

# Regulatory Alert

## Regulatory Insights for Financial Services



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## NAIC 2024 Strategic Priorities for State Insurance Regulators

### KPMG Insights:

- **Regulatory “Roadmap”:** The NAIC’s 2024 strategic priorities provide a regulatory “roadmap” for companies to gain insight into areas of upcoming insurance-related regulatory risk and attention.
- **Common Themes:** NAIC priorities align to both its 2023 priorities but also to other financial service regulators, including climate, fair marketing, consumer protections, AI/predictive models and cybersecurity.

The National Association of Insurance Commissioners (NAIC) announces its strategic [priorities](#) for 2024. The priorities, which are set by the NAIC members, aim to pursue “innovative and effective solutions to the most pressing issues affecting consumers, the insurance sector, and markets”.

### NAIC 2024 Strategic Priorities

The NAIC highlights new and ongoing initiatives for 2024 in which the NAIC and/or its members will participate (listed in alpha-order):

#### — **Climate Risk/Natural Catastrophes and Resiliency:**

- Initiatives under the proposed “National Climate Resilience Strategy for Insurance”, to include expanded data collection, scenario testing, pre-disaster risk mitigation programs, a blueprint for future flood insurance, and a new NAIC Climate Risk Dashboard to measure and evaluate climate risk-related protection gaps.
- Ongoing consumer education and mitigation campaigns to “tackle the threat” posed by heightened climate risks.
- Anticipated actions, including:
  - Creating new resilience tools.
  - Advocating for pre-disaster mitigation funding.

- Developing scenario analysis resources for state regulators.

#### — **Insurer Financial Oversight and Transparency:**

- Enhancing the NAIC “Framework for Insurer Investment Regulation” with the aim to “enhance oversight and adapt to evolving investment strategies”.
- Continuing to implement the “Asset Adequacy Testing” framework (AG 53) with the objective of increasing transparency and precision to the assessment of cash flows for insurers’ structured securities holdings.
- Developing a “modernized” Economic Scenario Generator.

#### — **Marketing of Insurance Products:**

- Coordinating with Congress and federal agencies to protect consumers from potentially deceptive and misleading insurance marketing.
- Working with state insurance regulators to improve information sharing among their departments and to create a search tool for consumers to check insurance producers’ licenses.
- Amending NAIC model laws to provide regulatory authority over health insurance lead generators.

— **Race and Insurance, Financial Inclusion, and Protection Gaps:**

- Continuing to identify issues related to race, financial inclusion, and protection gaps with a focus on closing protection gaps and widening financial inclusion, including through statutory or regulatory changes.

— **Use of AI by Insurers and Cyber Risk:**

- Monitoring and supporting adoption of the Model Bulletin on the Use of Artificial Intelligence Systems.

- Proposing a regulatory framework for overseeing third-party data and predictive models.
- Concluding development of the Cybersecurity Event Response Plan.
- “Modernizing” and enhancing consumer data privacy protections through the Privacy Protections Working Group.

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