Draft Pending Adoption

Draft: 8/18/26

Market Regulation and Consumer Affairs (D) Committee
Columbus, Ohio
August 14, 2026

The Market Regulation and Consumer Affairs (D) Committee met in Columbus, OH, Aug. 14, 2026. The following Committee members participated: Ann Gillespie, Chair (IL); Angela L. Nelson, Vice Chair (MO); Heather Carpenter (AK); Charles Bassett (AZ); Jimmy Harris (AR); Dean L. Cameron (ID); Holly W. Lambert (IN); Sharon P. Clark (KY); Ned Gaines (NV); D.J. Bettencourt represented by Keith Nyhan (NH); Michael Humphreys represented by David Buono (PA); and Erin K. Hunter (WV). Also participating were: Brett Bache and Matthew Gendron (RI); Mary Block (VT); Joylynn Fix (WV); and Bryan Stevens (WY).

1. Adopted its July 27 Minutes

Director Gillespie said the Committee met on July 27. During that meeting, the Committee: 1) adopted its Spring National Meeting minutes (*see NAIC Proceedings – Spring 2026, Market Regulation and Consumer Affairs (D) Committee*); 2) adopted Chapter 21B—Conducting the Pet Insurance Examination for Inclusion in the *Market Regulation Handbook;* 3) accepted the referral of Pharmacy Benefit Manager (PBM) examination standards from the Pharmacy Benefit Management (D) Working Group to the Market Conduct Examination Guidelines (D) Working Group; and 4) adopted Market Conduct Annual Statement (MCAS) pet insurance blank revisions.

Director Nelson made a motion, seconded by Commissioner Clark, to adopt the Committee's July 27 minutes (Attachment One). The motion passed unanimously.

2. Received an Update on Market Conduct Regulation Modernization

Director Gillespie said the Market Conduct Regulation Modernization (D) Working Group met Aug. 13 and continued to receive strong feedback from Committee members. She thanked members for their participation and said the level of engagement has been phenomenal and is helping to inform the Working Group's draft recommendations. Director Gillespie reported that the Working Group completed its area-of-exploration session on third-party oversight.

Director Gillespie said the remaining areas of exploration are training and workforce development. These will be the subject of the Working Group's next two sessions, with additional, deeper discussions to follow as needed. The areas of exploration addressed to date include: NAIC market conduct data collection (April 22); NAIC market conduct analysis tools (April 30); a property/casualty (P/C) listening session (May 11); a health listening session (May 26); a life, insurtech, and specialty lines listening session (June 9); a consumer representatives listening session (July 7); interstate collaboration (July 21); the *Market Regulation Handbook* (Aug. 4); and third-party oversight (Summer National Meeting).

Director Gillespie said the goal is to have draft recommendations ready for public distribution ahead of the Fall National Meeting in November, when the Working Group and the Committee will consider the recommendations for adoption. She described the overall timeline as follows: 2026 will focus on listening, identifying issues, and framing where the work should go next; 2027 will be devoted to design work to determine the specific paths to pursue; and implementation is anticipated in late 2027 through 2028.

3. Received an Update on the Development of a Cybersecurity Incident Response Framework

Bache said the Cybersecurity Event Response Coordination Framework addresses an effort by state insurance regulators to develop a coordinated, multi-jurisdictional response to cybersecurity events involving regulated entities. He said the 2025 and 2026 NAIC leadership assigned the project as a high priority. Bache said the framework consists of six sections: 1) purpose, scope, and use of the framework; 2) evaluation and response process; 3) coordinating lead state selection; 4) coordinating lead state responsibilities; 5) a flow chart illustrating the proposed framework process; and 6) the

framework's relationship to other NAIC documents and projects, such as the Cybersecurity (H) Working Group's adopted Cybersecurity Event Response Plan (CERP) and the NAIC Cybersecurity Event Notification Portal.

Bache said a previous version of the draft framework was discussed before the Spring National Meeting during the Market Conduct Examination Guidelines (D) Working Group's March 12 meeting, where discussion centered on defining triggering thresholds and the complexities of identifying lead states. A revised draft was distributed May 14 and discussed during the Working Group's May 20 meeting, where discussion addressed the proposed process, assigning lead states, and whether to add language addressing a coordinated state insurance regulator response to multistate third-party vendor cybersecurity events. A comment due date of June 22 was announced and subsequently extended to July 24.

Bache said comments on the exposure draft were received from the California Department of Insurance (DOI), the New York State Department of Financial Services, the chair and vice chair of the Information Technology (IT) Examination (E) Working Group, the American Council of Life Insurers (ACLI), AHIP, the American Property Casualty Insurance Association (APCIA), the Blue Cross Blue Shield Association (BCBSA), and the National Association of Mutual Insurance Companies (NAMIC). The comments were posted to the Working Group web page and distributed to Working Group members, interested regulators, and interested parties on Aug. 5. Bache said the Working Group plans to meet after the Summer National Meeting to allow all comment authors to present their comments and discuss feedback received. Next steps will include proposing initial edits for issues where solutions to the submitted comments are readily evident, and identifying solutions to the larger issues raised, after which a revised framework document will be drafted and circulated for further discussion at a future Working Group meeting.

4. Heard a Presentation from the APCIA on Consumers' Use of AI for Complaints

Lisa Brown, Kristin Abbott (APCIA), and David Snyder (APCIA) presented a summary of an APCIA member survey on consumers' use of artificial intelligence (AI) in complaints and related communications. Brown emphasized that APCIA is not suggesting that complaints or other communications submitted with the assistance of AI should be dismissed or treated as invalid. Rather, the issue is the operational challenges that both companies and regulators face as AI-generated and AI-assisted communications become more prevalent. She said members first raised the issue in the prior year, and the concern has been increasing, and she framed the presentation as the beginning of an ongoing dialogue among regulators, industry, and consumer representatives.

