Draft date: 8/3/26

2026 Summer National Meeting
Columbus, Ohio

THIRD-PARTY DATA AND MODELS (H) WORKING GROUP
Wednesday, August 12, 2026
11:45 a.m. – 12:45 p.m.
Hilton Tower 401—Bellows Ballroom A-D—Lower Level

ROLL CALL

Jason Lapham, Chair	Colorado	Brad Gerling	Missouri
Nicole Crockett, Vice Chair	Florida	Gennady Stolyarov/ Brandon Rocchio	Nevada
Charles Hale/Richard Fiore	Alabama		
Alex Romero/Chad Bennett	Alaska	Kevin Yan/ Vivian Connor	New York
Tom Zuppan/ Lori Dreaver Munn	Arizona	John Arnold/ Tyler N. Erickson/ Colton Schulz	North Dakota
Ken Allen/ Chandara K. Phanachone	California		
George Bradner/ Wanchin Chou	Connecticut	Stewart Trego/ Matt Walsh	Ohio
Lance Hirano/ Kathleen Nakasone	Hawaii	David Dahl/Ying Liu/ Eric Bredeson	Oregon
Weston Trexler/ Shannon Hohl	Idaho	Michael McKenney	Pennsylvania
Shannon Whalen	Illinois	Beth Vollucci/ Matthew Gendron	Rhode Island
Doug Ommen/ Jordan Esbrook	Iowa	Andreea Savu	South Carolina
		Nicole Elliott	Texas
Julie Holmes	Kansas	Rosemary Raszka	Vermont
Adam Patrick	Louisiana	Jessica Baggarley/ Eric Lowe	Virginia
Sandra Darby	Maine		
Raymond A. Guzman	Maryland	Curt Kwak	Washington
Jackie Horigan	Massachusetts	Timothy Cornelius	Wisconsin
Phil Vigliaturo	Minnesota		

NAIC Committee Support: Kris DeFrain/Scott Sobel

AGENDA

1. Consider Adoption of its July 16 and Spring National Meeting Minutes —*Jason Lapham (CO)* — Attachments A–B

2. Discuss the Third-Party Regulatory Framework for Property/Casualty (P/C) Pricing and Underwriting—*Jason Lapham (CO)* — Attachment C

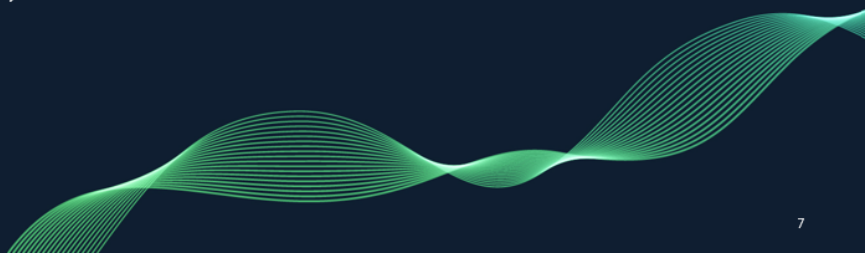
3. Discuss Any Other Matters Brought Before the Working Group —*Jason Lapham (CO)*

4. Adjournment

1. Consider Adoption of its July 16 and Spring National Meeting Minutes

Attachments A-B

Jason Lapham (CO)



NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Draft: 7/30/26

Third-Party Data and Models (H) Working Group
Virtual Meeting
July 16, 2026

The Third-Party Data and Models (H) Working Group of the Innovation, Cybersecurity, and Technology (H) Committee met July 16, 2026. The following Working Group members participated: Jason Lapham, Chair (CO); Nicole Crockett, Vice Chair (FL); Charles Hale (AL); Kara Voss (CA); George Bradner and Wanchin Chou (CT); Doug Ommen (IA); Weston Trexler (ID); Julie Holmes (KS); Jackie Horigan (MA); Raymond A. Guzman (MD); Sandra Darby (ME); Phil Vigliaturo (MN); Brad Gerling (MO); Gennady Stolyarov (NV); Kevin Yan (NY); Matt Walsh (OH); David Dahl (OR); Beth Vollucci (RI); Nicole Elliott (TX); Dan Bumpus (VA); Mary Block (VT); and Nathan Houdek (WI).

1. Discussed the Third-Party Regulatory Framework for P/C Pricing and Underwriting

Lapham said the Working Group exposed the draft of the regulatory framework on July 8 for a public comment period ending Aug. 5, with comments to be compiled for continued discussion at the Summer National Meeting. He said the current draft represents phase one of a broader effort, as the Working Group originally considered a broader scope, including claims handling, utilization review, marketing, and fraud detection. However, after receiving comments and deliberating, the Working Group reached a consensus to narrow its initial focus to third-party data and models used in property/casualty pricing (P/C) and underwriting.

Lapham said this focus reflects the prevalence and consequence of third-party vendor models in these areas and states' existing experiences reviewing vendor filings in this context, and that other functional areas remain on the table for future phases.

Lapham said the executive summary sets out three purposes for the framework: 1) compliance, to help states confirm that insurers' use of third-party data or models complies with existing state insurance law and does not produce rates or underwriting results that are excessive, inadequate, or unfairly discriminatory; 2) governance, to encourage robust data and model governance standards on the part of vendors; and 3) visibility, to give state insurance regulators comprehensive awareness of, and direct access to, the third-party data and models used in ratemaking and underwriting decisions. He said that regardless of the level of oversight applied to third-party vendors through registration, attestation, or filing requirements, none of it shifts responsibility away from the insurer, which remains fully responsible for compliance with all applicable insurance laws when using third-party data or models, and vendor registration is not a substitute for an insurer's own due diligence.

Turning to definitions, Lapham said the framework distinguishes between models and data. A pricing model is a simplified representation of how losses, expenses, and risk factors relate to one another and is used to develop rates, premiums, or rating factors. A third-party pricing model vendor is anyone other than the licensee itself who develops, maintains, or distributes that kind of model for use in ratemaking. One key distinction is that vendors do not assume any insurance risk from the model's output; they are supplying a tool, not underwriting risk themselves. Underwriting models work similarly but serve a different purpose. Rather than developing rates, an underwriting model relates risk characteristics and exposures to expected outcomes in order to inform or automate accept, decline, or modification decisions. A third-party underwriting model vendor is an outside party that builds or distributes that model. Again, the vendor itself carries no insurance risk from that output; the insurer using the guidance retains that responsibility. Pricing data refers to the facts or information from a source other than the licensee that either feeds directly into a pricing model or informs which inputs are selected, including output from another vendor's model, meaning model chains are captured by the definition. Underwriting data mirrors pricing data, but on the underwriting side, and refers to the information used as inputs to an underwriting

model or that informs which inputs are selected for evaluating accepting, declining, or modifying the terms of risks. These categories may overlap in practice in that a single entity might supply both data and models.

Lapham said the proposed framework rests on three pillars: 1) a voluntary, shared multi-state registry hosted by the NAIC, where vendors register and provide governance information once and multiple states can access that information rather than each state building its own separate system; 2) rate and underwriting filing requirements, which do not replace existing state filing processes but establish requirements around third-party data and models; and 3) ongoing requirements, namely an annual attestation in which a senior leader must certify that governance is effective, the data or models comply with applicable insurance law, and material and change notifications where vendors advise when they make significant modifications to a data set or model, including decommissioning that model.

Lapham elaborated that the proposed registry acts as a central repository for corporate governance information, model and data governance programs, and a list of insurers that have been supplied with a given data set or model. As a condition of registering, vendors would commit to responding to regulator requests within specified time frames, and the registry would indicate which type of registration applies in each state. He said vendors would be expected to document corporate governance information (contact information, legal entity and ownership structure, and responsible officers), model documentation (purpose, assumptions, inputs, limitations, performance metrics, and validation processes), and data documentation (accuracy, completeness, timeliness, auditable data lineage, quality controls, and a defined process for missing or incomplete data). Vendors must also disclose how they use consumer data and how consumers may access or correct their own records. He added that governance programs would need to align with the "NAIC AI Principles on Artificial Intelligence (AI)" (AI Principles) and the NAIC *Model Bulletin on the Use of Artificial Intelligence by Insurers*.

Regarding regulator access, Lapham said registered vendors could be asked to provide detailed materials, including model documentation, input and output specifications, validation and performance results, fairness and bias testing, and change logs and audit trails. He said the NAIC is not subject to open records laws and would treat registry submissions as confidential, but once information is shared with a state, that state's open records laws would govern the information. If a vendor designates information as confidential, the NAIC would commit to sharing it only with states that have the legal authority to maintain that confidentiality. Insurers must continue to file rates and underwriting rules in accordance with each state's requirements. This proposal would additionally require that third-party data or models used by an insurer also be filed, either as part of the insurer's own filing or as a separate filing submitted directly by the vendor. If a vendor does not cooperate, a state insurance regulator could prohibit insurers in that state from using the vendor's data or models. For states without authority to approve a third-party filing directly, the third-party filing would be folded into the insurer's own filing, with the insurer bearing the burden of demonstrating that the resulting rates and underwriting decisions are sound.

Lapham said vendors would be expected to update their governance documentation and contact information annually as needed. Additionally, a senior leader with relevant technical expertise and organizational authority would be required to attest annually that: 1) the vendor's governance program is implemented and effective; and 2) the vendor's data and models comply with applicable insurance laws in the states where they are used. Vendors would be required to submit material change notifications to the registry in a timely manner whenever they make a material modification to, or decommission, a model or data set so that state insurance regulators are not required to wait for the next annual attestation cycle to learn of such changes. He said regulators could then request further information if a change appeared likely alter a model's behavior a risk profile, or have a meaningful consumer impact.

Lapham emphasized that the registration, attestations, and all vendor-facing requirements exist alongside, not instead of, insurers' own obligation He said insurers must still assess whether a model is suitable for their own

purposes; conduct their own validation, testing, and monitoring; and ensure that any third-party data is complete, accurate, and appropriate. Insurers remain responsible for compliance with each state's applicable insurance code. They must include contract terms with third parties that provide the insurer and state insurance regulators with access to model and data information. None of these insurer-level obligations are removed because a vendor is registered.

Lapham summarized four key takeaways: 1) the current draft reflects phase one of a larger effort, tightly scoped to P/C pricing and underwriting, with other insurance functions potentially added in later phases; 2) the proposed structure rests on three pillars—a voluntary registry, filing requirements, and ongoing notification requirements (annual attestation and material change notifications); 3) insurer accountability is not altered, as the proposed vendor oversight in no way substitutes for an insurer's own validation, monitoring, and compliance obligations; and 4) the draft has already been shaped by extensive stakeholder input, including 23 comment letters received during the prior exposure period that generally pushed for a more risk-based, outcomes-focused approach.

Lapham concluded with a recap of the framework's status, which is an exposed draft at this point, still open for comments and revisions.

Chou commented that the current wording of the annual attestation provision is effective, which requires a senior leader with relevant technical expertise with former organizational authority to approve data and model governance attestations. He suggested that third parties should submit an annual plan for the number of AI system models anticipated to be implemented in the next year so that regulators can plan ahead with needed resources.

Guzman relayed a question from his chief actuary regarding whether it was the intention or whether it is implicit that one state would be able to see other states' responses to third-party filings in order to assess whether concerns raised by one state should be a concern to others, or whether each state's responses would be kept confidential. Lapham said he was not sure the framework contemplates that, but he agreed it was a question the Working Group should consider further.

Dahl commented that his experience is that tiering is usually pricing, while carrier placement can be part of underwriting. Lapham agreed. Stolyarov commented that Nevada considers tiering to be part of rating, including when it determines company placement.

Eric Ellsworth (Consumers' Checkbook/Center for the Study of Services) commented that he believes that for data vendors and/or model vendors, there will be a universe of companies that are already closely involved with the insurance industry and understand the kind of regulatory approach, but then there will be vendors that are further away that may not have any experience with this regulatory approach. Regarding the potentially large amount of personal information, he asked what might happen if data aggregators and vendors do not have any of this documentation or process controls. He asked whether the framework or insurance oversight addresses that gap. Lapham assumed the expectation is that such governance processes would be in place and that registration would hinge on vendors having those practices. However, he acknowledged the framework does not explicitly address the practical question of what happens if a vendor lacks them, and he said the Working Group would need to think through that process. Ellsworth further asked whether the framework contemplates integration testing between vendors and insurers and a documented fallback plan in the event a vendor's system or interface does not work, noting that accountability and integration issues often fall on the consumer when a problem crosses the boundary between third parties. Lapham requested that Ellsworth follow up with those concerns in writing.

Erica Eversman (Automotive Education & Policy Institute—AEPI) commented that she believes there will be a lot of vendors that are not familiar with these types of reporting requirements, and even though it is voluntary, she

asked what would encourage the vendors to enroll in the registry. Lapham said that incentives would likely come through the carriers with which vendors contract, as carriers may see an advantage in that registration. He said this was a worthwhile question and encouraged Eversman to submit written comments, noting the Working Group may need to further consider the issue and refine the framework. Eversman asked if registration is advantageous for both state insurance regulators and insurers, then why not make registration mandatory.

Scott Kosnoff (Faegre Drinker) asked whether NAIC's role in reviewing registrations would be a binary check of whether required documentation was included or would involve a qualitative assessment of the documentation, such as the adequacy of a vendor's governance program. Lapham said that is another process question that involves balancing states' responsibilities and their comfort level, with offloading review work to NAIC staff. He noted the NAIC Model Review team already provides technical guidance to states upon request but does not make final determinations regarding a particular state's requirements.

Anthony Habayeb (Monitaur) said the current draft reads more as a structured repository of information than as an active review process. He asked whether the framework envisions further clarifying that distinction, given the potential for conflict between information in the repository and information a state separately requests as part of its own filing review, and whether any centralized review is contemplated or whether the registry would instead operate similarly to how states already work, providing help only when a state asks for it. Lapham agreed with that characterization. He said that the Working Group would need to think through what that would look like in practice and welcomed written feedback.

James Mao (Grant Thornton) asked how the Working Group and the NAIC are factoring in state-level data broker and data collector laws, such as New Jersey's law (currently in effect but with delayed enforcement) and California's Delete Act and Delete Request and Opt-Out Platform (DROP), into the framework, given industry uncertainty about which regulatory regime would apply. Lapham asked for clarification on whether Mao meant state-level requirements affecting third parties outside the insurance context or those that would apply within the insurance context. Mao said both are possible, noting that data broker laws typically apply broadly across industries while the NAIC's focus is specific to insurance. Lapham said he did not have a ready answer but agreed the issue warranted further consideration bythe Working Group, and he encouraged Mao to follow up in writing.

