

NAIC/NCOIL Activity

The National Association of Insurance Commissioners (NAIC) held its virtual Summer National Meeting from July 27-August 14. While state Departments of Insurance have largely focused on responding to COVID-19 in recent months, comments at NAIC's Summer National Meeting indicated regulators will return this fall to the work at NAIC as outlined in their 2020 charges. To that end, we would like to flag the following issues for your attention for the remainder of 2020.

Rebating

- The Innovation and Technology (EX) Task Force met to discuss the changes to the rebating provisions (Section 4(H)) in the Unfair Trade Practices Act.
- The Task Force is accepting written comments on the current draft until August 28. The Task Force plans to hold an interim meeting prior to the Fall National Meeting to consider the comments they receive with the goal of approving the final changes to the model at the Fall National Meeting (scheduled for November).
- Next Steps: CIAB will submit written comments on the current exposed draft and will continue to engage with the Task Force as changes to the rebating provisions are considered.

MEWAs/AHPs

- The ERISA (B) Working Group met to discuss NAIC Model 220 (Prevention of Illegal MEWAs and Other Illegal Health Insurers Model Regulation). Working Group members discussed whether the model should be revisited to ensure anyone offering AHPs/MEWAs is properly operating given the lack of state enactment and recent activity in this space. The Working Group decided that further discussion was needed before a decision on reopening the model can be reached.
- Next Steps: Should CIAB advocate for the Working Group to reopen Model 220?

Business Interruption

- The NAIC/Consumer Liaison and Property and Casualty (C) Committees heard presentations on business interruption (BI) claims.
- NAIC presented on the findings from a COVID-19 BI data call. Nearly 8 million policies included BI coverage, but 83% included an exclusion for pandemic. There have been 185,000 claims. (72% have been closed without payment. Less than 1% were closed with payment (\$97M)). Losses total \$1.56 billion.
- Amy Bach (United Policyholders and NAIC Consumer Representative) presented on BI policies. In response to a regulator question on the statute of limitations for these claims, Bach urged states to issue bulletins telling consumers to submit their BI claims regardless of the insurance company indicating the claims do not qualify for coverage.
- Next Steps: CIAB will continue to monitor NAIC, NCOIL, and state activity on BI insurance.

Telehealth

- The Health Innovation (B) Working Group heard several presentations on telehealth from varying perspectives in the healthcare industry. Telehealth has seen higher levels of utilization during the COVID-19 pandemic and consumers are relatively satisfied with the services.
- Access to telehealth was also discussed during NAIC's Race and Diversity in Insurance panel. In general, participants indicated greater access to telehealth will help address the racial inequities in health care.
- Additionally, the National Council of Insurance Legislators (NCOIL) will decide if it will develop an NCOIL Telemedicine Model Act at its September meeting. At an interim call on August 21, legislators discussed what a potential model should address. It is expected

that NCOIL will approve developing a model in September and then consider the model at the next two meetings (December 2020 and March 2021).

- Next Steps: Should CIAB be actively engaged or just generally support expanding telehealth access? For example, we could encourage a national or multistate licensure framework for telehealth providers to assist with the development of telehealth capacity.

Producer Licensing

- The Producer Licensing (D) Task Force met to discuss the increased number of online, proctored examinations to license producers. It is expected that 20 states will have implemented online, proctored examinations by the end of August 2020 (up from one state in March 2020). All states that have implemented online examinations reported an overall positive experience.
- The Task Force members asked industry to reach out to the state Departments of Insurance if there is a delay in approving licenses for producers.
- Next Steps: Are CIAB members seeing a delay in approval for producer licenses? Do CIAB members have any concerns with online examinations?

Race and Diversity

- At the Summer National Meeting, NAIC kicked-off its effort to examine the role of the organization in: (1) addressing ongoing, potential racially discriminatory practices in the design, pricing and sale/access of insurance products, and (2) ways to promote diversity and inclusion within the insurance sector with a listening session.
- NAIC's next public race and diversity meeting will take place at the Insurance Summit (regulator education programming) in September.
- Next Steps: CIAB will continue to monitor NAIC's efforts on race and diversity.

STLDI

- NCOIL plans to approve its [Short Term Limited Duration Insurance Model Act](#) in September. Please note the drafting note at the top of the model that serves as a nod to the states that have no intention of allowing these products.
- Because NCOIL has held its final discussion on the model, there is little opportunity for engagement at this point. However, Blue Cross Blue Shield proposed a section that would allow a STLDI policy purchased in a state that allows the plan to remain in place if the policyholder moves to a state that does not allow STLDI plans. The language in the final model is unclear at this time.
- Next Steps: CIAB will monitor NCOIL's approval of the model.

NAIC Summer National Meeting – Meetings Monitored

The following meetings at NAIC's Summer National Meeting were monitored on behalf of CIAB. Please let us know if you would like detailed reports on any of these meetings.

