EXECUTIVE (EX) COMMITTEE

Draft: 8/26/26

Executive (EX) Committee
Columbus, Ohio
August 13, 2026

The Executive (EX) Committee met in Columbus, OH, Aug. 13, 2026. The following Committee members participated: Scott A. White, Chair (VA); Elizabeth Kelleher Dwyer, Vice Chair (RI); Jon Pike, Vice President (UT); Michael Wise, Secretary-Treasurer (SC); Jon Godfread, Most Recent Past President (ND); Ricardo Lara (CA); Michael Yaworksy (FL); Ann Gillespie (IL); Michael T. Caljouw (MA); Marie Grant (MD); Mike Chaney (MS); Eric Dunning (NE); Ned Gaines (NV); Larry D. Deiter (SD); and Patty Kuderer (WA). Also participating was: Doug Ommen (IA).

1. Adopted the Aug. 11 Report of the Executive (EX) Committee

Commissioner White reported that the Executive (EX) Committee met Aug. 11 in regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC) and paragraph 6 (consultations with NAIC staff members) of the NAIC Policy Statement on Open Meetings.

During this meeting, the Committee adopted its June 23, May 6, and Spring National Meeting minutes. The Committee also adopted the report of the Audit Committee, which met July 30 and May 13. During these meetings, the Committee took the following action: 1) received the Service Organization Control (SOC) 1 and SOC 2 reports; 2) reappointed RubinBrown as the financial auditor for the 2026 financial audit; and 3) approved the incorporation of an SOC 3 report.

The Committee adopted the report of the Internal Administration (EX1) Subcommittee, which met July 28. During this meeting, the Subcommittee took the following action: 1) received financial results as of June 30; 2) received an update on the data security incident; 3) previewed staffing requests from the NAIC Communications Department; 4) previewed resource requests from the NAIC Security team to meet GovRAMP standards; and 5) received an update on the Workday financials implementation.

The Committee also: 1) approved the Interstate Insurance Product Regulation Commission's (Compact's) request for debt forgiveness; 2) approved staffing requests to strengthen communications; 3) received an update on the NAIC security incident; 4) approved resource requests to enhance cybersecurity operations to meet GovRAMP standards; 5) received an update on the governance initiative; 6) received an update on the N.A.I.C. Foundation; and 7) received a report from the CEO.

Commissioner Yaworsky made a motion, seconded by Commissioner Caljouw, to adopt the Aug. 11 report of the Executive (EX) Committee. The motion passed unanimously.

2. Adopted its June 23 and May 6 Meeting Report

Director Gillespie made a motion, seconded by Commissioner Yaworsky, to adopt the Executive (EX) Committee's June 23 and May 6 meeting report (Attachment One). The motion passed unanimously.

3. Adopted the Report of its Task Forces

Commissioner Godfread provided an update on the work completed by the Risk-Based Capital Model Governance (EX) Task Force and outlined key decisions and deliverables planned for the remainder of 2026.

Commissioner Godfread reported that the Risk-Based Capital Model Governance (EX) Task Force, working with the Capital Adequacy (E) Task Force, adopted a revised Risk-Based Capital Preamble on June 18. The revisions clarify the purpose and limitations of risk-based capital (RBC) and align the framework with the RBC Model Governance Principles adopted in 2025. The revised preamble and governance principles together establish a stronger policy foundation for prioritizing, scoping, and governing significant RBC changes.

The Task Force has substantially completed materials explaining the purpose, benefits, and limitations of RBC within the U.S. state-based solvency framework. Distribution of the materials is expected no later than the Fall National Meeting.

For the remainder of 2026, the Task Force intends to complete its existing charges and transition responsibilities to the appropriate NAIC bodies. Two primary deliverables remain: 1) development of a focused RBC priority agenda; and 2) recommendation regarding a long-term commissioner-level steering function.

Commissioner Godfread noted that Bridgeway Analytics and the Task Force drafting group developed an initial inventory of approximately 10 to 12 RBC gaps or modernization issues. The inventory will be narrowed to approximately five to seven material priorities for initiation, sequencing, or continued development during 2027 and 2028. Technical work will be referred to the Financial Condition (E) Committee and its appropriate subsidiary groups.