Lapham noted the relatively short turnaround between the July 8 exposure and the meeting. He encouraged Working Group members and interested parties to continue reviewing the draft over the coming weeks and to submit written comments in advance of continued discussion at the Summer National Meeting.

Having no further business, the Third-Party Data and Models (H) Working Group adjourned.

Draft: 4/1/26

Third-Party Data and Models (H) Working Group
San Diego, California
March 23, 2026

The Third-Party Data and Models (H) Working Group of the Innovation, Cybersecurity, and Technology (H) Committee met in San Diego, CA, March 23, 2026. The following Working Group members participated: Jason Lapham, Chair (CO); Nicole Crockett, Vice Chair (FL); Molly Nollette (AK); Charles Hale and Richard Fiore (AL); Lori Dreaver Munn (AZ); Ken Allen and Chandara K. Phanachone (CA); George Bradner (CT); Grant Shintaku (HI); Doug Ommen and Jordan Esbrook (IA); Weston Trexler (ID); Julie Holmes (KS); Tom Travis (LA); Jackie Horigan (MA); Mary Kwei (MD); Sandra Darby (ME); Phil Vigliaturo (MN); Julie Lederer (MO); Colton Schulz (ND); Christian Citarella (NH); Gennady Stolyarov (NV); Kevin Yan (NY); Matt Walsh (OH); Ying Liu (OR); Michael McKenney (PA); Beth Vollucci and Matthew Gendron (RI); Andreea Savu (SC); Nicole Elliott (TX); Jessica Baggarley (VA); Mary Block (VT); and Timothy Cornelius (WI).

1. Adopted its Feb. 26 Minutes

Lapham stated that the Working Group met Feb. 26. During this meeting, the Working Group took the following action: 1) adopted its 2025 Fall National Meeting minutes; and 2) discussed the draft third-party regulatory framework and comments received.

The Working Group also met March 19 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss potential changes to the third-party framework.

Schulz made a motion, seconded by Vigliaturo, to adopt the Working Group's Feb. 26 minutes (Attachment Two-A). The motion passed unanimously.

2. Discussed Potential Revisions to the Third-Party Regulatory Framework

Lapham addressed what he described as a misunderstanding about the purpose of the third-party data and models registry. He said the original intent was to register the third-party vendors providing products and services to insurance carriers, not to require submission of models or datasets for review. The aim is to facilitate a direct connection between third parties and regulators. Crockett confirmed this, noting that registration was conceived as a lighter-touch alternative to licensure, avoiding compulsory examinations. Block added that the aim is not to create a comprehensive model review and data review framework that would result in everything getting approved and having to be filed by the third parties. Some noted that the existing draft framework language appears to be more heavy-handed. Lapham said the drafting group will make changes to better reflect the original intent. Commissioner Ommen highlighted the need for uniformity, where possible.

After discussion, the Working Group reached a broad consensus to narrow the initial scope of the framework to pricing and underwriting for the following reasons: 1) third-party vendor models are most prevalent and consequential in these areas; 2) states already have experience with vendor filings in this space; 3) the number and complexity of models per rate filing have grown significantly; and 4) underwriting should be discussed with rating because the distinction is mostly artificial, and quantitative models computing scores effectively perform rating functions regardless of label.

Working Group members noted that this prioritization should not foreclose future expansion to other functional areas (e.g., fraud detection, claims handling, marketing, etc.) and that the landscape will continue to evolve.

The Working Group agreed that governance should be the focus of registration. Key concerns raised include: 1) the adequacy of vendor governance programs; 2) the continuity of existence, including whether vendors will remain operational long enough to support the products carriers build around their models; and 3) longer-term solvency implications, particularly for life insurance products reliant on vendor-supplied models.

The Working Group discussed whether the registry should be voluntary or compulsory. This generated significant debate. Some members supported a voluntary process, as it would not require legislative changes and could start faster. States could still effectively compel participation by conditioning the use of vendor models on registration status. Members noted that the enforcement of registration requirements may not require legislation in many states, as regulators could simply decline to approve rate filings that rely on unregistered vendors. Several states indicated that they already apply this approach informally. Others supported compulsory registration because it better ensures comprehensive coverage. Several states noted that voluntary approaches have proven incomplete in past experiences. Questions arose about whether confidentiality protections that are often triggered by exam authority or compulsory submission would apply to voluntarily submitted information. Several members noted that without legislation, confidentiality protections for voluntarily submitted information may be insufficient to give vendors comfort in sharing sensitive data. No final decision was reached; the Working Group acknowledged that this is a key decision point requiring further analysis.

The Working Group discussed whether a registry could be created utilizing a centralized NAIC mechanism or whether it would need to be state-by-state. Stolyarov drew an analogy to the NAIC's *Quarterly Listing of Alien Insurers* under surplus lines, where states could refer to the NAIC voluntary registration framework when reviewing rate filings. Members noted that a nationwide registry could reduce duplicative burden on vendors filing across many states, create a shared information repository for regulators, and evolve over time without requiring immediate legislative changes. Questions were raised about who would review registrations for compliance, and whether a centralized mechanism would supplement or replace existing state registration requirements. No resolution was reached.

Lapham said a consensus was reached to: 1) utilize a governance approach with registration; and 2) narrow the framework's initial scope to pricing and underwriting. The drafting group will reconvene to map out key decision points (e.g., compulsory versus voluntary, model law versus guidance bulletin, centralized versus state-by-state, etc.), outline pros and cons, and bring a recommendation back to the full Working Group. The goal is to present a revised version of the framework for exposure by summer.

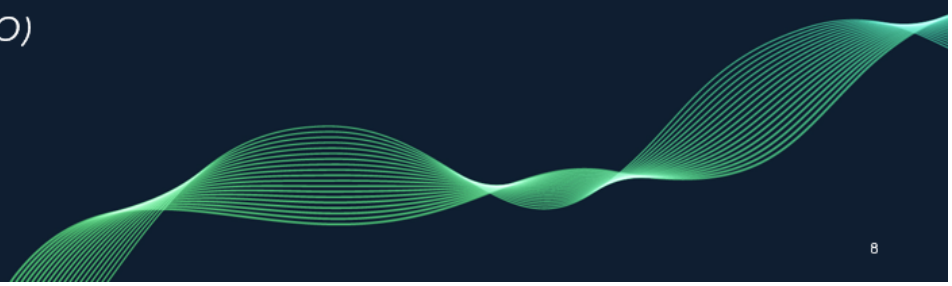
Having no further business, the Third-Party Data and Models (H) Working Group adjourned.

SharePoint/sites/NAICSupportStaffHub/MemberMeetings/HCMTE/2026_Spring/WG-Third-Party/Spring-Minutes/ 032326 Minutes TPDMWG SpNM.docx

2. Discuss the Third-Party Regulatory Framework for Property/Casualty (P/C) Pricing and Underwriting

Attachment C

Jason Lapham (CO)



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7/8/2026

Regulatory Framework for Third-Party Data and Model Vendors
Property and Casualty Pricing and Underwriting Data and Models

EXECUTIVE SUMMARY

As one component of a broader pending regulatory framework for third-party data and model vendors, this document describes the first phase focused on third-party data and models utilized in property and casualty pricing and underwriting insurance functions (hereafter referred to as "third-party data and models").

The purposes are to 1) facilitate a process by which states are able to ensure that insurers' use of third-party data and models complies with state insurance laws and regulations, including the Unfair Trade Practices Act, Unfair Claims Settlement Act, and other applicable regulatory standards and rate review authority, including prohibitions against unfair discrimination; 2) encourage robust third-party data and model governance standards; and 3) provide state insurance regulators with a comprehensive awareness of the third-parties that play a material role in property and casualty pricing and underwriting functions along with direct access to third-party data and models.

Insurers remain fully responsible for compliance with all applicable insurance laws when using third-party data or models.

DEFINITIONS

Model:

Pricing Model—A simplified representation of how insurance losses, expenses, and risk factors relate to each other that is constructed for the purposes of developing rates, premiums, or rating factors for property and casualty insurance risks.

Third-Party Pricing Model Vendor—A person or entity, other than a licensee, that develops, maintains, or distributes a pricing model for use by property and casualty insurers in ratemaking. A third-party pricing model vendor does not itself assume the insurance risk associated with the model's output.

Underwriting Model—A simplified representation of relationships between risk characteristics, exposures, and expected insurance outcomes designed to inform or

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automate a property and casualty insurer's decisions about whether to accept, decline, or modify the terms of property or casualty insurance risks.

Third-Party Underwriting Model Vendor—A person or entity, other than a licensee, that develops, maintains, or distributes an underwriting model for use by property and casualty insurers to provide actionable underwriting guidance such as an accept/decline recommendation, tier placement, or eligibility determination. A third-party underwriting model vendor does not itself assume the insurance risk associated with the model's output.

Data:

Pricing Data—Facts or information obtained from a source other than a licensee, used as input to a pricing model, or that informs the selection of such input, for the purposes of developing rates, premiums, or rating factors for property and casualty insurance risks. This includes output from other models supplied by third-parties.

Third-Party Pricing Data Vendor—A person or entity, other than a licensee, that develops, maintains, collects, compiles, or distributes pricing data for use by both licensees or unlicensed persons or entities, in developing rates, premiums, or rating factors for property and casualty risks. A third-party pricing data vendor does not itself assume the insurance risk associated with the pricing decisions informed or influenced by that data.

Underwriting Data—Facts or information obtained from a source other than a licensee, used as input to an underwriting model, or that informs the selection of such input, for the purposes of evaluating, accepting, declining, or modifying the terms of property and casualty risks. This includes output from other models supplied by third-parties.

Third-Party Underwriting Data Vendor—A person or entity, other than a licensee, that develops, maintains collects, compiles, or distributes underwriting data for use by both licensees or unlicensed persons or entities, in evaluating, accepting, declining, or modifying the terms of property and casualty risks. A third-party underwriting data vendor supplies facts or information that serves as an input to an underwriting model, or that otherwise informs underwriting decisions made by licensees, but does not itself assume the risk associated with the underwriting decisions informed or influenced by that data.

Note: Third-party data vendors and third-party model vendors are not necessarily distinct. The same third-party vendor may, in fact, be a data vendor and model vendor.

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Regulatory Framework for Third-Party Data and Model Vendors
Property and Casualty Pricing and Underwriting Data and Models

PROPOSED STRUCTURE

1. **Registry:** Third-party data and model vendors would be encouraged to voluntarily register through a shared multi-state registry hosted by the National Association of Insurance Commissioners ("NAIC"). The registry would function as a central repository and access point for third-party data and model vendors to provide required descriptions of their corporate governance structure as well as their data and model governance programs and which insurers have purchased data and/or models. As a condition of registration, third-party data and model vendors would commit to respond within specified timeframes to insurance regulator requests for information about the pricing and underwriting data and models they supply to property and casualty insurers.

    a. Corporate governance documentation must include contact information, legal entity, ownership structure, and responsible officers.

    b. Model and data governance programs must be consistent with the NAIC's AI Principles and Model Bulletin and demonstrate robust governance standards and risk management controls.

        i. For models, documentation should consist of purpose, assumptions, inputs, limitations, performance metrics, and validation processes.

        ii. For data, documentation should consist of accuracy, completeness, timeliness, representativeness, auditable data lineage, and quality controls; data governance and provenance controls; roles, responsibilities, and internal oversight; process for identification and remediation of missing or incomplete data.

        iii. Third-party data and model vendors should disclose data usage, explain how consumers can access and correct records, and define any limitations of corrections.

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Regulatory Framework for Third-Party Data and Model Vendors
Property and Casualty Pricing and Underwriting Data and Models

c. Upon request, third-party data and model vendors should provide regulators with information such as that described in the *NAIC Model Review Manual* and the *Catastrophe Modeling Primer*, including the following: model documentation, input and output specifications, validation, performance, and any fairness/bias testing results, change logs and audit trails, and other information reasonably necessary for regulatory evaluation of a property and casualty rate, rule, or underwriting guideline filing.

d. Regulators will have access to the registry which will indicate the third-party vendors that are providing insurers with models and/or data for use in underwriting and/or pricing property and casualty products offered in their state along with which insurers have purchased the data and/or models . The registry will also indicate the type of registration applicable in each respective state (e.g., "Data and Model Vendor," "Insurance Support Organization," "Advisory Organization").

e. Information submitted to the NAIC's registry by a model or data vendor will be treated as confidential by the NAIC. The NAIC is not subject to open records laws in any state. The confidentiality of vendor information will be governed by each state's open records laws. However, if a vendor designates certain information submitted to the registry as confidential, whether governance information or data or models, the NAIC will commit to sharing that information only with states that have the authority to keep it confidential. States may have statutes that permit confidential treatment of trade secrets and for exam work papers. States may also need to create statutes that apply specifically to information from third-party data and model vendors or amend existing statutes to include them.

2. **Rate and Underwriting Filings:** An insurer will continue to be required to file its rates and underwriting rules in accordance with each state's laws and regulations. This new framework also does not change any state's requirements for the filing of data and models.

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a. If a third-party vendor's data and/or model is used, that data and/or model must be filed in either the insurer's own filing or as a separate filing submitted directly to the regulator, as requested by the regulator. In either case, the third-party data and model vendor is required to provide all information requested similarly to what is required of an insurer filing its own data and/or model.

b. Failure on the part of a third-party data or model vendor to provide a regulator with requested data and/or model information may result in the regulator prohibiting insurers from using the data and/or model for pricing or underwriting any property and casualty insurance product offered in the state.

c. Some states may not have the ability to approve a third-party data or model as a separate filing because the state is limited to evaluating an insurer's rates. In these cases, the third-party data or model filing will be evaluated as if it is part of an insurer's filing with the expectation that the insurer demonstrates the use of the data or model produces actuarially sound rates.

d. To access the registry and to facilitate third-party data and model vendors' submission of requested data and/or models, states are encouraged to commit to providing the same confidentiality and intellectual property protections to third-party data and model filings as are afforded to insurers for confidential, proprietary, and trade-secret information under state laws.

3. **Annual Attestation:** Through the shared multi-state registry, vendors must annually update governance documentation, contact information, and any other required documentation. A senior leader with relevant technical expertise and vested with formal organizational authority to approve data and model governance must attest that:

a. The governance program is implemented and effective for the data and models used by insurers for pricing and underwriting property and casualty products.

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b. The data and models third-party vendors provide to insurers comply with applicable insurance laws and regulations in each state in which insurers use the data and models for pricing and underwriting property and casualty products.

