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## National Association of Insurance Commissioners (NAIC) Fall 2025 Meeting Summary

The National Association of Insurance Commissioners (NAIC) recently held its Fall National Meeting virtually and in person in Hollywood, FL. This summary highlights issues that various NAIC groups addressed at the recent meeting.

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### What You Need to Know:

- Elections were held for the 2026 Executive Officers. Congratulations to Commissioner Scott White, President (VA); Superintendent Elizabeth Kelleher Dwyer, President-Elect (RI); Commissioner Jon Pike, Vice President (UT); and Director Michael Wise, Secretary-Treasurer (SC).
- At the Joint Meeting of the Executive (EX) Committee and Plenary, several significant items were fully adopted:
  - NAIC 2026 Budget
  - 2026 Generally Recognized Expense Table (GRET)
  - Amendments to Actuarial Guideline XLIX-A (AG 49-A)
  - Long-Term Care Insurance Multistate Rate Review Framework
  - Homeowners Market Data Call and Definitions
  - 2024-06: Risk Transfer Analysis on Combination Reinsurance Contracts
- The Executive (EX) Committee approved a request to amend the Insurance Holding Company System Regulatory Model Act and Insurance Holding Company System Model Regulation to address reciprocal insurance exchanges.

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## **Joint Meeting of the Executive (EX) Committee and Plenary**

The Executive (EX) Committee and Plenary met jointly on December 11, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Receive the December 10 Report of the Executive (EX) Committee**

The Committee received the December 10<sup>th</sup> report of the Executive (EX) Committee.

### **Adoption of the 2025 Summer National Meeting Minutes**

The 2025 Summer National Meeting Minutes were adopted.

### **Adoption of the 2026 NAIC Budget**

The Committee adopted the NAIC 2026 proposed budget, following a presentation that outlined projected revenues and expenses and included related fiscal impact statements.

### **Adoption of the 2026 NAIC Committee Charges**

The Committee adopted the NAIC 2026 proposed committee charges.

### **Receive Task Force Reports**

The following Committee reports were received:

- A. *Life Insurance and Annuities (A) Committee*
- B. *Health Insurance and Managed Care (B) Committee*
- C. *Property and Casualty Insurance (C) Committee*
- D. *Market Regulation and Consumer Affairs (D) Committee*
- E. *Financial Condition (E) Committee*
- F. *Financial Regulation Standards and Accreditation (F) Committee*
- G. *International Insurance Relations (G) Committee*
- H. *Innovation, Cybersecurity, and Technology (H) Committee*

### **Adoption of the 2026 Generally Recognized Expense Table**

Director Judith L. French (OH) presented the 2026 Generally Recognized Expense Table (GRET), explaining that the table is used in actuarial calculations and reserve requirements for life insurance products. She noted that the GRET had been reviewed by the Life Actuarial (A) Task Force and exposed for public comment prior to consideration by the Plenary. The Committee adopted the 2026 GRET as presented.

### **Adoption of Amendments to Actuarial Guideline XLIX-A (AG 49-A)**

Director Judith L. French (OH) presented proposed amendments to Actuarial Guideline XLIX-A - The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest Sold on or after December 14, 2020. She explained that the amendments clarify illustration requirements for indexed life insurance policies and address emerging product designs to promote consistent application of the Life Illustrations Model Regulation. The amendments were reviewed and exposed for comment by the Life Actuarial (A) Task Force prior to adoption. The Committee adopted the amendments as presented.

### **Adoption of the Long-Term Care Insurance Multistate Rate Review Framework**

The Committee adopted the Long-Term Care Insurance Multistate Rate Review Framework (LTCI MSA Framework). The framework is intended to promote consistency and coordination among states when reviewing long-term care insurance rate increase requests and to improve transparency and efficiency in the multistate review process.

### **Adoption of the Homeowners Market Data Call Template and Definitions**

The Committee adopted the Homeowners Market Data Call template and definitions. The data call is designed to collect consistent and comparable information from insurers to assist regulators in monitoring homeowners' insurance market conditions, including availability, affordability, and underwriting practices.

### **Adoption of Risk Transfer Analysis on Combination Reinsurance Contracts**

The Committee adopted 2024-06: Risk Transfer Analysis on Combination Reinsurance Contracts, which addresses regulatory expectations and statutory accounting considerations for evaluating risk transfer when multiple reinsurance agreements are considered together.

### **Receive the Model Law Adoption Status Report**

The Committee received a status report on state implementation of NAIC-adopted model laws and regulations.

### **Receive the Results of the 2026 Zone Officer Elections**

#### **Midwest Zone**

- Director Eric Dunning (NE), Chair
- Director Larry D. Deiter (SD), Vice Chair
- Director Ann Gillespie (IL), Secretary

#### Northeast Zone

- Commissioner Justin Zimmerman (NJ), Chair
- Commissioner D.J. Bettencourt (NH), Vice Chair
- Commissioner Marie Grant (MD), Secretary

#### Southeast Zone

- Commissioner Mike Chaney (MS), Chair
- Commissioner John F. King (GA), Vice Chair
- Commissioner Michael Yaworsky (FL), Secretary

#### Western Zone

- Commissioner Ricardo Lara (CA), Chair
- Commissioner Patty Kuderer (WA), Vice Chair
- Commissioner Ned Gaines (NV), Secretary

#### **Election of 2026 NAIC Officers**

- Commissioner Scott A. White (VA), President
- Director Elizabeth Kelleher Dwyer (RI), President-Elect
- Commissioner Jon Pike (UT), Vice President
- Director Michael Wise (SC), Secretary-Treasurer

## **Executive (EX) Committee**

The Executive (EX) Committee met on December 10, 2025. The agenda can be found [here](#) and the meeting materials can be found [here](#).

### **Adoption of the Dec. 8 Report of the Executive (EX) Committee and Internal Administration (EX1) Subcommittee**

The Committee adopted the Dec. 8 Report of the Executive (EX) Committee and Internal Administration (EX1) Subcommittee.

### **Adoption of its Interim Meeting Report**

The Executive Committee adopted its Interim Meeting Report.

### **Adoption of the Reports of its Task Forces**

- A. Climate and Resiliency (EX) Task Force —Commissioner Ricardo Lara (CA) and Commissioner Timothy J. Temple (LA)*
- B. Government Relations (EX) Leadership Council —Commissioner Jon Godfread (ND)*
- C. Risk-Based Capital Model Governance (EX) Task Force —Director Judith L. French (OH) and Commissioner Nathan Houdek (WI)*

All Task Force reports were adopted.

### **Adoption of its 2026 Proposed Charges**

Commissioner Scott A. White (VA) presented the 2026 Proposed Charges. The 2026 charges remain consistent and were adopted as presented.

### **Approval of a Request for NAIC Model Law Development - Amendments to the Insurance Holding Company System Regulatory Act (#440)**

Commissioner Nathan Houdek (WI) presented the request for amendments to the Insurance Holding Company System Regulatory Act (#440). The amendments are focused on attorney-in-fact fees and the applicability of the Insurance Holding Company System Regulatory Act to reciprocal insurance companies. The request to amend model law #440 was approved as presented.

### **Ratify Appointments to the Consumer Board of Trustees**

The Executive Committee ratified the appointments to the Consumer Board of Trustees.

### **Status Report on Model Law Development Efforts**

The status report on model law development efforts was received by the Executive Committee.

### **Oral Report from the National Insurance Producer Registry (NIPR) Board of Directors**

Director Larry D. Deiter (SD) gave an overview of the 2026 operating budget of NIPR. The 2026 budget was approved by the board of directors. The approval of the budget allows NIPR to continue its ongoing efforts to ensure efficient processing of licensing updates and other regulatory functions. The NIPR board of directors began working on its next strategic planning cycle that will run from 2027 to 2029. The strategic planning will enhance NIPR's services and operations. NIPR also hosted various zone trainings in 2025, the trainings will continue in 2026.

### **Oral Report from the Interstate Insurance Product Regulation Commission (Compact)**

Director Eric Dunning (NE) gave an oral report on the current work of the Compact. Dunning gave updates on leadership at the Compact and updates on the 2026 operating budget and revenue. Dunning gave additional updates on staffing at the Compact.

## **Risk-Based Capital Model Governance (EX) Task Force**

The Risk-Based Capital Model Governance (EX) Task Force met on December 10, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#).

### **Adoption of its Dec. 3, Oct. 23, and Summer National Meeting Minutes**

The Task Force adopted its Dec. 3, Oct. 23, and Summer National Meeting Minutes.

### **Discuss Outstanding Comments on Principles**

Director Judith L. French (OH) led the discussion on the written comments received on the principles. Revisions were made to the principles that defined risk-based capital (RBC). Revisions were also made to the “Equal Capital for Equal Risk” principle. Two options were presented for the “Equal Capital for Equal Risk” principle. Option one is the original language in the draft and the language proposed in option two was presented by RAA, APCIA, and NAMIC. The Task Force decided to move forward with option one.

### **Adoption of Revised Principle**

The Task Force adopted the Principle as amended.

### **Presentation on Work in Progress for 2026 — Amnon Levy (Bridgeway Analytics)**

Amnon Levy (Bridgeway Analytics) gave an overview of the proposed RBC preamble edits. The first proposed revision of the RBC preamble introduces a new concept on disclosure of RBC. The new proposed language discusses the appropriateness of RBC disclosure based on state laws and use of a disclosure statement in applicable circumstances articulating the relevant considerations when using RBC calculations outside of the stated regulatory purpose, as described in the Preamble. The second proposed revision of the RBC preamble articulates the limitations of RBC. This is a revised version of the proposed Section E.

Bridgeway compiled a formative draft Model Risk Management Guidelines document that attempts to articulate governance concepts. The draft has been shared with key industry stakeholders and Bridgeway plans to refine the draft in collaboration with the Academy. Levy also discussed 2026 planning. The Task Force submitted a formal request to the Academy requesting that Academy representatives, Bridgeway, and NAIC staff work toward a more formal project plan for a gap analysis, initially focusing on life RBC. The Academy is forming a Cross Practice RBC Task Force; next steps include the Academy reviewing a data set provided by Bridgeway to provide feedback on the sample life investment content. The Academy will make recommendations on prioritization based on the updated gap analysis.



## **Climate & Resiliency (EX) Task Force**

The Climate and Resiliency (EX) Task Force met on December 9, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of Summer National Meeting Minutes**

The Task Force adopted its Summer National Meeting Minutes.

### **Discuss 2026 Proposed Charges and Updates**

The Task Force discussed its proposed 2026 charges. In 2026, the Task Force will serve as the primary coordinating body for communication, engagement, regulatory actions, and discussions related to natural catastrophe risk and resilience. The Task Force is charged with facilitating dialogue among industry representatives, insurance regulators, and other stakeholders. The Task Force plans to address a wide range of catastrophe risks in 2026, including atmospheric rivers, wildfires, hail, landslides, earthquakes, severe convective storms, and hurricanes.

The Task Force also discussed updates to its structure. The NAIC has proposed to restructure and consolidate the existing Climate and Resiliency Task Force, the Catastrophe Insurance Working Group that is currently under the (C) Committee, and the NAIC FEAM Working Group into the new Catastrophe Risk (EX) Task Force. This streamlined structure will enhance coordination among regulators and stakeholders, strengthen natural catastrophe risk management, improve communication and mitigation strategies, and align more closely with the Center of Excellence and data resources built over the last few years.

The Task Force is reinforcing its Catastrophe Risk and Resiliency expertise to better serve states and communities. The Task Force reported seeing a growing number of states with risk mitigation grant programs. The Task Force will help those programs maximize risk reduction and improve insurability.

