



NAIC/Consumer Liaison Committee

Commissioner D.J. Bettencourt,
Chair (NH)

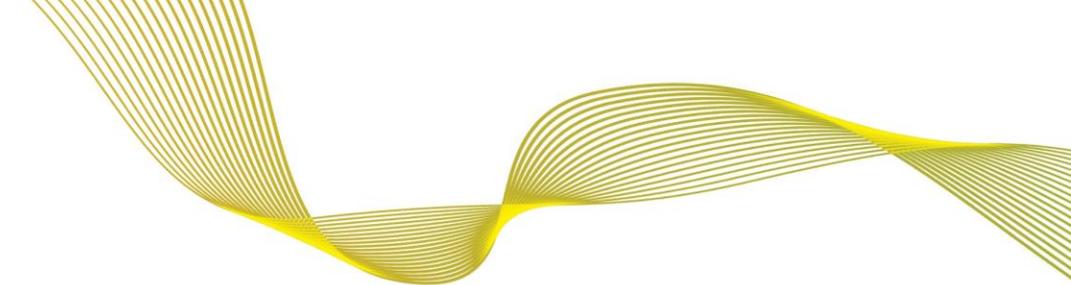
March 22, 2026

1. Consider Adoption of its Fall National Meeting Minutes

Commissioner D.J. Bettencourt (NH)

2. Hear a Summary of the NAIC/Consumer Participation Board of Trustees Meeting

Commissioner Scott A. White (VA)



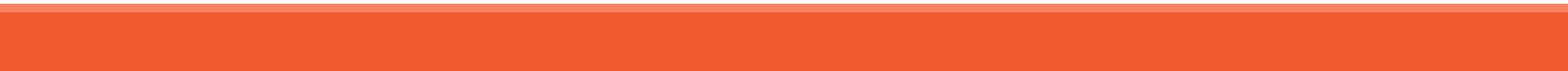
3. Hear a Presentation on 2026 Consumer Representatives Health Priorities

Lucy Culp (Blood Cancer United); Laura Colbert (GFHF); Carl Schmid (HIV+Hepatitis Policy Institute); Janay Johnson (American Heart Association); Deborah Steinberg (LAC); Amy Killelea (Equality Arlington); Bonnie Burns (CHA); and Wayne Turner (National Health Law Program)

2026 Health Insurance Consumer Priorities

LUCY CULP, CARL SCHMID, JANAY JOHNSON, DEB STEINBERG, AMY KILLELEA,
BONNIE BURNS, & WAYNE TURNER

MARCH 22, 2026



Consumers are facing unprecedented challenges accessing affordable, adequate health insurance today

- A chaotic health policy landscape continues to change how and if consumers access comprehensive and affordable insurance options
- Anticipate significant coverage loss over the next several years
- 4 key consumer priorities for regulators and the NAIC - aligned with B Committee charges
- On behalf of 31 NAIC Consumer Representatives

1. Ensuring consumers have access to coverage they can afford

Lucy Culp, Blood Cancer United

Premium & Cost-Sharing Affordability

- Consumers are facing an affordability crisis
 - Premium increases, exacerbated by Congressional failure to extend eAPTCs
 - Consumers' overall out of pocket exposure worsening
 - Medicaid coverage losses are cause for additional concern
 - Weaker consumer protections and non-ACA products shift costs to consumers when they need coverage the most
- NAIC and states should continue to press Congress to reinstate eAPTC
- Newly created Affordability WG as a platform for state solutions
 - Including state-funded financial help
 - [2025 consumer representative report](#) offers road map for mitigating coverage loss

Addressing the Factors Undermining Affordability

- 100 million Americans are faced with medical debt today
- KFF polling: cost of healthcare tops Americans' economic anxieties
- Solving the affordability crisis must include addressing underlying cost drivers
- NAIC and states should examine:
 - Establishing hospital price caps
 - Limiting hospital facility fees
 - Reining in prescription drug prices
 - Stemming the tide of provider consolidation

2. Ensuring coverage meets consumers' needs

Carl Schmid, HIV and Hepatitis Policy Institute
Janay Johnson, American Heart Association
Deborah Steinberg, Legal Action Center

Utilization Management

- Establish Prior Authorization Working Group
 - Continue to add state Prior Authorization laws to White Paper
 - Showcase individual state implementation & enforcement, challenges & results
 - Draft Model Law
- Conduct Individual State Market Conduct Exams
- Increase Data Transparency
 - State MCAS Data
- Partner with D Committee to develop new working group, market standards
- Partner with H Committee on best practices on AI and prior authorization
 - See: [NAIC Consumer Health Representative report](#)
- Monitor Federal actions & industry voluntary commitments

Prescription Drug Access & Affordability

- Continue to examine role of PBMs & Other Drug Middlemen (GPOs)
 - Examine vertical integration & other entities in drug pricing ecosystem
 - 340B transparency
- D Committee Pass PBM Market Examination Standards
- Finalize Guidance Document: ERISA and State PBM laws
- ERISA Working Group continue to provide guidance to states on PBM laws
- Showcase individual state implementation & enforcement of PBM laws, discuss challenges & results
- Increase PBM transparency
 - Implement NAIC PBM Licensure & Regulation Guidelines for Regulators

Prescription Drug Access & Affordability

- Continue to support CMS clarification on definition of cost-sharing relative to copay assistance
- Discuss formulary requirements and non-discrimination protections
- Examine Role of Direct-to-Consumer Platforms
- Urge industry to include Rx as part of their Prior Authorization commitments
- Follow Federal legislation & regulations

Mental Health Parity & Addiction Equity

- States can and should continue to enforce the Mental Health Parity and Addiction Equity Act (MHPAEA), including the 2024 federal regulations
- NAIC should:
 - **Identify best practices for compliance and enforcement** of MHPAEA and other consumer protections for mental health (MH) and substance use disorder (SUD) care
 - Strengthen **data collection** to inform and improve enforcement of MH and SUD anti-discrimination protections
 - Examine non-discrimination protections for MH and SUD in **other types of insurance** (i.e. Accident and Sickness in Model Reg. 171)
 - **Limit the expansion - and mitigate the harms - of non-ACA plans**, which do not have these vital anti-discrimination protections



Scan for
state toolkits

CONSUMER
HEALTH
ADVOCACY
AT THE NAIC

Mitigating Non-Compliant Plans and Deregulation Activities

- Non-ACA compliant plans are often marketed in deceptive and aggressive ways.
 - [Georgetown CHIR Secret Shopper Study](#)
- Shifting of enrollees from the marketplace to non-compliant plans can make ACA-compliant coverage less affordable-particularly for those who need it most.
- There is also concern regarding the legal issues and potential consumer impact of Section 1333 state compacts.

