**Insurance Advisory Committee (IAC)**

**Property & Casualty Subcommittee**

**January 26, 2022, at 11:00am-12:00pm ET**

**NOTES**

1. **Department Updates**

\*Moment of Silence

 In remembrance of Yvonne Henderson and Sylvia Matthews.

**A. Staffing/Personnel Updates – Hires, Retirements & Acting Status**

⬩ Retirements: John Morgan - Health actuary (Insurance)

 Bright Ahaiwe – Agency’s Fiscal Officer

⬩ Acting: Monique Kerr – Associate Commissioner (Banking)

 Lilah Blackstone – Associate Commissioner (Securities)

⬩ Hire: Najibullah Nahglalay – Contract Specialist - Assisting in procurement

**B. DC Flood Task Force & Residential Resiliency Team**

 ⬩ The DC Flood Task Force met 1/19 and the Residential Resiliency Action Teams met 1/11.

 Meetings are open to the public. Meeting information can be found at: [dcfloodtaskforce.org](https://dcfloodtaskforce.org/)

**C**. **Oversight Hearing**

⬩ A virtual hearing is scheduled for 2/9/22

**2. Legislative Updates**

**A. I****nsurer Corporate Governance Annual Report Act (10/8 – effective law)**

⬩ The legislation became law. We are currently working on the regulations.

**B. Motor Vehicle Accident Prevention (B24-111)**

⬩ B24-111 Widens the criteria for persons eligible for a safety discount if they take accident prevention classroom and online courses. Course contents include criteria to reflect Vision Zero**.** *Legislative**Action:1/06/2022 - Transmitted to Congress. Projected legislation date is Feb 18, 2022*

**Comments:**

🞟 **Department** - DISB has reached out to the DC DMV, to inquire about approved safe driving courses. DC DMV indicated this was not a priority. It could be ninety days before any safe driving course would be approved.

🞟  **Department** - DISB will investigate making the course information available on the DISB website and will provide more information on the process of submitting new rates.

**C. Flood Resilience Amendment Act of 2021 (B24-410)**

⬩ B24-0410, authorizes the Department of Energy and Environment to issue rules that establish wider flood hazard locations and places stipulations on *certificates of occupancy.* *Legislative Action: A public hearing was held 1/10/2022.*

**Comments:**

🞟 **Participant** - A Council hearing on Bill B24-0410 was held January 10, 2022. This was a continuation of the December 17th Council’s Joint Public Roundtable.

🞟 **Participant** - The Bill doesn't define flood insurance. It doesn't set limits and is tied to the *certificate of occupancy*. Another major flaw of the Bill is it lacks a monitoring/management, enforcement and implementation strategy. People potentially could get coverage then drop it.

🞟 **Department** - DISB has not specifically addressed the legislation at any of the flood focused task force meetings, but conversations have taken place with staff at the Department of Energy and Environment. The focus seems to be on commercial not residential properties.

**D. Stop Discrimination by Algorithms Act of 2021 (B24-0558)**

⬩ B24-0558, would prohibit users of algorithmic decision-making models in a discriminatory manner. Legislation looks at the use of algorithms to determine employment, housing, healthcare, and financial lending decisions. Additionally, prior to use, a company must file the algorithm and be subject to an audit.

Regarding B24-0558: Concerns were raised regarding DISB’s position and having two sets of regulations.

**Comments:**

 **🞟 Department -** DISB has not solidified a position. No hearing has been set and the Department is supportive of looking at the use of algorithms by insurance companies to ensure there's not any unintentional discrimination.

**🞟 Department -** DISB is aware of the duality in regulation and would look to maintain our posture as the designated regulators of the insurance industry.

**3. Emerging P&C Insurance Issues**

**A. Terrorism Working Group Data Call**

⬩ The Federal Insurance Office (FIO) has created new templates for the collection of data. The templates seek to collect more information on the policy writings of captives and cyber insurance related to ransomware. A notice will be sent to insurers. Information is due to state regulators, and Treasury, by May 15, 2022. For more information, visit the Treasury’s terrorism data call [webpage](https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/federal-insurance-office/terrorism-risk-insurance-program/annual-data-collection) or the Federal Register [notice](https://www.federalregister.gov/documents/2021/11/18/2021-25181/terrorism-risk-insurance-program-2022-data-call).

**Comments:**

**Participant** - NCCI will be providing workers compensation data again this year. NCCI is waiting for a formal directive from the New York State Department - Financial Services Division. Once received, NCCI will issue a circular to the industry to inform them that the workers’ compensation data portion will be filed on their behalf.