The Task Force is evaluating whether governance principles should continue through a permanent commissioner-level process. A steering function could help establish policy objectives, coordinate assignments and dependencies across solvency-related disciplines, and identify points where commissioner guidance is needed before technical proposals advance.

Commissioner Godfread outlined two structural options under consideration: The first option would establish a stand-alone Financial Policy Steering Committee, which would likely report to or operate under the Executive (EX) Committee and could provide broader commissioner participation, leadership continuity, and coordination across committees. The second option would be a committee-based steering process, which could function as a steering subcommittee or formal coordination process within the Financial Condition (E) Committee and would offer closer coordination with technical working groups. The Task Force is seeking stakeholder input before recommending a preferred approach.

Commissioner Godfread noted that under either structure, the steering body would not conduct technical analysis, develop or approve individual RBC factors outside existing procedures, or replace the authority of the Financial Condition (E) Committee, Life Insurance and Annuities (A) Committee, or subsidiary groups. He also noted that routine model maintenance and recalibrations would remain outside the steering process, and existing initiatives, including private credit and offshore/nonreciprocal-jurisdiction reinsurance work, would continue through their current Financial Condition (E) Committee processes.

The Task Force authorized exposure of the draft work plan and governance options. Comments are requested by Sept. 13. The exposure seeks input on placement and membership, committee charge and reporting relationships, commissioner checkpoints, safeguards against duplication or delays. No Executive (EX) Committee action was requested at this time.

Commissioner Godfread noted that between the Summer National Meeting and Fall National Meeting, Task Force leadership and NAIC committee support will review written comments, and conduct discussions with commissioners, committee leadership, technical chairs, NAIC committee support, and interested parties. The goal for the Fall National Meeting is to recommend a specific governance structure, approve a focused RBC priority agenda for referral to the Financial Condition (E) Committee, finalize educational materials, and determine whether the Task Force can conclude its work at the end of 2026.

Commissioner Lara made a motion, seconded by Director Gillespie, to adopt the reports of the: 1) Government Relations (EX) Leadership Council; 2) Natural Catastrophe Risk and Resilience (EX) Task Force; and 3) Risk-Based Capital Model Governance (EX) Task Force (Attachment Two). The motion passed unanimously.

4. Approved a Request to Amend the *Annuity Disclosure Model Regulation* (#245)

Commissioner Ommen reported on the Life Insurance and Annuities (A) Committee request to approve a Request for NAIC Model Law Development to amend the *Annuity Disclosure Model Regulation* (#245). The request was developed in response to concerns that annuity illustrations may depict unrealistically high returns creating unreasonable consumer expectations. Additional concerns were raised regarding backcasting, index strategies, nonguaranteed elements, professional accountability, and the overall clarity of annuity disclosures.

The Life Insurance and Annuities Illustration (A) Working Group has held several meetings discussing the best way to address these concerns with illustrations. The Working Group agreed that revising Model #245, including enhancements and seeking adoptions in more states, was the best way forward.

The Life Insurance and Annuities (A) Committee approved the Request for NAIC Model Law Development to revise Model #245 during its July 13 meeting.

Commissioner Ommen stated that, although the current model has not been widely adopted, jurisdictions that have implemented it have experienced a reduction in the frequency of unrealistically high illustrated annuity returns. He further noted that proposed revisions would strengthen the model by clarifying that illustrations are intended as educational and explanatory disclosures rather than predictions of future performance. Commissioner Ommen stated that these improvements, coupled with stakeholder support, are expected to enhance the likelihood of broader and more uniform adoption among the states.

Commissioner Pike made a motion, seconded by Commissioner Godfread, to approve the request to amend the Model #245 (Attachment Three). The motion passed unanimously.

5. Received the 2025 Annual Report of NAIC Designation Program Advisory Board Activities

Commissioner Clark provided an update on the NAIC Designation Program Advisory Board’s activities and 2025 achievements for the NAIC Insurance Regulator Professional Designation Program (Attachment Four).

2025 represented an important milestone in the program's evolution with the completion of a comprehensive modernization effort designed to enhance the learning experience and better support the regulatory workforce today and into the future.

