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2027 Proposed Charges

MARKET CONDUCT REGULATION MODERNIZATION (D) TASK FORCE

The mission of the Market Conduct Regulation Modernization (D) Task Force is to implement and monitor the Market Conduct Regulation Modernization recommendations for the improvement and modernization of the market conduct regulatory framework in response to changing markets, business models, and consumer expectations. The Task Force will also work with NAIC Consumer Liaisons, the NAIC Consumer Board of Trustees, state consumer affairs staff, public information officers, and industry to improve transparency, engagement, and resources that help consumers understand the insurance marketplace.

1. The **Data Elements and Collection (D) Working Group** will:
   A. Develop a plan for improvements to market conduct data collection to enable use by regulators in proactive analysis and action and to enhance consistency across jurisdictions. The plan should address i) frequency of data submission; ii) improvements to NAIC timeframe to make data available for use by regulators; iii) methods for enhanced validation capability; iv) an expanded set of data definitions, FAQs, training, or other tools to improve consistency across jurisdictions; and v) an updated set of data elements reflecting new business models and operational patterns.
   B. Consider whether existing MCAS data elements should be retained, removed, or expanded. Review the collection of Principle-Based Reserving data and the 2026 Homeowners Market Data Call for guidance on potential data collection approaches.
   C. Develop a plan to update and enhance NAIC tools and processes to support improvements and/or the replacement of current tools (e.g., Market Conduct Annual Statement, Market Analysis Review System, etc). The plan should include the following: i) identification of barriers to consistent state use of NAIC Market Information Systems; ii) development of modernized data collection methods, including opportunities for more automated collection from state back-office systems and websites; iii) a review of data definitions and establishment of standards for timely submission practices to ensure regulators receive reliable, consistent, and comparable information for market conduct oversight and iv) development of NAIC Market Information Systems modernization priorities to integrate data sources, improve data visualizations, and strengthen search functionality to support more proactive, risk-based market conduct oversight.
   D. Develop guidance on the appropriate use of the NAIC Market Information Systems (MIS) and the data entered in them and establish MIS modernization priorities. This includes the following systems: i) Complaints Database System; ii) Market Actions Tracking System; iii) Regulatory Information Retrieval System; and iv) the 1033 State Decision Repository, in conjunction with the Antifraud (D) Task Force and the Producer Licensing (D) Task Force.
   E. Evaluate the need for a national complaint portal and, as appropriate, develop the portal for use by companies and regulators in reporting complaints and related activities.
   F. Coordinate with Anti-Fraud Task Force, Producer Licensing (D) Task Force, and other relevant groups (e.g., state PIOs, and NIPR) to evaluate the need for a producer look-up portal and, as appropriate, develop a portal to improve consumer access to reliable producer licensing and regulatory action information.

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2. The **Multistate Collaboration (D) Working Group** will:
   A. Identify enhancements to formalized multistate collaboration. This could include the following: i) a process for shared analytics prior to, or in lieu of, examinations; ii) a decision matrix for lead state designation for multi-state action, considering role of Zones, aspects of the Financial Regulation process that may be appropriate, and the role of MAWG; and/or iii) the need for an NAIC Model Act or other framework to support more formalized collaboration.
   B. Identify NAIC *Market Regulation Handbook* enhancements to support more standardization in market conduct regulation, including i) updates to reflect current industry business models and products (e.g., revised MCAS ratios); and ii) clarified definitions, terms and improved guidance to drive consistency (e.g., FAQs, training modules).
   C. Identify areas for enhanced collaboration with financial regulation, including: i) shared datasets and analytics; and ii) coordination between FAWG and MAWG.
   D. Identify ways to collaborate or improve consistency in oversight of contract examiners.
   E. Evaluate the effectiveness and usefulness of public and non-public MCAS ratios and recommend revisions for public reporting, as appropriate.

3. The **Data Analytics (D) Working Group** will:
   A. Review the use and design of the Market Analysis Prioritization Tool (MAPT), Market Analysis Review System (MARS), Level 1/Level 2 reviews and any other tools used for market analysis and develop a plan to ensure they proactively identify potential consumer protection concerns and support consistent market conduct analysis.
   B. Evaluate how financial data and information can be more effectively incorporated into market conduct analysis to provide regulators with a more complete view of insurer risk, operations, and market behavior and improve recommendations. Oversee training on incorporating financial data in market analysis.
   C. Assess regulator workflows and the use of NAIC MIS data in daily regulatory functions and modernize NAIC analytical tools to better support state market conduct oversight.