4. **Material Changes Notifications:** Vendors must submit to the registry material modifications to a dataset or model, including decommissioning of a model. Regulators may request documentation if the changes indicate a significant alteration of model behavior, risk, or consumer impact.

INSURER RESPONSIBILITIES

This framework maintains the longstanding principle that insurers are responsible for their own compliance obligations. Insurers must validate model suitability for their book(s) of business, ensure contractual access to necessary information, meet all pricing and underwriting requirements, even when using third-party data and/or models.

Regulatory oversight of third-party data and model vendors and the data and models they supply to insurers **does not reduce insurer accountability**. Insurers remain responsible for the following:

1. Assessing model suitability for their own data and business use cases
2. Conducting insurer-level model validation, testing, and monitoring
3. Ensuring that any data provided by a third-party data vendor is sufficiently complete, accurate, and appropriate for its intended use
4. Ensuring compliance with laws pertaining to pricing, underwriting, unfair trade practices, and unfair discrimination
5. Maintaining contacts permitting insurer and regulator access to necessary model or data information

August 5, 2026

Jason Lapham, Chair
Third-Party Data and Models (H) Working Group
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106

Via email: Kris DeFrain, Director, Research and Actuarial Services (kdefrain@naic.org)

Re: Comments on the Regulatory Framework for Third-Party Data and Model Vendors — Property and Casualty Pricing and Underwriting Data and Models

Chair Lapham:

The American InsurTech Council ("AITC") appreciates the opportunity to comment on the Regulatory Framework for Third-Party Data and Model Vendors — Property and Casualty Pricing and Underwriting Data and Models (the "Framework"). AITC is an independent advocacy organization supported by legacy insurers, InsurTech companies, technology developers, and independent data and analytics providers.

AITC supports ensuring that regulators have appropriate visibility into models involving material consumer risk. We continue to have serious reservations, however, whether a registry is the most effective way to achieve that objective. More than half of the states already have mechanisms and processes in place that permit vendors to file models directly with their departments of insurance. We suggest respectfully that a more efficient way to achieve regulators' objectives would be for every state to adopt those same processes and mechanisms for the filing of models.

Nonetheless, our comments here are intended to be constructive given the Working Group's decision to pursue the registry approach.

1. Registration Confers No Benefit, and the Framework's Consequence Operates Outside the Registry

The Framework provides that vendors "would be encouraged to voluntarily register." The Executive Summary states three purposes, each describing what regulators obtain. There is no corresponding statement of what a registrant obtains, and no benefits section.

Registration involves significant cost to the vendor. It requires corporate and governance documentation, identification of which insurers have purchased the vendor's products, a binding commitment to respond to regulator requests within specified timeframes, annual updating and executive attestation, and continuing material change notification. The only affirmative commitment in return is the confidentiality provision in Section 1.e, discussed below.

More significantly, Section 2.a's production obligation and Section 2.b's use-prohibition contain no registration predicate; both apply to registered and unregistered vendors alike. A vendor that registers takes on all of the obligations associated with registration, yet remains subject to precisely the same exposure as one that does not. Non-participation costs nothing that a vendor would not otherwise bear. The Section 2.b sanction also operates against the insurer — a licensee — for conduct by a third party it does not control, and specifies no standard, notice, cure period, or appeal.

> **Recommendation.** The Framework should state affirmatively what registration provides. For exampole, that (i) that information lodged in the registry satisfies a state's request for that information, so registration substitutes for rather than supplements state-level requests; (ii) that accepted governance documentation is not re-examined absent a change or specific concern; (iii) that registered status may be used in demonstrating third-party diligence to insurer clients under the Model Bulletin; and (iv) that the Section 1.e confidentiality commitment extends to filed materials. None of these reduces regulator access. If participation is instead intended to be compulsory, the Framework should say so and identify the statutory authority relied upon. If Section 2.b is retained, it should specify the standard for invoking it, require notice and a cure period, and provide for administrative review.

2. The Production Obligation Describes Model Review, Not Governance Review

At the Working Group's March 23, 2026 meeting, the Chair indicated that this effort seeks registration of third parties and not of their models or data, and that the exercise is a governance review rather than the submission, review, or approval of models. The draft exposure is difficult to reconcile with that. Section 1.c directs vendors to supply, on request, information of the kind described in the NAIC Model Review Manual and the Catastrophe Modeling Primer — including validation, performance, fairness and bias testing results, and audit trails. The Model Review Manual is a model review instrument, adopted by the Casualty Actuarial and Statistical (C) Task Force in November 2025 for evaluating filed models. Section 2.a is more explicit still:

> "In either case, the third-party data and model vendor is required to provide all information requested similarly to what is required of an insurer filing its own data and/or model."

This defines a vendor's production obligation by reference to what an insurer must supply in a rate filing. The Framework thus contemplates a model filing package while describing the exercise as registration and governance review. These characterizations are inconsistent.

> **Recommendation.** Section 2.a should define the production obligation by the information necessary to support the specific filing at issue rather than by wholesale reference to what an insurer must supply. Section 1.c should distinguish the governance documentation the registry requires — which we support providing — from model review materials, which should be produced through the filing process in the state where the filing is made. The Framework

should state that the registry is not a filing channel and does not displace or duplicate state rate and form filing requirements.

3. Confidentiality Protects the Registry but Not the Filing

The commitments that the NAIC will treat registry submissions as confidential, that it is not subject to any state's open records laws, and that vendor-designated information will be shared only with states having authority to keep it confidential represent a substantial response to concerns raised in this process.

There is a significant issue, however with the treatment of information submitted via the registry. Section 1.e governs registry submissions, but the most sensitive materials — model documentation, methodologies, validation results — travel through the Section 2 filing process, where Section 2.d provides only that states "are encouraged to commit" to equivalent protections. There is no obligation, no mechanism, and no consequence for a state that does not so commit. The registry channel carries a real protection; the filing channel however, merely states an aspiration.

> **Recommendation.** Section 2.d should be conformed to Section 1.e, so that a vendor is not required to file model documentation into a jurisdiction that cannot protect it. The Working Group should also define the standard a state must meet, benchmarked to the protections applicable to ORSA Summary Reports and Form F filings under the Insurance Holding Company System Regulatory Act — exemption from public records disclosure, non-discoverability and inadmissibility in private civil actions, and non-waiver of privilege upon regulator sharing.

4. The Attestation Requires a Certification Vendors Cannot Make

Section 3 requires a senior leader with relevant technical expertise and formal authority over data and model governance to attest annually to two matters. The first — that the governance program is implemented and effective — is appropriate. The second is not achievable. Section 3.b requires attestation that:

> "The data and models third-party vendors provide to insurers comply with applicable insurance laws and regulations in each state in which insurers use the data and models for pricing and underwriting property and casualty products."

Vendors do not control how insurers implement their data and models, frequently do not know an insurer's use case or modifications — including where an output is weighted, capped, overridden, or combined with the insurer's own variables — and often do not know every state of deployment. Compliance depends on the filed rating plan in which the model sits and the insurer's underwriting guidelines. The Framework's own Insurer Responsibilities section assigns those obligations to insurers. Colorado's analogous framework places the attestation on the insurer. An attestation an officer cannot verify is not a compliance control.

> **Recommendation.** Section 3.b should be deleted. Section 3.a could be retained and supplemented so that the vendor annually attests that (i) it maintains a data and model governance program consistent with the Framework, (ii) the program has been reviewed within the preceding twelve months and is operating as described, and (iii) registered information is

accurate and complete in all material respects — in each case to the signer's knowledge after reasonable inquiry.

5. Further Provisions

Governance standards (Section 1.b). The Framework requires vendor governance programs to be consistent with the NAIC AI Principles and Model Bulletin. The Model Bulletin was written for insurers; its central construct presumes a regulated entity that makes or directly influences consumer-facing decisions. Its third-party provisions clearly describe what an insurer should require of its vendors. A vendor's program may be robust, documented, and independently audited yet fail element-by-element conformity with a framework written for a different type of entity. Vendor programs should instead be evaluated for functional equivalence to the objectives reflected in the AI Principles — risk assessment, data quality and provenance controls, validation, monitoring, change management, human oversight, and record retention — and a program built on the NIST AI Risk Management Framework or ISO/IEC 42001 should expressly satisfy that expectation.

Customer relationships (Sections 1 and 1.d). Registrants must identify which insurers have purchased their products, and the registry will show regulators, state by state, which insurers purchased which. A vendor's customer list is among its most commercially sensitive information, and regulators already learn which vendors an insurer uses from the insurer's own filing; the registry adds only the reverse view. This requirement should be removed or narrowed to the states in which a vendor's products are in use, without identifying individual purchasers.

Material changes (Section 4). Neither "material" nor "significant" is defined. Because models are refit and modified on regular cycles without changing specification or intended use, Section 4 should define reportable changes objectively — intended use, input categories or data sources, methodology or algorithm class, or output change beyond a defined threshold — expressly exclude routine refits and data refreshes, and confirm that notification is informational rather than a pre-use approval condition.

Conclusion

Each element can be understaood on a s stand alone basis, but taken together, the end product is a supervisory regime applied to entities that are not licensed insurers. And a registry that asks vendors to volunteer while offering nothing, and that reaches them through Section 2 whether they volunteer or not, is unlikely to attract the participation that would make it useful.

Thank you again for the opportunity to address our comments. We look forward to further discussion of these issues.

Respectfully Submitted,

Co-Founders, American InsurTech Council

JP Wieske (jpwieske@monumentadvocacy.com), Jack Friou (jfriou@americaninsurtech.com), Scott Harrison (sharrison@americaninsurtech.com), Teri Hernandez (thernandez@americaninsurtech.com)

cc: Kris DeFrain, Director, Research and Actuarial Services, NAIC

American Property Casualty Insurance Association℠
INSURING AMERICA apci.org

August 5, 2026

NAIC Third-Party Data and Models (H) Working Group
NAIC Central Office
1100 Walnut Street
Suite 1500
Kansas City, MO 64106
Via email: kdefrain@naic.org

RE: Revised Regulatory Framework for Third-Party Data and Model Vendors

Chair Lapham and Members of the Third-Party Data and Models (H) Working Group:

Thank you for the opportunity to comment on the Working Group's revised *Regulatory Framework for Third-Party Data and Model Vendors, Property and Casualty Pricing and Underwriting Data and Models*. APCIA appreciates the Working Group's efforts to examine the use of third-party data and models. We value the NAIC's commitment to promoting transparency, fairness, and responsible innovation.

The revisions made since the proposal's initial exposure have addressed several of our concerns and provide a more workable foundation for further discussion. Most notably, the framework is now limited to property and casualty pricing and underwriting data and models and reaffirms that insurers remain responsible for compliance with applicable insurance laws and regulatory requirements. While we view this version as a meaningful improvement, several implementation and operational questions remain, and we offer the following comments and recommendations for the Working Group's consideration.

Scope and Definitions

We appreciate the Working Group's clarification that future phases may address areas such as claims, utilization review, marketing, and fraud detection. While helpful, future phases are likely to raise different considerations depending on the function, data, or model at issue. As the Working Group considers future phases, we encourage regulators to evaluate each use case on its own merits and engage stakeholders before extending the framework to additional functions. Any expansion should remain proportionate to the consumer risk presented and the actual impact of the activity under review, rather than applying a one-size-fits-all approach across insurance functions.

Additionally, the definitions of *third-party pricing data, underwriting data, pricing model vendors,* and *underwriting model data vendors* appear to apply broadly to entities that develop, maintain, or distribute a product and, with respect to data, collect or compile the underlying information. This broad scope may create complexity where multiple parties are involved in the development, maintenance, or distribution of a dataset or model, including co-development arrangements or distribution partnerships. As drafted, the proposal could be interpreted to require separate registrations for the same or substantially overlapping products or components (for example, one entity registering the underlying data, another registering the model, and a third registering its distribution). The framework may be more streamlined and easier to administer if registration obligations were focused on a single point within the value chain, such as the entity that ultimately provides or licenses the product to the end user.

We also encourage the Working Group to consider whether Section 4's requirement to report "material" changes would benefit from a more clearly defined and objective standard to promote consistent interpretation and implementation.

Voluntary Registration

Although the registry is described as voluntary, questions remain about whether participation would be voluntary in practice. The framework contemplates restricting insurers' use of a vendor's data or model if requested information is not provided, creating significant pressure for vendors to participate. APCIA believes the registry should remain a truly voluntary program and should not operate as a form of vendor licensure, product approval, certification, safe harbor, or condition precedent to an insurer's lawful use of third-party data or models unless specifically adopted under applicable state law. Insurers should not face adverse consequences or lose access to third-party tools and services because a vendor declines to register or disclose proprietary or trade secret information in response to a regulatory request.

Clarifying the practical benefits of participation would strengthen the framework. Without a clear value proposition, vendor participation may be limited, reducing the registry's effectiveness and creating operational challenges for insurers that rely on those products and services. Reduced participation could limit access to innovative third-party tools and services and discourage development of products that help insurers assess risk, improve efficiency, and better serve consumers.

As the Working Group continues to refine the registry concept, additional clarity regarding its intended purpose and operation would be helpful. It would be useful to understand whether insurers will be able to determine which vendors have registered and whether that status may be referenced in filings or due diligence efforts. More broadly, the framework would be stronger with a clearer articulation of how the registry will improve transparency, reduce regulatory friction, and deliver meaningful value to insurers, vendors, and regulators.

Governance Documentation

The framework contemplates significant governance, documentation, attestation, and information-sharing expectations for vendors, and it remains unclear whether all will be willing to participate. If significant vendors choose not to register or cooperate, the operational impacts could be substantial, particularly for insurers that rely on those tools and services. Limited participation could disproportionately affect smaller insurers that lack comparable alternatives. The annual attestation requirement, particularly if it requires certification by a senior technical leader or similarly situated executive, may prove burdensome for some vendors and could discourage participation without providing commensurate regulatory value.

Additional clarification would be helpful regarding how the framework would apply when insurers customize third-party models, combine them with internally developed models or data, rely on vendors that discontinue a product or become unable or unwilling to comply with the framework, or face transition-related implementation challenges. If a vendor elects not to participate in the registry, becomes unable to comply with reporting requirements, or fails to respond to regulatory requests, insurers may face uncertainty regarding continued use of the associated data or model. In practice, insurers often cannot

immediately replace such tools and may require time to identify alternatives, update contracts and governance processes, implement system changes, conduct testing, and make filing revisions. Accordingly, the framework would benefit from prospective implementation, reasonable transition periods, cure opportunities, and clear treatment of legacy models and datasets already in use when any requirements become effective. The framework should also recognize insurers' good-faith compliance efforts, particularly where compliance depends, in part, on vendor cooperation.

