

Deloitte.

Together makes progress



NAIC update: 2025
Fall National Meeting

Center for
**Regulatory
Strategy
US**

Table of contents

Setting a true course	1
Modernization and solvency oversight	2
Technology, data, and AI in insurance	4
Climate resilience, catastrophe risk, and market affordability	5
Consumer protection, equity, and market conduct	6
Looking toward the horizon	7
Regulatory insights to action	8
Contacts	9
Endnotes	10

Setting a true course

The National Association of Insurance Commissioners (NAIC) fall meeting in Hollywood, Florida, during the second week of December 2025 drew about 2,500 registered participants. Throughout, the NAIC reaffirmed its dedication to strengthening state-based insurance regulation, with emphasis on resiliency, consumer protection, and financial stability.

The meeting showcased a blend of broad thematic initiatives and detailed development of measures and frameworks aimed at enhancing oversight of the insurance sector. Key focus areas included the modernization of solvency oversight, regulatory strategies for the rapid progression of technology, artificial intelligence (AI), and data utilization, as well as climate resiliency, catastrophe risk, and affordability.

Jon Godfread, the 2025 NAIC president and North Dakota's insurance commissioner, remarked in his keynote address, "State insurance regulators are not reacting to change. We are driving it." His assertion resonated throughout the proceedings, as regulators deliberated on new frameworks for risk-based capital (RBC), AI oversight, climate resilience, and overall market stability. At the conclusion of the meeting, leadership transitions for 2026 were determined. Virginia Insurance Commissioner Scott White was elected NAIC president, Rhode Island Department of Business Regulation Director Beth Kelleher Dwyer became president-elect, Utah Insurance Commissioner Jon Pike assumed the role of vice president, and South Carolina Insurance Director Mike Wise was elected secretary-treasurer.



Modernization and solvency oversight

The NAIC emphasized its commitment to financial stability during the national meeting.

Key initiatives and topics explored included modernizing solvency oversight, reorganizing oversight committees, refining the RBC framework, and reviewing recently adopted actuarial guidelines AG 53 and AG 55 for addressing complex assets in insurers' own investment portfolios and asset-intensive reinsurance/cross-border/affiliated deal risks, respectively.

Regulators stressed the importance of transparency, consistency, and conservatism as insurers invest in more complex assets, aiming to ensure that assets sufficiently back liabilities and support long-term payment obligations.

Reorganization of solvency group structure and names

The Valuation of Securities (VOS) Task Force was replaced by the Invested Assets Task Force. Under the new structure, three associated working groups were created: the Investment Analysis Working Group, the Securities Valuation Office & Structured Securities Group Working Group, and the Credit Rating Provider Working Group. Task force leaders and the NAIC noted that this restructuring better aligns with today's insurance investment landscape.¹

At its final meeting, the VOS Task Force approved moving the effective date for financial modeling of collateralized loan obligations (CLOs) by the structured securities group to year-end 2026.² The ongoing RBC framework may be revised to accommodate changes stemming from the CLO project.³

RBC framework modernization progress

The NAIC highlighted ongoing efforts to ensure the "equal capital for equal risk" principle, a central theme in the work to the NAIC's cornerstone project on RBC modernization through its RBC Model Governance Task Force. The task force adopted revised principles for the framework, which was launched conceptually in February 2025 in light of the life insurance industry's structural shift toward alternative assets, private equity, and offshore reinsurance. The national meeting featured discussion on how to interpret and implement this across different lines of business (life, property & casualty). The task force advanced principles to guide future enhancements, emphasizing transparency, consistency, and the need for quantitative guidelines to avoid misinterpretation.

The NAIC is also beginning a gap analysis, initially focusing on life RBC, with plans to coordinate with the American Academy of Actuaries for technical support in reviewing a data set on sample life insurance investment content. Based on the Academy's preliminary feedback, a contracting party will update the gap analysis. The Academy will make recommendations on prioritization based on the updated gap analysis. Industry stakeholders debated whether statistical safety levels and time horizons should be uniform or tailored to specific business models.

The NAIC also discussed the transition to the new Generator of Economic Scenarios (GOES) for principle-based reserving and RBC calculations, in effect as of January 1, 2026. GOES assesses insurer risk under various economic conditions but is not predictive. The GOES subgroup will oversee materials and updates to ensure compliance with the scenario governance framework.⁴

Actuarial reserve reviews underway

The meeting emphasized stricter RBC requirements for complex assets, including enhanced modeling, disclosure for high-yield and structured assets, and assessing interest rate effects on reserve adequacy.

