

NAIC Fall 2025 National Meeting Update





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NAIC Fall 2025 National Meeting Update



The National Association of Insurance Commissioners (NAIC) recently held its Fall 2025 National Meeting (Fall Meeting). The following summarizes certain activities of the NAIC that took place during the Fall Meeting and on various WebEx Meetings leading up to the Fall Meeting.

Statutory Accounting Principles (E) Working Group

The following highlights items discussed as part of the Statutory Accounting Principles (E) Working Group's (SAPWG) Hearing and Maintenance agenda items.

Investment Subsidiaries - SAPWG adopted an agenda item to eliminate the investment subsidiary concept from the annual statement instructions concerning classification of investments as investment subsidiaries in Schedule D-6-1 of the Annual Statement. The Annual Statement Instructions requires reporting entities to measure investments in subsidiaries using "imputed statutory value" which is not defined in the instructions and conflicts with SSAP No. 97 "Investments in Subsidiary, Controlled and Affiliated Entities" which requires measurement based upon U.S. GAAP. In addition, SAPWG sponsored a corresponding Blanks (E) Working Group proposal regarding this matter and sent a referral to the Life Risk-Based Capital (E) Working Group (Blanks) to remove this same concept from the life risk-based capital instructions. Anticipated effective date is December 31, 2026. Discussions remain ongoing.

Debt Security and Residual Interest Disclosures - SAPWG adopted revisions to include consistent disclosures for certain reporting elements between SSAP No. 26 "Bonds", SSAP No. 43 "Asset-Backed Securities" (SSAP No. 43), SSAP No. 2 "Cash, Cash Equivalents, Drafts and Short-term Investments" (SSAP No. 2) and for non-bond debt securities and residuals in SSAP No. 21 "Other Admitted Assets."

Revisions include expansion of categories in the investment maturity footnote with the addition of a ten through twenty year and greater than twenty-year category, inclusion of proceeds from debt maturities in addition to the currently required proceeds from sales disclosure and disclosure of impaired securities when both the loss is recognized for those securities recorded at fair value and unrecognized for those securities recorded at amortized cost.

Revisions also include disclosures for residuals that identify the company's measurement method, whether the company is transitioning from the practical expedient to the allowable earned yield (AEY) method, and for those following the AEY method, information comparable to SSAP No. 43 for impaired securities. A corresponding Blanks proposal has also been exposed regarding this matter. The intent is for the new disclosure requirements to be in effect for December 31, 2026.

Retirement Plan Assets - SAPWG adopted revisions to SSAP No. 92 "Postretirement Benefits Other Than Pensions" and SSAP No. 102 "Pensions" to clarify that retirement plan assets held at net asset value (NAV) are included in the required fair value disclosures for reconciliation purposes although not included in the fair value hierarchy. This adoption is in response to confusion regarding how to treat retirement plan assets that are measured using NAV as a practical expedient in the fair value hierarchy as SSAP No. 92 and SSAP No. 102 did not previously include a direct reference to NAV. This clarification aligns to guidance in SSAP No. 100 "Fair Value." SAPWG also sponsored a Blanks proposal regarding this matter. Revisions are effective immediately.

Sales Lease Clarification - SAPWG re-exposed revisions to SSAP No. 22 "Leases" (SSAP No. 22) to clarify when transactions do not meet the criteria for sales leaseback accounting and are instead recorded as a financing arrangement in accordance with SSAP No. 22. Revisions include clarification that a financing arrangement has occurred when cash or assets received by the seller are restricted (in whole or in part) from being used to satisfy policyholder obligations until repayment of the lease or are forfeited upon termination of the contract by the seller. Revisions recommend a prospective application to contracts in effect on or after December 31, 2026, as proposed by Interested Parties. Discussions remain ongoing.

Residential Mortgage Loans Held in Statutory Trusts - SAPWG adopted revisions to SSAP No. 37 "Mortgages" allowing qualifying investment trusts holding residential mortgage loans to report individually on Schedule B of the Annual Statement each residential mortgage loan as if such investments were held directly by the insurer. Revisions also establish new disclosure requirements including description of the trust, summary of assets and liabilities held within the trust, disclosure of material litigation or regulatory reviews, and summary of mortgage loans held disaggregated by loan standing. For a statutory trust to be considered qualifying, it must meet the following criteria:

- 1) The trust must be domiciled in either a U.S. state or territory
- 2) The insurer must hold 100% beneficial ownership interest of the trust
- 3) The trust may only hold residential mortgage loans or certain other qualifying assets
- 4) The trust may not engage in restricted activities
- 5) The cash flows from the mortgage loans held by the trust must flow directly through the trust to the insurer
- 6) The trust must maintain certain documentation requirements

Revisions also include within scope qualifying investment trusts holding real estate investments (held either directly or through an LLC) classified as held for sale in accordance with SSAP No. 40 "Real Estate Investments" to be reported on Schedule A of the Annual Statement. Revisions are effective for January 1, 2027, with early adoption permitted.