APCIA also recommends that the framework preserve the insurer filing as the primary regulatory submission. Direct vendor submissions may be useful for confidential technical information, but they should not create uncertainty regarding filing ownership, timing, completeness, or an insurer's ability to secure timely regulatory review. Clear procedures, timelines, and coordination expectations would help ensure insurer filings are not delayed or deemed incomplete for reasons outside the insurer's control.

More specificity regarding the types of underwriting data covered by the framework would be helpful. While the proposed governance standards may be appropriate for structured datasets, risk scores, and similar products, underwriters often consider less formal sources of information, including publicly available information and news reporting. It would be helpful to explain whether such sources are intended to fall within scope and, if so, how the proposed governance requirements would apply to them. Consideration should also be given to whether publicly available information and similar less formal sources warrant different treatment than structured underwriting datasets.

Finally, the Working Group may benefit from further evaluating the registry's reporting requirements to ensure they are operationally feasible and aligned with the framework's stated objectives of improving transparency, reducing regulatory burden, and encouraging voluntary participation. For example, clarification that the requirement to "*disclose data usage*" in paragraph 1.b.iii on page 3 refers to the vendor's own use of personal information would help support those objectives. More broadly, some disclosure expectations may be difficult for vendors to operationalize. Vendors may not know how each insurer uses a particular dataset or model, whether a specific consumer's information is being used by an insurer at a given time, or whether the same underlying data is being used in non-insurance contexts. Reporting expectations should recognize these practical limitations.

Confidentiality

We appreciate the stronger confidentiality protections included in the revised draft, including the treatment of registry submissions as confidential and efforts to limit sharing of confidential information to jurisdictions that can maintain appropriate protections. Nevertheless, additional certainty is needed regarding how confidential and proprietary information will be protected across jurisdictions. Proprietary model documentation, validation results, audit trails, data lineage, performance metrics, fairness or bias testing, and other sensitive materials should not be shared across jurisdictions unless the receiving jurisdiction has clear authority to maintain confidentiality and protect the information from public disclosure or other compelled disclosure. At a minimum, the framework should provide that information shared through the registry remains subject to appropriate confidentiality and trade secret protections.

We are also concerned by provisions that could identify which insurers use specific vendors or purchase particular data and models. Such information may be commercially sensitive because it can reveal insurer strategies, underwriting approaches, vendor relationships, and market positioning. The framework should

make clear that insurer-identifying information will be disclosed only where legally required and subject to appropriate confidentiality protections. To the extent any registry information may be publicly discoverable, disclosures should remain as high-level as possible to avoid unnecessary exposure of proprietary information, preserve confidentiality, and minimize the risk of discouraging innovation or participation in the registry.

Legal Review

We also continue to have questions about the legal basis for imposing registration, reporting, and governance obligations on unaffiliated third-party vendors that are not themselves regulated insurance entities. We further question whether the proposal may effectively subject third-party vendors to disclosure and governance expectations that exceed those applicable to comparable models developed and maintained by insurers internally. Care should be taken to ensure that the framework does not create requirements that are unrealistic to implement or that conflict with existing legal, regulatory, or contractual obligations applicable to the data or vendor.

Oversight

Finally, we are concerned that certain provisions may be interpreted as expanding insurer responsibilities beyond what is reasonably within an insurer's control. Insurers should be expected to conduct appropriate due diligence, validation, and oversight, but they necessarily rely on information and representations provided by vendors. Any annual attestation should focus on the vendor's governance controls, documentation accuracy, change management, validation processes, regulatory cooperation, and disclosure of known limitations, rather than requiring a broad legal conclusion that the vendor's data and models comply with every applicable state insurance law for every insurer-specific use case. We also recommend that the Working Group clarify that insurers are expected to exercise reasonable oversight, rather than guarantee facts that may be uniquely within a vendor's knowledge or control. Insurers may not have access to the underlying data or methodologies needed to independently verify third-party data quality or completeness. Additional guidance regarding annual attestations, material change notifications, and insurer obligations when vendors are unable or unwilling to provide requested information would be helpful. Any final framework should recognize the practical limits of insurer oversight and provide appropriate flexibility where issues arise from matters primarily within a vendor's control.

Conclusion

We appreciate the Working Group's consideration of stakeholder feedback and believe the revised framework is a meaningful improvement over the original proposal. We look forward to continued engagement as the framework develops.

Thank you,

Kristin Abbott
Sr. Director and Counsel, Cyber & Privacy

From: Hoblitzell, Tyler <Tyler.Hoblitzell@bcbsa.com>
Sent: Wednesday, August 5, 2026 8:16 AM
To: DeFrain, Kris <kdefrain@naic.org>
Cc: randi.chapman <randi.chapman@bcbsa.com>; Clay.McClure <Clay.McClure@bcbsa.com>
Subject: BCBSA Comments on the Third-Party Framework, P&C Pricing, and Underwriting Data and Models

Good Morning,

Thank you for the opportunity to provide comments on the Third-Party Framework, P&C Pricing, and Underwriting Data and Models.

Because the framework is currently limited to P&C pricing and underwriting, the Blue Cross Blue Shield Association (BCBSA) is not submitting substantive comments on the proposal at this time. However, we note that the Working Group has indicated that it may consider applying a similar framework to other lines of insurance in the future.

Should the Working Group undertake such an effort, BCBSA respectfully requests that any future Third-Party framework for health lines be developed and evaluated independently, taking into account the unique regulatory, operational, and market considerations applicable to the specific line of insurance subject to review. We also request that any provisions ultimately adopted for the P&C framework not be presumed to apply to other lines without a separate stakeholder process and opportunity for public comment.

We appreciate the Working Group's consideration and look forward to engaging should future work expand beyond the current scope.

Please do not hesitate to reach out if you have any additional questions.

Thank you,

Tyler

Tyler Hoblitzell J.D.
State Affairs Senior Program Manager
Blue Cross Blue Shield Association
750 9th Street, NW
Washington, DC 20001
Tyler.Hoblitzell@bcbsa.com | (410) 967-6120

BlueCross BlueShield Association

credo ai

Aug 5, 2026

Third-Party Data and Models (H) Working Group
National Association of Insurance Commissioners

RE: Comments Regarding NAIC Regulatory Framework for Third-Party Data and Model Vendors – Property and Casualty Pricing and Underwriting Data and Models

Credo AI is pleased to submit comments in response to the National Association of Insurance Commissioners' proposed Framework for Third-Party Data and Model Vendors - Property and Casualty Pricing and Underwriting Data and Models.

About Credo AI

Credo AI is an enterprise AI governance platform serving regulated industries, federal agencies, and Fortune 500 enterprises. We work at both ends of the regulatory lifecycle: with policymakers, regulators, and standards bodies as governance frameworks are developed, and with the operators who implement them. That position gives us direct visibility into which requirements yield reliable evidence in practice and which do not, and it is the perspective we bring to this consultation.

Credo AI works with insurers governing their use of purchased data and models and with the vendors that supply them. Our control library maps obligations across the NAIC Model Bulletin, state insurance AI regulations, the NIST AI RMF, and the EU AI Act, so that overlapping documentation requirements can be satisfied from a single evidence base. Credo AI does not supply pricing or underwriting data or models and would not be a registrant under the framework. We therefore have no direct interest in the scope of the registration obligation. Our interest is in whether the evidence the Framework calls for can actually be produced, at what cost, and by which party. That is the question our platform exists to answer, and it is the lens we apply below.

Executive Summary

Credo AI supports the Working Group's effort to bring transparency and governance discipline to the market for third-party data and models, and we think several of the choices reflected in this exposure are the right ones. Registration rather than licensure keeps the Framework proportionate and avoids inserting regulators into vendor market entry. Preserving insurer accountability, rather than allowing a vendor's registration to substitute for it, maintains the line of responsibility that state insurance regulation already runs through the licensed carrier. Narrowing the exposure to property and casualty pricing and underwriting makes the Framework materially more workable than the broader scope contemplated in December 2025. And keeping the model definitions technology-neutral avoids the

fragmentation that follows from writing definitions around whichever architecture happens to be prevalent.

We also believe a shared multi-state registry is the right instrument for the problem. Regulators today lack a consolidated view of what data and models sit behind rating plans across the market, and no individual state filing process is well positioned to produce one. Our comments are directed at the fit of particular provisions, not at the premise.

The principal question we raise concerns the pace at which third-party models now change. A conventional pricing or underwriting model is developed, validated, and deployed as a fixed version, and changes through discrete releases a vendor can identify and date. A growing share of what vendors supply does not behave that way. Foundation models and the systems built on top of them can shift through base model updates, fine-tuning, changes to retrieved context, or changes to orchestration logic— none of which necessarily produce a version number, and several of which occur on an upstream supplier's schedule rather than the registrant's own.

That matters for the annual attestation specifically. An attestation is a point-in-time statement, and its value to a regulator depends on how much the underlying system moves between attestations. For a versioned model, an annual cycle is a sound fit. For an adaptive one, an attestation may be accurate on the day it is signed and no longer descriptive of the deployed system well before the next is due. The registry would then hold a record that is formally current and substantively stale.

Our comments advance the following positions:

First, **governance obligations for AI-enabled insurance products should be calibrated to how models behave and change**, not only for what they are at the time of registration. We do not believe this requires a shorter universal cycle or a new category of registrant. We do recommend consideration of what a vendor of an adaptive system owes the registry between attestations, and that this should be specified as a clear, measurable expectation within the Framework rather than leaving it to be inferred.

Second, **attestation obligations should track the locus of knowledge and control.** A vendor is positioned to attest to what it built, tested, and governs. An insurer is positioned to attest to how it has configured and deployed that product within its own rating plan. The Framework already assigns the second determination to insurers under Insurer Responsibilities, and the vendor attestation should be narrowed to match rather than asking both parties to certify the same conclusion.

Third, **transparency infrastructure is only as strong as the participation and consistency it sustains.** A registry that vendors have reason to avoid, or that states interpret inconsistently, will not deliver the view regulators are seeking. It will instead reflect whichever vendors found registration least costly, filtered through whichever jurisdiction's interpretation happened to apply.

These positions inform our comments in the sections below, organized around the framework's current provisions.

1. Clarify How the Model Definitions Apply to AI (and General Purpose) Systems

The Framework defines the two categories of model within its scope as follows:

> *"Pricing Model—A simplified representation of how insurance losses, expenses, and risk factors relate to each other that is constructed for the purposes of developing rates, premiums, or rating factors for property and casualty insurance risks."*
>
> *"Underwriting Model—A simplified representation of relationships between risk characteristics, exposures, and expected insurance outcomes designed to inform or automate a property and casualty insurer's decisions about whether to accept, decline, or modify the terms of property or casualty insurance risks."*

Both definitions describe a model as a representation that is "constructed" or "designed" for a defined insurance purpose. That framing fits a discrete, purpose-built artifact well, but is a harder fit for a foundation model or agentic system that was not built for insurance use in the first place and is instead repurposed by an insurer after the fact, or whose behavior is a function of prompt structure, retrieved context, and orchestration logic rather than a single fixed representation. We recommend the Working Group clarify how these definitions apply to a vendor whose product was not itself "constructed for the purposes of" pricing or underwriting under the Framework's own language, but is nonetheless incorporated into a rating plan or underwriting workflow by an insurer.

This distinction matters directly for the documentation the Framework would require of vendors:

> *"For models, documentation should consist of purpose, assumptions, inputs, limitations, performance metrics, and validation processes."*

We appreciate that this requirement already asks a vendor to disclose a model's "purpose" and "limitations," which gives the Framework useful language to build on. We recommend the Working Group clarify that where a vendor's stated purpose is not insurance-specific, the vendor's documentation obligation is limited to disclosing that fact along with the model's own known limitations, rather than requiring the vendor to anticipate and certify every insurance-specific use an insurer might independently make of a general-purpose product. The insurer's corresponding obligation to assess suitability for its own use case, discussed in Section 3 below, is the more appropriate place for that determination to be made.

2. Attestation Cadence Should Reflect the Pace of Model Change

The Framework sets a single, fixed cadence for keeping registry information current:

> *"Through the shared multi-state registry, vendors must annually update governance documentation, contact information, and any other required documentation."*

An annual cadence is well matched to models that change through discrete, versioned releases. That remains the norm for the classical machine learning most widely used in pricing and underwriting today, and for those models the registry works as designed: a vendor knows when a release occurred and what changed, and can describe both at the next attestation. The fit weakens as vendors incorporate foundation models and adaptive components. Three features of these systems cut against a fixed annual cycle:

- Change without a release event. Behavior can shift through updates to a base model, fine-tuning, retrieved context, or system instructions, without producing anything a vendor would ordinarily record as a new version.
- Change originating upstream. Where a vendor builds on a third-party foundation model, material changes may occur on the upstream provider's schedule. The registrant may learn of them at the same time as its own customers, or after.
- Change that is gradual rather than discrete. Drift in retrieval sources or input distributions can accumulate without any single change appearing significant at the moment it occurs.

The consequence is not that an annual attestation becomes false. It is that it becomes less informative than it appears. A statement accurate when signed can cease to describe the deployed system months before the next attestation is due, and the registry gives a regulator no signal that this has happened. For a mechanism whose purpose is to give regulators a reliable current view of the market, that is a meaningful limitation.

We recommend the Working Group determine what obligation, if any, a vendor of an adaptive or generative system carries between annual attestations, and state that determination expressly rather than leaving it to be inferred from the Material Changes Notifications provision.

We do not believe a shorter universal cycle is the right answer. It would impose real cost on the majority of registrants whose models change only at release, without reliably capturing the changes that matter for the systems that prompted the concern. The more promising direction is a continuing record maintained by the vendor and available to regulators on request, paired with a clearer account of which changes warrant affirmative notice (a question we return to in Section 7). We would welcome the opportunity to work through the operational options with the Working Group.

3. Attestation Obligations Should Track Knowledge and Control

The Framework's Annual Attestation provision currently asks a single vendor officer to attest to two distinct things:

> *"The governance program is implemented and effective for the data and models used by insurers for pricing and underwriting property and casualty products."*
>
> *"The data and models third-party vendors provide to insurers comply with applicable insurance laws and regulations in each state in which insurers use the data and models for pricing and underwriting property and casualty products."*

The first of these is squarely within a vendor's own knowledge and control, and we support requiring it. The second asks the vendor to attest that its data and models "comply with applicable insurance laws and regulations in each state in which insurers use" them — a determination that depends heavily on how a given insurer has configured, filed, and deployed the product within its own rating plan. A vendor supplying the same model or dataset to many insurers across many states may not have visibility into each of those deployments, making this second attestation difficult to make with confidence at the vendor level.

