



NAIC update: 2025 Summer National Meeting

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Introduction

The 2025 Summer National Meeting of the National Association of Insurance Commissioners (NAIC) brought together more than 1,600 participants to discuss and work toward developing frameworks and responses not only for regulatory oversight and supervision, but also for fostering better results for policyholders when disaster strikes—as well as preparation for such losses.

Numerous NAIC committee sessions in Minneapolis were focused on topics affecting the insurance industry at regional, national and international levels, as insurance markets are both local and global. Vocal participation from attendees across these areas made the sessions lively and interactive among regulators, industry stakeholders and consumer advocates.¹

Key themes across meetings included climate-related weather and wildfire risks; managing financial oversight in both life and property insurance from both an overarching framework perspective and in technical practice; artificial intelligence (AI) and cybersecurity; consumer protection; and managing roles and relationships as situations, markets and technology evolve and change.

Among the overarching themes touching various insurance oversight workstreams was the state/federal conversation and relationship. This colored regulator and stakeholder conversations from financial solvency to innovation to disaster relief.

At the meeting, NAIC President Jon Godfread called for clear communication about the insurance industry's value to rebuild public trust. To underscore this message, he advocated for eliminating the Federal Insurance Office (FIO) to clarify regulatory authority.

With more than \$100 billion in insured catastrophe losses globally reported in the first half of this year, disaster policy remains an issue in Washington, DC, an NAIC official later noted in a working group session. Since March, the Trump administration has implemented reforms to modify the federal government's involvement in disaster response by assigning more responsibility to state governments, NAIC officials said. According to the NAIC, these changes will affect mitigation strategies, consumer protection, and insurance.



The NAIC applauded a recent executive order directing federal agencies to modernize retirement plan rules and expand access to alternative assets within 401(k) retirement plans.

Throughout the meeting, the NAIC discussed victories and setbacks in its agenda with regard to initiatives involving the federal government. But it made clear it was willing to be a partner: “Let me be clear: We value federal engagement,” Godfreed stated, pointing to banking agencies’ regulatory authority and diplomacy roles.²

The meeting’s many sessions served to emphasize that the NAIC is a community of regulators nationwide working to develop solutions, despite differences in geography and state issues. For example, a few weeks before the meeting, regulators from 40 states participated in a property & casualty (P&C) reinsurance roundtable discussion in Pasadena, California, co-hosted with Commissioner Ricardo Lara and his California Department of Insurance. Both the roundtable and its focus on reinsurance was a direct response to the shifting catastrophe landscape, “where \$40 billion wildfire events, weekly convective storms, and tightening global reinsurance markets are becoming the norm,” Godfreed said.

The NAIC work involves developing solutions from shared insights among states and the shared challenged of balancing the “growing connection between solvency and affordability,” Godfreed said. Something the state regulators wrestle with continually.

Natural disaster mitigation in focus

The meeting highlighted climate resiliency initiatives already being undertaken by both the NAIC and state insurance departments, with a particular focus on wildfire risk mitigation. Presentations from external parties also highlighted infrastructure threats related to climate and weather. The NAIC continues to prioritize mitigation and resilience measures for the protection of property and minimization of costs, as well as to support public safety.

The NAIC has been diligently working on comprehensive primers, playbooks, preparedness guides and disclosures related to climate scenarios and natural disasters under its broad National Climate Resilience Strategy for Insurance plan, adopted in March 2024.³

Leadership underscored that mitigation and resilience remain top priorities—because they protect homes, reduce long-term costs, and most important, save lives.

Reinsurance got a prominent spotlight during the meeting from NAIC leadership. Insurance regulators had recently explored capital trends, catastrophe modeling, market capacity, and the evolving appetite of global reinsurers in their reinsurance roundtable event. Reinsurance is recognized as a top priority for nearly every market and state insurance department, Godfread said. “It’s the silent engine of our industry, enabling insurers to write policies in high-risk areas, absorb major shocks, and manage volatility in an increasingly complex world.”

Insurance market data quality, type and confidentiality also sparked a lot of discussion at P&C insurance committee and group sessions. Consumer Federation of America’s (CFA) consumer advocate Michael DeLong called the NAIC’s homeowners market data collection expansion to cover more markets—such as condominium owners and mobile homes—“music to our ears.” He also said that the CFA welcomes the collection of data on mitigation discounts broken down by the type of mitigation discount. He recommended collecting data from state FAIR plans, residual markets and other sources to get a more complete picture of the homeowners market. “Any picture of the homeowners market is going to be incomplete without them,” DeLong said.

He and other consumer advocates urged that some collected data be made public. California’s Department of Insurance Commissioner Ricardo Lara and other regulators called the data collected “critical” for regulators to understand the homeowners markets they regulate in the face of widening peril.

Federal-NAIC/state discussions on disaster relief continue in the nation’s capital, NAIC staff noted during the joint meeting of the Catastrophe Insurance Working Group and the NAIC/FEMA Working Group meeting. The NAIC remains engaged with federal agency councils and groups to address disaster relief and mitigation. The NAIC reported its insights on collaboration and interactions with federal officials, noting that these federal officials have indicated that the initial responsibilities after any disaster are shifting to the states and the policyholders via their insurance companies.⁴

“Since March, the administration has advanced reforms aimed at reducing the federal footprint in disaster response, shifting FEMA’s role and placing more responsibility on the states. These changes will have very significant market implications for mitigation, consumer protection and insurance,” NAIC leaders told attendees.

During the summer meeting NAIC leaders said disaster mitigation remains a priority and the association continues to support legislative efforts in Congress aimed at strengthening disaster resilience acts and providing resources for homeowners in high-risk areas to improve home safety. Officials discussed a shift in new federal post-disaster messaging, that now emphasizes its role is ensuring habitability and not necessarily making individuals whole. The NAIC is currently working on ways to promote and support stronger state coordination, consistent communication and more joint coordination during future NAIC events.

