OUR MEETING WILL BEGIN SHORTLY

Market Conduct Regulation Modernization (D) Working Group

August 13, 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 Conduct Regulation Modernization (D) Working Group

August 13, 2026

In-person Attendees

Wi-Fi Network: NAIC2026

Password (case sensitive): StrongFuture26

AUGUST 11-14

NAIC®

2026 SUMMER NATIONAL MEETING
COLUMBUS, OH

Market Conduct Regulation Modernization (D) Working Group

Roll Call

Director Ann Gillespie, Chair

August 13, 2026

Roll Call

Ann Gillespie, Chair	Illinois	Avani Shah	New York
Angela L. Nelson, Vice Chair	Missouri	Todd Oberholtzer/ Guy Self	Ohio
Heather Carpenter/ Molly Nollette	Alaska	Landon Hubbart	Oklahoma
Jimmy Harris	Arkansas	Michael Humphreys/ David Buono	Pennsylvania
Pam O'Connell/Don McKinley	California	Elizabeth Kelleher Dwyer/ Matthew Gendron	Rhode Island
Sheryl Parker	Florida	Larry D. Deiter/ Travis Jordan	South Dakota
Dean L. Cameron/ Shannon Hohl	Idaho	Tanji J. Northrup	Utah
Lisa Fullington	Louisiana	Mary Block/Karla Nuissl	Vermont
Timothy N. Schott	Maine	Andrea Baytop/Julie Fairbanks	Virginia
Danielle Torres	Michigan	Sandy Ray	Washington
Sara Payne	Minnesota	Joylynn Fix/Ellen Potter	West Virginia
Eric Dunning/ Martin Swanson	Nebraska	Jamie Adams	Wisconsin
Ned Gaines	Nevada		
D.J. Bettencourt	New Hampshire		