Asset Liability Management Derivatives - SAPWG continued discussion of a concept agenda item to draft new accounting guidance and related issue paper for interest rate hedging derivatives that do not qualify as accounting effective hedges under SSAP No. 86 but are used for asset liability management to protect reporting entities surplus against the negative impacts of interest rate changes. Although these types of hedges do not qualify as effective under exiting accounting guidance, they are considered economically effective in industry with some reporting entities capitalizing losses on these non-effective hedges through the interest maintenance reserve. This exposure explores modifying guidance which would include effective treatment. SAPWG directed NAIC staff to begin drafted related accounting guidance for this type of hedging instrument utilizing an amortized cost method approach supported by Interested Parties. Under this approach, this derivative is reported at cost with no gain or loss recognized until termination as long as the derivative remains highly effective. This concept more closely aligns with the hedged items which are often recorded at amortized cost. A potential effective date of January 1, 2027, for this new guide was discussed. Discussions remain ongoing.

Private Placement Securities - SAPWG adopted revisions to incorporate a new electronic reporting column to identify private placement securities by type of placement in the investment schedules and to incorporate an aggregate disclosure that details key investment information by type of security (public and private placement type). The disclosure categories are Rule 144A, private placement securities and not applicable. Revisions also limit the Schedule BA electronic column reporting to items captured as “non-bond debt securities” and “residuals,” clarifies that the electronic column will be captured in the acquisition and disposal investment schedules for both quarterly and annual reporting (the investment schedule reporting for separate accounts will be annual only) and the public and privately placed reporting columns along with the aggregate footnote for Rule 144A will be removed from Schedule D-1A. This adoption is effective for December 31, 2026. SAPWG also sponsored a Blanks proposal to incorporate these disclosure requirements.

Interest Maintenance Reserve (IMR) - SAPWG previously adopted and subsequently extended INT 23-01 “Net Negative (Disallowed) Interest Maintenance Reserve” allowing reporting entities to admit net negative IMR in certain circumstances. At the Fall Meeting, SAPWG further discussed the fundamental concept behind admitting net negative IMR which is from the prudent investment practice of utilizing the sales proceeds of previous fixed income securities to reinvest into new fixed income securities with a higher yield. SAPWG introduced and discussed a proof of reinvestment concept requiring reporting entities to support application of this concept utilizing a calculation template developed by the IMR Ad Hoc Group when recording or increasing a net negative IMR balance on its financial statements. The proof is to be completed separately for both general and separate accounts. This concept is intended to be captured in SSAP No. 7 “Asset Valuation and Interest Maintenance Reserve.” Discussions remain ongoing.

SAPWG also discussed a potential new SAP concept and revisions to SSAP No. 61 “Life, Deposit-Type and Accident and Health Reinsurance” regarding how IMR derecognized by a cedent pursuant to a reinsurance transaction should be reflected in determining the amount of reinsurance collateral required by an assuming entity for purposes of receiving reinsurance credit. Two potential treatment concepts were discussed. A symmetrical concept supported by Interested Parties would mirror collateral requirements for positive IMR whereby if derecognized positive IMR currently requires an increase in collateral then derecognition of net negative IMR would require a decrease in collateral. A second asymmetrical concept supported by NAIC staff would disallow a decrease in collateral for derecognition of net negative IMR. Discussions remain ongoing.

Separate Account Nonadmitted Assets - SAPWG exposed a new SAP concept and revisions to SSAP No. 56 "Separate Accounts" (SSAP No. 56). The revisions are specific to assets supporting certain fund accumulation separate account contracts (described in SSAP No. 56, paragraph 18) which follow a measurement method of book value as if these assets were held in the general account. Revisions require these assets to be nonadmitted in a separate account if applicable statutory accounting guidance would require them to be nonadmitted as if they were held in the general account. SAPWG also discussed detailed revisions to the separate account annual statement to add nonadmitted and net admitted columns for these types of assets. Discussions remain on going.

U.S. GAAP Accounting Standards Update - SAPWG adopted with modification FASB ASU 2019-12 Income Taxes (Topic 740) "Simplifying the Accounting for Income Taxes" (FASB ASU 2019-12). The only revisions adopted were those to ASC 740-270-25-5, as other modifications in FASB ASU 2019-12 provide clarification on topics not applicable to statutory accounting.

Restricted Assets - SAPWG exposed revisions to SSAP No. 1 "Accounting Policies, Risks & Uncertainties, and Other Disclosures" to specify that assets held under modco and funds withheld reinsurance agreements and collateral assets received on the balance sheet are included as separate restricted asset categories in the relevant footnote disclosures in paragraph 23. These footnote disclosures require disclosure of the book adjusted carrying value of restricted assets by category, separate identification of the admitted and nonadmitted amounts for each separate category of restricted assets and the nature of any assets pledged to others as collateral or otherwise restricted by a reporting entity in the general and separate accounts in comparison to total assets and total admitted assets. Reporting entities are also required to disclose differences in the amounts reported in this disclosure versus the amounts reported for the same categories in the general interrogatories. These revisions will align with previous Blanks adoption regarding these changes to Note 5L in the Annual Statement. SAPWG also recommends that these categories are added to the restricted asset disclosures in the investment schedules. Discussions remain ongoing.