The introduction of the redesigned Associate Professional in Insurance Regulation (APIR) designation demonstrates how the program is adapting to changing learning expectations while maintaining a strong focus on regulatory excellence. Since the launch of the redesigned APIR designation, enrollments have increased by 13%, and earned designations have increased by 26%. State insurance regulators are also completing the designation five times faster than before, demonstrating that modernization efforts are effective.

The Designation Program continues to be a highly valued resource for insurance regulators, having nearly 2,700 active enrolled participants currently pursuing professional development opportunities. Nearly 2,000 regulators hold active designations earned through the program, demonstrating that regulators remain committed to strengthening their expertise and investing in their professional growth.

Throughout the year, the Advisory Board provided strategic direction, policy guidance, and valuable insights that help keep the program responsive to the needs of insurance departments across the country.

6. <u>Received an Update on the NAIC Data Security Incident</u>

Scott Morris (NAIC) reported that the data security incident is largely resolved. Following the declaration of the event on June 15, the NAIC moved quickly on notification and transparency and have had independent validation of its response by security consultant, Mandiant.

The credit rating agency feeds have now restarted. The Securities Valuation Office (SVO) designation process will be operational in the next few days. The NAIC continues to validate the scope, implement additional security measures, strengthen security controls, and remain prepared to respond to any additional information.

Monica Rowe (NAIC) reported that in today's environment, the question is not whether an organization will face cyber threats, but how prepared it is when they occur. The NAIC was prepared, acted quickly, contained the incident, engaged independent experts and communicated as the facts became known.

Rowe noted that cybersecurity is a continuous discipline, one that requires ongoing investment, vigilance, learning, and improvement. The NAIC is advancing its security maturity by adopting a rigorous framework and is working toward GovRAMP authorization. The NAIC is also pursuing an additional SOC 3 audit to ensure the resilience of the NAIC.

7. <u>Received a Status Report on Model Law Development Efforts</u>

Commissioner White presented a written report on the progress of ongoing model law development efforts (Attachment Five). These efforts included amendments to the *Privacy of Consumer Financial and Health Information Regulation* (#672) and the draft residential mitigation grant program model act.

8. <u>Received a Report from the NIPR Board of Directors</u>

Director Deiter reported that the National Insurance Producer Registry (NIPR) Board of Directors met Aug. 11.

NIPR continues to expand its electronic solutions for states and the industry, enabling efficient licensing and compliance management. This month, NIPR announced the launch of LicenseHub, a redesigned license portal offering a streamlined user experience that makes it easier for producers to navigate applications and renewals. Additionally, NIPR has launched NotifyPro, a new alerting product available for industry designed to enhance regulatory compliance.

For the first half of 2026, NIPR has exceeded budgeted revenue by 6%, earning $48.5 million. Expenses through June are $48.4 million and 0.1% under budget.

NIPR also reported on the successful completion of its two-year effort to host producer licensing training in all four zones. This was an effort undertaken in partnership with the NAIC and supported in full by NIPR funding. The Northeast and Southeast Zone trainings were held in April and June, respectively. These events have had an overwhelming response, and NIPR will continue its efforts to provide ongoing educational opportunities around producer licensing.

Director Deiter noted that Evan Daniels, the former director of the Arizona Department of Insurance and Financial Institutions, joined NIPR as chief legal officer. In addition to providing strategic legal guidance across the organization, Daniels will manage a broad portfolio of compliance responsibilities to help ensure NIPR continues to meet the evolving needs of state insurance regulators, insurance carriers, agencies, and producers.

9. <u>Received a Report from the Compact</u>

Director Dunning reported that the Compact met jointly with its Management Committee on Aug. 14. During the meeting, the Compact welcomed Commissioner Ned Gaines (NV) as its new vice chair.

Director Dunning said that the Compact appreciates the participation of its Legislative Committee members, either in person or virtually. In addition, other state legislators attending the NAIC meetings had the opportunity to observe the Compact's work and the effectiveness of the legislative-regulatory partnership. The Compact also recognized its 20th anniversary.