Agenda Item 1

Consider Adoption of its July 7 Minutes

Attachment One

Director Ann Gillespie, Illinois

Agenda Item 2

Receive an Update on its July 21 and Aug. 4 Regulator-to-Regulator Meetings

Director Ann Gillespie, Illinois

Agenda Item 3

Discuss Third-Party Oversight in Market Conduct Regulation

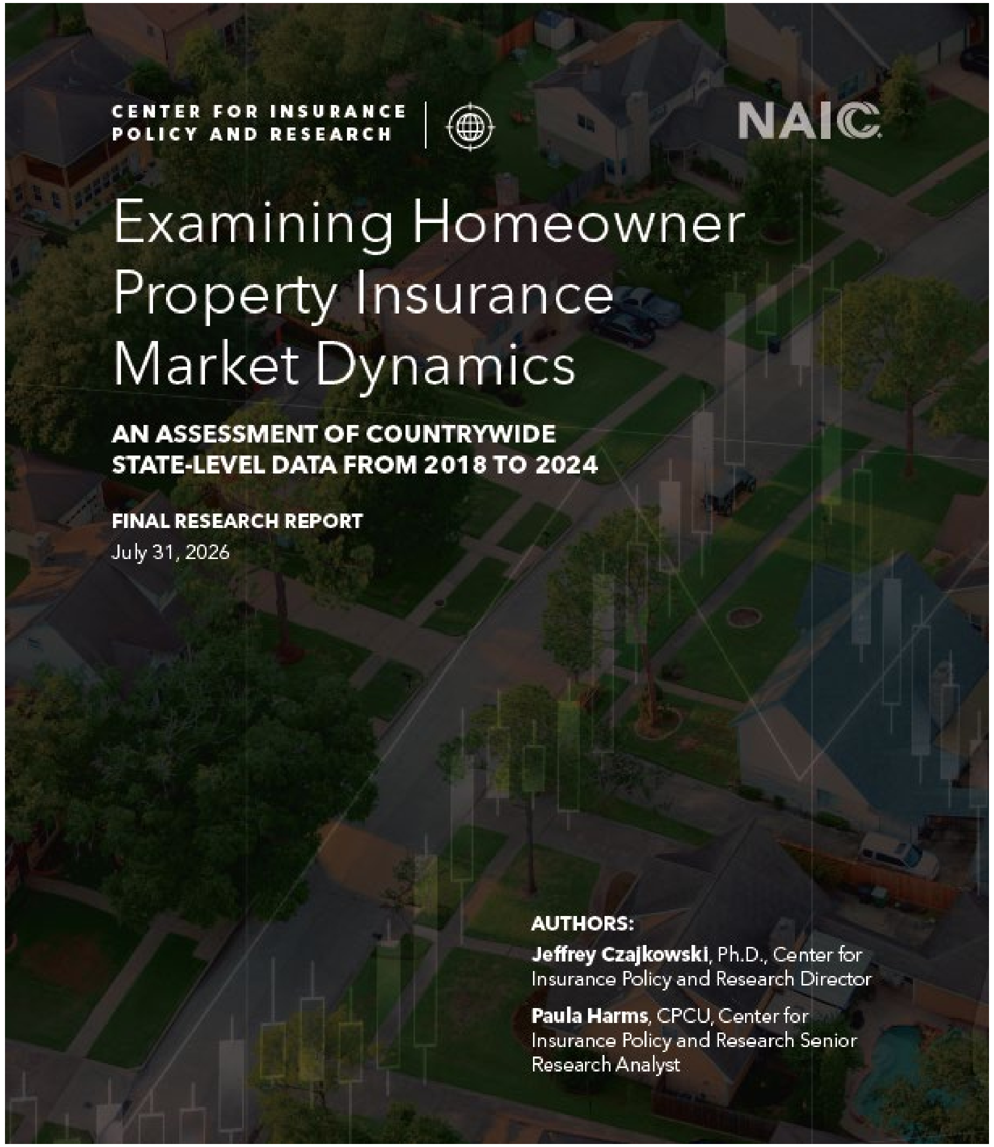
Director Ann Gillespie, Illinois

Agenda Item 4

Discuss Use of Financial Data for Market Conduct Insights

Jeff Czajkowski, NAIC

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS



5 Main Themes:

1) The data shows that the homeowners insurance market remains operationally strong.
2) At the same time, market adjustments have transpired
3) Trends support what some consumers are already feeling: In some places, homeowners insurance is becoming more expensive and harder to keep
4) The analysis shows why it is important not to treat trends in homeowners insurance as a single national problem with a single national answer
5) This more detailed, data-driven view helps regulators separate broad trends

Homeowner Property Insurance Market Analysis Data

We analyzed six MCAS homeowners policy data fields from 2018 to 2024, for each company writing more than $50,000 in annual direct premium written in each state it operates in:

- Number of policies in force at the end of the period.
- Dollar amount of direct premium written during the period.
- Number of claims closed with payment during the period.
- Number of company-initiated nonrenewals during the period.
- Number of company-initiated cancellations that occur after the effective date, excluding rewrites to a related company.
- Number of cancellations for nonpay or nonsufficient funds.

MCAS data was supplemented with other data ***such as NAIC financial data*** *where applicable and results illustrated at the NAIC Zone level*