Fred Andersen, chief life actuary with the Minnesota Department of Commerce, speaking at the Life Actuarial Task Force (LATF) meeting, stated that "in light of the trend toward more complex assets and more complex products, I want to make sure that ... we continue to have a handle on issues that could cause financial distress for life insurers."⁵

Andersen said the NAIC group of state regulators looking into modeled asset risks reviewed 53 reports and identified some insurers' investments with high exposures and fairly aggressive net yield assumptions that had not performed robust modeling of their default on performance assumptions. He said regulators have started initiating conversations with some of these companies and have found issues with dynamic lapses in long-duration or illiquid assets, as it appears there was very little data on how policyholders would react amid a rising interest rate environment. The NAIC group will be looking into how uncertainty and volatility associated with policyholder assumptions can significantly impact cash flow testing results to help ensure reserve adequacy in moderately adverse scenarios.

High-level next steps included engagement with this topic through AG 53 reviews, prioritizing companies with complex assets and complex products, and reviewing upcoming AG 55 filings to make sure that policyholder behavior and combination risks are addressed in reserves. The plan is to share findings at a generalized level at upcoming LATF meetings.

All systems go for the AM

The Aggregation Method (AM) Implementation Working Group outlined a quarterly timeline for finalization of the AM, incorporating any potential refinements for comparable implementation of the International Capital Standard (ICS). By the fourth quarter of 2026, the NAIC expects to be actively monitoring any changes to the ICS and their impact to the AM, after a gap analysis on US systems and final approval by the International Insurance Relations Committee. The working group will be using technical documents on valuation, scalars, and “other tools” as a reference in the finalization of the AM. The goal is a final version of the AM to be used as the US version of the ICS.

The NAIC will use a specific scalar approach (excessive relative ratio) to address the AM’s sensitivity to interest rates, an issue the International Association of Insurance Supervisors (IAIS) had highlighted in its comparability review.⁶ IAIS assessments will begin in 2027, at the earliest.

IAIS Secretary General Jonathan Dixon attended this NAIC meeting before his term ends this year, presenting on standard-setting activities. He also discussed topics such as natural catastrophe protection gaps, financial stability, and geopolitical fragmentation and how these issues affect insurers’ assets and liability management.



Technology, data, and AI in insurance

AI Systems Evaluation Tool: Draft development and debate

Though there was no public discussion on a possible AI model law after earlier interim meeting debate, a significant portion of the meeting was devoted to the efforts of the Big Data and Artificial Intelligence (H) Working Group and associated parties, who reviewed and refined the draft of an AI Systems Evaluation Tool. This tool is intended to assist regulators in assessing and managing risks associated with AI deployment.

During a four-hour session, participants engaged in robust debate regarding the scope, confidentiality, and proportionality of this regulatory tool. Industry stakeholders advocated for strong confidentiality protections, particularly in the context of company examinations and rate filings where sensitive information may be involved. They also called for clear, actionable guidance prior to the tool's pilot implementation, emphasizing the need to focus regulatory attention on truly high-risk AI systems—that is, those with the potential to significantly impact a company's financial stability.

Doug Ommen, Iowa insurance commissioner and session leader, stressed that the development of the AI Systems Evaluation Tool is an “iterative process” and will continue to evolve. He clarified that the tool is designed to be used within the context of scheduled examinations—both financial and market conduct—rather than as a basis for additional fact-finding activities.

AI Systems Evaluation Tool: Next steps

Only Exhibit A of the evaluation tool—which focuses on quantifying a regulated entity's use of AI systems—was discussed during the session. The next version of the tool is scheduled to be piloted in 2026 by a select group of state insurance departments.

Third-party data and model regulatory framework

The meeting addressed regulation of third-party data and model vendors, proposing a risk-based framework for registration, governance, and oversight to ensure consumer protection and insurer accountability.

The Third-Party Data and Models Working Group proposed a risk-based framework involving registration for the oversight of third-party data and model vendors whose products are used by insurers in core insurance functions such as pricing, underwriting, claims, marketing, and fraud detection. The process would apply across all lines of business, with a failure to provide access resulting in the data model being barred for use by the insurer in the state.

