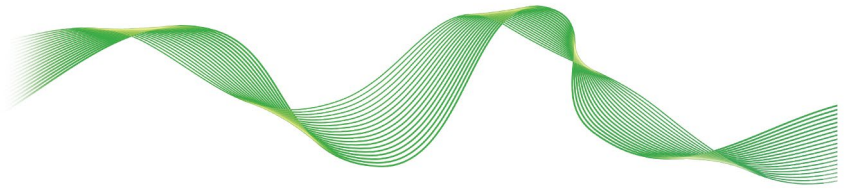




2026 SUMMER NATIONAL MEETING
COLUMBUS, OH



Draft date: 8/4/26

*2026 Summer National Meeting
Columbus, Ohio*

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE

Friday, August 14, 2026

1:45 – 3:00 p.m.

Greater Columbus Convention Center—Battelle Grand Ballroom—Level 3

ROLL CALL

Michael Conway, Chair	Colorado	James E. Brown	Montana
Glen Mulready, Vice Chair	Oklahoma	D.J. Bettencourt	New Hampshire
Mark Fowler	Alabama	Jon Godfread	North Dakota
Peter M. Fuimaono	American Samoa	Remedio C. Mafnas	Northern Mariana Islands
Joshua Hershman	Connecticut	Larry D. Deiter	South Dakota
Michael Yaworsky	Florida	Tregenza A. Roach	U.S. Virgin Islands
Scott Saiki	Hawaii	Patty Kuderer	Washington
Timothy J. Temple	Louisiana		

NAIC Committee Staff Support: Aaron Brandenburg

AGENDA

1. Consider Adoption of its Spring National Meeting Minutes Attachment One
—*Commissioner Michael Conway (CO)*
2. Consider Adoption of the Reports of its Task Forces and Working Groups Attachment Two
—*Commissioner Michael Conway (CO)*
 - A. Casualty Actuarial and Statistical (C) Task Force—*Julie Lederer (MO)*
 - B. Homeowners Market Data Call (C) Task Force
—*Commissioner Michael Yaworsky (FL)*
 - C. Surplus Lines (C) Task Force—*Director Larry D. Deiter (SD)*
 - D. Cannabis Insurance (C) Working Group
—*Commissioner Ricardo Lara (CA) and Katey Piciucco (CA)*
 - E. Child Care Insurance (C) Working Group—*Patty Kuderer (WA)*
 - F. Terrorism Insurance Implementation (C) Working Group
—*Martha Lees (NY)*
 - G. Title Insurance (C) Working Group—*Chuck Myers (LA)*



- H. Transparency and Readability of Consumer Information (C) Working Group—*George Bradner (CT)*
- I. Workers' Compensation (C) Working Group—*(TBD)*
- 3. Consider Adoption of the Affordability and Availability Playbook —*Commissioner Michael Conway (CO)* Attachment Three
- 4. Hear a Presentation from the American Property Casualty Insurance Association (APCIA) on Auto Insurance Trends—*Bob Passmore (APCIA)*
- 5. Hear a Presentation from the Southern University Law Center (SULC) on the Use of Criminal History as a Rating Factor —*Peter Kochenburger (SULC)*
- 6. Hear a Presentation from ZestyAI on How Verified Mitigation Data Can Expand Eligibility and Improve Affordability in Homeowners Insurance —*Bryan Rehor (ZestyAI)*
- 7. Discuss Any Other Matters Brought Before the Committee —*Commissioner Michael Conway (CO)*
- 8. Adjournment

1. Consider adoption of its Spring National Meeting Minutes

Attachment One

Commissioner Michael Conway (CO)

Draft Pending Adoption

Draft: 4/6/26

Property and Casualty Insurance (C) Committee
San Diego, California
March 25, 2026

The Property and Casualty Insurance (C) Committee met in San Diego, CA, March 25, 2026. The following Task Force members participated: Michael Conway, Chair, and Kate Harris (CO); Glen Mulready, Vice Chair (OK); Mark Fowler (AL); Peter M. Fuimaono (AS); Joshua Hershman (CT); Michael Yaworsky and Jane Nelson (FL); Scott Saiki (HI); Timothy J. Temple represented by Chuck Myers (LA); Remedio C. Mafnas (MP); James E. Brown (MT); Jon Godfread (ND); D.J. Bettencourt and Christian Citarella (NH); Larry D. Deiter (SD); Tregenza A. Roach (VI); and Patty Kuderer (WA). Also participating were: Connie Van Slyke (NE); and Tom Botsko (OH).

1. Adopted its 2025 Fall National Meeting Minutes

Commissioner Conway said the Committee met March 13 in regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to discuss priority items for the year.

Commissioner Mulready made a motion, seconded by Director Deiter, to adopt the Task Force's Dec. 9, 2025, minutes (*see NAIC Proceedings – Fall 2025, Property and Casualty Insurance (C) Committee*). The motion passed unanimously.

2. Adopted its Revised 2026 Charges

Commissioner Conway noted that the Committee's revised 2026 charges were distributed on Feb. 23, showing that charges formerly under the Catastrophe Insurance (C) Working Group and the NAIC/Federal Emergency Management Agency (FEMA) (C) Working Group will be eliminated. Two new charges are being added: 1) the Casualty Actuarial and Statistical (C) Task Force will consider drafting a white paper related to rate making; and 2) a new Homeowner's Market Report (C) Working Group will draft a public report related to the homeowners market data call. Commissioner Marie Grant (MD) will serve as the Working Group's chair, and Director Angela L. Nelson (MO) will serve as vice chair.

Commissioner Yaworsky made a motion, seconded by Commissioner Bettencourt, to adopt the Committee's revised 2026 charges (Attachment One). The motion passed unanimously.

3. Adopted the Reports of its Task Forces and Working Groups

Commissioner Conway said the homeowners market data call was sent to insurers March 25 on behalf of 50 jurisdictions. He said the data is due from insurers June 15. He also noted that the underlying data will not be made public, but a public report will be drafted and exposed for comment.

Commissioner Yaworsky made a motion, seconded by Commissioner Mulready, to adopt the following task force and working group reports: 1) Casualty Actuarial and Statistical (C) Task Force; 2) Homeowners Market Data Call (C) Task Force; 3) Surplus Lines (C) Task Force; 4) Cannabis Insurance (C) Working Group (Attachment Two) 5) Terrorism Insurance Implementation (C) Working Group; 6) Title Insurance (C) Working Group 7) Transparency and Readability of Consumer Information (C) Working Group and 8) Workers' Compensation (C) Working Group. The motion passed unanimously.

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4. Adopted the Title Insurance Shopping Tool Template

Myers said the title insurance shopping tool template educates consumers about title insurance, assists with shopping tips, explains closing services, and can be customized by each state. The tool, last revised in 2021, required updates to incorporate new products, market developments, and changes in how consumers access and use information.

Van Slyke said the drafting group began revising the shopping tool in May 2025, initially focusing on content updates. The revisions included: 1) clarifying attorney opinion letters so consumers understand their purpose and differences from traditional title insurance; 2) updating the fraud section for emerging artificial intelligence (AI) schemes, title protection options, and mortgage monitoring services; 3) expanding the affiliated business arrangements section to include kickback settlements and consumer rights under the Real Estate Settlement Procedures Act (RESPA), noting different state coverage requirements in the closing protection section and; 4) replacing details on home buying and homeowners insurance with the link to the NAIC's *A Consumer's Guide to Home Insurance*.

Van Slyke said the drafting group then made extensive revisions to improve readability, scanning, and usefulness, including: 1) using plain language; 2) consolidating and reorganizing sections; 3) restructuring the tool into two columns and creating a toolkit with a fillable cost comparison chart and resources page; and 4) adding graphic elements, pullouts, a glossary, and a chart showing the steps in the closing process. The chart was updated after adoption by the NAIC's internal editors to present the steps from a consumer perspective rather than the closing agent's perspective.

Commissioner Mulready made a motion, seconded by Commissioner Kuderer, to adopt the Title Insurance Shopping Tool Template (Attachment Three). The motion passed unanimously.

5. Received an Update on the Affordability and Availability Playbook

Harris reported that the working draft *Affordability and Availability Playbook* is complete. It serves as a tool for states dealing with insurance challenges. It is divided into four parts: 1) consumer impacts, macro trends, and factors to drive affordability; 2) cross parallels and peril-specific state actions; 3) emerging threats, such as atmospheric rivers; and 4) strategies and practical advice for implementation. Together, these sections provide a framework for understanding how current market pressures have developed and how state insurance regulators can respond.

The drafting group exposed the document to Committee members, regulators, and interested parties on March 22 for a comment period ending April 10. The drafting group plans to meet April 21 to discuss comment letter revision suggestions and how to implement them into the playbook. The drafting group anticipates providing a draft for final exposure to the Committee in late June, ahead of the Summer National Meeting.

Paul Martin (National Association of Mutual Insurance Companies—NAMIC) asked if interested parties could have additional time to comment on the recently exposed playbook. Commissioner Conway said the Committee would take this request under consideration.

6. Discussed Issues Related to Liability Insurance for Nonprofits

Commissioner Kuderer said many states have seen a scarcity of liability insurance for childcare providers. She said that from 2020 to 2024, losses were eight times higher than premiums. She said this is largely driven by sexual assault claims that occurred years ago. Insurers can cover future losses but not past. She said this is a national

Draft Pending Adoption

issue that needs a collective solution. She would like to chair a Working Group with Commissioner Bettencourt as vice chair.

Commissioner Bettencourt said that nonprofits in New Hampshire in the behavioral health space are experiencing the same issues. He said they have been working on these availability and affordability problems for four years. He said he would like to explore solutions that might go beyond reform or litigation. Director Gillespie said Illinois has conducted a survey, and insurance companies say reinsurance availability and costs are driving the issue. Commissioner McVey said West Virginia has had a pool for state risks. He said a national pool for nonprofits should be considered. Commissioner Humphreys said Pennsylvania has surveyed providers and seen similar issues in camps and nursing homes. Director Dwyer said Rhode Island issued a survey and sees this as a national issue. She said Rhode Island has had legislation related to establishing a joint underwriting association and expanding the statute of limitations. Director Cameron said the U.S. Department of Health and Human Services (HHS) is interested in the issue. Commissioner Saiki also said he would participate in the working group. Superintendent Kane said New Mexico has universal childcare and would like to expand research related to this.

Brenda J. Cude (NAIC Consumer Representative) asked whether the work would expand to family day care providers. Commissioner Kuderer said she has not seen the same issues in in-home day care since it is covered under a homeowners policy.

Dave Snyder (American Property Casualty Insurance Association—APCIA) said the industry will work to help understand the underlying risks and how these can be reduced.

Erica Eversman (Automotive Education & Policy Institute—AEPI) urged regulators to be mindful of tort reform, in that it can be good or bad to take such reform measures.

Commissioner Conway said that due to the importance of the issue, charges for a new working group would be drafted and exposed after the national meeting.

7. Heard a Presentation on Auto Insurance

Nelson said that the state of Florida recently had several cost drivers, such as its one-way attorney fee structure, fraud, and auto glass claim abuse, that led to one of the most expensive auto markets in the country. She said reforms taken in 2023 have started to lead to improved auto rate changes.

Nelson said property reforms in 2022 limited certain attorney-fee multipliers in lawsuits; clarified requirements for pre-suit notice of intent to litigate; allowed insurers to recover fees if lawsuits were dismissed for failing to follow required procedures; and eliminated one-way attorney fees for property insurance suits. Reforms in 2023 modified the bad faith framework; cut the window to file a negligence lawsuit in half; eliminated one-way attorney fees; and set a 90-day window for insurers to settle a claim for the policy limits once they receive sufficient evidence of the loss.

Nelson explained that Florida also enacted consumer protections that provided additional oversight to the Florida Office of Insurance Regulation, which has increased insurer transparency in the adjusting process, provided for stricter penalties for insurer misconduct, and improved insurers' responsiveness to claimants.

