

Date: January 28, 2025

To: Jon Godfread, President of the NAIC
Judith L. French, Chair of the Life Insurance and Annuities (A) Committee
Glen Mulready, Chair of the Health Insurance and Managed Care (B) Committee
Michael Conway, Chair of the Property and Casualty Insurance (C) Committee
Dean L. Cameron, Chair of the Market Regulation and Consumer Affairs (D) Committee
Barbara D. Richardson, Chair of the Innovation, Cybersecurity, and Technology (H) Committee

Re: Consumer Representative Recommendations for Equity Focused Charges

We are writing on behalf of the undersigned Consumer Representatives to the National Association of Insurance Commissioners (NAIC) to express our support for the incorporation of specific equity provisions in NAIC work streams. We believe these charges help address how systemic racism and other discrimination and inequities (e.g., based on race, ethnicity, immigration status, LGBTQ+ identities, disability, gender, use of criminal history data, income, or a combination of these factors) impact access to insurance and its benefits. Because the Special Committee on Race and Insurance (SCORI) will no longer be a centralized vehicle for NAIC to host nuanced conversations about the role regulators play in dismantling systems of discrimination, we believe the charges for the following letter committees, work groups, subgroups, and task forces should include explicit and specific equity charges that ensure these issues will continue to be prioritized.

Life Insurance and Annuity (A) Committee

- Complete drafting and issue by first quarter the “Survey of Life Insurer Underwriting Guidelines as Applied to Justice Impacted Individuals.”
- Present timely findings on how states are utilizing the “Accelerated Underwriting in Life Insurance Regulatory Guidance and Considerations” document approved on 8/14/2024.

Health Insurance and Managed Care (B) Committee

- Ensure that equity considerations and the differential impact on underserved populations (including based on race, ethnicity, immigrant status, disability, LGBTQ+, criminal history, and income) are adequately addressed, including by allocating time at each national meeting to address emerging health equity challenges.
- Identify data sources that will help to enumerate health inequities, including enhanced data reporting and record-keeping requirements to identify race and other sociodemographic factors of insureds or a health data call to identify insurance producer resources available and products sold in specific ZIP codes to identify barriers to access.

- Examine the use of network adequacy and provider directory measures (e.g., provider diversity, language, and cultural humility) to promote equitable access to culturally competent care.
- Collaborate with stakeholders, advocates, and government officials to address the latest news and current developments impacting health equity issues.

Consumer Information (B) Subgroup

- Identify communication goals, strategies and tactics to reach communities that experience inequities in health insurance access, including through partnerships with community-based organizations.
- Support state regulator outreach efforts and initiatives to educate consumers and collect information on health and health care complaints related to discrimination and inequities in accessing care.

Health Innovations (B) Working Group

- Discuss state innovations related to health care (i.e., access, quality, insurance plan designs, underlying medical and prescription drug costs, stability for health care and insurance as a whole, health insurer and provider consolidation or competition, the use of data in regulatory and policy decision-making, and health care delivery and financing models) and their impact on health inequities.

Health Actuarial (B) Task Force

- Request that actuary groups provide a report on data and inequities.
- Identify ways to use actuarial analyses to identify potentially discriminatory plan designs based on protected classes.
- Coordinate with stakeholders to examine actuarial practices, evaluate their potential impact on health disparities, and identify opportunities where actuarial methods can promote health equity.

Long-Term Care Actuarial (B) Working Group

- Address inequities in access to long-term care insurance (e.g., by gender, socio-economic status, and geographic locations).
- Identify policies to address the disparity in staffing, quality of living, and health outcomes among long-term services and supports across race, ethnicity, disability, income, and geographic location.

ERISA (B) Working Group

- Collaborate with states, stakeholders, and the Department of Labor (DOL) to improve the reporting of race and ethnicity data in commercial insurance data sets, the techniques used to derive race and ethnicity variables, and promote the collection of self-reported race and ethnicity data.

Mental Health Parity and Addiction Equity Act (MHPAEA) (B) Working Group

- Examine inequities in access to mental health and substance use disorder (SUD) services for affected communities (e.g., disparities based on race, ethnicity, LGBTQ+ identities, type of mental health or SUD condition/diagnosis, and income) and identify resources to support MHPAEA enforcement activities that promote health equity.

Pharmaceutical Benefit Management Regulatory Issues (B) Working Group

- Examine inequities in access to affordable prescription drugs and the PBM regulations that will promote health equity.

Senior Issues (B) Task Force

- Examine the effects of structural racism and other systemic inequities and discrimination on access, affordability, and outcomes for older insurance consumers.
- Evaluate trends in Medicare Advantage and Medigap plans across race, ethnicity, disability, gender, and income to identify and address disparities in access, affordability, and health outcomes and identify regulatory actions to address inequities.

Property and Casualty (C) Committee

- Ensure that equity and racism in property and casualty insurance are adequately addressed, including the allocation of time at each NAIC meeting to address these issues.
- Require enhanced data reporting and record-keeping requirements to identify race and other socioeconomic characteristics of policyholders, and to determine if and how much premiums vary according to race.
- Promote measures to improve access to insurance for traditionally underserved populations, including lower premiums, more policy options, and improved customer service.
- Conduct a data call on auto insurers' use of socioeconomic factors in insurance pricing and underwriting, and the effects these factors have on premiums paid by people of color.

- Develop and issue a survey on the use of criminal records in property and casualty insurance, building on the work the SCORI life insurance stream (now A Committee) has nearly completed.
- Develop a model testing regime to identify any disparate impacts of insurance company marketing, underwriting, rating, claims handling, and antifraud algorithms and practices.

Market Regulation and Consumer Affairs (D) Committee

- Assess the differential impact of improper marketing on underserved populations (including based on race, ethnicity, immigrant status, disability, LGBTQ+, criminal history, and income).

Innovation Cybersecurity and Technology (H) Committee

- Ensure that efforts to regulate use of artificial intelligence (AI) includes assessment of how AI might exacerbate existing inequities across race, ethnicity, immigration status, LGBTQ+ identities, disability, gender, use of criminal history data, income, or a combination of these factors and how regulators can mitigate or eliminate those inequities.

Thank you for your commitment to ensuring that the NAIC continues to boldly address systemic racism and other systemic discrimination in health insurance. Collectively we represent a broad cross-section of consumer advocacy groups and consumer advocates with expertise across all three major lines of insurance. Please let us know how we can assist moving forward. For questions, please contact Jalisa Clark (jalisa.clark@georgetown.edu) or Amy Killelea (amyk@killeleaconsulting.com).

Sincerely,

Ashley Blackburn
 Bonnie Burns
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 Joe Feldman
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Claire Heyison
Anna Schwamlein Howard
Anna Hyde
Janay Johnson
Amy Killelea
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