Meanwhile, as always, states are also implementing their own mitigation programs, with officials from several affected states sharing information about their initiatives after wildfires, tornadoes and other disasters this year. State regulators’ visits to wildfire-ravaged areas in California were recounted, and state-based programs Safer From Wildfires, Strengthen Alabama Homes, and MySafe Florida Homes were emphasized and discussed.

Additionally, the NAIC highlighted the importance of accurate federal weather data for solvency oversight, rate review and catastrophe modeling, and it continues to advocate these priorities within relevant agencies in Washington.⁵

Key action and discussion items

- The NAIC adopted its Catastrophe Modeling Primer at the summer meeting.⁶ The stated purpose of the primer is to provide information to state insurance regulators who need a basic understanding of catastrophe modeling. The primer promotes the consideration and exploration of concepts that could help state insurance regulators better understand the basics of probabilistic catastrophe models. But it doesn't take a position on any probabilistic catastrophe models, or the interpretation of the results derived from their use. The primer includes links to the training and materials offered by the NAIC's Catastrophe Modeling Center of Excellence (COE), which provides state insurance regulators with technical training and expertise in catastrophe models and their use in the insurance industry. The primer is a document that will be updated as needed to reflect new developments and offer further guidance and information. Topics include: the evolution of catastrophe modeling, definitions and functions of catastrophe models, model components, key metrics and regulatory interactions. The primer is designed as an introductory overview of catastrophe modeling and does not replace any work conducted by the COE. The COE offers state insurance regulators technical training and expertise focused on catastrophe models and their application within the insurance industry.
 - "Availability and Affordability Playbook": The draft 56-page, four-part playbook was unveiled at an August virtual meeting prior to the Minneapolis event, and no work was done on it at the summer meeting as comments were still being received.⁷ The NAIC has prioritized publishing the playbooks, which received feedback from industry and consumer advocates at the Property and Casualty (C) Committee meeting. The draft playbook covers major trends impacting homeowners insurance, such as catastrophic weather, data transparency, reinsurance, related industries, tariffs, inflation and litigation, as well as state efforts in innovation, remediation and consumer outreach related to specific perils.
- The NAIC is now gauging reaction from interested parties as it continues refining this major resource guide for future use. Some stakeholders worried about a negative tone in some cases toward insurers and some said the playbook doesn't educate enough on insurance fundamentals for a more general audience. One main theme can be summed up by a reaction from the American Property and Casualty Insurance Association (APCIA): The NAIC should make clear at the outset of the playbook "that insured losses and costs drive affordability and availability and that only when the underlying losses and costs are manageable can affordability and availability be improved." APCIA also suggests including losses not only due to natural catastrophes but also to "manmade elements such as lawsuit abuse."⁸ The best strategic response to affordability and availability issues is to determine their root causes and address them through an all-of-government and multisector commitment to risk mitigation and other reforms, APCIA said.



- The NAIC Homeowners Market Call Task Force discussed proposed changes to the homeowners' property insurance data call template and definitions, with the ultimate goal to have a consistent template of a data call on an annual basis.⁹ The group is seeking feedback on how to collect square footage of dwelling data as a data point, although that data point will not be included in the next data call. In future years, the NAIC does believe additional elements may be added, but the group leaders emphasized the process that will be a collaborative feature that will occur on a year-to-year basis, and the emphasis is going to be on assuring companies can actually accommodate the request, and that all parties believe that the information being collected is useful. Comments collected through September 8 will be discussed in future task force calls and workshopped to help the task force build a yearly plan. Regulators also have to agree on the percentage of market or premium threshold of insurers' data they plan to collect in the future, and whether to move ahead sooner and complete work this fall, with a call for 2024 homeowners' market data later this year, or wait for more data. The goal, state commissioners said, is to have it roll out year after year, ensuring companies can accommodate the information requested, and the comments are useful.
- Regulators heard updates from stakeholders on the Climate Risk Disclosure Survey Dashboard from the nonprofit advocacy group, Ceres, which asserted that the US insurance industry shows progress but critical measurement gaps persist.¹⁰ The dashboard was built by the NAIC.



Resilient financial oversight in focus

The meeting highlighted efforts to modernize the risk-based capital (RBC) system through the RBC Model Governance Task Force created earlier this year, aiming to strengthen solvency protections with principles such as “Equal Capital for Equal Risk.” The task force plans to conduct gap analyses, educational outreach, and coordination with related groups to align solvency standards amid growing private capital investments.

This task force has outlined draft principles that may position RBC for use not only as a regulatory tool to identify insurers with low capital levels, but for delineated purposes, aligning with statutory accounting and providing transparency in addressing emerging risks. Stakeholders—such as regulators, industry associations and actuaries—offered varied input, generally expressing support for a framework focused on solvency and risk sensitivity, while some recommended limiting RBC to its core objectives. The idea of “equal capital for equal risk” was interpreted in multiple ways during discussions with relevant parties.

The NAIC’s Godfreed, also North Dakota’s insurance commissioner, in his opening session speech emphasized the modernization of the RBC framework as a priority and an underpinning of the state-based insurance system.

“We’re on track to adopt guiding principles by the end of this year,” Godfreed said. The goal “to ensure accountability and to make sure RBC is governed with the same rigor it demands from the companies we regulate.”

He strove to clarify what RBC is—and what it is not—opting for principles, not just outcomes, describing how it is not merely a stand-alone point, but involves measuring solvency that is “deeply interwoven with enterprise capital strategies.”

“You don’t build a bridge to sell more cars,” he said. “You build it to carry the load. To stand strong under pressure. Commerce follows because the structure holds.... When RBC is governed with clarity, it enables smarter product development and stronger global alignment. But if we put the cart before the horse, if we design only based on outcomes and not structure, we risk eroding the very solvency RBC is intended to protect.”

