

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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