Nelson noted that frivolous litigation expenses in the property market are down 40% year over year (YOY); 17 new property insurers have entered the market; and reforms have led to a strengthened reinsurance market. She said that in 2025, the top five writers in the auto insurance market have requested an average rate change of -7.4%, representing about 78% of Florida's auto market. She said that 2026 has seen a similar 8% decrease.

Draft Pending Adoption

Nelson noted several specific insurers that have announced credits to Florida policyholders and reduced rates. She also explained that Florida had the fourth-lowest incurred loss ratio in the nation in 2025, a noteworthy decrease from 2022 to 2024.

Commissioner Conway asked about Florida's excess profit law. Nelson responded that the calculation is complicated, but insurers submit their data for five years, and if the company makes more money than expected, it is ordered to return funds to policyholders.

Having no further business, the Property and Casualty Insurance (C) Committee adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/CCMTE/2026_Spring/x_NATIONAL MEETNIG_CCMTE Spring/C CMTE Minutes
SpNM 03.25.26

2. Consider Adoption of the Reports of its Task Forces and Working Groups

Attachment Two

- A. Casualty Actuarial and Statistical (C) Task Force—*Julie Lederer (MO)*
- B. Homeowners Market Data Call (C) Task Force—*Commissioner Michael Yaworsky (FL)*
- C. Surplus Lines (C) Task Force—*Director Larry D. Deiter (SD)*
- D. Cannabis Insurance (C) Working Group—*Commissioner Ricardo Lara (CA) and Katey Piciucco (CA)*
- E. Child Care Insurance (C) Working Group—*Commissioner Patty Kuderer (WA)*
- F. Terrorism Insurance Implementation (C) Working Group—*Martha Lees (NY)*
- G. Title Insurance (C) Working Group—*Chuck Myers (LA)*
- H. Transparency and Readability of Consumer Information (C) Working Group—*George Bradner (CT)*
- I. Workers' Compensation (C) Working Group—*(TBD)*

Summaries will be added as they become available.

Draft date: 8/6/26

Child Care Insurance (C) Working Group
Virtual Meeting
July 27, 2026

The Child Care Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met July 27, 2026. The following Working Group members participated: Patty Kuderer, Chair (WA); D.J. Bettencourt, Vice Chair, represented by Keith E. Nyhan (NH); Kathryn Taras (CA); George Bradner (CT); Jane Nelson and Richie Frederick (FL); Scott Saiki (HI); Mariam Hassan (IL); Jackie Horigan (MA); Angela L. Nelson (MO); Eric Bredeson (OR); Michael Humphreys and Michael McKenney (PA); and Elizabeth Kelleher Dwyer (RI). Also participating was: David Yetter (NC).

1. Adopted its July 13 Minutes

The Working Group met July 13 and took the following action: 1) adopted its June 15 minutes; 2) heard presentations from Praesidium on acceleration and training for child care providers; and 3) heard a presentation from Marsh McLennan Agency on partnering with accreditation organizations to implement risk mitigation.

Director Dwyer made a motion, seconded by Commissioner Saiki, to adopt the Working Group's July 13 minutes (Attachment X). The motion passed unanimously.

2. Discussed the Collection of Data on Child Care Liability

Commissioner Kuderer reported that the Working Group previously met in regulator-to-regulator session June 29, 2026, to discuss the potential use of a data call to collect information regarding child care liability insurance, including sexual abuse and molestation liability coverage. She said state insurance regulators generally agreed that additional market data would be valuable in helping the Working Group develop recommendations regarding insurance availability and affordability.

Commissioner Kuderer reviewed preliminary data call concepts. Proposed questions would ask insurers whether they write commercial liability coverage for child placement agencies, group foster homes, and day care centers; whether sexual abuse and molestation coverage is offered; whether coverage is written on an occurrence or claims-made basis; and whether insurers previously wrote such business but later discontinued participation. The proposed questions would also seek information on the timing and reasons for market withdrawals.

Commissioner Kuderer noted that the Working Group had already received comments from Pennsylvania and California regarding possible improvements to the proposed data requests.

McKenney explained Pennsylvania's recommendation that the data call specifically reference commercial general liability and business owners policies. He stated that a broader request could elicit responses from insurers writing unrelated liability coverages, such as automobile liability business, which would reduce the usefulness of the results. McKenney also recommended excluding home day care operations that are often insured through endorsements to homeowners policies, noting that such risks are materially different from the operations that the Working Group has primarily been studying. He supported adding questions for insurers that previously wrote sexual abuse and molestation coverage but later withdrew from the market, including questions regarding when coverage was discontinued and the reasons for discontinuation.

Taras described California's recommendations, which were developed in consultation with staff from the California Department of Insurance's (DOI's) regulation branch, market conduct division, legislative office, and

data analytics personnel. Taras stated that collecting information by state could help state insurance regulators determine whether regional or geographic patterns exist within the market. She said California also recommended obtaining more granular historical information regarding where insurers have written coverage and when coverage was available in particular jurisdictions.

Taras further suggested collecting policy count information in addition to average premium information. She explained that premium data would be more meaningful if state insurance regulators also understood the number of policies supporting those figures. Taras reported that California's data analytics staff recommended establishing coverage-limit categories for reporting purposes because standardized reporting structures generally improve the quality and usefulness of data call results. She said the proposed coverage bands could help regulators compare conditions across markets and identify meaningful trends.

Commissioner Kuderer reviewed proposed premium and loss-data requests. The Working Group discussed collecting annual premium information from 2010 through 2025, including premiums for policies that include sexual abuse and molestation coverage and policies that exclude such coverage. The proposal would also request information concerning judgments, verdicts, and settlement amounts involving child care centers, child placement agencies, foster care agencies, and foster care group homes.

Pamela Davis (Nonprofits Insurance Alliance—NIA) said state insurance regulators should be aware that insurer responses may not fully reflect actual market availability. Davis explained that some insurers may technically report that coverage remains available even when underwriting restrictions have become so restrictive that coverage is difficult or impossible for many organizations to obtain in practice. She also cautioned that insurers may not maintain information in the specific organizational categories contemplated by the Working Group and, therefore, might encounter challenges when responding to certain questions.

Commissioner Kuderer asked whether industry participants might have suggestions regarding more effective methods of obtaining the desired information. Davis stated that her comments were intended primarily to identify potential limitations associated with data collection efforts and to caution state insurance regulators that responses may not fully capture practical market conditions.

Erica Weyhenmeyer (National Association of Mutual Insurance Companies—NAMIC) said industry representatives would welcome the opportunity to review proposed data elements and provide feedback regarding their feasibility. She explained that some information may not currently be collected in the format contemplated by the Working Group. Weyhenmeyer also noted that record-retention requirements vary significantly among states and could affect the availability of older claims information. As an example, she referenced claim-retention requirements that may be substantially shorter than the 15-year historical period under consideration. She further stated that claims-related information, particularly involving litigated matters, often requires manual retrieval and review by insurers. She emphasized the importance of providing sufficient lead time for any future data call. Commissioner Kuderer asked whether industry groups could assist state insurance regulators in identifying companies with relevant experience in the marketplace or in locating information more efficiently.

Lisa Miller (Professional Insurance Agents of Florida) suggested that insurance producers and broker communities could provide valuable perspective regarding current market conditions. Miller stated that agents often have direct knowledge concerning which carriers actively write child care liability business and which insurers have reduced or discontinued participation. She suggested that discussions with specialized agents could supplement information obtained directly from insurers.

Bradner supported outreach to brokers and producers, noting that such individuals often have detailed knowledge of carriers' participation in specialized insurance markets. Bradner recommended seeking information not only on

insurers currently writing the business, but also on carriers that previously participated and later withdrew. He said those carriers could provide useful insight regarding the reasons behind market exits.

Commissioner Humphreys reported that Pennsylvania previously attempted to gather information from foster care agencies and child care providers regarding their insurance arrangements. He explained that such efforts often yielded the names of agencies and intermediaries rather than insurance companies themselves. Humphreys said Pennsylvania had found direct engagement with insurers to be a more effective means of gathering information and offered to share information regarding carriers previously contacted by the Pennsylvania Insurance Department.

Yetter expressed support for collecting information from insurers that previously wrote the business but subsequently exited the market. Yetter stated that understanding why companies discontinued coverage is an important component of the Working Group's efforts because those decisions may help explain current availability challenges.

The Working Group then discussed the administration of a potential multistate data call. Commissioner Kuderer proposed designating a lead state to coordinate requests and collect information on behalf of participating jurisdictions while relying on the authority of those participating states.

Weyhenmeyer recommended that state insurance regulators consider using approaches similar to existing multistate market conduct data-collection efforts. Kuderer clarified that the proposal contemplated a collaborative multistate effort and not the exercise of one state's authority over nonparticipating jurisdictions.

Doris Irizarry (ECE on the Move) asked why residential home day care providers would be excluded from the proposed effort and noted that insurance costs for such providers had increased significantly in recent years. Commissioner Kuderer responded that state insurance regulators had focused the proposed data call on child placement agencies and foster care-related organizations because those sectors appeared to present the most significant concerns across states. She added that any recommendations developed by the Working Group could potentially benefit residential providers as well.

Director Dwyer asked whether the Working Group should pursue surplus lines information similar to efforts underway in other data collection initiatives. Aaron Brandenburg (NAIC) explained that authority to obtain surplus lines information varies by state and that participation may need to be determined on a jurisdiction-by-jurisdiction basis.

Kay Godfredsen (NIA) suggested that state insurance regulators ask admitted carriers whether affiliated surplus lines companies within their corporate families write the coverage under review. She stated that such information could help regulators better understand the full marketplace.

Commissioner Kuderer concluded discussion by asking whether Working Group members objected to the proposed multistate approach. No objections were raised.

Commissioner Saiki made a motion, seconded by Bredeson, to conduct a multistate data call as discussed. The motion passed unanimously.

Kuderer invited interested Working Group members to contact NAIC committee support regarding participation in the data call effort.

Having no further business, the Child Care Insurance (C) Working Group adjourned.

Draft: 7/22/26

Child Care Insurance (C) Working Group
Virtual Meeting
July 13, 2026

The Child Care Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met July 13, 2026. The following Working Group members participated: Patty Kuderer, Chair, Charles Malone, and Bryon Welch (WA); D.J. Bettencourt, Vice Chair (NH); Kathryn Taras (CA); Joshua Hershman (CT); Richie Fredrick (FL); Mariam Hassan (IL); Colby Dillon (MA); Courtney Thornton (MD); Jeana Thomas (MO); Christian Myers (NM); Eric Bredeson (OR); Michael Humphreys (PA); and Elizabeth Kelleher Dwyer (RI). Also participating was: Robert Grishaber (WV).

1. Adopted its June 15 Minutes

The Working Group met June 15 and took the following action: 1) heard a presentation from the National Conference of State Legislatures (NCSL) on state legislative activity; and 2) heard presentations from the Non Profit Insurance Program (NPIP) and the Nonprofits Insurance Alliance (NIA) on risk pool and risk retention group (RRG) insurance access.

The Working Group also met June 29 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss company data related to sexual abuse and molestation liability.

Commissioner Bettencourt made a motion, seconded by Commissioner Humphreys, to adopt the Working Group's June 15 (Attachment X) minutes. The motion passed unanimously.

2. Heard a Presentation from Praesidium on Accreditation and Training for Child Care Providers

Meredith Bunnel (Praesidium) said Praesidium is a business services firm focused on abuse prevention risk management and is grounded in a root cause analysis around sexual abuse.

Bunnel said Praesidium's approach is based on its Safety Equation and 24 best-practice standards for abuse prevention in organizational settings. Services include consulting, management systems reviews, background screening, online training through the Praesidium Academy, research resources, individual certification through the Certified Praesidium Guardian program, and organizational accreditation.

Bunnel clarified that certification applies to individuals, while accreditation applies to organizations or systems. Certification is not required for accreditation, but Praesidium has found it helpful when an organization has an internal champion supporting accreditation work.

Bunnel described Praesidium's accreditation process as a phased, comprehensive framework for sexual abuse prevention that typically takes nine to 12 months. The process includes onboarding, a self-assessment, development of an action plan, site visits, interviews, program observation, file review, corrective actions, an accreditation decision, and ongoing support. She said accreditation is valid for three years.

