



# IDMA's The Regulatory Review

An eBulletin dedicated to providing NAIC regulatory updates to IDMA members

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**To:** IDMA Members  
**From:** Aimee Siliato, Vice President of Marketing, IDMA  
**Subject:** *The Regulatory Review* eBulletin – 2017, Edition #3

## **Introduction**

*Welcome to another edition of IDMA's Regulatory Review, presented in support of IDMA's ongoing commitment to robust education of the insurance data manager. The information in The Review is derived from NAIC activities and other discussions on current industry challenges and developments.*

*All stakeholders in the industry must be creative, address new challenges and be responsive to consumer needs. The data management professional is a key player in this environment. While challenges are evolving, the need to understand, to know and apply fundamental data management principles remains constant. Data must be fit for its intended purpose. Standards must exist and be adhered to. There must be accountability and ownership of how and by whom data is handled. These concepts are at the foundation of IDMA's history and remain critical in these ever-changing times. Without a solid foundation and ongoing education, new challenges will not be met.*

## **Disclaimer**

*The content presented here is not intended to be all-inclusive so please visit [www.naic.org](http://www.naic.org) and click on Committees for more information or consult your own company's regulatory/compliance staff. Any opinions or observations expressed here are strictly those of Ms. Siliato's and do not necessarily represent the opinions or observations of any company, member of IDMA or of IDMA leadership. The independent review of this material by you and/or your company should be considered in any use of this material.*

## **Ongoing Comments and Feedback**

*IDMA welcomes your feedback on this communication. Please feel free to send comments to Farouk Yassine, IDMA Executive Director, at [fyassine@idma.org](mailto:fyassine@idma.org) or [team@idma.org](mailto:team@idma.org).*

**Innovation and Technology Task Force**

The Task Force continues its work to engage in new and innovative technologies and insurance applications. At the last national meeting of the NAIC, guest speakers included representatives from Swiss Re discussing Big Data and AI, and Startupbootcamp, a boot camp for startup companies in New York that identifies promising startups and accelerates their growth. Microinsurance was discussed as was on-demand insurance. Regulators reinforced their focus on lowering regulatory requirements where and when appropriate to ensure innovation.

**Big Data Working Group**

This group continues to focus on development of processes and frameworks within which to manage Big Data, rather than model laws for Big Data management or usage. The current consensus is that the expertise for those aspects of Big Data lies with the Casualty Actuarial and Statistical Task Force.

**Cybersecurity Working Group**

The Insurance Data Security Model Law was adopted on October 24. The model, to an extent, follows some of New York's Cybersecurity Standards for Financial Companies as suggested by NY Superintendent Maria Vullo (included in the [June 2017 edition of The Review](#)). While the document itself remains labeled draft, this link will take you to what the NAIC website indicates is final – [http://www.naic.org/documents/cmt\\_e\\_ex\\_cswg\\_final\\_model\\_law\\_v6\\_clean.pdf](http://www.naic.org/documents/cmt_e_ex_cswg_final_model_law_v6_clean.pdf)

Work and coordination with the Federal Insurance Office (FIO) will continue, particularly given the adoption of the model law.

**Market Conduct Examination Standards Working Group**

This group will work to include Cybersecurity Standards in the Market Conduct Handbook. Other model laws under development with potential impact on the Handbook include travel insurance. The Working Group is also considering increasing data elements collected in the Market Conduct Annual Statement. While the focus is on life data elements now, interest in more data continues.

**Casualty Actuarial and Statistical Task Force**

The Task Force has started a Predictive Models Book Club which meets for the purpose of learning about various types of models and methods they employ. A recent topic discussed is generalized linear models.

**Principles Based Reserving and Data Collection**

The life insurance industry's move to principles based reserving from the formulaic approach has driven a need for more data collection. As noted in the November 18, 2016 edition of The Review, the NAIC has been functioning as the data collection agent and it appears likely that this new role for the NAIC will continue.

## **Workers' Compensation**

This NAIC Working Group continues its work with the IAIABC on topics including:

- Updating a 2009 study on the regulation of independent contractors by the states.
- Implementation of the recommendations contained in the NAIC Large Deductible Study.
- Air Ambulance regulatory challenges.

The NCCI presented its findings on the state of the WC market, including premium growth and loss drivers. Increases in payroll continue to drive premium growth. Increased safety, fewer injuries helped drive loss cost improvement.

## **Terrorism Data Calls**

Data collection under the 2017 TRIA data call continues, with the balance of any required data to have been submitted October 1, 2017. Additional information about the data call can be found on the Treasury Department's data collection portal. State insurance departments have also separately issued calls, with September 30, 2017 due dates. This has generated discussion about duplication, expense and resource burdens. This is another example of the need for the NAIC and the FIO to work together. There has been cooperation between the 2 groups with the goal being a single data call.

***Editor's Note:** Once again, IDMA welcomes your feedback on this communication. Please feel free to send comments to Farouk Yassine, IDMA Executive Director, at [fyassine@idma.org](mailto:fyassine@idma.org) or [team@idma.org](mailto:team@idma.org).*

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