

NAIC's Big Data Task Force Sets Charges for 2017

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The NAIC's Market Regulation Committee recently adopted three broad charges developed by the Big Data Task Force. Formerly a "working group," the new "task force" designation reflects the entity's more formalized and enduring nature. The 2017 charges were preceded by a mission statement, which asserts that the duty of the task force is to "gather information to assist regulators in obtaining a clear understanding" of what data is being used by "insurers and third-parties in the context of marketing, rating, underwriting and claims." The mission statement also makes clear that both "potential concerns and benefits for consumers" will be explored.

Charge A is to review current regulatory frameworks and, "if appropriate," recommend changes to model laws and regulations "regarding marketing, rating, underwriting, and claims, regulation of data vendors and brokers, regulatory reporting requirements and consumer disclosure requirements." Charge B is to "[p]ropose a mechanism to provide resources and allow states" to collaborate to facilitate their ability to analyze the data and complex models insurers may be using. Charge C is to "[a]ssess data needs and required tools for regulators to appropriately monitor the marketplace and evaluate" insurers' practices.

At a recent American Academy of Actuaries meeting, Oregon Commissioner Lauri Cali, who chairs the task force, stated that, while development of a model law or regulation is "on the table," she does not expect the task force will develop such a model in the near future. Commissioner Cali also indicated that current law and regulation may be sufficient to appropriately govern. She further stated, consistent with the mission statement, that the primary focus of the task force is to better understand what data is being collected on consumers and how insurers are using this data.

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