The RBC overhaul doesn’t call for any specific or even general changes to the RBC formula but could result in more disclosures from insurers and regulatory approval requests for certain calculation approaches.

The Financial Condition E Committee discussed statutory accounting frameworks, capital adequacy via RBC calculations, and financial stability in response to market volatility. International insurance relations are supported through alignment with International Association of Insurance Supervisors (IAIS) standards, including the US version of the International Capital Standard (ICS), and the Aggregation Method (AM) Implementation Working Group—ensuring consistent solvency treatment for globally active groups.

Key action and discussion items

- The Financial Condition (E) Committee restructured the investment oversight by renaming the Valuation of Securities (VOS) Task Force to the Invested Assets Task Force, with subgroups focusing on investment analysis, securities valuation, and credit rating provider oversight. This aims to enhance solvency oversight by modernizing investment risk analysis and ensuring consistent regulatory approaches.¹¹ The new organizational structure will take effect January 1, 2026, with the parent committee’s 2026 charges.
- The RBC *Preamble* and guiding principles will be address, refashioned and adapted in ongoing work among key state commissioners, with feedback from industry. RBC’s role and a potential new framework.
- The NAIC adopted Actuarial Guideline 55 (AG 55), effective for asset adequacy analysis of beginning with the reserves reported in the December 31, 2025, annual statement. AG 55, which is disclosure-only, will apply to all life insurers with asset intensive reinsurance transactions ceded to entities that are not required to submit a valuation manual (VM) 30 memorandum to US state regulators in transactions established January 1, 2016, or later, with outlined exceptions.¹² One of the actuarial architects of the disclosure guideline has stated that the primary goals of this project are to provide US state regulators with what is needed to review the reserves and solvency of US life insurers, to steer clear of conflicts with reciprocal jurisdictions and covered agreement issues, and to prevent extra work by US ceding companies where there is immaterial risk. Though AG 55 is disclosure only, regulators indicated that the discussion might be revisited after its first year of implementation. Insurers can also decide to post additional reserves of their own volition and regulators continue to have the right to require additional analysis and reserves.¹³

Technology governance and oversight in focus

The Big Data and Artificial Intelligence Working Group, a group under the parent Innovation, Cybersecurity and Technology (H) Committee, discussed advancing a potential AI Systems Evaluation Tool, a plan that appeared to have some momentum from regulators.¹⁴ This tool would be designed as an optional checklist for regulators to assess AI governance, testing and risk.¹⁵ The tool is envisioned to help regulators “to identify and assess AI systems’ related risks on an on-going basis with a scope that considers both financial and consumer risks evolving specifically from company’s use of AI systems to the extent such risks can be parsed from the comprehensive structure.”¹⁶

Separately, the working group is still potentially considering developing an NAIC AI model law, informed by public comments on governance, transparency and accountability. But the timing and future remain uncertain, as the working group noted that it planned on consulting with leadership on the issue. The group plans further in-depth discussions and potential interim meetings to refine regulatory approaches.

Much of the conversation during one of the chief technology sessions revolved around the use of technology-driven information used by insurers to make decisions, such as underwriting, claims payment and anti-fraud measures. The discussion spread to the discussion of licensing agreements and preciseness of language as to what constitutes a vendor of data in practice. Regulators and interested parties vigorously debated a potential oversight framework of applications, governance reach and scope.

Third-Party Data and Models (H) Working Group Chair and Deputy Insurance Commissioner Jason Lapham from Colorado provided an example to illustrate the difficulty regulators often encounter. He cited his Colorado Division of Insurance, where regulators struggled to get necessary information from a third party. This led to an impasse, and the division issued a draft bulletin instructing insurers not to use the particular model. After a phone call, the issue was resolved, but this carrier decided not to use the model anymore.

Lapham stressed that the working group is focused on insurance practices with consumer impact, such as rating, underwriting, claims and anti-fraud activities. The working group is coordinating with the Big Data and AI Working Group to build a regulatory framework for updated models in the insurance industry. The goal is to evaluate data, models and AI systems used by insurers, whether internal or external, and address areas of higher risk. The Third-Party Data Working Group needs to decide how to obtain information from third parties to evaluate high-risk insurance practices, but it first needs to settle on a definition, with the industry input collected, on the definition of a third-party vendor, Lapham said.

At the outset of the working group meeting Lapham said: “We need to be able to answer questions like: What data is being used? Are there data that shouldn’t be used? What assumptions are being made in models? And, are the actual outcomes of models being used or are there back-end adjustments being made?” Lapham said at the outset of the working group meeting. Regulators need to know what adjustments have been made and whether they are potentially discriminatory or unfair, he said. “Regulators request and rarely encounter issues in receiving this type of information when the data models come directly from insurers. However, we often struggle to get the same information from third parties, impeding regulators from exercising appropriate oversight, and thus creating an untenable situation,” Lapham told attendees.

Key action and discussion items

- The Third-Party Data and Models (H) Working Group is working on defining “third-party data and model vendors,” as it plows ahead to try to improve regulatory access to data and models used in underwriting, rating, claims and anti-fraud activities—those areas with the most consumer impact. The group plans to offer a draft definition for public comment. The group’s mission is to evaluate data and models and AI systems used by insurers, whether this is internal or external information and whether it should create a governance framework and/or a deeper dive into areas of higher risk. It is simultaneously coordinating with the AI working group because the Third-Party working group will have to build the regulatory framework for the regulation of updated models being used in the insurance industry. It also is seeking to obtain information from third parties needed to evaluate high risk insurance practices.
- The Cybersecurity (H) Working Group advanced plans for creating a centralized Cybersecurity Event Notification Portal to streamline reporting and reduce regulatory burdens, with the goal of addressing legal and confidentiality complexities across states. The group is going to conduct legal research to continue to address the complexities of state-specific implementations to ensure confidentiality and security. It wants a strong foundation for its legal development and for financial viability before publishing a formal project memo for public comment. The group will be talking to law firms and cybersecurity companies about how they might interact with such a system. The idea was first broached publicly by the group at the fall 2024 national meeting. This working group also refreshed industry stakeholders on changes to the cybersecurity insurance coverage supplement in 2024, which were meant to clarify the structure and sale of cybersecurity insurance and help regulators and stakeholders analyze coverage more effectively. However, they appeared to acknowledge that these changes also complicate data analysis and may affect year-to-year comparisons.
- A potential NAIC AI model law is still under consideration, but next steps still need to be clarified. The NAIC May 15 requested feedback, with comments due June 30. The NAIC said responses covered support for a new law versus continued use of the current NAIC “AI Model Bulletin” in insurance; whether an NAIC-crafted AI law should be general or tailored by business line; governance considerations by company size; coverage of third-party AI vendors; and referencing of state laws and industry templates. The Big Data and AI Working Group will use this input to guide development of a potential AI model law, although regulators are still split on whether to move forward with it.



