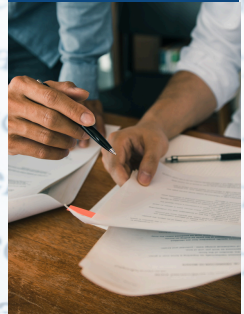


THE REGULATORY REVIEW

2025 Edition No. 1

An eBulletin dedicated to providing insurance regulatory information to IDMA members

Welcome to IDMA's Regulatory Review, presented in support of IDMA's commitment to the robust education of the insurance data manager. Information presented here is compiled from discussions of the National Association of Insurance Commissioners (NAIC) and related regulatory actions, activities and discussions.



Executive Editor
Aimee Siliato, FIDM
Vice President,
Industry Relations,
IDMA

Insurance Data Management Association, Inc. (IDMA)
team@idma.org
www.idma.org

[Quick Link](#)
[About Us](#)

The Regulatory Review eBulletin – 2025 Edition No. 1

Artificial Intelligence (AI)

- Models, tools being developed now could be being trained by biased databases
- Need human in the loop (HITL)

Catastrophe Insurance

- Considerations for loss reduction
 - Mitigation/damage prevention
 - Deductible options
 - Catastrophe Savings Account, similar to healthcare savings account
- Data focus for 2025–what do we need, what do we already have/collect
- Suggested alternatives to FEMA Community Rating Service (CRS)
 - Automatic enrollments
 - Simplification of CRS
 - Multi-jurisdiction CRS participation
- Increased property losses are not only a function of weather
 - Rise in exposure values
 - Rise in replacement costs
 - Inflation
 - Man-made loss drivers such as legal and regulatory factors

Climate and Resiliency

- Climate risk dashboard for regulators, action plans for consumers, part of NAIC online resource center

The Regulatory Review eBulletin – 2025 Edition No. 1

Cybersecurity

- Create inventory of data definitions, data collected and stored currently by the NAIC
- Include representatives from trade associations and key insurers to assist regulators in shaping market intelligence data filings

Diversity, Equity & Inclusion

- Equity in marketing
- Selling insurance is different from most sales, relationship is important, complex transaction/sale
- Financial gap of immigrant communities
- Association of Professional Insurance Women (APIW) webinar January 16, 2025
 - o Mentorship and leadership training are key
 - o Pursue designations to add to professional credentials

Future Challenges for the Actuarial Profession (Based on Casualty Actuarial Society Research)

1. Complex risk factors
 - Genetic data, genetic profiling, ethical and privacy concerns
 - Cyber risks, models needed to assess and predict cyber claims
 - Climate change, frequent and severe weather events complicate predictions and increase uncertainty in risk assessments
2. Artificial Intelligence Integration
 - Algorithmic bias, models free from bias, provide fair assessments for all demographics
 - Model transparency

The Regulatory Review eBulletin – 2025 Edition No. 1

NAIC Leadership–January 1, 2025, one–year terms

- President—Commissioner Jon Godfread, North Dakota
- President–Elect—Commissioner Scott A. White, Virginia
- Vice President—Director Elizabeth (Beth) Dwyer, Rhode Island
- Secretary–Treasurer—Commissioner Jon Pike, Utah

Private Passenger Auto AI Follow–Up Survey

- Regulator meetings during 1Q25 with subset of insurers who used AI in 2021 to discuss responses
- Topics for discussion include:
 - What has changed
 - Use of NAIC AI bulletin
 - Governance
 - Testing
 - Use of third–party data

Rating Organizations vs. Advisory Organizations (Source: Pennsylvania Insurance Department)

- Rating Organizations
 - Issued licenses
 - File loss costs, classification plans, rating rules and (sometimes) policy forms for its members and subscribers to adopt
 - Examples of rating organizations–ISO, AAIS, MSO, CMT
- Advisory Organizations
 - Must register but are not issued licenses
 - Do not make product filings
 - Assist insurers and rating organizations in rate making by the collection and furnishing of loss or expense statistics or by the submission of recommendations
 - Must agree to right of the Department to examine
 - Examples of advisory organizations–ISS, IRI, Explore Info Svc

The Regulatory Review eBulletin – 2025 Edition No. 1

Strategy 2025

- Areas of focus include:
 - Collaborating and sharing best practices
 - Community engagement
 - Education and awareness
 - Importance of data slide—cannot change what you cannot measure, imperfect can still usable, need data for equity, don't wait for perfect data
 - Laws not always designed with equity lens
 - State and federal limitations on the collection and use of data

Technology, Innovation & Insurtech

- McKinsey & Company study
 - Data management identified as big challenge, prevents impact at scale
- Insur-Tech Coalition
 - Gen Z (18-27 years old)—wait for insurance, overwhelming, anxious, frustrated with purchase and process

Third-Party Data and Predictive Models

- Key regulatory concerns include
 1. Use of third-party data for everyday insurance function
 - Pricing
 - Rating
 - Loss costs
 - Modeling
 - Underwriting
 - Claims adjustment and settlement
 2. Areas where an insurer may use third-party data and/or model vendors
 - Governmental entities
 - Back-office operations

The Regulatory Review eBulletin – 2025 Edition No. 1

Workers Compensation

- President—Commissioner Jon Godfread, North Dakota
- President-Elect—Commissioner Scott A. White, Virginia
- Vice President—Director Elizabeth (Beth) Dwyer, Rhode Island
- Secretary—Treasurer—Commissioner Jon Pike, Utah

Disclaimer

The content presented here is not intended to be all-inclusive. Please visit www.naic.org and click on Committees for more information or consult your company's regulatory/compliance staff. Any opinions or observations expressed here are strictly those of Ms. Siliato's and do not necessarily represent the opinions or observations of any company, member of IDMA or of IDMA leadership. An independent review of this material by you and/or your company should be considered in any use of this material.

Comments and Feedback

IDMA welcomes your feedback. Please feel free to send comments to our team at team@idma.org.

Insurance Data Management Association, Inc. (IDMA)
team@idma.org
www.idma.org

Quick Link
[About Us](#)