Abbott walked through the survey results, which reflect aggregated, anonymized, and largely anecdotal observations from claims, legal, compliance, customer service, and complaint-handling teams across a diverse group of P/C companies. She said 86% of respondents reported at least some operational impact—approximately 43% describing significant impacts and 43% describing moderate impacts, while 14% reported minimal or no observable impact. AI-assisted activity was most frequently observed in claims disputes, total-loss valuations, regulatory complaints, settlement demands, appeals, and complaint rebuttals. Abbott said such communications tend to be longer, highly structured, and professionally written, often citing statutes, regulations, or case law—sometimes inaccurate, outdated, or out of jurisdiction—requiring additional review and verification, though some respondents noted AI can help consumers present concerns in a more organized and less emotional way.

Snyder suggested questions for future dialogue among regulators, industry, and consumer representatives, including whether regulators are seeing similar trends, whether current complaint-handling timelines remain appropriate, how to address repetitive follow-up submissions after an issue has been resolved, what qualifies as new information requiring a response, how AI agents should be authenticated and authorized, how to prevent fraudulent manipulation of consumer and service processes, what metrics should be tracked, and how to balance efficient resolution with consumer access to AI tools.

Director Nelson noted that the trend is not insurance-specific and is being observed across other state agencies and regulated industries. Commissioner Gaines described the challenge of tracking and responding to multiple follow-up

submissions on closed complaints when the complainants bypass the state complaint portals and send the complaint directly to the department or the governor's office. Commissioner Gaines and Commissioner Clark both said their departments post disclaimers on their website that the complainant must verify the accuracy of any AI-generated content. They noted that the AI-generated content often cites statutes or authorities that are inapplicable or nonexistent.

Stevens said the Wyoming Insurance Department scrubs complaints and suggested the NAIC explore technology in complaint-capture systems, such as State Based Systems (SBS) and Sircon, to help address AI-generated complaints. Gendron said that responding to an AI-assisted complaint is similar to responding to a traditional complaint. Director Gillespie said there are self-styled "advocates" who also drive this trend. Commissioner Gaines agreed and noted that if a complainant inputs a hostile tone into the AI engine, the AI engine will adopt the same hostile tone. Director Nelson suggested training on handling and de-escalating issues. Commissioner Harris cautioned that complaints should not be automatically dismissed simply because they appear AI-generated, emphasizing that a consumer remains behind each complaint. Director Gillespie asked whether the topic warranted inclusion in the Market Conduct Regulation Modernization (D) Working Group's training and workforce development sessions. Members indicated it may be premature to solidify recommendations, but that it could be revisited in the future.

Amy Bach (United Policyholders) said that while AI presents challenges in its manifestations, many of the problems consumers report stem from practices some insurers have adopted, such as claim-handling changes and reductions in coverage. She said that to the extent AI helps consumers make their voices heard and call attention to patterns, it can be a positive development, and she encouraged regulators to use tools to identify obvious inaccuracies while recognizing that these communications are important sources of information. She urged regulators to be clear with consumers about the limits of their authority to adjudicate disputes, but not to adopt hardline rules that decline to process a complaint merely because AI signals are present. Director Gillespie agreed that the underlying complaint should be addressed and noted the difficulty of identifying the actual complaint when submissions contain numerous references to statutes or obligations that do not exist, suggesting an opportunity for further dialogue with industry and consumer representatives on how to help consumers file effective complaints.

Peter Kochenburger (Southern University Law School) said he appreciated the APCIA presentation and its suggestion to include consumer representatives in the work. He noted that verifying the accuracy of communications has always been part of the insurers' responsibility to provide clear and accurate communications to policyholders, and he observed that insurers are increasingly using AI in multiple areas, including claims, raising the question of what tests for accuracy apply to AI-generated or AI-assisted responses on both sides. Director Gillespie agreed that the issue is not AI itself but how it is used and the accuracy of the resulting information, noting that regulators are also beginning to consider how AI can help analyze incoming data.

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

Director Gillespie noted that adoption of the Producer Licensing (D) Task Force report includes the adoption of a new charge to develop a Uniform Appointment Termination for Cause Form and the formation of an ad hoc subgroup to prepare an initial draft of the form for the Task Force's review.

Commissioner Gaines made a motion, seconded by Director Carpenter, to adopt the reports of the following task forces and working groups: 1) Antifraud (D) Task Force (Attachment xxx); 2) Producer Licensing (D) Task Force (Attachment xxx); 3) Advisory Organization (D) Working Group; 4) Market Actions (D) Working Group; 5) Market Analysis Procedures (D) Working Group (Attachment xxx); 6) Market Conduct Annual Statement Blanks (D) Working Group (Attachment xxx); 7) Market Conduct Examination Guidelines (D) Working Group (Attachment xxx); 8) Market Conduct Regulation Modernization (D) Working Group (Attachment xxx); 9) Market Information Systems (D) Working Group; 10) Market Regulation Certification (D) Working Group (Attachment xxx); 11) Pharmacy Benefit Management (D) Working Group (Attachment xxx); and the 12) Speed to Market (D) Working Group (Attachment xxx). The motion passed unanimously.

Draft Pending Adoption

6. Received an Update from the Big Data and Artificial Intelligence (H) Working Group on the AI Risk Evaluation Supplement

Block, co-vice chair of the Big Data and Artificial Intelligence (H) Working Group, provided an update on the AI Risk Evaluation Supplement, formerly known as the AI Systems Evaluation Tool. She said the name was changed to address feedback and confusion caused by the word "tool," which had implied that AI was used to create the resource. Block said the supplement is designed to complement existing examinations and other processes by providing AI-specific guidance and resources for regulating insurers' use of AI.

Block said the pilot officially started in March and involves 12 states: California, Colorado, Connecticut, Florida, Iowa, Louisiana, Maryland, Pennsylvania, Rhode Island, Vermont, Virginia, and Wisconsin. The pilot began with training and has transitioned to weekly meetings to share what each state is hearing from pilot participants. She said common themes that have emerged include the need to update or clarify the definitions of AI systems and models, materiality, and risk assessment, as well as the inclusion of generalized linear models (GLMs) in the scope and the use of the term "direct impact." Block said the Working Group is not yet ready to discuss the specific updates but will make changes to address the feedback received. She said the goal is to provide a copy of the updated supplement on the Big Data and Artificial Intelligence (H) Working Group's virtual open meeting agenda for Aug. 31, where the changes will be explained and initial clarifying questions taken, with feedback continuing to be accepted beyond that call so that input from the pilot can be leveraged.

Having no further business, the Market Regulation and Consumer Affairs (D) Committee adjourned.

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Draft: 10/22/2026

Adopted by the Executive (EX) Committee and Plenary, Dec. XX, 2026
Adopted by the Market Regulation and Consumer Affairs (D) Committee, Nov. XX, 2026
Adopted by the Market Conduct Regulation Modernization (D) Working Group, Nov. XX, 2026

MARKET CONDUCT REGULATION MODERNIZATION RECOMMENDATIONS

MODERNIZATION PURPOSE AND CHARGES

The NAIC Membership began the Market Conduct Regulation Modernization initiative to assess whether the current market conduct regulatory framework is keeping pace with changing markets, business models, and consumer expectations. In addition, the NAIC Membership recognized market conduct regulation has largely evolved through incremental updates rather than a comprehensive review. To advance the modernization priority of the NAIC members, the Market Regulation and Consumer Affairs (D) Committee appointed the Market Conduct Regulation Modernization (D) Working Group at the 2026 Spring National Meeting.

- Charge 1 – Assess the Framework: Assess with input from NAIC members and interested stakeholders the current state of the market conduct regulatory framework and the need for changes in response to changing markets, business models, and consumer expectations.
- Charge 2 – Recommend Modernization: Provide recommendations for the improvement and modernization of the market conduct regulatory framework.

ASSESSMENT PROCESS

Timing	Focus
March **NAIC National Meeting**	• Public Discussion of Market Conduct Regulation Modernization • Adopt Charges and Appoint Market Conduct Regulation Modernization (D) Working Group
April	• Regulator Discussions • Market Conduct Data Collection, NAIC Resources, and Analytical Tools • Market Conduct Annual Statement (MCAS), Market Information Systems, Data Validation, Data Filing Frequency, Analytics, Multistate Information Sharing
May, June, July	• Interested-Party Listening Sessions: Property/Casualty, Health, Life, Insurtech, Specialty Lines, Consumers
July and August	• Regulator Discussions • Interstate Collaboration and Market Regulation Handbook Review • Interstate Coordination, Examination Consistency, Market Regulation Handbook Modernization
August **NAIC National Meeting**	• Public Update on Regulator Discussions • Third Party Oversight • Integration of Financial and Market Conduct Data

© 2026 National Association of Insurance Commissioners

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Timing	Focus
September	• Regulator Discussions • Training and Workforce Development • Workforce Capabilities and Training Needs to Support Modernized Framework
September **NAIC Insurance Summit**	• Presentation on Modernization Efforts: Modernization Priorities, Input from Listening Sessions, Discussion of Common Themes
October	• NAIC Member Engagement on Modernization Priorities and Future Market Conduct Framework
November	• Regulator and Interested Party Review of Draft Recommendations
November **NAIC National Meeting**	• Consider Adoption of Draft Recommendations • Advance from Assessment to Design and Prioritization

Summary of Regulator Assessment: Focus on Data, Analytics, and Coordination

On regulator-to-regulator calls held April 22 and April 30, the Working Group provided their perspectives on the Market Conduct Annual Statement (MCAS), NAIC Market Information Systems, and analytical tools available for analysis. The Working Group discussed processes that work well and identified areas where improvements may be made. Regulators highlighted the following opportunities.

- Enhance MCAS Validation Process: Consistent validation and feedback process among states, NAIC staff, and filers to catch recurring errors and build confidence in the data.
- Rebalance the Filing Cadence: The current all-at-once submission schedule limits timely oversight; regulators favor a more phased, targeted approach to data collection (e.g., quarterly reporting).
- Replace Duplicative Workarounds: Some states have built their own prioritization tools to make raw MCAS data usable.
- Refine MCAS Data Scope by Line: Focus collection on the lines and data elements with the greatest regulatory value and reevaluate lines like health that do not offer the value needed.
- Market Conduct & Financial Data: Better align market conduct indicators with financial analysis (e.g., through Market Analysis Prioritization Tool - MAPT) for a complete view of insurer risk.
- Regular Cross-State Forums: Recurring, structured opportunities to exchange analytic findings and emerging market trends across jurisdictions.

Summary of Industry Assessment: Focus on Consistency, Data, and Proportionate Enforcement

From May through July, the Working Group held three listening sessions with property/casualty, health, life/Insurtech/specialty, and received written comments from American Council of Life Insurers (ACLI), America's Health Insurance Plans (AHIP), American Property Casualty Insurance Association (APCIA), Blue Cross Blue Shield Association (BCBSA), Insured Retirement Institute (IRI), National Association of Mutual Insurance Companies (NAMIC), and Verisk/Insurance Services Office (ISO). Industry highlighted the following opportunities.

- Standardize Data & Definitions: One national data model, shared templates, and more consistent terms (e.g., "confirmed complaint" and "denial").
- Risk-Based, Handbook-Driven Exams: Scope exams to risk indicators, apply the NAIC *Market Regulation Handbook* consistently, and minimize variation on approaches used by contract examiners.
- Greater Regulator Transparency: Share the reasoning behind exams and complaint decisions.

© 2026 National Association of Insurance Commissioners

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

- "One-Ask" Interstate Collaboration: A single lead-state request, shared templates, and recognition of remediation already completed in other jurisdictions.
- Proportionate Enforcement: Tiered corrective actions, assess regulator use of self-reporting, and set realistic timelines for remediation.
- Practical Third-Party Oversight: Focus on insurer governance/outcomes and oversight of Third-Party Administrators.

Summary of Consumer Assessment: Focus on Faster Analysis and Greater Transparency

On July 7, the Working Group held a listening session with NAIC Consumer Liaison Representatives. The NAIC Consumer Liaison Representative highlighted the following opportunities.

- Modern Data Infrastructure: Move toward data-lake style collection with direct, automated insurer uploads and standardized APIs — reducing reliance on PDFs and spreadsheets.
- Public, Company-Level Metrics: Publish claim-settlement times, denial rates, and complaint outcomes at the company level so consumers can compare insurers.
- National Exam Findings Portal: A searchable public repository of closed market conduct exam reports, modeled on state examples like Oregon's public disclosures.
- Oversight of AI & Telematics: Closer scrutiny of insurers' and vendors' use of consumer data through connected devices and automated decision tools.
- Faster, More Transparent Claims Review: Reduce the 18- to 20-month lag before MCAS data informs action and provided consumers greater visibility into data analysis, such as claims handling.
- A Structural, Not Just Incremental, Look: Address root gaps in consumer protection — resourcing, enforcement speed, and researcher access to data.

<u>Feedback Summary: Six Common Threads</u>

Across the discussions that took place in 2026, the following six themes were consistently raised by regulators, industry, and consumer advocates.

- Data Quality & Consistency of Definitions
- Enhanced Analytics & Modern Tools
- Integrated Analysis with Financial Data
- Communication & Transparency of Expectations
- Examination Consistency
- Confidentiality & Public Access to Data

STRATEGIC VISION: RISK-BASED MARKET CONDUCT REGULATION

The strategic vision establishes a long-term direction for modernization to a proactive, risk-based market conduct regulatory framework that supports consistent, coordinated oversight and stronger consumer protection as insurance markets, business models, and consumer expectations evolve. This vision centers on equipping NAIC Members with timely, trustworthy data and modern analytical tools to identify emerging risks and inform regulatory action. The strategic vision also calls for stronger interstate collaboration through shared definitions, common tools, and a lead state decision framework for multistate action. Finally, there is a recognition for the potential of expanded public reporting that gives consumers clearer, more useful insights into market conduct issues.

© 2026 National Association of Insurance Commissioners

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

RECOMMENDATIONS

Recommendation	Summary
Market Conduct Data and Related Systems & Tools	Enable regular, predictive analytics on market conduct through better data, timelier submissions, and modernized NAIC tools (MCAS, MIS Systems), including the development of a national complaint portal.
Market Conduct Standardization and Multistate Collaboration	Strengthen consistency and coordination across jurisdictions for national and regional companies, while respecting each state's unique market.
Opportunities for Additional Consumer Support	Expand public reporting, including the exploration of developing a consumer facing producer look-up portal.
Additional or Enhanced NAIC Support	Provide additional or enhanced NAIC support to achieve the objectives of Recommendations 1–3, including modernizing MAPT, the Market Analysis Review System (MARS), Level 1 and Level 2 analysis reviews, and better integration of financial data into market conduct analysis.

Recommendation 1: Assess and Update Market Conduct Data and Related Systems & Tools

Enable regulators to conduct regular analytics on current market conduct by providing data and tools/services that enable trend identification and predictive analyses outside of examinations.

Stakeholder Observations

- *Suboptimal timeliness of data, both as submitted and as made available to regulators.*
- *Comprehensive update of data elements needed.*
- *Need for improved data validation to ensure accuracy.*
- *Reduce variation among states by enhancing common definitions and use of FAQs.*
- *Improvements needed to the functionality of MCAS and Market Information Systems (MIS).*
- *Potential for new tools to better support the objective.*
- *Desire for a common complaint portal for use by all jurisdictions.*

Recommended Actions

A. Modernize Data Collection

1. Reassess the frequency of data submission and timeframe of data availability to regulators.
2. Strengthen validation methods for enhanced data accuracy.
3. Expand data definitions, FAQs, and training to improve consistency of data collection across jurisdictions.
4. Update data elements to reflect new business models (e.g., 2026 Homeowners Market Data Call).

© 2026 National Association of Insurance Commissioners

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

B. Modernize NAIC Tools & Systems

1. Identify barriers to consistent state use of Market Information Systems (Market Conduct Annual Statement, Market Analysis Review System, Market Action Tracking System, Regulatory Information Retrieval System, Complaint Database System, ATS, RIRS, CDS).
2. Develop modernized, more automated data collection from state back-office systems and websites.
3. Establish standards for timely, reliable, and comparable information for market conduct oversight.
4. Set modernization priorities for data integration, visualization, and search functionality.
5. Develop a prototype national complaint portal for companies and regulators.

Recommendation 2: Enhance Market Conduct Standardization and Multistate Collaboration

Enhance market regulation standardization and collaboration across jurisdictions to better support regulation of national and regional companies, while recognizing unique aspects of individual markets.

Stakeholder Observations

- *Inconsistencies in approaches across jurisdictions, separate from broader state policy, that contribute to additional cost of regulation.*
- *Suboptimal coordination across jurisdictions to address issues affecting multiple jurisdictions (e.g., claims payment practices).*
- *Lack of an agreed upon decision process for operational aspects of multistate actions (e.g., identifying leads, resources, scope, and triggers), resulting in lengthy examination timeframes and often suboptimal results.*

Recommended Actions

A. Formalize Multistate Collaboration

1. Establish a process for shared analytics prior to, or in lieu of, examinations.
2. Identify ways to ensure consistency in communications throughout the examination process.
3. Build a decision matrix for lead-state designation, factoring in the role of NAIC Zones, aspects of the financial regulation process, and the role of MAWG.
4. Assess the need for a Model Act or other framework to support more formalized collaboration.

B. Strengthen Handbook & Oversight Consistency

1. Update the NAIC *Market Regulation Handbook* to clarify the process, encourage consistency, and better equip regulators to address risks associated with current business models and products (e.g., revised ratios and new exam templates).
2. Clarify definitions, terms, and guidance through FAQs and training modules.
3. Expand collaboration with financial regulation through shared datasets/analytics and coordination between FAWG and MAWG.
4. Identify ways to improve consistency in oversight of contract examiners.

© 2026 National Association of Insurance Commissioners

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Recommendation 3: Identify Opportunities for Additional Consumer Support

Strengthen consumer support by identifying opportunities to expand consumer-facing reports and coordination as part of market conduct modernization.

Stakeholder Observations

- *Consumers would benefit from clearer, more accessible public information regarding market conduct trends and state regulatory actions.*
- *Existing public reports and tools could be enhanced to support consumers' understanding of the insurance marketplace.*
- *Additional coordination will be needed across NAIC Committees and state insurance regulatory experts to ensure NAIC consumer-facing tools are accurate, reliable, and useful.*

Recommended Actions

A. Expand Public Reports and Consumer Engagement

1. Working with NAIC Consumer Liaisons Representatives, determine additional public reports, beyond existing MCAS summaries, that give consumers clearer insight into market conduct trends, complaint outcomes, and consumer protection concerns.
2. Collaborate with the NAIC Consumer Board of Trustees to support efforts to broaden Consumer Liaison engagement opportunities.
3. Leverage the expertise and feedback of state consumer affairs staff, public information officers, and the producer community to better understand consumers' concerns and information gaps.

B. Explore the development of a Producer Look-Up Portal

1. Evaluate whether to develop a producer look-up portal to provide consumers a reliable way to verify producer licensing status and history.

Recommendation 4: Identify Areas for Additional or Enhanced NAIC Support to Achieve the Objectives of Recommendations 1–3

Provide support to jurisdictions and to the development and operation of multistate collaboration, as needed, including transition of ongoing services.

Stakeholder Observations

- *There is significant variation among jurisdictions in market conduct regulatory resources.*
- *There are economies of scale to providing a single tool (e.g., a portal) for use by industry and regulators in certain circumstances.*

Recommended Actions

A. Modernize Tools and Resources

1. Review the use and design of MAPT, MARS Level 1 and Level 2 reviews to consistently identify potential consumer protection concerns and support consistent market analysis.
2. Assess regulator workflows and the use of NAIC data in daily regulatory functions and modernize NAIC analytical tools to better support state oversight.
3. Enhance the Market Regulation Handbook by making it more interactive and easier to navigate for everyday use.

© 2026 National Association of Insurance Commissioners

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

B. Broaden Analytical Integration

1. Evaluate how financial data and information can be further incorporated into market conduct analysis to provide a more complete view of insurer risk, operations, and market behavior.
2. Coordinate enhancements to NAIC support and systems with the NAIC budget process, as appropriate.

© 2026 National Association of Insurance Commissioners

Draft: 10/22/26

Adopted by the Executive (EX) Committee and Plenary, XX, 2026
Adopted by the Market Regulation and Consumer Affairs (D) Committee, XX, 2026

2027 Proposed Charges

MARKET CONDUCT REGULATION MODERNIZATION (D) TASK FORCE

The mission of the Market Conduct Regulation Modernization (D) Task Force is to implement and monitor the Market Conduct Regulation Modernization recommendations for the improvement and modernization of the market conduct regulatory framework in response to changing markets, business models, and consumer expectations. The Task Force will also work with NAIC Consumer Liaisons, the NAIC Consumer Board of Trustees, state consumer affairs staff, public information officers, and industry to improve transparency, engagement, and resources that help consumers understand the insurance marketplace.

1. The **Data Elements and Collection (D) Working Group** will:
   A. Develop a plan for improvements to market conduct data collection to enable use by regulators in proactive analysis and action and to enhance consistency across jurisdictions. The plan should address i) frequency of data submission; ii) improvements to NAIC timeframe to make data available for use by regulators; iii) methods for enhanced validation capability; iv) an expanded set of data definitions, FAQs, training, or other tools to improve consistency across jurisdictions; and v) an updated set of data elements reflecting new business models and operational patterns.
   B. Consider whether existing MCAS data elements should be retained, removed, or expanded. Review the collection of Principle-Based Reserving data and the 2026 Homeowners Market Data Call for guidance on potential data collection approaches.
   C. Develop a plan to update and enhance NAIC tools and processes to support improvements and/or the replacement of current tools (e.g., Market Conduct Annual Statement, Market Analysis Review System, etc). The plan should include the following: i) identification of barriers to consistent state use of NAIC Market Information Systems; ii) development of modernized data collection methods, including opportunities for more automated collection from state back-office systems and websites; iii) a review of data definitions and establishment of standards for timely submission practices to ensure regulators receive reliable, consistent, and comparable information for market conduct oversight and iv) development of NAIC Market Information Systems modernization priorities to integrate data sources, improve data visualizations, and strengthen search functionality to support more proactive, risk-based market conduct oversight.
   D. Develop guidance on the appropriate use of the NAIC Market Information Systems (MIS) and the data entered in them and establish MIS modernization priorities. This includes the following systems: i) Complaints Database System; ii) Market Actions Tracking System; iii) Regulatory Information Retrieval System; and iv) the 1033 State Decision Repository, in conjunction with the Antifraud (D) Task Force and the Producer Licensing (D) Task Force.
   E. Evaluate the need for a national complaint portal and, as appropriate, develop the portal for use by companies and regulators in reporting complaints and related activities.
   F. Coordinate with Anti-Fraud Task Force, Producer Licensing (D) Task Force, and other relevant groups (e.g., state PIOs, and NIPR) to evaluate the need for a producer look-up portal and, as appropriate, develop a portal to improve consumer access to reliable producer licensing and regulatory action information.

© 2026 National Association of Insurance Commissioners

2. The **Multistate Collaboration (D) Working Group** will:
   A. Identify enhancements to formalized multistate collaboration. This could include the following: i) a process for shared analytics prior to, or in lieu of, examinations; ii) a decision matrix for lead state designation for multi-state action, considering role of Zones, aspects of the Financial Regulation process that may be appropriate, and the role of MAWG; and/or iii) the need for an NAIC Model Act or other framework to support more formalized collaboration.
   B. Identify NAIC *Market Regulation Handbook* enhancements to support more standardization in market conduct regulation, including i) updates to reflect current industry business models and products (e.g., revised MCAS ratios); and ii) clarified definitions, terms and improved guidance to drive consistency (e.g., FAQs, training modules).
   C. Identify areas for enhanced collaboration with financial regulation, including: i) shared datasets and analytics; and ii) coordination between FAWG and MAWG.
   D. Identify ways to collaborate or improve consistency in oversight of contract examiners.
   E. Evaluate the effectiveness and usefulness of public and non-public MCAS ratios and recommend revisions for public reporting, as appropriate.

3. The **Data Analytics (D) Working Group** will:
   A. Review the use and design of the Market Analysis Prioritization Tool (MAPT), Market Analysis Review System (MARS), Level 1/Level 2 reviews and any other tools used for market analysis and develop a plan to ensure they proactively identify potential consumer protection concerns and support consistent market conduct analysis.
   B. Evaluate how financial data and information can be more effectively incorporated into market conduct analysis to provide regulators with a more complete view of insurer risk, operations, and market behavior and improve recommendations. Oversee training on incorporating financial data in market analysis.
   C. Assess regulator workflows and the use of NAIC MIS data in daily regulatory functions and modernize NAIC analytical tools to better support state market conduct oversight.

© 2026 National Association of Insurance Commissioners

Draft: 10/13/26

Adopted by the Executive (EX) Committee and Plenary, XX, 2026
Adopted by the Market Regulation and Consumer Affairs (D) Committee, XX, 2026

2027 Proposed Charges

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE

The mission of the Market Regulation and Consumer Affairs (D) Committee is to monitor all aspects of the market regulatory process for continuous improvement. This includes market analysis, regulatory interventions with companies, and multi-jurisdictional collaboration. The Committee will also review and make recommendations regarding the underwriting and market practices of insurers and producers, as those practices affect insurance consumers, including the availability and affordability of insurance.

Ongoing Support of NAIC Programs, Products, or Services

1. The **Market Regulation and Consumer Affairs (D) Committee** will:
   A. Monitor the centralized collection and storage of market conduct data, national analysis, and reporting at the NAIC, including issues regarding the public availability of data.
   B. Monitor and assess the current process for multi-jurisdictional market conduct activities, and provide appropriate recommendations for enhancement, as necessary.
   C. Oversee the activities of the Antifraud (D) Task Force.
   D. Oversee the activities of the Market Conduct Regulatory Modernization (D) Task Force.
   E. Oversee the activities of the Producer Licensing (D) Task Force.
   F. Monitor the underwriting and market practices of insurers and producers, as well as the conditions of insurance marketplaces, including urban markets, to identify specific market conduct issues of importance and concern. Hold public hearings on these issues at the NAIC national meetings, as appropriate.
   G. In collaboration with other technical working groups, discuss and share best practices through public forums to address broad consumer concerns regarding personal insurance products.
   H. Coordinate with the International Insurance Relations (G) Committee to develop input and submit comments to the International Association of Insurance Supervisors (IAIS) and/or other related groups on issues regarding market regulation concepts.
   I. Coordinate with the Health Insurance and Managed Care (B) Committee to provide policy recommendations regarding uniform state enforcement of the federal Affordable Care Act (ACA).

2. The **Advisory Organization (D) Working Group** will:
   A. Revise the protocols, as necessary, for the examination of national or multistate advisory organizations (including rating organizations and statistical agents) to be more comprehensive and efficient. Solicit input and collaboration from other interested and affected committees and task forces.
   B. Monitor the data reporting and data collection processes of advisory organizations (including rating organizations and statistical agents) to determine if they are implementing appropriate measures to ensure data quality. Report the results of this ongoing charge, as needed.
   C. Actively assist with and coordinate multistate examinations of advisory organizations (including rating organizations and statistical agents).
   D. Monitor the Third-Party Data and Models (H) Working Group in development of a third-party data and model vendor regulatory framework. Coordinate when the regulatory framework for advisory organizations should be consistent.

© 2026 National Association of Insurance Commissioners

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE *(Continued)*

3. The **Market Actions (D) Working Group** will:
   A. Facilitate interstate communication, and coordinate collaborative state regulatory actions.
   B. Facilitate interstate communication, and coordinate collaborative state regulatory activities involving nontraditional market actions through the Coordinated Market Investigation Subgroup.

4. The **Market Conduct Annual Statement Blanks (D) Working Group** will:
   A. Monitor and support the collection of MCAS data through the current MCAS blanks.
   B. Coordinate with the Data Collection (D) Working Group in developing and implementing recommendations adopted by the Data Collection (D) Working Gorup as they relate to MCAS Blanks.

5. The **Market Regulatory Actions (D) Working Group** will:
   A. Monitor the adoption and revision of NAIC models and develop market conduct examination standards to correspond with adopted NAIC models.
   B. Coordinate with the Innovation, Cybersecurity, and Technology (H) Committee to develop market conduct examiner guidance for the oversight of regulated entities' use of insurance and non-insurance consumer data and models using algorithms and artificial intelligence (AI).

6. The **Market Information Systems (D) Working Group** will:
   A. Provide maintenance and support on the use of current data for the following: i) Complaints Database System (CDS); ii) Electronic Forums; iii) Market Actions Tracking System (MATS); iv) Market Analysis Profile; v) Market Analysis Prioritization Tool (MAPT); vi) Market Analysis Review System (MARS); vii) Market Conduct Annual Statement (MCAS); viii) Regulatory Information Retrieval System (RIRS); and ix) 1033 State Decision Repository (SDR1033), in conjunction with the Antifraud (D) Task Force and Producer Licensing (D) Task Force.

7. The **Market Regulation Certification (D) Working Group** will:
   A. Implement the Voluntary Market Regulation Certification Program by: i) provisionally certifying each jurisdiction that submits a self-certification report; ii) assessing the submission and monitoring the progress of each provisionally certified jurisdiction towards compliance to each certification standard; and iii) providing peer review and guidance for any participating jurisdiction that requests guidance.
   B. Develop a mechanism for enabling participating jurisdictions to apply for full certification. This will include: i) forming an NAIC review team; and ii) developing methods for assessing and auditing full-certification requests. (**Charge B on Hold**)
   C. Review feedback from jurisdictions concerning any issues or recommended changes to the Voluntary Market Regulation Certification Program requirements and the *Voluntary Market Regulation Certification Program Self-Assessment Guidelines and Checklist Tool.*
   D. Consider new standards to be incorporated into the Voluntary Market Regulation Certification Program.

8. The **Speed to Market (D) Working Group** will:
   A. Discuss and oversee the implementation and ongoing maintenance/enhancement of speed-to-market operational efficiencies related to product filing needs, efficiencies, and effective consumer protection. This includes the following activities:
   B. Provide a forum to gather information from the states and the industry regarding tools, policies, and resolutions to assist with common filing issues. Provide oversight in evaluating product filing efficiency issues for state insurance regulators and the industry, particularly regarding uniformity.
   C. Use SERFF data to develop, refine, implement, collect, and distribute common filing metrics that provide a tool to measure the success of the speed-to-market modernization efforts, as measured by nationwide

© 2026 National Association of Insurance Commissioners

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE *(Continued)*

and individual state speed-to-market compliance, with an emphasis on monitoring state regulatory and insurer responsibilities for speed to market for insurance products.

D. Facilitate proposed changes to the product coding matrices (PCMs) and the uniform transmittal document (UTD) on an annual basis, including the review, approval, and notification of changes. Monitor, assist with, and report on state implementation of any PCM changes.
E. Facilitate the review and revision of the *Product Filing Review Handbook*, which contains an overview of all the operational efficiency tools and describes best practices for industry filers and state reviewers regarding the rate and form filing and review process.
F. Provide feedback to NAIC staff regarding SERFF functionality, implementation, development, and enhancements. Receive periodic reports from NAIC staff, as needed.
G. Conduct the following activities, as desired, by the Interstate Insurance Product Regulation Commission (Compact): i) Provide support to the Compact as the speed-to-market vehicle for asset-based insurance products, encouraging state participation in, and the industry's usage of, the Compact; and ii) Receive periodic reports from the Compact, as needed.

NAIC Committee Support: Tim Mullen/Randy Helder

© 2026 National Association of Insurance Commissioners

Draft: 10/25/26
Adopted by the Executive (EX) Committee and Plenary, XX, 2026
Adopted by the Market Regulation and Consumer Affairs (D) Committee, XX, 2026
Adopted by the Antifraud (D) Task Force, Nov. 2, 2026

2027 Proposed Charges

ANTIFRAUD (D) TASK FORCE

The mission of the Antifraud (D) Task Force is to serve the public interest by assisting the state insurance supervisory officials, individually and collectively, through the detection, monitoring, and appropriate referral for the investigation of insurance crime, both by and against consumers. The Task Force will assist the insurance regulatory community by conducting the following activities: 1) maintaining and improving electronic databases regarding fraudulent insurance activities; 2) disseminating the results of research and analysis of insurance fraud trends, as well as case-specific analysis, to the insurance regulatory community; and 3) providing a liaison function between state insurance regulators, law enforcement—i.e., federal, state, local, and international—and other specific antifraud organizations. The Task Force will also serve as a liaison to the NAIC Information Technology Group (ITG) and other NAIC committees, task forces, and/or working groups to develop technological solutions for data collection and information sharing. The Task Force will monitor all aspects of antifraud activities by its working groups on the following charges.

Ongoing Support of NAIC Programs, Products, or Services

1. The **Antifraud (D) Task Force** will:
   A. Work with NAIC committees, task forces, and working groups (e.g., Title Insurance (C) Working Group Force, etc.) to review issues and concerns regarding fraud activities and schemes related to insurance fraud.
   B. Coordinate efforts to address national concerns about agent fraud and activities of unauthorized agents related to insurance sales.
   C. Coordinate the enforcement and investigation efforts of state and federal securities regulators with state insurance fraud bureaus.
   D. Coordinate with state, federal, and international law enforcement agencies in addressing antifraud issues regarding the insurance industry.
   E. Review and provide comments to the International Association of Insurance Supervisors (IAIS) on its Insurance Core Principles (ICPs) regarding insurance fraud.
   F. Coordinate activities and information from national antifraud organizations, and provide information to state insurance fraud bureaus.
   G. Coordinate activities and information with state and federal fraud divisions to determine guidelines that will assist with reciprocal involvement concerning antifraud issues resulting from natural disasters and catastrophes.
   H. Coordinate efforts with the insurance industry to address antifraud issues and concerns.
   I. Evaluate and recommend methods to track national fraud trends.
   J. Develop seminars, trainings, and webinars regarding insurance fraud.

