

2017 Summer National Meeting
Philadelphia, Pennsylvania

**JOINT MEETING OF EXECUTIVE (EX) COMMITTEE
AND INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE**

Meeting Summary Report

The Executive (EX) Committee and Internal Administration (EX1) Subcommittee met in joint session Aug. 6, 2017. The meeting was held in regulator-to-regulator session pursuant to paragraph 4 (internal or administrative matters of the NAIC) and paragraph 6 (consultations with NAIC staff members) of the NAIC Policy Statement on Open Meetings. During this joint meeting, the Committee and Subcommittee:

1. Adopted its 2017 Spring National Meeting minutes.
2. Adopted the Executive (EX) Committee minutes of July 13, June 19 and May 8. These meetings were held in regulator-to-regulator session pursuant to paragraph 4 (internal or administrative matters of the NAIC) and paragraph 6 (consultations with NAIC staff members) and paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings.
3. Adopted the Aug. 5 Audit Committee report, which included the following action:
 - a. Received an overview of the June 30, 2017, financials.
 - b. Approved the selection of an audit firm for the 2017–2019 financial statement audits.
 - c. Received an update on past-due database filing fees.
 - d. Requested a proposal for potential changes to the funding of the zones.
 - e. Adopted the proposed 2018 Audit Committee charter.
4. Adopted the Aug. 5 Information Systems (EX1) Task Force report, which included the following action:
 - a. Received an operational report from NAIC staff for information technology (IT) activities of the NAIC.
 - b. Received updates on technical projects closed from March through June 2017.
 - c. Received an update on the review of four 2017 fiscals with a technology component by the Technical Consulting (EX1) Working Group.
5. Approved funding for an application performance monitoring (APM) tool. The APM tool will enable NAIC staff to monitor and analyze near real-time data, thus allowing feedback to customers and reducing the time to resolve performance issues.
6. Approved the Principle-Based Reserving (PBR) Experience Data Collection Agent recommendation, which includes:
 - a. Authorizing the NAIC to serve as a data collection agent for any state that desires to collect experience data from life insurers in support of PBR.
 - b. Requesting the Life Actuarial Task Force to prepare amendments to the *Valuation Manual* to account for the NAIC specifically as data collection agent for the states when PBR becomes mandatory effective Jan. 1, 2020.
7. Approved the selection of a financial advisor.
8. Approved the fiscal for the next phase of the Actuarial Credentialing Project, which includes:
 - a. Hiring a consultant to assist the NAIC in conducting a job analysis, as well as reviewing and possibly revising the definition of a “qualified actuary” to become an appointed actuary and continuing the work of the *ad hoc* group to oversee the consultant.
 - b. Recommending the Property and Casualty Insurance (C) Committee assign a charge to the Casualty Actuarial and Statistical (C) Task Force to develop an attestation, add clarity to the experience requirement and address recertification.
9. Approved filing an amicus brief regarding *Moda Health Plan v. United States*.
10. Selected Indianapolis, IN as the meeting location for the 2020 Fall National Meeting.

EXECUTIVE (EX) COMMITTEE
July 13, 2017 / June 19, 2017 / May 8, 2017

Interim Meeting Report

The Executive (EX) Committee met July 13, June 19 and May 8, 2017. The meetings were held 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:

1. Heard a mid-year financial and operational update.
2. Approved a recommendation for a cloud computer vendor for the NAIC and the National Insurance Producer Registry (NIPR).
3. Approved funding for the following projects: Transition to the Cloud – Phase 1; the Tableau Business Intelligence Tool; the Market Conduct Annual Statement Application; and the Insurance Data Application.
4. Adopted the recommendation of the ad hoc group regarding actuarial credentialing.
5. Received a corporate governance briefing and education on the duties of the board members.
6. Received an update on NAIC internal cybersecurity activities.
7. Adopted the report of the Investment (EX1) Committee.
8. Adopted the report of the Audit Committee.
9. Appointed Commissioner Katharine L. Wade (CT) to the International Association of Insurance Supervisors (IAIS) Executive Committee.
10. Approved funding for the Voluntary Market Regulation Certification Program pilot.