Consumer protection and market regulation in focus

The readability of policyholder language *and* the ability of policyholders to understand that language was featured as a key discussion item during the beginning and toward the end of the meeting the during NAIC/Consumer Liaison Meeting and the P&C Insurance Committee meeting.¹⁷

Brenda Cude, PhD, an NAIC-funded consumer advocate, asked regulators how they might be enforcing the readability portions of policies. Other advocates such as Richard Weber of the Life Insurance Consumer Advocacy Center (LICAC) warned that consumers who are disappointed might be more likely to file fraudulent claims. How to help consumers navigate the marketplace? Cude emphasized that providing better, more-specific resources will help consumers navigate the marketplace, stating that simply telling them to “read your policy” is insufficient.¹⁸

Days later during the almost week-long summer meeting, Cude and Daniel Schwarcz, a University of Minnesota Law School professor, presented their research on the readability on understanding policy language.¹⁹

Cude, also a University of Georgia professor emerita, emphasized that even when consumers read their policy language, they might not comprehend it enough to make informed or correct decisions about their coverage, no matter how confident they are after reading it, according to the research results.

The Cude/Schwarcz research, based on a survey of involving 2,500 homeowners in the US with homeowners insurance experience, showed that there is substantial evidence that consumers often misunderstand basic facts about homeowners insurance (e.g., flood exclusion).

The research recommended state-enforced readability standards, policy form reviews, and mandatory coverage minimums for homeowners policies, since standardized language is currently lacking, Schwarcz said.

Key action and discussion items

California’s Commissioner Lara wants the Property & Casualty Committee to investigate the lack of understanding of policy language further. He even suggested that the NAIC come up with a recommendation or even possibly a model law, using technology like AI to assist. He specifically called on Washington State insurance Commissioner Patty Kuderer to help lead the charge. “Nobody understands... how to read their policy so I don’t need another research study to tell me that telling people to go read their policy” doesn’t help, he said. He acknowledged that there are legal ramifications and a legal basis on the policy language that have evolved, a point which industry representatives have made—that language reflects legal requirements. However, that is not enough, Lara said. “I think we just need to sit in a room and figure out—either a task force or group of consumer groups, attorneys commissioners—and just simplify these contracts and these policies for consumers. We could sit here and study this till we are blue in the face... Let’s just figure this out, get this done... It is devastating to see somebody and have them come to me and crying,” saying they had no idea that they weren’t covered for the peril that just destroyed their home, he said.

Also at the summer meeting, the NAIC expanded its principle-based reserving (PBR) requirement framework to capture risk for a wide variety of nonvariable annuities to ensure the future payment of claims and protect solvency of issuers. These products are popular with consumers, the NAIC has said, due to higher interest rates over the past few years.²⁰ The minimum reserve requirements for nonvariable annuity contracts will go into effect for those annuities issued on January 1, 2026. Exceptions include Preneed Annuities, Guaranteed Investment Contracts (GICs), Synthetic GICs and other stable value contracts and agreements.²¹

