NAIC/CONSUMER LIAISON COMMITTEE

NAIC/Consumer Liaison Committee Aug. 10, 2025, Minutes
NAIC/American Indian and Alaska Native Liaison Committee June 17, 2025, Minutes

Draft Pending Adoption

Draft: 8/22/25

NAIC/Consumer Liaison Committee
Minneapolis, Minnesota
August 10, 2025

The NAIC/Consumer Liaison Committee met in Minneapolis, MN, Aug. 10, 2025. The following Liaison Committee members participated: Grace Arnold, Chair (MN); D.J. Bettencourt, Vice Chair (NH); Heather Carpenter (AK); Mark Fowler (AL); Alan McClain (AR); Ricardo Lara represented by Lucy Jabourian (CA); Michael Conway represented by Kate Harris (CO); Andrew N. Mais represented by Kurt Swan (CT); Trinidad Navarro (DE); Michael Yaworsky represented by Sheryl Parker (FL); Scott Saiki represented by Jerry Bump (HI); Dean L. Cameron represented by Shannan Hohl (ID); Ann Gillespie (IL); Timothy J. Temple represented by Ron Hendeson (LA); Marie Grant (MD); Anita G. Fox represented by Renee Campbell (MI); Angela L. Nelson (MO); Mike Chaney represented by Ryan Blakeney (MS); Jon Godfread represented by John Arnold (ND); Judith L. French (OH); Glen Mulready represented by Ashley Scott (OK); TK Keen (OR); Michael Humphreys (PA); Alexander S. Adams Vega (PR); Jon Pike represented by Shelley Wiseman (UT); Scott A. White represented by Zuhairah Tillinghast (VA); Patty Kuderer (WA); Nathan Houdek represented by Sarah Smith (WI); Allan L. McVey represented by Joylynn Fix and Erin Hunter (WV); and Jeff Rude (WY).

1. Adopted its Spring National Meeting Minutes

Commissioner Bettencourt made a motion, seconded by Commissioner Rude, to adopt the Liaison Committee's March 23 minutes (*see NAIC Proceedings – Spring 2025, NAIC/Consumer Liaison Committee*). The motion passed unanimously.

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

Commissioner Arnold said the board met Aug. 10. During the meeting, the board discussed two requests for action, which will be presented at this meeting, and the upcoming consumer representative application process. The application period for 2026 is from Aug. 31 to Oct. 31.

3. Heard a Presentation on Why the Advice to "Read Your Policy" Is Not Effective

Brenda J. Cude (University of Georgia) said the presentation primarily focuses on homeowners insurance but applies to other lines of insurance. Dr. Cude said the conventional advice to consumers to "read your policy" often fails due to the complexity and organization of insurance documents. Dr. Cude said many consumers struggle to locate their full policies, especially endorsements, and even when they do, the documents are often too lengthy and fragmented to be useful. Dr. Cude said insurance policies are not written for consumers, and cited research shows that even when consumers are given specific policy language, they are no more likely to understand their coverage than those given no language.

Amy Bach (United Policyholders—UP) said more homeowners policies have shifted from standardized formats to highly customized ones, which has created more consumer confusion regarding coverage. Bach mentioned, for example, changes in deductibles and when and how they apply. Bach said the homeowners market has evolved, and there is a need to assist consumers in understanding changes to their homeowners policies and getting the coverage they need.

Bach emphasized the importance of consumers being able to understand deductibles, coverage limits, and exclusions. Bach said consumers need to understand the need to have extended replacement cost coverage, code upgrade coverage, and adequate temporary rent coverage. Bach said the Missouri Department of Commerce and Insurance (DCI) used a creative consumer outreach effort that included a video using ill-fitting pajamas to illustrate

underinsurance. Regarding coverage information for disaster preparedness, Bach said consumers need to understand and have extended replacement cost coverage, code upgrade coverage, and temporary rent coverage.

Bach said there are five key areas of concern causing litigation in the marketplace: 1) limits or exclusions for water damage, mold, and smoke; 2) anti-matching clauses, which can lead to lack of uniform and consistent appearance of a damaged home; 3) length of temporary rent coverage; consumer understanding the difference between replacement cost value and actual cash value; and 5) the use of vendors the insurer selects.