Bunnel said Praesidium has been conducting sexual misconduct liability (SML) insurance benchmarking studies to better understand carrier appetite, underwriting requirements, and the insurance purchasing experience for

organizations. Bunnel reported that in its 2024 carrier survey, 88% of respondents had defined underwriting requirements for monitoring and supervising high-risk situations, up from 67% in 2022.

Bunnel noted that 38% of carrier respondents anticipated declining to write SML coverage for child care over the next three years, while 25% cited foster care, 25% cited camps, and 13% cited youth development. In the 2024 study, 94% of respondents said third-party abuse prevention accreditation could positively affect an organization's ability to obtain SML coverage, most often by affecting basic insurability rather than rates or limits.

Bunnel said risk management cannot function as a checklist. Effective abuse prevention requires leadership commitment, a culture of safety, operational implementation, and ongoing reinforcement. Praesidium's data shows statistically significant improvements across culture-of-safety indicators before and after accreditation, with indicators remaining strong during reaccreditation, including among newer staff.

Commissioner Kuderer asked how many organizations have reached accreditation in Praesidium's program. Bunnel said there are 396 accredited organizations and more than 1,700 Certified Praesidium Guardians (CPGs).

Commissioner Bettencourt asked about the program's affordability for smaller organizations. Bunnel said the cost is dependent on the size of the organization and the complexity of its management systems.

Commissioner Kuderer asked if insurance companies are more willing to write the coverage needed for these organizations if taking into account the risk management accreditation. Bunnel said some insurance companies are implementing premium credits for organizations that achieve accreditation. She said more insurers have reached out to Praesidium for more information, including insurers that have previously declined to write the business. Bunnel said there are many possible approaches to legislative policy, but there is no single clear answer. She emphasized the importance of improving communication among organizations, carriers, brokers, and policymakers about what meaningful risk mitigation looks like.

Commissioner Kuderer asked how long Praesidium has offered this accreditation and certification. Bunnel said 2004 was the first accreditation, and that organization is still accredited today. She said Praesidium's current consumer serving organization accreditation standards were last updated in 2025.

Pamela Davis (NIA) asked if Praesidium has data on the difference between larger organizations that may have the ability to cover up abuse compared to smaller organizations. Bunnel said its benchmarking survey showed there is some market impact that is trickling down to smaller organizations.

3. Heard a Presentation from MMA on Partnering with Accreditation Programs to Implement Risk Mitigation

Gina Hunter (Marsh McLennan Agency—MMA) said MMA is an insurance brokerage working with complex and hard-to-place risks, including child care, foster care, group homes, and human services organizations. She described the sexual abuse and molestation liability market as thin rather than merely hard, with many carriers exiting or restricting coverage for child-serving organizations.

Hunter said premium increases and coverage restrictions have affected organizations across the country. She noted that some foster care and human services providers have discontinued programs because they could not obtain coverage or could not afford available coverage.

Hunter identified key market drivers including nuclear verdicts, social inflation, revival statutes, long-tail exposures, and catastrophic claim severity. She emphasized that carrier exits are driven more by claim severity than claim frequency and that organizations without claims are still affected by broader market dynamics.

Hunter said underwriting expectations have changed substantially. She said carriers often require detailed, documented, and tailored abuse-prevention policies addressing one-on-one interactions, physical contact, transportation, incident reporting, allegation response, training, supervision, and monitoring. Some carriers conduct site visits before agreeing to provide coverage.

Hunter described MMA's partnership with Praesidium, which began approximately three years ago. MMA uses clinical and risk-control expertise, carrier relationships, underwriting submission expertise, and Praesidium resources to help organizations move from potentially uninsurable to more insurable. She said MMA clients may receive a 5% discount on certain Praesidium services. Hunter gave an example of a group home caring for children with special needs that had historically faced 12% to 20% renewal increases. After demonstrating improved prevention programs, the organization saw a 3.2% increase at renewal compared with peers in the industry.

Commissioner Kuderer asked if there has been an impact on the industry moving to a claims-made policy for sexual abuse and molestation liability coverage. Hunter said claims-made policies cover exposures from the policy period forward and may leave prior exposures uncovered if a tail policy is not available.

Commissioner Kuderer asked whether there would be an impact on lifting the statute of limitations. Hunter said tying the change to claims arising after the effective date would not create the same retroactive impact as revival statutes in other states.

Commissioner Kuderer asked if the insurance industry views foster care agencies differently from other child care and child welfare organizations. Hunter said foster care agencies are viewed as higher risk because they serve highly vulnerable children, often in overnight family or group settings, and may involve children with prior abuse histories.

Hunter was asked about state and county contract compliance gaps, and she said organizations may be contractually required to carry certain coverage limits even when the market does not provide those limits, creating operational and compliance challenges.

In response to a question about whether claims have been dismissed when organizations followed protocols, Hunter did not cite dismissals but emphasized the importance of victim-centered reporting and response protocols. She stated that state licensing and other accreditation programs may provide important minimum standards, but organizations often need stronger, specialized sexual abuse prevention controls beyond baseline requirements.

When asked how carriers view Praesidium accreditation, Hunter said Praesidium is generally considered a gold standard in abuse prevention, and carriers pay attention when it is part of an organization's risk management story.

Having no further business, the Child Care Insurance (C) Working Group adjourned.

Draft: 7/9/26

Child Care Insurance (C) Working Group
Virtual Meeting
June 15, 2026

The Child Care Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met June 15, 2026. The following Working Group members participated: Patty Kuderer, Chair, Charles Malone, and Bryon Welch (WA); D.J. Bettencourt, Vice Chair (NH); Michael Martinez (CA); Joshua Hershman (CT); Jane Nelson (FL); Mariam Hassan (IL); Colby Dillon (MA); Courtney Thornton (MD); Jeana Thomas (MO); Eric Bredeson (OR); Michael Humphreys (PA); Elizabeth Kelleher Dwyer (RI); and Robert Grishaber (WV). Also participating were: Marianne Baker (TX); and Jessica Sherpa (VT).

1. Adopted its May 26 and May 11 Minutes

The Working Group met May 26 and May 11. During its May 26 meeting, the Working Group took the following action: 1) heard an update on state activity tracking; and 2) heard presentations from state insurance regulators on state activity of child care liability insurance. During its May 11 meeting, the Working Group took the following action: 1) received an update on its charges; 2) heard a presentation from child care provider groups on insurance availability; and 3) heard a presentation from industry representatives on insurance availability.

Commissioner Humphreys made a motion, seconded by Commissioner Hershman, to adopt the Working Group's May 26 (Attachment X) and May 11 (Attachment X) minutes. The motion passed unanimously.

2. Heard a Presentation from the NCSL on Legislative Activity

Jenna Bannon (National Conference of State Legislatures—NCSL) said the NCSL supports legislators and legislative staff through policy research, bill tracking, technical assistance, publications, and in-person and online meetings and webinars. She said the NCSL's Children and Families Program focuses on early childhood and child care, child welfare, housing and homelessness, economic security, food security, and child support and family law.

Bannon said across states, service providers are describing a similar set of insurance market pressures. She said providers report growing difficulty obtaining liability insurance coverage due to significant premium increases, reduced coverage limits, and insurers exiting the market entirely, although insurance is often required for licensure or operation. Factors causing the problem include increased litigation and claim severity, growth in historical abuse claims, and changes in the liability environment.

Bannon said some state legislative actions include clarifying indemnification and liability standards, limiting liability exposure for contracted partners, commissioning studies or convening working groups, and exploring risk-sharing or market-stabilization strategies. State actions included Pennsylvania House Bill 2214 and Florida Senate Bill 7012, aimed at clarifying indemnification and liability standards, as well as Texas Senate Bill 1558 and Tennessee Senate Bill 1683, aimed at limiting liability exposure for contracted partners. Other actions included exploring risk-sharing or market stabilization strategies, as proposed in New Hampshire Senate Bill 614, and commissioning studies and convening working groups, as directed by Connecticut House Bill 5003, North Carolina House Bill 412, and Oregon Senate Bill 1535.

Commissioner Kuderer asked if there has been any discussion of a federal solution, a safe harbor bill, or a multistate risk pool. Bannon said she is not aware of those discussions happening at this time. Andrea Durbin (National Organization of State Associations for Children—NOSAC) said the Texas Senate Bill is a type of safe

harbor bill. Baker clarified that Texas does have a statute for a liability pool, but no such pool has been created yet.

Christa Rapoport (National Council of Insurance Legislators—NCOIL) suggested looking at the federal Liability Risk Retention Act (LRRA), which would allow either purchasing groups or risk retention groups to be able to handle issues in the liability market.

3. Heard Presentations from the NPIP and NIA on Risk Pool Insurance Access

Sarah McDonnell (Non Profit Insurance Program—NPIP) said due to changes in the market, they have experienced admitted carriers pulling back, which has caused a shift of business into the surplus lines space. She said that as a risk pool, they purchase reinsurance on a group basis rather than individual policies. She said organizations are having a difficult time finding the limits they need, which are required based on state or federal contracts. Many carriers are not offering the capacity that they offered a few years ago. Additionally, higher verdict amounts and social inflation have led to higher premiums and tighter underwriting. McDonnell said that legislative changes, which expand the statute of limitations, have made it difficult for carriers to predict financial outcomes. She said companies are leaving the market or switching from occurrence basis to claims made basis.

McDonnell said NPIP is working with state associations and other groups to talk about the need for contract reform.

Pamela Davis (Nonprofits Insurance Alliance—NIA) said NIA is a group of 501(c)(3) nonprofit insurers across the country and includes a risk pool and risk retention group (RRG). She said child care, foster care, social services, and other nonprofits serving vulnerable populations depend on liability insurance to operate, but that insurance is becoming harder to find and more expensive. Davis said some of the drivers of this issue are rising lawsuit costs, changes in legal standards, revived sexual abuse claims, and third-party litigation funding. She said this issue has an impact on children and vulnerable groups, as more go without services when nonprofits reduce or eliminate programs.

Davis said restorative reforms could restore balance and fairness in the legal system, hold nonprofits accountable when they fail to meet the standard of care, and not hold nonprofits responsible for harm they did not cause and could not reasonably prevent. She said these reforms would provide insurable standards of liability, predictable outcomes, and sustainable coverage availability.

Davis suggested possible policy options to improve availability and affordability. She said that, specifically, foster care-related options include a safe harbor for substantial compliance; focus on reasonable foreseeability; require detailed, good-faith settlement demands before lawsuits; limit punitive damages; ensure nonprofits only pay for their share of responsibility; and avoid contract terms that unfairly shift government liability onto nonprofits. In the sexual abuse claims context, options include providing modified standards of look-back laws for nonprofits, providing state-run victim funds or mediation programs with appropriate guardrails to protect the fund's sustainability for future claims, and providing faster and more predictable methods of adjudication.

Davis said general reforms include applying liability caps or immunity when nonprofits are performing public functions, putting reasonable limits on noneconomic damages, and requiring disclosure or limits on outside funding of litigation. She said the goal is balance, to reduce harm to children, protect victims, and preserve accountability.

Martinez asked how many lawsuits the market is seeing in this area. Davis said hundreds of lawsuits are filed, although they do not all make it through the court system and are largely settled because attorneys are asking for

much more in a verdict than a settlement amount. McDonnell added that many organizations are under contract with state or federal agencies that actually have control, but the nonprofits are being held responsible. Davis said NIA has had to halt providing coverage for certain organizations because there was not an actuarially appropriate number that would allow for coverage.

Sherpa asked if there has been a positive influence on lawsuits in states that have taken steps to mitigate the negative effect of third-party litigation funding. Davis said the Texas law has had a positive effect.

Welch asked in which states the NPIP and NIA operate. McDonnell said the NPIP is a risk pool that currently operates only in Washington. She said they have considered an RRG model to operate in other states. Davis said NIA operates in California as a risk pool and in other states as an RRG.