Examples

- Short-term, limited-duration insurance
- Health care sharing ministries
- Fixed indemnity insurance
- Farm bureau plans
- Association health plans
- Quasi-employer arrangements not subject to regulation

Mitigating Non-Compliant Plans and Deregulation Activities

NAIC and states should:

- Leverage the ERISA Working Group to engage in robust proactive monitoring of non-compliant plans
- Work to ensure compliance with state standards and protect consumers from deceptive marketing practices
- Collect and make public timely data on enrollment in non-compliant plans
- Consider unintended consequences of Section 1333 compacts, which would necessitate careful state policy design if implemented.

Addressing Disparities in Affordability and Access to Coverage

- Several actions at the federal level have significantly narrowed access to quality, affordable health coverage, particularly for communities that have been historically marginalized (with respect to disability, sex/gender identity/sexual orientation, race, and immigration status)
- We encourage NAIC to continue working to ensure that consumers are able to access health care services free of discrimination and barriers based on health status and other protected classes.
 - Dedicated time at B Committee to evaluate data on coverage and affordability barriers and discuss regulatory solutions
 - Address specific harm on immigrant and transgender communities
 - Support enforcement of state-level non-discrimination protections

Zero Dollar Vaccine and Preventive Services Coverage

- Ensure that plans continue to cover vaccines with evidence-based recommendations
 - ACIP changes are not evidence based, and many states are pointing toward other authoritative sources of vaccine recommendations
 - Shared decision making recommendations should be covered without cost sharing, but regulators should be prepared to enforce this
- Increase monitoring and oversight of ACA preventive services coverage and cost-sharing protections
 - Consumers continue to get bills for preventive services that should be covered without cost sharing
 - Regulators should ramp up oversight, including using market conduct exams to assess compliance

3. Senior issues and long-term care insurance

Amy Killelea, Equality Arlington

Bonnie Burns, California Health Advocates

New SITF Workgroups Needed

Senior Issues Task Force

- Charged with multiple, complex topics
- Limits depth of attention, discussion and review
- Time constraints further inhibit the work of the TF
- Specialized work groups are needed for effective consideration of regulatory and emerging issues

Suggested Specialized Workgroups

- MA and Part D Plans
- Medigap Insurance
- Long Term Care
 - Financing methods and insurance to pay for care
 - Hybrid products need more regulatory examination

Aging of America

- Most states will have large numbers of aged people in 2030
- Profound effects on health services, families, and state Medicaid programs

Baby boomers begin turning 85 in 2030, and Generation X starts turning 65

- A work group is needed to explore ideas and resources for financing long term care
 - NAIC has pricing and benefit expertise to assist states with information about financing care
 - **Insurance will be part of any financing solution, either as one funding source or as a supplemental source**

Life and Annuity Products Are Expanding

- Variation of name or designation
 - Hybrid life or annuity
 - Combo “combination” products
 - Asset based life or annuity
- Confusing product variations
 - Term life, whole life, universal life
 - Annuities, immediate, deferred
 - Fixed, variable, indexed
 - Investment options

2024 Final Sales Numbers:

Product Type	Policy Count	Percentage
Traditional LTC	38,715	7.40%
Life + Chronic Illness Rider	346,744	66.50%
Life +LTC Rider (no EOB)	98,988	19.00%
Hybrid Life + LTC (EOB)	32,268	6.20%
Hybrid Annuity + LTC	4,690	0.90%
Total	521,405	

Source: LIMRA (2025)

Life and Annuity Options Increasing

Riders, add-ons, options, attachments to or included in a life or annuity' contract

- Accelerated death benefit (discount for acceleration)
- Chronic illness (IRS §101g) (indemnity/reimbursable/non-reversible condition)
- Extension-of-benefits
- Long term care (IRS §7702B)
- Return of premium, death benefit option
- Discounted death benefit
- Cost of insurance

Suggestions for Regulatory Attention

- Survey current product design and market evolution
- Review outdated or insufficient consumer protections
- Examination of documents not currently included in policy filings
 - Illustrations as an example
- Consider more explicit explanations of how bundled products produce interconnected benefits for long term care expenses

Bold Action to Address LTCI Challenges

- Consumer Representatives have just released a report highlighting the challenges of the LTCI market:
 - Legacy products are subject to premium increases and benefits reductions, which leave consumers underinsured when they actually need their benefits
 - Long-term care access gaps disproportionately impact certain communities, including women, Black and Latino communities, and people with disabilities
 - There is a pronounced access gap among middle-income consumers who do not qualify for public programs but are priced out of the private market
 - Innovative products, including hybrid life/LTCI products, deserve more attention and research to understand if they are truly closing gaps
 - Access challenges will only worsen as the population ages, as many state projections and actuarial reports have found

Bold Action to Address LTCI Challenges

- Report recommends the following actions:
 - Increase collaboration across state agencies
 - NAIC should stand up a dedicated LTCI work group under Senior Issues Task Force
 - Gain a deeper understanding of long-term care landscape
 - NAIC should convene a meeting or series of meetings, inviting subject matter experts to assess entire long-term care ecosystem, and role of private insurance in this broader system
 - Advance additional research to better understand consumer challenges with LTCI, particularly disparities in access
 - The NAIC's Center for Insurance Policy and Research (CIPR) should build on its already significant body of research on LTCI challenges. Working with Consumer Representatives and other experts
 - Encourage innovation through updates to model laws and regulations
 - The NAIC should consider making updates to its model law (640) and model regulation (641) on LTCI to ensure they adequately support innovative approaches to the LTCI market, including new products

4. Consumer information, outreach and engagement

Wayne Turner, National Health Law Program

Consumers need reliable, accurate information about health coverage

- Consumers seeking affordable care due to Congress' failure to extend ePTCs and those locked out of Marketplace subsidies due to Medicaid work requirements
 - limited benefits plans (STLDPs, catastrophic coverage, insurance-like products)
 - improper and deceptive marketing
- Grievances and appeals
 - Insurers unlawfully charging cost sharing and denying coverage for vaccines and preventive services
 - Prior authorization and other coverage denials
 - Access to non-formulary drugs
- “Ghost networks,” provider access, and out-of-network care
- Chaos and uncertainty in federal landscape

How NAIC/Dols can inform and engage consumers

- Produce and update template fact sheets and the FAQ on the ACA - kudos to Consumer Information Working Group
- Launch and sustain state Dol public awareness campaigns - See CIPR's [Supporting Consumers Through Outreach: Amplifying Public Awareness of State Insurance Departments](#)
 - 78% of Dols agree marketing awareness of Dols is important
 - 80% of Dols believe awareness campaigns are effective
- Partner with community and advocacy groups - See Consumer Reps' report [Disparities in Insurance Access](#)
- Establish ongoing feedback mechanisms with Dols, community partners and the public
 - Education/awareness
 - Hearing about constituents concerns and challenges

Thank you!