Long-Term Repurchase and Reverse Repurchase Agreements - SAPWG exposed a new SAP concept and related revisions to SSAP No. 103 "Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." These revisions clarify that a long-term repurchase agreement is admissible provided that appropriate collateral requirements are met (i.e., collateral equal to at least 95% of the fair value of the transferred security). These revisions also clarify that a long-term reverse repurchase agreement (i.e., maturity greater than one year) is nonadmitted. A reverse repurchase agreement in its last year of maturity with collateral of 102% of the original purchase price paid can be admitted unless this agreement is renewed for a period in excess of one year. Discussions remain ongoing.

Other Matters - SAPWG discussed the following other matters during the Fall Meeting:

- 1) Exposed revisions to the annual statement instructions and various SSAP's to clarify and consolidate disclosure requirements for commitments and contingencies. These clarifications attempt to introduce a more comprehensive framework to capture and clarify all commitments and contingencies required to be disclosed in statutory reporting. Discussions remain ongoing.
- 2) SAPWG discussed the need for feedback from industry regarding various accounting clarifications needed for investments in scope of SSAP No. 48 "Joint Ventures, Partnerships and Limited Liability Companies." SAPWG requested feedback regarding the timing and recognition of equity value increases and decreases based upon when an investee audited financial statements become available, application of goodwill guidance (both positive and negative) and the need for revisions to certain columns on Schedule BA of the Annual Statement. Discussions remain ongoing.
- 3) SAPWG exposed revisions to clarify disclosures in SSAP No. 47 "Uninsured Plans" for administrative services contract plans (ASC). These disclosures specify that disclosures for ASC plans include both other amounts received (including interest paid to the insurer or received from ASC plans) and other amounts paid (including interest paid to or on behalf of the ASC plans). Discussions remain ongoing.

Life Risk-Based Capital (E) Working Group



The Life Risk-Based Capital (E) Working Group (Life RBC) discussed a referral from SAPWG regarding collateral loans and recent adopted reporting requirements for collateral loans to be categorized at a more granular level on Schedule BA which include 1) Collateral loans backed by mortgage loans 2) Collateral loans backed by joint ventures, partnerships or limited liability companies 3) Collateral loans backed by residual interests 4) Collateral loans backed by debt securities 5) Collateral loans backed by real estate 6) Collateral loans - all other. The objective of the discussions which remain ongoing is to determine if there is potential need to revisit risk-based capital factors based on the risk characteristics of the collateral backing the loans.

Additionally, Life RBC discussed a proposal to revise the current correlation matrix. Interested parties expressed concerns that changing the correlation factors could disrupt the industry without improving the identification of weakly capitalized insurers. They also stated that it could result in extreme shifts in risk charges and unintended consequences for capital adequacy, risk management, and investment strategies. Discussions remain ongoing.

Risk-Based Capital (RBC) Investment Risk and Evaluation (E) Working Group



The Risk-Based Capital (RBC) Investment Risk and Evaluation (E) Working Group (Investment RBC) continued supporting re-evaluation and alignment of risk-based capital charges for bond funds that meet the criteria of bond and preferred stock exchange traded funds (ETFs), SEC registered fixed income-like funds and private bond funds. Discussions focused on initiatives and support for applying consistent risk-based capital charges for funds that invest in these portfolios as currently, depending upon the fund, variations in risk-based capital charges are being applied. Investment RBC discussed exposed revisions that would align the RBC treatment of these bond funds in the Life RBC formula. Interested Parties expressed the desire to explore similar changes to other risk-based capital formulas beyond the Life RBC formula. Discussions are ongoing.

Valuation of Securities (E) Task Force



The Valuation of Securities (E) Task Force (VOS) adopted or exposed the following proposals to the Purposes and Procedures Manual of the NAIC Investment Analysis Office (P&P Manual):

- 1) Adopted a proposal to the P&P manual to allow for a thirty-day grace period to provide the private rating letter annual update regardless of when during the year the update occurs. This grace period avoids the need to deactivate private letter rulings that are not updated until close to year end.
- 2) Extended the effective date by which collateralized loan obligations (CLOs) are modeled by the NAIC Structured Securities Group (SSG) to December 31, 2026, as the NAIC continues to complete various projects surrounding the financial modeling of CLOs. This gives more time for the SSG to align its methodology with other ongoing NAIC workstreams.
- 3) Discussed an ongoing proposal to the Annual Statement for security identifiers to combine the CUSIP and ISIN fields into a single field with a new field for the type of identifier. A new validation field was also proposed for purposes of identifying when a security identifier has not been validated on a financial statement investment schedule submission. Discussions remain ongoing.
- 4) Discussed the dissolution of VOS and replaced with the Invested Assets (E) Task Force (IATF) effective January 1, 2026. The IATF will be further divided into three working groups. These working groups are the Invested Assets (E) Working Group focused on portfolio level analysis, the Investment Designation Analysis (E) Working Group focused on analysis of individual investments for assignment of NAIC Designations and the Credit Rating Provider (E) Working Group focused on the administration of the Credit Rating Provider Due Diligence Framework.

