OUR MEETING WILL BEGIN SHORTLY

Market Regulation and Consumer Affairs (D) Committee

August 14, 2026

Virtual Attendees

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

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

Connect access or other questions: (816) 783-8961

OUR MEETING WILL BEGIN SHORTLY

Market Regulation and Consumer Affairs (D) Committee

August 14, 2026

In-person Attendees

Wi-Fi Network: NAIC2026

Password (case sensitive): StrongFuture26

AUGUST 11-14

NAIC®

2026 SUMMER NATIONAL MEETING
COLUMBUS, OH

Market Regulation and Consumer Affairs (D) Committee
Roll Call

Director Ann Gillespie, Chair

August 14, 2026

Roll Call

Ann Gillespie, Chair	Illinois
Angela L. Nelson, Vice Chair	Missouri
Heather Carpenter	Alaska
Charles Bassett	Arizona
Jimmy Harris	Arkansas
Trinidad Navarro	Delaware
Karima M. Woods	District of Columbia
Dean L. Cameron	Idaho
Holly W. Lambert	Indiana
Sharon P. Clark	Kentucky
Mike Chaney	Mississippi
Ned Gaines	Nevada
D. J. Bettencourt	New Hampshire
Michael Humphreys	Pennsylvania
Erin K. Hunter	West Virginia

Agenda Item 1

Consider Adoption of its July 27 Minutes

Attachment One

Director Ann Gillespie, Illinois

Agenda Item 2

Receive an Update on Market Conduct Regulation Modernization

Director Ann Gillespie, Illinois

Areas of Exploration

- **April 22** – NAIC Market Conduct Data Collection
- **April 30** – NAIC Market Conduct Analysis Tools
- **May 11** – Listening Session: Property and Casualty
- **May 26** – Listening Session: Health
- **June 9** – Listening Session: Life, Insurtech and Specialty Lines
- **July 7** – Listening Session: Consumer Representatives
- **July 21** – Interstate Collaboration
- **Aug. 4** – Market Regulation Handbook
- **Summer Mtg.** – Third Party Oversight

Areas of Exploration

Sept. 2
Training

Sept. 15
Work Force Development

Oct. 6
Deeper Dive Discussions

Oct. 23
Deeper Dive Discussions

November
Public Distribution Draft Recommendations

NAIC Fall National Meeting
Working Group and D Committee Adoption of Recommendations

Agenda Item 3

Receive an Update on the Development of a Cybersecurity Response Framework

Brett Bache, Rhode Island

Agenda Item 4

Hear a Presentation from APCIA on Consumers' Use of Artificial Intelligence (AI) for Complaints

American Property Casualty Insurance Association

Lisa Brown, Kristen Abbott, and David Snyder

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Consumers’ Use of Artificial Intelligence (AI) for Complaints

Summary of APCIA Member Survey

August 14, 2026

Lisa Brown, Kristin Abbott, Dave Snyder

APCIA Member Observations and Emerging Operational Impacts

- Based on qualitative, aggregated, and anonymized responses from APCIA members.
- Responses represent observations across claims, customer service, compliance, complaint handling, and legal functions.
- Findings are largely anecdotal; lack of current metrics on AI-assisted communications.

Survey Results at a Glance

Observation	Responses
Increase in AI-assisted communications or interactions	86%
At least some operational impact	86%
Increased legal, compliance, or verification burdens	67%
High-Volume AI-assisted follow-up communications	48%
Significant operational impact	43%
AI voice-agent encounters	38%
Formal metrics currently available	5%

Key Findings

- Most responses indicate an increased use of AI by consumers in their communications.
- AI use is most commonly observed in claims disputes, appeals, and regulatory complaints.
- Communications are becoming longer, more complex, and often require additional review.
- Operational impacts vary significantly across companies and lines of business.
- Responses identified both challenges and potential benefits.
- Few insurers currently maintain formal metrics to quantify the trend.

Most Common Consumer AI Use Cases

Area	Frequency
Claims disputes	High
Complaints	High
Appeals/reconsiderations	High
Total Loss Valuation Disputes	High
Settlement Demand Letters	Moderate-High
BBB complaints	Moderate
Privacy requests	Emerging
FNOL submissions	Emerging
Policy-related inquiries	Emerging
AI-assisted negotiation platforms	Emerging
AI review of Certificates of Insurance	Emerging

Characteristics of AI-Assisted Communications

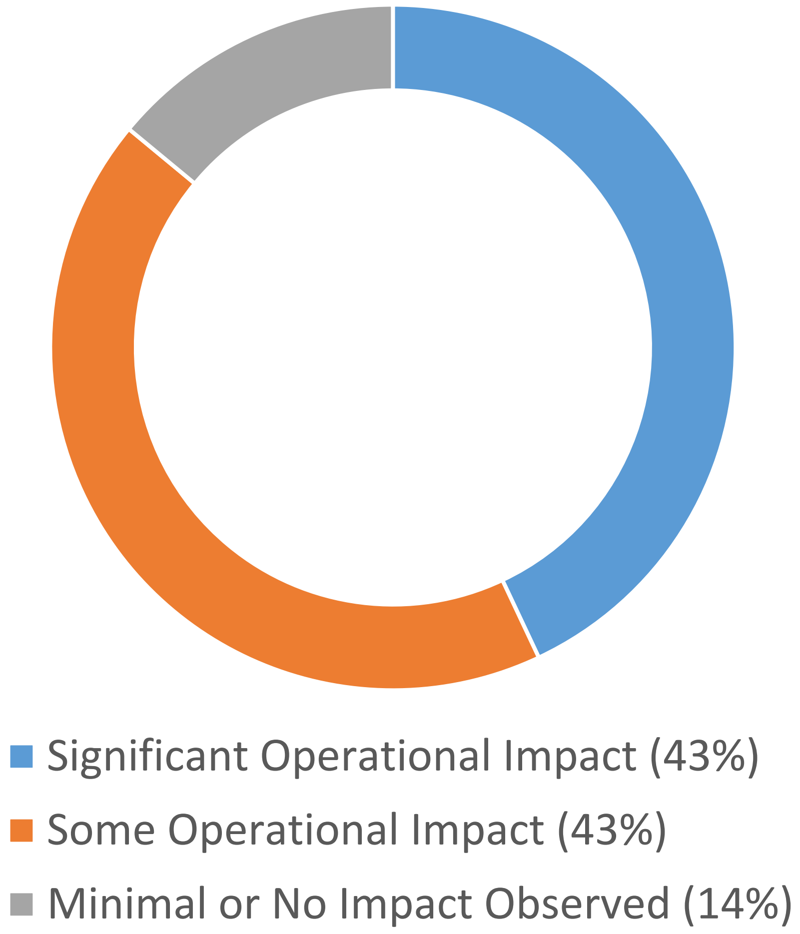
Respondents repeatedly described communications as:

- Longer than traditional correspondence
- More structured and complex
- Containing legal and regulatory citations even if not accurate or relevant
- More formal
- Rapidly generated and frequently repeated
- Often escalating through multiple channels simultaneously

Some respondents reported benefits:

- *“AI-assisted complaints are often longer than traditional submissions, they are generally more organized, logically structured, and less emotionally driven.“*
- *“We have also noticed additional clarity on legitimate issues. Some customers are better able to articulate their issue and use policy and insurance terminology more accurately.”*

Operational Impact Reported by Respondents



86% of respondents reported at least some operational impact from AI-assisted consumer communications.

Most Frequently Reported Operational Impacts

Review & Investigation

Longer review and response times

Verification of legal and factual assertions

Additional legal and compliance review

Increased documentation requirements

Claims & Complaint Handling

Increased follow-up correspondence and rebuttals

Extended claim handling timelines

Increased complaint-handling activity

Escalation to management, counsel, or subject matter experts

Operational & Staffing Effects

Authentication and authorization challenges

Workflow disruption from repetitive emails and calls

Increased staffing and resource demands

Delays associated with AI-mediated interactions

Accuracy and Verification Challenges

Common Themes

- Extensive legal and regulatory citations requiring additional validation
- References to authorities that were inapplicable, outdated, or out-of-jurisdiction
- Technical or factual assertions requiring independent verification
- Complex submissions that may create an appearance of authority regardless of accuracy
- 48% reported escalation to legal, compliance, management, or other specialized resources

Bottom Line

- Regardless of accuracy, responses consistently indicated companies were spending additional time validating legal, regulatory, and factual assertions before responding.

Key Takeaways

AI-Assisted Consumer Communications Are Increasing

- Most respondents reported seeing increased use of AI in consumer complaints, claims correspondence, appeals, and related interactions.

Operational Impacts Are Becoming More Visible

- 86% of respondents reported at least some operational impact, with half of those describing the impact as significant.
- Commonly cited impacts included increased review time, repeated correspondence, additional legal/compliance review, and authentication challenges.

Impacts Extend Beyond Traditional Complaint Handling

- Responses reported AI use in claims disputes, valuation challenges, FNOL reporting, settlement negotiations, regulatory complaints, and interactions involving AI voice agents and automated representatives.

The Industry Is Still Early in Understanding the Trend

- Few companies currently maintain formal metrics, and company experiences vary considerably. However, respondents consistently described AI as changing the volume, speed, and complexity of consumer communications.

Questions for Ongoing Discussion

Are regulators seeing similar trends?

Are current complaint-handling timelines still appropriate?

Should complaint processes distinguish between complaint volume and substantiated consumer harm?

How should complaint processes address multiple follow-up submissions that do not raise materially new information?

What qualifies as “new information” requiring a response?

How should AI agents be authenticated and authorized?

What metrics should regulators and industry be tracking, if any?

How do we balance efficient resolution with consumer access to AI tools?

Agenda Item 5

Consider Adoption of its Task Force and Working Group Reports

Director Ann Gillespie, Illinois

A. Antifraud (D) Task Force

Attachment Two

Commissioner Trinidad Navarro, Delaware

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B. Producer Licensing (D) Task Force

Attachment Three

Commissioner Vicki Schmidt, Kansas

C. Advisory Organization (D) Working Group

Tyler N. Erickson, North Dakota

D. Market Actions (D) Working Group

David Buono, Pennsylvania

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E. Market Analysis Procedures (D) Working Group

Attachment Four

Raymond A. Guzman, Maryland

F. Market Conduct Annual Statement Blanks (D) Working Group

Attachment Five

Spencer Peacock, Oregon

G. Market Conduct Examination Guidelines (D) Working Group

Attachment Six

Brett Bache, Rhode Island

H. Market Conduct Regulation Modernization (D) Working Group

Attachment Seven

Director Ann Gillespie, Illinois

I. Market Information Systems (D) Working Group

Attachment Eight

Brad Gerling, Missouri

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J. Market Regulation Certification (D) Working Group

Attachment Nine

Bryan Stevens, Wyoming

K. Pharmacy Benefit Management (D) Working Group

Attachment Ten

Joylynn Fix, West Virginia

L. Speed to Market (D) Working Group

Attachment Eleven

Julie Fairbanks, Virginia

Agenda Item 6

Receive an Update from the Big Data and Artificial Intelligence (H) Working Group on the AI Systems Evaluation Tool Pilot

Mary Block, Vermont

Agenda Item 7

Discuss Any Other Matters Brought Before the Committee

Director Ann Gillespie, Illinois

Adjournment

Director Ann Gillespie, Illinois

Thank you

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