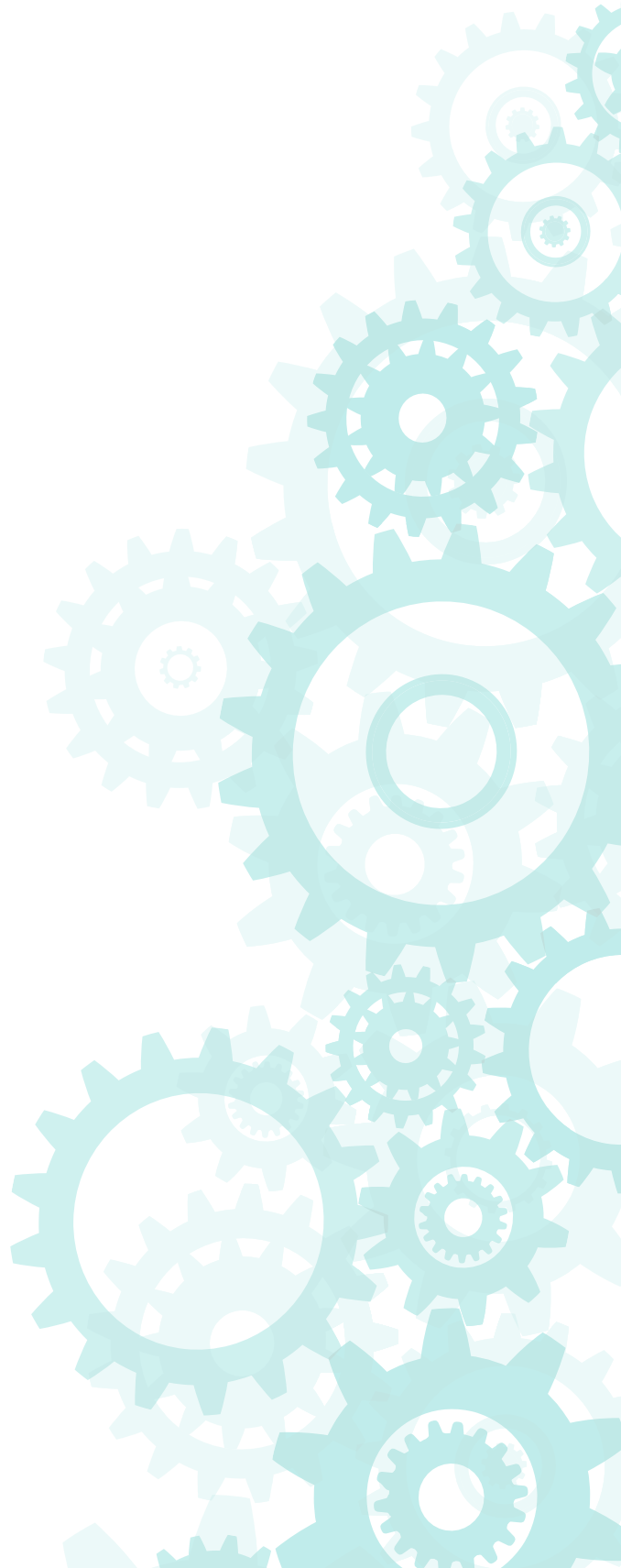
Conclusion

The NAIC will hold its fall national meeting in Hollywood, Florida, December 8–11. Key topics will continue to include natural disaster mitigation, solvency and disclosure, communication among state agencies on disaster preparedness and responses, the availability and affordability playbook, and possibly adopting foundational principles for the NAIC’s RBC (risk-based capital) framework and holistic solvency oversight priorities. Those foundational principles are preliminary and have since been revised to reflect stakeholder input on scope, definitions and such matters as materiality, transparency and emerging risk.²² The scope of the work and its coordination with various groups under the Financial Condition Committee will likely become more specified as regulators hone the actual meaning and application of “equal capital for equal risk.”

Come December, there should be more clarity on the path forward for technological innovations as well, including third-party model data oversight, any new AI framework plans and the cybersecurity portal.

Discussions will also focus on the implementation of the insurance capital standard. (ICS) using the aggregation method (AM) methodology, as well as approaches to self-assessment under the US calculation method in preparation for the upcoming year.

The December meeting also will bring elections for the leadership positions for 2026. Godfread completes his term as president in December, and Virginia Insurance Commissioner Scott White, a longtime state regulator with leadership experience on solvency- and capital-focused committees and now the NAIC president-elect, is expected to advance to the 2026 presidency.²³ A new secretary-treasurer will be chosen through the year-end election process, as that position will be vacant when current secretary-treasurer and Utah Insurance Department Commissioner Jon Pike advances to NAIC vice president in 2026.²⁴



NAIC accounting update

This section of the National Association of Insurance Commissioners (NAIC) update focuses on accounting and reporting changes discussed, adopted, or exposed by the Statutory Accounting Principles (E) Working Group (SAPWG), the Accounting Practices and Procedures (E) Task Force, and the Financial Condition (E) Committee during the 2025 Summer National Meeting. New Statutory Accounting Principles (SAP) concepts (formerly known as *substantive changes*), which are changes in accounting principles or method of applying the principles and have explicit effective dates as documented below. All SAP clarifications (formerly known as *nonsubstantive changes*), which are changes that clarify existing accounting principles and are effective upon adoption unless otherwise noted.

Statutory Accounting Principles (E) Working Group

Current developments: SAPWG did not adopt any new SAP concepts during the 2025 Summer National Meeting. SAPWG adopted the following SAP clarification items as final during the 2025 Summer National Meeting and interim period.

Ref#	Title	Ins. type	Revisions adopted	F/S impact	Disclosure	Effective
2025-05	SSAP No. 1— Accounting Policies, Risks & Uncertainties and Other Disclosures	P&C Life Health	In response to a referral from the Financial Analysis (E) Working Group (FAWG), the working group adopted revisions to SSAP No. 1 and annual statement blanks to expand the restricted asset reporting to capture information related to modified coinsurance (MODCO) and funds withheld (FWH) reinsurance assets. Under examination, regulators found that MODCO and FWH assets were managed by parties other than the ceding entity, usually in offshore reinsurance transactions. Some MODCO and FWH assets were replaced with affiliated and related-party investments making it difficult for regulators to identify concentration risk. Restricted asset disclosure to be included in all annual and quarterly financial statements. Blanks revised to capture MODCO and FWH restricted assets, by related party code, for each investment schedule each quarter and annual statement. Effective date for both the disclosure and annual statement blank revisions is December 31, 2025.	Y	Y	2025

Ref#	Title	Ins. type	Revisions adopted	F/S impact	Disclosure	Effective
2025-02	SSAP No. 15—Debt and Holding Company Obligations	P&C Life Health	This agenda item relates to <i>ASU 2024-04, Debt—Debt with Conversion and Other Options (Subtopic 470-20), Induced Conversions of Convertible Debt Instruments</i>. Clarifies GAAP for conversions that qualify as induced conversions and the resulting accounting. The working group adopted revisions from the ASU with modification, requiring the debt issuer to recognize an expense equal to the fair value of the additional securities granted or other consideration issued based on the terms of conversion of the existing debt instrument. Other guidance in the ASU was rejected.	Y	N	2025
2025-09	SSAP No. 51—Life Contracts	Life	This agenda item coordinates changes made in the <i>Valuation Manual</i> with the guidance in the SSAP related to principles-based reserving for non-variable annuities. Adds reference to the reserve requirements and reserving methods.	Y	N	2025