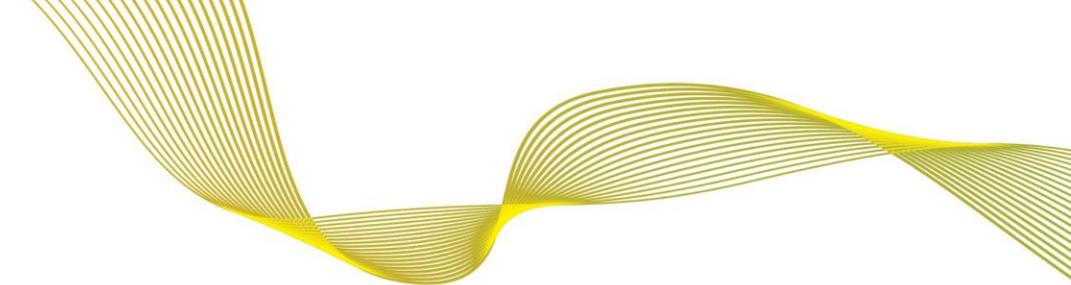
Contact us:

<https://content.naic.org/sites/default/files/consumer-participation-representative-contact-list.pdf>

See more of our work:

<https://consumeradvocacyforhealth.org/>

CONSUMER
HEALTH
ADVOCACY
AT THE NAIC



4. Hear a Presentation on How Death Records Are Not Locating All Beneficiaries of Unclaimed Benefits

Richard M. Weber (Life Insurance Consumer Advocacy Center)

Death Records are Not Locating All Beneficiaries of Unclaimed Benefits

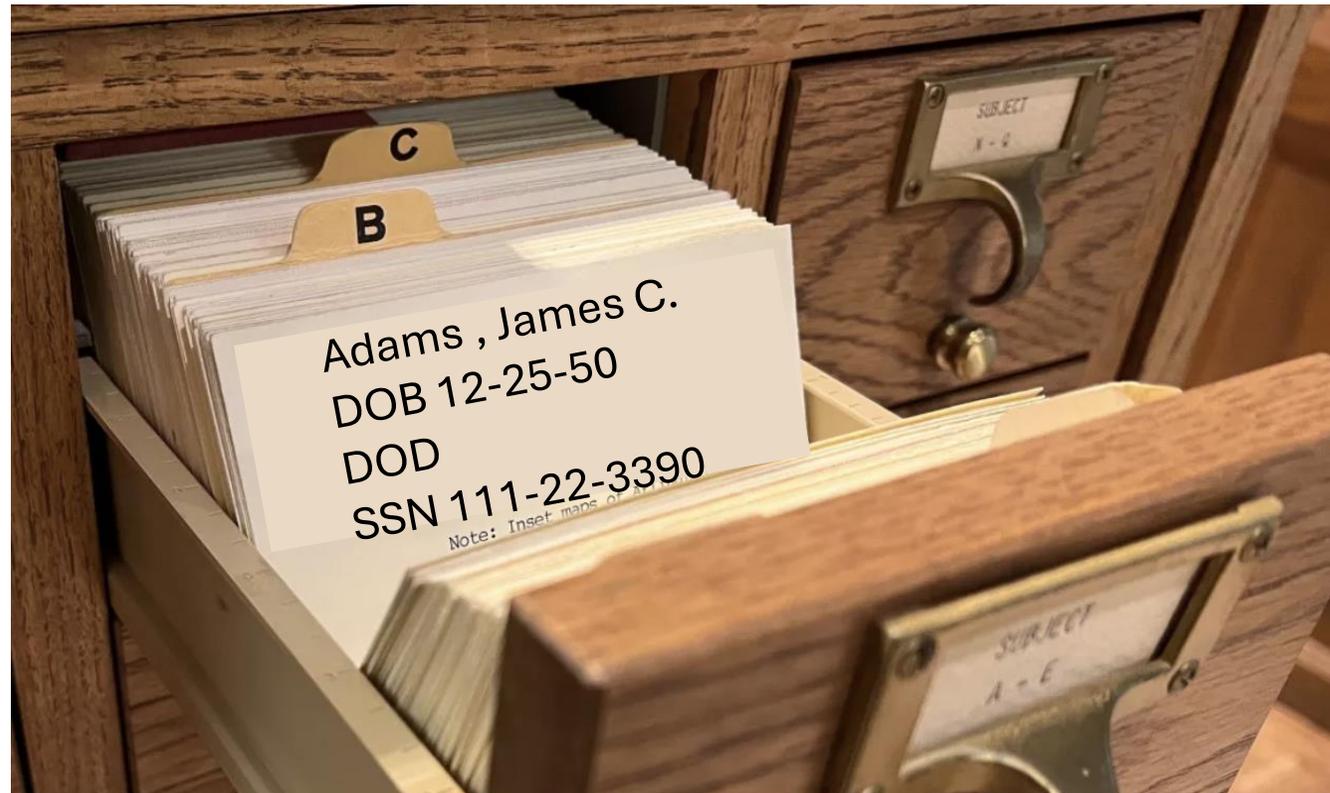
Consumer Liaison Committee
Spring National Meeting
March 22, 2026

Richard M. Weber, MBA, CLU
NAIC Consumer Representative
Life Insurance Consumer Advocacy Center

Each year in the US ~3 million people die, but not all are captured in the federal database insurers rely on.

