

CLIENT ALERT

Preview: 2022 NAIC Summer National Meeting

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The National Association of Insurance Commissioners (the “NAIC”) will hold its 2022 Summer National Meeting (the “Summer National Meeting”) from August 9–13, 2022 in a hybrid format, with meetings taking place virtually and in Portland, Oregon. A group of Willkie attorneys will attend the Summer National Meeting in person to follow the key topics listed below, among others.

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

I. Joint Meeting of **Executive (EX) Committee and Plenary** (Saturday, August 13, 12:00pm EDT)

The Joint Meeting of Executive (EX) Committee and Plenary is expected to consider adoption of the *List of Regulatory Considerations Applicable to (But Not Exclusive to) Private Equity (PE) Insurers*, on which we previously reported [here](#), which was recently adopted by the (E) Committee.

The Joint Meeting of Executive (EX) Committee and Plenary is also expected to consider adoption of the Pet Insurance Model Act, which provides a comprehensive legal framework by which producers may sell pet insurance and outlines various disclosure requirements, policy conditions, wellness programs and producer training requirements. The (C) Committee had formally adopted the Pet Insurance Model Act prior to the 2021 Fall National Meeting. However, after interested parties raised concerns about producer training requirements described within the Pet Insurance Model Act, the Committee granted an extension permitting the Pet Insurance (C) Working Group to address these concerns. The

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Working Group and (C) Committee have since adopted the revised Pet Insurance Model Act and once adopted by the NAIC, the Pet Insurance Model Act will establish a more uniform pet insurance framework for states.

II. **Executive (EX) Committee** (Thursday, August 11, 3:00pm EDT)

The Executive (EX) Committee will consider adoption of the *Request for NAIC Model Law Development to Amend the Property and Casualty Insurance Guaranty Association Model Act (#540)*, which was recently adopted by the (E) Committee, and on which we have previously reported [here](#).

III. **Property and Casualty Insurance (C) Committee** (Friday, August 12, 5:15pm EDT)

Willkie attorneys will attend and report on any material developments arising out of a meeting of the Title Insurance (C) Task Force, which will hold a roundtable discussion on how states regulate rates and also discuss how new title insurance-like alternatives fit into regulation, and a joint session of the Catastrophe Insurance (C) Working Group and the NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group.

IV. **Financial Condition (E) Committee** (Friday, August 12, 4:30pm EDT)

The Financial Condition (E) Committee, along with the Accounting Practices and Procedures (E) Task Force, will consider adopting the statutory and blanks revisions regarding related party reporting, which have already been adopted by the Statutory Accounting Principles (E) Working Group (“SAPWG”) and the Blanks (E) Working Group with a December 31, 2022 effective date. As we recently reported [here](#), the revisions are intended to create new financial statement reporting requirements for investment transactions with related parties. At the Summer National Meeting, the Federal Reserve will also present an overview of changes to its supervisory framework to the Committee.

a. **Statutory Accounting Principles (E) Working Group** (Wednesday, August 10, 1:00pm EDT)

In connection with the NAIC’s Principles-Based Bond Definition Project, SAPWG expects to expose for public comment revised drafts of the bond definition, issue paper, and edits to SSAP Nos. 26R and 43R in response to comments received during the prior exposure period that ended May 6, 2022. Among other agenda items, SAPWG also expects to hear comments on potential revisions to *SSAP No. 86 – Derivatives* related to expanding effective hedge assessment exceptions.

V. **Financial Regulation Standards and Accreditation (F) Committee** (Wednesday, August 10, 12:00pm EDT)

The Financial Regulation Standards and Accreditation (F) Committee will consider adoption of a referral related to including the 2021 revisions to the *Insurance Holding Company System Regulatory Act (#440)* and the *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions (#450)* in the accreditation program. The

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referral was made by the Receivership and Insolvency (E) Task Force. As previously reported [here](#), the 2021 revisions were adopted by the NAIC in August 2021 and impose new requirements related to affiliated transactions for insurers deemed to be in hazardous financial condition.

The (F) Committee will also consider adopting (i) a referral from the Financial Condition (E) Committee regarding the accreditation program's applicability to captive insurers reinsuring variable annuity business, and (ii) updates to the accreditation standards related to certain changes in the *Financial Condition Examiners Handbook*.

VI. **International Insurance Relations (G) Committee** (Wednesday, August 10, 7:15pm EDT)

The International Insurance Relations (G) Committee will discuss progress of efforts underway at the International Association of Insurance Supervisors, and will hear updates on the work of other international organizations, such as the Organisation for Economic Co-operation and Development and the Sustainable Insurance Forum, and efforts to improve cooperation among international insurance regulators.

VII. **Innovation, Cybersecurity, and Technology (H) Committee** (Wednesday, August 10, 5:30pm EDT)

The Innovation, Cybersecurity, and Technology (H) Committee will consider adopting the Privacy Protections (H) Working Group's Request for NAIC Model Development to revise the *NAIC Insurance Information and Privacy Protection Model Act* (#670) and *Privacy of Consumer Financial and Health Information Regulation* (#672), which is expected to be referred to it when the Privacy Protections (H) Working Group meets earlier during the Summer National Meeting. The (H) Committee will also hear presentations about how insurers developing and using artificial intelligence and machine learning address the risk of unfair discrimination.

Willkie will also attend meetings of the following working groups:

- Privacy Protections (H) Working Group (Tuesday, August 9, 3:30pm EDT). In addition to submitting the above request to the (H) Committee, the Privacy Protections (H) Working Group will discuss the results of a survey on customer data ownership and use in order to develop a white paper on the topic.
- Big Data and Artificial Intelligence (H) Working Group (Wednesday, August 10, 11:30am EDT). The Big Data and Artificial Intelligence (H) Working Group will continue to discuss results of its survey on the use of AI and machine learning in private passenger auto insurance, and will also discuss its recently developed surveys on AI and machine learning in homeowners and life insurance.

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