### **Discuss the Natural Catastrophe Risk Dashboard Report**

Commissioner Tim Temple (LA) led a discussion regarding the Natural Catastrophe Risk Dashboard Report. The Dashboard was developed by a Drafting Group from 12 states to give regulators data on national metrics meant to understand issues of catastrophe impacts on the insurance market and how these impacts can lead to protection gaps. The Task Force held a regulatory only meeting on November 19, where it adopted the Dashboard for regulator use. The Drafting Group released a public report that summarizes the trends captured in the Dashboard tool and gives insight into how regulators will use the Tool. This summary document was exposed for comment on

December 2. The Task Force extended the comment period on the summary document to January 12, 2026.

### **Discuss the Disaster Preparedness Guide Summary**

Commissioner Ricardo Lara (CA) led a discussion regarding the Task Force's Disaster Preparedness Guide. The Task Force developed a Regulator Drafting Group to develop a Disaster Preparedness Guide to provide an overview of disaster preparedness information on pre-disaster education, state insurance regulatory response post-disaster, useful after-action reports for future preparedness, and state-specific case studies to help regulators.

Since the Summer Meeting, the Drafting Group has incorporated comments received and incorporated them into a full document. The full document is still under development. The Drafting Group is also developing a summary document which provides regulators with a high-level overview of the most important pieces of disaster preparedness and responses. The document includes examples for state insurance departments on consumer education materials, links to various NAIC resources, and timelines and post-disaster steps from the Lahaina fires in Hawaii and the North Carolina Insurance Department's response following Hurricane Helene.

### **Presentation on Private Flood Insurance and Discuss the Flood Insurance Blueprint**

Aaron Brandenburg (NAIC) and Mike Peterson (CA Department of Insurance) delivered a presentation on private flood insurance and led a discussion on the Flood Insurance Blueprint.

Brandenburg gave a presentation regarding trends in the private flood insurance market and insight into the NFIP market. NAIC began collecting private flood data through a special data call and through NAIC annual financial statements. Based on this data, Brandenburg found that there was good overall growth in the private flood market. The number of policies has risen year over year. Brandenburg also discusses state comparisons based on the data. States with the highest loss ratios in 2024 were South Dakota, Iowa, Maine, New Hampshire, and Tennessee. The states with the most residential premium written in 2024 were Florida, Texas, New Jersey, California, and New York. In 2024, Florida, California, Texas, North Carolina, and New York had the highest total losses.

Brandenburg also discussed the National Flood Insurance Program (NFIP). The number of NFIP policies in force has steadily declined since its peak in 2009. Outside of Florida and North Carolina over the last year, there has been negative growth in the NFIP. NFIP policies decreased 1.5% from October 2024 to October 2025. Brandenburg believes this year over year decrease is due to a depressed economy, the recent government shutdown, and a decrease in NFIP advertising.

Peterson led a discussion and outlined the vision for a NAIC Flood Insurance Blueprint, which will be produced through the Task Force in 2026. The Blueprint is a national NAIC initiative to increase awareness of flood risk and risk mitigation recommendations. The purpose of the Blueprint is to close protection gaps by growing private flood insurance options, create new partnerships with

universities in state jurisdictions to conduct localized risk assessments and risk mitigation strategies, build stronger communication with state and local governments to support more effective risk awareness, and expand advocacy for state and federal funding to reduce flood risks. Peterson ended by discussing the seven components of the Blueprint which will be used as an outline of the Blueprint: risk awareness initiatives, risk mitigation planning and funding, flood insurance market data, catastrophe modeling research, interagency workstreams, university partnerships, and innovative products.

### **Update on Federal Matters**

Alexander Swindle (NAIC) gave an update on federal matters related to flood policy and resiliency. Congressional focus on flood policy continues to shape the resilient environment. Throughout the Fall of 2025, the NAIC engaged Congress, HUD, FEMA, NOAA and other federal entities to elevate the state regulatory perspective and ensure the federal government remains focused on mitigation, mapping, consumer protection, and the need for stable federal tools.

Swindle discussed several key federal developments over the last few months. One of the top priorities for Congress is housing. The Senate passed a major bill this fall, the Road to Housing Act, which focused on resilience and mitigation and building more housing. Ultimately, the Bill did not pass the House. However, the focus has now moved to the Home Reform Act, a bipartisan bill, which will focus on modernizing HUD's Home Investment Partnership Program, as well as streamlining environmental reviews and increasing flexibility for resilience infrastructure. The NAIC supports this legislation and believes it will strengthen community resilience.

Swindle also discussed a variety of mitigation bills on the hill, which the NAIC supports. These bills include the Disaster Mitigation Tax Parity Act, Disaster Resiliency and Coverage Act, and the Fix our Forests Act, which will modernize forest management, streamline reviews, and strengthen risk management.

Access to weather data and accurate risk mapping has also been a priority for Congress. During the government shutdown, the National Oceanic and Atmospheric Administration (NOAA) had retained nearly half its workforce to maintain its core storm tracking operations while some of its research functions were paused. Since funding has been restored, NOAA's operations have returned to normal. In response, a bipartisan bill, the NOAA Data Preservation Act, has been introduced. This Act requires the Department of Commerce to insure uninterrupted public access to NOAA weather, ocean, and fisheries data on the commercial cloud. The IMAGES Act has also been reintroduced in the House. This Act requires FEMA to use the USGS 3D Elevation Program to update maps every five years and make the flood data publicly accessible.

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

The Life Insurance and Annuities (A) Committee met on December 9, 2025. The agenda can be found [here](#), and the meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of Minutes**

The Committee adopted its Summer National Meeting minutes and its November 21st minutes.

### **Adoption of the Annuity Suitability (A) Working Group Report**

The Committee adopted the report of the Annuity Suitability (A) Working Group without comment, including the final Annuity Best Interest Regulatory Guidance and Considerations document. Commissioner Doug Ommen (IA) explained that the Working Group finalized guidance addressing the model regulation's safe harbor provision for annuity transactions conducted under comparable standards, such as securities-based distribution, in response to questions regarding insurer interpretation and implementation. He noted the provision is intended to ensure insurers have a reasonable basis to believe an annuity effectively addresses a consumer's financial situation, insurance needs, and financial objectives, and serves as a check to ensure the best interest obligation is met.

### **Adoption of the Life Actuarial (A) Task Force Report**

The Committee adopted the report of the Life Actuarial (A) Task Force. Task Force Chair, Rachel Hemphil, highlighted adoption of a model governance framework for the economic scenario generator, which will be reviewed and updated over time, and exposure of an amendment to establish a group annuity mortality data collection. She also noted the Task Force exposed proposals to ease principle-based reserving reinvestment guardrails, including changes related to pension risk transfer business and alignment across VM-20, VM-21, and VM-22.

With respect to VM-22, Ms. Hemphil noted the Task Force discussed potential paths forward for in-force application and agreed to eliminate the two extreme approaches of requiring in-force application for all companies or prohibiting it entirely. Instead, the Task Force will continue work at the VM-22 subgroup level on approaches that vary based on how companies elect in-force application for different blocks of business and the support required for those elections. She also noted the Task Force supported further exposure of language to allow companies to reflect aggregation and diversification benefits in non-variable annuity and life principle-based reserving calculations.

### **Presentation on the Generator of Economic Scenarios**

The Committee heard a presentation on the Generator of Economic Scenarios (GOES) from Scott O’Neal (NAIC) and Conning, which will be running the generator on a monthly basis. The presenters explained what GOES is, why it is important, and where it fits within the regulatory framework, noting that GOES is used across reserving and RBC requirements for life insurance, variable annuities, and non-variable annuities. They discussed the need to replace the prior scenario generator due to its inability to adequately model recent economic conditions, including rapid interest rate increases, prolonged low-interest-rate environments, and correlated equity market downturns, and explained how GOES was calibrated to better reflect those risks. The presentation also covered key project deliverables, including monthly scenario releases, supporting statistics and documentation, and adoption of a model governance framework to guide ongoing maintenance and updates. The presenters noted GOES is now in production for valuation manual purposes, with additional work underway to address related RBC implementation, and encouraged interested parties to participate in the GOES Subgroup to receive ongoing updates.

### **Update from the Society of Actuaries (SOA) and Center for Insurance Policy and Research (CIPR) on Use of Criminal History in Life Insurance Underwriting Project**

The Committee received an update from Kelly Edmiston, Policy Research Manager for the Center for Insurance Policy and Research (CIPR), on the joint SOA/CIPR research project examining the use of criminal history in life insurance underwriting. Ms. Edmiston explained that the literature review portion of the project is largely complete and shows an elevated risk of mortality following release from prison, particularly in the period immediately after release, with more limited data on longer-term impacts. She noted that an open question is the marginal effect of incarceration on mortality once health status is taken into account. Ms. Edmiston also discussed ongoing outreach to data providers, reinsurers, and life insurers to understand current underwriting practices, noting participation challenges and that preliminary feedback suggests criminal history is generally relevant but not a primary underwriting factor and is typically considered subjectively as part of the overall underwriting process. She indicated the next phase of the project will focus on outreach directly to life insurers and noted that a draft commissioner letter is being considered to encourage participation.

## **Health Insurance and Managed Care (B) Committee**

The Health Insurance and Managed Care (B) Committee met on December 11, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of its Nov. 20 and Summer National Meeting Minutes**

The Committee adopted its Nov. 20 and Summer National Meeting Minutes.

### **Adoption of the Reports of Working Groups and Task Forces**

The Committee adopted the following Working Group and Task Force Reports:

- A. Consumer Information (B) Working Group*
- B. Health Innovations (B) Working Group*
- C. Health Actuarial (B) Task Force*
- D. Regulatory Framework (B) Task Force*
- E. Senior Issues (B) Task Force*

### **Status Update and Adoption of the Prior Authorization (PA) White Paper**

Grace Arnold (MN) gave the Committee a status update on the adoption of the *Prior Authorization White Paper*. The Regulatory Framework (B) Task Force developed a White Paper on PA frameworks. The Task Force considered adoption of the White Paper at its meeting on December 10, 2025. The White Paper is a guide for understanding legislative options for PA, highlights legislative trends, gold-carding exemptions, and ways to streamline PA. The Task Force recommended that the Committee adopt the White Paper.

### **Presentation on State-Level Actions to Mitigate Projected Coverage Losses and Premium Impacts from H.R. 1 – One Big Beautiful Bill Act (OBBA) and Other Federal Changes Impacting the Individual Market**

Lucy Culp (Blood Cancer United) and Sabrina Corlette (Center on Health Insurance Reforms) gave a presentation to the Committee regarding state-level actions to mitigate projected coverage losses and premium impacts from the One Big Beautiful Bill Act (“OBBA” or “H.R. 1”) and other federal changes impacting the individual market.

Culp and Corlette discussed a new report that examines the impact of federal policy changes on health insurance access and affordability. Federal changes will lead to unprecedented coverage loss. The unprecedented level of coverage loss is due, in part, to reduced affordability caused by the expiration of enhanced premium tax credits, the termination of eligibility for lawfully present immigrants, uncapped liability at APTC reconciliation, and higher deductible plans and reduced premium tax credits. Coverage loss is also expected due to increased red tape and less help from the federal government. Federal policy changes impacting coverage loss include the end of

automatic re-enrollment, new documentation demands for SEPs/DMLs, termination of APTCs for failure to reconcile, the end of low-income SEP, shorter open enrollment windows, and navigator cuts.

The focus of Culp and Corlette's presentation was on steps states can take to mitigate coverage loss. Culp and Corlette identified five areas where states can take action to address coverage loss: (1) affordability, (2) Marketplace policies and processes; (3) plan management and insurance regulation; (4) market oversight and enforcement; (5) consumer communications and engagement; and (6) documenting the effect of federal changes.