NAIC

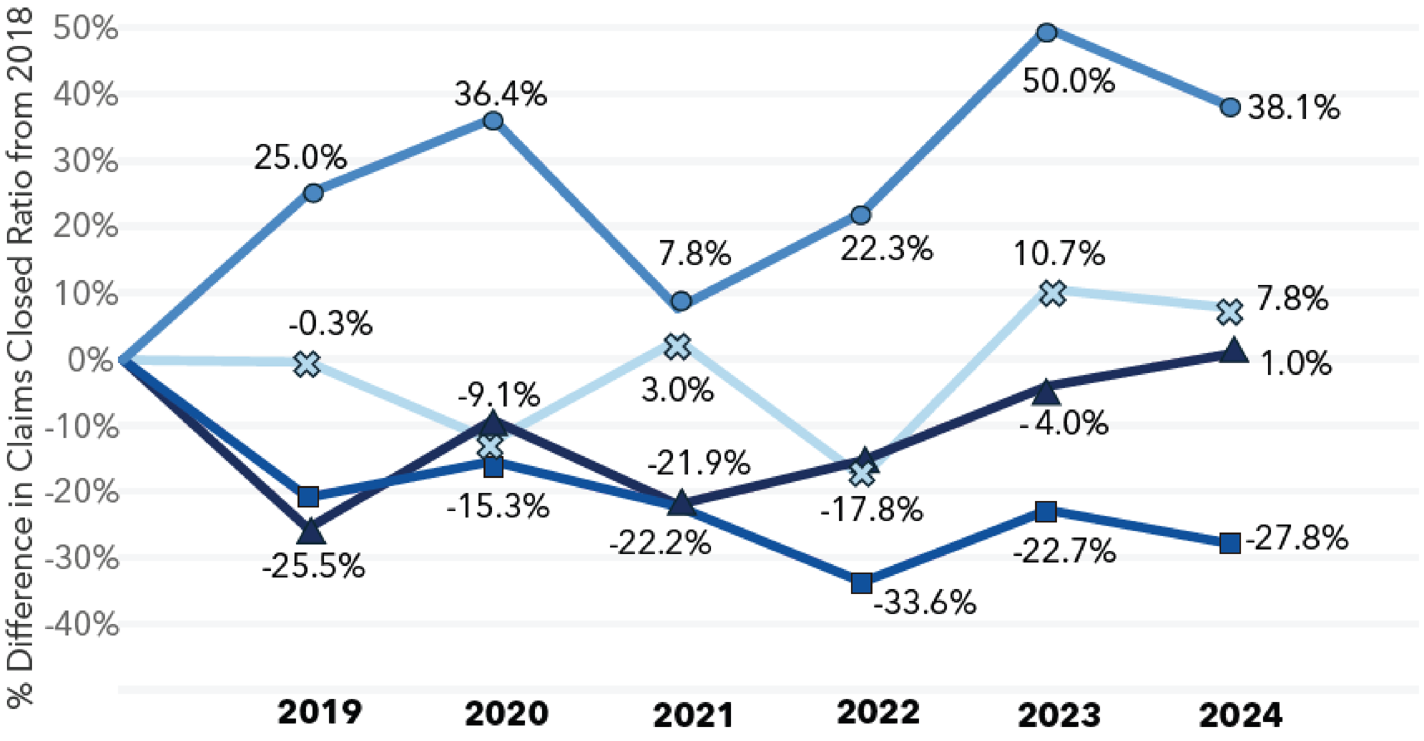
Normalized claim frequency - Claims Closed With Payment per 1,000 Policies In Force

Table 4. Homeowners Claims Closed With Payment per 1,000 Policies In Force, 2024

NAIC Zone	Number of States Writing Coverage	Claims Closed With Payment	Policies In Force at End of Period	Claims Closed With Payment Per 1,000 Policies
Midwest	1 to 14	418,116	6,240,850	67.0
	15 to 30	465,568	5,086,942	91.5
	> 30	1,015,268	13,579,896	74.8
	Total	**1,898,952**	**24,907,688**	**76.2**
Northeast	1 to 14	275,664	6,029,064	45.7
	15 to 30	63,266	1,323,918	47.8
	> 30	379,172	8,373,577	45.3
	Total	**718,102**	**15,726,559**	**45.7**
Southeast	1 to 14	1,093,671	11,271,263	97.0
	15 to 30	241,800	2,593,395	93.2
	> 30	1,248,169	14,802,584	84.3
	Total	**2,583,640**	**28,667,242**	**90.1**
Western	1 to 14	709,318	11,939,949	59.4
	15 to 30	219,517	3,821,528	57.4
	> 30	1,224,908	18,226,368	67.2
	Total	**2,153,743**	**33,987,845**	**63.4**
Grand Total		**7,354,437**	**103,289,334**	**71.2**

Claim frequency is generally increasing since 2018 although there can be year-over-year fluctuation

Figure 23. Percent Change in Claims Closed With Payment Per 1,000 Policies, 2018–2024