The Framework elsewhere assigns this exact determination to the party that does have that visibility. Under Insurer Responsibilities, it states that insurers must:

> *"Insurers must validate model suitability for their book(s) of business, ensure contractual access to necessary information, meet all pricing and underwriting requirements, even when using third-party data and/or models."*

and, specifically, that insurers are responsible for "assessing model suitability for their own data and business use cases." We recommend the vendor attestation be narrowed to match this existing division of responsibility: vendors attesting to the effectiveness of their own governance program and the accuracy of their model and data disclosures, with the insurer's existing suitability and compliance obligations covering the use-case-specific determination the current vendor attestation language also asks vendors to make. Regulators and insurers would still be able to rely on a vendor's registry attestation as one input into the insurer's own filing. This removes the overlap between the two attestations without requiring vendors to reconstruct customer-specific deployment information they may not otherwise collect.

4. Confidentiality Protections Should Be Strengthened to Avoid Adverse Selection in the Registry

We appreciate that the Framework already addresses confidentiality directly:

> *"Information submitted to the NAIC's registry by a model or data vendor will be treated as confidential by the NAIC. The NAIC is not subject to open records laws in any state. The confidentiality of vendor information will be governed by each state's open records laws. However, if a vendor designates certain information submitted to the registry as confidential, whether governance information or data or models, the NAIC will commit to sharing that information only with states that have the authority to keep it confidential. States may have statutes that permit confidential treatment of trade secrets and for exam work papers. States may also need to create statutes that apply specifically to information from third-party data and model vendors or amend existing statutes to include them."*

As the Framework itself acknowledges, however, the authority needed to make that commitment meaningful does not yet exist uniformly: "states may also need to create statutes that apply specifically to information from third-party data and model vendors." Until that legislative work is done on a state-by-state basis, a vendor's actual confidentiality protection will vary by jurisdiction in ways it cannot predict at the time of registration.

The Framework's treatment of state rate and underwriting filings is similarly aspirational rather than binding:

> *"To access the registry and to facilitate third-party data and model vendors' submission of requested data and/or models, states are encouraged to commit to providing the same confidentiality and intellectual property protections to third-party data and model filings as are afforded to insurers for confidential, proprietary, and trade-secret information under state laws."*

We recommend this expectation be strengthened from an encouragement to a condition of a state's participation in the registry regime. The value of the registry as a market-wide view depends on participation from vendors whose governance programs and model architectures represent significant proprietary investment. Without a firmer confidentiality commitment, vendors with the most sensitive information to protect will have the strongest incentive to limit what they disclose or to decline

registration altogether, leaving the registry weighted toward vendors with comparatively little proprietary information at stake.

5. Registry and State-Level Filings Should Be Kept in Sync

The Framework establishes the multi-state registry and state rate and underwriting filings as two separate tracks:

> *"An insurer will continue to be required to file its rates and underwriting rules in accordance with each state's laws and regulations. This new framework also does not change any state's requirements for the filing of data and models."*
>
> *"If a third-party vendor's data and/or model is used, that data and/or model must be filed in either the insurer's own filing or as a separate filing submitted directly to the regulator, as requested by the regulator."*

As drafted, neither passage requires a vendor's central registry entry and a vendor's later filing-specific submission to a particular state to reference or reconcile with one another. A vendor could register its governance program with the NAIC and later make a separate filing to a specific state "as requested by the regulator" that reflects adjustments or additional detail, without any obligation to update the corresponding registry entry to match. Over time, this creates a real risk that the registry and one or more state-level filings diverge, undermining the single, reliable reference point the registry is intended to provide.

We recommend the Working Group require that any material information submitted in a state-specific filing also be reflected in the vendor's central registry entry within a defined window, so that the registry remains current rather than becoming one of two potentially inconsistent records of the same vendor's data or model.

6. Technology-Neutral Definitions, Risk-Calibrated Evidentiary Requirements

We support keeping the Framework's Pricing Model and Underwriting Model definitions, quoted in Section 1 above, technology-neutral, and recommend the Working Group continue to define new terms only where the existing definitions do not reach rather than introducing parallel, technology-specific definitions that would fragment the Framework over time.

Technology neutrality is appropriate for definitions, but we do not believe it is appropriate for every evidentiary provision built on top of them. The Framework's documentation requirement, for instance, treats all models alike:

> *"For models, documentation should consist of purpose, assumptions, inputs, limitations, performance metrics, and validation processes."*

This list is appropriately generic as far as it goes. But a classical pricing or underwriting model produces the same output for the same input by design, so a single set of "performance metrics" evaluated once is meaningful evidence of how the model will behave in the field. A generative or adaptive model can produce different outputs for identical inputs depending on non-deterministic elements of its architecture, so the same single-metric validation approach may understate the true range of the model's behavior. We recommend the Working Group retain the technology-neutral documentation

categories quoted above, while adding a supplementary reporting requirement (e.g., output-stability or variance testing across repeated runs on identical inputs for vendors whose pricing or underwriting models incorporate generative or adaptive components).

7. Clarify "Significant Alteration" and Establish Interstate Coordination

The Framework's Material Changes Notifications provision states, in full:

> *"Vendors must submit to the registry material modifications to a dataset or model, including decommissioning of a model. Regulators may request documentation if the changes indicate a significant alteration of model behavior, risk, or consumer impact."*

The provision does not further define what constitutes "a significant alteration of model behavior, risk, or consumer impact," leaving vendors without clear guidance on which updates warrant a material change submission and which do not. A vendor acting in good faith may reasonably disagree with a regulator's post-review view of whether a given update was significant, particularly for the more dynamic systems discussed in Section 2.

Without proposing specific text, we suggest the materiality question sorts into three categories of change, which differ in how readily the Working Group can specify them in advance.

- **Structural changes**: to a model's target variable, input variables, training data sources, or algorithmic architecture. These are discrete, vendor-observable, and the Framework can describe them directly.
- **Scope changes**: restriction, expansion, or decommissioning of a model's documented intended use. Also discrete and specifiable.
- **Behavioral changes**: shifts in model output arising without a structural change. This is the category the Framework cannot usefully specify centrally, because what constitutes a meaningful shift depends on the model, the line of business, and the role the output plays in the rating plan. A single numeric threshold set centrally would be arbitrary across that range, and would likely be set either too low to be workable or too high to be protective.

For that third category, we suggest the Working Group consider requiring each vendor to declare at registration the threshold at which it treats a change in its own model's output as material, together with the reference set and metric against which it measures. This asks the Working Group to specify the obligation rather than the number. It gives vendors a standard they can plan against, and gives regulators a commitment they can examine– including the ability to ask why a threshold was set where it was, whether it was applied consistently, and whether it changed. It is disclosure of a standard against which a vendor can be held, not self-certification of compliance. In most cases it will formalize a threshold a vendor already maintains internally for drift monitoring.

A second source of ambiguity is cross-state variation. Because the Framework operates through a 'shared multi-state registry' that individual states adopt on their own timelines and through their own regulators, different states may interpret 'significant alteration' differently for the same vendor and the same underlying change. We recommend the Working Group establish a coordinating body among participating states to align interpretation and share guidance as questions arise in practice, so that vendors and insurers operating across multiple states face a consistent standard rather than a patchwork of state-specific interpretations of the same language.

The Working Group is addressing a real gap, and the architecture it has chosen is sound. Our recommendations are directed at a single question: whether the evidence the Framework calls for can be produced by the party best positioned to produce it, and whether it will still be accurate when a regulator relies on it. We appreciate the opportunity to comment and would welcome the chance to brief the Working Group on how these provisions map to control frameworks insurers and vendors are already implementing.

Respectfully,

Akanksha Ray

Director, Global AI Policy
Credo AI
akanksha@credo.ai

Insurance Services Office, Inc.
545 Washington Boulevard
Jersey City, NJ 07310-1686
www.iso.com

Laura L. Panesso, CPCU, AIDA
Vice President State Relations
Government Relations
t 201-469-2287
LPanesso@iso.com

August 5, 2026

Third-Party Data and Models (H) Working Group
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1000
Kansas City, MO 64106-2197

Re: Request for comments on second draft of the third-party data and model vendor regulatory framework

Thank you for the opportunity for Insurance Services Office, Inc. (ISO) to provide comments on the draft Risk-Based Regulatory Framework for Third-Party Data and Model Vendors developed by the NAIC Third-Party Data and Models Working Group.

Introduction

We appreciate the opportunity to provide comments on the proposed framework. Our comments are intended to support a clear, workable, and non-duplicative approach that encourages voluntary participation by third-party vendors while preserving existing state regulatory authority and insurer responsibility for compliance with applicable insurance laws. In particular, we recommend clarifying the scope of regulated entities, avoiding requirements that may deter participation, such as required disclosure of proprietary information, and removing provisions that duplicate established state filing processes.

Definitions

We recommend adding back the definition of "licensee" from the prior draft, shown below. Reintroducing this term would help distinguish regulated entities from third-party vendors and provide needed clarity throughout the definitions and proposed registry provisions. This distinction is important because entities such as insurers, advisory organizations, and rating organizations may already be licensed, authorized, subject to examination, or otherwise regulated under existing state insurance laws.

> **"Licensee"** means any insurer, producer, advisory or rating organization, third-party administrator, or other similar organization engaged in the business of insurance that is required to be licensed or otherwise authorized to perform insurance-related functions under applicable state law and is subject to examination by the [department of insurance].

We also recommend clarifying that information derived from government records, public records, and publicly available sources should be excluded from the definition of third-party data for purposes of this framework. Data obtained directly from federal, state, tribal, or local governmental entities and made publicly available pursuant to law, as well as information that is publicly available on websites and online platforms, should not be treated as proprietary third-party data. solely because it is collected, aggregated, normalized, formatted, or transmitted by a third party.

Examples include property records, tax assessor records, building permits, business registrations, court filings, and other publicly available governmental datasets, as well as publicly accessible information such as business websites, online directories, consumer reviews, and ratings platforms (e.g., Yelp, Google Reviews, TripAdvisor, and similar publicly available sources). Such information is generally available to insurers, consumers, regulators, and the public, regardless of whether it is accessed directly or through a third-party.

We suggest the following language be added to the introduction to the definitions section:

"Third-party data does not include information obtained directly from government records, public records, or publicly available sources. Publicly available sources include information lawfully accessible to the general public without a special contractual relationship, including information available from governmental entities, public filings, business websites, online directories, and consumer review platforms. The aggregation, normalization, formatting, or transmission of such information shall not, by itself, cause the underlying information to be considered third-party data."

Registry

A voluntary registration process should be structured to incentivize third-party participation. Requiring customer lists as part of registration may deter participation because those lists can change frequently, vendors may not track whether or how a particular customer is implementing a product, and many vendors may consider customer information to be confidential or trade-secret information.

Similarly, requiring detailed proprietary information, which may include, trade secrets or other confidential business information, described in Section 1.c., even upon request, may discourage

registration given the potential for disclosure of intellectual property or other proprietary information, even where confidentiality protections are available. In addition, this information is already requested at the state level either in connection with an insurer filing or directly from the third party, making this registry requirement duplicative. Given this, we recommend that Section 1.c. be stricken.

We also recommend clarifying the examples of potential registrants in Section 1.d., particularly references to advisory organizations, which are already subject to licensing and examination. This clarification should be made in conjunction with reintroducing the definition of "licensee."

With respect to Section 1.e., we suggest the following revisions to align with our comments above.

e. Information submitted to the NAIC's registry by a model or data vendor will be treated as confidential by the NAIC. The NAIC is not subject to open records laws in any state. The confidentiality of vendor information will be governed by each state's open records laws. However, if a vendor designates certain information submitted to the registry as confidential, ~~whether~~ for example, governance information ~~or data or models~~, the NAIC may ~~will commit to sharing~~ share that information only with states that have the authority to keep it confidential. States may have statutes that permit confidential treatment of trade secrets and for exam work papers. States may also need to create statutes that apply specifically to information from third-party data and model vendors or amend existing statutes to include them.

Rate and Underwriting Filings

We recommend striking this section in its entirety. Filing requirements, whether made through the insurer or directly by a third party, are already addressed at the state level. Including a separate filing framework here may create confusion, duplication, or inconsistency with existing state processes and authority.

Annual Attestation

We suggest modifying Section 3.b. because use cases for third-party data and models, as determined by the insurer using the products, may be subject to different insurance laws and regulations in each state. The obligation to ensure compliance with applicable law should remain with the insurer based on the insurer's specific use of the product. Accordingly, the attestation should not require a third-party vendor to attest that the data and models comply with all applicable insurance laws and regulations in every state where an insurer may use them. We suggest the following revisions:

b. The data and models third-party vendors provide to insurers are reviewed in conjunction with ~~comply with~~ applicable insurance laws and regulations in each state in which insurers use the data and models for pricing and underwriting property and casualty products.

Conclusion

In summary, we support efforts to promote greater transparency and regulator awareness regarding third-party data and model vendors, provided the framework remains voluntary, clear, and non-duplicative of existing state regulatory processes. The revisions suggested above would help encourage vendor participation, protect confidential and proprietary information, and appropriately recognize the insurer's responsibility for compliance based on its specific use of third-party products. We appreciate the opportunity to comment and would welcome continued discussion as the framework is further refined. Please feel free to contact me should you require additional information concerning ISO's position relative to these matters.

Respectfully Submitted,

Laura L. Panesso, CPCU, AIDA

August 5, 2026

Kris DeFrain
Research and Actuarial Services
NAIC Central Office
1100 Walnut Street, Suite 1500
Kansas City, MO 64106

Sent via email: kdefrain@naic.org

Re: Commentary to the National Association of Insurance Commissioners (NAIC) Working Group on the Regulatory Framework for Third-Party Data and Model Vendors

Dear Ms. DeFrain:

I am writing on behalf of LexisNexis Risk Solutions Inc. ("LexisNexis"), a leader in providing essential information to help customers across industries and government assess, predict, and manage risk. LexisNexis appreciates the opportunity to provide feedback on the draft NAIC Exposure Draft: Third Party Regulatory Framework ("Framework Draft").