Innovation, Cybersecurity, and Technology (H) Committee



The Innovation, Cybersecurity and Technology (H) Committee continued to advance the NAIC's regulatory infrastructure for AI oversight, cybersecurity reporting, and third-party model governance, signaling a clear shift from exploratory discussion to practical supervisory implementation.

Update from Big Data and Artificial Intelligence (H) Working Group

Regulators reported significant progress on the AI Systems Evaluation Tool, which is intended for use during market conduct and financial examinations. Extensive regulator and industry feedback is being incorporated into a third draft, with key focus areas including scope (consumer and financial risk), confidentiality protections, coordination across states, and expectations around AI inventories. A limited, multi-state pilot in 2026 is expected, reinforcing that insurers should begin preparing exam-ready AI inventories and governance documentation.

Update from Cybersecurity (H) Working Group

The Working Group highlighted ongoing development of a Cybersecurity Event Notification Portal to support implementation of the Insurance Data Security Model Law (Model 668). The portal is designed to reduce duplicative, multi-state reporting and lower compliance costs by creating a more uniform, centralized intake process for cybersecurity event notifications. This effort builds on recently adopted guidance aimed at improving regulatory coordination during cybersecurity investigations.

Update from Third-Party Data and Models (H) Working Group

A draft Third-Party Data and Model Regulatory Framework was exposed for comment, proposing vendor registration and governance standards for data and models used in insurer functions with direct consumer impact. If adopted, the framework would increase regulatory access to vendor practices while maintaining confidentiality protections—and will likely require insurers to enhance vendor oversight, contracting, and model governance processes.

Update from Data Call Study (H) Working Group

The Data Call Study Working Group described progress toward an inventory of market data elements and definitions across NAIC and state collections, with a goal of reducing inconsistent and duplicative ad hoc state data calls. The group is prioritizing market data (including homeowners data call elements, market conduct annual statement datasets, and catastrophe datasets), then plans regulator-only gap identification followed by structured engagement with insurers and trade associations to validate needs and definitions before moving toward operationalizing collection.



Update from Privacy Protections (H) Working Group

The committee also approved an extension for the Privacy Protections Working Group to continue revising Model 672, reflecting ongoing section-by-section drafting (Article 5 and Article 6 updates underway) with a stated objective of balancing consumer protection with insurer operational needs. The working group requested - and received - additional time through the Fall 2026 National Meeting to complete the revision effort.

Update from “SupTech/GovTech” (H) Subgroup

The SupTech/GovTech Subgroup reported on regulator-only work focused on tools that improve efficiency and reduce administrative burden. A key update was a demonstration of an NAIC AI-enabled assistant intended to support faster and more consistent rate/form filing review, built around a “human-in-the-loop” approach where regulators retain full decision authority. The subgroup discussed early pilot design and roadmap considerations, signaling continued NAIC investment in practical, workflow-based AI tooling for regulators.

Conning Presentation

A representative from Conning shared 2025 survey insights showing AI adoption has rapidly moved from pilots to operational deployment across insurers, with especially strong traction in claims/operations and underwriting. Generative AI is increasingly being layered on top of existing machine learning and predictive analytics to improve productivity and decision support, rather than replacing prior technologies outright. Conning also emphasized that the workforce impact is primarily a skills shift, not a “replacement” story—insurers will need more AI/digital fluency, governance and compliance capability, cybersecurity awareness, and human judgment (critical thinking and customer empathy) to scale AI responsibly while maintaining trust.

See further details of some of the working groups within.

Big Data and Artificial Intelligence (H) Working Group



✓ The Big Data and Artificial Intelligence (H) Working Group held a lengthy and highly technical session focused on further development of the NAIC AI Examination Tool, which will serve as the foundational mechanism for how state regulators evaluate insurers' use of artificial intelligence and advanced models. The meeting centered on comment resolution, clarification of expectations for industry, and refinement of the tool's structure ahead of its upcoming regulatory pilot phase.

AI Examination Tool: Movement Toward Regulatory Use

The Working Group made substantial progress on the NAIC's draft AI Examination Tool, reviewing industry and regulator comments and updating the framework to better reflect practical use in both market conduct and financial examinations. Several key themes emerged:

Tool Intended for Exam Authority Only

Regulators repeatedly emphasized that the AI Tool is not a routine questionnaire and is intended for use only under examination authority, where information remains protected under state confidentiality laws. Industry raised concerns about use outside of an exam context, and regulators agreed the tool must align with state exam frameworks, including existing NAIC handbooks.

Both Consumer and Financial Risk Are in Scope

Although industry groups urged the NAIC to focus the tool narrowly on consumer-facing AI systems, regulators made clear that AI poses both market conduct and financial condition risks, and the tool will reflect that. For insurers, this means AI governance programs must address:

- Consumer impacts, including fairness, bias, and complaint trends
- Financial and operational risks, including model failures, vendor issues, and governance breakdowns

Exhibit A – AI Inventory Requirements Solidifying

The most substantial discussion involved Exhibit A, the AI Inventory Summary, which regulators intend to use as a high-level map of where AI is used across insurer operations.

