

CLIENT ALERT

## Preview: 2021 NAIC Fall National Meeting

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### AUTHORS

**Kara Baysinger** | **Leah Campbell** | **Stephanie Duchene** | **Matthew J. Gaul**  
**Michael Groll** | **David Heales** | **Donald B. Henderson, Jr.** | **Allison J. Tam**

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The National Association of Insurance Commissioners (the “NAIC”) will hold its 2021 Fall National Meeting (the “Fall National Meeting”) from December 11-16, 2021. The Fall National Meeting will have a hybrid format, taking place in San Diego, California, and also streamed virtually. Below is a preview of some of the key topics that the Willkie regulatory team will be following at the upcoming Fall National Meeting.

A link to the full agenda for this meeting is available [here](#). Please contact any of the attorneys listed above if you would like to discuss these topics before or after the Fall National Meeting.

#### **I. Innovation and Technology (EX) Task Force** (Monday, December 13, 5:30pm ET)

At the Fall National Meeting, the Innovation and Technology (EX) Task Force will hear updates on NAIC workstreams relating to consumer data privacy, accelerated underwriting, cybersecurity and the ongoing work at the International Association of Insurance Supervisors (the “IAIS”) related to innovation and technology matters. The Task Force will also hear updates regarding Colorado Senate Bill 21-169, which was passed in July and restricts an insurer’s use of “external” consumer data sources, algorithms or predictive models that unfairly discriminate against individuals based on protected classes. The Colorado Bill and its associated regulations may influence future NAIC model rulemaking in this area.

The Big Data and Artificial Intelligence (EX) Working Group will meet on December 13 and will hear presentations regarding a model governance framework for the use of big data and artificial intelligence for the insurance industry. The Working Group will also review results of a survey addressing the use of artificial intelligence and machine learning in

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private passenger automobile insurance, as well as discuss the next steps toward developing regulatory guidance for monitoring the insurance industry's use of big data, algorithms, and artificial intelligence.

In addition, the Executive (EX) Committee and Plenary will consider adoption of the new Innovation, Cybersecurity, and Technology (H) Committee and its charges, which will focus on monitoring developments and coordinating the NAIC's work related to innovation, artificial intelligence and cybersecurity, and developing regulatory models and guidance as appropriate.

### **II. Climate and Resiliency (EX) Task Force** (Tuesday, December 14, 5:15pm ET)

The Climate and Resiliency (EX) Task Force will hear reports on its five workstreams, which relate to solvency, climate risk disclosures, pre-disaster mitigation, innovation and technology. We also expect that the Task Force will hear presentations on federal and international activity to better understand the impact of climate change on the insurance industry.

### **III. Long-Term Care Insurance (EX) Task Force** (Sunday, December 12, 2:30pm ET)

The Long-Term Care Insurance (EX) Task Force will hear updates on the current activity and recent progress of its three subgroups, which are focused on long-term care insurance financial solvency, multi-state rate review and reduced benefit options. The Task Force will also consider adoption of the Long-Term Care Insurance Multistate Rate Review Framework, which aims to outline a consistent national approach for reviewing long-term care insurance rates resulting in actuarially appropriate rate increases.

### **IV. Special (EX) Committee on Race and Insurance** (Tuesday, December 14, 1:30pm ET)

The Special (EX) Committee on Race and Insurance has focused on developing an understanding of the issues surrounding race and insurance, and insurance and historically underserved populations. The Special Committee will hear presentations related to its various workstreams. The Special Committee has two workstreams focused on researching and analyzing diversity and inclusion within the insurance sector and three workstreams focused on examining the insurance industry to determine what practices create barriers that disadvantage people of color and/or historically underrepresented groups, each focused on a different type of insurance (property and casualty, life and annuities, and health).

### **V. Life Insurance and Annuities (A) Committee** (Wednesday, December 15, 3:30pm ET)

The Life Insurance and Annuities (A) Committee will consider providing guidance to the Life Insurance Illustration Issues (A) Working Group on development of a policy overview document under the *Life Insurance Disclosure Model Regulation*

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(#580). The policy overview is a high-level summary provided to life insurance applicants which describes key policy features and information obtained for underwriting purposes.