LexisNexis is greatly appreciative of the continued comprehensive and inclusive stakeholder process the NAIC has undergone as it seeks to identify the best approach for the Framework Draft. The NAIC Third Party Data and Models (H) Working Group ("NAIC") continues to show its willingness to identify a framework that is both operationally feasible for third-party vendors and provides the efficiencies necessary for the industry and for consumers. The comments below are intended to assist the NAIC in refining the most recent proposed draft provisions of the Framework Draft. As a third-party vendor serving insurers, we respectfully offer the following observations and recommendations for consideration.

***

Regulatory Need and Expected Benefits

The framework identifies several objectives, including increasing regulatory awareness of third-party vendors, encouraging governance standards, and providing regulators with direct access to vendor information. However, it is unclear how the proposed registry and reporting requirements advance these objectives beyond existing regulatory processes. Insurers currently submit rate and underwriting filings and remain responsible for demonstrating compliance with applicable laws. Third party vendors directly provide this information to State Departments of Insurance (DOIs) where State DOIs permit them to do so. The framework itself confirms that insurer filing obligations remain unchanged and that insurers retain responsibility for validating and

overseeing third-party tools. Moreover, the federal Fair Credit Reporting Act (FCRA) includes comprehensive regulatory oversight and third-party data vendor requirements that are particularly relevant to the models and data encompassed in the current exposure's pricing and underwriting scope.

With the above in mind, we respectfully request additional explanations regarding 1) the specific regulatory gaps the framework is intended to address, and 2) the benefits regulators expect to obtain from direct vendor access that are not already available through existing insurer filing and examination processes and regulatory requirements.

Additionally, LexisNexis would recommend that the Working Group consider the addition of a proposal that individual states codify the ability for third party model vendors to file their models directly with the State DOIs. The identified intent of the framework is to provide transparency between vendors and State DOIs, and a direct filing process would create an avenue for communication between the two entities that the current exposure draft does not clearly accomplish through the proposed NAIC registration process.

Duplication of Existing Governance Expectations

The framework requires vendors to demonstrate governance programs consistent with the NAIC AI Principles and AI Model Bulletin. Insurers already require vendors to demonstrate compliance with these governance expectations through procurement diligence, contractual obligations, audits, questionnaires, and model governance reviews as recommended in the NAIC AI Model Bulletin.

Requiring vendors to provide substantially similar information through an additional registration process appears to create significant duplication without a corresponding regulatory benefit. LexisNexis encourages the working group to consider whether existing insurer oversight mechanisms created by the NAIC and State DOIs already address many of the stated objectives.

Protection of Confidential and Proprietary Information

The framework contemplates regulator access to governance documentation, model information, validation information, customer relationships, and other proprietary materials. We appreciate the effort to address confidentiality protections; however, the framework appears to rely significantly on individual state confidentiality laws and acknowledges that additional state legislation may be necessary in some jurisdictions.

For vendors whose business value is derived from proprietary data assets, model methodologies, intellectual property, and customer relationships, uncertainty regarding confidentiality protections presents a substantial concern.

Accordingly, we respectfully recommend that: 1) confidentiality protections be established and clearly defined before implementation, 2) vendor submissions marked confidential receive

consistent protection across all participating jurisdictions, and 3) disclosure obligations be limited to information reasonably necessary for regulatory review and tied to the clarified regulatory need and expected benefits.

Third Party Vendor Customer Disclosure Requirements

The registry would include information regarding which insurers have purchased third party vendor data or models. The framework does not explain why broad regulator visibility into vendor customer relationships is necessary to achieve its stated objectives. Customer lists often constitute highly sensitive commercial information and may not be directly relevant to the evaluation of a specific filing or regulatory review. We respectfully request clarification regarding who would have access to this information and how the information would be used, including whether access would be limited to regulators reviewing a specific insurer filing or performing a legally relevant market conduct examination.

Model-Level Documentation Requirements

The proposal contemplates detailed documentation regarding model purpose, assumptions, inputs, limitations, performance metrics, validations, testing results, change logs, and audit trails. While vendors generally maintain robust governance and validation frameworks, many do not routinely provide model-level documentation of this breadth outside specific customer due diligence processes or regulatory requests tied to a particular filing. In addition, external maintenance of this protected information raises security concerns as the NAIC has recently experienced a documented data security breach.

If collection of this information is deemed to be critical to the framework and its intended purpose, we recommend adopting a risk-based approach that: 1) focuses requests on information necessary for a specific regulatory purpose, 2) foregoes routine submission of detailed proprietary model documentation, and 3) permits regulators to obtain additional information when justified by a particular review or concern permitted by enacted state insurance code requirements.

Clarification Regarding the Voluntary Nature of Registration

The framework describes registry participation as voluntary, yet participation appears to trigger significant ongoing obligations, including regulator responsiveness commitments, annual attestations, documentation updates, and material change notifications. In addition, failure to provide requested information could result in regulators prohibiting insurers from using a vendor's products in a state.

We respectfully request clarification regarding: 1) whether participation is truly voluntary in practice, 2) the circumstances under which regulators may prohibit the use of a vendor's

products, and 3) the applicable procedural protections, appeal rights, and standards before such action may occur.

***

We appreciate the Working Group's efforts to improve transparency and governance relating to third-party data and models. We respectfully submit that any final framework should focus on addressing identified regulatory gaps while avoiding duplication of existing insurer oversight processes, protecting confidential information, providing consistent confidentiality safeguards, and ensuring that compliance obligations remain clear and proportionate to regulatory objectives.

We welcome continued engagement with the Working Group and would be pleased to participate in future discussions regarding practical implementation considerations.

Respectfully submitted,

Monica Milner

Monica Milner
Product Principal
Insurance
LexisNexis Risk Solutions

majesco

July 24, 2026

Kris DeFrain
Director, Actuarial and Research
Staff Support, Third-Party Data and Models (H) Working Group
National Association of Insurance Commissioners
Via email: kdefrain@naic.org

Dear Ms. DeFrain and Members of the Working Group:

Majesco appreciates the opportunity to comment on the exposure draft of the Regulatory Framework for Third-Party Data and Model Vendors for property and casualty pricing and underwriting data and models (the "Framework"), exposed by the Third-Party Data and Models (H) Working Group on July 8, 2026. Majesco is a provider of intelligent core insurance platform software. This includes AI-enabled pricing and underwriting capabilities used by property and casualty insurers that fall within the scope of the Framework's definitions as a third-party model vendor. We appreciate the Working Group's continued refinement of the Framework, including its narrowed focus on property and casualty pricing and underwriting in this phase.

Majesco supports the Framework's objectives: enabling states to confirm that insurers' use of third-party data and models complies with applicable insurance laws, encouraging robust vendor governance standards, and providing regulators with visibility into third parties that play a material role in pricing and underwriting. We believe a well-designed registry, grounded in the risk-based approach the NAIC established in its Principles for Artificial Intelligence (2020) and the Model Bulletin on the Use of Algorithms, Predictive Models, and Artificial Intelligence Systems by Insurers, can benefit regulators, insurers, consumers, and responsible third-party vendors alike.

Our ten comments below are offered in that constructive spirit, and each concludes with a specific recommendation.

1. Adopt Proportionate, Risk-Based Obligations

The Framework applies uniform obligations to all in-scope data and models regardless of their consumer impact, opacity, or degree of automation. We believe this departs from the risk-based approach the NAIC established in its AI Principles and Model Bulletin, which tailor oversight into the risk presented.

Configurable rules engine whose recommendations are reviewed by a human before binding does not present the same regulatory risk as a fully automated tier-placement model. Treating them identically would direct regulator, insurer, and vendor resources away from the tools most likely to affect consumers.

Recommendation: *Scale registry, documentation, and attestation obligations to the risk tier of the data or model, considering direct consumer impact, model opacity, and degree of automation, consistent with the risk-based approach of the NAIC AI Principles and Model Bulletin.*

2. Maintain Scope Discipline — Consumer-Impacting Decisions, Not Infrastructure

The Framework's definitions of pricing and underwriting data and models are broad enough to capture generic platform infrastructure, workflow tooling, and administrative capabilities that do not materially influence the decisions affecting consumers that the Framework addresses. The appropriate scope principle is impact-based, not technology-based: within any decision domain the Framework covers — pricing and underwriting in this phase, and potentially claims and other consumer-impacting functions in future phases — oversight should attach to the data and models that materially and directly inform those decisions, while excluding the surrounding infrastructure that does not. An overly broad scope would impose compliance burden without a corresponding consumer-protection benefit and would create uncertainty for insurers about the breadth of their own oversight obligations.

Recommendation: *Clarify that the Framework applies to data and models that materially and directly inform the consumer-impacting decisions within its scope, and explicitly exclude general platform infrastructure, workflow tooling, and administrative functions. Majesco supports applying the same materiality principle consistently if the Framework is extended to other consumer-impacting functions, such as claims, in future phases.*

3. Permit Platform-Level Registration with a Model Manifest

The draft appears to contemplate registration on a model-by-model basis. For integrated platforms that host multiple related AI capabilities under a common governance program, per-model registration would generate substantial administrative volume for both vendors, insurers, and regulators without improving regulatory visibility. A platform-level registration, accompanied by a complete and annually updated manifest of in-scope models and datasets, would give regulators the same — or better — line of sight with far less friction and more consistency.

Recommendation: *Allow a vendor to register at the platform or entity level, supported by a complete model and data manifest that is updated at least annually and upon material change.*

4. Recognize the Vendor-of-Record Model for Embedded Sub-Processors

Modern AI capabilities are frequently delivered by a platform vendor that manages embedded third-party services — such as foundation models or data-enrichment APIs — under its own governance controls. The draft does not address this layered architecture, leaving unclear whether each embedded sub-processor must register separately even when the platform vendor stands behind the documentation obligations for the complete capability. Recognizing a vendor-of-record model, while allowing the vendor to present sub-processor documentation, would give regulators a more complete governance picture, rather than fragmented registrations.

Recommendation: *Recognize that a registered platform vendor may act as vendor of record for embedded third-party AI services, with disclosure of material sub-processors in its registry documentation and pass-through of sub-processor documentation where appropriate.*

5. Standardize a Core Evidence Package Across States

The Framework anticipates vendor responses to information requests from up to fifty-plus jurisdictions. Without a common standard, vendors face the prospect of producing materially different evidence formats for each state, and regulators lose the comparability benefits a shared registry is meant to create. A core evidence package — a standard governance dossier addressing the documentation elements enumerated in the draft and in the NAIC Model Review Manual — would improve consistency for regulators and make compliance achievable for vendors of all sizes, with state-specific supplements only where a state's law genuinely requires more.

Recommendation: *Define a standard core evidence package that satisfies the Framework's documentation requirements across participating states, with limited state-specific supplements only where required by state law.*

6. Align the Annual Attestation with the Framework's Allocation of Responsibility

The Annual Attestation section (items a–b) requires a senior leader to attest both that the vendor's governance program is implemented and effective, and that the data and models the vendor provides "comply with applicable insurance laws and regulations in each state in which insurers use the data and models." These broad attestations are difficult for a vendor to support: compliance in use depends on each insurer's deployment, configuration, book of business, and filings — matters within the insurer's control, not the vendor's.

The Framework itself recognizes this in its Insurer Responsibilities section, which states that insurers remain fully responsible for compliance with all applicable insurance laws when using third-party data or models. As drafted, the attestation blurs the boundary between insurer accountability and vendor attestation that the Framework elsewhere preserves.

Recommendation: *Limit the vendor attestation to (a) the implementation and effectiveness of the vendor's governance program as it applies to vendor's products and out-of-the box configurations and (b) the accuracy and completeness of vendor-provided documentation, consistent with the Insurer Responsibilities section's allocation of legal-compliance responsibility to insurers.*

7. Clarify the Vendor/Insurer Boundary for Performance and Validation Evidence

The Framework requires vendors to document performance metrics and validation processes at registration and to provide validation, performance, change logs, and audit trails upon regulator request. It does not specify whether these are point-in-time development artifacts or ongoing production-period evidence. At the same time, the Insurer Responsibilities section assigns insurer-level model validation, testing, and monitoring to insurers — appropriately, since post-deployment performance, including model drift, depends on each insurer's data, configuration, and mix of business, which the vendor cannot observe. Without clarification, vendors and insurers will face duplicative or conflicting expectations about who produces which evidence.

Recommendation: *Clarify that vendor obligations cover model-level artifacts — development validation, documented performance benchmarks, and change logs — while deployment-level monitoring on insurer data, including drift and performance degradation, remains an insurer responsibility consistent with the Insurer Responsibilities section and the NAIC AI Systems Evaluation Tool.*

8. Make Confidentiality and Trade-Secret Protections a Condition of Participation

The draft encourages, but does not require, states to extend confidentiality and intellectual-property protections to third-party data and model filings. Model methodologies, rating logic, and related artifacts are among a vendor's most sensitive trade secrets; uneven protection across states would expose the same information to different disclosure risks depending on where it is requested and would discourage the full and candid submissions the registry depends on. Uniform baseline protections would strengthen, not weaken, regulatory access by giving vendors confidence to share complete information.

Recommendation: *Require, as a condition of accessing registry information and vendor filings, that participating states provide confidentiality and trade-secret protections at least equivalent to those afforded insurers' confidential and proprietary filings.*

9. Define "Material Change" with Objective Criteria

The Material Changes Notifications section requires vendors to submit material modifications to a dataset or model but does not define materiality. Without objective criteria, vendors must make case-by-case legal judgments for every release, and regulators will receive inconsistent notifications across vendors. A concrete definition — for example, changes that alter model outputs beyond a defined threshold on a reference population, or changes to input variable definitions — would let vendors build change-management and notification processes directly into their development life cycles and give regulators predictable, comparable notices.

Recommendation: *Define "material change" using objective criteria, such as output changes exceeding a defined threshold on a reference population or modifications to input variable definitions and provide illustrative examples.*

10. Provide a Transition Period and Safe Harbor for Existing Deployments

Many third-party models and datasets are already in production use by insurers under existing regulatory approvals. Applying the Framework's obligations retroactively, without a transition period, would create compliance exposure for deployments that predate the Framework and could disrupt insurers' in-force pricing and underwriting programs. A defined transition period with a safe harbor for existing deployments would encourage prompt, orderly registration rather than discouraging participation.

Recommendation: *Provide a transition period of at least 24 months from adoption, with a safe harbor for data and models in production use at the effective date, provided the vendor registers and brings documentation current within the transition period.*

Majesco thanks the Working Group for the opportunity to comment and for its work on this important framework. We would welcome the opportunity to discuss any of these comments, including through an oral presentation at the Summer National Meeting, and to support the development of a workable, risk-based structure for third-party data and model oversight.