Key points for industry:

Counts of AI Systems Will Be Required

Regulators declined requests to replace counts with broad ranges. Insurers will need to provide actual numbers of AI systems by function, including systems with:

- Direct or potential adverse consumer impact
- Material financial impact

Traditional Models May Still Be in Scope

Despite requests to exclude GLMs and traditional predictive models, regulators maintained a definition of “AI system” broad enough to capture any automated model influencing decisions, while indicating definitions and examples will be refined to clarify expectations.

Classification Must Be Risk-Based

The tool expects insurers to categorize systems by:

- Direct vs indirect consumer impact
- Financial materiality
- Risk tier / high-risk designations

Regulators reiterated that insurers may leverage existing internal inventories, provided they map cleanly to the Tool’s structure.

Governance Expectations Becoming Clearer

Revisions to the tool and related commentary reinforced several governance expectations insurers should anticipate:

- AI must be governed within existing enterprise risk and model risk frameworks—not in a silo.
- Companies must be able to demonstrate oversight, including development, implementation, monitoring, and change management.
- Regulators expect clear definitions of materiality, high-risk AI, and consumer impact classification, and will look for evidence of consistent internal application.
- Insurers remain fully accountable for risks associated with third-party AI vendors and must have sufficient contractual and practical access to needed information.

Complaint Trends and Outcome Monitoring

The group moved away from requiring quantitative reporting of AI-linked complaints within Exhibit A, acknowledging that most companies track complaints through established systems. However:

- Insurers are expected to be able to connect consumer complaints, performance issues, or outcome anomalies back to AI-enabled processes.
- Regulators will examine whether complaint data is reviewed as part of AI monitoring and governance.

Pilot Program - How Regulators Will Test the Tool

The Working Group discussed the structure of the upcoming pilot, which will test the tool across a mix of financial and market conduct exams.

Key elements:

- About 10–12 states will participate in the initial pilot group.
- Pilot exams will begin with Exhibit A (Inventory) before progressing to governance and technical exhibits.
- Regulators committed to avoiding unnecessary duplication and to considering use of prior submissions where information remains current.
- Companies participating in the pilot will be voluntary and will not face punitive action based solely on tool outcomes.

The pilot is designed to refine the tool and establish examiner competency and coordination, not to produce enforcement actions.

The Working Group will release an updated draft (“Draft 3”) incorporating this meeting’s revisions, with additional exposure and comment cycles anticipated in 2026.

Cybersecurity (H) Working Group



✓ The Cybersecurity (H) Working Group met to advance two key priorities: continued implementation of the Insurance Data Security Model Law (MDL-668) and monitoring developments in the cyber insurance market. The discussion focused on the proposed cybersecurity event notification portal and the 2025 Cyber Insurance Report.

Cybersecurity Event Notification Portal

The Chair outlined the strategic goal of the portal: to reduce the marginal cost and complexity of multi-state breach notifications by creating a single NAIC-hosted intake point for insurers to report cybersecurity events to states that have adopted MDL-668.

Key themes from the discussion included:

- **Scope of Participation**
The initial design is intentionally narrow, limiting participation to states that have adopted MDL-668 (with a focus on Section 6 notifications). This is meant to keep legal authority and data governance straightforward, with future expansion considered only after the initial build is proven out.
- **Industry Support & Concerns**
Industry representatives (ACLI, APCIA, WSIA, NAMIC and others) generally supported the concept as a way to streamline “one-to-many” notifications and reduce duplicative regulatory interaction.
- Their principal concerns centered on:
 - Security and confidentiality of a centralized repository
 - Clarity on the level of detail expected in portal submissions (particularly for more sensitive elements of Section 6B)
 - Potential fees or added costs associated with the portal
- Working group members agreed that:
 - The portal should remain high-level in content, with deeper details obtained through follow-up by individual states as needed.

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- Security assurances (e.g., ongoing SOC reporting and access controls tied to legal authority) will need to be clearly communicated to industry.

Rather than approve the proposal “as is,” the Working Group directed NAIC staff to revise the project intake form to better reflect these expectations—particularly around security and the high-level nature of information—before moving it forward for formal adoption.

2025 Cyber Insurance Report

The Working Group also received an update on the 2025 Cyber Insurance Report, summarizing recent market data following changes to the cyber supplement and reporting structure.

Highlights included:

- The U.S. cyber market experienced its first reported contraction, with total premium declining year over year, though results differ once surplus lines are excluded.
- Approximately two-thirds of policies are now written on a primary basis, with excess endorsements representing a larger policy count but smaller share of premium.
- Emerging loss dynamics, evolving ransomware trends, and new forms of cyber attack - particularly in the context of AI - underscore the continuing importance of robust cyber insurance coverage and regulatory monitoring.

Third-Party Data and Models (H) Working Group



The Third-Party Data and Models (H) Working Group advanced a foundational regulatory initiative at the Fall 2025 National Meeting: the first exposure draft of a risk-based oversight framework for third-party data and model vendors. This framework is poised to significantly reshape insurer–vendor relationships and elevate governance expectations across rating, underwriting, claims, utilization management, marketing, and fraud detection functions.