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Draft: 7/31/17

Executive (EX) Committee
Conference Call
June 19, 2017

The Executive (EX) Committee met via conference call June 19, 2017. The following Committee members participated: Ted Nickel, Chair (WI); Julie Mix McPeak, Vice Chair (TN); Eric A. Cioppa, Vice President (ME); Raymond G. Farmer, Secretary-Treasurer (SC); James J. Donelon, Most Recent Past President (LA); Jim L. Ridling (AL); Katharine L. Wade (CT); Dean L. Cameron (ID); Stephen W. Robertson (IN); Ken Selzer (KS); Mike Chaney (MS); Roger A. Sevigny (NH); John D. Doak (OK); and Laura Cali Robison (OR). Also participating were: David Altmaier (FL); Patrick M. McPharlin (MI); and Bruce R. Ramage (NE).

1. Adopted a Request for NAIC Model Law Development for the *Life Insurance Disclosure Model Regulation (Model #580) – Buyer’s Guide*

Director Ramage reported that the Life Insurance and Annuities (A) Committee seeks adoption of a Request for NAIC Model Law Development to revise the *Life Insurance Disclosure Model Regulation* (#580) in order to remove the *Life Insurance Buyer’s Guide* (Buyer’s Guide) as an appendix to the model. The Life Insurance and Annuities (A) Committee adopted this Request for NAIC Model Law Development at the Spring National Meeting.

From an efficiency standpoint, Director Ramage said it makes sense to separate the process of updating the Buyer’s Guide from the process required to revise a model. There is precedent for removing the Buyer’s Guide from Model #580 because the annuity buyer’s guides were removed from the *Annuity Disclosure Model Regulation* (#245) in 2011.

Director Cameron made a motion, seconded by Director Farmer, to adopt the Request for NAIC Model Law Development for amendments to Model #580 to remove the Buyer’s Guide as an appendix. (Attachment A). The motion passed.

2. Adopted a Request for NAIC Model Law Development for the *Life Insurance Disclosure Model Regulation* (#580) and *Life Insurance Illustrations Model Regulation (Model #582) – Policy Overview Document*

Director Ramage reported that the purpose of this Request for NAIC Model Law Development is to incorporate a policy overview document requirement into Model #580 and the *Life Insurance Illustrations Model Regulation* (#582) in order to improve the understandability of the life insurance policy summary and narrative summary already required by Section 5A (2) of Model #580 and Section 7B of Model #582. The Life Insurance and Annuities (A) Committee adopted this Request for NAIC Model Law Development at the Spring National Meeting.

Commissioner Cali Robison made a motion, seconded by Commissioner Ridling, to adopt the Request for NAIC Model Law Development for amendments to Model #580 and Model #582 to incorporate a policy overview document requirement (Attachment B). The motion passed.

3. Adopted a Request for NAIC Model Law Development for the *Annuity Disclosure Model Regulation (Model #245)*

Director Ramage reported that the Life Insurance and Annuities (A) Committee seeks adoption of a Request for NAIC Model Law Development to revise Section 6—Standards for Illustrations of the *Annuity Disclosure Model Regulation* (#245). The purpose of the revision is to address issues identified by the Annuity Disclosure (A) Working Group related to innovations in annuity products that are not addressed, or addressed adequately, in the current standards. The Life Insurance and Annuities (A) Committee adopted this Request for NAIC Model Law Development on its May 19 conference call.

Commissioner Robertson made a motion, seconded by Commissioner McPeak, to adopt the Request for NAIC Model Law Development for revisions to Model #245 (Attachment C). The motion passed.

4. Adopted a Request for NAIC Model Law Development to Draft a Travel Insurance Model Law

Commissioner Altmaier reported that, over the past year, the Travel Insurance (C) Working Group has listened to testimony concerning the workings of the travel insurance industry and its regulatory structure, hearing from interested parties, consumer interest groups and the travel insurance and tourism industries.

As a result, the Working Group proposes drafting a model law to define a regulatory structure related to travel insurance covering market regulation, premium tax, rate regulation and enforcement. The Property and Casualty Insurance (C) Committee adopted this Request for NAIC Model Law Development on its June 8 conference call.

Commissioner Donelon made a motion, seconded by Commissioner Chaney, to adopt the Request for NAIC Model Law Development for drafting the new Travel Insurance Model Law (Attachment D). The motion passed.