*Affordability* –Culp and Corlette identified two options to address coverage loss. The first option is state-funded financial help. State “subsidy” wraps, currently provided by eleven states, can significantly improve affordability, reduce coverage loss, improve the individual market risk pool, and support market stability. The second option is establishing a state-based basic health program.

*Marketplace Policies and Processes* – States can facilitate enrollment by simplifying the eligibility and enrollment processes for consumers. States can also take advantage of available flexibility for open and special enrollment periods.

*Plan Management and Insurance Regulation* – States can leverage regulatory authority and market position so that insurers meet standards for affordability, benefit design, and other elements. States can also standardize plans. Standardized plans optimize consumer decision-making by standardizing benefit design and limiting the number of plans offered at each metal level.

*Market Oversight and Enforcement* – Regarding market oversight and enforcement, Culp and Corlette identified a significant role that insurance departments can play in monitoring excepted benefit products and short-term limited duration insurance.

*Consumer Communications and Engagement* – Regarding consumer communications and engagement, Culp and Corlette encouraged states use targeted communications to reach consumers most in need of assistance. Additionally, states should invest in and train personalized consumer assistance, so consumers have help navigating changing policies and new paperwork. States should also provide resources and information for families who become uninsured.

### **Update from the Federal Center for Consumer Information and Insurance Oversight (CCIIO) on its Recent Activities**

Peter Nelson (CCIIO) delivered an update to the Committee regarding CCIIO's recent activities. According to Nelson, CCIIO recently released its Snapshot on Enrollment, which found that approximately six million people had already enrolled in Marketplace plans as of the second week

of December. That is approximately 400,000 more than had enrolled this time last year. Nelson stated that the open enrollment period is moving smoothly.

Nelson also discussed rulemaking. Rulemaking has been delayed due to the government shutdown. The CCIIO is actively working on releasing rules related to payment notice. Nelson concluded his remarks by discussing increasing premium rates. Rates, on average, are going up by approximately 26%, and 6-7% of that is due to the expectation on how the enhanced subsidy expiration will impact the risk pool as well as the long-lasting impact of the COVID health emergency and an increasing number of claims.



## **Regulatory Framework (B) Task Force**

The Regulatory Framework (B) Task Force met on December 10, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of Oct. 20, Sept. 22, and Summer National Meeting Minutes**

The Task Force adopted its Oct. 20, Sept. 22, and Summer National Meeting Minutes.

### **Adoption of Working Group Reports**

The Task Force adopted the following Working Group Reports:

- A. Employee Retirement Income Security Act (ERISA) (B) Working Group*
- B. Mental Health Parity and Addiction Equity Act (MHPAEA)(B) Working Group*
- C. Prescription Drug Coverage (B) Working Group*

### **Adoption of the Prior Authorization (PA) White Paper**

Commissioner Grace Arnold (MN) led a discussion regarding the adoption of the *Prior Authorization White Paper*. The White Paper was drafted in response to an influx of PA legislation in many states, and drafts of the White Paper were exposed for public comment in July and in October. Following the most recent public comment period, which ended in November, the Task Force is ready to submit the revised draft of the PA White Paper to the (B) Committee. At the meeting, interested parties urged adoption of the revised draft. The Task Force adopted the *Prior Authorization White Paper*, and it will be submitted to the (B) Committee for adoption.

### **Presentation from the National Committee for Quality Assurance (NCQA) on Updates to its 2026 Utilization Management (UM) Standards**

Alan Immelman (NCQA) and Kristine Toppe (NCQA) gave a presentation to the Task Force regarding updates to NCQA's 2026 Utilization Management ("UM") Standards. The key updates to the NCQAs UM standards involve UM data collection and analysis, UM Committee and improvement actions, measurement of effectiveness, UM criteria, and alignment with industry best practices.

Immelman and Toppe first discussed NCQA's UM standards. NCQA requires organizations to have clear policies regarding UM, ensure that they are making timely decisions and providing prompt responses to UM requests, include requirements regarding appeals and grievance mechanisms that allow challenges to adverse determinations by patients and providers, and utilize qualified clinical staff to make UM decisions.

As part of the 2026 updates to NCQA's UM standards, NCQA organizations will be required annually to collect UM indicators for improved decision making and identify areas that need improvement. This data will be used to identify trends in rates for continuous quality improvement. NCQA organizations will be required to have a UM Committee to ensure appropriate oversight and accountability. These UM Committees are expected to provide recommendations based on data analysis of UM indicators and to annually implement follow-up actions and interventions. Additionally, organizations are expected to ensure that the UM criteria that organizations use are available to practitioners at the point of care.

**Status Report of the ERISA (B) Working Group's Work to Develop Guidance on Pharmacy Benefit Manage (PBM) ERISA Issues and Develop Guidance on Level-Funded Plans and Other Alternative Arrangements as Related to the Small Group Market**

Robert Wake (ME) gave the Task Force a status report regarding the ERISA (B) Working Group's development of guidance on PBM-ERISA issues and level-funded plans and other alternative arrangements related to the small group market.

Working under the ERISA (B) Working Group, a Drafting Group has developed a guidance paper for the states on ERISA preemption of state PBM laws. The Drafting Group's draft is ready to be submitted to the Working Group. The Drafting Group expects a draft to be exposed for public comment early 2026. The Drafting Group has also started drafting guidance on level-funded plans and other alternative arrangements offered to small employers and their employees. The Drafting Group is seeking additional perspectives and will be engaging additional stakeholders before completing the draft and exposing it for public comment.

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

The Mental Health Parity and Addition Equity Act (B) Working Group met on December 10, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Presentations on the Development and Use of Reporting Templates by States**

The Working Group began the meeting by highlighting the focus of its regulator-only meetings this year, which focused on two topics: (1) the federal government's decision not to enforce several provisions of the parity rule finalized in September 2024; and (2) discussions regarding the variety of tools and templates in use in different states. The Working Group has helped facilitate the sharing of existing templates, but it has not attempted to design a single template.

Following these updates, the Working Group heard reports from state regulators from Arizona and New Mexico regarding reporting templates under the Mental Health Parity and Addiction Equity Act (MHPAEA).

#### *(1) Arizona*

Dr. Leanette Henagan (Arizona Department of Insurance) gave a presentation regarding Arizona MHPAEA non-qualitative treatment limitation (NQTL) reporting. Arizona passed S.B. 1523 in 2020, and the legislation gave the Arizona Division of Insurance authority to enforce MHPAEA and ensure that insurers are complying with parity requirements. The legislation established the multi-discipline Mental Health Parity Advisory Committee and the Suicide Mortality Review Team in the Arizona Department of Health Services.

Dr. Henagan began by discussing Arizona's MHPAEA reporting process. Arizona requires a triennial report from insurers, and the inaugural submission was due March 15, 2023. Arizona developed its own template/checklist as guides for development. Arizona approached the reporting process as a modified market conduct exam and conducted entrance meetings with each insurer to explain the process and answer questions as well as exit meetings with each insurer to review findings and give recommendations.

Dr. Henagan also discussed Arizona's findings following the collection and review of Arizona's Triennial MHPAEA Report. Arizona found that many insurers were lumping together multiple NQTLs into one analysis, when each NQTL analysis should be separate. Dr. Henagan also noted that insurers had difficulty interpreting definitions clearly. For example, many insurers were unsure how certain factors were defined or when they might be triggered. Additionally, some insurers did not provide enough details in their analysis of certain factors. The next Arizona MHPAEA Reports are due March 15, 2026. During the non-reporting years, insurers are required to attest annually that no changes have occurred. Arizona is considering updating its reporting tool to enable deeper comparative analyses moving forward.

## *(2) New Mexico*

Viara Ianakieva (Director, New Mexico Office of Superintendent of Insurance, Life and Health Division) and Jessica Sanchez (Mental Health Parity Program Coordinator, New Mexico Office of Superintendent of Insurance) gave a presentation regarding New Mexico's development and use of MHPAEA NQTL reporting templates. Ianakieva and Sanchez began by discussing New Mexico's mental health coverage program. The program is a fully operational, data-verified, and enforceable mental health parity regulatory system. There are several distinguishing factors that set New Mexico's program apart from other states, including expanded state authority over mental health coverage, comprehensive multi-phase filings, raw data-driven enforcement, documented outcomes, transparency and education infrastructure, as well as a dedicated staff with deep subject matter expertise.

Ianakieva and Sanchez next discussed New Mexico mental health parity compliance filings. New Mexico takes a multi-pronged approach to determine "as written" and "in-operation" compliance through the use of self-attestation tools, self-reported aggregate data, NQTL comparative analyses, raw data layouts and corresponding coversheets for SERFF, and claim and utilization management audit submissions. Ianakieva and Sanchez discussed the New Mexico Mental Health Parity Team's (the "Team") findings from the information insurers submitted. The Team noted that the collection of raw data reduces the need for multiple summary templates and enables more accurate, reliable analysis. The collection of raw data required the use of deidentified member IDs and strict formatting standards to protect and prevent any disclosure of PHI to maintain confidentiality. Additionally, insurers often interpreted laws narrowly or differently, especially regarding NQTLs, provider reimbursements, and network adequacy requirements. New Mexico's next steps include progressive enforcement planning and corrective action plans, and the Team is considering future rulemaking to eliminate statutory interpretation and other compliance issues.

### **Presentation on Health Plan Perspectives on Parity Reporting Templates**

Lisa Campbell (Groom Law Group) gave a presentation on health plan perspectives on parity reporting templates. The presentation focused on lessons learned from a survey of states' NQTL reporting templates and instructions. Campbell conducted a survey of state requirements for MHPAEA NQTL reporting and found that states vary widely in how they approach MHPAEA NQTL reporting. Some states require very detailed reporting and use specific templates, whereas others reference federal law and require reporting but not the use of specific templates. There were also some states that require a certification only.

Based on the survey, Campbell identified several issues related to state-specific detailed MHPAEA NQTL reporting, including a lack of explicit instructions on information being requested and the review criteria, excessive burdens if detailed reporting is required at individual item, service or drug levels, and gaps in templates and instructions which create the need for several rounds of

detailed follow-up inquires. Campbell also found that some state templates may be inconsistent with federal law.

Campbell stated that the lack of conformity among state NQTL templates and instructions was problematic because the variation created confusion and a lack of clarity for issuers in submitting NQTL documentation. Campbell also discussed the costs associated with MHPAEA compliance. Campbell stated that administrative burdens imposed by varying NQTL standards divert resources away from innovation and toward compliance analyses where the cost of producing the required documentation exceeds any benefit. Additionally, the number of resources required to satisfy all the requirements posed by varying templates and instructions undermine health plan stakeholders' ability to offer better coverage and more generous benefits. Campbell's key takeaway from her research was the need for standardization for MHPAEA compliance, and she highlighted the need for better alignment between states and the federal government in the interpretation of the statute and MHPAEA reviews.

## **Property and Casualty Insurance (C) Committee**

The Property and Casualty Insurance (C) Committee met December 11, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of November 21 and Summer National Meeting Minutes**

The Committee adopted the November 21 and Summer National Meeting Minutes.