Commissioner Humphreys asked what makes a state attractive to write this business. McDonnell said it depends on capital surplus requirements. She said carriers she works with tend to prefer states with tort caps to avoid nuclear verdicts. She said a good example of a state with known predictability is Texas. Davis said states where RRGs can get reinsurance support would be the most attractive. She said the litigation environment in a state also must be considered.

Commissioner Kuderer asked whether there are any risk mitigation strategies that are useful to get reinsurance participation. Davis said carving out liability for abuse claims from general liability or other liability types could make it easier to get reinsurance. McDonnell said it will be easier to get the coverage, but it could be more expensive than a traditional package policy.

Davis and McDonnell said they do not deal with homeowners policies for in-home day care liability.

Having no further business, the Child Care Insurance (C) Working Group adjourned.

Draft: 5/27/26

Child Care Insurance (C) Working Group
Virtual Meeting
May 26, 2026

The Child Care Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met May 26, 2026. The following Working Group members participated: Patty Kuderer, Chair, and Bryon Welch (WA); D.J. Bettencourt, Vice Chair (NH); Kathryn Taras (CA); George Bradner (CT); Jane Nelson (FL); Kaitlyn Edicola (IL); Courtney Thornton (MD); Elouisa Tyler (NM); Eric Bredeson (OR); Michael Humphreys (PA); Elizabeth Kelleher Dwyer (RI); and Allan McVey (WV).

1. Received an Update on State Activity Tracking

Jordan Schaper (NAIC) said a recent bill in Kansas (HB 2521) adds child placement agencies to the definition of “government entity” in the Kansas Tort Claims Act (KTCA). He said the KTCA generally protects governmental entities and employees from liability for damages caused by certain acts or omissions of the entity and provides a \$500,000 damages cap on any number of claims arising out a single occurrence or accident. He said it does not allow for punitive or exemplary damages or prejudgment interest. He said the KTCA had an existing exception where the damages caps, punitive damages limitations, and certain exceptions from liability do not apply to any claim for recovery of damages against a governmental entity arising from childhood sexual abuse. He said these amendments only apply to causes of action occurring on or after July 1, 2026.

Schaper said Texas law SB 1558 creates limited civil liability protections for nonprofit entities that contract with Texas DFPS for acts of employees if baseline requirements are met. He said an entity may not be held liable for damages caused by acts of employees or volunteers if, at the time of the act or omission giving rise to the claim, the entity has appropriately backgrounded the individual; reported allegations of misconduct and taken administrative action in response to any misconduct; and ensured the individual has satisfied specific training requirements. He said vicarious liability of the entity is only permissible for the act of the employee when the entity is not in substantial compliance with listed requirements; the requirement was designed to prevent the specific type of harm alleged to have occurred; and the entity’s lack of substantial compliance was a contributing factor in bringing about harm. He said this applies only to causes of action occurring on or after September 1, 2025.

Schaper said HB 415 was introduced in Florida but did not get through Committee. He said this bill would have provided caps on damages for certain direct providers of foster care and related services. If enacted, the bill would have limited net economic damages in tort actions brought against community-based care lead agencies and their subcontractors to \$1,000,000 per liability claim; eliminate liability for damages from lead agencies and subcontractors that are direct providers of foster care and related services to pay any claim or judgment that exceeds \$1.5 million; create a limit on attorney fees of 25% of any judgment or settlement; and decrease lead agency and subcontractor’s minimum general liability insurance coverage requirements.

Schaper said in 2021 and 2023 Maine amended its civil statute of limitations law and maintained no limitation to commence action when claims involve specified acts of childhood sexual abuse. He said the 2021 amendment clarified the statute applies to all actions based upon sexual acts toward minors regardless of the date of the sexual act and regardless of whether the statute of limitations on such actions expired prior to the statute’s effective date.

Schaper said in Rhode Island SB 739 was introduced and would retroactively eliminate statute of limitations and revive previously time-barred claims against all parties, including nonprofits and daycare centers.

Schaper said in New York a bill was introduced in February 2026 that would require carriers writing commercial risk insurance in New York to participate in the assigned-risk plan for the benefit of voluntary foster care agencies. He said the bill would reset state payment standards to agencies to better reflect year-over-year changes in insurance costs and establish an insurance bridge fund of \$20 million to help fund increased liability insurance costs.

Schaper said in New Hampshire a bill was introduced in January 2026 that would create and authorize a joint self-insured risk coverage arrangement for two or more providers and servicers of childcare, day car, foster care placement, and behavioral health services. The bill outlines that eligible entities can self-insure liability risks, jointly purchase insurance and reinsurance, and contract for risk management, claims, and administrative and legal services. He said the bill establishes a framework for New Hampshire Insurance Department oversight of these arrangements, including the Commissioner's authority to approve applications and revoke program licenses; reporting requirements; and oversight of the financial condition of the arrangement.

Schaper highlighted state-initiated public studies and outreach conducted in Illinois, Washington, North Carolina, Oregon, and Maryland.

Commissioner Kuderer asked if there has been any indication of how effective any of the approaches in the states with recently passed bills have been. Schaper said there has not been an indication of effectiveness yet.

Commissioner Kuderer asked if there is a pattern emerging from states that have lifted or increased their statutes of limitation. Schaper said there is not yet enough data to show whether changes to statutes of limitation affect access to liability insurance.

2. Heard Presentations from State Insurance Regulators on State Activity of Child Care Liability Insurance

Commissioner Humphreys said the Pennsylvania Council of Children, Youth, and Family Services (PCCYFS) has been surveying childcare providers and foster care providers on the liability insurance issue. He said the Pennsylvania Insurance Department started conducting their own surveys, working with the PA Department of Human Services. He said the response rate for their surveys was about 20% for foster care providers and 10% for child care providers. He said respondents did mention availability and affordability concerns, including difficulty finding insurers to write the coverage and the issue of large coverage requirements leading to having multiple layered policies in order to meet requirements. He said when providers are able to find coverage, it usually comes with higher premiums and capped coverage.

Commissioner Humphreys said in 2022 the Pennsylvania legislature passed Act 127 which made indemnification language in government contracts unenforceable. He said PCCYFS is working on a number of proposals, including HB 2490 that would prohibit counties from requiring insurers to waive the right of subrogation. He said PCCYFS put together a document with survey data and actionable solutions they have worked on with their partners and industry representatives.

Commissioner Humphreys talked about potential options to find insurance coverage, including existing risk pools, risk retention groups and the surplus lines market.

Welch said Washington issued a report in December 2025 which evaluated whether Washington should create a joint underwriting association to provide both property and liability insurance for child placing agencies, group

foster homes, childcare centers, and family childcare homes. He said the core conclusion is that the insurance problem is not the same across all of the entities. He said the report looked at in-home childcare and found that there they did not have any of the same access challenges that other child welfare organizations had. He said the report found that for child placing agencies and group foster homes there is a real liability insurance availability and affordability crisis. He said for childcare centers and family childcare homes, the report found that insurance is still generally available although there were some warning signs that access could worsen over time. He said the report narrowed the issues to the liability coverages, specifically general liability, professional liability, sexual abuse and molestation coverage, excess or umbrella coverage, and related package coverage. He said property and auto insurance coverage have not been an issue. He said for child placing agencies and group foster homes the most serious issue is coverage for prior acts. He said the report found that insurance may be available for future operations but coverage for past uninsured acts or gaps in coverage is largely unavailable. He said the report cautioned against creating a joint underwriting association (JUA) for child placement agencies and group foster homes because the JUA is meant to address insurance availability but the premium volume would likely be too small to support potentially catastrophic losses. He said the report laid out several policy options, including changes to contract provisions requiring providers to indemnify or hold harmless the state. He said the report gave recommendations to the legislature to consider changing the applicable standards of at fault such as creating a safe harbor where providers have complied with required safety reporting, training, background checks, and other insurance obligations. He said it was also recommended that the legislature create a compensation fund for historical losses where insurance limits are exhausted.

Edicola said the Illinois legislature directed the Department of Insurance to survey the availability and the cost of liability insurance for foster care and adoption services in the state. She said the Department surveyed 33 insurance carriers, 26 Illinois child welfare agencies and examined anonymous responses from 32 Illinois providers that had responded to a national survey. She said only 3 carriers writing child welfare liability responded to the survey in its entirety. She said the survey found general liability premiums increased 117% within three years. She said carriers identified sexual and physical abuse claims as the dominant factor driving premiums to increase and insurers to exist the market. She said carriers indicated the risk environment had changed, stemming from the litigation landscape, including an increase in class action lawsuits and large verdicts. She said the survey showed policies that had previously offered occurrence coverage had shifted towards providing claims made coverage due to the lengthened tail risk. She said one survey response noted that obtaining Praesidium accreditation or comparable accreditation is one risk mitigation strategy. She said there has not been a follow-up hearing on the survey results.

Director Dwyer said the Rhode Island bill mentioned earlier in the meeting has passed the State House and is sitting in the Senate. She said there is another bill which would establish a JUA in Rhode Island. She said the Rhode Island Department has heard from providers that its not just an affordability issue but also an availability issue.

Bradner said the Connecticut Insurance Department is working on solutions to this issue, including looking at the feasibility of allowing multiple non-profit organizations to pool their liability insurance, explore creating a captive insurance company, risk management agency or other suitable insurance program to insure risks held by the pool, creating a detailed plan for such an entity include data collection and actuarial analysis. He said a working group has convened to create a report by November 1, 2026.

Commissioner McVey said West Virginia increased their statute of limitations for both abuse and molestation. He said West Virginia has a state insurance pool that is self-insured and administered for foster care system which has seen an increase in premiums. He said there is an insurance pool for nonprofit entities in which many childcare providers are insured which has also seen an increase in premiums. He said some type of government intervention will likely be required to fix this insurance issue.

Pamela Davis (Nonprofits Insurance Alliance—NIA) said the changes to insurance availability and affordability have been caused by changes to the statutes of limitation and non-profits being held liable for injuries to children which they did not cause and had no ability to prevent. She said she is glad the group is looking to insurance alternatives, but as a risk retention group and captive insurer she is seeing that this coverage is difficult to get. She said even reinsurance has been difficult to procure.

Having no further business, the Child Care Insurance (C) Working Group adjourned.

Draft: 5/27/26

Child Care Insurance (C) Working Group
Virtual Meeting
May 11, 2026

The Child Care Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met May 11, 2026. The following Working Group members participated: Patty Kuderer, Chair, (WA); Michael Martinez (CA); Joshua Hershman (CT); Bradley Trim (FL); Scott Saiki (HI); Mariam Hassan (IL); Colby Dillon (MA); Courtney Thornton (MD); Elouisa Tyler (NM); Eric Bredeson (OR); Michael Humphreys (PA); Matthew Gendron (RI); and Robert Grishaber (WV). Also participating was: Jessica Sherpa (VT).

1. Received an Update on its Charges

Commissioner Kuderer said the Child Care Insurance (C) Working Group charges were adopted by the Property and Casualty Insurance (C) Committee on May 8. She said the Committee exposed the draft charges for 15 days and received redlined changes from the National Association of Mutual Insurance Companies (NAMIC) and the American Property Casualty Insurance Association (APCIA). She said the Working Group and Committee substantively agreed to incorporate all changes requested by NAMIC and APCIA, except for removing the non-admitted market from the Working Group's consideration.

2. Heard a Presentation from Child Care Provider Groups on Insurance Availability

Kirsten Anderson (AspireMN) said the establishment of the Child Care Insurance (C) Working Group is a critical advance in the work to resolve the liability insurance crisis. She said the National Organization of State Associations for Children (NOSAC) and other national partners have found that this problem requires a national solution. State-by-state solutions are not viable, in part due to the need for consistency across all markets.

Anderson said child-caring agencies and states have been in a long-standing public-private partnership to deliver child welfare services. She said the federal Administration for Children and Families (ACF) describes child welfare systems as comprised of many organizations in each community working together to strengthen families and keep children safe; providing a group of services designed to promote the well-being of children by ensuring safety, achieving permanency, and strengthening families; and public agencies within states, often contracting with private organizations to provide services to families.

Anderson said a public-private partnership is part of the state child welfare system design. She said states conduct the investigation and child removal in cases of substantiated abuse and neglect, community providers support children and families in out-of-home placement with services and support, and services are delivered to assure reunification or another path to permanency for the child.