As proposed, third-party data and model vendors would register before their models or data can be used by licensed insurers and would be obligated to develop and maintain comprehensive governance programs, implementing controls to ensure data accuracy, completeness, timeliness, quality, and appropriate model validation. Vendors must also consent to granting regulators access to pertinent documentation, validation records, and audit trails. Insurers would retain ultimate responsibility for compliance and would have to assess and confirm the suitability and performance of third-party models, fulfill annual attestation obligations, and inform regulators of any significant changes. Notably, the proposed registration framework does not mandate third-party vendors be licensed.

According to Colorado Deputy Commissioner for Property and Casualty Insurance Jason Lapham, chair of the working group, the framework is designed to be proportional and balanced, serving as an alternative to a full licensure process that would involve extensive reporting and periodic examinations. Participating states may determine how extensively to use it, applying it to financial and market exams as needed. Lapham anticipates ongoing debate and discussion regarding the draft framework throughout much of 2026. Following a 60-day exposure period for public comment, the draft framework will continue to undergo refinements. Insurers have expressed concerns about costs, required expertise, and the implications of the framework on a national scale, issues that will be further examined as the process progresses.

Cyber portal framework

The NAIC continues to discuss developing a centralized regulatory cybersecurity response system so that states can efficiently and consistently respond to and report on insurance cyber events on a national level.

So far, the Cybersecurity Working Group has focused on achieving convergence in how the existing Insurance Data Security Model Law is used in the jurisdictions where it has been passed, with the conceptual Cybersecurity Event Response Plan aligning with that approach. Regulators are engaged in discussions about getting the project over the finish line while addressing states' wishes for consumer notifications, standardized implementation requirements, and addressing concerns regarding size of the portal streamlining, accessibility, and fee structure/cost. The working group will continue to revise the project intake form so more technical information can be included, and then reexpose it for comment.⁷

Climate resilience, catastrophe risk, and market affordability

Natural catastrophe risk mitigation, climate resilience, and insurance market affordability were recurring themes during the meeting. Data collection and organization were spotlighted as the methods and means to improve peril and natural disaster responses and address protection gaps.

The national meeting featured presentations focused on strategies for risk mitigation such as home hardening and building codes, as well as the challenges of insuring high-risk areas, and the need for innovative insurance products to address natural catastrophe protection gaps. The ongoing instability of the National Flood Insurance Program (NFIP) and the increasing frequency and severity of catastrophic events were highlighted as urgent policy concerns. The NAIC discussed FEMA pre-disaster mitigation grant programs and coordinating participation in FEMA grant application processes.

Reorganization of climate-related groups

The Climate and Resiliency Task Force will segue into a new Natural Catastrophe Risk and Resilience Task Force. Task Force Co-Chair and California Insurance Commissioner Ricardo Lara explained the focus of changes is to increase coordination, communication, and response among states to catastrophes and perils, including the reorganization of previous associated working groups into the Pre-Disaster Mitigation and Risk Modeling Working Group and the Severe Perils Working Group to help achieve more efficient natural catastrophe management oversight.⁸

- The NAIC's Center for Insurance Policy and Research (CIPR) Catastrophe Risk Management Center of Excellence (COE) will work with state regulators in an effort to bolster risk mitigation grant programs in states and to address and ameliorate protection gaps. The data will allow states to act proactively in a risk management capacity before and after natural catastrophes and perils. New roles within the resilience hub will allow for additional resources for complex or nuanced events. Training and workforce development will continue. One of this year's primary goals is to develop relationships with national partners to extend reach beyond current regional partners.

Dashboards and actionable data

The NAIC showcased the development of a Natural Catastrophe Risk Dashboard to provide regulators with actionable data. The Climate and Resiliency Task Force developed the dashboard as a tool to identify issues, impacts, and trends based on national data metrics. The objective of this guide is to provide pre-disaster education and information including common questions and how to best prepare. Regulators emphasized that this type of document is important to provide real-time information and to combat misinformation.