Health Innovations (B) Working Group

- The Working Group heard presentations on telehealth, including privacy concerns and utilization during the COVID-19 pandemic. The Working Group also heard a presentation on cost control strategies.
- [Agenda](#)

Transparency and Readability of Consumer Information (C) Working Group

- The Working Group discussed the need for consumer disclosures for significant premium increases on P/C insurance products and its plans to compile information from states that have disclosure procedures in place.
- [Agenda](#)

Privacy Protections (D) Working Group

- The Working Group invited industry to flag any privacy regulation issues that should be addressed as it begins evaluating if the current privacy model law should be modified.
- [Agenda](#)

Terrorism Insurance Implementation (C) Working Group

- The Working Group received an update on the joint data call. The 2020 state supplement data is due September 30. NAIC staff also presented the 2019 state supplement data call results.
- [Agenda](#)

Market Conduct Annual Statement Blanks (D) Working Group

- The Working Group discussed MCAS updates that had previously been tabled, including life and annuity MCAS reporting and complaints placement options for home and auto MCAS.
- [Agenda](#)

ERISA (B) Working Group

- The Working Group discussed whether it should reopen NAIC Model 220 (Prevention of Illegal MEWAs and Other Illegal Health Insurers Model Regulation) given the lack of state implementation and recent activities.
- [Agenda](#)

Catastrophe Insurance (C) Working Group

- The Working Group heard multiple presentations on catastrophic modelling from industry and other stakeholders.
- [Agenda](#)

Producer Licensing (D) Task Force

- The Task Force discussed online examinations for producer licenses that have been implemented because of the COVID-19 pandemic.
- [Agenda](#)

Regulatory Framework (B) Task Force

- The Task Force heard a presentation from the Center on Health Insurance Reforms' on issues it is tracking, including Section 1332 waivers and STLDI plans. The Task Force also heard a presentation on health care sharing ministries, which plan to create a best practices/accreditation program to reduce consumer confusion between their plans and insurance. Centers for Medicare & Medicaid Services (CMS) presented on premium holidays because of COVID-19.
- [Agenda](#)

Big Data (EX) Working Group

- The Working Group heard an update from the Casualty Actuarial and Statistical (C) Task Force on its white paper (*Regulatory Review of Predictive Models*), which will likely be considered by the C Committee in September.

- [Agenda](#)

Surplus Lines (C) Task Force

- On August 4, CIAB, APCIA, and NAMIC sent a letter to the Task Force in support of WSIA and opposing the 2021 annual blanks proposal regarding the modification of Schedule T to include a new part 3 that would add details on “Home State” direct premiums written. The Task Force considered the comments during its meeting and ultimately tabled the proposal.
- [Agenda](#)

Workers' Compensation (C) Task Force

- The Task Force heard an overview from the National Council on Compensation Insurance (NCCI) on workers' compensation issues and actions that have occurred in states during the COVID-19 pandemic.
- [Agenda](#)

Innovation and Technology (EX) Task Force

- The Task Force discussed the changes to the rebating provisions (Section 4(H)) in the Unfair Trade Practices Act as well as discussed and adopted the Artificial Intelligence principles for the insurance industry.
- [Agenda](#)

Health Insurance and Managed Care (B) Committee

- The Committee heard a presentation on disparities in health care coverage, including disparity in the impact of COVID-19. The Committee also heard presentations on how the COVID-19 pandemic might impact employer-sponsored insurance coverage and the cost of COVID-19 testing.
- [Agenda](#)

Property and Casualty Insurance (C) Committee

- The Committee adopted a white paper (Workers' Compensation and the Changing Workforce) and heard the results of the business interruption data call as described above.
- [Agenda](#)

Market Regulation and Consumer Affairs (D) Committee

- The Committee discussed creating a template bulletin for state insurance departments to advise insurance companies when requirements of managing general agents (MGAs) and third-party administrators (TPAs) are waived during the COVID19 pandemic. The Committee also adopted various data requests.
- [Agenda](#)

Race & Insurance - A Candid Dialogue on the Role of the Insurance Sector in Addressing Racial Inequality and Promoting Diversity in the Insurance Industry

- The listening session was comprised of three panels that allowed commissioners and other stakeholders to provide their view on where the NAIC should focus its efforts to address racial disparities. Panelists focused on gaps in health care coverage, redlining, and the use of credit scoring by insurance companies.
- [Agenda](#)

NAIC/Consumer Liaison Committee

- Amy Bach (United Policyholders and NAIC Consumer Representative) presented on BI policies and COVID-19 claims. As described above, Bach urged states to issue bulletins

telling consumers to submit their BI claims regardless of the insurance company indicating the claims do not qualify for coverage.

- [Agenda](#)

Joint Meeting of the Executive (EX) Committee and Plenary

- Commissioner Mark Afable (WI) was appointed to serve on the NIPR Board of Directors effective February 13.
- [Agenda](#)