Anderson said funding for child welfare services defines child-caring agencies as those that provide care, supervision, and services to children in foster care. She said all services are private and delivered in settings that are not owned, operated, or administered by the government, but often as contracted services. She said they are all licensed, and health, safety, and service requirements must be demonstrated and include regular audits. Anderson said child welfare services are critical and are at risk due to the increasing lack of access to liability insurance.

Andrea Durbin (NOSAC) said NOSAC released its 2025 report, *Insuring Care: How Liability Insurance Access Threatens Community Services for Children*, based on a national survey.

Durbin said that carrying appropriate levels of liability insurance is not just contractually required, but also good business practice. She said concerns about liability insurance are widespread. Trends from California, Florida, Illinois, Missouri, Pennsylvania, and Texas show a shrinking list of insurance carriers willing to cover foster care and adoption.

Durbin said child welfare providers from 46 states responded to the liability insurance survey. She said providers of all sizes were represented, with half of responding organizations having budgets under \$10 million and the other half with budgets over \$10 million. She said responding providers over a whole range of services within the foster care and child welfare system, and many providers provide services outside the child welfare system. She said an array of services and the public-private partnership are at risk.

Durbin said two-thirds of responding organizations had a premium increase of more than 50%, almost half had their premiums double, and a quarter of respondents had premium increases of 200% to 1,800%. She said providers indicated that insurance is their third-largest expense, and many were having trouble getting any carrier to provide insurance for their organization.

Durbin said, absent a comprehensive and coordinated solution, providers will be left to decide whether to continue delivering services to children. She said more than two-thirds of survey respondents are contemplating or willing to consider changes to their service offerings due to liability insurance concerns. She said as providers leave the system, pressure and costs increase on those that remain, which will impact access to services and supports for children and families.

Durbin said states have been implementing various strategies to address this issue, including limiting public agency indemnification, stop-gap funding to help cover insurance premiums, tying agency liability to due diligence, tort reforms, and statutorily mandated surveys to understand the scope of the problem. She said states are limited in their ability to regulate and direct the actions of companies not domiciled within their borders. She said this is a national issue that requires a national response, including a suite of policy solutions instead of a one-size-fits-all approach. Durbin said there have been no unintended negative consequences to the individual state solutions, but they have not fully eliminated the issue.

Durbin said NOSAC and partner agencies are trying to better understand the state-by-state statutory and contracting requirements with regards to liability insurance; dive deeper into the impact of child victim legislation and changes in statutes of limitations across the country from the insurers' perspective; outreach to key partners and subject matter experts; build champions for national solutions in Congress and the presidential administration; and build consensus and advocate for actionable legislation.

Vera Stouilil (Oregon Alliance) said child welfare organizations are already heavily regulated to mitigate risk. She said the risk mitigation strategies are not being seen as effective, which is affecting rates and availability of liability insurance. She said this leads to staff reductions, program reductions, and program closures. She said part of the problem is that programs are required to carry certain levels of liability coverage, but those levels of coverage are not being offered by companies.

Sherpa asked if foster care organizations are the only ones facing the liability insurance problem. Durbin said foster care and adoption services are at the forefront of this issue, but NOSAC is seeing it spread to other services for children and youth, including child care and early childhood education centers, after-school programs, and even school districts. She said one issue is the changes in statutes of limitations across the country regarding childhood sexual abuse and physical abuse. She said this leaves this type of liability as a long-tail risk.

Saiki asked if there was any data on the number of claims in this space. Durbin said that information would have to be collected from individual carriers. Saiki then asked if there was a national organization that previously provided liability insurance. Durbin said the Nonprofits Insurance Alliance previously wrote business but has ceased writing new business.

3. Heard a Presentation from Industry Representatives on Insurance Availability

Erica Weyhenmeyer (NAMIC) said certain legal and litigation trends are influencing child care and foster care liability markets. She said that from an industry perspective, one of the key cost drivers is instability and long-tail liability. She said coverage is priced based on the best available data and the legal rules in place at the time. When statutes of limitations are extended, revivor statutes reopen long-closed policies, and litigation tools, such as third-party funding, contribute to more and larger lawsuits, the expected loss profile for past business can change dramatically after the fact. She said that makes it harder for insurers to commit capital to those lines of business on a sustainable basis, and that it inevitably affects pricing and capacity. She said NAMIC recognizes that providers are reporting premium increases, tighter terms, and fewer carriers willing to write this type of business, but from their members' vantage point, it is important to understand why those pressures are emerging and how those legal and litigation trends are shaping insurers' appetite for this line. Weyhenmeyer said NAMIC is working with its members to gather additional feedback on what is happening in the marketplace to continue sharing perspectives on an ongoing basis.

Dave Snyder (APCIA) said APCIA is providing initial comments while conducting a top-to-bottom review of the issue and hopes to provide more detail about the analysis and proposed approaches in the future. He said challenges in this space include significant liability exposure and costs often resulting from revived claims; significant litigation exposure and costs that create challenges to insure; the resulting lack of insurance may strain service capacity; and vulnerable populations may be especially impacted.

Snyder said potentially constructive responses include advancing general liability reforms including the Third-Party Litigation Funding disclosure; a limit or cap on damages for sexual abuse claims; providing state-funded victim compensation funds or mediation programs; providing sovereign or charitable immunity for nonprofits; providing liability safe harbor for substantial compliance with applicable licensing, regulation, and child safety requirements; providing foreseeability-based duties of care; advancing time-limited demand reform; and limiting excessive damages. Snyder said Texas SB 1558 is a recent example of constructive state legislation for foster family agencies. He said APCIA requests time in July to report on the progress of developing principles to address child-care entity liability issues.

Kuderer asked if NAMIC and APCIA believe direct solicitation by private equity companies is part of the problem. Snyder said there have been changes to the litigation environment and that may be part of the problem. Weyhenmeyer said she would pose that question to NAMIC's members to get a grasp on what they are seeing.

Sherpa asked how much third-party litigation funding is affected by the unavailability of insurance due to increased costs insurers must bear. Durbin said this practice is getting extreme and using marketing to drum up plaintiffs.

Kuderer said the Washington state study found that the child placement agencies and group foster homes liability market is concentrated among a very small number of insurers, mostly in the surplus lines market, and that may make the market unstable even if one participant withdraws. She asked what specific underwriting, claims, legal, or contractual challenges would make admitted or surplus lines carriers more willing to write this coverage. Snyder said reforms in the liability system are important elements there. Weyhenmeyer agreed that with the ever-

changing legal environment and adjustments to statutes of limitation, it is impossible to predict what costs are going to be when you are writing a policy that could be paying claims many years in the future.

Having no further business, the Child Care Insurance (C) Working Group adjourned.

3. Consider Adoption of the Affordability and Availability Playbook

Attachment Three

Commissioner Michael Conway (CO)

Link to Exposure Draft:

[A/A Playbook Exposure Draft](#)

Link to Comment Letters:

[NAIC Consumer Reps Comment Letter](#)

[NAIC Consumer Reps Redlines](#)

[RAA Comment Letter](#)

[Surplus Lines Trade Associations' Comment Letter and Redlines](#)

[NAMIC Comment Letter](#)

4. Hear a Presentation from the American Property Casualty Insurance Association (APCIA) on Auto Insurance Trends

Bob Passmore (APCIA)



Personal Auto Insurance Trends

NAIC Property And Casualty (C) Committee
August 14, 2026

Auto Insurance Outlook Upgraded from **Negative** to **Stable**



Rating Agency A.M. Best: Personal Auto Insurance Outlook **Stable**

- Improved rate adequacy, regulatory landscape, and loss experience
- Headwinds cited include volatile loss cost severity, increased repair costs, increased used car pricing, supply chain and labor market disruptions, rising medical costs, inflation, and macro-economic uncertainty



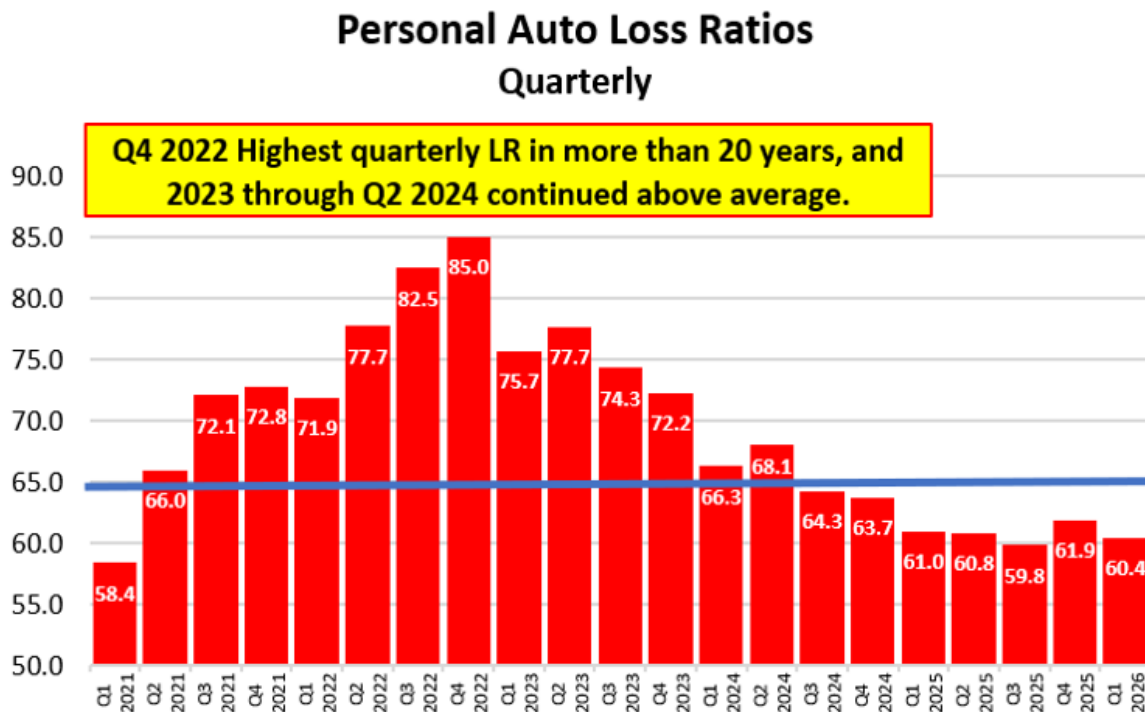
Private auto insurance combined ratios

- 2022 = **12.2% net underwriting loss**
- 2023 = **5.5% net underwriting loss**
- 2024 = **+4.4% net underwriting gain***
- 2025 = **+8.5% net underwriting gain***

*APCIA estimate using S&P Market Intelligence data.



Auto Loss Ratios Improving



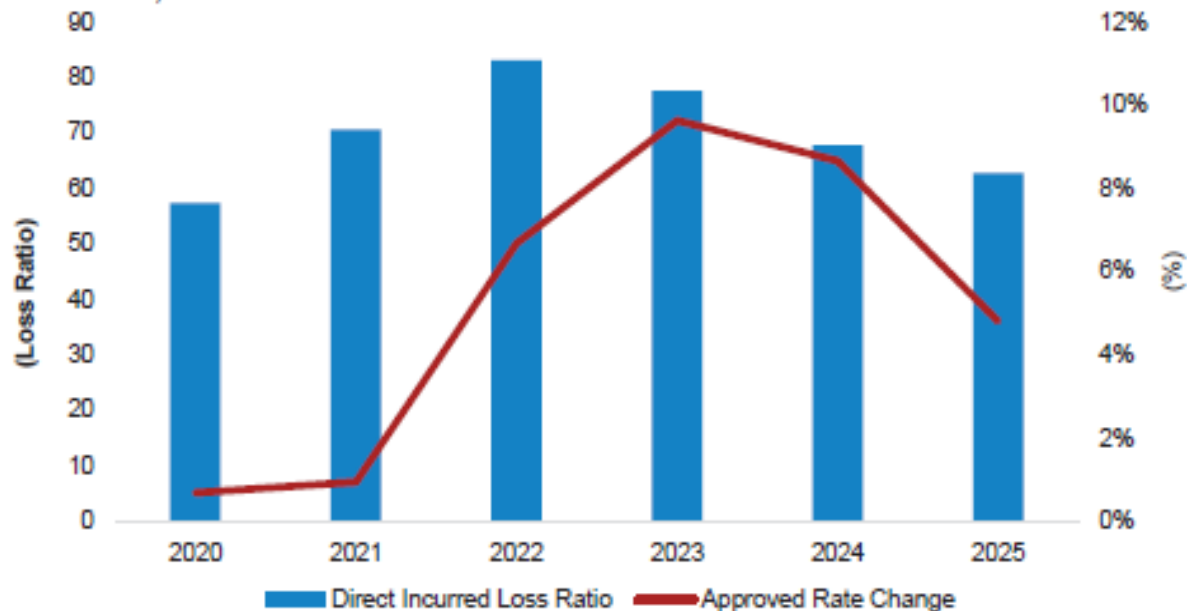
Source: APCIA via S&P Global Market Intelligence.



