



NAIC update: 2026 Summer National Meeting

Center for
**Regulatory
Strategy
US**

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Deloitte's key takeaways

"Real progress takes time. It comes from years of steady effort and from pushing through setbacks along the way."

-NAIC President and Virginia Insurance Commissioner Scott White

From August 10–14, regulators at the National Association of Insurance Commissioners (NAIC) Summer National Meeting in Columbus, Ohio, produced final capital actions, new solvency referrals, model and framework discussions, and a coordinated approach to catastrophe resilience.

Key takeaways

- **Integrated solvency oversight.** Solvency oversight is becoming more integrated, while reporting is becoming more risk-sensitive. The NAIC adopted a revised RBC preamble and new treatment for collateralized loan obligations, collateral loans and qualifying residential-mortgage investments. It is considering a senior-level financial policy steering structure. Initial Actuarial Guideline (AG) 55 reviews prompted targeted company follow-ups, while new referrals could produce capital charges for recapture and recoverability risk. Regulators are also considering expanded advance disclosure of large life and annuity reinsurance transactions.
- **Artificial intelligence (AI) privacy and third-party oversight frameworks are moving forward.** State pilots of the AI Risk Evaluation Supplement continue. Revised privacy protections and a common cybersecurity-notification portal also remain under development.
- **Fortifying against natural catastrophes.** ZIP-code-level data analysis, a homeowners insurance playbook, the proposed Residential Mitigation Grant Program Model Act and extended catastrophe-scenario analysis are intended to help regulators identify local protection gaps and connect verified mitigation with insurance availability.
- **Consumer-protection frameworks are being modernized.** Regulators authorized development of amendments to the Annuity Disclosure Model Regulation and are planning a broader review of market-conduct data, examinations, and interstate coordination beginning in 2027.¹



Solvency

“There’s a general belief among regulators that immediate action is needed given the significant increase in reinsurance activity.”

-Wisconsin Insurance Commissioner Nathan Houdek²

Insurer solvency expectations, concerns, strategies and tools dominated the meeting.³ NAIC President Scott White described private credit and offshore reinsurance as transformative developments, and emphasized that regulators are increasing portfolio transparency, scrutinizing ratings for complex investments, and connecting capital requirements with reserve and counterparty risk.⁴

NAIC members adopted a revised risk-based capital (RBC) preamble, new life RBC factors for collateralized loan obligations (CLOs,) and risk-sensitive treatment for collateral loans.⁵

The RBC Task Force separately exposed an initial inventory of potential RBC gaps. Its plan is to narrow the inventory to approximately five to seven material gaps or modernization projects during 2027 and 2028. The Task Force expects to finalize the priority agenda, governance recommendation, and hand them off to the Financial Condition and Executive Committees during the Fall National Meeting.⁶

The NAIC’s governance work accompanies its increasingly granular treatment of private and structured assets. In addition to the CLO and collateral loan changes, the NAIC adopted look-through treatment for qualifying funds holding performing residential mortgages. Year-end private-placement disclosures, work on Level 3 assets, and a proposed Credit Rating Provider (CRP) Due Diligence Framework are intended to provide regulators with better information about underlying risks and the ratings used to assign capital treatment. The CRP Working Group directed revisions and a re-exposure of the draft framework.⁷

Regulators are meeting with companies privately to gain insights on risk and investments. A regulatory debrief is expected to inform financial analysis and examination tools. The exercise reflects a broader strategy of combining capital charges, disclosures, ratings oversight, portfolio analysis, and company-specific engagement to assess private-credit risk.

Initial reviews of AG 55 reports from insurers involving offshore or captive reinsurance identified transactions requiring further company follow-up, according to Minnesota Chief Actuary Fred Andersen.⁸ Many annuity blocks reported lower post-reinsurance reserves due to higher expected asset returns, different policyholder-behavior assumptions, or the new non-variable annuity reserving framework. Andersen cautioned that retaining full US statutory reserves may not address the risk if stressed capital support is limited.