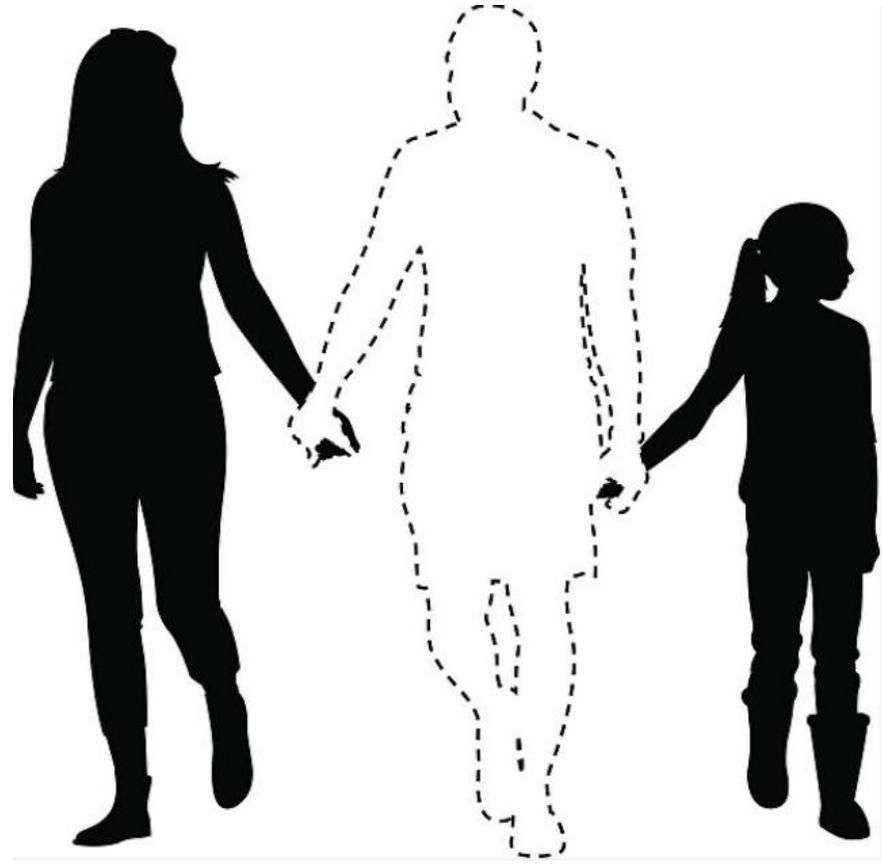
As a result – benefits are delayed or never received by beneficiaries.

The NAIC's Life Insurance Policy Locator (LIPL)

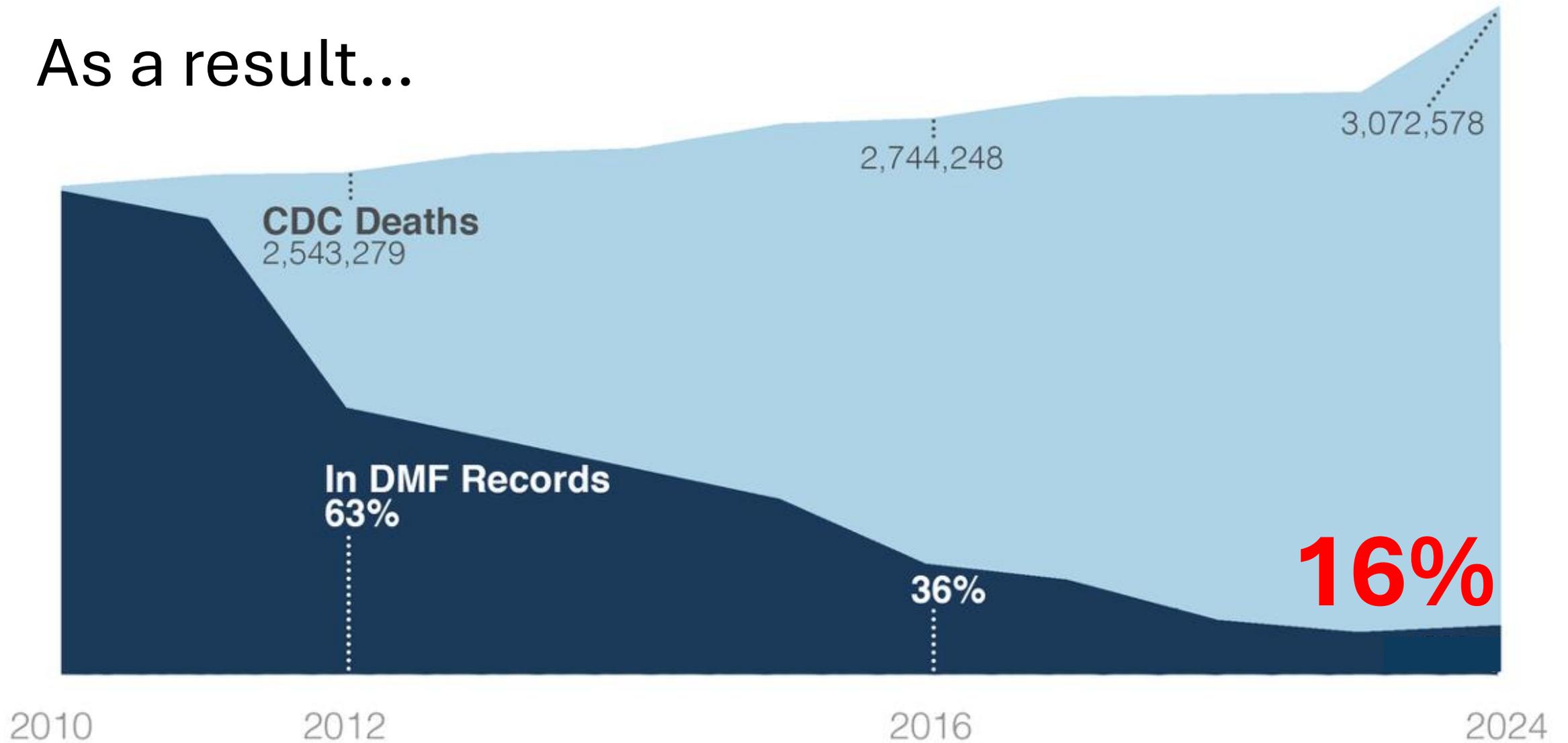


The NAIC's Life Insurance Policy Locator (LIPL)





As a result...