Rate Changes Track Improving Loss Ratios

Exhibit 4

US Private Passenger Auto, Average Approved Rate Change vs. Direct Loss Ratio, 2020-2025



Source: Best's State Rate Filings

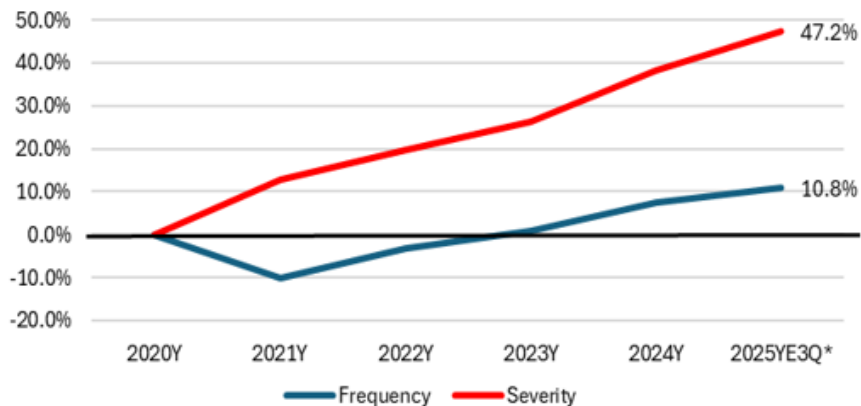


Frequency and Severity Trends

Bodily Injury Increasing, Property Damage Stabilizing

Bodily Injury Liability

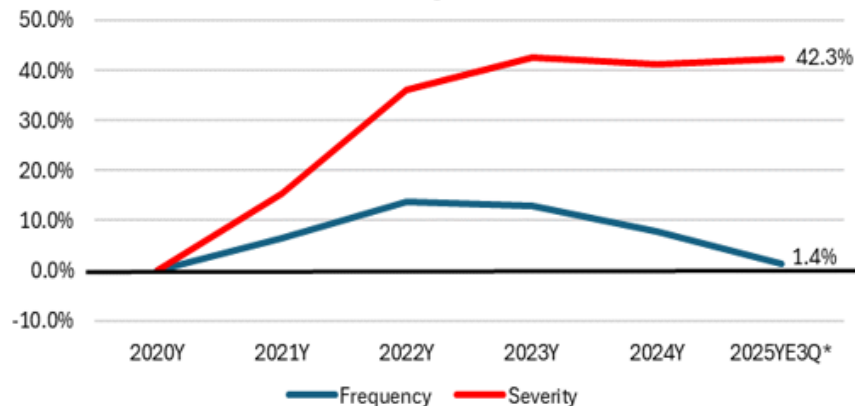
Percent Change Since 2020



Source: APCIA using Fast Track Monitoring System via ISS Fast Track Plus; paid claim severity and frequency per 100 insured car-year exposures; 2025 YE3Q* reflects the last four quarters 4Q 2024 - 3Q 2025.

Vehicle Damage (PD Liability + Collision)

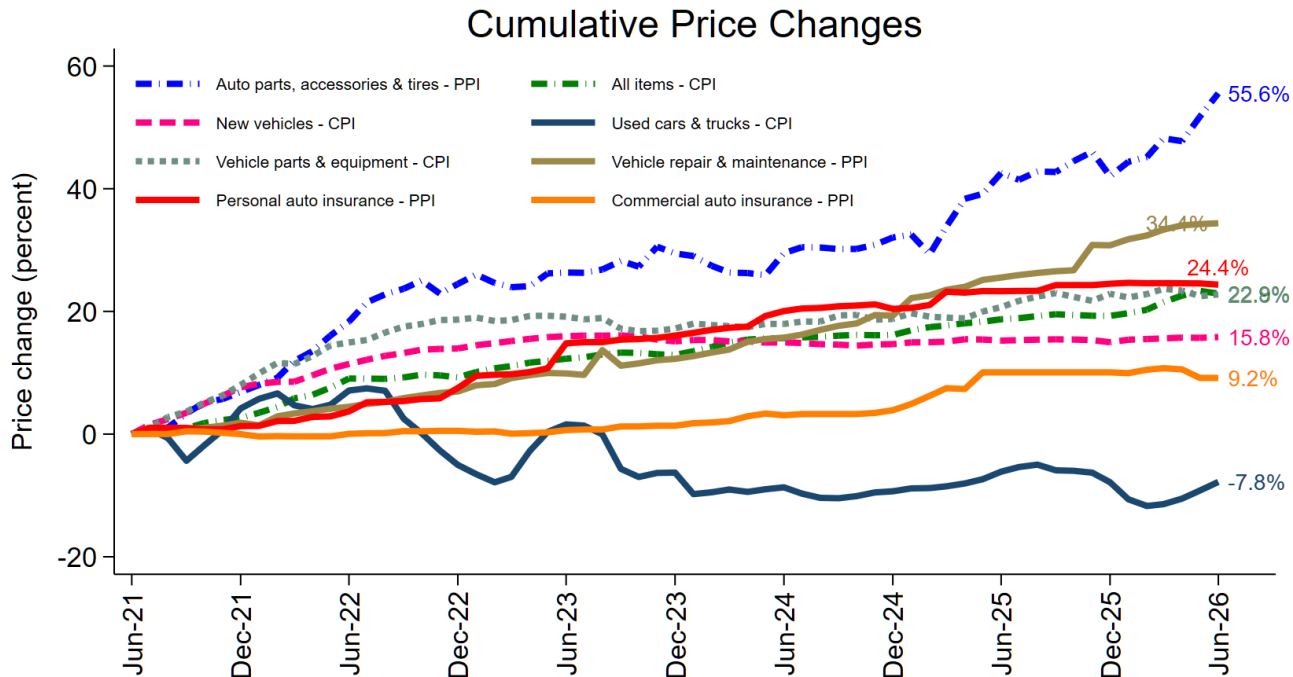
Percent Change Since 2020



Source: APCIA using Fast Track Monitoring System via ISS Fast Track Plus; paid claim severity and frequency per 100 insured car-year exposures; 2025 YE3Q* reflects the last four quarters 4Q 2024 - 3Q 2025.



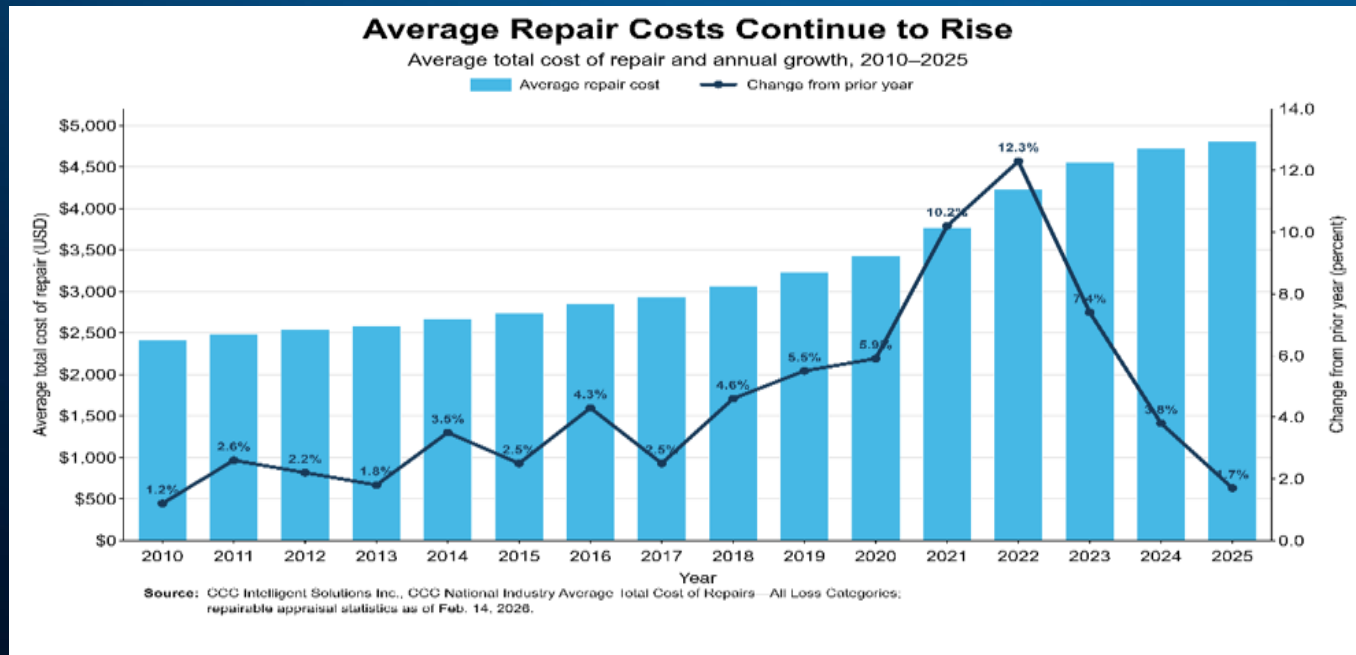
Auto Cost Drivers Still Outpacing CPI



Sources: Bureau of Labor Statistics.