5. Adopted the Revised Charges of the Innovation and Technology (EX) Task Force

Director McPharlin reported that the Innovation and Technology (EX) Task Force completed the drafting of its Working Group charges. The charges reflect the new reporting structure for the Task Force working groups but do not change the substance of the ongoing work. The final document was distributed to the Task Force members during a meeting held May 23 at the Insurance Summit in Kansas City, MO.

Director Farmer made a motion, seconded by Commissioner Cali Robison, to adopt the revised charges of the Innovation and Technology (EX) Task Force (Attachment E). The motion passed.

Having no further business, the Executive (EX) Committee adjourned.

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Draft: 8/6/17

REPORT OF THE EXECUTIVE (EX) COMMITTEE TASK FORCES

Financial Stability (EX) Task Force—The Financial Stability (EX) Task Force met Aug. 6 and took the following action: 1) adopted its Spring National Meeting minutes; 2) heard an overview of the NAIC’s Macro-Prudential Initiative; 3) discussed the inventory of the NAIC’s macro-prudential surveillance reports; 4) discussed the NAIC’s new Macro-Prudential Heat Map Report; and 5) adopted a motion to appoint the new Liquidity Assessment (EX) Subgroup, along with a charge for the new Subgroup.

The **Liquidity Assessment (EX) Subgroup** will: Review existing public and regulator only data related to liquidity risk, identify any gaps based upon regulatory needs, and propose the universe of companies to which any recommendations may apply. Construct a liquidity stress testing framework proposal for consideration by the Financial Condition (E) Committee, including the proposed universe of companies to which the framework will apply, (e.g. large life insurers).

Government Relations (EX) Leadership Council—The Government Relations (EX) Leadership Council did not meet at the Summer National Meeting. The Leadership Council meets weekly via conference call to discuss federal legislative and regulatory developments affecting insurance regulation.

Innovation and Technology (EX) Task Force—The Innovation and Technology (EX) Task Force met May 23 and took the following action: 1) adopted its Spring National Meeting minutes; 2) heard an update on learning opportunities for state insurance regulators; and 3) heard presentations from three InsurTech firms including: a) RiskGenius; b) Pypestream; and c) Ladder Life. The Task Force is scheduled to meet Aug. 8 following the Executive (EX) Committee meeting to: 1) consider adoption of its May 23 minutes; 2) consider adoption of reports from the Big Data (EX) Working Group, Cybersecurity (EX) Working Group and Speed to Market (EX) Working Group; 3) consider adoption of the Insurance Data Security Model Law, pending adoption by the Cybersecurity (EX) Working Group; 4) hear presentations from guest innovators; 5) discuss development of a definition for “microinsurance”; and 6) discuss development of a framework to facilitate dialogue between innovators and state insurance regulators.

The **Big Data (EX) Working Group** met June 9 and took the following action: 1) adopted its Spring National Meeting minutes; 2) heard a presentation from Merlinos & Associates on the use of nontraditional data sources for rate development in personal lines insurance; and 3) finalized its 2017 work plan. The Working Group met June 30 and took the following action: 1) adopted its June 9 minutes; 2) discussed a proposed structure for the review of complex models used to support rate filings in personal auto and homeowners insurance; and 3) heard a presentation from Pinnacle Actuarial Resources on the use of nontraditional data sources for rate development in personal lines insurance. The Working Group met Aug. 6 and took the following action: 1) adopted its June 30 minutes; and 2) discussed the proposed structure for the review of complex models used to support rate filings.

The **Cybersecurity (EX) Working Group** is scheduled to meet Aug. 7 following the Executive (EX) Committee meeting to: 1) consider adoption of its Spring National Meeting minutes; 2) hear a report regarding the data collected from the Cybersecurity Insurance Coverage Supplement of the NAIC 2016 Property/Casualty (P/C) Annual Financial Statement and surplus lines data collection; 3) hear an update on cybersecurity legislation being considered by the U.S. Congress; and 4) discuss and consider adoption of the Insurance Data Security Model Law.

The **Speed to Market (EX) Working Group** met Aug. 7 and took the following action: 1) adopted its April 9 minutes, which include a summary of the fiscals sponsored by the Working Group; 2) adopted the report of the Operational Efficiencies (EX) Subgroup, which includes the 2018 changes to the Uniform Product Coding Matrix (PCM) and Uniform Transmittal Document (UTD); 3) received an update on the implementation projects, strategic projects and activity of the System for Electronic Rate and Form Filing (SERFF); 4) received a report on the activities of the SERFF Advisory Board; and 5) received an update on the activities of the Interstate Insurance Product Regulation Commission (IIPRC).

Principle-Based Reserving Implementation (EX) Task Force—The Principle-Based Reserving Implementation (EX) Task Force met April 10 and took the following action: 1) adopted revised charges for the PBR Review (EX) Working Group which are a rewrite and clarification of the original charges; 2) adopted the report of the PBR Review (EX) Working Group, which included: a) proposed edits to the *Financial Analysis Handbook* actuarial chapters to the Financial Analysis Handbook (E) Working Group; b) exposed edits made to the *Financial Condition Examiners Handbook* for a 30-day public comment

period ending April 3; c) disclosed the membership of the Valuation Analysis (E) Working Group as approved by the Financial Condition (E) Committee; and d) heard an update from NAIC staff that the development of the standard portfolio model has been completed and that sensitivity testing of model assumptions is being conducted to develop a sense of how much the reserve changes given a change in a modeling assumption; 3) discussed PBR activities of the Life Actuarial (A) Task Force; and 4) adopted its 2016 Fall National Meeting minutes. The Task Force is scheduled to meet Aug. 8 following the Executive (EX) Committee meeting to: 1) consider adoption of its Spring National Meeting minutes; 2) consider adoption of the PBR Review (EX) Working Group report; 3) receive a PBR status update; and 4) discuss the status of PBR implementation.

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REQUEST FOR NAIC MODEL LAW DEVELOPMENT

This form is intended to gather information to support the development of a new model law or amendment to an existing model law. Prior to development of a new or amended model law, approval of the respective Parent Committee and the NAIC's Executive Committee is required. The NAIC's Executive Committee will consider whether the request fits the criteria for model law development. Please complete all questions and provide as much detail as necessary to help in this determination.

Please check whether this is: New Model Law or Amendment to Existing Model

1. Name of group to be responsible for drafting the model:

Receivership Model Law (E) Working Group

2. NAIC staff support contact information:

Jane Koenigsman, jkoenigsman@naic.org, Phone 816-783-8145

3. Please provide a brief description of the proposed new model or the amendment(s) to the existing model. If you are proposing a new model, please also provide a proposed title. If an existing model law, please provide the title, attach a current version to this form and reference the section(s) proposed to be amended.

Life and Health Insurance Guaranty Association Model Act (#520). Propose to revise the model to address guaranty association assessments and coverage issues identified specifically regarding long-term care insurer insolvencies. Such issues may include the potential inclusion of HMOs as member insurers of a state guaranty association.

4. Does the model law meet the Model Law Criteria? Yes or No (Check one)

(If answering no to any of these questions, please reevaluate charge and proceed accordingly to address issues).

a. Does the subject of the model law necessitate a national standard and require uniformity amongst all states? Yes or No (Check one)

If yes, please explain why:

Model #520 sets standards to protect policy owners, insureds, beneficiaries, annuitants, payees and assignees against losses which might otherwise occur due to an impairment or insolvency of an insurer. Insurers writing long-term care are most often multi-state insurers therefore it is important to have substantially similar treatment of benefits in receivership across states. Currently all 52 accredited member jurisdictions have adopted a version of Model #520 in a substantially similar manner, including but not limited to the most recent version or an older version of the Model.

b. Does Committee believe NAIC members should devote significant regulator and Association resources to educate, communicate and support this model law?

Yes or No (Check one)

5. What is the likelihood that your Committee will be able to draft and adopt the model law within one year from the date of Executive Committee approval?

1 2 3 4 5 (Check one)

High Likelihood

Low Likelihood

Explanation, if necessary:

6. What is the likelihood that a minimum two-thirds majority of NAIC members would ultimately vote to adopt the proposed model law?

1 2 3 4 5 (Check one)

High Likelihood

Low Likelihood

Explanation, if necessary: As stated above, the NAIC's Life and Health Insurance Guaranty Association Act (#520) is adopted in its current or older version in all 52 accredited member jurisdictions.

7. What is the likelihood that state legislatures will adopt the model law in a uniform manner within three years of adoption by the NAIC?

1 2 3 4 5 (Check one)

High Likelihood

Low Likelihood

Explanation, if necessary: Recent insolvency of a large LTC insurer has emphasized the need for revisions to the model.

8. Is this model law referenced in the NAIC Accreditation Standards? If so, does the standard require the model law to be adopted in a substantially similar manner?

Yes, Part A Accreditation Standard 14. Guaranty Funds requires that "state law should provide for a regulatory framework such as that contained in the NAIC's model acts on the subject, to ensure the payment of policyholders' obligations subject to appropriate restrictions and limitations when a company is deemed insolvent." Although strict adherence to the NAIC Guaranty Fund Models is not required, states are required to have a regulatory framework such as contained in Models #520 and #540.

9. Is this model law in response to or impacted by federal laws or regulations? If yes, please explain.

No

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REQUEST FOR NAIC MODEL LAW DEVELOPMENT

This form is intended to gather information to support the development of a new model law or amendment to an existing model law. Prior to development of a new or amended model law, approval of the respective Parent Committee and the NAIC's Executive Committee is required. The NAIC's Executive Committee will consider whether the request fits the criteria for model law development. Please complete all questions and provide as much detail as necessary to help in this determination.

Please check whether this is: New Model Law or Amendment to Existing Model

1. Name of group to be responsible for drafting the model:

Creditor-Placed Insurance Model Act Review (C) Working Group

2. NAIC staff support contact information:

Aaron Brandenburg
abrandenburg@naic.org
816-783-8271

3. Please provide a brief description of the proposed new model or the amendment(s) to the existing model. If you are proposing a new model, please also provide a proposed title. If an existing model law, please provide the title, attach a current version to this form and reference the section(s) proposed to be amended.

Lender-Placed Real Property Insurance Model Act.

The Creditor-Placed Insurance Model Act Review (C) Working Group has been discussing revisions to the Creditor-Placed Insurance Model Act (#375) which focuses on creditor-placed insurance placed on personal property and auto loans. The Working Group was originally charged with looking at lender-placed insurance on mortgage loans, including reviewing information from hearings and regulatory actions that necessitate changes to the Model Law. The Working Group has determined two separate laws should exist, one for personal property and one for real property. The Working Group would like to work on a new model concerning lender-placed insurance placed on real property mortgage loans, as described in this Model Law Request, and work on Model #375 concerning personal property loans separately.

4. Does the model law meet the Model Law Criteria? Yes or No (Check one)

(If answering no to any of these questions, please reevaluate charge and proceed accordingly to address issues).

a. Does the subject of the model law necessitate a national standard and require uniformity amongst all states? Yes or No (Check one)

If yes, please explain why – States have taken regulatory action following abuses in the lender-placed insurance market as it relates to homeowners insurance. A consistent regulatory structure is desired to address these issues within the market.

b. Does Committee believe NAIC members should devote significant regulator and Association resources to educate, communicate and support this model law?

Yes or No (Check one)

5. What is the likelihood that your Committee will be able to draft and adopt the model law within one year from the date of Executive Committee approval?

1 2 3 4 5 (Check one)

High Likelihood

Low Likelihood

Explanation, if necessary: The Working Group has spent over a year hearing from interested parties on issues related to lender-placed insurance as it reviewed Model #375. It has begun drafting language but now feels that issues regarding mortgage loans should be split from issues regarding personal property loans, into two separate models. The Working Group should be able to take the existing work done on the real property discussions related to Model #375 and complete its work on a new Model.

6. What is the likelihood that a minimum two-thirds majority of NAIC members would ultimately vote to adopt the proposed model law?

1 2 3 4 5 (Check one)

High Likelihood

Low Likelihood

Explanation, if necessary:

7. What is the likelihood that state legislatures will adopt the model law in a uniform manner within three years of adoption by the NAIC?

1 2 3 4 5 (Check one)

High Likelihood

Low Likelihood

Explanation, if necessary: The Working Group feels state legislatures will be more likely to adopt a new model related to real property lender-placed insurance, rather than a model that addresses both personal and real property.

8. Is this model law referenced in the NAIC Accreditation Standards? If so, does the standard require the model law to be adopted in a substantially similar manner?

No

9. Is this model law in response to or impacted by federal laws or regulations? If yes, please explain.

No

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Draft: 8/5/17

Model Law Development Report

Amendments to the *Health Insurance Reserves Model Regulation (#10)*—The Executive (EX) Committee approved a request for model law development to amend Model #10 at the 2014 Summer National Meeting. The Health Actuarial (B) Task Force’s Long-Term Care Actuarial (B) Working Group opened the model to draft an amendment referencing new standards for the valuation of long-term care insurance (LTCI) liabilities. The Working Group continues to discuss amendments related to LTCI liabilities and will request an additional extension from the Health Insurance and Managed Care (B) Committee at the Summer National Meeting.

Amendments to the *Health Carrier Prescription Drug Benefit Management Model Act (#22)*—The Regulatory Framework (B) Task Force’s Model #22 (B) Subgroup is drafting an amendment required for consistency with the federal Affordable Care Act (ACA) and, therefore, did not require approval of a request for model law development by the Executive (EX) Committee. At the 2015 Fall National Meeting, the Regulatory Framework (B) Task Force discussed its charge from the Health Insurance and Managed Care (B) Committee to review and consider revisions to Model #22 to address issues related to: 1) transparency, accuracy and disclosure regarding prescription drug formularies and formulary changes during a policy year; 2) accessibility of prescription drug benefits using a variety of pharmacy options; and 3) tiered prescription drug formularies and discriminatory benefit design. The Task Force requested comments by Jan. 22, 2016. The Task Force met Feb. 11, 2016, and appointed the Model #22 (B) Subgroup to work on revisions to the model. Approximately 25 comment letters from various stakeholders were received by the comment deadline; the Subgroup has been reviewing and discussing these comments via conference call approximately every two weeks throughout 2016. The Subgroup recently finished its review of the comments received on Section 6—*Information to Prescribers, Pharmacies, Covered Persons and Prospective Covered Persons*, and agreed to certain revisions to Section 6 based on the comments received. The Subgroup also recently finalized language for a proposed new section to Model #22: *Nondiscrimination in Prescription Drug Benefit Design*. The Subgroup is currently reviewing the comments received on Section 7—*Medical Exceptions Approval Process Requirements and Procedures* and is considering revisions to Section 7 based on the comments received. The Subgroup will not be meeting at the Summer National Meeting, but it plans to meet via conference call Aug. 22 to continue its discussions. The Subgroup hopes to complete its review soon after the Summer National Meeting and expose an initial draft of proposed revisions to the model for public comment.

Amendments 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)*—Amendments to Model #170 and Model #171 are necessary for consistency with the ACA and, therefore, did not require approval of a request for model law development by the Executive (EX) Committee. At the 2015 Fall National Meeting, the Regulatory Framework (B) Task Force discussed the proposed revisions to the models. The Task Force requested additional comments by Jan. 22, 2016. The Task Force met Feb. 11, 2016, and appointed the Accident and Sickness Insurance Minimum Standards (B) Subgroup to work on revisions to the models. The Subgroup has been meeting on a regular basis since the 2016 Spring National Meeting and plans to continue meeting via conference call until it completes its work. During its meetings, the Subgroup has discussed a number of issues, including its approach for revising the models’ disability income insurance coverage provisions, and decided preliminarily to review the Interstate Insurance Product Regulation Commission’s (IIPRC) approach. The Subgroup will not be meeting at the Summer National Meeting. However, due to the ACA’s potential repeal, replacement or modification and possible impact on the provisions of both models, as well as the Subgroup’s preliminary proposed revisions to the models, the Subgroup has not met since November 2016. After these issues are resolved, the Subgroup anticipates continuing to meet via conference call approximately every two weeks to review and discuss the comments received. Depending on what happens related to the ACA, the Subgroup hopes to complete its work sometime in 2018 and expose a revised draft of proposed revisions to both models for public comment.

Amendments to the *Annuity Disclosure Model Regulation (Model #245)*—The Executive (EX) Committee approved a request for model law development to amend the *Annuity Disclosure Model Regulation (#245)* on June 19. The amendments will revise Section 6—*Standards for Illustrations*. The purpose of the revision is to address issues identified by the Annuity Disclosure (A) Working Group related to innovations in annuity products that are not addressed, or addressed adequately, in the current standards. The Life Insurance and Annuities (A) Committee adopted this request for model law development on May 19.

Amendments to the *Creditor-Placed Insurance Model Act (#375)*—The Executive (EX) Committee approved the request for model law development to amend Model #375 at the 2013 Spring National Meeting. The Property and Casualty Insurance

(C) Committee appointed the Creditor-Placed Insurance Model Act Review (C) Working Group on May 15, 2015. The Working Group has been meeting via conference call to discuss revisions to the model. The Property and Casualty Insurance (C) Committee will seek an extension at the Summer National Meeting so work can continue. In addition, the Creditor-Placed Insurance Model Act Review (C) Working Group determined that a separate model focusing on real property is needed in addition to Model #375 that focuses on personal property. The Executive (EX) Committee will be considering a model law request for lender-placed insurance as it relates to mortgages during its Aug. 7 meeting.

Amendments to the *Life Insurance Disclosure Model Regulation (#580) Buyer's Guide*—The Executive (EX) Committee met June 19 and approved the request for model law development to revise Model #580 in order to remove the *Life Insurance Buyer's Guide* (Buyer's Guide) as an appendix to the model.

Amendments to the *Life Insurance Disclosure Model Regulation (#580) and Life Insurance Illustrations Model Regulation (#582) Policy Overview Document*—The Executive (EX) Committee met June 19, and approved the request for model law development to incorporate a policy overview document requirement into Model #580 and Model #582 in order to improve the understandability of the life insurance policy summary and narrative summary already required by Section 5A(2) of Model #580 and Section 7B of Model #582.

Amendments to the *Mortgage Guaranty Insurance Model Act (#630)*—The Executive (EX) Committee approved the request for model law development to amend Model #630 on July 26, 2013. The Financial Condition (E) Committee's Mortgage Guaranty Insurance (E) Working Group developed substantial changes to the model but continues to discuss those changes, along with comments from the industry on the proposed changes. The Working Group has received an extension from the Financial Condition (E) Committee until the Fall National Meeting.

Amendments to the *Standard Nonforfeiture Law for Individual Deferred Annuities (#805)*—The Executive (EX) Committee approved the request for model law development to amend Model #805 at the 2016 Summer National Meeting. At the 2016 Fall National Meeting, the Life Insurance and Annuities (A) Committee adopted amendments to exempt contingent deferred annuities (CDAs) from certain sections of the model, with which, due to their structure, they cannot comply. The Life Insurance and Annuities (A) Committee agreed not to send the model to the Executive (EX) Committee and Plenary while the Life Actuarial (A) Task Force was considering additional revisions to eliminate the prospective test for certain products. The Task Force asked the Life Insurance and Annuities (A) Committee to wait so that both amendments to the model could be considered for adoption by the Executive (EX) Committee and Plenary at the same time. The Task Force received a recommendation from the volunteer group tasked with drafting the proposal for revisions to the model. The group's recommendation is that the clarification of the prospective test for certain products can be accomplished best by creating an actuarial guideline. The group will report its progress to the Task Force at the Summer National Meeting.

New Model: *Unclaimed Life Insurance and Annuities Model Act*—The Executive (EX) Committee approved the request for model law development to draft the Unclaimed Life Insurance and Annuities Model Act at the 2015 Spring National Meeting. At that meeting, the Life Insurance and Annuities (A) Committee's Unclaimed Life Insurance Benefits (A) Working Group appointed the Unclaimed Benefits Model Drafting (A) Subgroup to begin work on the new model. On Nov. 16, 2015, the Subgroup exposed an initial draft of the model for a public comment period ending Dec. 14, 2015. Beginning in January 2016, the Subgroup met via conference call to discuss the comments received and to refine its draft of the model. The Subgroup completed its work July 29, 2016, and forwarded the proposed model to the Unclaimed Life Insurance Benefits (A) Working Group for consideration of adoption. The Subgroup then disbanded, having completed its work. The Unclaimed Life Insurance Benefits (A) Working Group exposed the draft model for an additional public comment period ending Oct. 25, 2016. The Working Group met via conference call Nov. 10, 2016, to discuss its plan for reviewing the comments received. The Working Group met via conference call Dec. 15, 2016, to discuss the comment letters received and adopted a motion to add back into the draft model the three applicability options: 1) prospective; 2) retrospective; and 3) asymmetrical. Based on this action, the Working Group decided to seek additional guidance from the Life Insurance and Annuities (A) Committee before moving forward. The Working Group met March 7 and adopted a motion to cease its work because the Working Group could not reach consensus on a number of major issues, including the draft model's applicability to life insurance policies, annuity contracts and retained asset accounts as of its effective date. The Working Group presented its report to the Life Insurance and Annuities (A) Committee at the Spring National Meeting and sought additional guidance, including disbanding the Working Group and not pursuing a new NAIC model to address unclaimed benefits. At the Spring National Meeting, the Life Insurance and Annuities (A) Committee directed the Working Group to determine the three top issues on which it cannot reach consensus, potentially affecting the Committee's ability to obtain two-thirds vote from its members for adopting the proposed model as an NAIC model in accordance with the NAIC Model Law Development Procedures. The Working Group met June 8 to determine the top three issues. During the Life Insurance and Annuities (A)

Committee's June 17 conference call, the Working Group reported on its work. It is anticipated that the Committee will review and discuss the top three issues in more detail and make a determination on whether to pursue a new NAIC model to address unclaimed benefits.

New Model: *Insurance Data Security Model Law*—The Executive (EX) Committee approved the request for model law development, submitted by the Cybersecurity (EX) Task Force, to draft the Insurance Data Security Model Law at the 2015 Spring National Meeting. The draft model provides that licensees, including insurance companies and agents, must protect the data they collect from consumers by complying with certain information security program requirements. It also governs the notifications licensees must provide to the insurance commissioner regarding cybersecurity events. A first draft of the model was exposed for a 30-day public comment period ending March 2, 2016. Following the public comment period, the Task Force met May 24–25, 2016 in Washington, DC, to hear further testimony and comments from interested parties. Additional written comments were taken after the two-day meeting, as well. The Task Force created a second draft of the model based on the comments received. The second version was exposed for a 30-day public comment period ending Sept. 16, 2016, and the Task Force formed a drafting group to work on a third draft of the model. The drafting group completed a third draft of the model, which was released on Feb. 27, 2017. A fourth draft of the model was completed April 26, 2017, and comments for this version of the draft were received May 16, 2017. A fifth draft of the model was completed July 7, 2017, and comments were received July 31, 2017. The Working Group plans to consider the fifth draft of the model for adoption. If the model is adopted by the Cybersecurity (EX) Working Group, it will be considered for adoption by the Innovation and Technology (EX) Task Force during the Summer National Meeting. According to model law development procedures, the model was due to be on the Plenary agenda at the Summer National Meeting. Since it is not ready for a vote yet, the Working Group will seek an extension from the Executive (EX) Committee.

New Model: *Short Duration Long-Term Care Policies Model Law*—The Executive (EX) Committee approved the request for model law development, submitted by the Health Insurance and Managed Care (B) Committee, to draft the Short Duration Long-Term Care Policies Model Law at the Spring National Meeting. This model will address long-term care (LTC) products of short duration, typically less than one year, 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 into policies included in the *Accident and Sickness Insurance Minimum Standards Model Act* (#170) and the *Accident and Sickness Insurance Minimum Standards Model Regulation* (#171). The model will be drafted by the Senior Issues (B) Task Force's Short Duration Long-Term Care Policies (B) Subgroup. The Subgroup has been conducting a section-by-section review of Model #640 and expects completion by the end of August. The Subgroup will then turn its attention to a section-by-section review of Model #641.

New Model: *Travel Insurance Model Law*—The Executive (EX) Committee approved the request for model law development, submitted by the Property and Casualty Insurance (C) Committee, to draft the Travel Insurance Model Law on June 19. This model will address regulation related to travel insurance. It will include definitions, market regulation, licensing and registration, premium tax, forms, and rate regulation and enforcement related to this line of business. The model will be drafted by the Travel Insurance (C) Working Group. An initial draft based on the National Conference of Insurance Legislators (NCOIL) Travel Insurance Model Law has been released for public comment. The Working Group will begin a section-by-section review at Summer National Meeting.

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