Ref#	Title	Ins. type	Revisions adopted	F/S impact	Disclosure	Effective
2025-08	SSAP No. 84— Health Care and Government- Insured Plan Receivables	P&C Life Health	Adopted revisions to add disclosures in SSAP No. 84 and recommended data-capture table in the annual statement blank for Medicare Part D Prescription Payment Plan receivables due from participants, along with aging and write-offs.	N	Y	2025
2024-05	Appendix A-791— Life and Health Reinsurance Agreements	Life Health	At the request of the Valuation Analysis (E) Working Group, adopted the deletion of a sentence to the question/answer portion of Section 2.c. related to reimbursement to the reinsurer for negative experience. Question/Answer – If group term life business is reinsured under a YRT reinsurance agreement (which includes risk-limiting features such as with an experience refund provision that offsets refunds against current and/or prior years' losses (i.e., a "loss carryforward" provision), under what circumstances would any provisions of the reinsurance agreement be considered "unreasonable provisions which allow the reinsurer to reduce its risk under the agreement" thereby violating subsection 2.c.? - The following sentence in the answer to the above question is being removed. "Unlike individual life insurance where reserves held by the ceding insurer reflect a statutorily prescribed valuation premium above which reinsurance premium rates would be considered unreasonable, group term life has no such guide."	N	N	2025

Ref#	Title	Ins. type	Revisions adopted	F/S impact	Disclosure	Effective
2022-19	Appendix B – Interpretations of Statutory Accounting Principles INT 23-01: Net Negative (Disallowed) IMR	Life	Adopted revisions to extend the effective date to December 31, 2026. Also added the following additional requirements and clarifications: • Clarified that adjusted capital and surplus is calculated from the most recently filed financials (previous quarter) and added and additional cap to limit admittance to 10% of current unadjusted capital and surplus. • Required completion of data-captured template disclosures to admit net negative Interest Maintenance Reserve (“IMR”). • Net negative IMR now captured in the Principles-Based Reserving calculation or Asset Adequacy Testing/Cash Flow Testing pursuant to VM-20, with requirement of reconciliation to confirm reserves are not overstated. • Clarified the derivative disclosure roll-forward to confirm the net negative disallowed IMR reflects the total	Y	Y	2025



SAPWG exposed the following items for written comments by interested parties:

Ref#	Title	Ins. type	Revisions exposed	F/S Impact	Disclosure	Effective
2025-03	SSAP No. 7—Asset Valuation Reserve and Interest Maintenance Reserve	Life	Proposed new SAP concept This agenda item relates to the broader project to bring the accounting guidance into SSAP No. 7 and remove the guidance in the annual statement instructions. Discussed the previously exposed proposed definition and purpose for the IMR. Exposure includes the definition and purpose recommended by the American Council of Life Insurers (ACLI) along with NAIC staff recommendations.	Y	TBD	TBD
2023-14	SSAP No. 7—Asset Valuation Reserve and Interest Maintenance Reserve	Life	Proposed New SAP Concept This agenda item also relates to the broader project to bring the accounting guidance into SSAP No. 7 and remove the guidance in the annual statement instructions. The working group reexposed proposed revisions to remove hypothetical IMR. In a reinsurance transaction, current guidance requires a three-step process to determine the interest-related gain/loss for the block. Hypothetical IMR is the IMR balance and future amortization that would result if the remaining assets associated with the block of liabilities were sold.	Y	TBD	TBD
2025-01	SSAP No. 22—Leases	P&C Life Health	Proposed SAP clarification Proposed revision clarifies that if the cash received in a sale-leaseback transaction prevents/ restricts the reporting entity from use under the agreement, then the transaction does not qualify as a sale-leaseback transaction and is considered a financing arrangement.	Y	TBD	TBD

Ref#	Title	Ins. type	Revisions exposed	F/S Impact	Disclosure	Effective
2025-20	SSAP No. 26— Bonds SSAP No. 43— Asset-Backed Securities SSAP No. 21— Other Admitted Assets SSAP No. 2—Cash, Cash Equivalents, Drafts and Short- Term Investments	P&C Life Health	Proposed SAP clarification With the goal of consistency, clarity and periodic requirements in disclosures for bonds, nonbond debt securities and residual interests, the working group exposed revisions to disclosures and an Annual Statement General Interrogatory. A summary of the proposed revisions is as follows: • Expansion of annual audit-only bond disclosure for sale proceeds and the resulting realized gain/loss to be data captured. Additionally, proceeds and realized gain/loss information for maturities of bonds within the scope of SSAP No. 2 and nonbond debt securities within the scope of SSAP No. 21. • Clarifications to the summary presentation of bonds by maturity date required for annual audit. This comparative summary disclosure is proposed to be added for nonbond debt securities under SSAP No. 21. • Clarification for disclosure of impaired securities to include all debt securities and be data-captured. Potential elimination of quarterly disclosure requirement. • Annual statement instructions and template for disclosure of bifurcated other-than-temporary impairment to also include nonbond debt securities and residual interests that apply the allowable earned yield method of accounting. • Additional disclosures for residual interests consistent with other bond disclosures. • New general interrogatory to identify residual interests accounted for under the allowable earned yield method of accounting or the practical expedient. Also an interrogatory regarding whether the company is changing from the practical expedient to the allowable earned yield method. • Full disclosure requirements replace referenced requirements. Proposed effective date is December 31, 2026.	N	Y	2026

Ref#	Title	Ins. type	Revisions exposed	F/S Impact	Disclosure	Effective
2025-13	SSAP No. 37— Mortgage Loans	P&C Life Health	Proposed SAP Clarification This agenda item was developed to address accounting requirements for residential mortgage investments held in Delaware Statutory Trusts (DST). Exposed revisions to SSAP No. 37 to expand the scope to include qualifying investment trusts and have them reported on Schedule B—Mortgage Loans.	Y	TBD	TBD
2025-18	SSAP No. 101— Income Taxess	P&C Life Health	Proposed SAP clarification This item relates to updated U.S. GAAP Guidance in <i>ASU 2019-12, Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes</i>. In addressing the SAP position, the updated guidance does not pertain to SSAP No. 101 previously adopted. However, rather than updating the reference, it is proposed that the accounting guidance for interim periods be incorporated into the statement. Exposed revisions to incorporate interim period guidance updated by the ASU that was previously adopted by reference.	NA	NA	TBD
2025-21	SSAP No. 92— Postretirement Benefits Other Than Pensions SSAP No. 102— Pensions	P&C Life Health	Proposed SAP clarification Exposed proposed revisions to explicitly address valuation of plan assets using the net asset value (NAV) practical expedient for fair value disclosure.	N	Y	TBD