### **Adoption of the Reports of the Committee's Task Forces and Working Groups**

- A. Casualty Actuarial and Statistical (C) Task Force. The Task Force met on December 9, 2025. During this meeting, the Task Force reported it met three times over the past year to discuss rate filing issues. It adopted the reports of the Actuarial Opinion (C) Working Group and the Statistical Data (C) Working Group. The Task Force additionally reminded interested parties that the NAIC rate model review team does not approve or recommend approval of industry or third-party rate models. The review team's product consists of working papers to assist state insurance regulators in conducting their rate filing reviews.
- B. Homeowners Market Data Call (C) Task Force. The Task Force met on December 10, 2025. During this meeting the Task Force heard a report from the drafting group on a data call threshold recommendation. Additionally, the Task Force received an update on the status, timetable and next steps for the data call, with a target issue date of the data call in early 2026 and submission deadline of June 2026.
- C. Surplus Lines (C) Task Force. The Task Force met on December 3, 2025. During this meeting, the Task Force adopted the report of the Surplus Lines (C) Working Group and discussed recognition of RIMS-Certified Risk Management Professional (CRMP) as a qualifying credential for meeting the Nonadmitted and Reinsurance Reform Act's qualified risk manager competency standard.
- D. Cannabis Insurance (C) Working Group. The Cannabis Insurance (C) Working Group met on October 20, 2025. During this meeting, the Working Group heard updates on the findings from the 2025 Cannabis Regulators Association external stakeholder meeting, noting growing bipartisan support for federal cannabis legislation. Additionally, the Working Group heard an update on cannabis-related federal activities.
- E. Catastrophe Insurance (C) Working Group and NAIC/Federal Emergency Management Agency (FEMA) (C) Working Group. The Catastrophe Insurance (C) Working Group and NAIC/Federal Emergency Management Agency (FEMA) (C) Working Group met in a joint meeting on December 10, 2025. During this meeting, the Working Groups heard an update on federal legislation, including a structural review of FEMA, and heard presentations from the Asphalt Roofing Manufacturing Association and the National Roofing Contractors Association.

- F. Terrorism Insurance Implementation (C) Working Group. This Working Group did not submit any materials for its report at the time of this summary.
- G. Title Insurance (C) Working Group. The Working Group met December 11, 2025, during this meeting, the Working Group received a summary of changes made in response to comments on the exposed draft of *Title Insurance Shopping Tool Template*. The revisions focused on improving readability and clarity. The Working Group further adopted the *Title Insurance Shopping Tool Template* with the inclusion of the edits following the discussion. Finally, the Working Group heard about bulletins for title alternative products and a presentation from the Academy on its title-related research.
- H. Transparency and Readability of Consumer Information (C) Working Group. The Working Group Met on December 2 and September 23, 2025. During its September meeting, the Working Group discussed drafting an update of *A Shopping Tool for Homeowners Insurance*. The Working Group decided to divide the document into three separate sections to facilitate drafting an update to this document. During its December 2 meeting, the Working Group adopted its September 23 minutes.
- I. Workers' Compensation (C) Working Group. This Working Group did not submit any materials for its report at the time of this summary.

The Committee adopted all the reports of the Task Forces and Workings Groups without discussion and instead relied on submitted materials from the Task Forces and Working Groups.

#### **Adoption of Homeowners Market Data Call Template and Definitions**

Commissioner Michael Yaworsky (FL) reported that the Homeowners Market Data Call (C) Task Force did not have a lot of discussion on the template and definitions but ultimately seemed in support of the same. Commissioner Yaworsky motioned the Market Data Call template and definitions for adoption. The template and definitions were adopted.

#### **Update on the Affordability and Availability Playbook**

Commissioner Michael Conway (CO) presented the update. The playbook is meant to be a resource for addressing homeowner's insurance challenges. It consists of Part I (Affordability and Availability Factors), Part II (Strategies for Specific Risks), Part III (Extreme Heat and Atmospheric Rivers), and Part IV (Recommendations and Best Practices). The drafting group invited interested parties to review its outline and consider and incorporated the feedback it received. Participants were then invited back to a drafting group meeting to discuss how the suggestions were incorporated. Drafts for Part II, technology and innovation, risk mitigation, and incentives subsections, and two state specific subsections have been submitted. A draft of Part IV on consumer education and engagement has also been submitted. The remaining drafts were due by December 15, 2025. New drafts will be exposed again for interested party comments.

### **Presentation on Regulatory Data**

Nancy Clark (Verisk) presented regulatory data. Regulatory Data Exchange (RDeX) is a service that consolidates and filters the data that regulators already have access to. For example, RDeX was able to analyze data calls related to Hurricane Helene in three different states, this information was used to compare and contrast the information requested in all three data calls.

### **Presentation on Roof Resilience**

Aaron Schol (Brava) presented on roof resilience. Brava manufactures synthetic roofing, available in the look of shake, slate, and barrel roofing. It claims its products are more durable and aesthetically pleasing than other options on the market. Brava has been certified in the Fortified Roof Program, ICC-ES Evaluation Compliance, Miami-Dade County Approval, WUI Certification, and Cool Roof Rating Council. While Brava is more expensive, it claims to have a 50-year life cycle cost. The products have a Class 4 impact rating and a Class A fire rating. BRAVA aims to form a partnership with the insurance industry to reduce loss frequency, lower loss ratios, improve customer satisfaction and retention, and help carriers increase profitability and availability.

### **Presentation on Disaster Savings Accounts**

Kevin McKechnie (American Bankers Association) presented on disaster savings accounts. Disaster Savings Accounts (DSAs) apply HSA principles to build financial resilience against natural disasters. It is a tax-advantaged savings for disaster preparation and recovery, covering eligible expenses such as insurance deductibles, mitigation measures, and recovery costs. Recent federal legislation expanded disaster savings options, such as the Emergency Savings Enhancement Act and the READY Account Act. States such as South Carolina, Mississippi, and Alabama are pioneering implementation of Catastrophe Savings Accounts.

### **Other Matters Before the Committee**

Shana Oppenheim (NAIC) reported that the FEMA review council was supposed to meet but the meeting was canceled. The NAIC submitted a comment to FEMA review council and sent commissioners out to engage on the issue of floods.



## **Homeowners Market Data Call (C) Task Force**

The Homeowners Market Data Call (C) Task Force met December 10, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of October 28 and Summer National Meeting Minutes**

The Task Force adopted the October 28 and Summer National Meeting Minutes.

### **Discussion of the Drafting Group Proposal on Data Call Threshold**

Eric Lowe (VA) and Sandra Darby (ME) presented the drafting group's recommendations. The proposed threshold is that any company that wrote \$50,000 or more in homeowners insurance premiums during 2018-2025 in a participating state will report the requested data for all years included in the data call. Going forward, the \$50,000 threshold will apply to the single requested year. The purpose of the \$50,000 threshold is to be consistent with the MCAS reporting requirements currently in place. Any state requesting FAIR Plan information or information from companies not required to file the NAIC Financial Annual Statement should contact those entities with their participation request and work with the NAIC to get access to filing systems for those entities. The meeting materials include a chart demonstrating the percentage of the total market a state will receive at the \$50,000 attachment point. The chart includes all business written in the state reported on the NAIC Financial Annual Statement, including surplus lines and certain FAIR plans. The actual percentage shown may not reflect the total percentage a state will receive if surplus lines companies are not subject to report.

Ricardo Lara (CA) spoke in support of proposed threshold. The proposed threshold is within the structure of other data calls and reinforces the value of consistency across data collection efforts. Consistent, reliable data is crucial to understanding the markets, and this data call will provide critical insights especially in areas subject to challenges such as wildfires.

Michael Yaworsky (FL) states that Florida believes this threshold amount is consistent with other data collection techniques that NAIC has agreed to in the past. It seems appropriate to give states the ability to capture as much information as possible and reasonable to ask industry participants to participate in the data call.

### **Update on the Status, Timetable, and Next Steps for the Data Call**

Michael Yaworsky (FL) gave an update on where the overall data call stands. On October 28, the Task Force adopted the revised template and definitions for the next data call. The template and definitions are located on the Task Force's webpage. The documents will be presented before the C Committee prior to the Executive and Plenary Meeting. Companies are encouraged to review the template to understand the data requested.

Regarding next steps, state attorneys are finalizing the agreement with NAIC. After this, a data call letter will be drafted that includes the state authority under which the data is being collected, the participating states' market threshold, and due dates for the data call. Currently, the plan is to issue the data call letter by February, with data likely to be due in June 2026. This will give companies time to prepare their responses. After the data call letter is issued, validation checks will be posted on the NAIC website. A webinar regarding submission of data will be scheduled within a couple weeks of the data call being issued.

## **Market Regulation and Consumer Affairs (D) Committee**

The Market Regulation and Consumer Affairs (D) Committee met on Dec. 11, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of its Spring National Meeting Minutes**

The Committee adopted its Nov. 21, 2025, minutes and its Summer National Meeting minutes.

### **Pharmacy Benefit Management (D) Working Group Update**

Joylynn Fix (WV) provided an update on the Pharmacy Benefit Management (D) Working Group, noting that the Working Group is currently focused on three major projects. First, she reported on an update to the NAIC's State Based Systems (SBS) to allow for PBM-specific complaints, with Delaware leading implementation efforts. Second, she discussed development of a PBM examination chapter for the Market Conduct Handbook, which is currently exposed for public comment through mid-January. Third, she reported that the Working Group has completed a PBM licensing guidance document intended to provide states with a framework for implementing licensing requirements. The Committee noted that consideration of adoption of the PBM licensing guidance and the PBM examination chapter is expected to occur at the Spring National Meeting to allow additional time for review and comment.

### **Market Actions (D) Working Group Update**

David Buono (PA), Chair of the Market Actions (D) Working Group (MAWG), provided an update on the Working Group's activities and role as a regulator-only forum for sharing market conduct information and coordinating multistate actions. He emphasized that the Working Group's purpose is to enhance state-based regulation by reducing duplicative efforts and identifying potential compliance issues with multi-jurisdictional impact, while maintaining appropriate confidentiality during ongoing matters.

Mr. Buono discussed recent efforts to improve participation and information sharing through Collaborative Action Designees (CADs) in each jurisdiction and noted that increased engagement has supported renewed work on national analysis. He outlined plans to revitalize national analysis through a phased approach beginning with regular regulator discussions to identify emerging issues and inform future analysis projects. He also noted ongoing work by the Coordinated Market Investigators subgroup related to unlicensed entities and nontraditional market actions, as well as continued focus on a range of market conduct topics, including claims practices, suitability, and health insurance issues.

### **Cybersecurity Incident Response Framework Update**

Matthew Tarpley (TX) provided an update on development of a cybersecurity incident response framework intended to assist regulators in assessing the significance and impact of cybersecurity

events and to support coordinated multistate regulatory responses. He explained that the framework is designed to provide a consistent approach for evaluating cybersecurity incidents and determining when multistate coordination may be appropriate.

Mr. Tarpley noted that current work includes development of criteria to assess the impact of cybersecurity events, establishment of thresholds that would trigger multistate coordination, and procedures for identifying lead states to coordinate regulatory responses. He also discussed efforts to clarify the respective roles of the Market Actions (D) Working Group, the Cybersecurity (H) Working Group, and the Financial Analysis (E) Working Group, as well as plans to leverage existing cybersecurity response plans rather than duplicate prior work. He reported that a small group of subject matter experts has been formed to develop an initial draft of the framework, which is expected to be circulated for public comment in the first quarter of 2026.

### **Insurance Regulatory Information System (IRIS) Review Update**

Brett Bach (RI) provided an overview of the Insurance Regulatory Information System (IRIS) and its role in supporting market conduct regulation, regulatory professionalism, and consumer protection. He explained that IRIS is a nonprofit organization that works with state, federal, and contracted insurance regulators to promote consistent and professional regulatory practices through education, training, and collaboration.

Mr. Bach discussed IRIS's role in market conduct regulation, noting that the organization supports regulatory consistency through examiner designations, continuing education requirements, webinars, and training programs designed to address both core regulatory functions and emerging issues. He highlighted IRIS's focus on examiner development and knowledge-sharing, as well as its efforts to foster collaboration among regulators and between regulators and industry through structured educational programs and forums. He encouraged states to view IRIS as a resource for developing regulatory staff, promoting uniformity in market conduct oversight, and responding to an increasingly complex insurance marketplace.