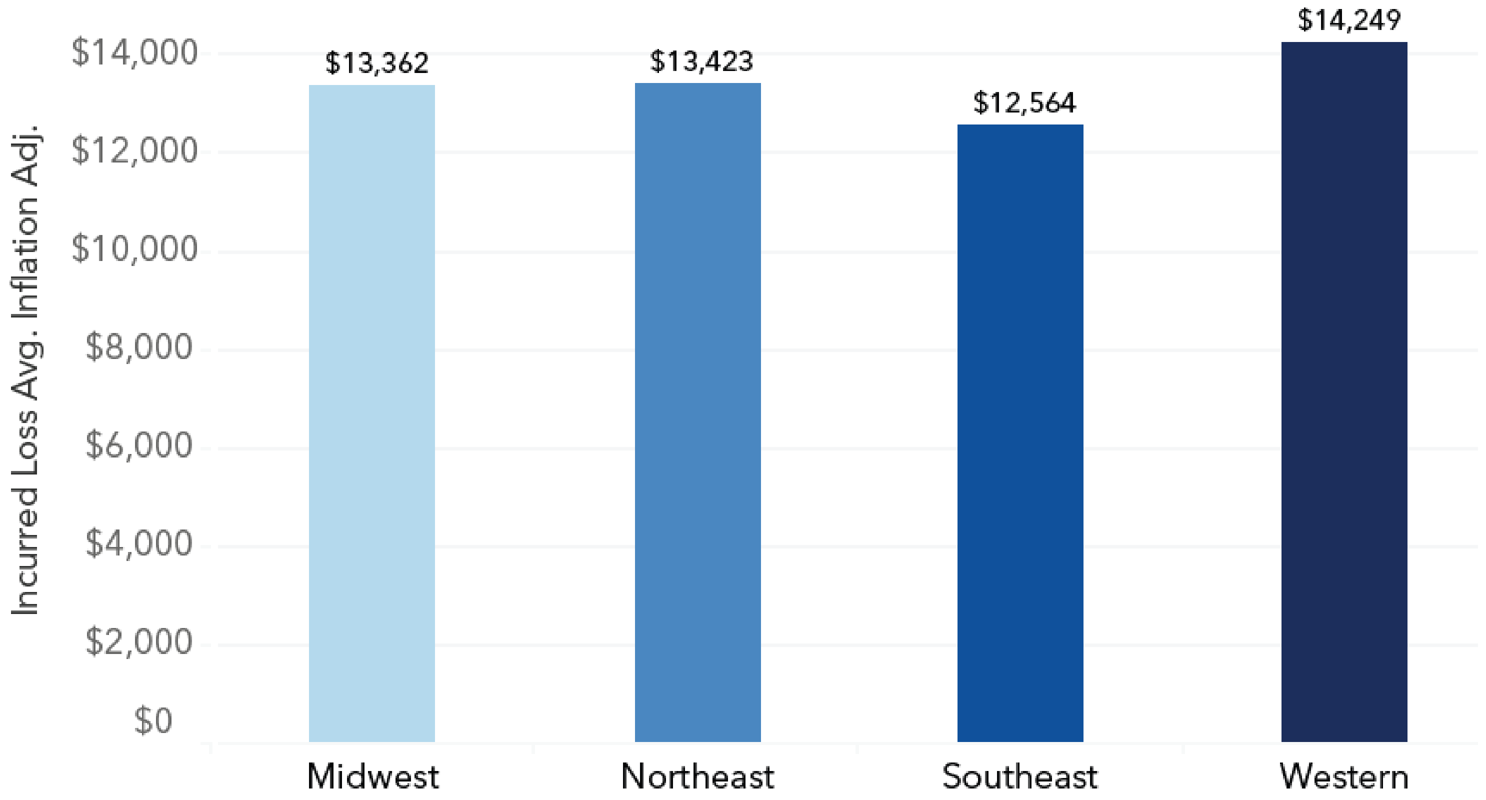


Data is based on state-reported data and excludes Puerto Rico and North Dakota.

Although the MCAS data does not record claim loss amounts, we can estimate **claim severity** value by linking each company's MCAS code to **NAIC financial data**.