**B. “Riot” Definition “New” SERFF Filing Requirement**

⬩ New and renewal filing submissions in the SERFF system must contain a definition of “*riot*”. The definition should be generously similar or the same as the definition cited in DC code: § 22–1322 - *Rioting or Inciting to Riot.*

**Comments:**

🞟 **Department** - DISB is comfortable with provisions/language that exclude people participating in a riot but does not favor language that expands to cover a peaceful protest or assembly.

🞟 **Department** - DISB will introduce guidance in the SERFF system and collect feedback before something more formal is issued.

**C. Unavailability of Commercial Auto Insurance (Consumer Concern) -** **(Angie)**

⬩ Mr. Jeffery Rice a U.S Veteran and resident of ward 4 contacted our office with concerns regarding his inability to obtain commercial auto insurance for his vehicle transportation company. He reported that when he provided his zip code many carriers indicated they do not write coverage in that area. Mr. Rice asked if there were a policy in place to prevent this from happening?

**Comments:**

🞟 **Participant** – It is acknowledged that this is a pervasive issue that warrants further discussion.

🞟 **Participant** – It was mentioned that there exists a non-profit risk retention group that works with other government organizations that may be of help providing commercial auto liability coverage. Contact information can be provided upon request.

🞟 **Department** - **DISB** offered to conduct a separate follow up meeting to discuss the issue through a broader lens.

**4. Regulatory Updates**

**A. New Certified Reinsurer Application Checklist – Under Review**

⬩ A new Certified Reinsurer Application Checklist and other documents are being reviewed for posting to the DISB website.

**B. Department of For Hire Vehicles (DFHV) & TNC Update**

⬩ DISB continues to work with the Department of For Hire Vehicles to identify insurance concerns that may impede their initiative of allowing the Taxi industry to operate on the Private for Hire Transportations’ Networks.

**C. Compliance Review of a New Transportation Network Company and OGC Un-insurance Opinion -**

⬩ Alto Operations has applied to the Department of For Hire Vehicles to operate as a new private for hire transportation network company. DISB’s OGC rendered an opinion stating that all TNC’s insurance policies must include a provision to include uninsurance coverage of at least 25/50/5 while the app on and waiting for a passenger’s request and when engaged with a passenger.

**D**. **New URL Directive (P&C SERFF Filings)**

⬩ All P&C insurance companies submitting new and renewal filings should contain a URL that is linked to DISB’s consumer complaint form. Information on this requirement has been entered in the SERFF system under the filing “Instructions” tab. Concessions can be made for major process disruptions. Filers should indicate any concern in their cover letter filed in SERFF.

**5. NAIC Developments/ Updates**

**A. NAIC 2020 Committee Assignments**

⬩ The 2022 NAIC committee assignments have been determined. DISB is a member of three committees, the Life Insurance and Annuities (A) Committee, The Market Regulation and Consumer Affairs (D) Committee and the innovation, Cybersecurity, and Technology (H) Committee**.**

**B**. **The NAIC’s Casualty Actuarial and Statistical Auto Report** **(Finalized).** The (C) Task Force voted to

 ⬩ The NAIC Casualty Actuarial and Statistical (C) Task Force voted to finalize the contents of the 2018/2019 *Auto Insurance Database Report*. The report includes information related to insurance markets, traffic conditions, medical costs, crime rates, automobile repair costs, economic conditions, and state laws related to automobile insurance.

**C. NAIC - Diversity, Equity, and Inclusion Report (Released)**

⬩ Last month the NAIC Released its DEI report which focuses on activities to drive change and promote accountability throughout the workplaces at the NAIC. The report can be used as a blueprint or offer guidance for a group, or organization interested in implementing or assessing DEI initiatives within their operation or affiliation.

**6. Follow-up**

**A. Action Items**

 **⬩** Nancy Egan – OGC opinion/interpretation request for uninsurance coverage for TNCs

 **⬩** Joann Waiters **–** Inquired about the time of the oversight hearing

 **⬩** Thomas Hampton – Inquired about the next DEI stakeholder meeting and an update on a DEI report

 **⬩** Thomas Hampton – Inquired about the process of filing new rates to encompass safe driving course credits

 **⬩** Thomas Glassic, Scott M. Hoffman and Nancy Egan – interested in any follow up regarding Mr. Rice’s inability to secure commercial auto insurance for his car hauling business.

**B. Next full IAC P&C Meeting April 27, 2022**