The Homeowners Market Data Call Task Force said it expects states to issue a data call in early 2026, with a submission due date of June 2026.⁹ The data call will require any company that wrote \$50,000 or more in homeowners insurance premiums in any of the years 2018 through 2025 in a participating state to report the requested data for all years included in the data call. Regulators said data calls are important to understand risk and act on emerging risk in the homeowners insurance market. They said states will learn from their initial data call and refine future ones over time, rather than rebuild it each year. The refinements will include homing in on key indicators needed to understand market changes and vulnerabilities.



Consumer protection, equity, and market conduct

Consumer protection was a major focus, highlighted by the Consumer Liaison Committee and the Market Regulation Certification Working Group, which advanced the Voluntary Market Regulation Certification Program. This program enables state insurance departments to self-certify market regulation practices with NAIC review teams providing oversight. The goal is to standardize market conduct, enhance consistency, and promote best practices nationwide. The group is also creating auditing mechanisms for certification and considering new standards.

The meeting also featured a strong focus on addressing unfair discrimination in insurance, promoting transparency in pricing models, and ensuring regulatory frameworks keep pace with evolving market practices.

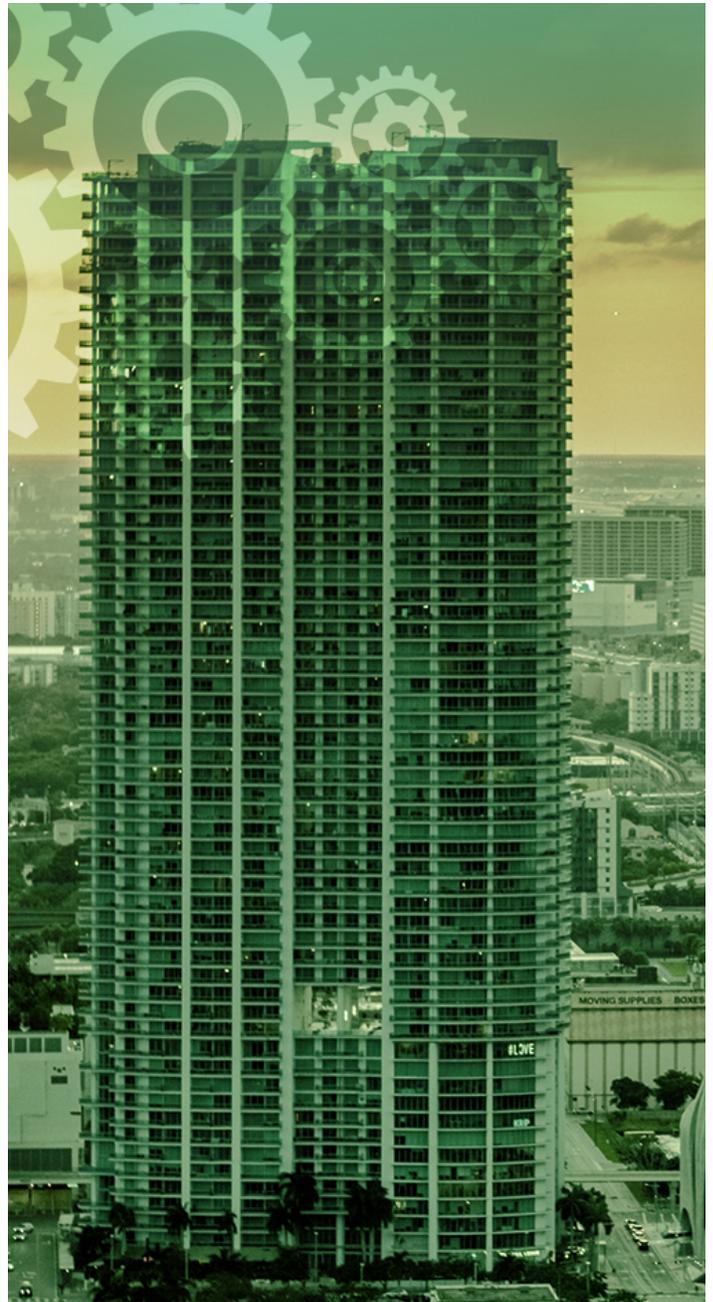
A presentation by the Consumer Federation of America titled “The Hidden Cost of Credit Scores in Homeowners Insurance Premiums,” with its claim that it’s more expensive to have poor credit than to live in an area with high disaster risk, as well as a recommendation for a ban on the use of credit scores in homeowners insurance pricing, sparked some debate.