Ref#	Title	Ins. type	Revisions exposed	F/S Impact	Disclosure	Effective
2025-19	All Invested Asset SSAPs	P&C Life Health	ANNUAL STATEMENT RECOMMENDATION– PRIVATE SECURITIES Proposed SAP clarification Exposed proposed revisions to existing disclosures to identify the type of security held, either public or type of private security. • Private placements under Rule 144A, Regulation D and Section 4(a)(2). • Provide aggregate details. • Capture in aggregate: • Book Adjusted Carrying Value (BACV) • Total fair value • Fair value that represents level 2 and level 3 of the fair value hierarchy • Deferred interest • Paid-in-kind interest • Total BACV with a Private Letter Rating (PLR) designation for each private security type (144A, Reg D, Section 4(a)(2))	N	Y	2026

The SAPWG deferred action on the following items previously exposed.

Ref#	Title	Ins. type	Revisions exposed	F/S Impact	Disclosure	Effective
2024-12	SSAP No. 27—Off-Balance-Sheet and Credit Risk Disclosures	P&C Life Health	Proposed SAP clarification Previously exposed revisions to remove the reference to <i>FASB Statement No. 105, Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk</i> for excluded items and explicitly list the exclusions within the SSAP. In addition, the working group exposed recommended annual statement changes to explicitly include the items for disclosure, including an example. The working group deferred action on this item to allow consideration of comments received relating to potential redundancy of disclosed information	Y	Y	TBD
2023-31	SSAP No. 58—Mortgage Guaranty Insurance Appendix A-630—Mortgage Guaranty Insurance	P&C	Resulting from recent revisions to the Mortgage Guaranty Insurance Model Act (#630), the working group directed the development of revisions to SSAP No. 58 and Appendix A-630. The revisions to the model primarily relate to capital requirements. No exposure at this time.	TBD	TBD	TBD

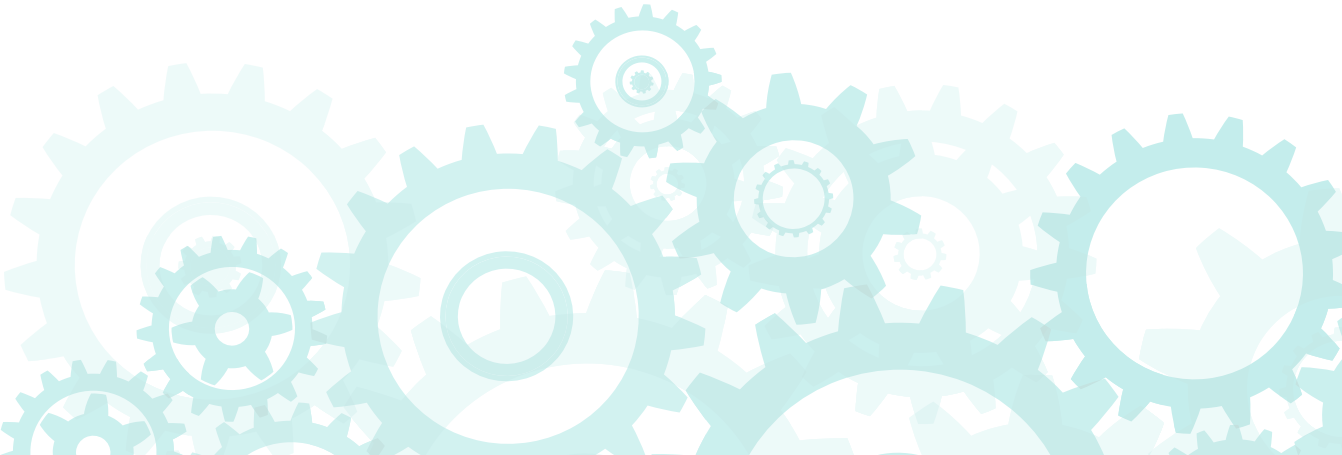
Ref#	Title	Ins. type	Revisions exposed	F/S Impact	Disclosure	Effective
2024-06	SSAP No. 61R—Life, Deposit-Type, and Accident and Health Reinsurance	Life Health	Proposed SAP clarification Proposed revisions to require risk transfer to be evaluated in the aggregate for contracts with interrelated contract features, such as experience refunds, were adopted at the working group level but actions were deferred at the parent committee level. Deferral will allow regulators to further discuss the revisions. Also exposed revisions to refer to <i>Appendix A-791, Life and Health Reinsurance Agreements</i>, paragraph 6, when reinsurance agreements also combine a yearly renewable-term contract to ensure the entirety of the agreement must be evaluated for risk transfer. Revisions would have been immediately effective for new or newly amended contracts. Revisions are proposed to be effective December 31, 2026, for existing contracts to allow time for assessment by insurers and domiciliary state regulators.	Y	N	TBD
2024-15	SSAP No. 86—Derivatives	P&C Life Health	Proposed SAP Clarification Interest-rate hedging derivatives that do not qualify as effective hedges but are utilized by industry for asset-liability management (ALM). Under consideration: • Regulator support for a special accounting treatment for these “macro hedges.” • Special criteria. • Deferred losses (reported as assets), admissibility, and limitations. • Amortization time frame. SAPWG exposed the agenda item with the above-noted considerations noting that further regulator and industry discussion will occur during the interim period.	Y	TBD	TBD

Ref#	Title	Ins. type	Revisions exposed	F/S Impact	Disclosure	Effective
2024-04	SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities	P&C Life Health	Proposed SAP Clarification Exposed the agenda item and directed NAIC staff to work with industry in determining current application and interpretation differences on the reporting of securities lending collateral and repurchase agreement collateral for possible consistency revisions. Newly exposed memo describing similarities and differences in securities lending and repurchase agreements. Considering to adopt with modification certain disclosures from <i>ASU 2023-06, Disclosure Improvements</i>, including the following. • Accrued interest from repos and securities borrowing. • Separate disclosure of significant (10% of admitted assets) reverse repos. • Counterparty disclosures for repos and reverse repos that are significant (10% of adjusted capital and surplus).	Y	TBD	TBD

The SAPWG also provided the following updates.