Increasing Costs of Auto Repairs

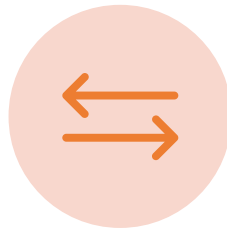




Increasing Vehicle Automation A Paradigm Shift for Auto Insurers



**ASSESSING RISK OF
SYSTEMS RATHER
THAN DRIVERS**



**SHIFT TO SHARED
MOBILITY AND
COMMERCIAL
OWNERSHIP?**



**HOW DOES THIS
CHANGE HOW
LIABILITY IS
DETERMINED?**



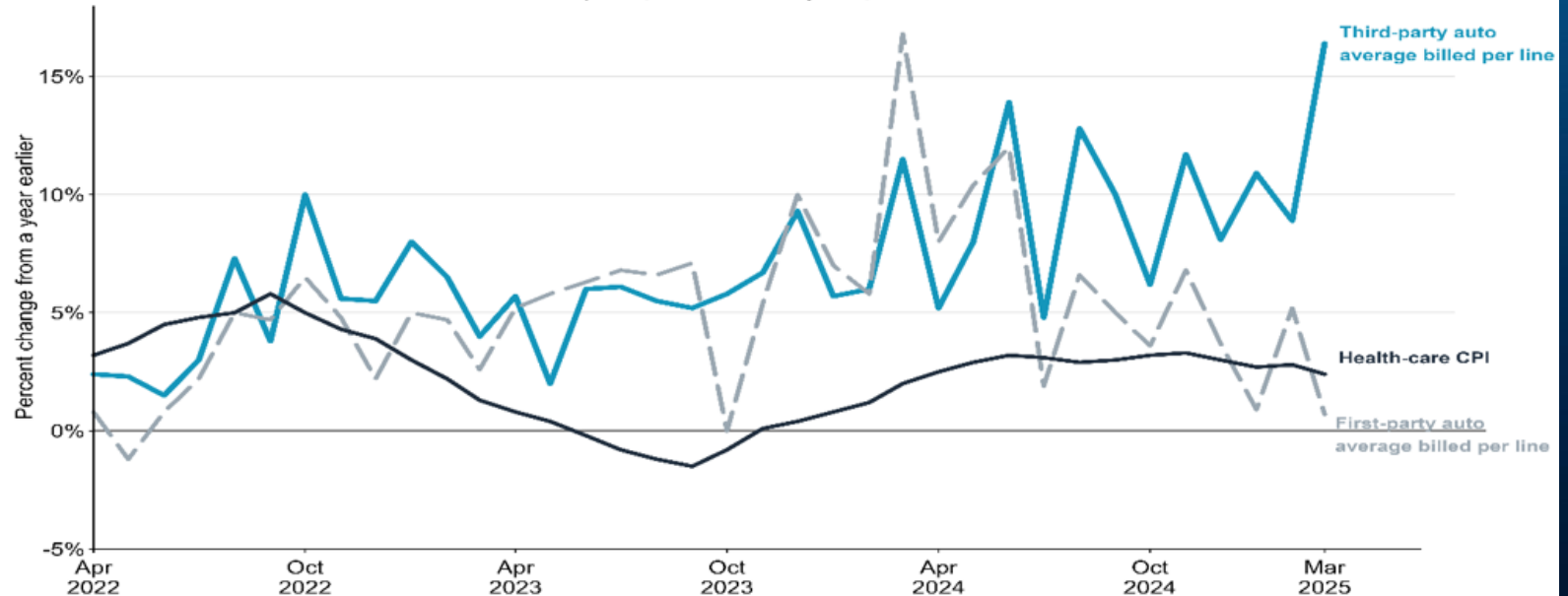
**ARE CHANGES TO
INSURANCE
REQUIREMENTS
NEEDED?**



Increasing Cost of Medical Care

Auto Medical Billing Growth and Health-Care Inflation

Year-over-year percent change, April 2022-March 2025

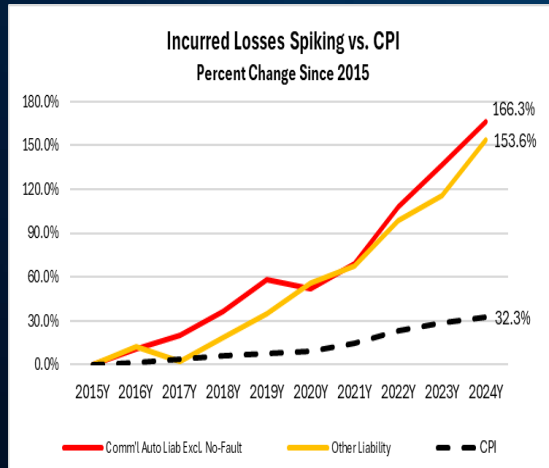


Sources: Enlyte Medical Price Index analyses; U.S. Bureau of Labor Statistics, Consumer Price Index for medical care; APCIA calculations. Auto series measure average billed amount per line; all series show year-over-year percent changes.



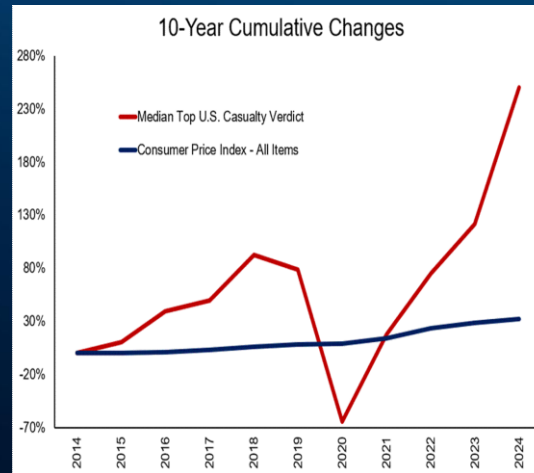
Impacts of Legal System Abuse

Liability Insurance Growth (Incurred Losses v CPI)



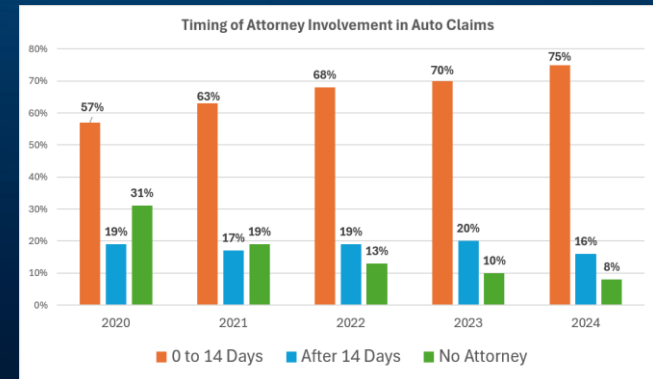
Source: APCIA via S&P Global Market Intelligence and BLS Consumer Price Index

Nuclear Verdicts (\$10m+)



Source: Bureau of Labor Statistics, Kahana Feld

Early Attorney Involvement in Auto Ins. Claims



Source: Sedgwick, Liability Litigation observations and trends (Summer 2025)



Tort Reform in Florida Is Working — Increased Affordability & Availability

- “Florida shows that tackling thorny problems can pay dividends with some political patience.”

• *The Wall Street Journal* Nov. 11, 2025



LEGAL SYSTEM ABUSE:
Examining the Drivers, Impacts & Remedies of this Negative Trend

Updated April 2026



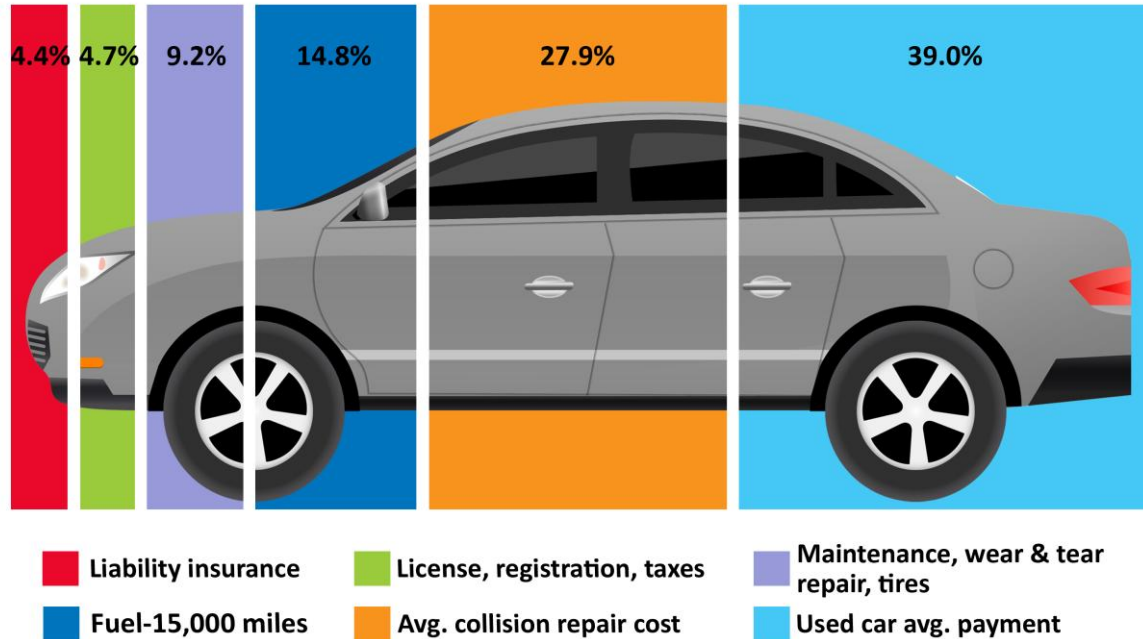
Driving Habits — A Mixed Bag

- Cambridge Mobile Telematics 2023-2024
 - Speeding down 12.3% but hard braking up 2.4%
 - Phone Use down 10.9% but handheld calls up 3.7%
- AAA Foundation Survey:
 - 96% of drivers admitted to aggressive driving behaviors in the past year
 - 92% of drivers reporting behaviors that endanger others such as speeding or cutting off vehicles.

Sources: Cambridge Mobile Telematics (2023-2024); AAA Foundation for Traffic Safety.



Mandatory Insurance = Only Small Part of Vehicle Ownership Costs



Sources: APCIA using data from NAIC; AAA; CCC Information Services*; Experian.

*Auto Repair Cost: Copyright 2024 CCC Information Services Inc. All Rights Reserved; This data does not constitute an industry survey but is solely an aggregation of information collected by CCC.



Auto Insurance Solutions

Saving Lives and Reducing Costs

Insurers lead efforts to reduce deaths, injuries, and losses on the roads

- Funding research and public awareness to promote safety
 - The Insurance Institute for Highway Safety—conducts crash testing and rating resulting in adoption of safety features
 - Advocates for Highway and Auto Safety—promotes measures to save lives, reduce injuries and contain costs
- Supporting investment in infrastructure to make roads safer
- Advocating for NHTSA funding to promote road safety research
- Offering telematics products that promote safe driving behaviors



Auto Insurance Solutions

Saving Lives and Reducing Costs

Insurers support measures to mitigate costs

- Supporting enforcement of highway safety laws
- Promoting measures to address legal system abuse
- Opposing tariffs that increase the cost of auto repair
- Supporting reforms to reduce costly administrative and regulatory burdens
- Defending risk-based pricing
- Supporting efforts to reduce fraud





Questions?

Robert Passmore

Department Vice President

APCIA

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5. Hear a Presentation from the Southern University Law Center (SULC) on the Use of Criminal History as a Rating Factor

Peter Kochenburger (SULC)

Presentation will be added when available.

6. Hear a Presentation from ZestyAI on How Verified Mitigation Data Can Expand Eligibility and Improve Affordability in Homeowners Insurance

Bryan Rehor (ZestyAI)



PREPARED FOR THE NAIC PROPERTY & CASUALTY (C) COMMITTEE

From Mitigation to Premium

Closing the Loop in Homeowners Pricing

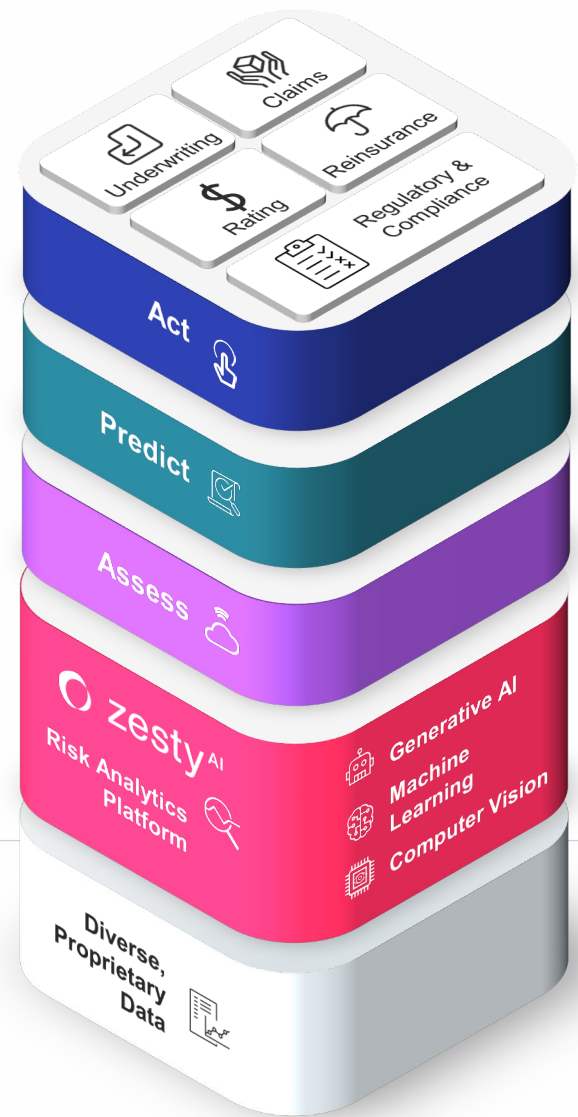
Bryan Rehor · Sr. Director, Regulatory & Government Affairs · ZestyAI

2026 Summer National Meeting · Columbus, Ohio

ZestyAI Risk Analytics Platform

Predictive Models

- Z-FIRE™ 
- Z-HAIL™ 
- Z-WIND™ 
- Z-STORM™ 
- Z-WATER™ 
- Z-FIRE™ Attritional* 



Insurance Automation

- ZORRO Discover™ 
- ZORRO Submit™ 
- ZORRO Underwrite™ 
- ZORRO Claims™ 

Risk Insights

- Z-PROPERTY™ Digital Roof 
- Z-PROPERTY™ Location Insights 
- Z-PROPERTY™ Roof Age 
- Wildfire Mitigation Pre-Fill 
- Concentration Management 

Aerial, Satellite, & Terrestrial Imagery	Tax Assessments
Geospatial Data	Climatology
Building Permits	Topography
MLS Transactions	Hazard Data

Infrastructure Data	Form & Rate Filings
IBHS Designations	Actuarial Practices
Historical Losses	
State & Local Regulations	

And more...