ANTIFRAUD (D) TASK FORCE (*Continued*)

2. The **Antifraud Technology (D) Working Group** will:
   A. Work with the NAIC to identify and refine business requirements for the further development and maintenance of the NAIC Antifraud Plan Repository to be used by insurers to create and store an electronic fraud plan for distribution among the states/jurisdictions.
   B. Evaluate sources of antifraud data, and propose methods for enhancing the utilization and exchange of information among state insurance regulators, fraud investigative divisions, law enforcement officials, insurers, and antifraud organizations.
   C. Work with the NAIC and other vendors to enhance the effectiveness and usefulness of the NAIC Online Fraud Reporting System (OFRS).
   D. Work with NAIC committee support and the National Insurance Crime Bureau (NICB) to review and recommend updates to fraud scheme and insurance type categories in the NAIC OFRS to simplify reporting and improve the quality of suspected insurance fraud data submitted to state insurance regulators. Submit recommended updates to the Antifraud (D) Task Force for consideration, and coordinate implementation following approval. Complete implementation by the second quarter of 2027.

3. The **Improper Marketing of Health Insurance (D) Working Group** will:
   A. Coordinate with state insurance regulators, both on a state and federal level, to provide assistance and guidance in monitoring the improper marketing of health plans and coordinate appropriate enforcement actions, as needed, with other NAIC committees, task forces, and working groups.
   B. Review existing NAIC models and guidelines that address advertising of health insurance products, including Medicare supplement insurance, and identify models and guidelines that may warrant updating or development to address current marketplace activities.

NAIC Support Staff: Greg Welker/Tim Mullen

Draft: 10/13/26

Adopted by the Executive (EX) Committee and Plenary, XX, 2026
Adopted by the Market Regulation and Consumer Affairs (D) Committee, XX, 2026
Adopted by the Producer Licensing (D) Task Force, Oct. XX, 2026

2027 Proposed Charges

PRODUCER LICENSING (D) TASK FORCE

The mission of the Producer Licensing (D) Task Force is to: 1) develop and implement uniform license applications, standards, interpretations, and treatment of producer and adjuster licensees and licensing terminology; 2) monitor and respond to developments related to licensing reciprocity; 3) coordinate with industry and consumer groups regarding priorities for licensing reforms; and 4) provide direction based on NAIC membership initiatives to the National Insurance Producer Registry (NIPR) Board of Directors regarding the development and implementation of uniform producer licensing initiatives, with a primary emphasis on encouraging the use of electronic technology.

Ongoing Support of NAIC Programs, Products, or Services

1. The **Producer Licensing (D) Task Force** will:
   A. Work closely with the National Insurance Producer Registry (NIPR) to encourage the full utilization of NIPR products and services by all states and producers, and encourage accurate and timely reporting of state administrative actions to the NAIC's Regulatory Information Retrieval System (RIRS) to ensure that this data is properly reflected in the State Producer Licensing Database (SPLD) and the Producer Database (PDB).
   B. Facilitate roundtable discussions, as needed, with state producer licensing directors to exchange views, opinions, and ideas on producer licensing activities in states and at the NAIC.
   C. Discuss, as needed, state perspectives regarding the regulation and benefit of the activities of the federal Affordable Care Act (ACA), established enrollment assisters (including navigators and non-navigator assisters and certified application counselors), and the activities of producers in assisting individuals and businesses purchasing in the health insurance marketplaces. Coordinate with the Health Insurance and Managed Care (B) Committee and the Antifraud (D) Task Force, as needed.
   D. Monitor the activities of the National Association of Registered Agents and Brokers (NARAB) in the development and enforcement of the NARAB membership rules, including the criteria for successfully passing a background check.
   E. Coordinate through NAIC committee support to provide guidance to NIPR on producer licensing-related electronic initiatives. Hear a report from NIPR at each national meeting.
   F. Coordinate with the Market Information Systems (D) Working Group and the Antifraud (D) Task Force to evaluate and make recommendations regarding the entry, retention, and use of data in the NAIC's Market Information Systems (MIS).
   G. Discuss how criminal convictions may affect producer licensing applicants, and review and amend the NAIC's *Guidelines for State Insurance Regulators to the Violent Crime Control and Law Enforcement Act of 1994*, as needed, to create a more simplified and consistent approach for states to use when reviewing 1033 waiver requests.
   H. Promote and monitor the implementation and use of the Uniform Appointment Termination for Cause Form.

PRODUCER LICENSING (D) TASK FORCE (*Continued)*

2. The **Adjuster Licensing (D) Working Group** will:
   A. Monitor state implementation of adjuster licensing and reciprocity, and update the NAIC adjuster licensing standards, as needed.

3. The **Producer Licensing Uniformity (D) Working Group** will:
   A. Work closely with state producer licensing directors and exam vendors to ensure that: 1) states achieve full compliance with the standards in order to achieve greater uniformity; and 2) the exams test the qualifications for an entry-level position as a producer.
   B. Provide oversight and ongoing updates to the *State Licensing Handbook*, as needed.
   C. Monitor and assess the state implementation of the Uniform Licensing Standards (ULS), and update the standards, as needed.
   D. Review and update the NAIC's uniform producer licensing applications and uniform appointment form, as needed. Provide any recommended updates to the Producer Licensing (D) Task Force by the NAIC Summer National Meeting.

4. The **Uniform Education (D) Working Group** will:
   A. Update the reciprocity guidelines, the uniform application forms for continuing education (CE) providers, and the process for state review and approval of instructors and courses, as needed. Provide any recommended updates to the Producer Licensing (D) Task Force by the Fall National Meeting.
   B. Coordinate with NAIC parent committees, task forces, and/or working groups to review and provide recommendations on prelicensing education and CE requirements that are included in NAIC model acts, regulations, and/or standards, as needed.

NAIC Support Staff: Tim Mullen/Greg Welker