### **VI. Property and Casualty Insurance (C) Committee** (Wednesday, December 15, 3:30pm ET)

The Property and Casualty Insurance (C) Committee will hear from interested parties regarding auto insurance refunds resulting from reduced driving during the pandemic. Additionally, the Catastrophe Insurance (C) Working Group and the NAIC/FEMA (C) Advisory Group will meet in joint session to hear updates regarding federal matters, recent catastrophic events, and National Flood Insurance Program matters. The Cannabis Insurance (C) Working Group will also meet and will discuss the drafting of the Appendix to the NAIC's *Understanding the Market for Cannabis Insurance* white paper providing updated information on cannabis-related insurance issues to be adopted by the 2022 Summer National Meeting.

### **VII. Market Regulation and Consumer Affairs (D) Committee** (Wednesday, December 15, 7:00pm ET)

The Market Regulation and Consumer Affairs (D) Committee will discuss the Privacy Protections (D) Working Group's draft Privacy Policy Statement, which sets forth the minimum consumer data privacy protections that are appropriate for the business of insurance.

### **VIII. Financial Condition (E) Committee** (Monday, December 13, 7:15pm ET)

The Financial Condition (E) Committee will hear reports from its task forces and working groups, including the Statutory Accounting Principles (E) Working Group and the Valuation of Securities Task Force, which will meet on December 11 and 12, respectively, and consider matters related to their efforts to establish principles-based concepts for the reporting of bond investments, among other agenda items.

The Reinsurance (E) Task Force will meet on December 13 to hear a report from the Reinsurance Financial Analysis (E) Working Group and the Mutual Recognition of Jurisdictions (E) Working Group and discuss the progress of other ongoing projects.

### **IX. Financial Regulation Standards and Accreditation (F) Committee**

The Financial Regulation Standards and Accreditation (F) Committee will not meet at the Fall National Meeting. However, the Executive (EX) Committee and Plenary will consider exposure of the 2020 revisions to the *Insurance Holding Company System Model Act* (#440) and the *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions* (#450) as an update to the NAIC accreditation standards. These holding company amendments implement the annual filing requirement for the group capital calculation and the liquidity stress test framework for large U.S. life insurers, both of which will serve as tools for insurance regulators.

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### **X. International Insurance Relations (G) Committee** (Wednesday, December 15, 11:00am ET)

The International Insurance Relations (G) Committee will discuss the progress of certain projects at the IAIS related to its comprehensive set of reforms regarding the cross-border supervision of internationally active insurance groups. These projects include the assessment of (i) the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), (ii) the holistic framework for assessing and mitigating systemic risk, (iii) the risk-based global insurance capital standard, and (iv) the comparability of the IAIS capital standard and the aggregation method, which is used as part of the NAIC's group capital calculation. The Committee will also discuss updates regarding the IAIS's plans for addressing emerging risks.

### **XI. CIPR Fall Event** (Tuesday, December 14, 6:30pm ET)

The NAIC's Center for Insurance Policy and Research will host a program on "Emerging from a Crisis – Building a Construct for Lessons Learned for State Insurance Regulation," focused on COVID-19 and the racial justice protests that occurred in 2020 and 2021. The session will explore what has served the NAIC and the state-based insurance regulatory system well in such significant unanticipated events, as well as highlight where U.S. insurance regulation could better anticipate and respond to future risks.

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If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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**Kara Baysinger**

415 858 7425

kbaysinger@willkie.com

**Leah Campbell**

212 728 8217

lcampbell@willkie.com

**Stephanie Duchene**

310 855 3066

sduchene@willkie.com

**Matthew J. Gaul**

212 728 8261

mgaul@willkie.com

**Michael Groll**

212 728 8616

mgroll@willkie.com

**David Heales**

212 728 8294

dheales@willkie.com

**Donald B. Henderson, Jr. Allison J. Tam**

212 728 8262

dhenderson@willkie.com

212 728 8282

atam@willkie.com

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