Respectfully submitted,

Manish Shah
President and Chief Product Officer
Majesco

CC:
Denise Garth, Chief Strategy Officer
Lori Stanley, Chief Legal Officer
Badri Mallikarjunan, GM P&C Products
Karin Keller, Manager Product Management

NATIONAL ALLIANCE OF LIFE COMPANIES

An Association of Life and Health Insurance Companies

August 5, 2026

Submitted Via Email

Jason Lapham, Chair
Third Party Data and Models (H) Working Group
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197

Re: Regulatory Framework for Third-Party Data and Model Vendors — Property and Casualty Pricing and Underwriting Data and Models

Chairman Lapham:

This comment letter is submitted on behalf of the National Alliance of Life Companies (NALC). We welcome the opportunity to comment on the Working Group's *Regulatory Framework for Third-Party Data and Model Vendors — Property and Casualty Pricing and Underwriting Data and Models*.

The NALC is a national trade association whose members include smaller, mid-sized and specialty life and health insurers. The NALC was formed in 1992 to address concerns that existing trade associations were not adequately representing the interests of member companies and their policyholders. Unlike many larger life insurers, NALC members serve regional markets and specific demographics, including working-class families, rural communities, and small business owners. Our members and their policyholders depend upon regulatory frameworks that are appropriately scaled, do not create artificial barriers, and preserve competitive market dynamics.

We recognize that this exposure is limited to property and casualty pricing and underwriting and that NALC members are not directly subject to it. We are commenting because the Working Group has indicated that this framework is a first step and that the same basic architecture is expected to be extended to the other lines of business. Our members' interest in the design of that architecture is immediate, even though it is not currently applicable to them .

While offering what are intended as constructive comments to the exposure, we want to be candid that NALC continues to have reservations with the development of a third party vendor registry. We support regulators' goals for effective governance and increased transparency into models that pose a material risk of significant harm to consumers. We continue to believe, however, that there are more effective and less costly ways to achieve these goals.

1. Extension to Other Lines Should Be a New Question, Not a Conforming Amendment

A framework built to address P&C pricing and underwriting will, once settled, carry substantial momentum. Our concern is that extension to other lines of business including life and health will be presented simply as conforming the framework to additional lines of business instead of taking into account the significant differences that exist between different lines and the diverse range of situations and purposes for which carriers choose to utilize third party vendors.

The two types of insurance, P&C and L&H, are not congruent. P&C rating is governed by a well-developed filing and prior-approval infrastructure that gives regulators an existing channel for model review. The exposure is explicitly calibrated to that, including provisions keyed to what an insurer must supply when filing its own data or model. On the other hand, life insurance rate regulation has no comparable analogue in most states. Porting those provisions to life would not extend an existing review process — it would create an entirely new one.

These concerns can be easily addressed by a clarifying statement that the Framework's application to any additional line of business requires a separate exposure, a separate public record, and a fresh determination that the needs identified in the P&C context exist in that line of business. Line of business specific provisions should be drafted in line with the regulatory structures actually governing that line of business.

2. A Registry That Is Voluntary for Vendors Is Not Voluntary for Carriers

The draft describes a voluntary registry, but provides that a regulator may prohibit insurers from using a vendor's data or models if the vendor does not supply requested information. Whatever that provision means for vendors, its operative effect falls on the carrier — which may lose access to a tool embedded in its underwriting or pricing process— because of a disagreement between a regulator and a third party to which the carrier is not a party and over which it has no leverage.

This is not a manageable risk. Replacing an underwriting data source or model is a months-long project involving revalidation, systems work, and, potentially, new filings. Larger carriers might be able to absorb that cost and quickly pivot operationally while our members will likely be constrained by those costs and operational changes.

P.O. Box 50053 · Sarasota, FL 34232 · Phone 941.330.2221

As an alternative, we suggest that the Framework either be made genuinely voluntary by removing the use-prohibition provision, or, if that provision is retained, that it be paired with direct notice to affected insurers, a reasonable transition period to replace the product, and an express statement that no adverse regulatory finding or examination consequence attaches to an insurer for a vendor's non-cooperation.

3. Level Playing Field

The Framework regulates capability by reference to how a company acquired it. A carrier with the scale to build a model internally is outside the registry entirely. A carrier that licenses equivalent functionality from a vendor can see that vendor registered, reviewed, subject to attestation, and potentially barred. In effect, the regulatory treatment turns not on the model's risk to consumers, but solely on whether the company can afford to build it in-house.

That asymmetry runs directly against smaller and specialty companies, which rely on third-party data and models precisely because many lack in-house data science and actuarial modeling capacity. A framework that raises the cost of supplying them, or that causes smaller and specialty vendors — including those serving preneed, final expense, and small-face markets — to withdraw or to concentrate on their largest accounts, narrows the options available to the carriers with the fewest alternatives. Compliance costs will also be passed through, and they will not be passed through proportionately.

We recommend that before this framework is extended to life and health, the Working Group assess its competitive effect on smaller and mid-sized carriers, and on the availability of vendor products serving specialty markets. We further recommend that the registry be scaled — through de minimis thresholds and a streamlined path for vendors with limited books — so that it does not operate as a barrier to entry that favors the largest vendors and, through them, the largest carriers.

4. Scope and the Definitional Trigger

In actual practice, a carrier needs to be able to know with certainty—before it contracts with a third party vendor—whether a given arrangement would bring the vendor within the scope of the Framework. The current definition of a third party vendor does not permit that determination to be made with confidence. Read broadly, the definition could be read to extend to providers of commodity and public data, general-purpose software, and consulting services that bear no meaningful relationship to a consumer outcome.

P.O. Box 50053 · Sarasota, FL 34232 · Phone 941.330.2221

We suggest modifying the exposure to state that the trigger be tied to data or models that influence a material adverse consumer-facing decision, and that the Framework enumerate exclusions — including publicly available and government-sourced data, industry-standard actuarial tables, pass-through data furnished under existing regulatory regimes, general-purpose software and infrastructure, and professional services that do not supply a model or dataset. Scope defined by function and consumer impact will be more administrable, and more durable, than scope defined by vendor category.

Conclusion

Thank you for the opportunity to submit our comments. The NALC supports regulators having the tools they need to ensure that insurers' use of AI systems and advanced analytics complies with applicable state insurance laws. Our concern here is with design and sequencing rather than with objective. We appreciate the Working Group's consideration and ask to be included as the Working Group takes up application of this framework to the life and health lines.

We look forward to engaging with members of the Working Group as work on the Framework continues.

Respectfully Submitted,

Scott R. Harrison
CEO, National Alliance of Life Companies

cc Kris DeFrain, NAIC

P.O. Box 50053 · Sarasota, FL 34232 · Phone 941.330.2221

NAMIC
NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES

317.875.5250 | [F] 317.879.8408
10 W. 106th St., Suite 100 | Indianapolis, Indiana 46290
202.628.1558 | [F] 202.628.1601
20 F Street N.W., Suite 510 | Washington, D.C. 20001

August 4, 2026

Jason Lapham (CO), Chair
NAIC Third Party Data and Models (H) Working Group
c/o Kris DeFrain, NAIC Director, Research and Actuarial Services
via email kdefrain@naic.org

Re: NAMIC Comments on the Third-Party Data and Model Vendors Framework – Version 2

Chair Lapham and Members of the Working Group:

On behalf of the National Association of Mutual Insurance Companies (NAMIC)[1], we are writing in response to the NAIC Third-Party Data and Models (H) Working Group's version 2 of a draft Risk-Based Regulatory Framework ("Framework"). In support of beneficial outcomes for all stakeholders, and for the reasons noted below, NAMIC requests that the Working Group seek revision of its charges.

[1] The Proposed Framework Creates Redundancy and Confusion
While the efforts of the Working Group are well intentioned, the Working Group has struggled to develop a consensus around how third-party data and model vendors are inherently different and why a new regulatory framework is necessary. Importantly, the Working Group has not thoroughly surveyed existing third-party frameworks or practices, and insurance law frameworks or practices more generally, for concrete regulatory gaps or for potential solutions currently utilized by NAIC members. Without such agreement on distinction for this group of "third parties," and without clearly identified regulatory gaps, any potential frameworks out of the Working Group are likely to further contribute to a growing patchwork of adoption and application of existing "third-party" focused laws across jurisdictions. Additionally, any such framework would then risk creating redundant, duplicative, and potentially conflicting requirements for certain vendors, only adding regulatory confusion.

While the Working Group has stated this group consists of those persons or entities "other than a licensee," there is a lack of distinction evident in the Framework's proposed definitions. "Third-Party Pricing Model Vendor," Third-Party Underwriting Model Vendor," "Third-Party Pricing Data Vendor," and "Third-Party Underwriting Data Vendor" are all defined incredibly similar to how advisory organizations, managing

[1] The National Association of Mutual Insurance Companies is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies, including local and regional insurers as well as some of the nation's largest carriers, NAMIC members collectively write $492 billion in annual premiums, representing 62 percent of the homeowners and 56 percent of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect member companies and their policyholders.

general agents, and third-party administrators are defined under the law. For illustrative purposes, we've placed the "Third-Party Pricing Model Vendor" and "Advisory Organization" definitions below.

> **Third-Party Pricing Model Vendor**
> A person or entity, other than a licensee, that develops, maintains, or distributes a pricing model for **use by property and casualty insurers in ratemaking**. A third-party pricing model vendor does not itself assume the insurance risk associated with the model's output.

> **Advisory Organization**
> Means any entity, including its affiliates or subsidiaries, which either has two (2) or more member insurers or is controlled either directly or indirectly by two (2) or more insurers and which **assist insurers in ratemaking-related activities** such as enumerated in Sections 10 and 11. (NAIC Property and Casualty Model Rating Law).

The second version of the Framework continues to correctly assert that insurers remain fully responsible for compliance with all applicable insurance laws when using third-party data or models. As NAMIC has noted in comments on the first version of the Framework, existing insurance law already requires insurers to file rates, rules, and models used in rating. These laws, like the Unfair Trade Practices Act and rating laws are directed at insurers themselves. Notably, the regulatory authority provided to departments under these laws does not extend to third parties. The Framework appears to recognize these facts, as the Framework states that third parties are "encouraged to voluntarily register," that an insurer must continue to file its rates and underwriting rules in accordance with state law, and that a regulator may prohibit use of a model or data for pricing and underwriting if the regulator does not receive adequate information. Thus, the Framework as proposed by the Working Group is duplicative of current insurer responsibilities, and at worst, could threaten speed to market due to administrative confusion, all without demonstrated consumer benefit.

It is separately worth noting that increasing duplicative or unnecessary regulatory and procedural oversight only adds to the overall expenses carriers incur to prepare product filings – expenses that are ultimately passed down to the policyholder. Also, because some vendors are in the insurance market secondarily, vendors may be discouraged from participating in insurance if unnecessary increased regulation makes participation too difficult or expensive. If these vendors then abandon insurance to focus on their main business, the result may very well be less innovation and competition in the insurance market, to the detriment of consumers. Maintaining the current insurer-focused approach avoids duplicative compliance costs and benefits policyholders.

[2] Practical Challenges with the Proposed Framework
Notwithstanding our substantive points above, the proposed framework presents a number of practical challenges in operation.

First, NAMIC has reservations about the proposed centralized registry to be housed by the NAIC. NAMIC has previously raised concern across committees about the concentration risk at the NAIC given the amount of sensitive data it houses. While we understand the streamlined benefits of having one location for third parties to theoretically register, we strongly suggest that the NAIC first undertake an independent third party evaluation of its concentration risk before proposing additional data collection responsibilities, such as the collection of sensitive information on third party governance practices.

Second, neither the Framework nor the Working Group has sufficiently explained how vendor review would take place. While there is a proposed central repository, there is no detail on whether each department would conduct its own review, or whether a vendor would be subject to one single review. The Framework is also silent on the level and detail of such review, or the authority under which a department or the NAIC would be acting in such review.

Lastly, third-party vendors are unlikely to submit sensitive information to departments or a NAIC portal unless confidentiality protections are strong and assured. Such confidentiality protections would be important for aspects of the framework wherein regulators may directly, or through the insurer, request information that the third-party vendors regard as proprietary trade secret material or otherwise. The Framework's potential consequences of a regulator not receiving that information are steep, in that a regulator may prohibit use of that model or data, resulting in the insurer needing to remove the data or model from its products or processes, leading to disruption of underwriting and pricing practices. While the Working Group acknowledges that states may need to amend their statutes to create vendor confidentiality, this is not a coordinated effort that the NAIC has actively been working on. NAMIC believes that vendor confidentiality protections would be important to establish before dedicating time and energy to a registration framework.

[3] Coordinate with Appropriate (D) Committee Working Groups and Streamline the Third-Party Effort
In support of consistent, methodical initiatives designed for success, NAMIC recommends the Working Group seek to revise its charges as follows:

The Third-Party Data and Models (H) Working Group will:

- ~~Develop and propose a framework for the regulatory oversight of third-party data and predictive models.~~
- Monitor and report on state, federal, and international activities related to governmental oversight and regulation of third-party data and model vendors and their products and services.
- Coordinate with appropriate (D) Committee Working Groups to:
  - (1) Identify any gaps in existing third-party frameworks
    - Including but not limited to:
      - The Market Regulation Handbook chapters on Third Party Administrators Managing General Agents, and Advisory Organizations and their related NAIC Model Laws and Guidelines.

        - Confidentiality standards or protections for third parties, by state; and
        - Existing filing practices.
    - (2) Identify how third-party data and model vendors may be different than already established third-party definitions, and
    - (3) Whether regulators already have the regulatory authority and processes necessary with respect to obtaining information on third-party data and model vendors
- Determine, after evaluation and coordination with D Committee Working Groups, whether there is needed adjustment to current third party regulator frameworks

NAMIC believes that these proposed revisions to the charges will provide the Working Group with more specific direction and help the Working Group determine if a new framework is necessary. Further, the proposed revisions will help avoid duplicative work and processes across the NAIC, as the Advisory Organizations (D) Working Group and the Market Conduct Modernization (D) Working Group are both looking at third-party data and model vendors in their respective workstreams.

We close by recognizing the importance of the discussion regarding third-party vendors and emphasize that NAMIC endeavors through these comments and recommendations to collaborate with the Working Group and arrive at solutions that protect and stabilize the insurance marketplace while fostering growth and innovation that benefit all stakeholders.