Director Dunning reported on the success of the Compact Roundtable held in Boston this summer. The event received positive feedback and attracted broad participation from commissioners, regulators, state legislators, consumer representatives, company filers, and industry representatives. Attendees discussed the increasing use of artificial intelligence (AI) in product development and compliance, methods to improve consumer understanding of insurance products, and opportunities for ongoing enhancements to Compact operations. Members were also invited to attend the next Compact Roundtable, scheduled for Oct. 21, at the Kiewit Luminarium in Omaha, NE.

The Compact completed several significant items of business, including the adoption of amendments to six existing Uniform Standards. Among the amendments was Colorado's request to revise the individual long-term care insurance rate standards to prohibit the use of gender as a rating characteristic when prohibited by state statute and binding case law.

In addition, the Compact adopted a new operating procedure that allows filers to seek interim review of the Compact Office's application or interpretation of a Uniform Standard during the filing review process. Under the new procedure, filers may request that the appropriate member review body review interpretation issues while a filing remains under review.

Members also approved North Dakota's request to extend its stay from the group and individual disability income Uniform Standards while the state works to address concerns regarding the compatibility of its state law with the standards.

Having no further business, the Executive (EX) Committee adjourned.

Virtual Meetings

EXECUTIVE (EX) COMMITTEE
June 23, 2026 / May 6, 2026

Summary Report

The Executive (EX) Committee met June 23 and May 6, 2026, in regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meeting. During these meetings, the Committee:

1. Received an NAIC security incident update.

2. Approved the New York office lease fiscal.

3. Selected San Diego, CA, as the 2030 Summer National Meeting site selection.

4. Approved an extension to Aug. 30 for the Interstate Insurance Product Regulation Commission (Compact) loan payment.

5. Appointed Commissioner Amanda Crawford (TX) to the National Insurance Producer Registry (NIPR) Board of Directors.

6. Received the report of the Internal Administration (EX1) Subcommittee.

7. Selected Jeff Johnston as the chief executive officer (CEO) of the NAIC effective June 1.

8. Approved the NAIC speaker request funding policy.

9. Received an update on the New Avenues to Insurance Careers (N.A.I.C.) Foundation.

10. Discussed the strategic planning process.

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REPORT OF THE EXECUTIVE (EX) COMMITTEE TASK FORCES

Government Relations (EX) Leadership Council—The Government Relations (EX) Leadership Council will not meet at the Summer National Meeting. The Leadership Council meets weekly in regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to discuss federal legislative and regulatory developments affecting insurance regulation.

Natural Catastrophe Risk and Resilience (EX) Task Force—The Natural Catastrophe Risk and Resilience (EX) Task Force will meet Aug. 13 to: 1) consider adoption of its June 15 minutes; 2) consider adoption of the reports of its working groups and hear updates on key priorities; 3) hear from the Insurance Institute for Business & Home Safety (IBHS) on its strategic plan; 4) hear a presentation from SmarterSafer.org on natural catastrophe policy; 5) hear a presentation from AON on property/casualty (P/C) reinsurance; and 6) hear an update on training provided by the Association of Insurance Supervisors of Latin America (ASSAL).

Risk-Based Capital Model Governance (EX) Task Force—The Task Force will meet Aug. 13 to discuss and consider exposure of a document summarizing a proposed Risk-Based Capital (RBC) Solvency Steering Group. The Task Force will also hear a presentation on the most material gaps and inconsistencies in RBC as accumulated by the NAIC's consultant on the project, Bridgeway Analytics.

Approved by the Life Insurance and Annuities (A) Committee, July 13, 2026

REQUEST FOR NAIC MODEL LAW DEVELOPMENT

This form is intended to gather information to support the development of a new model law or amendment to an existing model law. Prior to development of a new or amended model law, approval of the respective Parent Committee and the NAIC's Executive Committee is required. The NAIC's Executive Committee will consider whether the request fits the criteria for model law development. Please complete all questions and provide as much detail as necessary to help in this determination.

