OUR MEETING WILL BEGIN SHORTLY

NAIC/Consumer Liaison Committee

December 8, 2025

Virtual Attendees

- Audio will be muted upon entry.
- To request to speak, use the "Raise Hand" feature. The chair will be alerted.
- Video optional.
- Use the “Chat” feature for questions, comments, or assistance.
- If joining by phone, press *6 to mute/unmute

Webex help or other technical issues: (816) 783-8960

NAIC/Consumer Liaison Committee

December 8, 2025

In-person Attendees

Wi-Fi Network: NAIC2025

Password (case sensitive): SecureTomorrow25

DECEMBER 8–11

NAIC

2025 FALL NATIONAL MEETING
HOLLYWOOD, FL

NAIC/Consumer Liaison Committee

Roll Call

Grace Arnold (MN),Chair

December 8, 2025

DECEMBER 8–11

NAIC®

2025 FALL NATIONAL MEETING
HOLLYWOOD, FL

Agenda Item 1

Consider Adoption of its Summer National Meeting Minutes

Attachment One

Grace Arnold (MN)

Agenda Item 2

Receive a Status Report on the NAIC/Consumer Participation Board of Trustees Activities

Grace Arnold (MN)

Agenda Item 3

Hear a Presentation on California Wildfire Risk Reduction, the Insurance Institute for Business & Home Safety (IBHS) Certification Program, and a Sustainable Insurance Strategy

Amy Bach (UP)

United Policyholders™
www.uphelp.org

Progress on the Western Front

NAIC Fall/Winter Meeting
Consumer Liaison Committee
Monday, December 8th, 2025
Hollywood, Florida

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UP is a 501(c) 3 national not-for-profit with a 34 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.

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Impacted stakeholders, including Regulators, Agents/Brokers, Realtors, Lenders, United Policyholders, other NGOs and homeowner advocacy groups, Scientists, Modelers and Academics are advancing a range of initiatives to bring solutions.

Increasing Risk Reduction

The leading strategy for counteracting reduced availability and affordability of property insurance is to increase the number of hardened structures with improved roofs and defensible space, and the number of neighborhoods and communities demonstrating a commitment to meeting reduced risk standards.

This brief presentation highlights progress in California and Colorado toward restoring insurance options and incentivizing and rewarding risk reduction.

Strategies

- Establish official standards for effective risk reduction
- Legally require that models and rates account for risk reduction
- Model attractive landscaping that complies w/those standards
- Identify D.I.Y., and low-cost measures and qualified vendors
- Public and private financial assistance programs, matching grants
- Reconcile concerns about forced removal of beneficial trees
- Educate property owners on mitigation and insurance shopping
- Strengthen building codes/enforcement
- Create, expand, strengthen mitigation programs:
  - Provide technical assistance with home hardening
  - Vetted, Preferred Mitigation Vendor lists
  - Increase the number of trained inspectors
  - Consumer-friendly certification programs
- Bring insurer reps to tour committed communities

An increasing number of communities in both states are gaining Firewise certification

- As of May 2025, California has 1,000 Firewise USA® Communities
- More than 400 have been created and designated since 2023

California Designates its 700th Firewise USA Community

By Michele Steinberg | 06-Sep-2023

Upper Mark West Fire Safe Council in Sonoma County, California, was recently designated a Firewise USA® community, representing the 700th Firewise community to be recognized in the state. According to Chief Daniel Berlant, deputy director of CAL FIRE – Office of the State Fire Marshal's Community Wildfire Preparedness and Mitigation Division, reaching the 700th community came just eight months after celebrating the 600th community milestone.

The Upper Mark West community is extremely active, regularly hosting hands-on fire prevention workshops, community work parties, and gatherings to promote fire safety education materials. They also put out a regular newsletter. In addition, the community has been successful in it grant writing efforts. They are currently in the middle of completing a CAL FIRE planning grant, which addresses large-scale fuel reduction project along with a county grant to do roadside fuel reduction project

Grants are aiding wildfire risk reduction in California

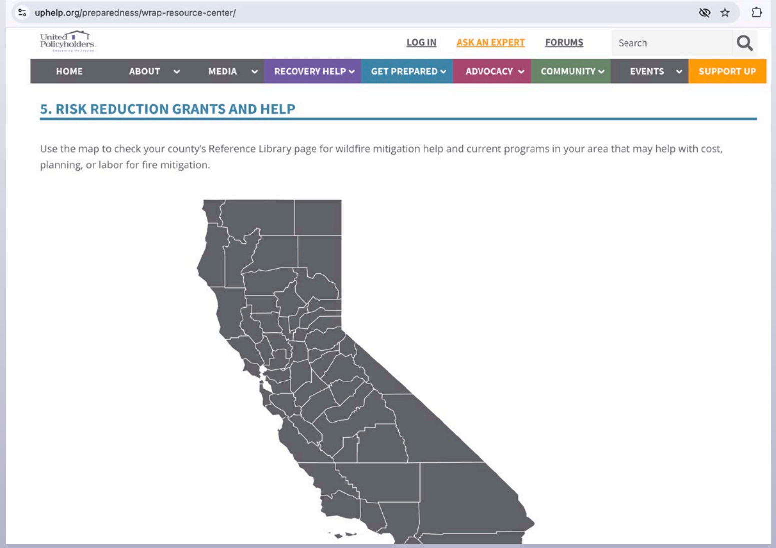
California Wildfire Mitigation Program

- Launched in 2022, the program offers financial assistance to support home hardening for qualifying homeowners who qualify for the program.
- Project areas are selected based on specific needs criteria
- Initially only offered in a single county, the program has expanded into 6 Counties across California
    - 230 home assessments completed
    - 90 home hardening projects completed
    - 43 homes still in progress

ReCoverCA Owner-Occupied Mitigation (OOM) Grants

- Mitigation grants up to $75,000
- Available in multiple counties, dependent on Homeowner eligibility

Make it easy for households to get mitigation help



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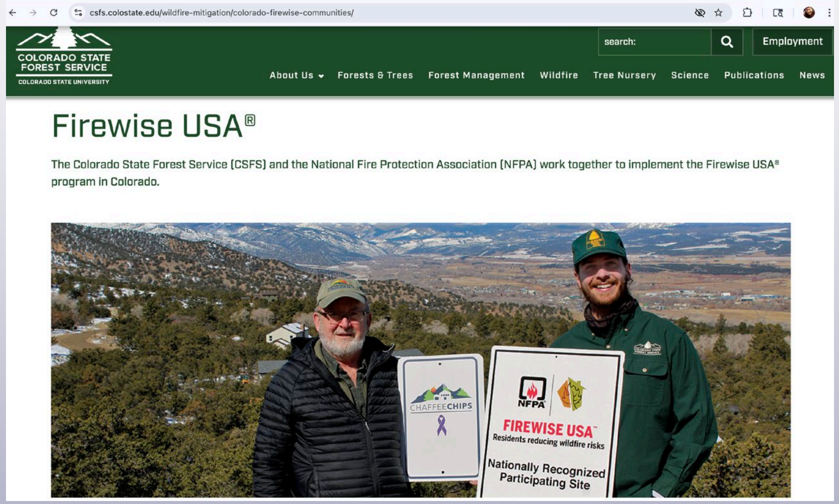