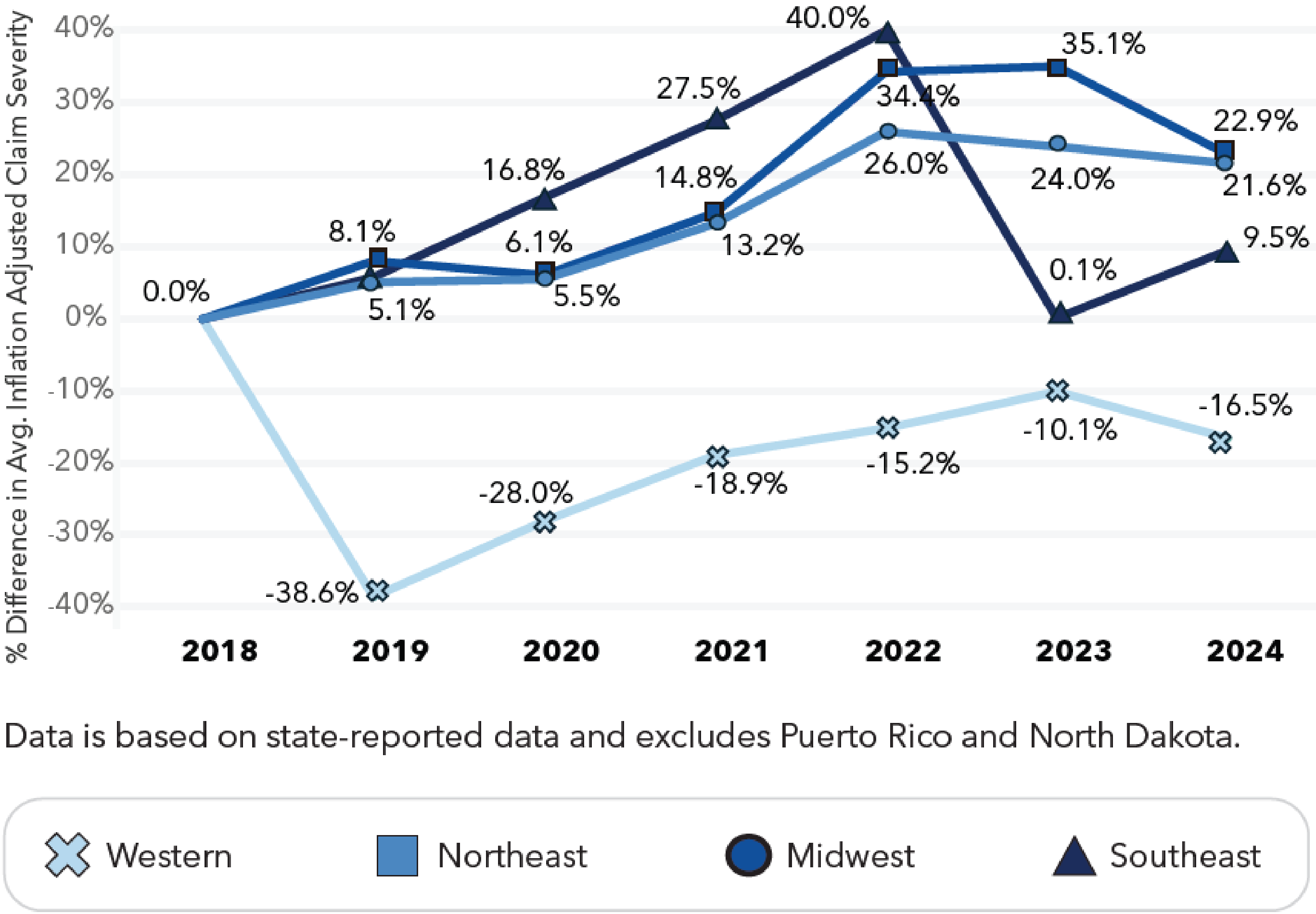
In 2024, MCAS HO companies incurred $98.161 billion in losses .

Figure 24. Average Claim Cost by Zone Adjusted to 2025 Values, 2024



Over time, claim severity has generally increased, based on values adjusted to 2025 dollars.