Please check whether this is: ☐ **New Model Law** or **X Amendment to Existing Model**

1. Name of group to be responsible for drafting the model:

Life Insurance and Annuities Illustrations (A) Working Group

2. NAIC staff support contact information:

Jennifer Cook	Jennifer Frasier
jcook@naic.org	jfrasier@naic.org
202-471-3986	816-783-8834

3. Please provide a brief description of the proposed new model or the amendment(s) to the existing model. If you are proposing a new model, please also provide a proposed title. If an existing model law, please provide the title, attach a current version to this form and reference the section(s) proposed to be amended.

The Working Group would like to revise Model #245, including Section 6—Standards for Illustrations in the *Annuity Disclosure Model Regulation (#245)*, to address issues identified by the Working Group related to potentially misleading illustrations of annuity products currently in the marketplace that are not addressed or not adequately addressed in the current model's standards.

4. Does the model law meet the Model Law Criteria? **X Yes** or ☐ **No (Check one)**

(If answering no to any of these questions, please reevaluate charge and proceed accordingly to address issues).

a. **Does the subject of the model law necessitate a national standard and require uniformity amongst all states?** **X Yes** or ☐ **No** **(Check one)**

If yes, please explain why:

Consumers should receive understandable disclosures that explain the features of their annuity and how it works, without forming expectations that their annuity will perform better than a range of returns that would likely emerge in a future scenario.

b. Does Committee believe NAIC members should devote significant regulator and Association resources to educate, communicate and support this model law?

X Yes or ☐ No (Check one)

5. What is the likelihood that your Committee will be able to draft and adopt the model law within one year from the date of Executive Committee approval?

☐ 1 X 2 ☐ 3 ☐ 4 ☐ 5 (Check one)

High Likelihood Low Likelihood

Explanation, if necessary: There seems to be a strong willingness by regulators and interested parties to address the issues identified and discussed by the working group related to the shortcomings of current illustrations and potential harm to consumers.

6. What is the likelihood that a minimum two-thirds majority of NAIC members would ultimately vote to adopt the proposed model law?

☐ 1 X 2 ☐ 3 ☐ 4 ☐ 5 (Check one)

High Likelihood Low Likelihood

Explanation, if necessary: There appears to be consensus to revising Model #245 within the Working Group and interested parties to address issues with illustrations. This support reflects a shared commitment to improving transparency and protecting consumers from misleading information.

7. What is the likelihood that state legislatures will adopt the model law in a uniform manner within three years of adoption by the NAIC?

☐ 1 X 2 ☐ 3 ☐ 4 ☐ 5 (Check one)

High Likelihood Low Likelihood

Explanation, if necessary: While the existing model law has not been widely adopted, it is important to note that, in the jurisdictions where it has been implemented, there is evidence that it has contributed to reducing problematic practices. Specifically, the adoption of the model has led to a decrease in the frequency (but not the elimination) of unrealistically high illustrated annuity returns.

The inclusion of standards aimed at further clarifying illustrations as explanatory and educational disclosures rather than predictions, significantly strengthens the prospects for broader adoption. The likelihood of widespread adoption is further enhanced when improvements are supported by stakeholders as necessary to maintain fair competition and ensure a level playing field across annuity types in all states.

8. Is this model law referenced in the NAIC Accreditation Standards? If so, does the standard require the model law to be adopted in a substantially similar manner?

Not an accreditation standard.

9. Is this model law in response to or impacted by federal laws or regulations? If yes, please explain.

No.

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

To: Members of the NAIC Executive (EX) Committee
From: Commissioner Sharon P. Clark, Kentucky Department of Insurance
Chair, NAIC Insurance Regulator Professional Designation Program Advisory Board
Date: August 13, 2026
Subject: 2025 Annual Report of NAIC Designation Program Advisory Board Activities

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The NAIC Insurance Regulator Professional Designation Program (Program) enters its twentieth year from a position of strength. What began in 2006 as a professional development initiative with 14 enrollments has evolved into a nationally recognized credentialing program that has generated 4,636 cumulative enrollments and more than 3,100 earned designations. The program has become a cornerstone of regulator development, providing regulators with knowledge and skills for effective oversight, maintaining industry standards, and protecting consumer interests.

In 2025, the Program maintained momentum while undergoing the most substantial transformation in its history. The redesigned Associate Professional in Insurance Regulation (APIR) designation was launched in NAIC Compass as part of the State Connected Strategic Plan's modernization initiative. The program also advanced the alignment of specialized designations with regulatory job roles.

Designation Program Participation and Progress

Participation in the Program remained strong in 2025, reflecting continued interest from insurance regulators. By year-end, the program recorded 2,682 active enrollments and 1,940 active designees. These totals demonstrate the Program's continued reach and its role as the premier certification program for regulators.

2025 Cumulative Active Enrollments	
Western Zone	539
Southeast Zone	804
Midwest Zone	734
Northeast Zone	605
Total Enrollments	2682

2025 Cumulative Active Designations	
APIR	1441
PIR	475
SPIR	20
IPIR	4
Total Earned Designations	1940

Modernization Delivered Results

The launch of the redesigned, foundational-level APIR designation demonstrated strong early momentum following its March 2025 launch in NAIC Compass. A total of 312 regulators enrolled in the APIR, and 309 earned the designation, reflecting exceptional completion rates and rapid adoption of the redesigned learning experience. The modernized curriculum reduced the time required to earn the designation from more than a year to a matter of weeks while preserving the rigor, quality, and integrity of the credential. These results highlight the continued demand for a shared understanding of core regulatory principles, consistency across jurisdictions, and effective insurance oversight for strong consumer protection.

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Designation Program Advisory Board

The Program is overseen by the Designation Program Advisory Board (Board) which consists of a chair and one representative from each of the four zones. The 2025 Board was composed of Rachel Chester (Rhode Island Department of Business Regulation), who served through November 2025; Cameron Piatt (Ohio Department of Insurance); Eric Fletcher (Idaho Department of Insurance); Scott Sanders (Georgia Office of Commissioner of Insurance and Safety Fire); and Laura Slaymaker (Pennsylvania Insurance Department), who joined in December 2025. Kentucky Commissioner Sharon P. Clark chaired the 2025 Advisory Board.

In addition to overseeing Designation Program policy and advising NAIC Education and Training staff on Program policy administration, board members work on outreach to regulators during NAIC zone meetings and other regulatory meetings.

The Board convenes regularly, both in person at NAIC national meetings and virtually throughout the year. The Board continued to provide guidance and oversight, with a focus on future program direction ensuring the Program remains relevant, accessible, and aligned with the needs of insurance departments.

Mentoring Network and Stakeholder Engagement

The Program's mentoring network is an important source of support for regulators. Mentors serve as liaisons between their insurance departments and NAIC Education and Training staff, helping communicate program information, answer questions, and promote participation within their departments.

Throughout 2025, the program engaged with mentors and evaluated opportunities to expand the network's role in supporting regulators. This work laid the foundation for a focus on increased communication and engagement to better serve the evolving needs of the regulatory community. This expanded vision includes renaming the mentor network to a more comprehensive regulator support and engagement network.

Draft: 8/4/26

Model Law Development Report

Amendments to the *Privacy of Consumer Financial and Health Information Regulation* (#672)—During the 2022 Summer National Meeting, the Executive (EX) Committee approved a Request for NAIC Model Law Development for a new model that would replace existing ones. The change aimed to enhance consumer protections and corresponding obligations of entities licensed by insurance departments to reflect the extensive innovations made in communications and technology. The Privacy Protections (H) Working Group approved this request on Aug. 2, 2022. However, after working on a draft of a new privacy model, the Working Group determined that the better path forward would be to amend the existing NAIC privacy model, Model #672.

On July 24, 2026, the Privacy Protections (H) Working Group exposed the full revised draft of Model #672 for a 60-day comment period ending on Sept. 22, 2026. Next steps will be determined after all comments have been reviewed.

New Model: *Residential Mitigation Grant Program Model Act*—During the 2026 Spring National Meeting, the Executive (EX) Committee approved a Request for NAIC Model Law Development for a new model law to establish statewide residential mitigation grant programs to reduce structural vulnerability of existing residential properties. A drafting group under the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group drafted an initial model and that Model will be exposed for a 30-day exposure period prior to the Summer National Meeting.