Ref#	Title	Ins. type	Project updates	F/S Impact	Disclosure	Effective
2024-21	SSAP No. 97— Investments in Subsidiary, Controlled and Affiliated Entities	P&C Life Health	Proposed new SAP concept Exposed the following proposed revisions: - Annual statement proposed revisions eliminating the concept of investment subsidiary. - Will provide a referral to the Risk-Based Capital Working Groups with suggestions on impact of elimination. Proposed effective date is December 31, 2026.	Y	TBD	TBD
2024-07	Annual Statement Blanks	Life	Adopted new reporting schedule that adds a new part to the reinsurance Schedule S in the Life/ Fraternal annual statement blanks, which is similar in structure to Schedule DL. No revisions to Schedule F. Include aggregated totals by investment category for all assets held under a funds withheld arrangement and would include a separate signifier for modified coinsurance assets.	N	Y	2025
2025-07 2025-06	Annual Statement Recommendation	Life	Adopted recommendations to: - Remove a general interrogatory on dividends received. (2025-07) - Remove reporting line 8, “Unrated Multi-Class Securities Acquired by Conversion,” from AVR. (2025-06)	N	Y	2025
2025-04	Annual Statement Recommendation	P&C Life Health	Adopted a recommendation to remove the “capital structure code” reporting column in Schedule D-1-1: Long-Term Bonds–Issuer Credit Obligations, and Schedule D-1-2: Asset-Backed Securities. (2025-04)	N	N	2025

Ref#	Title	Ins. type	Project updates	F/S Impact	Disclosure	Effective
2025-10 2025-11	Appendix D— Nonapplicable GAAP Pronouncements	P&C Life Health	The following US GAAP standards were rejected as not applicable to statutory accounting. • <i>ASU 2023-07, Improvements to Reportable Segment Disclosures.</i> (2025-10) • <i>ASU 2024-03, Disaggregation of Income Statement Expenses and ASU 2025-01, Clarifying the Effective Date of ASU 2024-03.</i> (2025-11) • <i>ASU 2017-05, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20), Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets.</i> (2025-14) • <i>ASU 2025-02, Liabilities (topic 405), Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122.</i> (2025-15)	NA	NA	2025



NAIC healthcare update

The summer 2025 meeting of the National Association of Insurance Commissioners (NAIC) Health Insurance and Managed Care (B) Committee largely centered around the continued evolution of the US health insurance industry and growing uncertainty related to changing regulation and increasing costs. This focus is an extension of (B) Committee's 2025 charges to "... analyze policy implications and their effect on the states of proposed and enacted federal legislation and regulations, including, where appropriate, an emphasis on equity considerations and the differential impact on underserved populations..."^{25, 26}

Further, during the summer meeting the NAIC's Center for Insurance Policy and Research (CIPR) held an event—The U.S. Healthcare Financing System for 2026: Trends and Implications for Consumers and the States—that provided an overview of current health care policy changes and focused on ways to navigate the instability in the industry.²⁷

The US health care landscape is undergoing a period of significant change and uncertainty. With a new administration in place and a flurry of legislative activity, stakeholders across the industry—patients, providers, insurers and policymakers—are contending with the implications of evolving policies and shifting market dynamics.

One of the most consequential pieces of legislation, the recent One Big Beautiful Bill Act, also known as the reconciliation bill, included significant changes to health care policy, including modifications to Medicaid requirements.²⁸ According to CIPR panelists, these changes may result in some individuals transitioning from Medicaid to private insurance while others could become uninsured, raising questions about gaps in access and continuity of care.

Further, enhanced premium tax credits—created by American Rescue Plan Act in 2021 and which subsidizes insurance purchased through exchanges—are set to expire at the end of 2025.²⁹ Without an extension, the market could see healthier individuals dropping coverage due to rising costs, leaving a sicker, more expensive pool of insureds. As discussed by the CIPR panel, this scenario could drive some of the largest premium increases since 2018 for both subsidized and unsubsidized plans.

If prices of traditional coverage change, it is expected that consumers will explore alternatives such as health care sharing ministries or other replacements to the Affordable Care Act (ACA). In this environment, insurers face mounting pressure to develop products that not only comply with regulations but also deliver clear, compelling value to consumers.

Such potential policy changes could also extend to hospitals and individual patients. If coverage losses are realized, hospitals may see an increase in uncompensated care, leading to higher medical costs and potentially discouraging individuals from seeking timely, appropriate treatment. The growing prevalence of high-deductible plans could compound these challenges, often compelling patients to delay or forgo necessary care due to out-of-pocket costs.

Despite the potential impact of these potential changes, consumer awareness remains low. According to the Kaiser Family Foundation, 75% of Americans are unaware that premium tax credits are set to expire.³⁰ This lack of basic education poses further risks, as individuals may be caught off guard by rising costs and shifting coverage options.

For insurers, the imperative is clear: there is a need to innovate and offer products that deliver real value in a changing market. These changes could be further compounded by ongoing efforts to improve price transparency and pursue bipartisan policies toward controlling health care costs. The months ahead will be important as stakeholders continue to adapt to a rapidly changing environment and work to provide access, affordability and quality for all.

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