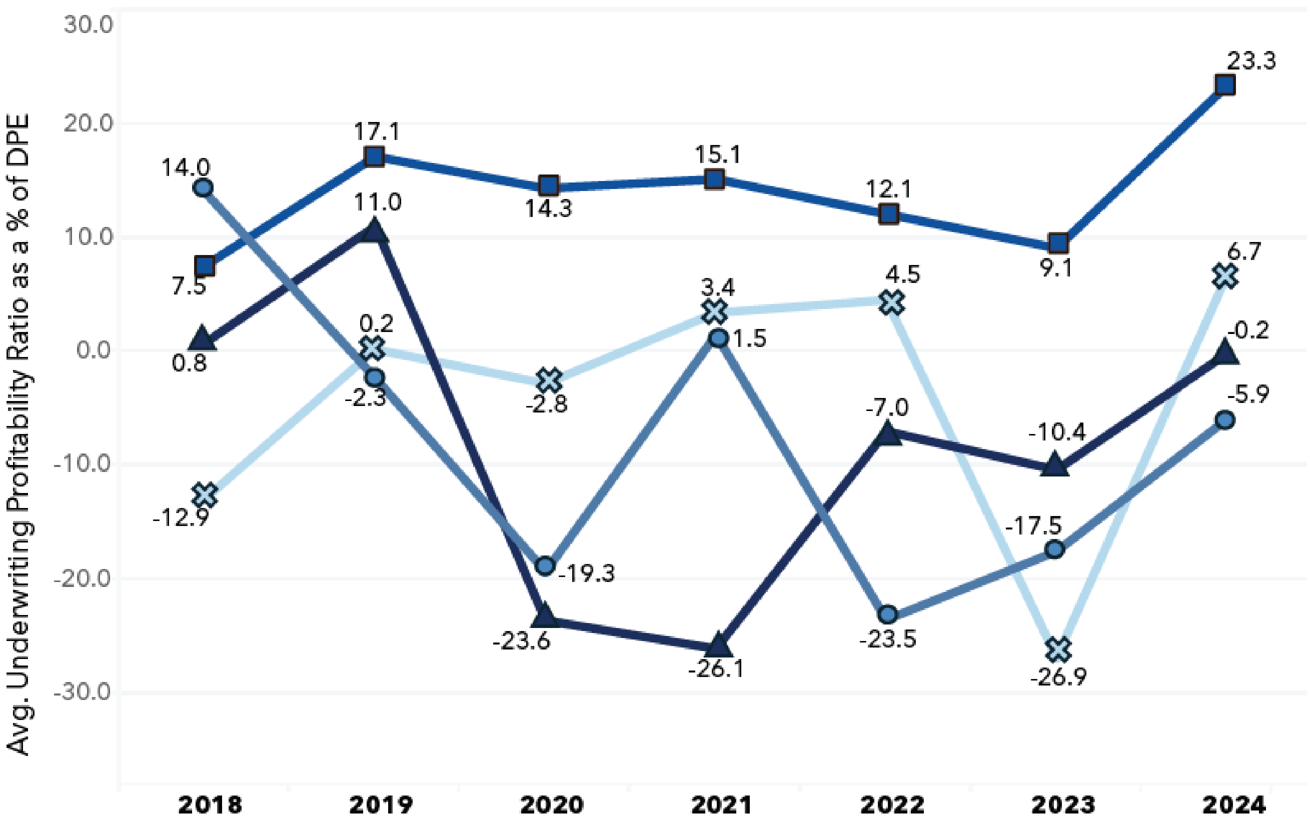
Figure 25. Percent Change in Average Claim Severity, 2025 Dollar Values, 2018–2024



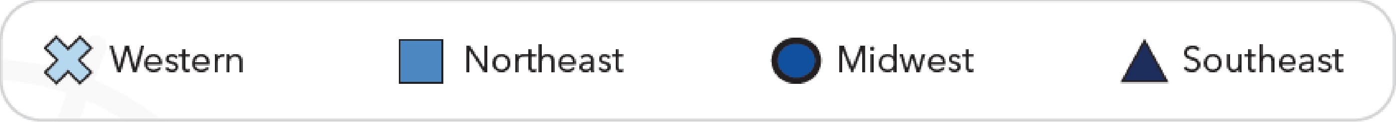
Data is based on state-reported data and excludes Puerto Rico and North Dakota.

Overall homeowners financial performance – Annual Report on Profitability by Line by State

Figure 26. Homeowners Underwriting Profit as a Percent of Direct Premiums Earned



Data is based on state-reported data and excludes Puerto Rico and North Dakota.
Note: Zone averages are not weighted by premium, approximate



Concluding Comments

- Financial data exists to combine with market conduct data by linking at the company level

- Supplementing the market conduct data in this way provides additional insights to the overall market picture

Agenda Item 5

Review Workplan Timeline

Director Ann Gillespie, Illinois

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

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 6

Discuss Any Other Matters Brought Before the Working Group

Director Ann Gillespie, Illinois

Adjournment

Director Ann Gillespie, Illinois

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS