dispute Mandatory Arbitration Clauses (D) Working Group** will discuss whether regulatory action is needed to address the inclusion of mandatory arbitration, choice-of-venue and choice-of-law provisions in insurance contracts. The **Market Regulation Certification (D) Working Group** will discuss the pilot program of the Voluntary Market Regulation Certification Program. The **Public Adjuster (C/D) Working Group** will discuss the development of a consumer brochure discussing the role of public adjusters and a model bulletin addressing the unauthorized practice of public adjusting. The **Market Conduct Annual Statement Blanks (D) Working Group** and the **Market Conduct Examination Standards (D) Working Group** will not meet at the Fall National Meeting.

The **ANTIFRAUD (D) TASK FORCE** will consider adoption of reports from the **Antifraud Education Enhancement (D) Working Group** and the **Antifraud Technology (D) Working Group**. In addition, the Task Force will discuss the development of NAIC antifraud education/training courses to potentially lead to the development of an NAIC Fraud Designation Program. The Task Force will discuss the development of a new fraud guideline that can be used by new state insurance regulators entering into state fraud departments. The Task Force also will hear updates from interested parties about their recent activities to address insurance fraud.

The **MARKET INFORMATION SYSTEMS (D) TASK FORCE** will consider adoption of the report from the **Market Information Systems Research and Development (D) Working Group**, discuss next steps to address its charge to make public data more meaningful and widely available, and review the results of the Complaint Reconciliation Survey.

The **PRODUCER LICENSING (D) TASK FORCE** will: 1) consider adoption of a formal position on whether to eliminate pet insurance as a limited line of insurance; 2) consider adoption of the reports from the **Uniformity (D) Working Group**, the **Uniform Education (D) Working Group** and the **Independent Adjuster Licensing (D) Working Group**; 3) receive an update on the state entry of Financial Industry Regulatory Authority (FINRA) regulatory actions to the NAIC Regulatory Information Retrieval System (RIRS); 4) receive an update on the implementation of the 1033 State Decision Repository; and 5) hear a report from the NIPR Board of Directors.

The **FINANCIAL CONDITION (E) COMMITTEE** will consider adoption of the reports from its task forces and working groups.

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The **ACCOUNTING PRACTICES AND PROCEDURES (E) TASK FORCE** will not meet at the Fall National Meeting.

The **CAPITAL ADEQUACY (E) TASK FORCE** will not meet at the Fall National Meeting.

The **EXAMINATION OVERSIGHT (E) TASK FORCE** will not meet at the Fall National Meeting.

The **LONG-TERM CARE INSURANCE (B/E) TASK FORCE** will continue any discussions that result from previous conference calls, meetings and LTCI workstreams at the NAIC. This may include discussions related to the solvency of the industry, documented rate review methodologies of states' and the IIPRC.

The **RECEIVERSHIP AND INSOLVENCY (E) TASK FORCE** will not meet at the Fall National Meeting.

The **REINSURANCE (E) TASK FORCE** will consider adoption of reports from the **Qualified Jurisdiction (E) Working Group** and the **Reinsurance Financial Analysis (E) Working Group**. The Task Force will also discuss the progress of any other ongoing projects.

The **VALUATION OF SECURITIES (E) TASK FORCE** will not meet at the Fall National Meeting.

The **FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE** will discuss the status of the *Corporate Governance Annual Disclosure Model Act* (#305), the *Corporate Governance Annual Disclosure Model Regulation* (#306) and the 2014 revisions to the *Insurance Holding Company System Regulatory Act* (#440) as possible additions to the accreditation standards. The Committee will discuss comments received related to a referral from the Reinsurance (E) Task Force regarding the *Term and Universal Life Insurance Reserve Financing Model Regulation* (#787) for possible inclusion in the accreditation program. The Committee will also discuss comments and consider adoption of a referral from the ORSA Implementation (E) Subgroup regarding accreditation guidelines for the Own Risk and Solvency Assessment (ORSA) reports, as well as referrals from the Financial Analysis Handbook (E) Working Group and the Financial Examiners (E) Technical Group regarding accreditation guidelines for the risk-focused enhancements to the analysis process.

The **INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE** will discuss progress on initiatives of the International Association of Insurance Supervisors (IAIS), including the status of Insurance Core Principle (ICP) revisions, the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), the global insurance capital standard (ICS) under development, financial stability issues and standards implementation issues. The Committee also will receive a report on work in progress at the Organisation for Economic Co-operation and Development (OECD) and an update on international trade agreements under negotiation by the U.S. federal government. The Committee will consider adoption of a report from the **International Regulatory Cooperation (G) Working Group**, which will include updates on ongoing activities to enhance cooperation with international insurance regulators, including the status of participation by the states in the IAIS multilateral memorandum of understanding (MMoU) process. The Committee also will consider adoption of a report from the **ComFrame Development and Analysis (G) Working Group**, which will include a progress report on ComFrame—in particular, the ongoing field testing process and the development of the global ICS.

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The **NAIC/CONSUMER LIAISON COMMITTEE** will discuss non-health (property/casualty [P/C]) insurance issues, such as Hurricanes Harvey and Irma versus recent building codes and existing building mitigation; the lack of transparency and accountability with regard to insurer abuse of trade secret claims; and maximizing states' use of resources to better serve consumers. The Committee also will discuss health insurance reforms and state efforts in market stabilization, such as the impact of federal health care reform changes on consumers and state insurance markets; health insurance coverage of durable medical equipment; and autism and health insurance in your state.

The **NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE** will hear a presentation from the Alaska Native Tribal Health Consortium (ANTHC) and discuss the National Congress of American Indians' (NCAI) 74th Annual Convention & Marketplace in Milwaukee, WI (Oct. 15–20).

The **NAIC/STATE GOVERNMENT LIAISON COMMITTEE** will not meet at the Fall National Meeting.

The **NAIC/INDUSTRY LIAISON COMMITTEE** will not meet at the Fall National Meeting.

The **IIPRC MANAGEMENT COMMITTEE and COMMISSION** will not meet at the Fall National Meeting.