Life Insurance Policy Locator issues ...

The data comes from **insurance company internal records**

Life Insurance Policy Locator issues ...

The data comes from **insurance company internal records**

Not all insurers participate in the LIPL.

Life Insurance Policy Locator issues ...

The data comes from **insurance company internal records**

Not all insurers participate in the LIPL.

When an insurer finds a match, it reports it (via the NAIC portal) and/or contacts the beneficiary, however ...

Life Insurance Policy Locator issues ...

The data comes from **insurance company internal records**

Not all insurers participate in the LIPL.

When an insurer finds a match, it reports it (via the NAIC portal) and/or contacts the beneficiary, however ...

The NAIC itself does *not* maintain full policy-level data





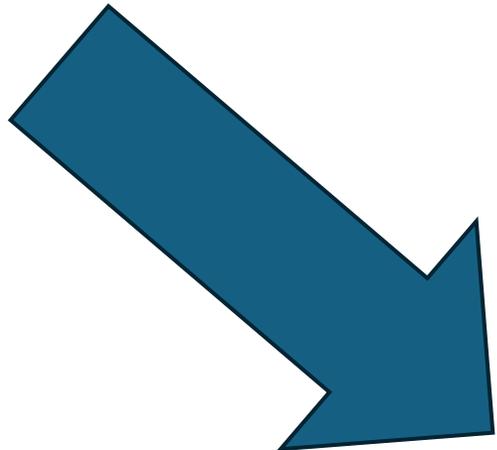


An aerial, high-angle photograph of a busy pedestrian crosswalk. The scene is filled with people of various ages and ethnicities walking across the street. The image has a blue color cast and a semi-transparent black rectangular box in the upper left corner containing white text. The text reads "Another Wave of Changes:" followed by "SSA Death Master File" in a larger, bold font.

Another Wave of Changes:
SSA Death Master File

COMPLETENESS

95%



16%

95% → 16% DUE TO

- States death records largely excluded from the Limited Access DMF

95% → 16% DUE TO

- States death records largely excluded from the Limited Access DMF
- Delay in reporting and data processing before a death would be included in the LA DMF

95% → 16% DUE TO

- States death records largely excluded from the Limited Access DMF
- Delay in reporting and data processing before a death would be included in the LA DMF
- Record of a newly deceased individual are withheld from the general public for 3 years

The process has been reduced to ...



NCOIL's Model Unclaimed Life Insurance Benefits Act

Scope: Applies to life insurance policies, annuity contracts, and retained asset accounts.

NCOIL's Model Unclaimed Life Insurance Benefits Act

Scope: Applies to life insurance policies, annuity contracts, and retained asset accounts.

Standard: Defines “**knowledge of death**”
(death certificate or validated DMF match).

NCOIL's Model Unclaimed Life Insurance Benefits Act

Scope: Applies to life insurance policies, annuity contracts, and retained asset accounts.

Standard: Defines “**knowledge of death**” (death certificate or validated DMF match).

90-day duties: Validate death, determine whether benefits are due, locate beneficiaries, provide claim forms/instructions.

NCOIL's Model Unclaimed Life Insurance Benefits Act

Scope: Applies to life insurance policies, annuity contracts, and retained asset accounts.

Standard: Defines “**knowledge of death**” (death certificate or validated DMF match).

90-day duties: Validate death, determine whether benefits are due, locate beneficiaries, provide claim forms/instructions.

Unclaimed Property: Escheat only after statutory dormancy period; notice at dormancy.

NCOIL and Iowa ...

Iowa's statute retains semiannual DMF comparisons and 90-day validation and outreach obligations and also expands the triggering framework as well as adds mechanisms that materially affect escheat timing.

But ...

Approx half the states have adopted the NCOIL model, but a number of states have yet to take specific action.

But ...

Approx half the states have adopted the NCOIL model, but a number of states have yet to take specific action.

State-by-state variations of those adopting the framework have produced materially different compliance obligations and consumer outcomes.

But ...

Approx half the states have adopted the NCOIL model, but a number of states have yet to take specific action.

State-by-state variations of those adopting the framework have produced materially different compliance obligations and consumer outcomes.

At the same time, the Social Security Administration's Death Master File (DMF)—a tool still central to many statutes—has degraded materially over time and is no longer an effective or appropriate mechanism for establishing statutory “knowledge of death.”

Tools the NAIC could promote via a Model Regulation

1. Require insurers to search the states that sell vital records data

Tools the NAIC could promote via a Model Regulation

1. Require insurers to search the states that sell vital records data

2. Require standardized validation protocols with evidence that all sources have been tapped

Tools the NAIC could promote via a Model Regulation

1. Require insurers to search the states that sell vital records data
2. Require standardized validation protocols with evidence that all sources have been tapped
- 3. Establish annual metrics**

Tools the NAIC could promote via a Model Regulation

1. Require insurers to search the states that sell vital records data
2. Require standardized validation protocols with evidence that all sources have been tapped
3. Establish annual metrics
- 4. Tighten the timeframe for locating beneficiaries and paying benefits to 60 days**

Tools the NAIC could promote via a Model Regulation

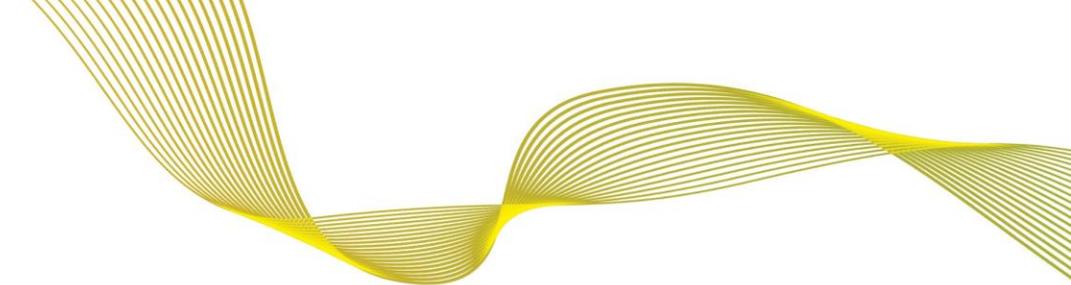
1. Require insurers to search the states that sell vital records data
2. Require standardized validation protocols with evidence that all sources have been tapped
3. Establish annual metrics
4. Tighten the timeframe for locating beneficiaries and paying benefits to 60 days
- 5. Require carriers to 1) document searches of all sources, and 2) perform this monthly**

The current regulatory framework – with roughly half the states following the NCOIL Model - will place an extraordinary burden on states to manage unclaimed benefits if insurers do not do all they can to find beneficiaries.

An NAIC Model Regulation provides consistency for all beneficiaries, regardless of where they live.

The time to act is NOW

- **\$14 trillion** in individual life insurance coverage in force.
- **\$8.1 trillion** in group life insurance coverage in force.
Together, that's approximately **\$22 trillion** in total life insurance face value currently active.
- **Another \$16 trillion sits in retirement plans, pensions and annuity contracts**



5. Hear a Presentation on Affordability of Availability of Property Insurance in Wildfire-Prone Regions

Amy Bach (UP)



Where there's smoke, there's a fire

NAIC Spring Meeting
Consumer Liaison Committee
Sunday, March 22, 2026
San Diego, CA

United Policyholders (UP)

UP is a 501(c) 3 national not-for-profit with a 35 year track record of problem-solving, informing and advocating for insurance consumers with focus on property insurance and disasters.

Through our 3 programs we are working to help people pro-actively reduce risk, be properly insured and reach fair claim settlements, and collaborating with stakeholders to bring solutions to the national property insurance crisis.

Roadmap to Recovery[®] *Educating, and helping households navigate insurance, repairs and rebuilding and avoid problems after disasters.*

Roadmap to Preparedness *Educating and helping consumers be resilient to disasters, insure assets to value, shop smart, and proactively reduce risk.*

Advocacy and Action *Advancing policyholder priorities and perspectives in legislative, regulatory, legal and public policy forums.*

Insurance disputes related to wildfire debris/smoke damage remediation and property restoration are increasingly common due to:

- Claim handling practices by insurers that are not meeting insureds' reasonable expectations that their homes be restored to pre-loss condition
- The absence of science-based standards for post-wildfire testing, remediating and restoration of indoor spaces. (Lead, Asbestos, yes, Beryllium, Chromium, etc. no)
- Conflicting views by experts and vendors on where, when and how indoor air quality should be tested, whether and how contaminants should be removed and the extent of destructive testing and restoration required to restore homes to pre-loss condition.
- Big cost differentials between cleaning versus remediating/restoring
- A wide range of involved professionals with varying levels of expertise, training, certification
- Organized survivors and media coverage

Latest ▾ Local News ▾ • Live ▾ Shows ▾ ...

Colorado | News ▾ Weather ▾ Sports ▾ Video Your Reporters ▾ ...

Local News

Boulder County couple whose house was "infused" with pollutants in Marshall Fire wishes it had burned down

By [Shaun Boyd](#)

April 14, 2023 / 11:37 PM MDT / CBS Colorado

[Add CBS News on Google](#)

Colorado's insurance commissioner says the state needs standards for remediating homes that are damaged, but not destroyed in wildfires.

The New York Times

Insurers Said They Could Return Home. Our Tests Found Neurotoxins in Their Bodies.

December 29, 2025



After the Los Angeles fires, their insurer told them they could return home.

San Francisco Chronicle e-Edition

HOME INSURANCE Follow

New bill asks California to craft standard for cleaning wildfire smoke-tainted homes

By [Megan Fan Muncie](#), [Susie Neilson](#), [Sara DiNatale](#), Staff Writers

Feb 11, 2026

San Francisco Chronicle

December 5, 2025

California is drafting new rules for wildfire smoke cleanup. Are home insurers calling the shots?



Wearing protective coveralls and a chemical, biological, radiological and nuclear-rated gas mask, Debbie McMahon walks in her Altadena living room on Sept. 25, where last year's Christmas tree still stands after the wildfire evacuation. McMahon is among the many displaced Los Angeles County residents who are fighting with their insurance companies.

Stephen Lam/S.F. Chronicle

As the [Los Angeles wildfires](#) died out in January, firefighters trekked through the burn zones to take stock of the destruction. For every home they found leveled, they counted another still

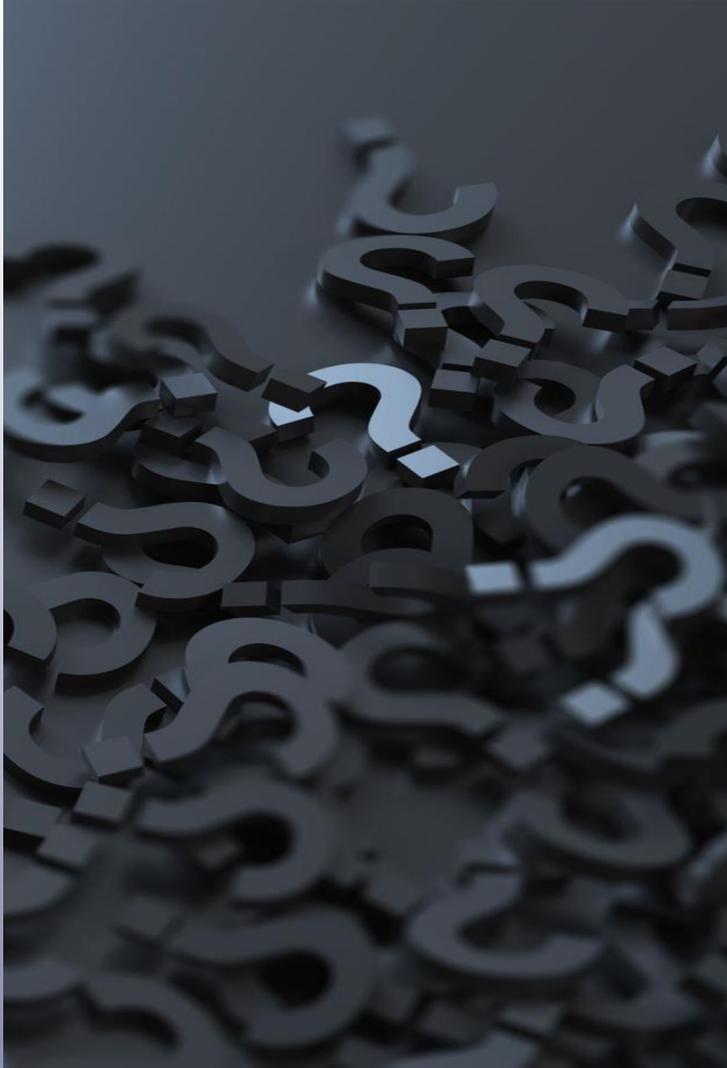
What we know

- Urban conflagrations (WUI megafires) bring “Contaminants of Concern” into homes, workspaces, schools, etc.
- Home insurance should cover the cost of restoring a smoke-damaged home to pre-loss condition, subject to policy limits
- Testing before cleaning should be standard protocol and but hasn't been
- In general, the way many insurers have been handling smoke damage claims seems outdated and not safe or adequate in light of current scientific/medial knowledge
- Official indoor air quality standards for wildfire byproducts other than lead and asbestos do not yet exist

The ideal order

- **Pre-cleaning inspection and testing**
 - A qualified professional should inspect and test for soot ash, char, asbestos, lead and VOCs
 - Samples should be tested by an independent lab
 - Homeowner should get a copy of the results
- **A qualified expert prepares a remediation and restoration protocol/plan**
- **The work gets done by an independent, qualified expert**
- **Clearance testing**
 - If toxins remain, additional remediation is needed

Why does testing matter?



It measures and documents how a wildfire impacted the interior and exterior of a structure and what needs to be remediated (cleaned, removed) and restored

Should be the basis for the remediation/restoration plan

Coverage and an insurer's responsibility

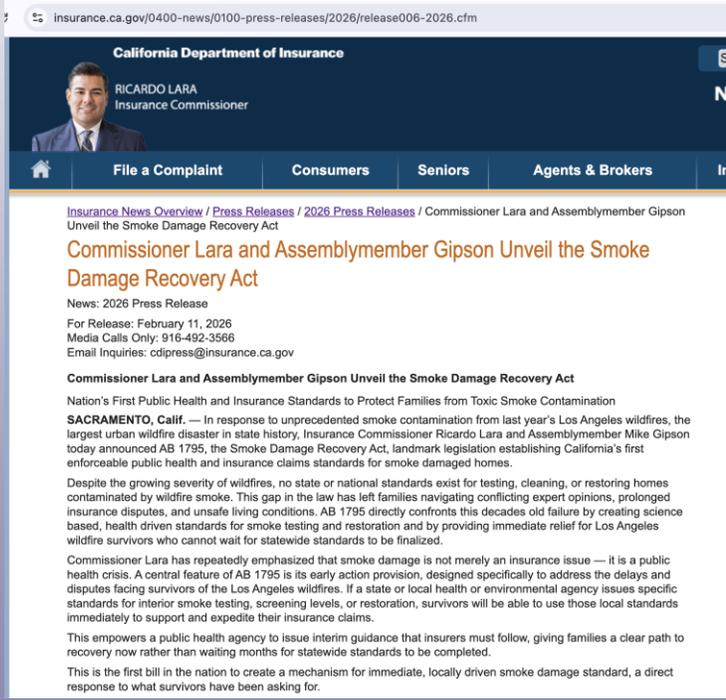
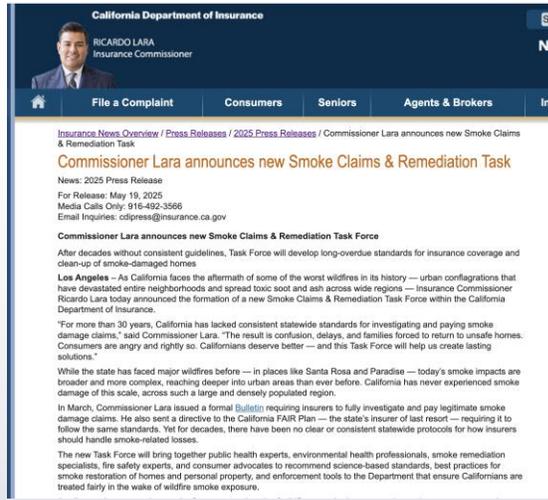
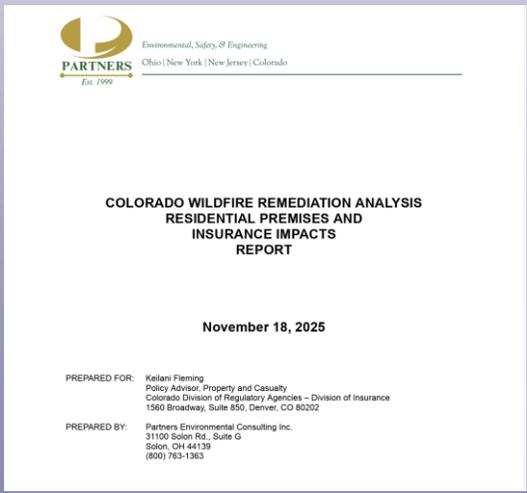
- Wildfire debris damage (smoke, ash, char, particulates, etc.) **IS** fire damage, which must be covered in CA per Ins. Code 2071.
- If homeowner or a family member have respiratory issues or chronic health conditions, remediation plan must address. A medical professional should confirm the condition in writing.
- Insurer should not cut off temporary living expense(ALE) benefits and force ph to move back into a home that hasn't been properly remediated.

HB24-1315

Study on Remediation of Property Damaged by Fire

TYPE	BILL
SESSION	2024 Regular Session
SUBJECTS	Housing Insurance Public Health

Concerning a study regarding standards for the remediation of residential premises after a property has been damaged in a fire, and, in connection therewith, studying properties damaged by smoke, soot, ash, and other contaminants as a result of the fire and making an appropriation.



New Nevada law:

Realtor.com's Post

Nevada homeowners in high-risk fire areas may soon pay more for protection. A new law allows insurers to exclude wildfire coverage from standard home and HOA policies, pushing residents toward separate fire insurance. Lawmakers hope the change will keep insurers in the market after rising nonrenewals, but affected homeowners could face the cost of an extra policy.



REALTOR.COM NEWS

NEVADA BILL LETS HOME INSURERS DROP WILDFIRE COVERAGE—AND IT COULD COST HOMEOWNERS BIG

What happens if property insurers are allowed to exclude wildfires from coverage?

“Are we just going to turn everybody loose and let the fires burn our houses down?” Nevada just did – and others may follow.

SUSAN CRAWFORD
OCT 31, 2025

20 9 4

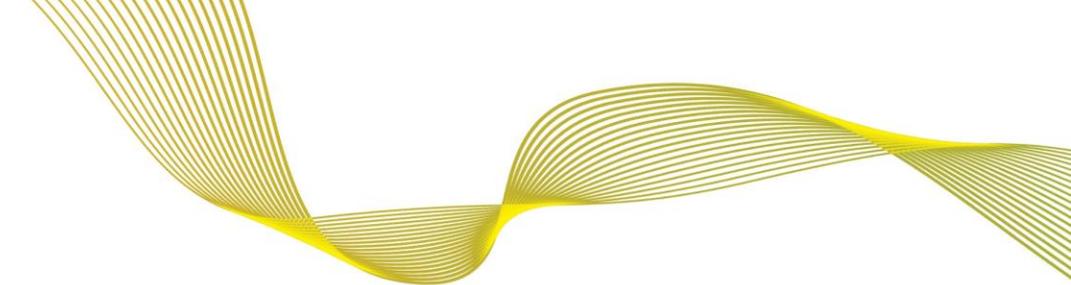
Share



Thank you!

Consumer Liaison Committee members
and meeting attendees for your time and
attention

info@uphelp.org



6. Hear a Presentation “Are Auto Insurers Encouraging Litigation by Using Outmoded Methodology and Unreliable Data?”

Erica Eversman (AEPI)



**THUMB ON THE SCALE:
ARE AUTO INSURERS ENCOURAGING LITIGATION BY USING
OUTMODED METHODOLOGY AND UNRELIABLE DATA?**

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
SAN DIEGO MARCH, 2026

Erica. L. Eversman, J.D.

TOTAL LOSS ISSUES

Numerous class actions allege:

- SYSTEMATIC UNDERVALUATION OF ACV
 - *Offers often \$3,000 – \$4000 less than true value*
 - *Consumers cannot replace vehicle for payout*
 - *Use of comps with negative vehicle history, without disclosure of non-comparable history*
 - *Manipulated software determinations*

RECENT EXAMPLE FROM OHIO:

- CCC One Market Value Report for March 2024 total loss of 2019 Ford Fiesta

– *Identified Comparable Vehicles at:*

Dealer List \$	\$8997	\$9988	\$8998
Ins. Adjusted \$	\$7845	\$8754	\$9073
Difference \$	\$1,152	\$1,234	\$-75

- Actual Sales Price of Each Comparable Vehicle*

Actual Sales \$	\$10,997	\$12,648	\$10,198
\$ Difference to Consumer	\$3,152	\$3,894	\$1,125

* Sourced from OH BMV Records on April 4, 2024

COMPARABLE SOURCE LIMITS

- INSURER REFUSAL TO CONSIDER COMPERABLE VEHICLE PRICES FROM:
 - *CARMAX (largest used car dealer in U.S.)*
 - *CARVANA*
 - *CRAIGSLIST*
 - *FACEBOOK MARKETPLACE*
 - *KELLY BLUE BOOK*
 - *VROOM*
 - *ANY AUCTION SITES*

INSURER OUTMODED THINKING?

Insurers typically assume consumer can/will negotiate dealer down to lower price:

- **CarMax** "no haggle" pricing
 - "our "no-haggle" prices transformed car buying and selling from a stressful, dreaded event into the honest, straightforward experience all people deserve."
www.carmax.com/about-carmax
- **AutoNation** "no haggle" pricing
 - "Experience no-haggle car buying with AutoNation 1Price. No pressure or negotiations, the price you see is what you pay."
www.autonation.com/oneprice-guarantee
- **Carvana** "no haggle" pricing
 - "We don't negotiate on pricing"
www.carvana.com/help/carvana-inventory/are-carvanas-vehicle-prices-negotiable
- Class action involving one insurer's use of 3rd party loss evaluation system imposing "projected sold adjustments" on total loss valuations
 - PSA justified as representing amount dealer would reduce list price on used vehicle with negotiation

SYSTEMATIC ACV UNDERVALUATION

■ THIRD PARTY VALUATION SOFTWARE PROVIDERS

- *Concerns not truly independent*
- *Develop “special” software for individual insurers*

- Special software usually produces lower valuations than value

- “Some insurers require that bidders commit to spending \$ 500,000 to \$ 600,000 per year-to develop software that is unique to that customer.”

FTC v. CCC Holdings Inc., Defendants’ Post Trial Brief, 2009 U.S. Dist. Ct. Briefs LEXIS 377, *32

- “That the insurers have enough sophistication and buying power to force CCC, Audatex, and Mitchell to produce customized products is another factor that cuts against the likelihood of coordination.”
Id., *ftnt 10.*

Recommendations

■ Market Conduct Requests:

- *Insurer methodology for determining total loss ACV*
- *Agreements with third party data/report sources*
- *Raw data justifying method & adjustments*

■ Encourage/Require Greater Insurer Transparency:

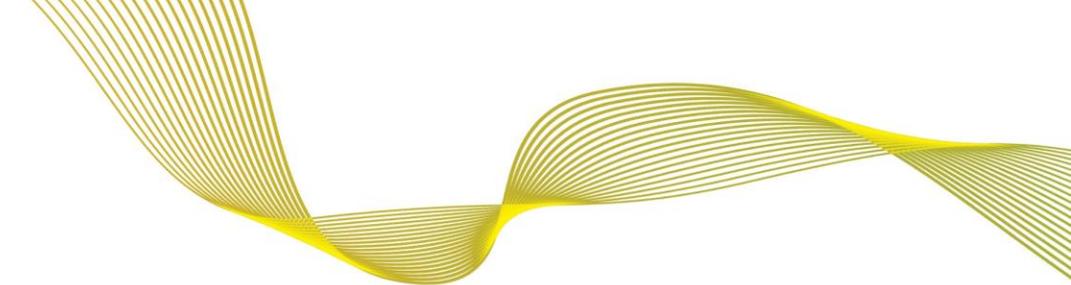
- *Insurer total loss determinations & methods obscure and difficult for individual consumers to challenge ACV.*

■ Engage with Consumers:

- *Establish regular meetings with consumer groups*
- *Establish easy & transparent method for consumers to engage with Regulators*

QUESTIONS?

Erica. L. Eversman, J.D.



7. Discuss Any Other Matters Brought Before the Liaison Committee

Commissioner D.J. Bettencourt (NH)