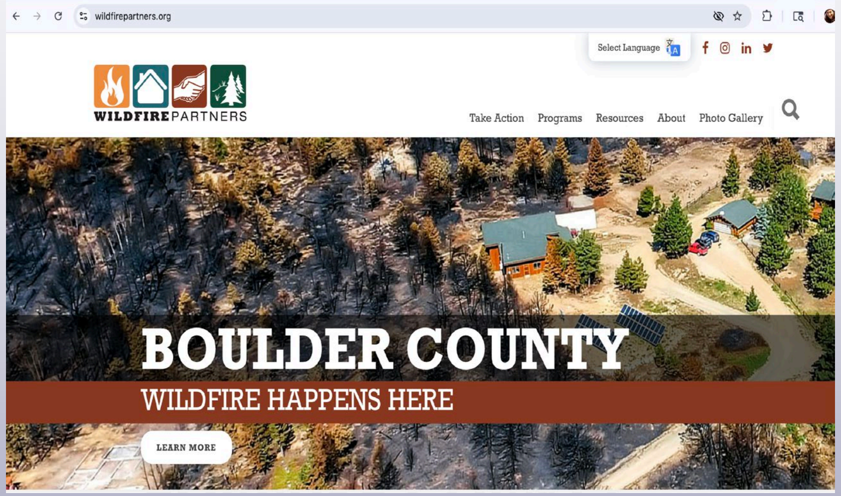

https://csfs.colostate.edu/wildfire-mitigation/colorado-firewise-communities/

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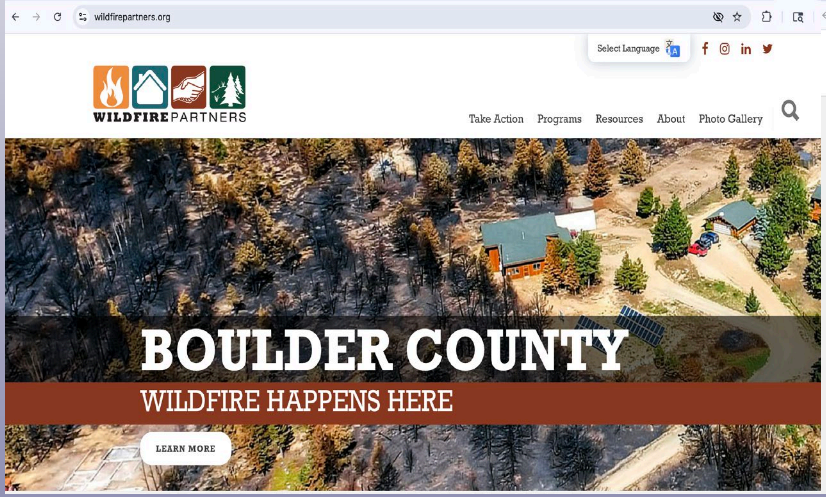

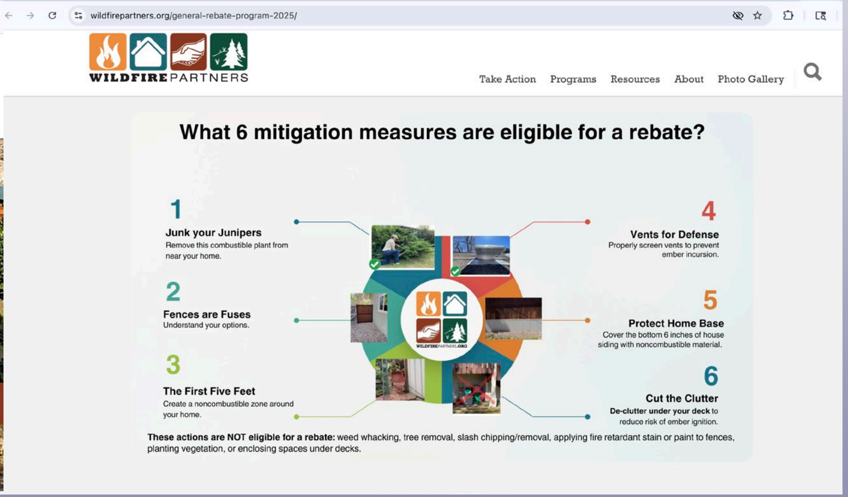

CO has adopted a statewide Wildfire Resiliency Building Code

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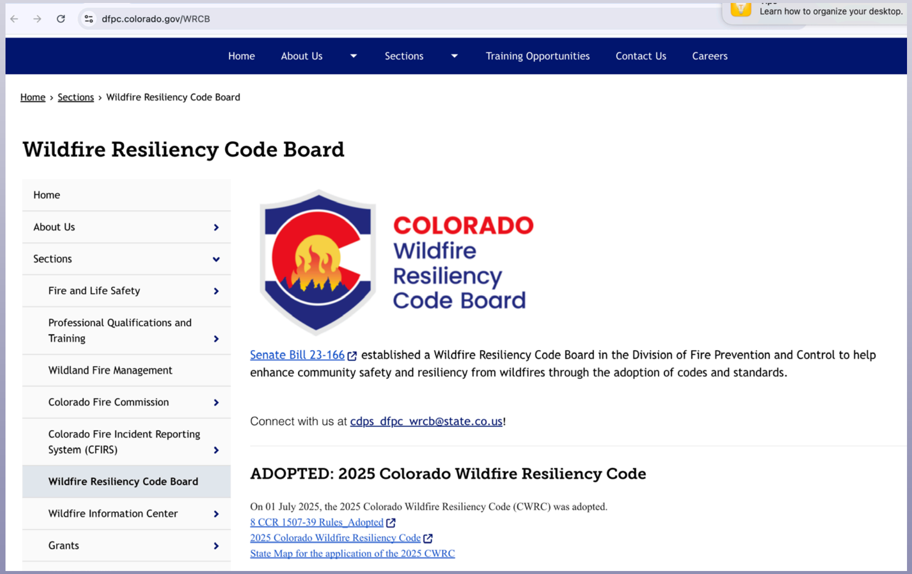

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FACO
FIRE ADAPTED COLORADO

Thank you!

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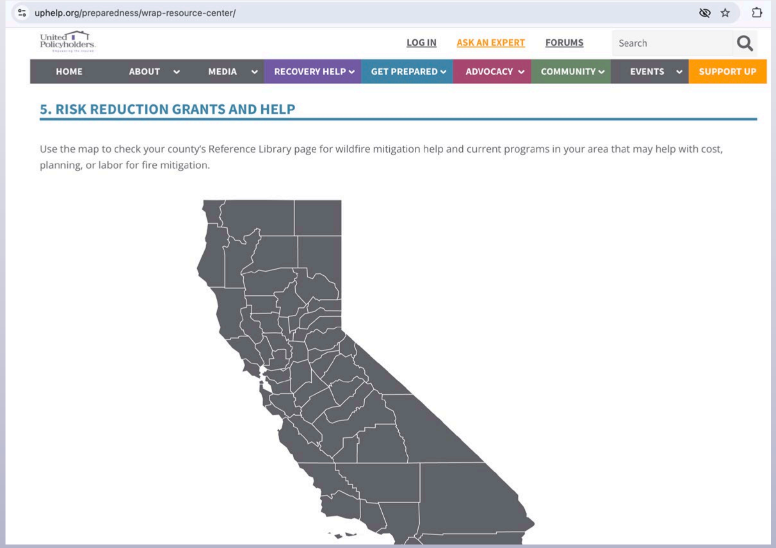

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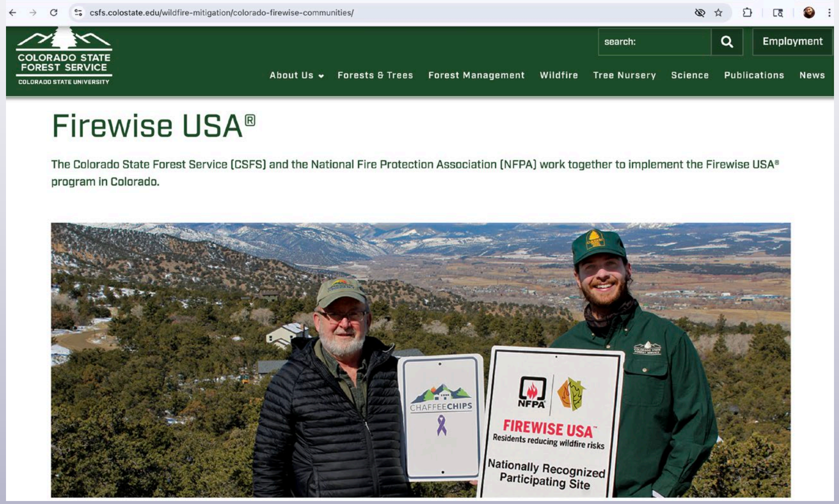

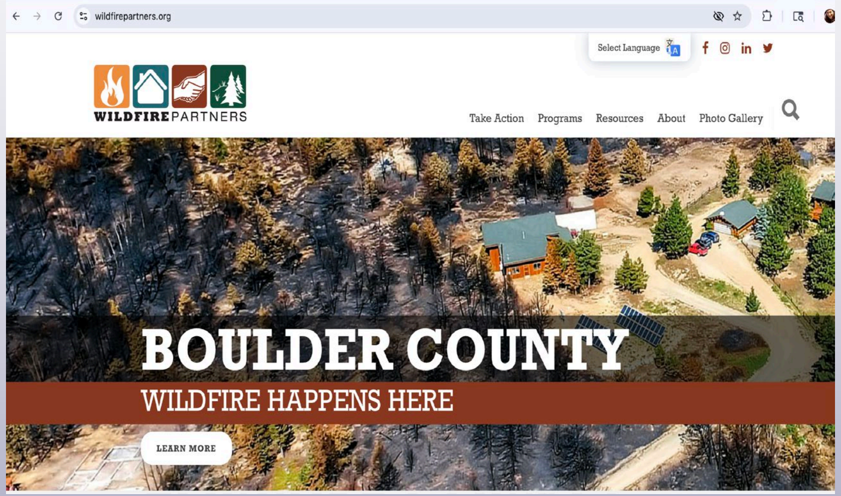

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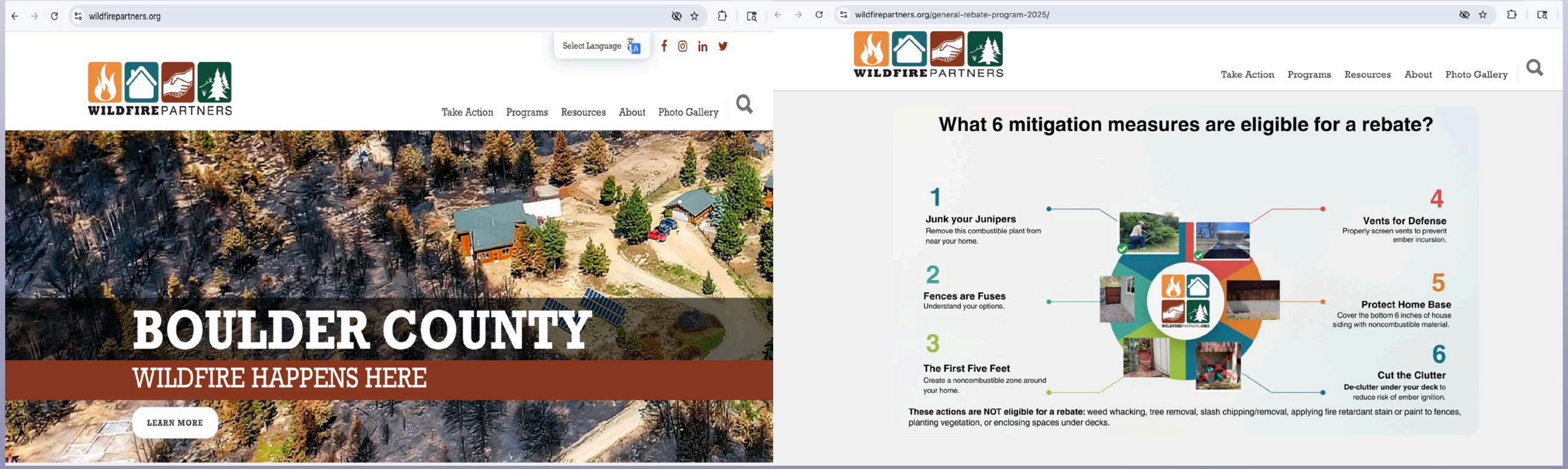

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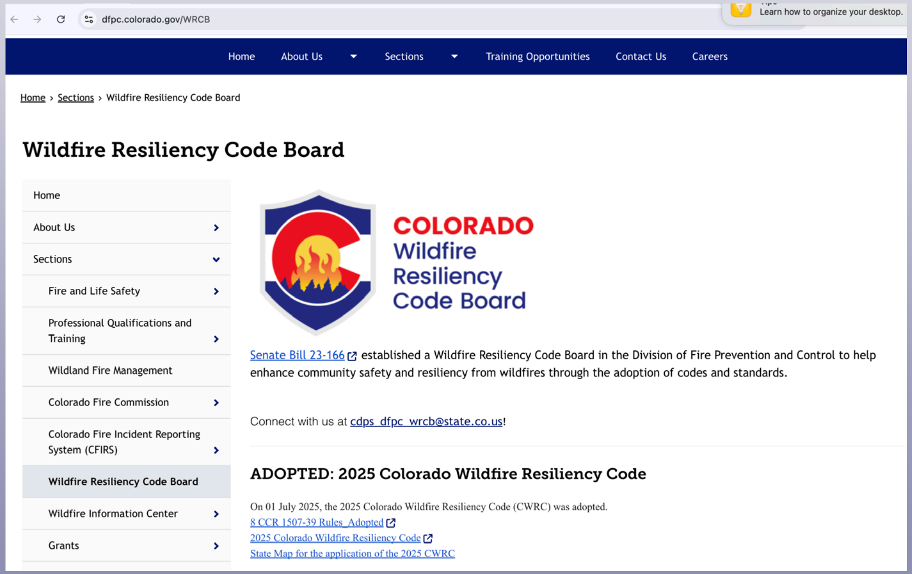

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United Policyholders

Agenda Item 4

Hear a Presentation Titled "Penalized: The Hidden Cost of Credit Scores in Homeowners Insurance Premiums"

Michael DeLong (CFA)

Penalized:
The Hidden Cost of Credit Scores in Homeowners Insurance Premiums

Consumer Federation of America and Climate & Community Institute

By Michael DeLong

Research and Advocacy Associate

Background

- Insurance companies use many factors to price policies including credit scores (in the form of credit-based insurance scores)
- Very little hard data on the exact impact credit scores have on homeowners insurance premiums
- Our joint study seeks to fill this gap
- Previous CFA reports explored number of uninsured homeowners and surging cost of premiums

Research Questions

1. How much does a consumer's credit score impact the price insurance companies charge them for homeowners insurance?
2. How does the impact of credit score vary by state?
3. How does the impact of credit score compare to the impact of local disaster risk in the pricing of homeowners insurance?