Why This Matters for the Industry

- The growing reliance on external data and predictive models—especially those leveraging AI and machine learning—has made third-party inputs central to insurance decision-making. Regulators have openly acknowledged challenges in obtaining necessary information from large vendors, even in cases where model outputs directly affected consumer outcomes. The proposed framework represents the NAIC’s first comprehensive effort to formalize transparency, access, and governance obligations for non-licensed vendors whose tools influence regulated insurance activities.

Key Components of the Proposed Framework

- **Vendor Registration:**
Third-party vendors must register with state regulators before their data or models may be used in consumer-impacting insurance functions.
- **Governance Standards:**
Vendors must document model purpose, assumptions, inputs, limitations, validation methods, performance testing, data lineage, quality controls, and change management processes. Annual senior-officer attestations will be required.
- **Regulatory Access:**
Vendors must provide regulators timely access to model documentation, validation results, bias/fairness testing, inputs/outputs, and other materials needed for regulatory review, subject to confidentiality protections.
- **Discretionary Filing Mechanism:**
States may require direct filing of specific models or datasets when risk, consumer impact, or novelty warrants deeper review.
- **Insurer Accountability Preserved:**
Registration does not diminish insurer obligations. Insurers remain responsible for model suitability, compliance, monitoring, and contractual access.

**Stakeholder Feedback**

- Regulators, industry participants, and consumer advocates were broadly aligned on the need for increased visibility into third-party tools, but comments highlighted several considerations:
- Burden on small vendors and the need for scalable requirements
- Interstate coordination, with strong industry interest in a single or reciprocal registration process
- Clarification of “data” expectations, including whether regulators will request raw, curated, or model-ready inputs
- Scope refinement, particularly regarding marketing models and other functions with less-defined regulatory precedent
- Consumer advocates strongly supported the approach, emphasizing prevention of discriminatory outcomes and reaffirming the principle that insurers cannot outsource accountability.

What Happens Next

- The Working Group approved a 60-day comment period, with regulators encouraging stakeholders to submit not only edits but practical implementation recommendations—especially related to multistate coordination, registration efficiency, and operational feasibility.
- Expect continued refinement of the framework through 2026, with the potential for early-stage implementation planning to begin once the scope and governance standards are finalized.

What Insurers Should Do Now

- Inventory vendor models and data sources used across pricing, underwriting, claims, and fraud detection.
- Review current vendor contracts for enforceable access rights, documentation obligations, and transparency provisions.
- Evaluate internal model governance programs for readiness to incorporate vendor governance assessments.
- Prepare to participate in comment processes, especially on issues related to scalability, reciprocity, and data privacy.

Property and Casualty Insurance (C) Committee



✓ The Property & Casualty (C) Committee meeting at the Fall 2025 National Meeting centered on three major areas of ongoing regulatory focus: (1) the national homeowners market data call; (2) development of the Affordability & Availability Playbook; and (3) innovation in resiliency and consumer-facing solutions. Several industry presentations also highlighted emerging tools and concepts intended to strengthen property risk mitigation and catastrophe preparedness.

Homeowners Market Data Call – Template & Definitions Adopted

The Committee adopted the template and standardized definitions for the upcoming multi-year Homeowners Market Data Call, coordinated by the Homeowners Market Task Force.

Key points for industry:

- The data call will be issued in early 2026 (target: February).
- Data will cover multiple years and will be due in 2027, giving insurers significant lead time for preparation.
- Templates and definitions were the product of extensive regulator–industry collaboration, with little remaining disagreement at the meeting.

Regulators underscored that the data call is intended to improve understanding of state and national homeowners market conditions, insurance availability, and catastrophe exposure trends at a more granular level than existing data sources allow.

Affordability & Availability Playbook – Drafting Progress Continues

The Committee received an update on the Affordability & Availability Playbook, a major regulatory resource being developed to support state-level responses to worsening homeowners insurance market pressures.

Playbook structure includes:

- Part 1: Market drivers behind affordability and availability challenges
- Part 2: Strategies for specific risks (catastrophe, liability, systemic exposures)
- Part 3: Emerging climate-related risks including extreme heat and atmospheric rivers
- Part 4: Consumer education and engagement, added in response to stakeholder requests

Progress highlights:

- Multiple sections and state case studies have already been drafted.
- Remaining drafts for Parts 1–3 are due mid-December.
- Newly drafted sections will be re-exposed for interested-party comments.

Regulatory Data: Verisk Demonstrates New Data Call Standardization Tool

Verisk provided an overview of a new Regulatory Data Exchange tool designed to:

- Standardize data call elements across states
- Compare data requests and definitions across different jurisdictions
- Provide insights into which data are already collected or available (e.g., from statistical plans or market conduct data)
- Assist states in establishing more uniform, consistent data calls

This tool is available at no cost to regulators, signaling a trend toward greater regulatory standardization, which may reduce duplicative insurer reporting over time.

Resilient Roofing Innovation: Synthetic Roof Systems

Brava Roof Tile presented its synthetic, polymer-based roofing system, developed to improve residential resilience against wind, hail, wildfire, and hurricane perils.

Highlights relevant for insurers and mitigation programs:

- The product holds numerous durability evaluations (including wind, impact, fire ratings) and is compatible with IBHS Fortified standards.
- Milliman has conducted claims-based evaluations in Florida showing notable performance during recent hurricanes (Helene, Milton).
- Regulators from catastrophe-exposed states expressed interest in exploring how such materials might fit into mitigation discounts, wildfire programs, and fortified-roof incentives.

Key regulatory note: Brava indicated ongoing work with aerial imagery vendors and catastrophe modelers to ensure the material is correctly identified and risk-rated—an issue several regulators flagged as critical for mitigation credit accuracy.

Disaster Savings Accounts – Conceptual Proposal from ABA

The American Bankers Association presented the concept of Disaster Savings Accounts (DSAs), modeled on Health Savings Accounts:

- DSAs would allow households to set aside pre-tax dollars for disaster preparation (e.g., resilient roofs, wildfire hardening), insurance deductibles, and post-disaster recovery.
- Several states have introduced similar legislation; industry interest appears to be growing as mitigation costs increase.

Regulators expressed interest, particularly for application in hazard-prone regions, with further discussion expected in 2026 as states evaluate mitigation financing tools.

FEMA Review Council Update - Delayed Release

A planned FEMA Review Council meeting - expected to preview its long-awaited reform recommendations - was canceled, delaying release of the federal report originally expected December 31. NAIC staff will update the Committee when FEMA publishes its findings, which may impact flood mapping, mitigation funding, and NFIP reforms.

Antifraud (D) Task Force



The Antifraud (D) Task Force focused its Fall 2025 National Meeting discussion on improving fraud reporting, responding to emerging generative AI risks, and coordinating with industry and antifraud partners. The session also highlighted continuing concerns around improper health insurance marketing and the need for better tools and resources at the state level.

Enhancements to Fraud Reporting Categories

The Task Force approved the addition of long-term care insurance as a distinct fraud category in the NAIC Online Fraud Reporting System (OFERS).

Generative AI and Insurance Fraud

The Coalition Against Insurance Fraud presented research on the use of generative AI in committing and facilitating fraud, with key takeaways for insurers and regulators:

- Fraudsters are early adopters of generative AI for:
 - Fabricated documents, photos, and medical records
 - Altered property images (e.g., adding/removing fences or damage)
 - Synthetic identities and fake claims at scale
- Most respondents (including state fraud bureaus) are concerned about AI-driven fraud, but few are yet using AI tools internally, mainly due to cost, staffing, and governance questions.
- Prosecutors and regulators are already facing challenges in:
 - Verifying AI-generated evidence
 - Explaining AI-related issues in court
 - Obtaining or developing technical expertise and digital forensics support

The overarching message: AI will be a “force multiplier” for both fraud and fraud detection, but human investigation and “back to basics” work (e.g., following the money, identifying human controllers behind schemes) will remain essential.



Improper Marketing of Health Insurance (D) Working Group

The Improper Marketing of Health Insurance (D) Working Group reported ongoing, cross-state concerns including:

- Unauthorized agent transfers of consumers between plans
- Issues arising during open enrollment periods
- Misuse or overrides of National Producer Numbers (NPNs)

The group will reconvene early in 2026 to assess how the current Medicare and ACA open enrollment cycles went, and to identify any additional regulatory or operational responses needed.

NICB Update: Fraud Referrals & Intelligence

NICB provided an update on its efforts to modernize and streamline questionable claim (QC) referrals from member companies, which ultimately feed state fraud bureaus and NAIC systems:

- The QC submission portal is being redesigned to be more user-friendly, improve data quality, and capture better contact information for follow-up.
- Fraud scheme codes are being simplified and standardized, in coordination with NAIC and vendors.
- NICB continues to issue frequent intelligence reports (over 100 per year) on emerging threats, including:
 - Third-party litigation funding–facilitated fraud, driven by sophisticated digital marketing and impersonation sites that intercept claimants
 - Organized crime schemes targeting multiple insurers and states
 - Specialized issues such as catalytic converter theft, tow-truck-related schemes, and other property/casualty trends

For insurers, these changes are aimed at more consistent, higher-value fraud referrals and better cross-carrier, cross-state visibility.

Climate and Resiliency (EX) Task Force



The Climate and Resiliency (EX) Task Force advanced several priority initiatives during the Fall 2025 National Meeting, with discussions centered on structural enhancements to catastrophe oversight, refinement of national risk tools, and emerging multi-peril mitigation strategies. The meeting reflected the NAIC's continued shift toward coordinated catastrophe risk management and resilience planning, driven by increasingly severe and diverse natural hazard events.

Proposed 2026 Structural Consolidation of Catastrophe Workstreams

The NAIC proposed restructuring for 2026, merging:

- The current Climate and Resiliency Task Force
- The Catastrophe Insurance (C) Working Group
- The NAIC–FEMA Working Group

into a new Catastrophe Risk and Resiliency (EX) Task Force.

Purpose of consolidation:

- Streamline catastrophe-related work across committees
- Strengthen communication and data sharing
- Support growing state-level mitigation programs
- Align NAIC efforts with the Catastrophe Risk Management Center of Excellence (COE)

The restructuring proposal is open for comment until January 12, 2026, with final adoption expected during early 2026.

National Catastrophe Risk Dashboard – Adopted for Regulator Use

The Task Force adopted the National Catastrophe Risk Dashboard for regulator use and exposed the accompanying public summary for comment. The tool provides trend indicators related to catastrophe exposure, protection gaps, and insurance market stress.


Key points:

- The comment period was extended an additional 10 days (to January 12, 2026).
- Regulators specifically requested feedback on:
 - Additional metrics that should be incorporated
 - Separation of E&S data from other market segments
 - How the dashboard can be most useful for regulatory decision-making

Disaster Preparedness Guide – Executive Summary Exposed

The Task Force reviewed the draft Disaster Preparedness Guide, designed to help insurance departments improve pre-disaster education, real-time communication, and post-disaster regulatory response.

Key features under development:

- Pre- and post-disaster timelines for regulators
- Case studies from Hawaii wildfires and Hurricane Helene
- Guidance on combating misinformation during active catastrophe events

The executive summary is under active development; a full document will be exposed in 2026.

Private Flood Insurance Trends & 2026 Flood Blueprint

Regulators received updated market data showing ongoing growth in the private flood market—now approximately 1 million policies, driven primarily by surplus lines—despite declining NFIP participation.

The NAIC outlined its 2026 Flood Insurance Blueprint, a central component of the national resiliency strategy, focused on:

1. National flood-risk awareness initiatives
2. Expansion of private flood insurance options
3. University–state partnerships for localized risk assessments
4. Improved state/local mitigation coordination
5. Advocacy for mitigation funding opportunities

A drafting group will begin work to produce the blueprint in 2026, with state volunteers encouraged to participate.

COE Updates: Tools, Modeling Support, and Mitigation Program Expansion

The Catastrophe Risk Management Center of Excellence (COE) highlighted ongoing enhancements to support state regulators:

- Deployment of Cat 101/201 courses online
- A new climate disclosure analytics tool, using text search and LLM capabilities
- Continued expansion of catastrophe-model training and reinsurance education
- Implementation support for state mitigation grant programs—including the first NAIC-supported wildfire mitigation programs in Washington and New Mexico
- Growing use of COE's catastrophe modeling license to assist states with market and hazard analysis

States are increasingly equipped to perform deeper event-based and forward-looking risk analyses, which may influence future rate filings, solvency monitoring, and mitigation incentive structures.

Risk-Based Capital Model Governance (EX) Task Force



The Risk-Based Capital Model Governance (EX) Task Force convened to finalize its year-long work on the RBC Principles and to outline next steps for continued RBC framework modernization. Much of the meeting centered on resolving final language questions and confirming consensus around the foundational principles that will guide future RBC changes.

Adoption of Revised RBC Principles

The Task Force unanimously adopted the revised Principles for RBC Requirements following considerable collaboration among regulators, industry representatives, and the RBC consultant over the past year.

A key point of discussion involved the principle addressing “equal capital for equal risk.” Members expressed strong support for the Option chosen, emphasizing its clarity and alignment with regulatory intent.

Regulators and industry acknowledged that the adopted principles represent a clearer, more stable foundation for evaluating future RBC proposals and prevent misinterpretation of statistical calibration expectations.

Clarifying Edits and Final Comments

Before adoption, the consultant summarized minor edits made since the December 3 meeting, including:

- Adjusting the RBC purpose language to more accurately reflect regulatory actions “with respect to” insurers.
- Providing clarity within the equal-capital principle while avoiding overly rigid calibration rules.

Next Steps: 2026 Workplan

Following adoption, the consultant outlined the workstreams that will shape the Task Force’s 2026 agenda:

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- Revisions to the RBC Preamble
 - Efforts will continue to refine the preamble, including language on the appropriate use and inherent limitations of RBC ratios, and how RBC information should be disclosed in public contexts.
 - Further Development of RBC Governance Guidelines
 - Work will continue on a standardized governance process for how RBC changes are evaluated, monitored, and documented.
 - Gap Analysis (Initial Focus: Life RBC)
 - A structured review of existing RBC components will continue, coordinated with the American Academy of Actuaries, to identify areas requiring prioritization or recalibration.
 - Education and Messaging
 - The Task Force is developing communication tools explaining the RBC framework, its purpose, and its evolving role within the state-based solvency system.

Regulators reinforced that this work is part of a multi-year modernization initiative and that 2026 will be another active year as governance processes and analytical tools continue to be refined.

Regulator Reflections

Task Force leadership closed the meeting by recognizing the significant commitment from regulators, NAIC staff, the consultant, and industry participants. Members emphasized that the adopted principles represent a foundational milestone, and that the work ahead will ensure the RBC framework remains effective, credible, and aligned with the evolving insurance marketplace.



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