### **Producer Licensing (D) Task Force Update**

The Committee discussed several producer licensing issues and received updates from Task Force leadership and NAIC staff. Director Dean L. Cameron (ID) briefly discussed ongoing work related to a proposed NAIC consumer agent/broker search tool intended to help consumers determine whether an agent or broker has licensing or disciplinary issues across state lines. He noted that the Committee is exploring a potential pilot project to link state licensing information and expects to revisit the issue at the Spring National Meeting.

Director Larry D. Deiter (SD) provided an update on implementation of the revised NAIC Uniform Producer Licensing Applications approved at the December 2024 National Meeting. He explained that the revisions include updated attestation language, clarified background questions,

additional citizenship questions, inclusion of federal CRD numbers on renewal applications, and other technical updates. He noted that NIPR has notified states of required system changes and is working with regulators to support implementation, with a target launch in early second quarter 2026.

Director Deiter also provided an update on the template for the 1033 written consent process. He noted that while the template was previously adopted by the Task Force, recent comments regarding the definition of “conviction” will require further review. As a result, the Task Force plans to revisit the template and anticipates bringing it back to the Committee for consideration at the Spring National Meeting.

Tim Mullen (NAIC) provided an update on enhancements to the NAIC Personalized Information Capture System (PICS) alerts for the National Insurance Producer Registry (NIPR) Attachment Warehouse. He discussed recent improvements to alert management, upcoming training webinars for states, and planned enhancements to the Attachment Warehouse as part of NIPR’s multi-year strategic plan.

### **Artificial Intelligence Systems Evaluation Tool Update**

NAIC staff provided an update on behalf of the Big Data and Artificial Intelligence (H) Working Group regarding development of the Artificial Intelligence (AI) Systems Evaluation Tool. The tool is intended to assist regulators in assessing insurers’ use of AI, including governance and potential high-risk applications, and is designed as an optional resource to supplement regulatory review processes.

NAIC staff noted that the tool was previously exposed for public comment and that the next version will be piloted by several states in 2026 to evaluate effectiveness and identify any needed refinements.

### **Adoption of Task Force and Working Group Reports**

The committee adopted the reports of the following Task Forces and Working Groups:

1. Antifraud (D) Task Force - Commissioner Trinidad Navarro (DE)
2. Producer Licensing (D) Task Force - Director Larry D. Deiter (SD)
3. Market Analysis Procedures (D) Working Group - Jo A. LeDuc (MO)
4. Market Conduct Annual Statement Blanks (D) Working Group - Joshua Guillory (LA)
5. Market Conduct Examination Guidelines (D) Working Group - Matthew Tarpley (TX)
6. Market Information Systems (D) Working Group - Brad Gerling (MO)
7. Market Regulation Certification (D) Working Group - Bryan Stevens (WY)
8. Pharmacy Benefit Management (D) Working Group - Joylynn Fix (WV)
9. Speed to Market (D) Working Group - Maureen A. Motter (OH)

## **Pharmacy Benefit Management (D) Working Group**

The Pharmacy Benefit Management (B) Working Group met on December 9, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of its Summer National Meeting Minutes**

The Working Group voted to adopt its Summer National Meeting Minutes.

### **Presentation on a Proposed Automated Pharmacy Complaint Tool —Kris Rhea (Pharmacy Marketplace)**

Kris Rhea (Pharmacy Marketplace) gave a presentation on a Proposed Automated Pharmacy Complaint Tool. The Automated Pharmacy Complaint Tool is designed to streamline the pharmacy benefit manager (PBM) complaint process. Rhea highlighted several challenges with the current pharmacy complaint process including fear of retaliation and the amount of time required to file complaints. Pharmacy Marketplace conducted an audit of all 50 states' laws and processes around pharmacy under-reimbursement appeals or complaints. The audit also included interviews with 5 Pharmacy Services Administrative Organizations (PSAO). Rhea explained that drug stores have more success with submitting appeals themselves instead of relying on PSAO's to submit appeals on their behalf.

Rhea gave a brief demonstration of the software including the process for pharmacies to submit PBM appeals. The software helps pharmacies with tracking mandated response times for the pharmacies and the PBM. The software is customizable based on the requirements of each state. The goal is to help community pharmacies stay in business and help provide care to local communities.

### **Discuss the Draft Pharmacy Benefit Manager (PBM) Licensure and Regulation Guidelines for Regulators Document**

Ashley Scott (OK) gave an overview of the purpose of the draft pharmacy benefit manager (PBM) licensure and regulation guidelines for regulators document. The document is intended to be a guidance document for regulators to reference once their respective state passes a bill regarding PBM licensing. This document was created for states that have not adopted laws regarding licensing or registration for PBM's. The Working Group heard comments from other regulators and industry members. The Working Group adopted the Draft PBM Licensure and Regulation Guidelines for Regulators Document incorporating comments regarding expanding the definition of a health benefit plan and written comments from Michigan.

### **Discuss the Draft PBM Examination Chapter**

The Draft PBM Examination Chapter was developed by the PBM Examination Drafting Group. The draft was released on November 25 and the deadline for the drafting group to receive written comments is January 16. Once comments are received, the drafting group will meet in late January or early February to discuss comments and make any necessary edits to the draft.

### **Update on Potential State Based Systems (SBS) Changes to Better Handle PBM Complaints**

Susan Jennett (DE) gave an update on potential State Based Systems (SBS) changes to better handle PBM complaints. SBS is working with five states: West Virginia, Delaware, Iowa, Oregon, and Vermont to design the module. The change to the system is specifically intended for handling complaints from providers, pharmacies, pharmacists, and PSOs against PBMs. The target rollout for the SBS changes is set to be before June 2026. The module aims to handle complaints from providers, pharmacies, and pharmacists against PBMs, and the development process is being supported by the SBS team.

### **Discuss Any Other Matters Brought Before the Working Group**

The Working Group encouraged insurance companies to report data breaches to regulators as soon as possible after the event occurs.

## **Financial Condition (E) Committee**

The Financial Condition (E) Committee met on December 11, 2025. The agenda can be found [here](#) and the meeting materials can be found [here](#).

### **Consider Adoption of its Nov. 20, Nov. 5, Oct. 7, and Summer National Meeting Minutes**

The Financial Condition Committee adopted its Nov. 20, Nov. 5, Oct. 7, and Summer National Meeting Minutes.

### **Adoption of the Reports of its Task Forces and Working Groups**

- A. Accounting Practices and Procedures (E) Task Force*
- B. Capital Adequacy (E) Task Force*
- C. Financial Stability (E) Task Force*
- D. Examination Oversight (E) Task Force*
- E. Receivership and Insolvency (E) Task Force*
- F. Reinsurance (E) Task Force*
- G. Valuation of Securities (E) Task Force*
- H. Mutual Recognition of Jurisdictions (E) Working Group*
- I. NAIC/American Institute of Certified Public Accountants (AICPA) (E) Working Group*
- J. Restructuring Mechanisms (E) Working Group*

The Task Force and Working Group reports were adopted as presented.

### **Adoption of the List of Qualified Jurisdictions and Reciprocal Jurisdictions**

Robert Wake (ME) presented the list of qualified jurisdictions and reciprocal jurisdictions. Wake explained that the Mutual Recognition of Jurisdictions Working Group reapproved the status of the seven existing qualified jurisdictions: Bermuda, France, Germany, Ireland, Japan, Switzerland, and the United Kingdom. The reciprocal jurisdiction status of Bermuda, Japan, and Switzerland were reapproved as well.

The Committee adopted the list of qualified jurisdictions and reciprocal jurisdictions.

### **Adoption of the List of Jurisdictions that Recognize and Accept the Group Capital Calculation (GCC)**

Robert Wake (ME) presented the list of jurisdictions that recognize and accept the Group Capital Calculation. Canada's Office of the Superintendent of Financial Institutions as a jurisdiction recognizing the US approach to the GCC.



The Committee adopted the list of jurisdictions that recognize and accept the GCC.

**Receive Informal Oral Comments on the Collateralized Loan Obligation (CLO) Timeline Presented During the Nov. 20 Meeting**

Commissioner Nathan Houdek (WI) led the discussion on the CLO timeline presented during the November 20<sup>th</sup> meeting. None of the committee members gave comments. Houdek mentioned that the Risk Based Capital Investment Risk Evaluation Working Group will be receiving an update from the Academy in an upcoming meeting. NAIC staff started working on an initial draft of a structural change proposal.

**Adoption of Statutory Accounting 2024-06: Risk Transfer Analysis of Combination Reinsurance Contracts or Alternative**

Statutory Accounting 2024-06: Risk Transfer Analysis of Combination Reinsurance Contracts or Alternative was adopted by the Committee.

**Adoption of Restructuring Mechanisms White Paper**

The Restructuring Mechanisms White Paper outlines various issues related to the use of restructuring mechanisms, such as insurance business transfers and corporate divisions. These various mechanisms have gained increased attention in some states in recent years.

The Restructuring Mechanisms White Paper was adopted by the Committee.

## **Joint Meeting of the Financial Stability (E) Task Force and the Macroprudential (E) Working Group**

The Financial Stability (E) Task Force met on December 10, 2025, in joint session with the Macroprudential (E) Working Group. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of Minutes**

The Task Force adopted its October 17, 2025, minutes and its Summer National Meeting minutes.

### **Adoption of the Report of the Macroprudential (E) Working Group**

Bob Kasinow (NY), Chair of the Macroprudential (E) Working Group, presented an update on the Working Group's recent activities, and the Task Force adopted the report of the Working Group, including its November 7, 2025, meeting minutes.

Mr. Kasinow reviewed the results of the 2025 insurer liquidity stress testing (LST) submissions, which were due June 30, 2025, and reflected data as of December 31, 2024. All required submissions were received, representing 27 life insurance groups, including two newly captured companies based on scope criteria. He explained that the primary purpose of the LST is to assess potential asset sales under various stress scenarios, with an additional benefit of providing regulators insight for supervision of individual insurers and groups. The largest potential asset sales were concentrated in investment-grade corporate bonds and U.S. Treasury and agency securities, and comparisons to market data indicated no material impact on capital markets. He noted that regulators may wish to review their domestic companies' submissions as part of financial analysis or examinations.

Mr. Kasinow also discussed the Working Group's November 7 open call, which focused on potential disclosures for funding agreements backing funding agreement-backed notes (FABNs) to improve data transparency and regulatory oversight. The Working Group exposed a proposal to add a footnote to Exhibit 7 of the annual statement to require reporting of aggregate funding agreement data, with the goal of implementation in 2026.

In addition, Mr. Kasinow provided updates on macroprudential risk indicators, integration of the natural catastrophe risk dashboard into the broader macroprudential framework, and continued monitoring of private equity-related considerations, including cross-border reinsurance.

### **Exposure of the Proposed 2025 Liquidity Stress Testing Framework**

Carrie Mears (IA), Vice Chair of the Macroprudential (E) Working Group, presented the proposed 2025 Liquidity Stress Testing (LST) Framework, explaining that no significant changes were made for 2025 other than a non-substantive update reflecting that regulators reviewed separate

account activity and determined the existing framework adequately captures related cash flows. She noted that the Working Group plans to review the framework in the second quarter of 2026 with a focus on insurer liability assumptions, and that updated annexes and lead-state guidance are expected to be issued in February 2026. The Task Force exposed the proposed 2025 LST Framework for a 45-day public comment period ending January 26, 2026.