Life reinsurance received similarly direct attention. The Financial Condition Committee referred two changes to the Life RBC Working Group in response to concerns about the existing formula.⁹ The first would establish a recapture RBC factor to be applied for ceded reserves and modified coinsurance balances ceded to reinsurers outside of reciprocal jurisdictions, taking overcollateralization into account.¹⁰ The second would revise the reinsurance methodology for recoverability risk to reflect increased credit risk from lower-rated reinsurers. Houdek described the referral as a response to concerns that the existing formula may not adequately encompass recapture and counterparty risk as reinsurance activity increases.

Regulators are also seeking comments on whether to reopen the Disclosure of Material Transactions Model Act. Regulators are considering whether the model’s thresholds and disclosure requirements provide adequate visibility into large life and annuity reinsurance transactions, particularly unaffiliated transactions offshore.

What's next

Life insurers face implementation of the 2026 CLO factors and expanded private-placement reporting, look-through capital treatment to qualifying unaffiliated Schedule BA structures holding performing residential mortgages, and the adopted 2027 collateral loan changes. The NAIC will refine the CLO methodology, select other asset-backed securities for review, revise the credit-rating-provider framework and determine which RBC gaps should enter the two-year priority agenda.

The Life RBC Working Group is focused on developing workable formulas addressing overcollateralization, reciprocal jurisdictions, ratings and recoverability. Actuarial regulators will continue targeted company reviews and assess whether AG 55 findings warrant further guidance, disclosures or requirements. The Financial Condition Committee will decide after a review whether to seek Executive Committee authorization to enhance oversight of large life and annuity reinsurance transactions.

Life insurers should review identified gaps highlighted by the NAIC now and as these gaps are prioritized. They should inventory other asset-backed securities and Level 3 assets documenting valuation methods, liquidity, credit support, and the relationship between additional yield and additional risk.¹¹ Insurers should quantify the effects of the new CLO RBC factors and year-end private asset reporting changes.

Insurers should strengthen review of asset-intensive reinsurance before transactions are executed. This should include attribution of reserve reductions, downside testing of projected asset returns, independent challenge of difficult-to-value assets, assessment of counterparty and recapture risk, and confirmation of the capital available to support reinsured blocks. Insurers should also prepare for potential broader advance disclosure of material reinsurance transactions.



Technology adoption and AI

“As AI becomes more deeply embedded in insurer activities that affect consumers, we need a clear view into how these tools work and the ability to evaluate whether appropriate oversight is in place.”¹²

-NAIC President Scott White

The NAIC’s technology agenda moved closer to routine supervision. A state pilot of the AI Risk Evaluation Supplement will continue through September 2026. Regulators are using the supplement to assess AI inventories, governance, materiality, risk classification, data, testing, consumer outcomes, financial risk, vendor oversight and human review. States are applying it in market conduct and financial examinations, financial analysis, and broader inquiries while coordinating outreach to companies.¹³

Comments on the Third-Party Data and Models Working Group’s proposed vendor framework—initially focused on property/casualty pricing and underwriting—were sharply divided. The draft would create a shared registry, regulatory access, annual attestations and material-change notices while retaining insurer accountability. Key concerns included whether registration would be truly voluntary, vendors’ ability to attest when insurers control implementation, protection of confidential information, duplicative filings, proportionality, and due-process rights before regulators restrict a model’s use.¹⁴

Privacy protections advanced with a fully revised draft of the Privacy of Consumer Financial and Health Information Regulation (#672). The proposal would modernize requirements for collecting, using, and disclosing consumer information, as well as consumer rights and third-party obligations. Questions about consent, sensitive information, operational feasibility and alignment with other state privacy laws remain unresolved.¹⁵

The NAIC is also conducting a security review of its proposed Cybersecurity Event Notification Portal. The portal is intended to let insurers submit incident notices for participating states through a common system, but commissioners want documented safeguards addressing confidentiality, data governance, access and concentration risk before development proceeds. The NAIC expects to report on the review at the Fall National Meeting.¹⁶

What’s next

Regulators intend to revise the AI Supplement and consider a final version around the Fall National Meeting. The privacy group hopes to complete its work by year-end, although NAIC adoption is not assured, and state action would still be required.