Brent Walker (Coalition Against Insurance Fraud—CAIF) said there are some good tools, such as mobile apps and coverage calculators, that help consumers understand their policies and coverage needs. Walker said there needs to be clarity about coverage at both the point of purchase and post-loss because a lack of understanding could lead to fraudulent claims if a consumer finds they are uninsured or underinsured. For example, a consumer may not be insured for flood insurance and may have an incentive to submit a fraudulent water claim.

Dr. Cude proposed plain-language disclosures modeled after health insurance summaries and referenced California's efforts to mandate clear explanations and reimbursement calculations. Dr. Cude also said Texas has a good coverage comparison tool, which focuses on the comparison of coverage rather than cost because consumers already pay attention to cost differences. Dr. Cude said some artificial intelligence (AI) tools, such as policy readers, could be useful to consumers.

Dick Weber (Life Insurance Consumer Advocacy Center—LICAC) shared his personal experience using AI to analyze his 91-page homeowners policy and 37-page auto policy. Weber said the AI summaries were accurate and helpful, especially in identifying exclusions. Weber provided another example of using AI to identify whether his policy covered a cracked windshield. Weber said the NAIC could develop a trusted AI model for consumers to use. He emphasized the importance of crafting precise prompts to get meaningful results when using AI.

Dr. Cude said there is a need to develop better resources for consumers through enforcing state readability standards. Dr. Cude said there is a need to improve consumer communications regarding how consumers can obtain their policy and endorsements that have changed the policy.

Erica Eversman (Automotive Education & Policy Institute—AEPI) said consumers often prioritize shopping for auto insurance by price and are often unaware that many insurance policies include provisions allowing insurers to pay only for imitation parts rather than original equipment manufacturer (OEM) parts. The definition of OEM parts is also difficult to understand. Eversman said appraisal clauses are also difficult to locate and understand.

Henderson said consumers should be encouraged to read their policies. He said there should be proactive education about insurance for consumers. Henderson said Louisiana has the "Be Insurance Ready" program, which helps residents understand their coverage before a claim occurs. Dr. Cude said she does not want to discourage consumers from reading their policies, but said consumers can struggle to obtain their policies from insurers and have a hard time understanding them. Dr. Cude said consumers should be encouraged to understand their coverage.

Eric Ellsworth (Checkbook Health/Center for the Study of Services [CSS]) said consumers want to know the consequences after a loss. Ellsworth said the explanation of benefits made available to consumers for health insurance is the type of communication that should be made available in other lines of insurance.

Commissioner Kuderer said she is a proponent of plain language and said insurance companies have expressed concerns that plain language requirements will lead to more litigation. Commissioner Kuderer asked whether states with plain language laws have less litigation. Dr. Cude said there is enough variation in state laws to draw conclusions on this. Dr. Cude said the AI tools she has used were not able to put an insurance policy into plain

language. Bach said informed consumers are less likely to pursue litigation when they are aware of coverage gaps since they can take preventive measures.

Arnold asked about the difference between readability and understandability, and how standards might be created for these. Dr. Cude said the primary focus is on readability, which includes the organization and formatting of language. These, however, are not mandated by states.

4. Heard a Presentation on Federal Updates and Remaining State Regulatory Tools to Improve Health Equity

Milo Vieland (Legal Council for Health Justice) said recent legislation and the Marketplace Integrity and Affordability Final Rule will reduce state flexibility and disproportionately impact marginalized populations, including immigrants, rural communities, individuals with limited English proficiency, low-income individuals, communities of color, LGBTQIA populations, and people with disabilities. Vieland said changes that will lead to barriers to marketplace enrollment include the elimination of conditional eligibility for premium tax credits in cases of data mismatch, the requirement of pre-enrollment verification of eligibility based on income, immigration status, health coverage status, place of residence, and family size.

Vieland said subsidized Affordable Care Act (ACA) eligibility will be restricted to legal permanent residents and green card holders, which will eliminate eligibility for many lawfully present immigrants. Vieland said lawfully present non-citizens with incomes under 100% of the federal poverty level who do not qualify for Medicaid due to immigration status are currently eligible for premium tax credits. This subsidized coverage will end in 2026.

Vieland said consumers enrolling during a Special Enrollment Period (SEP) will be barred from receiving premium tax credits or cost sharing reductions. Vieland said additional documentation will be needed, and the open enrolment period will be shortened to end on Dec. 15 rather than Jan. 15.

Vieland said the time for filing and reconciling advance premium tax credits will be shortened from every two years to every year and will restrict premium tax credit eligibility for individuals who fail to reconcile annually. Vieland said this is important because 92% of marketplace enrollees, which is over 22 million people, received premium tax credits. Vieland said insurers will be permitted to require enrollees to pay the full amount of their first month's premium to effectuate coverage.

Vieland said states are estimating significant enrollment losses of up to 50% in health care programs. Vieland said enrollees with income under 150% of the federal poverty level were the largest share of marketplace enrollees at 47%. Vieland said there are estimates that the elimination of premium tax credits will lead to a 75% average premium increase and up to a 90% premium increase for rural areas.

Jalisa Clark (Center on Health Insurance Reforms—CHIR) said many health inequities are built on health efficiencies and that getting adequate health care for everyone helps both marginalized and non-marginalized populations. Clark said outreach and education, especially through agents, brokers, and navigators, are extremely important for increasing health coverage. Clark highlighted the role of language access for those with limited English proficiency and the need for culturally competent assistance.

Clark said funding cuts to navigator programs are a major concern. Clark said navigators have helped provide enrollment services to pregnant women, new mothers, farm workers, rural residents, and individuals with hearing and speech impairments.

Clark said there are SEPs for states to consider, including individuals leaving military services, changes in disability status, natural disasters, and pregnancy, especially for rural communities. Regarding management of non-ACA plans, Clark said there is going to be a lack of federal enforcement regarding certain aspects of short-term, limited-

duration (STLD) insurance rules, including notice and disclosure requirements. Clark said states can adopt more protective rules, such as limiting the maximum contract term, prohibiting retroactive coverage cancellation, and limiting preexisting condition exclusions.

Erin Miller (Community Catalyst) said states have tools to help consumers maintain coverage and low out-of-pocket costs. Miller said the tools include benefit design, affordability programs, and rating tools. Miller said the final marketplace integrity rule prohibits states from covering sex trait modification as an essential health benefit, but this does not eliminate the need. Miller said states are not going to be able to make up for the lack of enhanced premium tax credits but can raise funds through other sources, such as health insurer fees, premium taxes, and hospital assessments. Miller said states have rating tools available, including premium alignment and the elimination or narrowing of tobacco ratings. Finally, Miller said states have regulatory oversight of prior authorizations and denials, and that insurer denials can lead to significant medical debt for consumers.

5. Heard a Presentation on Threats to Mental Health and Substance Use Disorder Care and Implications of the Parity Lawsuit

Deborah Steinberg (Legal Action Center—LAC) addressed the implications of a lawsuit challenging the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA). Steinberg said the act was signed into law in 2008 and requires health insurance companies to cover mental health/substance use disorder (MH/SUD) benefits in a way that is comparable to how they cover medical benefits and surgical procedures. The regulations implementing the law were issued in 2013. Steinberg said additional regulations were issued in 2024 to implement 2020 updates to the act.

Steinberg said the law not only requires carriers to offer equitable care, but also requires them to perform and document a comprehensive analysis comparing the MH/SUD treatment limitations to those for medical and surgical benefits. Miller said state insurance regulators have the authority to request these analyses and that more than half the states require carriers to submit these analyses on a regular basis.

In January of 2025, the U.S. Department of Labor (DOL), U.S. Department of the Treasury (Treasury Department), and Department of Health and Human Services (HHS) issued their annual report on their enforcement activities and found widespread industry non-compliance. Steinberg said the Employee Retirement Income Security Act (ERISA) Industry Committee filed a lawsuit claiming these agencies exceeded their regulatory authority. In May, the Trump Administration responded to the lawsuit by issuing a non-enforcement policy and agreed to revisit the regulations. Steinberg said there is now confusion regarding requirements, but that the requirements have not been rescinded.

Federal agencies have indicated that insurance carriers can rely on the 2013 regulations, which do not have any provisions on the comparative analyses that are required by law. Steinberg said states are still responsible for enforcing the law for state-regulated plans and that the federal law does not prohibit states from implementing higher standards. Steinberg said many states have outlined their processes or required elements for comparative analysis, including leveraging the federal regulations. Steinberg said enforcement by state insurance departments is important because of the federal changes limiting consumer access to MH/SUD care.

Lauren Finke (The Kennedy Forum) said states can require generally accepted standards of care, which are standards of care and clinical practices that are generally recognized by health care providers and practicing clinical specialties. Finke said the gold standard of care is to require health insurers to use transparent, nonprofit clinical association criteria, which is different than the internally developed proprietary criteria that are impossible to regulate. The nonprofit standards are available and transparent, and make it much easier to understand what care should entail. An example of this for substance use disorder care is using the American Society of Addiction Medicine (ASAM) criteria, which has all levels of care for addiction.

Finke said states have the authority to require exclusive use of this nonprofit clinical specialty association's criteria. Finke said California, Georgia, Illinois, Virginia, and Washington have required this. Finke said states can do this through regulation. Finke said state insurance regulators can also move to ensure provider documentation requirements from health plans conducting utilization review are no more intensive than what is required to determine if a patient meets criteria for substance use disorder care.

Finke said regular data collection and submissions of specific outcomes data are important. Finke said quantitative methods and standards for measuring carrier networks and network adequacy can include appointment wait times and time and distance standards. Finke said state insurance regulators can also require health plans to give them information on providers and providers accepting new patients. Finke recommended that state insurance regulators collect MH/SUD outcomes to be reported differently.

6. Heard a Presentation on Updates Regarding Vaccines and Preventive Services Coverage

Anna Howard (American Cancer Society Center Action Network—ACS CAN) said Section 2713 of the ACA is important because it mandates coverage of preventive services without cost sharing. Howard said science-based clinical recommendations from an independent body are critical to ensuring access to safe and effective preventive services. Over the past four decades, cancer prevention and screening have averted approximately 4.75 million deaths from breast, cervical, colorectal, lung, and prostate cancer.

Howard said there is a new Health Resources and Services Administration (HERSA) guideline requiring coverage for breast cancer screening starting at age 40. Howard said the new guideline also recommends that women receive follow-up care and follow-up imaging to complete the screening process. Howard said HERSA also added a recommendation related to patient navigation services for breast and cervical cancer screening. Howard said state insurance regulators can help enforce these guidelines through the issuance of bulletins.

Amy Killelea (Individual Consumer Advocate) said there have been significant changes at the Advisory Committee on Immunization Practices (ACIP), which the secretary of HHS oversees. Finke said the changes have led to concerns about the legitimacy of ACIP's recommendations. Killelea said Secretary Robert F. Kennedy, Jr., fired all ACIP members this year and replaced them with new members who did not undergo the normal vetting process. Killelea said this has resulted in a smaller Committee that does not include vaccine expertise and includes several individuals tied to anti-vaccine organizations. Killelea said Secretary Kennedy unilaterally changed the ACIP recommendations regarding COVID-19 vaccines. The ACIP then announced it would be reviewing all vaccine recommendations.

Because of these changes, Killelea said the American Academy of Pediatrics (AAP), which issues its own vaccine recommendations for children, has declared ACIP recommendations illegitimate and has urged providers and regulators to look to other sources for vaccine clinical recommendations. Killelea said some states are considering alternative bodies of medical experts for vaccine guidance. Killelea said these efforts need to be coordinated across states to maintain consistent nationwide standards and avoid consumer confusion regarding vaccine recommendations. Killelea said this is challenging because ACIP recommendations are embedded in state regulations on immunizations and school entry requirements. Killelea emphasized the need for state insurance regulators to work across states to ensure that clinical standard references for preventive services and vaccines are consistent across states.

Having no further business, the NAIC/Consumer Liaison Committee adjourned.

Draft: 8/20/25

NAIC/American Indian and Alaska Native Liaison Committee
Virtual Meeting
June 17, 2025

The NAIC/American Indian and Alaska Native Liaison Committee met June 17, 2025. The following Liaison Committee members participated: Jeff Rude, Chair (WY); Glen Mulready, Vice Chair (OK); Lori K. Wing-Heier represented by Heather Carpenter (AK); Peter M. Fuimaono represented by Elizabeth Perri (AS); Trinidad Navarro represented by Christina Miller (DE); Dean L. Cameron represented by Shannon Hohl and Randy Pipal (ID); James E. Brown represented by Molly Plummer, Mark Mattioli, and David Sanders (MT); Jon Godfread represented by Johnny Palsgraaf, Robyn Krile, and Matt Fischer (ND); Ned Gaines (NV); Larry D. Deiter represented by Lisa Harmon (SD); Jon Pike represented by Tanji J. Northrup (UT); Patty Kuderer represented by Charles Malone and Jane Beyer (WA); and Nathan Houdek represented by Sarah Smith (WI). Also participating were: Emily DeLaGarza and Parker Fisher (MI); Donna Dorr (OK); and Patrick Smock (RI).

1. Adopted its Feb. 25 Minutes

The Liaison Committee met Feb. 25 and took the following action: 1) adopted its 2024 Fall National Meeting minutes; and 2) discussed the results of the Liaison Committee member survey and selected 2025 agenda topics.

Commissioner Mulready made a motion, seconded by Carpenter, to adopt the Liaison Committee's Feb. 25 minutes *(see NAIC Proceedings – Spring 2025, NAIC/American Indian and Alaska Native Liaison Committee)*. The motion passed unanimously.

2. Discussed the Results of the Liaison Committee Member Survey on Fraudulent ACA Enrollments

Commissioner Rude said that after the Liaison Committee's Feb. 25 meeting, Lois Alexander (NAIC) distributed a list of selected 2025 topics to Liaison Committee members, interested regulators, and interested parties. Commissioner Rude reminded Liaison Committee members that they were to gather information and resources on these topics, which included coordination with Alaska's tribal health systems to share their telehealth experiences, examining outstanding medical balances for off-reservation treatment to identify potential solutions, and compiling successful property/casualty (P/C) coverage programs for future presentations. He expressed appreciation for everyone's time and efforts and said he looked forward to reviewing their findings.

Commissioner Rude said the Liaison Committee would address fraudulent health care practices impacting American Indian/Alaska Native (AI/AN) populations by highlighting significant financial losses and expressing a desire to collaborate with federal agencies. He said states are reporting significant financial losses due to fraudulent claims, with estimates reaching billions of dollars.

Plummer and Sanders said Montana subpoenaed 272 Medicare records as part of its investigation with the federal Centers for Medicare & Medicaid Services (CMS) into the shared experiences of individuals being misled into inappropriate insurance enrollments for treatment services. They also spoke with the Montana assistant attorney general, the Federal Bureau of Investigation (FBI), and state law enforcement to initiate an investigation. Sanders said this type of activity is pervasive with one carrier, in particular, with over $300 million in liability in 2025. Montana is working to determine what additional information it still needs to rescind this carrier's license.

Commissioner Rude asked how long the rescission has taken thus far. He offered to contact Jeff Wu (Center for Consumer Information and Insurance Oversight (CCIIO) and Lina Rashid (CCIIO) about presenting to the Liaison Committee on this issue and how it might help in other states. Sanders said that would probably help deal with

multi-state criminal organizations like this one, with over $1 million in fraudulent activity, so it should be kicked up to the federal level. Plummer said most cases involve someone who is unemployed but has premium tax credits. She said they always have an agent with little or no cost, as the agent adjusts the person's income to get it. Montana said they have kept Blue Cross and Blue Shield of Oklahoma (BCBSOK) apprised of the ongoing investigation.

Commissioner Rude said Wu had reported this situation to the U.S. Department of Justice (DOJ), but there was not enough money or insureds involved to qualify for the DOJ to investigate. They said through national tribal work, they see a variety of cases, so the Tribal Technical Advisory Group (TTAG), which provides advice and input to CMS on policy and program issues impacting the AI/AN population served by CMS programs, has made changes to the application process that have helped. He said individuals sign up for a plan, then are switched by someone to a new plan, and the original plan is canceled within 30 days.

Carpenter said Alaska is having similar issues, but not as many since it repealed the 80th percentile classification. She said people lie about their residency, so the Alaska Division of Insurance (DOI) worked with both major carriers in the state to eliminate such falsified applications. She said the CCIIO told her that people lie to qualify for the Affordable Care Act (ACA) when they should be on Medicaid.

Liaison Committee members expressed interest in collaborating with federal agencies to address these fraud issues more effectively.

Commissioner Rude said he would communicate with Wyoming's congressional delegation about the fraudulent practices and seek assistance addressing these issues. He said he would follow up with the CCIIO to schedule a meeting or arrange for them to present at the next Liaison Committee meeting regarding the issues discussed.

3. Discussed Other Matters

Commissioner Rude reminded attendees that the Liaison Committee will not meet during the upcoming Summer National Meeting.

Having no further business, the NAIC/American Indian and Alaska Native Liaison Committee adjourned.