The Privacy Protections Working Group report sought and gained an extension until fall 2026 to continue revising the Privacy Protections Model Act.^{10 11}



Looking toward the horizon

The 2025 NAIC Fall National Meeting was defined by its focus on regulatory modernization, technological innovation, climate and catastrophe risk management, and a commitment to consumer protection and market fairness. Data calls, privacy initiatives, and oversight of AI and third-party vendors are among measures designed to strengthen market conduct supervision and improve consumer outcomes. Evaluation and monitoring of national and international solvency issues will continue, as regulators seek to ensure solvency for consumers in a changing macroeconomic environment.



Regulatory insights to action

The Deloitte Center for Regulatory Strategy, US

DCRS helps financial services firms anticipate regulatory change and respond with confidence. We focus on four sectors: banking, capital markets, investment management, and insurance.

As global regulators adapt to shifting economic, geopolitical, and technological forces, they continue to reshape business models and operating frameworks. These shifts create both risks and opportunities for firms.

Our team combines private and public sector experience, supported by Deloitte's access to a global network and regional hubs in Asia Pacific and Europe, the Middle East, and Africa. With former regulators, industry specialists, and business advisers, we deliver practical insights to help organizations navigate complexity and stay ahead.

Additional insights can be found on our hub page [here](#).



Contacts

Tim Cercelle

Managing Director
Deloitte & Touche LLP
tcercelle@deloitte.com

Andrew Mais

Independent Senior Advisor to
Deloitte & Touche LLP
amais@deloitte.com

Aleksandra Irena Jalinskas

Senior Consultant
Deloitte & Touche LLP
ajalinskas@deloitte.com

Riya Mehta

Analyst
Deloitte & Touche LLP
riymehta@deloitte.com

Deloitte Center for Regulatory Strategy, US

Irena Gecas-McCarthy

FSI Director, Deloitte Center for Regulatory Strategy, US
Principal | Deloitte & Touche LLP
igecasmccarthy@deloitte.com

Elizabeth Festa

Lead Regulatory Analyst | Deloitte Services LP
lfesta@deloitte.com



Endnotes

1. National Association of Insurance Commissioners (NAIC), "[Valuation of Securities \(E\) Task Force meeting minutes](#)," December 10, 2025.
2. NAIC, "[Valuation of Securities \(E\) Task Force meeting materials](#)," December 10, 2025.
3. NAIC, "[Investment Designation Analysis \(E\) Working Group meeting materials](#)," December 10, 2025.
4. NAIC, "[Generator of Economic Scenarios \(GOES\) \(E/A\) Subgroup](#)," December 9, 2025.
5. NAIC, "[Life Actuarial \(A\) Task Force](#)," December 7–8, 2025.
6. NAIC, "[Aggregation Method \(G\) Implementation Working Group meeting summary report](#)," December 9, 2025; NAIC, "[Aggregation Method Implementation \(G\) Working Group virtual meeting materials](#)," November 19, 2025.
7. NAIC, "[Cybersecurity \(H\) Working Group](#)," accessed January 2026; NAIC, "[Cybersecurity \(H\) Working Group meeting summary report](#)," December 10, 2025.
8. NAIC, "[Climate and Resiliency \(EX\) Task Force](#)," December 9, 2025.
9. NAIC, "[Property and Casualty Insurance \(C\) Committee](#)," December 11, 2025; NAIC, "[Homeowners Market Data Call \(C\) Task Force](#)," accessed January 2026.
10. NAIC, "[Preview of NAIC Committee and Task Force Activities for the Fall National Meeting](#)," October 31, 2025.



Center for Regulatory Strategy US

About the Center

The Deloitte Center for Regulatory Strategy provides valuable insight to help organizations in the financial services industry keep abreast of emerging regulatory and compliance requirements, regulatory implementation leading practices, and other regulatory trends. Home to a team of experienced executives, former regulators, and Deloitte professionals with extensive experience solving complex regulatory issues, the Center exists to bring relevant information and specialized perspectives to our clients through a range of media, including thought leadership, research, forums, webcasts, and events.

Deloitte.

About Deloitte

This document includes notes on common themes expressed by participants during the 2025 Fall National Meeting of the NAIC. These notes were taken informally based on discussions heard and were not validated or confirmed by Deloitte. Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

As used in this document, "Deloitte" means Deloitte & Touche LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.