The question every commissioner is hearing

“If I do the work to mitigate, does my premium reflect it?”

Today, in most states: “not reliably.”

The Moment: mitigation has gone mainstream

100K+

FORTIFIED designations - verification that scales, captured at quote

#1

Severe convective storm - now the largest homeowners cat-loss driver

2026

CO HB25-1182 in force · CAAB 1 updates
· NAIC model law in play

The mitigation–pricing gap

Why completed work historically hasn't reached the premium

Historically invisible to insurers

Defensible space is one of the top drivers of wildfire risk - yet until recently it appeared nowhere in the quote. And identical actions earn different credits in different states.

The verification bottleneck

Inspections are expensive and episodic. They can't scale to millions of WUI homes.

Discounts: a strong start

Mandated discounts show the commitment is real. The next step: pair them with verified, property-level data, so completed work reliably flows into every rate.



What the data now shows

Objective, repeatable verification - at the scale of every property

Every property, from above

High-resolution aircraft imagery + AI - refreshed several times a year, calibrated against inspection



What used to take an inspection now takes a flyover.

The same imagery reads the roof

For wind and hail, the mitigation is the roof - condition, age, and material



In wildfire country it's the yard. In hail country it's the roof. The camera reads both.

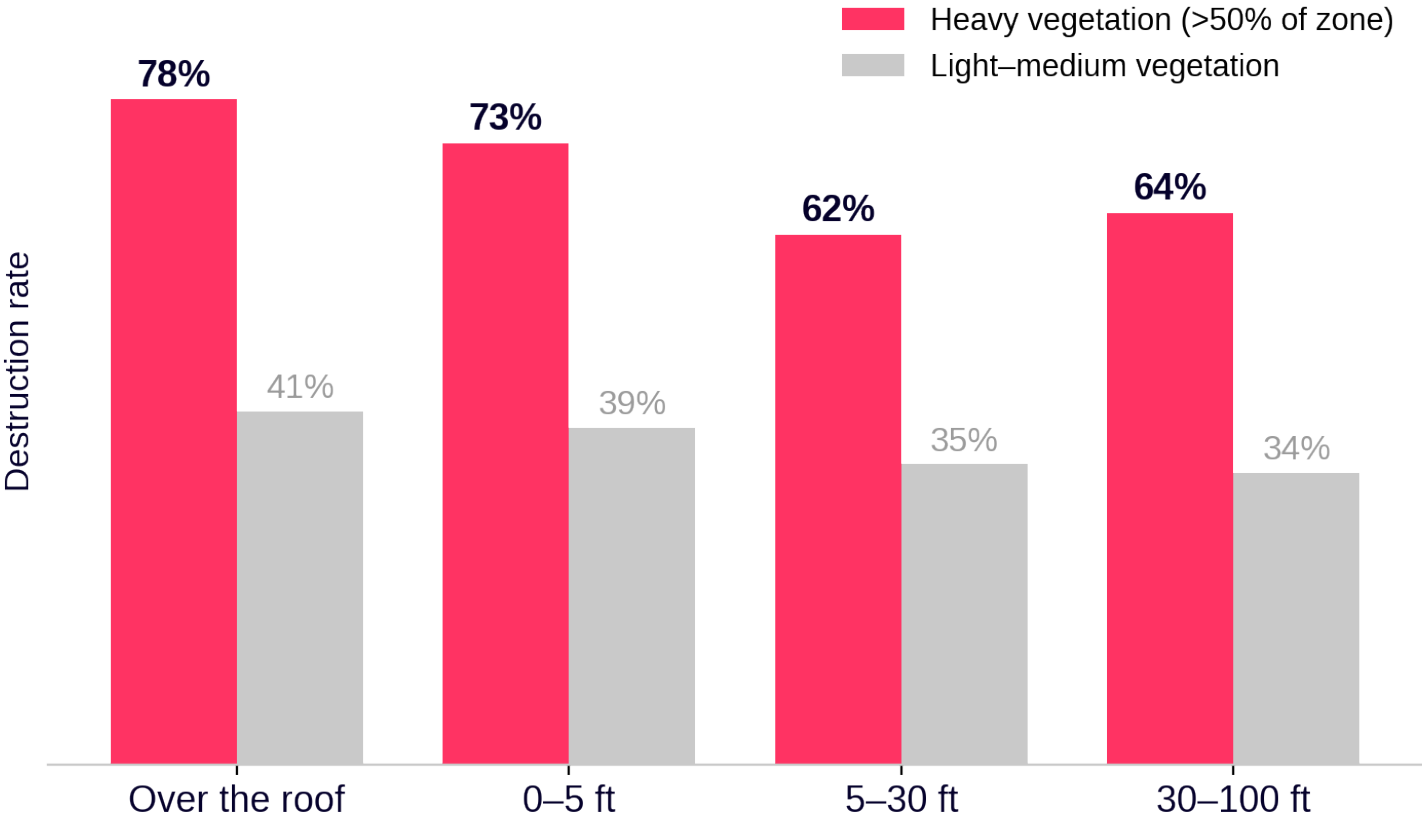


Heavy vegetation nearly doubles destruction

ZestyAI × IBHS · 71,648 properties · 415 wildfires · 2016–2019

73%

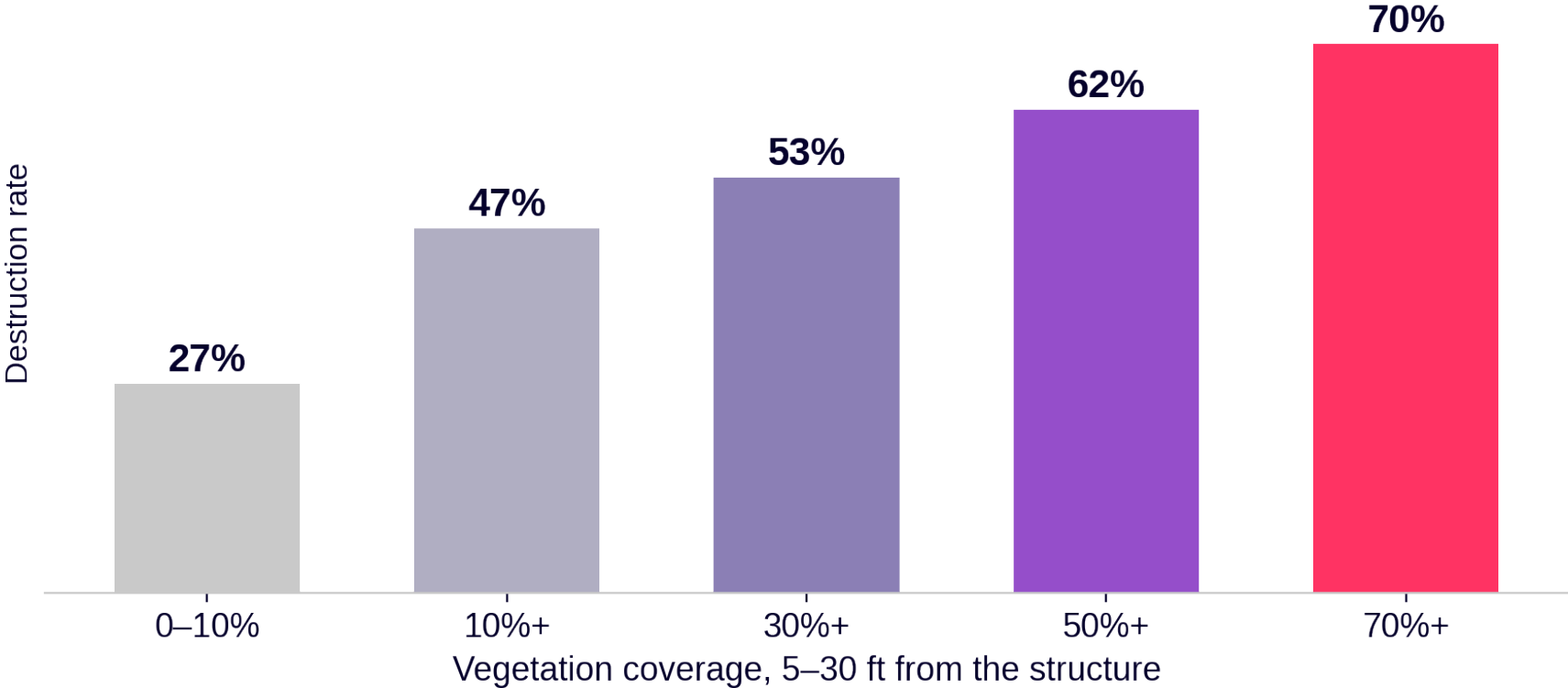
of homes with heavy vegetation within 5 ft
were destroyed





Risk is a gradient - pricing can be, too

Destruction rate rises with every increment of vegetation coverage



Property-level data can reward every increment of completed work.



Two homes. The difference was the yard.

Real properties from the ZestyAI × IBHS study



SURVIVED - Woolsey Fire, 2018

Cleared vegetation around the home



DESTROYED - Tubbs Fire, 2017

Heavy vegetation against the structure

Closing the loop - before the work is done



Beyond pricing: eligibility

Recognized mitigation is how high-risk homes stay insurable

Without property-level facts

In the highest-risk regions, every home looks the same. Well-mitigated homes are declined with their neighbors - and land in the FAIR plan.

With verified mitigation

Carriers can see the difference - and accept, price, and reward the well-mitigated home, even in the highest-risk regions.

Availability is the endgame - mitigation shouldn't end at the FAIR plan's door.



This is already helping consumers

Availability gains in the market today - powered by property-level data and AI

2021

Top-10 carrier · California - first CDI-approved AI wildfire model in underwriting, expanding eligibility in wildfire-risk areas

100Ks

California FAIR Plan - expanded coverage for hundreds of thousands of homeowners in 2024

30,000

Colorado FAIR Plan - families previously classed high-risk expected to gain coverage, with mitigation as a path back to the admitted market

When carriers can see the risk clearly, they say yes more often.

Six principles for getting mitigation pricing right

POLICY



Granularity

Every home priced for what it actually is.



Objective verification

Accept imagery + AI alongside inspection.



Transparency

Consumers see why their premium moved.

OPERATIONS



Cost efficiency

Affordable on every quote - not just binds.



Speed

A one-second response time, in the quote flow.



Quality

A number on what mitigation is worth, for each exact property.

One approach clears all six: AI-powered property insights.



A path forward

1.

One set of facts

Regulators, carriers, and technology - the same property-level facts across wildfire, wind, and hail

2.

Accept objective remote verification

Imagery-based verification alongside inspection: the unlock for rewarding mitigation - in price and in eligibility

3.

ZestyAI, on the record

Data and analysis to support (C) Committee work and the NAIC mitigation model law effort



Thank you

Bryan Rehor · Sr. Director, Regulatory & Government Affairs

ZestyAI · bryan.rehor@zesty.ai

7. Discuss Any Other Matters Brought Before the Committee

Commissioner Michael Conway (CO)