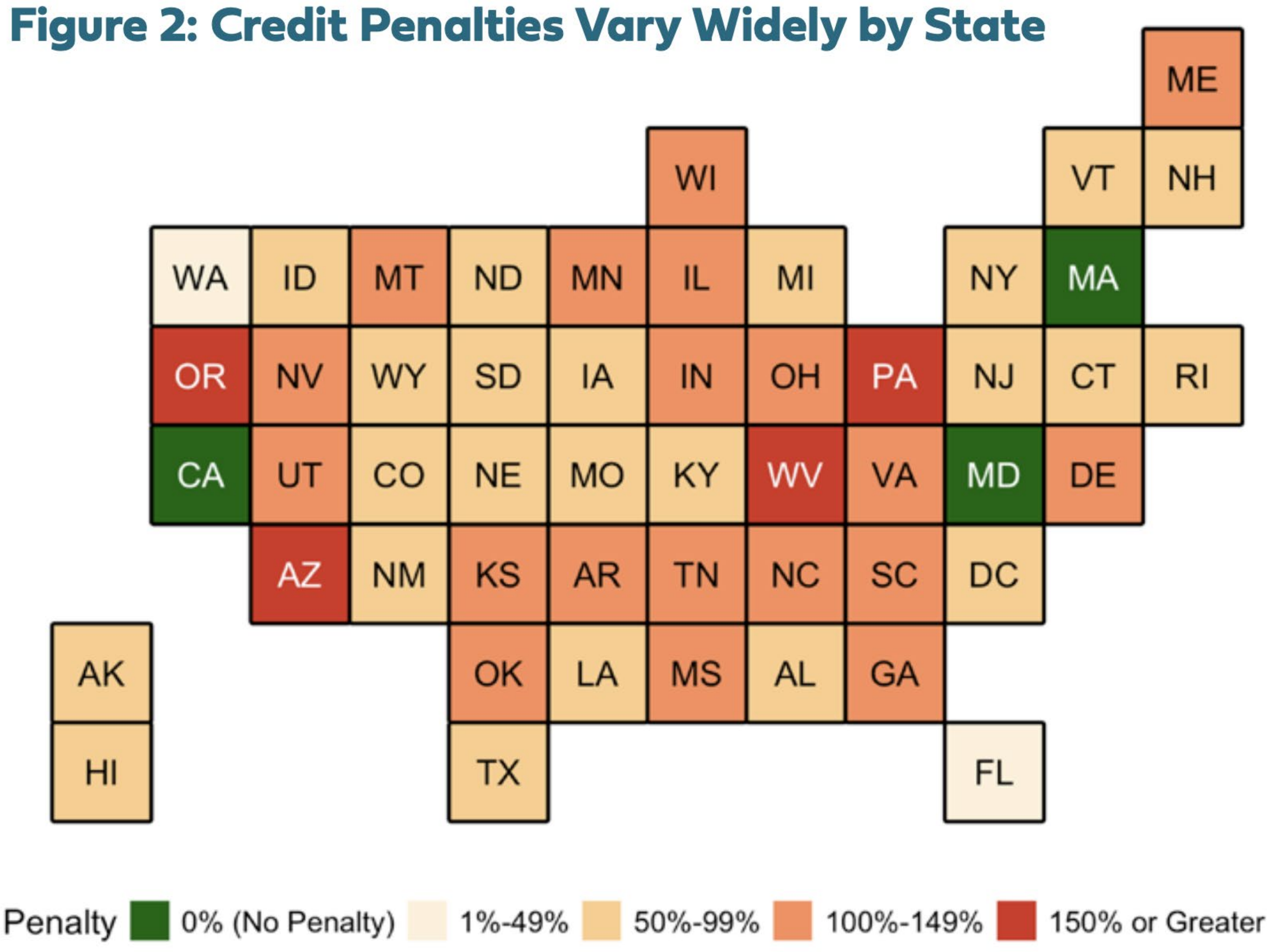
Data and Methodology

- Data consist of 608,105 "test quotes" purchased from Quadrant Information Services
  - Quotes generated from insurance rate filings in each state fixing 157 characteristics to best represent the typical homeowner
  - Six quotes **in every ZIP Code** from the largest home insurers in each state
  - From August 2024
- Quotes for a typical homeowner with three different credit scores
  - "Low" = roughly 630 FICO
  - "Medium" = roughly 740 FICO
  - "High" = roughly 820 FICO
- Data covers about 57% of the homeowners insurance market

Finding #1: Credit Penalty is $1,996 Dollars (or 99%) Per Year

- Typical consumer pays a $1,996 (or 99%) annual penalty just for having a low credit score versus a high credit score
  - Equivalent to $166 more per month
- Consumers with a medium credit score pay smaller but still substantial penalty: $792 (or 39%) annually
- Only California, Maryland, and Massachusetts ban credit scores in homeowners insurance pricing

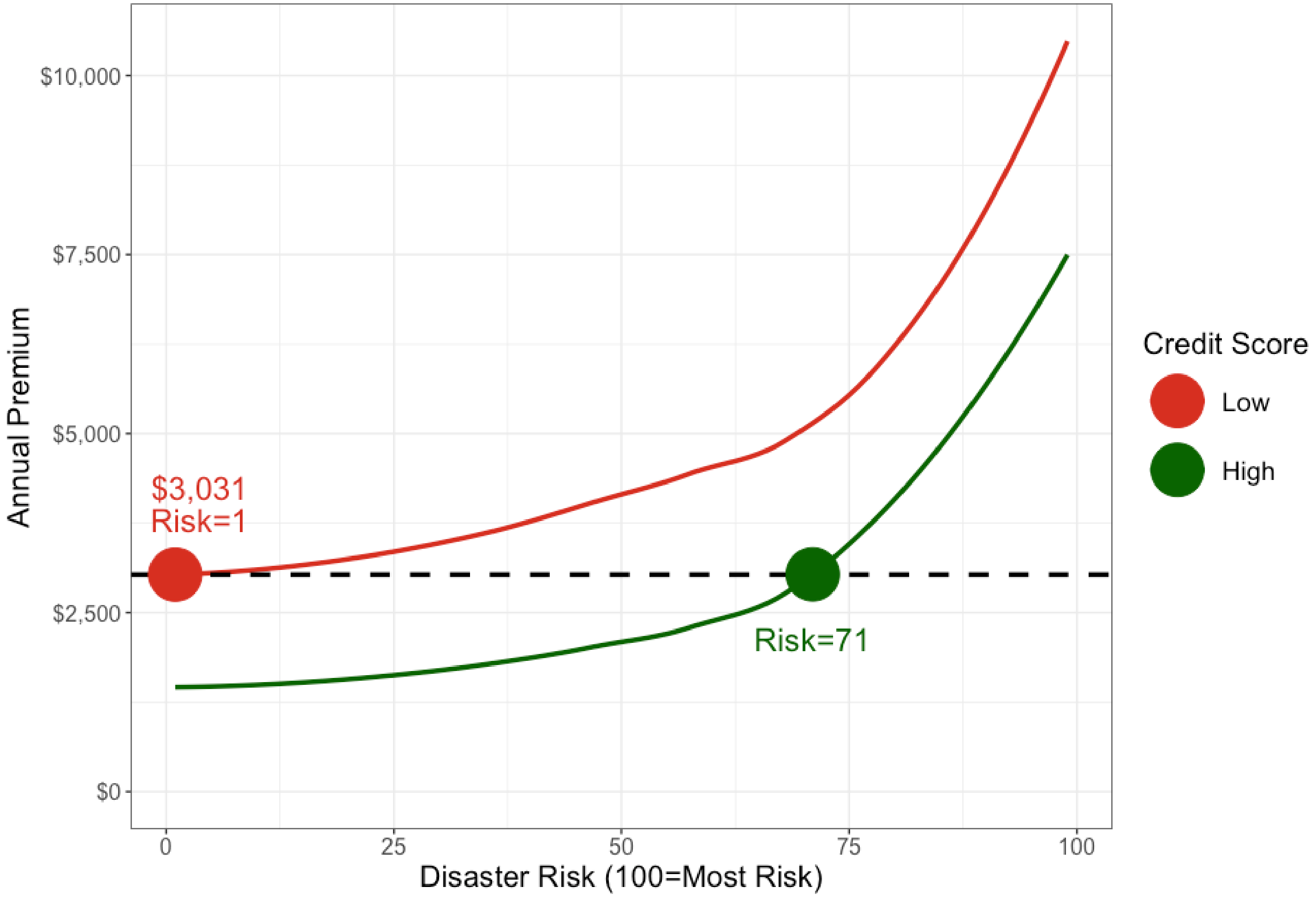
Finding #2: Pennsylvania, Arizona, Oregon, and West Virginia Have Largest Credit Penalties



Source: Consumer Federation of America and Climate and Community Institute analysis of Quadrant Information Services data. Note: Illegal for insurers to use credit scores in CA, MA, and MD.

Rank	State	Low Credit Penalty (%) in Homeowners Insurance	Low Credit Penalty ($) in Homeowners Insurance
1	Pennsylvania	181%	$2,038
2	Arizona	168%	$2,125
3	Oregon	154%	$1,466
4	West Virginia	152%	$1,863
5	Virginia	145%	$2,048
6	Indiana	128%	$2,521
7	North Carolina	125%	$3,047
8	Ohio	125%	$1,785
9	Georgia	122%	$2,500
10	Illinois	120%	$2,122

Finding #3: In Many Cases It Is More Expensive to Have Poor Credit Than to Live in an Area With High Disaster Risk



- **Interpretation:** On average, a homeowner with a low credit score in the least risky part of the county (1st percentile of disaster risk) pays the same premium as a homeowner with a high credit score in a much riskier area (71st percentile of disaster risk)
- **Implications:**
  - Low credit score homeowners effectively subsidize premiums of high credit score homeowners in risky areas
  - Calls into question use of price for signaling disaster risk

Use of Credit Scores Punishes Many Homeowners

- Use of credit scores results in higher prices for Black, Latino, and younger homeowners
- Past and present discrimination = lower credit scores on average
- Locks out many people from accessing homeownership
- Households with lower credit scores get punished, even if they live in safer areas
- Wealthier households in high risk areas get subsidized

Recommendation #1: All States Should Ban Credit Scores in Homeowners Insurance

- State bans have not led to higher rates
- Use of credit scores is a form of proxy discrimination
- Credit scores often contain errors and are based on factors beyond someone’s control
- Credit scores are supposed to measure your ability to repay a loan, but insurance is not a loan, but a product
- Regulators should also consider adopting Consumers Reports’s ”Homeowners Insurance Bill of Rights”

Recommendation #2: Public Disclosures of Pricing Models from Insurance Companies

- Companies should annually disclose detailed information on all transactions with consumers
- Include consumers who seek quotes but are denied coverage
- Details on coverage, pricing, key consumer and housing characteristics, and location (ZIP code)
- Needed for all types of homeowners insurance

Download the full report here

Questions? Email us at

mdelong@consumerfed.org

Agenda Item 5

Hear a Presentation Titled "Health Consumer Protection Priorities During Uncharted Times"

Deborah Darcy (AKF)
Shamus Durac (RIPIN)
Jennifer Snow (NAMI)
Silvia Yee (DREDF)

Health Consumer Protection Priorities During Uncharted Times

Deborah Darcy, American Kidney Fund
Shamus Durac, Rhode Island Parent Information Network (RIPIN)
Jennifer Snow, National Alliance on Mental Illness (NAMI)
Silvia Yee, Disability Rights Education and Defense Fund (DREDF)

Presentation Outline

- Current and Future Uninsured and Affordability Numbers
- Issues Facing Consumers/Voice of Consumers
    - Reduced Affordability
    - Barriers within Insurance
    - Reduced Access to Free Preventive Care and Vaccines
    - Discrimination in Benefit Design

- Claims & Access: Conflicting Narratives?
- Suggested State-Specific Responses and Recommendations

Federal Changes: Rates of Uninsured will Increase by about 14 million People between 2026 to 2034 who had coverage from Medicaid and Affordable Care Act (ACA)

- Congressional Budget Office Projections
  - Without extending the enhanced Premium Tax Credits (PTCs), 3.8 million current Marketplace Enrollees will become uninsured in the next years. [1]
- Marketplace Integrity Rule
  - Changing "premium adjustment formula" to increase premiums and cost-sharing: 200,000 people will become uninsured.
  - Removing ACA's Cap on the amount low-income individuals must pay when they their income is higher than the expected amount: 100,000 will become uninsured.
  - Ending eligibility for PTCs and cost sharing reductions (CSR) for lawfully present immigrants below the poverty line: 1.4 million will become uninsured.
- •H.R. 1 – 3.8 million people will become uninsured. Select provisions:
  - Eliminates auto-reenrollment – 54% of relied on auto-reenrollment to continue their insurance in 2024.
  - "Failure to Reconcile," denies people who have not filed the correct IRS form within one year will be denied PTCs the following year: 900,000 people will become uninsured.
  - Narrowed marketplace eligibility for premium tax credits excludes multiple categories of lawfully present immigrants from obtaining affordable coverage
- •Medicaid and CHIP Changes will result in an estimated 7.5 million people becoming uninsured.

Reduced Affordability

- Expiration of eAPTCs means many will not be able to afford coverage
  - More than 90 percent of the 24 million people on the Health Insurance Marketplace benefit from some amount of enhanced premium tax credits, lowering premiums and making health care more affordable.
  - Without APTCs, nearly 5 million Americans are expected to become uninsured in 2026.

"For the three of us to have insurance, it is almost as much as our mortgage. It's our second most expensive bill by far."

\- Jill from Minnesota

“Medications were expensive…and we cashed in our life insurance policy to pay over a thousand dollars a month for medications.”

- Donna from Virginia

Barriers within Insurance

- Prior Authorization
- Limited Provider Networks
- Limits on Covered Services

“There were times I knew I needed help, but the barriers my insurance put in place made it feel impossible to access care. Long waitlists, limited covered sessions, and out-of-pocket costs left me feeling like my mental health didn’t matter. No one should have to fight so hard to be seen and supported. We deserve coverage that helps us heal, not systems that make us feel like we’re too expensive to care for.”

- Nicole from California

"As a parent of an adult child that had a mental health breakdown, it was nearly impossible to find someone to help him that could see him within even a week and that would accept his insurance. Most practitioners were at least a month out. It is a very frustrating time."

- Kurt from Utah

“When my husband was in a bad place because of his depression, all the therapists who were on the list given to us by our insurance, were not taking on new patients.”

- April from California

“Recently, I learned that the practice my daughter’s therapist is a part of was recently dropped from our insurance provider’s network. While we have 60 days to find a new provider, I’m worried that we will not be able to find someone for my daughter as there are waiting lists at every practice that takes my insurance.”

- Kirsten from New York

RIPIN Health Insurance Consumer Assistance

- Operated in contract with RI Office of the Health Insurance Commissioner

- Assists any Rhode Islander with:
  - Finding, enrolling in, and using health insurance coverage
  - Insurance coverage denials and medical billing disputes
  - Administrative issues, system navigation, bureaucratic obstacles to care

- All-payer assistance – fully insured commercial plans (in all markets), but also self-funded ERISA plans, Medicaid, Medicare, non-major medical, etc.

- Saved Rhode Islanders $10M in healthcare costs since 2017 (on a $3.1M budget)

Lessons learned from the “unwinding” of the Covid Public Health Emergency

- The first thing community organizations hear about is sticker shock that consumers experience when they see their new rates:
  - *“I can’t afford to pay that! That’s 20% of my income!”*
  - *“My family’s rent went up by $150/month, my groceries cost more, my kids need new winter clothes – but my job still pays $15 an hour, just like last year. I can’t afford an extra $200 a month for our health insurance.”*

Lessons learned from the “unwinding” of the Covid Public Health Emergency

- Then, community organizations hear from people who have lost coverage
  - *“The premium was too expensive – but I need my prescription!”*
  - *“Wait – I didn’t do anything last year and my coverage continued. What changed?”*
  - *“I thought I sent in all the documents, but I never heard back and now my doctor says my coverage isn’t active.”*

Lessons learned from the "unwinding" of the Covid Public Health Emergency

- Then, we start hearing from people who have unexpectedly high health care costs:
  - *"I couldn't afford the premium – but then I ended up in the hospital. How am I supposed to pay this bill?"*
  - *"I bought a Bronze-level plan this year because it has a premium I can afford – but now my deductible is almost $7,000!"*

Lessons learned from the "unwinding" of the Covid Public Health Emergency

- And, from people who buy non-ACA-compliant coverage:
  - *"I looked online for cheaper options because the cheapest plan on the exchange was still too much – but it only covered $200 per day of my hospital stay. My bill was over $10,000!"*
  - *"I bought a plan outside the marketplace, but then it denied coverage for my breast cancer treatment because it was a pre-existing condition. I thought that wasn't allowed!"*

Reduced Access to Free Preventive Care and Vaccines

- In June 2025 the U.S. Supreme Court in *Kennedy v. Braidwood* upheld the constitutionality of the ACA's preventive services benefit on the grounds that the Secretary of Health & Human Services (HHS) has plenary authority to determine the membership of the federal advisory bodies that recommend preventive items or services that insurers must cover, without cost-sharing. The Secretary further has broad authority to approve, disapprove, or rescind their recommendations.[31] The current Secretary of HHS has removed all members of the Advisory Committee on Immunization Practices (ACIP) and replaced them with several vaccine skeptics, canceled a scheduled meeting of the U.S. Preventive Services Task Force (USPSTF), fired the Senate-confirmed CDC Director, and, without evidence, rescinded recommendations for children and pregnant women to use the COVID-19 vaccine.[32] These actions have raised concerns about consumers' continued access to critical preventive care.

Vaccine “Choice” for People with Disabilities

- Vaccines and preventive care are where individual healthcare and collective health meet – without alignment, both areas suffer
- Many people with disabilities and chronic conditions cannot choose vaccination because they are immunocompromised
- “Common” diseases can play havoc on the lives, health, and functional independence of people with disabilities. Their ability to go to school, work, be in society, and interact with others relies on herd immunity and the recognition of sound science
- The public's uptake of vaccines and the preservation of herd immunity requires scientifically clear information from trusted sources, wide availability of vaccines, and getting rid of barriers that make vaccination hard such such as cost and administrative burden

Health, Economic & Personal Impacts When Vaccination and Public Health Lapses

- Many health events and emergencies can only be addressed by broader communities as a whole -> collective responsibility
- Teacher aides, personal care attendants, janitors, food service workers, and others are embedded in and critical to the social and economic fabric of a state – when they can't get vaccines or tests for a worrying symptom, the entire community they serve is hurt
- When personal care workers are unavailable, family members and others must step in, affecting individual, family and community wellbeing
- Ripple effects broaden and deepen over time and act to destablize the entire state's well-being

State Options for Addressing the Changes at ACIP

- Consider expanding the state's immunization authorization beyond ACIP to recommendations established by the medical societies of the American Academy of Pediatrics (AAP), the American Academy of Family Physicians (AAFP), the American College of Obstetricians and Gynecologists (ACOG), and the American College of Physicians (ACP) or new regional state bodies
- Align state scope of practice laws to maximize professionals who can safely administer authorized immunizations
- Consider all options under state control for including authorized immunizations and preventive care across insurance options

Discrimination in Benefit Design

- In the Marketplace Integrity rule, HHS prohibited health insurers from including services to treat gender dysphoria, referred to as “sex trait modification procedures,” as an “essential health benefit” (EHB) under the ACA.[33] Previously, HHS had only explicitly prohibited EHB status for a very limited number of services: abortion, non-pediatric dental or eye exam services, long-term nursing care, and non-medically necessary orthodontia. Although 21 states have filed suit to enjoin numerous provisions of the Marketplace Integrity rule, the ban on coverage for gender dysphoria treatment will apply to benefits for plan year 2026.

Prioritizing Access to Medically Needed Care

- Many factors contribute to demand for, and access to, needed healthcare
- Benefit Design can be conceived broadly to cover some of these factors, from the services/treatments covered by insurers to limitations accompanying those benefits to the provider networks through which benefits are delivered
- Even where the federal government pulls back on enforcing nondiscriminatory benefit design, states can still develop or use their own nondiscrimination tools to keep their residents healthy and well. Health doesn’t' always fall into sharp categories: individual and collective, public and private, disabled and non-disabled. The challenge remains ensuring that people in our states receive timely, specific, affordable, and consistent healthcare authorized by adequate and qualified provider networks
- DOIs cannot fix all this, but neither can they operate in a vaccum. Private health insurance regulation is not be the single solution, but it can/must be part of a "whole-of-state" answer to deep cuts in federal healthcare support

Claims & Access - Competing Narratives?

- Factors affecting rising physical and mental healthcare claims and levels of morbidity:
  - Provider shortages
  - Realized and anticipated cuts to healthcare programs
  - Affordability, employment, and higher education anxieties
  - Aging population
  - Aging infrastructure and more extreme disasters

- Factors affecting healthcare access that can drive down usage:
  - Changing affordability of health insurance
  - Changing eligibility rules In public programs
  - Perceived risks of enrollment in health insurance programs
  - Health literacy and capacity to plan among the public

- Both can be true, especially during times of uncertainty & instability

Options for State Legislators to Mitigate Coverage Losses Due to Federal Policy Changes

- Codify key ACA Consumer Protections
  - States can enact legislation to:
    - Require zero-cost coverage of preventive services (33 states have not enacted the legislation)
    - Require insurance to cover dependents up to age 26 (17 states have not yet enacted legislation)
    - Prohibit gender rating (34 states have not yet enacting legislation)
    - Address medical debt burden: 41 percent of adults in the United States report debt from medical and dental procedures. Most owed money to hospitals.

Options for State Insurance Regulators to Mitigate Coverage Losses Due to Federal Policy Changes

- Market Stability and Consumer Affordability
  - State-funded financial help: subsidy wrap to lower premiums or cost-sharing.
  - State revenue sources: state health insurance assessments, Marketplace user fees, general revenues, and tobacco taxes.
- Basic Health Programs
- State-Based Marketplace Policies and Processes
  - Facilitate Enrollment Strategies (outreach leads, prepopulated applications, plan selection, data matching).
  - "Sludge Audits."
  - Special Enrollment Periods.

Options for State Insurance Regulators to Mitigate Coverage Losses Due to Federal Policy Changes

- Consumer Communications and Engagement
  - Targeted Marketplace Communications
  - Effective Consumer Support
  - Clear, Accurate, and Nondiscriminatory Insurer Communications
- Resources For the Uninsured
  - Guide to free and low-cost health care outside of the emergency department
  - Website explaining the difference between ACA and non-ACA compliant plans

Options for State Insurance Regulators to Mitigate Coverage Losses Due to Federal Policy Changes

- Plan Management
  - Active Purchasing
  - Standardized Benefit Design
- Update Guaranteed Issue Protections
- Rate Review
  - Silver Loading
  - Boosting Actuarial Value
- Education for Consumers on Non-Comprehensive and Non-Health Insurance Plans Sold As or Frequently Mistaken as Health Insurance Plans
  - Consider Oversight of Marketing of These Products

States are confronted with a healthcare crisis

- Many people currently enrolled in coverage will lose it
  - CBO estimates that a total of approximately 14,000,000 will lose Marketplace or Medicaid coverage
- More people will incur medical debt for health care services they can't afford and hospitals will have fewer debt forgiveness options in light of their own reduced funding
- People will delay care, obtain care in inappropriate settings (e.g. routine care in emergency rooms), or forego needed care entirely

States are confronted with a healthcare crisis

- State healthcare systems will have to absorb significant losses
  - Approximately $31B in lost federal funding in 2026 from expiring enhanced premium tax credits alone, the vast majority of which goes to healthcare providers
  - This is estimated to cause the loss of 339,100 jobs nationwide, with 154,000 of those being in the healthcare sector

- Safety net providers (including federally qualified health centers and hospitals) will absorb significantly higher uncompensated care than before, straining a beleaguered system

What can Departments of Insurance do?

- You have the expertise, understanding of healthcare financing, and understanding of the scale of the crisis!
- You know the priorities that need to be involved – affordability, access, public health, healthcare system stability
- This is a cross-governmental undertaking – but Departments of Insurance can be an appropriate "quarterback"

What can Departments of Insurance do by themselves?

- Make needed regulatory changes under existing statutory authority
- Use market conduct and oversight authority to ensure appropriate behavior by regulated actors
- Use rate review authority to ensure appropriate rate-setting (to ensure affordability and maximize APTC eligibility)
- Collaborate with community stakeholders to improve comprehension of notices and understanding of changes

What can Departments of Insurance do in partnership with other State entities?

- Drive cross-governmental collaboration through emphasis on the scale of these impacts

- If your state has a State-Based Marketplace, work with them to establish flexibilities around enrollment, data-sharing, and communications

- Work with your state Department of Health to safeguard healthcare system stability and public health

What Can States do in Partnership with other States?

- Regional public health partnerships to leverage medical and scientific expertise and share potential legislative language

  E.g., Northeast Public Health Collaborative, West Coast Health Alliance

- Governor's Public Health Alliance: nonpartisan coordinating hub for governors and public health leaders to facilitate data sharing and communication about health threat detection, emergency preparedness and response, public health guidance and policy
- Coordination is a central goal of all these partnerships – DOI can play a central role coordinating with health plans, ensuring that those who have coverage resume services quickly and those without coverage can receive public and emergency services

Congressional Budget Office Documents

- •Letter from Philip L. Swagel, Director, CBO to the Honorable Chuck Schumer, Bernie Sanders, Jeff Merkley, and Ron Wyden, September 18, 2025, https://www.cbo.gov/system/files/2025-09/61734-Health.pdf.
- •Congressional Budget Office, Estimated Budgetary Effects of Public Law 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO's January 2025 Baseline, Jul. 21, 2025, https://www.cbo.gov/publication/61570.

Agenda Item 6

Hear a Presentation on How Flawed Death Records Make It Difficult to Locate Beneficiaries of Unclaimed Benefits

Richard M. Weber (LILAC)

Death Records are Not Locating All Beneficiaries of Unclaimed Benefits

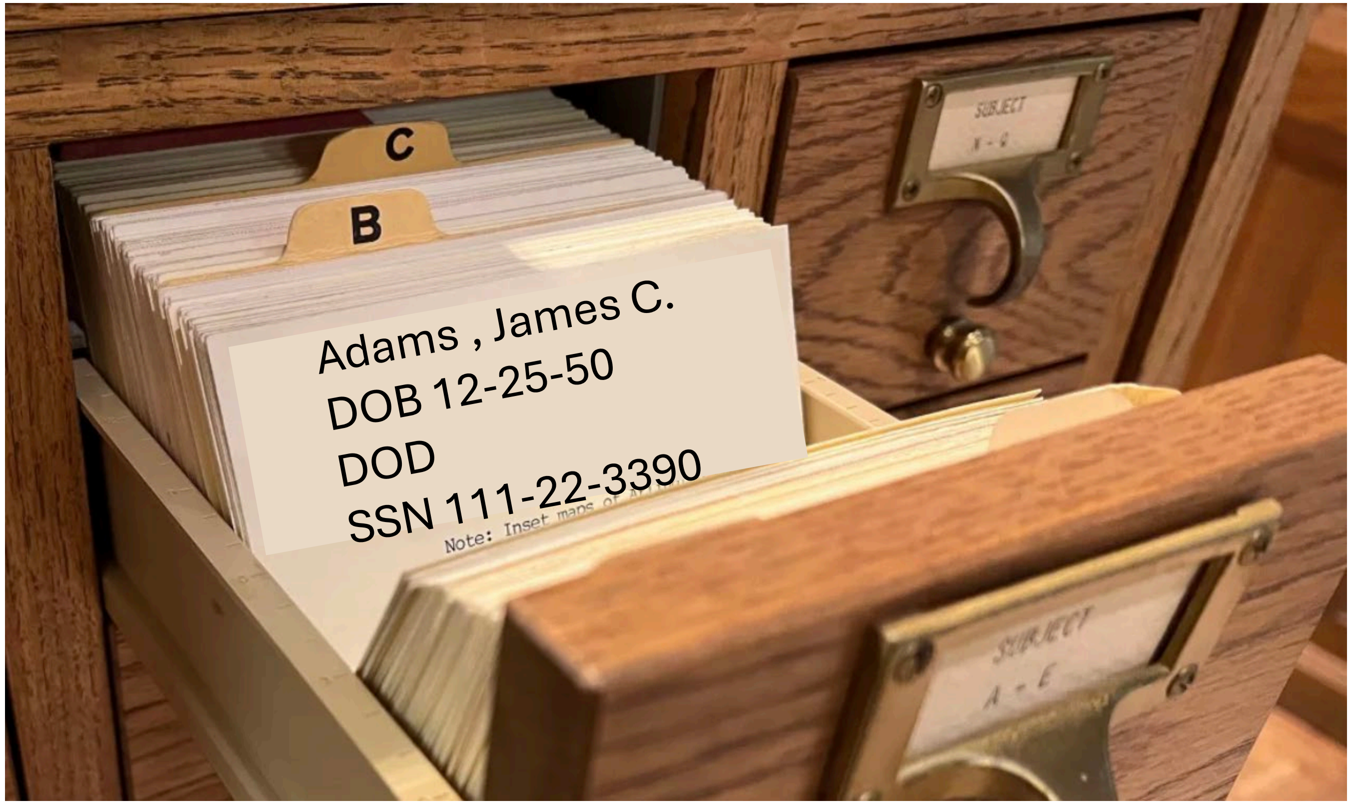
Consumer Liaison Committee
Fall National Meeting
December 8, 2025

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

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)**



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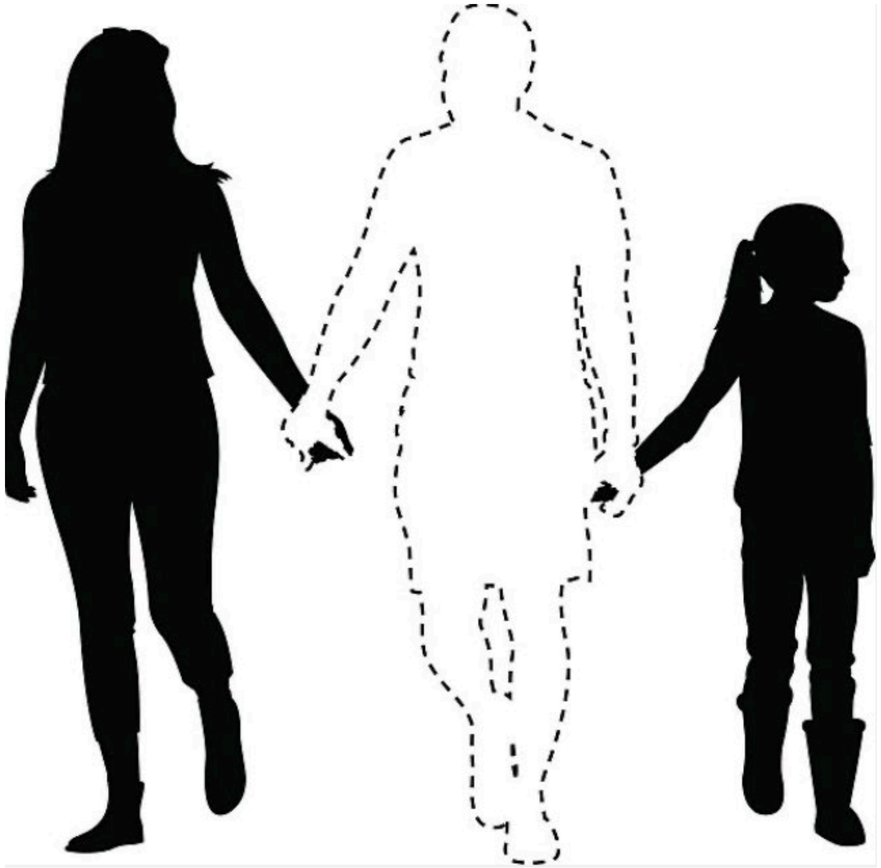
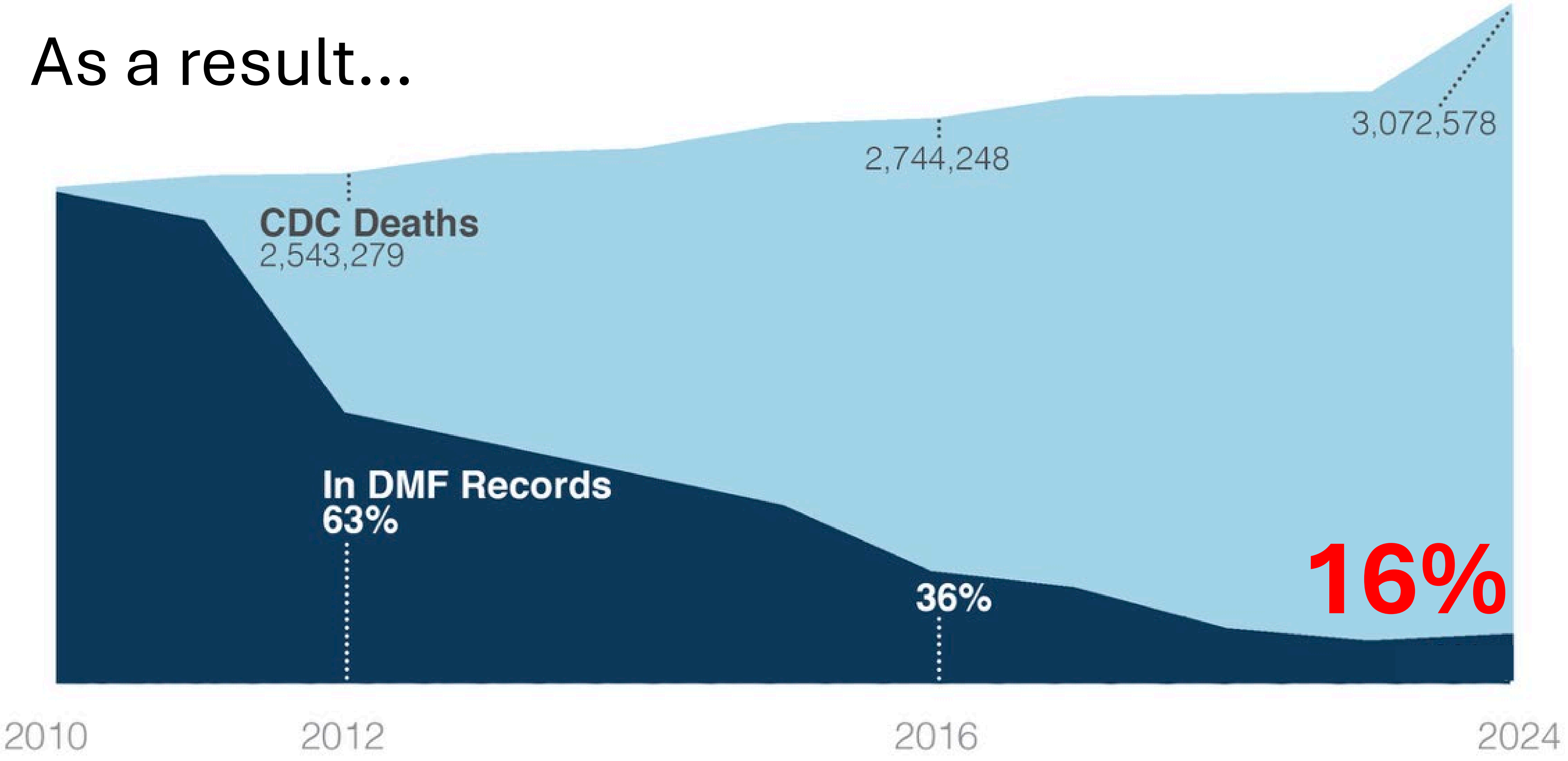


As a result...



3,072,578
2,744,248
CDC Deaths
2,543,279
In DMF Records
63%
36%
16%
2010
2012
2016
2024

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


INSURANCE
POLICY
TERMS AND CONDITIONS

INSURANCE
POLICY
TERMS AND CONDITIONS

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

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- 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 ...

Tools the NAIC could promote …

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

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

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3. Establish annual metrics

4. Tighten the timeframe for locating beneficiaries and paying benefits to 60 days

5. Require documentation of searching all sources to be done monthly

The current regulatory framework will place an extraordinary burden on states to manage unclaimed benefits if insures do not do all they can to find beneficiaries.

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**

Agenda Item 7

Discuss Any Other Matters Brought Before the Committee

Grace Arnold (MN)

Adjournment

Grace Arnold (MN)

NAIC

NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS