

NAIC Groups Adopt 2021 Charges

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As the year of COVID-19 closes, NAIC groups are adopting their charges for 2021. Especially notable are the following:

Life Actuarial Task Force (LATF)

LATF's Indexed Universal Life Illustration Subgroup will:

- monitor the results and practices of IUL illustrations following implementation of Actuarial Guideline 49-A; and
- review the current regulatory framework and recommend changes to Life Insurance Illustrations Model Regulation (#582) to LATF, as needed.

Producer Licensing (D) Task Force

This group will finalize its white paper on the role of chatbots and artificial intelligence (AI) in the distribution of insurance and the regulatory supervision of these technologies in time for the NAIC's 2021 Spring National Meeting.

Innovation and Technology (EX) Task Force (Innovation TF)

The Innovation TF combined its Artificial Intelligence (EX) Working Group and Big Data (EX) Working Group to form the Big Data and Artificial Intelligence (EX) Working Group. The two groups were closely related, and their combination seeks to foster coordination. The Big Data and Artificial Intelligence (EX) Working Group will:

- research the insurance industry's use of big data and AI, evaluate the existing regulatory framework, and recommend model governance for the use of big data and AI;
- review current audit and certification programs and/or frameworks that could be used to oversee insurers' use of consumer and non-insurance data and models using intelligent algorithms, including AI, and recommend regulatory developments as necessary; and
- assess the data and tools needed by state insurance regulators to monitor the use of big data and AI in the industry and propose incorporation of those tools into the current regulatory framework.

Market Conduct Examination Guidelines (D) Working Group

This group will work with the Innovation TF to develop market conduct examiner guidance for the oversight of regulated entities' use of insurance and non-insurance consumer data and models using algorithms and AI.

Life Insurance and Annuities (A) Committee (A Committee)

The A Committee opted to look to 2021 for a fresh start. Its 2020 charges will continue and will allow this group to revisit its charges after a permanent A Committee chair is appointed.