### **Re-Exposure of the FABN Blanks Proposal**

Bob Kasinow (NY) presented the item related to comments received on the proposed funding agreement disclosure blanks for funding agreement-backed notes (FABNs). He noted that the American Council of Life Insurers (ACLI) requested additional time to comment to ensure the proposed disclosures appropriately reflect the universe of issuances backed by funding agreements, including issuances beyond traditional FABNs.

Mark Altschull (ACLI) provided comments on behalf of ACLI, explaining the organization's support for improved transparency while seeking additional time to further evaluate the proposed disclosure framework. Following discussion, Mr. Kasinow indicated that the Working Group supported extending the comment period. The Task Force approved a 45-day extension of the public comment period, re-exposing the FABN blanks proposal through January 26, 2026. As a result, consideration of referrals of the proposal to the Blanks (E) Working Group and the Statutory Accounting Principles (E) Working Group was deferred until completion of the revised comment period.

### **Valuation Analysis (E) Working Group Update**

Fred Andersen (MN), Chair of the Valuation Analysis (E) Working Group, provided an update on the Working Group's oversight of life insurers' complex assets, products, and certain reinsurance activities. He discussed implementation of Actuarial Guideline 55, which requires cash flow testing and related documentation for certain reinsurance transactions, and noted that templates adopted earlier this year are intended to provide regulators with standardized and digestible information. Initial filings using the templates are expected April 1, 2026.

Mr. Andersen also discussed broader asset adequacy analysis considerations under Actuarial Guideline 53, noting increased complexity in both assets and products and the need to address emerging risks in cash flow testing, including policyholder behavior and product optionality. He emphasized coordination between actuarial-focused and asset-focused working groups, including ongoing collaboration with the Investment Analysis Working Group, to ensure consistent regulatory oversight.

## **International Update**

Jan Bauer (NAIC) provided an update on international macroprudential activities of the International Association of Insurance Supervisors (IAIS). She summarized the IAIS 2025 Global Insurance Monitoring Report, which identified key themes including geo-economic fragmentation, private credit investments, artificial intelligence, cyber risk, and climate risk. She also discussed a special topic paper on natural catastrophe protection gaps, noting that the scenarios reviewed did not result in findings of financial instability.

Ms. Bauer further reported that the IAIS Macroprudential Monitoring Working Group completed its triennial review of the Global Monitoring Exercise methodology and is preparing for the 2026 monitoring cycle. She also noted recent IAIS work on structural shifts in the life insurance sector, including publication of an issues paper concluding that current global systemic risk from those shifts is limited, as well as ongoing work related to supervision of climate-related risks.

## **Accounting Practices and Procedures (E) Task Force**

The Accounting Practices and Procedures (E) Task Force met on December 10, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of 2025 Summer National Meeting Minutes**

The 2025 Summer National Meeting Minutes were adopted.

### **Adoption of Statutory Accounting Principles (E) Working Group Report**

The Task Force adopted the report of the Statutory Accounting Principles (E) Working Group.

#### **A. Adoption of Working Group Minutes**

The Working Group adopted its Summer National Meeting minutes, its September 10 minutes, and its October 6 minutes.

1. During the September 10 meeting, the Working Group heard a presentation from the American Council of Life Insurers (ACLI) on two draft proposals for asset-liability management (ALM) derivatives and exposed agenda item 2024-15 (ALM Derivatives), the ACLI presentation materials, and the two ACLI proposal drafts for a 51-day public comment period ending October 31.
2. During the October 6 meeting, the Working Group exposed the revised agenda item 2025-19 (Private Securities), including interested party and Working Group edits discussed during the meeting, for a 25-day public comment period ending October 31.

#### **B. Adopted Statutory Accounting Principle Concepts and Clarifications**

The Working Group adopted the following statutory accounting principle concepts and clarifications to statutory accounting guidance:

1. Adopted revisions to the Preamble to clarify the treatment of issue papers in Level 5 and to reference U.S. Securities and Exchange Commission (SEC) rules and interpretations as sources of authoritative U.S. generally accepted accounting principles (GAAP) for SEC registrants. (Ref #2025-12EP)
2. Adopted revisions, effective December 31, 2026, to incorporate a new reporting column to identify private placement securities in relevant investment schedules and an aggregate disclosure in SSAP No. 2, SSAP No. 21, SSAP No. 26, and SSAP No. 43 that details key investment information by type of public or private security. (Ref #2025-19)
3. Adopted revisions, effective December 31, 2026, to clarify existing disclosure requirements in SSAP No. 21, SSAP No. 26, and SSAP No. 43, including the financial statement note location and frequency for debt security disclosures, and to

incorporate disclosures for residuals identifying the company's measurement method and use of the allowable earned yield (AEY) method. (Ref #2025-20)

4. Adopted new statutory accounting principle concepts to allow residential mortgage loans held in qualifying statutory trusts to be captured within the scope of SSAP No. 37. These revisions are effective January 1, 2027, with early adoption permitted. (Ref #2025-13)
5. Adopted revisions to clarify that retirement plan assets may be held at net asset value (NAV) and must be included in required fair value disclosures. (Ref #2025-21)
6. Adopted, with modification, certain revisions from Accounting Standards Update (ASU) 2019-12, Simplifying the Accounting for Income Taxes, and incorporated U.S. GAAP guidance previously adopted by reference. (Ref #2025-18)
7. Adopted revisions to the annual statement blanks and instructions to support removal of the investment subsidiary concept from statutory reporting. This action included sponsoring a blanks proposal and a referral to the Capital Adequacy (E) Task Force to eliminate related risk-based capital instructions. (Ref #2024-21)

#### **C. Exposed Statutory Accounting Principle Concepts and Clarifications**

The Working Group exposed the following statutory accounting principle concepts and clarifications to statutory accounting guidance for a public comment period ending February 13, 2026:

1. Exposed revisions to add a new investment schedule reporting code to identify restricted assets held under modified coinsurance (modco) and funds withheld arrangements. (Ref #2025-27)
2. Exposed revisions consolidating and clarifying disclosure requirements for commitments and contingent commitments, including a definition of commitments and a comprehensive commitments disclosure. (Ref #2025-24)
3. Exposed proposed concepts and templates for an interest maintenance reserve (IMR) proof of reinvestment developed by the IMR Ad Hoc Group. (Ref #2025-23)
4. Exposed further revisions to SSAP No. 22—Leases to clarify that sale-leasebacks with restrictions on access to cash or assets received from the sale do not qualify for sale-leaseback accounting and must be accounted for using the financing method. (Ref #2025-01)

5. Exposed revisions deleting shaded text instructions and superseded guidance in SSAP No. 40—Real Estate Investments. (Ref #2025-32)
6. Exposed revisions to SSAP No. 47—Uninsured Plans to correct inconsistencies in calculating gains and losses on administrative services contracts disclosed in Note 18B. (Ref #2025-30)
7. Exposed agenda item proposes a review of concepts in SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies to ensure consistent application of guidance related to joint ventures, partnerships, and limited liability companies. (Ref #2025-26)
8. Exposed revisions to SSAP No. 51—Life Contracts and SSAP No. 52 —Deposit-Type Contracts providing guidance on optional implementation periods for Valuation Manual revisions related to the economic scenario generator and non-variable annuities. (Ref #2025-34)
9. Exposed revisions to SSAP No. 56 —Separate Accounts addressing nonadmittance of assets held on a general account basis within separate accounts and incorporating nonadmitted asset concepts into separate account reporting. (Ref #2025-25)
10. Exposed revisions to SSAP No. 61—Life, Deposit-Type and Accident and Health Reinsurance to clarify how IMR eliminated in a reinsurance transaction should affect reinsurance collateral requirements for statutory credit. (Ref #2025-22)
11. Exposed revisions to SSAP No. 103—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities to allow repurchase agreements with maturities exceeding one year to be admitted assets. (Ref #2025-28)
12. Exposed revisions to Interpretation (INT) 05-05 addressing the end of the Medicare Part D coverage gap discount program and references to the replacement CMS manufacturer discount program. (Ref #2025-31)
13. Annual statement blanks:
  - a. Exposed revisions clarifying reporting of debt securities and requesting comment on additional reporting elements. (Ref #2025-29)
  - b. Exposed revisions modernizing expense descriptions and categories. (Ref #2025-33)

**D. Directed NAIC Staff**

The Working Group directed NAIC staff to prepare an issue paper and concurrent statement of statutory accounting principles addressing statutory accounting guidance for interest-rate hedging derivatives used for asset-liability management under an amortized cost approach. (Ref #2024-15)

**E. Received Updates**

The Working Group received updates on the following items:

1. A memorandum clarifying that Schedule S, Part 8 reporting was not intended to change the treatment of modco or funds withheld assets for life/fraternal risk-based capital purposes.
2. IMR Ad Hoc Group activities, including proof of reinvestment concepts, treatment of disallowed IMR, separate account reporting, amortization, and allocation of realized gains and losses between IMR and AVR.
3. A potential Macroprudential (E) Working Group referral regarding disclosure requirements for financial asset-backed notes.
4. Discussion regarding printing of the Accounting Practices and Procedures Manual, with support expressed for discontinuing printing of Volume II to allow for increased distribution of Volume I.
5. Collaboration with interested parties to address a referral from the Life Risk-Based Capital (E) Working Group regarding AVR equity reporting lines for subsidiary, controlled, and affiliated investments.
6. U.S. GAAP exposure activity, noting that no items are currently exposed by the Financial Accounting Standards Board.
7. International Association of Insurance Supervisors (IAIS) Accounting and Auditing Working Group activities, including developments related to the Insurance Capital Standard and potential revisions to Insurance Core Principles.

**F. Adoption of Blanks (E) Working Group Report**

The Task Force adopted the report of the Blanks (E) Working Group, which met on November 5, 2025.

1. The Working Group adopted its August 6 minutes, which included adoption of its May 29 minutes.



2. Adopted proposal 2025-16BWG updating Health Annual Statement Instructions for the prescribed language in the Statement of Actuarial Opinion and aligning the opinion section with Life Annual Statement Instructions and Valuation Manual requirements.
3. Exposed four new items for a 90-day public comment period ending February 6, 2026.
4. Adopted its editorial listing.
5. Approved state filing checklists.

## **Valuation of Securities (E) Task Force**

The Valuation of Securities (E) Task Force met December 10, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of its Summer National Meeting Minutes**

The Task Force adopted the Summer National Meeting Minutes.

### **Consideration and Adoption of Proposed Amendment to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office (P&P Manual)* to Permit a 30-day Filing Grace Period to Provide the Private Rating Letter Annual Update**

The Proposed Amendment, which was exposed for a 30-day comment period ending on September 12, 2025, would permit a 30-day filing grace period to provide the private rating letter annual update. At the 2024 Fall National Meeting, the Task Force agreed to permit insurers a 30-day grace period after an NAIC Credit Rating Provider renews a private letter rating (PLR) to provide the annual update to the SVO. The objective of the grace period was to avoid the need to deactivate PLRs that received an annual update close to year end. The Proposed Amendment would update the PLR instructions and permit a 30-day grace period for PLR annual updates, regardless of when they occur. One joint comment letter was received from the ACLI, PPIA, and NASVA that requested a small clarification that the amendment was specific to the CRP's annual *rating* update. The revision was incorporated into the amendment. Ultimately, the amendment would primarily impact manually filed PLRs, as the ratings received through the credit rating provider electronic data files include the rating update date and will be automatically updated in the NAIC's systems upon processing the data file.

The Proposed Amendment was adopted.

### **Consideration and Adoption of Proposed P&P Manual Amendment to Change the Effective Date for the Financial Modeling of Collateralized Loan Obligations (CLOs) by the Structured Securities Group (SSG) to 2026**

The Proposed P&P Manual Amendment would change the effective date for the financial modeling of the CLOs by the NAIC's SSG from 2025 to 2026. Insurance regulators continue to monitor the growth of insurer CLO exposures. Both the Risk Based Capital Investment Risk & Evaluation Working Group and the American Academy of Actuaries on asset-based securities, like CLOs. It is expected there will be updates from the Academy soon. Due to these concurrent workstreams, it was proposed by the Task Force to delay the effective date for the financial modeling of CLOs to give these efforts time to develop. The Proposed P&P Manual Amendment was exposed for a 30-day comment period, ending on September 12, 2025. ACLI, PPIA, and NASVA submitted a joint comment letter, supporting the change.

The Proposed P&P Manual Amendment was adopted.

#### **Discussion of A Proposed Annual Statement Schedule Update for Security Identifiers (IDs)**

Charles Therriault (NAIC) discussed the proposal. The proposal would consolidate and identify the various SIs currently allowed on the annual statement, instructions, and schedules in one location. It would also permit the incorporation of additional SIs available through the NAIC through SMP's Global Instrument Cross-Reference Service (GICRS). Combining the SIs into a single field aligns with the NAIC's planned integration of GICRS into its systems. In the initial memo, the SVO recommended developing a new reporting field on the annual statement schedules to identify when an SI was not validated. After further discussion with industry, that recommendation was withdrawn, as the existing regulator exception reports are sufficient for that purpose. The withdrawal aligns with the comments submitted by ACLI, PPIA, and NASVA. The SVO has been working with the ACLI, PPIA, and NASVA, along with NAIC Staff Support for the Blanks (E) Working Group to provide a Blanks Update. The goal is to have an update to submit the Blanks (E) Working Group early 2026.

#### **Discussion of a Notice to Recognize the New Committee Structure Effective January 1, 2026**

At the direction of the Financial Condition (E) Committee, the Valuation of Securities Task Force will be dissolved and replaced by a new committee structure. VOSTF will be replaced by the Invested Assets Task Force, with three working groups reporting to it: Invested Assets Working Group (InvAWG), Investment Designation Analysis Working Group (IDAWG), and Credit Rating Provider Working Group (CRPWG). InvAWG is focused on portfolio level analysis, IDAWG focuses on the analysis of individual investments for NAIC designations by the NAIC investment analysis office, and CRPWG focuses on the administration of the Credit Rating Provider due diligence framework once it has been developed by the third-party consultant and adopted by regulators. References to VOSTF in the current version of the P&P Manual will need to be amended to reference the new task force and working groups. This will be a time-consuming effort, so in the meantime there will be a disclosure included in the P&P Manual to recognize the new committee structure and clarify that VOSTF references will typically be deemed to refer to IDAWG.

#### **Receive NAIC Staff Report on the Projects of the Statutory Accounting Principles (E) Working Group and Risk-Based Capital Investment Risk and Evaluation (E) Working Group**

Julie Gann (NAIC) provided the update on some investment related items exposed or adopted at SAPWG. Adoptions included, but are not limited to, a private security proposal effective December 31, 2026, that adds a new electronic column to all relevant schedules to identify whether the security is public, private or Rule 144(a). The Working Group also adopted revisions for debt disclosures effective December 31, 2026. This revision makes all of the disclosures for SAP 21, 26, and 43 consistent in where they are reported in the financial statements. Finally, the Working Group adopted guidance that allows residential mortgage loans held in trust to be separately reported under Schedule B under SAP 37. The Working Group exposed a new item for

commitment and contingencies that proposes to consolidate all commitment and contingency disclosures into one single disclosure to make it easy to identify all of that information for regulators and incorporates a commitment and contingency column into Schedule D. The Working Group also exposed a new concept agenda item to take a detailed review of SAP 48-Joint Ventures, Partnerships and Limited Liability Companies and ensure accounting guidance is clear and consistently applied. Finally, the Working Group exposed revisions to allow long-term repurchase agreements to be admitted.

An update on the Risk-Based Capital Investment Risk and Evaluation (E) Working Group was also given. It is anticipated that the RBC structure change may be initially presented and exposed at its call on December 15, 2025. Exposure will focus first on structure, then a second proposal will focus on factors based on the results of the project later in the year.

#### **Receive NAIC Staff Report on the Credit Rating Provider (CRP) Rating Due Diligence Framework and Filing Exemption (FE) Discretion Projects**

PricewaterhouseCoopers (PwC) provided an update on the CRP Rating Due Diligence Framework. The main objective of the CRP Rating due diligence framework project should be to establish a structured, scalable, and pragmatic process to support the NAIC's reliance on the translation of CRP ratings to NAIC designations. The CRP due diligence framework design is in progress. Task Force members will be briefed on key design decisions along the way, and their feedback will be incorporated as needed. Preliminary data analysis using NAIC historical ratings history and insurer's statutory filings is underway. To supplement known data gaps with NAIC's available data repository, additional data was requested from each CRP. Review of received data is underway. A completed draft CRP due diligence framework will be presented to the new CRPWG. Another status update will be provided at the Spring NAIC Meeting.

Charles Therriault (NAIC) provided an update on the Filing Exemption (FE) Discretion Projects. The authority granted NAIC as part of the discretion project becomes effective January 1, 2026. However, the systems necessary to make the process operational and the agreements necessary to assure the security of information and data are still in the works. The process allows the NAIC to challenge ratings used in the FE process which it does not think are reasonable assessments of investment risks. However, the final decision on whether to maintain or remove a rating from FE eligibility will be with the regulators.

## **Reinsurance (E) Task Force**

The Reinsurance (E) Task Force met December 9, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of its Summer National Meeting Minutes**

The Task Force adopted the Summer National Meeting Minutes.

### **Adoption of the Report of the Reinsurance Financial Analysis (E) Working Group**

Rolf Kaumann (CO) delivered the Report of the Reinsurance Financial Analysis (E) Working Group (ReFAWG). Since the last report, ReFAWG met on September 30, October 30, and November 24; and approved several reciprocal jurisdiction reinsurers and certified reinsurer applications. ReFAWG will meet one additional time in 2025 to complete the approval process. So far, ReFAWG has approved 107 reciprocal jurisdiction reinsurers and 42 certified reinsurers for Passporting. This includes Passported reciprocal jurisdiction reinsurers from 49 states and 2 territories. The list of Passported reinsurers can be found on the Certified and Reciprocal Reinsurer webpage.

The Report of the Reinsurance Financial Analysis (E) Working Group was adopted.

### **Status Report on the Reinsurance Activities of the Mutual Recognition of Jurisdictions (E) Working Group**

The Reinsurance Activities of the Mutual Recognition of Jurisdictions (E) Working Group primarily reports to the Financial Condition Committee. Since the Working Group oversees several important tasks involving reinsurance, the Working Group provides regular updates to the Reinsurance (E) Task Force. Robert Wake (ME) delivered the latest update on the Reinsurance Activities of the Mutual Recognition of Jurisdictions (E) Working Group. The Working Group met on October 21 to conduct its annual re-reviews of the qualified and reciprocal jurisdictions, and reapproved the status of the seven existing qualified jurisdictions—Bermuda, France, Germany, Ireland, Japan, Switzerland, and the United Kingdom, and the three reciprocal jurisdictions that are not subject to an enforced covered agreement—Bermuda, Japan, and Switzerland. Finally, Bermuda, Japan, and the United Kingdom have upcoming changes to their regulatory systems. The changes were discussed in the annual re-reviews and NAIC staff are monitoring the implementation of such changes.

### **Discussion of Ongoing Projects at the NAIC that Affect Reinsurance**

The Task Force discussed various ongoing projects that impact reinsurance, as outlined below.

- A. Implementation of Actuarial Guideline LV—Application of the Valuation Manual for Testing the Adequacy of Reserves Related to Certain Life Reinsurance Treaties (AG 55).

AG 55 was adopted in Summer 2025 by the Life Actuarial (A) Task Force (LATF) and the A Committee and, subsequently formally adopted by Executive and Plenary at the Summer National

Meeting. AG 55 is a proposal to require asset adequacy analysis to be performed using cash flow testing methodology for certain life and annuity reinsurance transactions. Fred Andersen (MN) gave an update on the implementation of AG 55. Since adoption, LATF has adopted templates to ensure regulators receive key AG 55 information. The guidelines and templates are available on the LATF webpage. The first AG 55 reports will be due April 1, 2026. The process will be identical to previous AG 53 Complex Asset Disclosure filings. AG 55 and AG 53 filing instructions will be sent out in early February, and the distribution list is unofficial, and based on year-end 2024 Schedule S data.

B. Offshore Life Reinsurance Discussions.

The NAIC has worked to address concerns with offshore life reinsurance with projects such as AG 55, but there is more work to be done. NAIC held two regulator-only sessions earlier this year, where it was able to get regulators up to speed on these issues and allow for preliminary discussions with regulators. NAIC staff will be conducting additional educational sessions to continue discussions about next steps.

C. Property/Casualty (P/C) Reinsurance Discussions.

The NAIC held a P/C reinsurance roundtable in Summer 2025 that was designed to deepen members shared understanding of existing P/C reinsurance issues. The meeting was held in Pasadena, California, and included a tour of the damage from the wildfires earlier in the year. The NAIC is working on next steps, including investing in training, analytics, and regulatory tools to better assess the strength of reinsurance programs and their impact on solvency. NAIC plans to strengthen collaboration through shared data on catastrophe exposure, joint modeling initiatives, and cross-state coordination on public-private solutions. NAIC and Reinsurance Association of America will hold a two-day training session early 2026 for key regulators with a focus on the basics of how reinsurance programs work. This will include contract drafting, underwriting, pricing, claim management, and how capitol markets support the reinsurance industry.

D. Other Ongoing Projects at NAIC.

Jake Stultz (NAIC) provided an update on the other ongoing projects at NAIC regarding reinsurance. He noted that the Macroprudential (E) Working Group created a Reinsurance Worksheet as an optional tool for regulators. The Macroprudential (E) Working Group is continuing to focus on its 13 Point Plan, focusing on cross-border reinsurance. Additionally, the Valuation Analysis (E) Working Group is in its third year of the AG 53 reviews, with a focus on the impact on the covered agreements. Further, the Longevity Risk Subgroup exposed proposals at LATF to develop a longevity risk C2 factor for longevity reinsurance. Proposals all involve changes to the Life RBC blanks. Proposals must be submitted to the Life RBC Working Group by March 1, 2026.

## **Innovation, Cybersecurity and Technology (H) Committee**

The Innovation, Cybersecurity, and Technology (H) Committee met December 11, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of November 17 and Summer National Meeting Minutes**

The Committee adopted the November 17 and Summer National Meeting Minutes.

### **Adoption of the Reports of the Committee's Working Groups and Subgroups**

J. Big Data and Artificial Intelligence (H) Working Group. Commissioner Ommen (IA) gave the report. During its December 7 meeting, the Working Group discussed feedback, reactions and revisions to the artificial intelligence systems evaluation tool. Feedback and comments were summarized into a comparison chart for discussion. The discussions at the Working Group's most recent meeting centered around background, intents, and scope of the tool. The goal was to finalize the edits to Exhibit A for the next version of the tool. Comments on Exhibits B, C, and D were not discussed due to time constraints. The Working Group also heard suggestions on the pilot program of the tool. A third draft of the tool is expected at an additional interim meeting. Once it is final, the tool will likely be piloted by a few state departments of insurance in 2026. At the conclusion of the pilot period, the Working Group will revise the tool and possibly re-expose the tool before going on to next steps.