Sincerely,

Lindsey Stephani

Lindsey Stephani
Senior Policy Vice President
Data Science, Artificial Intelligence, Cybersecurity
NAMIC

Erica Weyhenmeyer

Erica Weyhenmeyer
Senior Policy Vice President
Market Regulation and Workers' Compensation
NAMIC

TransUnion

August 5, 2026

Deputy Commissioner Jason Lapham, Chair
Ms. Nicole Crockett, Vice Chair
National Association of Insurance Commissioners (NAIC) Third-Party Data and Models (H) Working Group

Sent via email to: Kris DeFrain, kdefrain@naic.org

RE: Exposure Draft – Regulatory Framework for Third-Party Data and Model Vendors: Property and Casualty Pricing and Underwriting Data and Models

Dear Chair Lapham, Vice Chair Crockett, and Members of the Working Group:

Trans Union LLC ("TransUnion") appreciates the opportunity to provide comments on the exposure draft of the Regulatory Framework for Third-Party Data and Model Vendors: Property and Casualty Pricing and Underwriting Data and Models.

We are pleased to see the concept of a centralized NAIC-hosted registry incorporated in this exposure draft and thank the Working Group for its thoughtful consideration of stakeholder feedback. We believe this approach has the potential to improve regulatory efficiency, reduce duplicative requests, and provide a more consistent framework for information sharing, while maintaining the longstanding distinction between insurer supervision and oversight of third-party vendors.

TransUnion respectfully encourages the Working Group to apply a consistent guiding principle throughout the framework: information requested from third party vendors should be limited to that which is reasonably necessary for regulators to evaluate and ensure compliance with applicable insurance laws. The framework should facilitate insurer supervision while avoiding unnecessary duplication of existing legal and regulatory obligations applicable to third-party providers.

As previously shared, TransUnion supports reasonable mechanisms that facilitate regulatory review of insurer filings, promote transparency, and encourage robust governance practices among third-party providers. Accordingly, we respectfully offer the following comments and recommendations.

Greater Precision in Key Definitions Would Improve the Framework

The effectiveness of the framework will depend in large part on clear and appropriately tailored definitions. As drafted, several key terms – including "third party vendor," "data," and "model" – could encompass a broad range of products, services, and entities with fundamentally distinct roles in the insurance ecosystem.

TransUnion encourages the Working Group to provide greater precision regarding the categories of third party providers and the products subject to the framework. For example, the framework should recognize distinctions among:

- Entities that furnish underlying data
- Providers of derived data or predictive attributes
- Developers of analytical models or scores
- Providers of advisory or decision support tools
- Insurer-controlled implementation, configuration, and deployment of those products

These distinctions are important because different participants possess different information, exercise different levels of control, and assume different responsibilities within the underwriting and pricing process.

Without greater definitional clarity, there is a risk that governance obligations, reporting expectations, and executive attestations intended for one category of provider could inadvertently be applied to entities that neither control nor participate in those activities.

Material Change Notifications Should Be Clearly Defined

The framework should provide additional clarity regarding what constitutes a "material" modification to a dataset or model. Data products are routinely refreshed, updated, corrected, and enhanced as part of normal operations. Without a clear materiality standard, vendors and regulators may struggle to distinguish routine maintenance activities from changes that warrant regulatory notification.

TransUnion encourages the Working Group to define material modifications as changes reasonably expected to result in a significant impact on model performance, risk segmentation, underwriting outcomes, or pricing outcomes.

Confidentiality Protections Require Additional Clarity

Because the framework contemplates a centralized registry containing highly sensitive proprietary information, access to vendor-designated confidential information should be conditioned on each participating jurisdiction maintaining legally enforceable

confidentiality protections through statute, regulation, memorandum of understanding, or another binding mechanism.

Robust confidentiality protections are not simply procedural; they are foundational to the success of the framework. While the exposure draft states that the NAIC will only share confidential information with states possessing legal authority to maintain confidentiality, the draft lacks important details about how this would work in practice. For example:

- How will the NAIC determine whether a state's confidentiality protections are adequate?
- Will the NAIC independently review applicable state statutes and case law?
- Will vendors receive notice before confidential information is shared with a particular jurisdiction?
- Will vendors have an opportunity to raise concerns if confidentiality protections appear insufficient?
- How will the NAIC monitor changes to state confidentiality laws over time?

Because confidentiality protections differ significantly among jurisdictions, the framework should establish a transparent process for evaluating and maintaining those protections before confidential information is shared.

In addition, the framework should expressly recognize that proprietary data assets, model methodologies, variable construction techniques, validation methods, and other intellectual property may constitute trade secrets. Regulatory review should be designed to provide regulators with sufficient information to evaluate filings without requiring disclosure of proprietary intellectual property where alternative methods of review are available.

Consumer Access and Correction Provisions Need to be Harmonized with Existing Legal Requirements

Consumer access and correction obligations are already governed through numerous existing federal and state legal frameworks, including the Fair Credit Reporting Act (FCRA), Gramm-Leach-Bliley Act (GLBA), Driver's Privacy Protection Act (DPPA), and state privacy statutes. Rather than expanding those obligations or creating new ones through this framework, the Working Group should continue addressing these issues through its existing Privacy Protections Working Group, where standards can be developed consistently with existing legal requirements.

Moreover, certain categories of information, such as public record data, cannot be altered by data vendors, and any framework must account for those legal and practical limitations.

Disclosure of Carrier Relationships Is Unnecessary

Requiring centralized disclosure of all customer relationships is unnecessary because insurers are already obligated to reveal third party vendor relationships in their filings.

Customer relationships constitute highly sensitive commercial information. Mandatory disclosure of insurer-specific customer relationships may reveal proprietary business strategies, create unnecessary cybersecurity and confidentiality risks, and discourage innovation. Moreover, this information is not necessary to accomplish the framework's stated objectives.

Annual Attestations Should Reflect the Appropriate Scope of Vendor Responsibility

Due to the fact that vendors do not themselves establish insurance rates or make underwriting decisions, we respectfully recommend narrowing the attestation to matters within the vendor's knowledge and control.

Vendors should certify the effectiveness of their governance programs, quality controls, documentation, product specifications, and compliance with obligations applicable to the vendor. Insurers should remain responsible for certifying insurer-specific implementation, underwriting use, pricing impacts, and compliance with applicable insurance laws.

Requiring vendors to attest that data and models comply with insurance laws in every state may be impractical because vendors often do not know how individual insurers integrate, configure, combine, or operationalize products within their own underwriting and pricing environments. Such compliance determinations necessarily depend upon insurer-specific implementation decisions and therefore remain most appropriately within the insurer's scope of responsibility.

Such an approach is more consistent with the framework's repeated recognition that insurers remain accountable for regulatory compliance.

Regulatory Requests Should Be Appropriately Tailored

As noted earlier, the exposure draft recognizes regulators' need to obtain information necessary to evaluate filings.

To preserve the framework's intended purpose, however, information requests should be governed by a "reasonable necessity" standard that limits requests to information directly relevant to the insurer filing under review and within the vendor's knowledge and control. Requests should not evolve into broad examinations of a vendor's overall business operations, governance practices, or products unrelated to the filing at issue.

To facilitate meaningful regulatory review while protecting proprietary information, TransUnion encourages the Working Group to clarify that requests should remain appropriately tailored to the specific filing under review and accompanied by robust confidentiality protections, including restrictions on further disclosure and procedures that allow vendors to identify confidential business information before it is shared.

Preserve the Appropriate Regulatory Boundary

The framework appropriately reiterates that insurers remain responsible for compliance with applicable insurance laws. We strongly support preserving that principle.

However, several provisions – including annual executive attestations, governance program requirements, material change notifications, consumer access provisions, and ongoing reporting obligations – collectively begin to move beyond information sharing in support of insurer supervision and begin to create ongoing obligations directed at third-party vendors.

While TransUnion has advocated for centralization and reducing burden on all stakeholders in our previous comments, we remain concerned about duplicative and conflicting requirements being established. TransUnion respectfully encourages the Working Group to ensure the framework remains focused on supporting insurer regulatory review while avoiding duplicative obligations that are already addressed through existing legal, contractual, and regulatory frameworks applicable to vendors.

Enforcement Mechanisms Should Include Appropriate Procedural Safeguards

While we recognize that the Working Group is still contemplating the precise role the NAIC will play in this process, we urge you to build in appropriate, corresponding safeguards.

Should the NAIC assume the role of evaluator or approver in the registration process, the framework should provide vendors and affected insurers with notice of concerns, an opportunity to respond, and a reasonable opportunity to cure any deficiencies before restrictions are placed on an insurer's use of a third-party data asset or model. These procedural safeguards would promote transparency, reduce unnecessary market disruption, and help ensure that enforcement actions remain proportional to the underlying issue.

TransUnion appreciates the Working Group's continued engagement with stakeholders as it develops this important framework. We share the Working Group's objective of ensuring regulators have timely access to the information necessary to effectively review insurer filings and protect consumers.

In summary, we believe the framework can best achieve that objective by focusing on insurer supervision, appropriately tailoring requests to information within a vendor's knowledge and control, and avoiding unnecessary duplication of existing legal and regulatory obligations. These refinements would strengthen the framework while preserving the distinct roles of insurers, regulators, and third-party providers.

We appreciate your consideration of these comments and look forward to continuing to work collaboratively with the Working Group as the framework evolves.

Sincerely,

Kate Viar
Senior Director of Government Relations

July 30, 2026

Third-Party Data and Models (H) Task Force
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106

Re: Comments on the Exposure Draft, Third-Party Framework for Property and Casualty Pricing and Underwriting (exposed July 8, 2026)

Dear Chair and Members of the Task Force:

ZestyAI appreciates the opportunity to comment on the exposed framework for third-party data and models used in property and casualty pricing and underwriting. ZestyAI provides property-specific risk analytics, spanning predictive models for weather and non-weather perils as well as detailed property characteristic data, that insurers use in rating and underwriting across the United States. We are a third-party data and model vendor squarely within the scope of the proposal, and we offer these comments from direct experience filing model documentation with state regulators and supporting insurer filings that rely on our scores.

SUPPORT FOR THE FRAMEWORK'S DIRECTION

We commend the Task Force for this effort. The pace of technological change in pricing and underwriting has been extraordinary, and state insurance departments responded resourcefully and with urgency, each building its own processes for reviewing third-party data and models. Those efforts deserve recognition, and they have produced deep expertise within individual departments. Their natural byproduct, however, is that this expertise has developed in silos. The proposed framework offers a way to bring that accumulated knowledge together: a single multi-state registry hosted by the NAIC gives every department a common foundation it can adapt to its own laws and local application, and we believe most departments of insurance will benefit from the proposal on precisely those terms.

We also support the option for vendors to file data and model documentation directly with regulators. Direct filing protects trade secrets while giving regulators complete access, and it reflects the confidential filing practices we already follow in several states. Finally, we endorse governance expectations consistent with the NAIC AI Principles and Model Bulletin. Robust documentation, validation, and change control are standards responsible vendors should already meet.

RECOMMENDED REVISIONS

We recommend the following changes before adoption.

1. **Limit the annual attestation to matters within the vendor's control (Section 3.b).** As drafted, a vendor officer must attest that the data and models it supplies comply with applicable insurance laws in each state in which insurers use them. Vendors do not control how insurers implement scores, which rating plans incorporate them, or the states in which they are deployed. The draft itself affirms that insurers remain fully responsible for compliance, and Section 3.b stands in tension with that principle. The attestation should instead cover the effectiveness of the vendor's governance program and the accuracy and completeness of its registry submissions.

2. **Protect vendor customer relationships in the registry (Section 1.d).** The registry would display which insurers have purchased each vendor's data and models. Customer lists are competitively sensitive commercial information. We recommend that insurer-vendor relationships be visible only to regulators in states where the insurer uses the data or model, and that this information receive the same confidential treatment as trade secrets.

3. **Make confidentiality protections a precondition for vendor filing obligations (Sections 1.e and 2.d).** The draft encourages states to extend trade-secret protections to vendor filings and acknowledges that some states may need new statutes; until those protections exist, vendors bear the full risk of disclosure. Our concern is not regulatory scrutiny, which we welcome, but public exposure. Model methodologies represent years of research and substantial investment, and disclosure through open records would allow competitors to replicate that work without comparable investment. That burden falls hardest on innovators, since exposing mature or commoditized technology carries far less competitive cost than exposing novel methods, and we owe a duty to our investors to safeguard this intellectual property. Vendor filing obligations in a state should therefore attach only once that state provides confidentiality protections equivalent to those afforded insurers.

4. **Add due process before prohibiting use of a vendor's data or models (Section 2.b).** The draft permits a regulator to prohibit all insurers from using a vendor's data or models statewide if the vendor fails to provide requested information, with no materiality threshold, notice, cure period, or appeal. A remedy of this severity should require written notice describing the deficiency, a reasonable cure period, and a proportionate response tied to the specific filing at issue.

5. **Narrow the definitions of data, models, and vendors.** The definitions of pricing and underwriting data capture any information that "informs the selection of" a model input and any output of upstream third-party models. Read literally, this sweeps in imagery providers, weather data sources, and other suppliers far removed from rating decisions. The definitions should also distinguish models that inform insurer decisions, such as risk scores an insurer maps to its own filed rules, from systems that themselves render accept and decline determinations. Responsibility for the decision logic should rest with the party that filed it.

6. **Define materiality for change notifications (Section 4).** Modern property analytics refresh continuously as new imagery and data become available, and models are periodically retrained. Without a materiality standard, routine refreshes would arguably trigger notification. We recommend defining a material change as a change to the model's inputs or underlying data sources, or a change in the methodology by which those inputs are transformed into model outputs, together with a defined notification cadence.

7. **Place responsibility for consumer disputes with the insurer (Section 1.b.iii).** We fully support consumers' ability to access, dispute, and correct the information used in decisions that affect them. The framework should be clear, however, that administering that process belongs to the insurer, which holds the consumer relationship and makes the pricing or underwriting decision. The vendor's role is to equip insurers with the means to act on corrections, and ZestyAI already provides tools that allow corrected property information to be incorporated into our analytics. Vendors have no relationship with the policyholder and are not positioned to adjudicate consumer disputes; a vendor's obligation should be to describe the correction tools it makes available, while implementation of the appeals process remains with the insurer.

CLOSING

ZestyAI shares the Task Force's objective: regulators should have complete visibility into the third-party data and models that shape pricing and underwriting outcomes, and vendors should meet high governance standards. With the revisions above, the framework can achieve that objective while preserving the confidentiality protections and procedural fairness that make vendor participation workable. We would welcome the opportunity to discuss these comments with the Task Force or its staff.

Thank you for your consideration.

Sincerely,

Bryan Rehor
Senior Director, Regulatory & Government Affairs
ZestyAI
Regulatory@zesty.ai