The third-party group will need to resolve confidentiality, proportionality and accountability before its framework is ready for adoption. It is unclear if all frameworks will be adopted by the end of the year, although that is the goal.

Catastrophe risk

The national meeting tied homeowners affordability and availability to a broader strategy for catastrophe risk, mitigation, and market resilience. Commissioners framed catastrophe risk as a national challenge requiring coordination and have mitigation treated as an insurance market strategy, not a separate emergency management activity.

A recent report established a national baseline for catastrophe risk. Based on 2018–2024 Market Conduct Annual Statement data, it found the homeowners market remains broadly operational, with 715 companies writing coverage and underwriting results improving in 2024. However, regional pressures persist: Inflation-adjusted average direct premiums per policy rose between 18.3% and 43.3%, depending on the zone, while company-initiated nonrenewal rates increased between 96% and 216%, with the largest increases in the Northeast and Southeast.¹⁷

The Property and Casualty Insurance Committee adopted the Affordability and Availability of Homeowners Insurance Playbook.¹⁸ which is designed to act as guidance rather than as a binding insurer requirement.¹⁹

Regulators presented the recently exposed Residential Mitigation Grant Program Model Act.²⁰ The voluntary, state-administered proposed model would provide enabling legislation for insurance department mitigation programs while allowing states to select local hazards, standards, funding mechanisms and eligibility rules.²¹

Possible areas of feedback of the model act include funding, verification, administrative burdens, program scope and how actuarially justified premium discounts should operate.²² The common thread is prevention.²³

Finally, the Financial Condition Committee exposed a proposal concerning catastrophe scenario analysis. The proposal would extend the existing data collection until year-end 2030 to support analysis of modeled catastrophe losses, reinsurance arrangements, and geographic insurer concentrations, as well as regulatory training.²⁴

What's next

The homeowners' data call, the draft playbook, the draft pre-disaster mitigation model, and the NAIC's own catastrophe analysis form a connected regulatory strategy for the state system of insurance regulation.²⁵

For insurers, the key issue is whether verified risk reduction will affect rates, underwriting, deductibles, coverage terms or availability—not just whether homeowners receive grants. Companies should be ready to support ZIP code-level NAIC submissions, explain geographic market changes, and show how mitigation data informs underwriting and rate development. They should also monitor the proposed extension of catastrophe scenario data collection and work on severe convective storms, wildfire, flood, catastrophe models and property reinsurance.



Market-conduct modernization

“This request comes out of concerns returns on some annuities are being illustrated at unrealistically high levels.”²⁶

-Life Insurance and Annuities Committee chair and Iowa Insurance Commissioner Doug Ommen

The NAIC has reopened the Annuity Disclosure Model Regulation (#245) to address concerns that indexed annuity presentations, particularly those using newer, composite, or volatility-controlled indices, may lead consumers to mistake back-tested or non-guaranteed results for expected future returns.²⁷ Regulators will also decide whether registered index-linked annuities, which are not currently covered by Model #245, should be brought within its scope.²⁸

Regulators are also considering an actuarial guideline as a stopgap measure or other interim approach while states evaluate and adopt a revised model.²⁹

This work is proceeding alongside broader market conduct modernization. Regulators want to fine-tune market regulation approaches at the state level so they can identify consumer harm and nationally significant practices earlier and respond more consistently across states.³⁰

What's next

The Market Regulation and Consumer Affairs Committee will consider modernization recommendations at the Fall National Meeting. In 2027, more detailed work is expected on data, examinations, third-party oversight, interstate coordination and implementation.³¹



Looking forward

The NAIC Summer National Meeting in Columbus was content-rich and implementation-focused. Across solvency, private assets, reinsurance, AI, privacy, market conduct and catastrophe resilience, regulators are moving beyond identifying emerging risks. The meeting primed principles to develop into supervisory tools, pilots into standardized processes, and broad policy goals into measurable state action.³² Many consequential questions and processes remain open, but the Columbus meeting demonstrated both the breadth of the agenda and regulators' determination to keep pace with rapidly changing insurance markets.



Regulatory insights to action

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