K. Cybersecurity (H) Working Group. Michael Peterson (VA) presented the report. During its December 10 meeting, the Working Group discussed the cybersecurity event notification portal project intake form, which was exposed on October 29. Public comment ended on December 1. This form was created in response to the Working Group's motion to have NAIC explore the feasibility of creating a centralized portal for departments of insurance to receive notifications. Verbal comments and concerns were raised, and Working Group members and regulators requested the form be revised to include more detailed technical information and be re-exposed.

L. Third-Party Data and Model (H) Working Group. Jason Lapham (CO) presented the report. During its December 9 meeting, the Working Group discussed the Third-Party Data and Model Regulatory Framework. The goal of this framework is to ensure that regulators have timely access to third-party data and models and to confirm that third parties maintain strong governance practice to protect insurers and consumers. This framework would apply to defined third-party data and model vendors across property/casualty, health and life insurance when data and/or models are used in an insurer's functions that have direct consumer impact (i.e. pricing, underwriting, claims, utilization reviews, marketing, fraud detection). It requires third parties to register with a state department of insurance and submit their governance program for approval of registration. States are permitted to use a discretionary filing process if they wish to receive filings of data and models in addition to registration. The framework was exposed for a 60-day public comment period ending on February 6, 2026.

M. SupTech/GovTech (H) Subgroup. Lori Munn (AZ) presented the report. The Subgroup recently received a presentation from NAIC staff on CLARA. CLARA is an AI tool designed to assist regulators in reviewing rate informed filings more efficiently. Some states will be participating in a pilot program for CLARA.

N. Data Call Study Group. Colton Schulz (ND) presented the report. The Study Group continues to work on creating an inventory of the various data elements collected the NAIC and regulators and their definitions. The focus is on market data and data element definitions. NAIC staff and Study Group members will finalize a master list of these market data elements and their definitions, along with related statutory financial statement data elements and definitions. The master list will be supplemented with data elements and definitions from recent state-specific data calls.

All the reports of the Working Groups and Subgroups were adopted.

### **Adoption of Privacy Protections (H) Working Group Report**

Director Dwyer (RI) presented the report. The Working Group met September 22 to discuss next steps for drafting an Article V limits on nondisclosure of nonpublic personal information (Model #672). The Working Group released revised Article V, but comments are not being received at this time. There will be a public comment period followed by an exposure of the complete revised draft of Model #672. The Working Group also met November 7 and heard comments on Article VI exceptions to limits and disclosures of nonpublic personal information. On December 3, the Working Group discussed next steps for drafting Article VI. It anticipates releasing a revised Article VI, without comment, soon. The Working Group made a motion for an extension of time until the Fall 2026 National Meeting to continue drafting revised Model #672. The motion was seconded by Iowa and passed unanimously.

### **Presentation from Conning on Artificial Intelligence (AI) in Insurance: The C-Suite Verdict**

Manu Mazumdar (Conning) presented on AI in Insurance. He provided an overview of Conning's 2025 Insurance Technology Survey. What the survey found is that 34% of respondents have fully adopted AI as part of their value chain, while 89% are in some stage of adopting AI as part of their value chain. Additionally, 90% of respondents are at some stage of implementing Gen AI. The survey indicates a swift progression over the course of 2024-2025 for the adoption of various types of AI models.



## **Big Data and Artificial Intelligence (H) Working Group**

The Big Data and Artificial Intelligence (H) Working Group met in an extended session on December 7, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of Nov. 19 Minutes**

The Working Group adopted its November 19 Meeting Minutes.

### **Discuss Edits to the Artificial Intelligence (AI) Systems Evaluation Tool and Hear Feedback from Interested Parties**

The Working Group discussed edits and comments regarding the Artificial Intelligence (AI) Systems Evaluation Tool (the “Tool”) which was introduced in July 2025. The Tool is designed to enable regulators to identify and assess the risks posed by insurer use of AI systems. The Tool is comprised of five sections:

- *Instructions*
- *Exhibit A: Quantify Regulated Entity’s Use of AI Systems*  
The purpose of Exhibit A is to allow regulators to obtain information pertaining to the number of AI models that are new or updated. This will help facilitate risk assessment. Based on the information received from insurers, regulators may ask for additional information related to governance (Exhibit B), high-risk models (Exhibit C), and data types (Exhibit D) where there is risk for adverse consumer outcomes or material adverse financial impact.
- *Exhibit B: AI Systems Governance Risk Assessment Framework*  
The purpose of Exhibit B is to allow regulators to obtain the Company AI Governance Framework, including the risk identification, mitigation, and management framework and internal controls for AI systems as well as the process for acquiring, using, or relying on third-party AI systems and data.
- *Exhibit C: AI Systems High-Risk Model Details*  
Exhibit C is designed to allow regulators to obtain detailed information on high-risk AI system models, such as models making automated decisions, that could cause adverse consumer, financial, or financial reporting impact.

- *Exhibit D: AI Systems Model Data Details*

The purpose of Exhibit D is to allow regulators to obtain detailed information of the sources and types of data used in AI system models to identify any risks of adverse consumer impact, financial, or financial reporting impact.

The Working Group reviewed redline feedback from the NAIC membership, regulators, and interested parties. The revisions primarily affected the background, intent, scope, and Exhibit A of the Tool.

In response to interested party comments, the Working Group made several clarifying points regarding the Instructions and Exhibit A. First, the Tool will primarily be used in financial analysis, financial examinations, and market conduct examinations. Although use of the Tool will not be strictly limited to these areas, it is not intended to be utilized for product review or form filings. Second, the Working Group acknowledged the need to distinguish between direct and indirect consumer impacts. Exhibit A requires an insurer to report the number of AI system models it uses that have a “consumer impact.” The Working Group agreed with several interested parties that a more precise definition would help insurers report the number of such models more accurately. Third, the Working Group considered the adoption of a materiality standard to better clarify the scope of the AI systems the Tool is meant to capture. Interested parties suggested that insurers should only have to account for the use of AI systems that are material. In this context “material” would mean an AI system’s output that has an adverse impact on a decision impacting consumers or a company’s financial risk. The Working Group stated that it would consider such a materiality standard for Exhibits B, C, and D; however, Exhibit A is less amenable to the materiality standard proposed as it is intended to provide regulators with a very broad risk assessment. Due to the high volume of comments and questions received, the Working Group did not field much discussion regarding Exhibits B, C, and D.

The Working Group concluded the meeting by discussing how it plans to operate the Pilot. At least ten states have agreed to participate in the Pilot, and the first step is to plan out the examinations and determine which companies would make an appropriate fit for the Pilot. Interested parties asked the Working Group to consider no compliance penalties for companies that participate in the Pilot and stressed the need for regulators to implement the Tool consistently across states. The Working Group plans to expose a third version of the Tool and may allow additional comment on Version 3.0.

## **Cybersecurity (H) Working Group**

The Cybersecurity (H) Working Group met on December 10, 2025. The agenda for the meeting can be found [here](#) and meeting materials can be found [here](#).

### **Consider Adoption of its Sept. 25 Minutes**

The Working Group adopted its Sept. 25<sup>th</sup> meeting minutes.

### **Receive Public Comments and Discuss the Cybersecurity Event Notification Portal Project Intake Form**

Michael Peterson (VA) gave an overview of the Working Group's strategy on the Cybersecurity Notification Portal Project including the current work to date on the project. Peterson also gave an overview of the Working Group's 2025 charges. The Working Group intends to reduce marginal regulatory costs for insurers regarding cybersecurity event notifications. The work to date of the Working Group focused on Section 6 and 7 of the Insurance Data Security Model Law (IDSM), with the Cybersecurity Notification Portal being the final piece.

Peterson gave an update on the current progress of the Cybersecurity Event Notification Portal. The work to date focused on achieving convergence in how the IDSM is utilized by the jurisdictions where it has been passed. The Cybersecurity Event Response Plan aligns the approach and addresses many questions related to handling cybersecurity event notifications. The IDSM Compliance & Enforcement Guide instructs jurisdictions on how to implement IDSM reviews and provides guidance on handling the review of foreign licenses.

Peterson detailed the future plans of the Working Group including an acceptable and functional cybersecurity event notification portal and increasing the adoption of the IDSM. The cost of reporting a cybersecurity event will decrease as more states/jurisdictions adopt the IDSM.

Working Group members commented on whether states/ jurisdictions should be allowed to use the portal even if they have not adopted the IDSM or if the state/jurisdiction has adopted cybersecurity laws similar to the IDSM. The Working Group also discussed whether other applicable agencies/entities should be allowed to access the information reported on the portal. The Working Group received comments from several interested parties and industry representatives on the project proposal request form for the centralized cybersecurity event notification portal project.

The Working Group decided to revise the project proposal request form, based on comments received from industry representatives related to the level of detail required by companies when answering questions concerning Section 6 of the IDSM.

### **Presentation on the 2025 Cybersecurity Insurance Report**

Wanchin Chou (CT) and Koty Henry (NAIC) presented the 2025 Cybersecurity Insurance Report to the working group. One of the key findings from the report shows a decline in market growth for 2024, “following slowed growth in 2023, the market declined by 7% in 2024 (excluding alien surplus lines premium, the market contracted by 2.3% year-over-year)”. Chou and Henry encouraged regulators and the public to provide feedback on the reporting approach. The goal is to make the report as useful for regulators and industry as possible.

## **Third-Party Data and Models (H) Working Group**

The Third-Party Data and Models (H) Working Group met on December 9, 2025. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

### **Adoption of Oct. 29, Sept. 26, and Summer National Meeting Minutes**

The Working Group adopted its Oct. 29, Sept. 26, and Summer National Meeting Minutes.

### **Consider Exposure of the Third-Party Data and Model Regulatory Framework**

The Working Group spent the majority of the meeting considering exposure of the Third-Party Data and Model Regulatory Framework. The Framework aims to achieve two goals: (1) ensure regulators have timely access to third-party data and models, and (2) confirm third parties maintain strong governance practices to protect insurers as well as consumers. The Framework applies across all lines of business (P&C, life, health, etc.) and requires third parties to register with a state if they meet the definition of a “third-party data and model vendor” and if its data and model will be used in insurer functions with direct consumer impacts. Third parties will be afforded state confidentiality or trade secret status in the same way states apply applicable laws to insurers.

According to Working Group members, the Framework was built with balance in mind. Instead of requiring a full licensure process, third-party data and model vendors will be required to undergo a registration process, which requires vendors to provide regulators with information about their governance program and access to their data and models. The proposed Framework’s scope is limited to insurance functions that directly impact consumers. These functions are currently limited to pricing, underwriting, claims, utilization review, marketing, and fraud detection. This list of functions may change as it is intended to align with the Big Data and AI Working Group’s definition of “core operations.”

Under the envisioned registration process, vendors will register, share details about their governance programs and agree to provide regulators with access to relevant data and models. Once the vendor’s governance is approved, the vendor will be officially registered with the state and can use the approved models and data from that point on, unless disapproved. For insurer functions with direct consumer impacts, existing insurer requirements apply as usual. The Framework outlines the governance standards. For models, the current governance standards are documentation of purpose, assumptions, inputs, limitations, performance metrics, and validation processes. For data, the current governance standards are accuracy, completeness, timeliness, representativeness, auditable lineage, and quality controls. In addition to the governance requirements, the Framework includes a discretionary filing mechanism so regulators can require additional information as needed about data or models without having to review every data set or model.

The Working Group emphasized that insurers remain fully responsible for compliance. Registration of third parties does not relieve insurers of compliance obligations. Insurers must validate a third party's models, secure contractual access to necessary information, and meet all ratings, underwriting, and other requirements when using third-party tools.

The Working Group exposed the framework for a 60-day written comment period.