

Action-Packed Spring for NAIC Special Committee on Race and Insurance

May 11, 2022

The NAIC Special Committee on Race and Insurance is moving full steam ahead in 2022, with a packed agenda during the April NAIC Spring 2022 National Meeting in Kansas City. At the federal level, Chlora Lindley-Myers, co-chair of the special committee and director of the Missouri Department of Commerce and Insurance, indicated that the NAIC is working with the U.S. House Committee on Financial Services Subcommittee on Diversity and Inclusion, which will host a hearing and produce a report on DEI efforts within the insurance industry. The NAIC has met with Rep. Maxine Waters, chair of the U.S. House Committee on Financial Services, and some industry stakeholders have received letters and surveys regarding the subcommittee's efforts. Workstreams One and Two of the Special Committee on Race and Insurance will continue to research and develop ideas to enhance diversity and inclusion efforts across the insurance industry and within state insurance departments. Workstream Three will continue to focus on legal and regulatory approaches to addressing unfair discrimination in the business of insurance to make recommendations for statutory or regulatory changes. Further, this workstream will develop analytical and regulatory tools to assist state insurance regulators in defining, identifying, and addressing possible unfair discrimination. Leadership from Workstream Three met with the newly formed Innovation, Cybersecurity, and Technology (H) Committee, the Accelerated Underwriting (A) Working Group, and mathematician Cathy O'Neil regarding unintended algorithmic biases and the development of resources for regulators to address the issue. They agreed on a collaborative approach to harness the knowledge of academics, consultants, and others with expertise in artificial intelligence, machine learning, and algorithms. Moving forward, the Innovation, Cybersecurity, and Technology (H) Committee will house a collaboration forum to hear from subject matter experts, which will then allow individual workstreams to apply their knowledge toward specific charges. The Special Committee's Workstream Four will focus on the marketing and distribution of life insurance products in underserved communities to address issues such as disparate treatment, proxy discrimination, access to products, and claims handling. As a part of this effort, Workstream Four has met with insurance industry stakeholders and the Financial Alliance for Racial Equity (FARE), which

aims to increase racial diversity, create greater equity, and foster inclusion within the financial services industry and the communities it serves. Insurance industry stakeholders should anticipate significant developments from the Special Committee on Race and Insurance and all associated workstreams throughout the remainder of the year, with some reports issued as early as the NAIC Summer 2022 National Meeting in Portland, Oregon.

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