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Securing Tomorrow: An Outline of the NAIC's 2025 Priorities and Initiatives

Introduction

The National Association of Insurance Commissioners (NAIC) has outlined a clear and forward-looking agenda for 2025, focusing on themes that address a rapidly evolving insurance landscape. The central aim, as articulated in its "Securing Tomorrow: Advancing State-Based Regulation" roadmap, is to protect consumers and monitor industry insolvency.. This involves a strong emphasis on modernizing regulatory frameworks to keep pace with new technologies and risks, while reinforcing the strength and efficacy of the state-based system. The goals for 2025 also make note of the need to adapt to regional insurance needs, confirming that the United States market is not uniform and contains potentially significant variance between different areas of the country. As stated by NAIC President Jon Godfread, "Insurance remains a cornerstone of everyday security — it protects our homes, vehicles, and livelihoods. With the industry and marketplace rapidly evolving in response to emerging technologies, catastrophe risks, and economic shifts, state insurance regulators will continue collaborating with all stakeholders to ensure that insurance products remain accessible."

Key Priorities and Initiatives

The NAIC's 2025 priorities are a multifaceted response to modern challenges, balancing the need for a stable and solvent market with the protection of consumers. The agenda is organized into three core areas: financial and market stability, consumer protection and education, and advocacy and member services. Among the priorities included within the 2025 initiatives, the NAIC included the following:

- **Aligning Communication Strategies and Services:** Enhancing communication methods and platforms will allow for expanded outreach and education for consumers and stakeholders about the work and resources of state insurance regulators.
- **Amplifying the State-Based Insurance Regulatory System Domestically and Abroad:** As the U.S. insurance market becomes increasingly interconnected with the global economy, the NAIC will increase awareness and understanding of the state-based system on the national and international stage.
- **Ensuring Resilience, Relevance, and Prosperity for Generations to Come:** Strengthening financial governance, addressing regulatory arbitrage risks, and modernizing the Risk-Based Capital (RBC) framework will address the demands of the rapidly evolving market. Additionally, advancing financial literacy will reinforce the essential role of insurance in personal and community financial health.

- **Focusing on Committee Priorities:** The NAIC’s Member-led committees are the backbone of advancing enhancement to our regulatory system across a range of fronts. The committee chairs and vice chairs, announced last month by the NAIC, will play a key role as regulators continue to focus on priority issues such as artificial intelligence, risk-based capital, catastrophe risks, protecting retirement savings, examining health insurance market dynamics, and engaging with our international counterparts, to name a few.

See, “NAIC Announces 2025 Initiatives,” February 14, 2025 NAIC News Release.

In a March 21, 2025, press release, the NAIC further announced its federal legislative and regulatory priorities, which included the following:

- **Preserving and Respecting States’ Primary Role as Insurance Regulators by Eliminating the Federal Insurance Office (FIO):** Ensuring the future success of the U.S. state-based system of insurance regulation demands constructive coordination with our federal peers and appropriate deference and independence of the regulatory system from federal intrusion. For this reason, NAIC Members call for the elimination of the U.S. Treasury Department’s Federal Insurance Office, as FIO stands in direct conflict with the states’ role as primary regulators, complicates the states’ engagement with fellow insurance regulators globally, duplicates confidential data collection from the insurance industry, and blurs the line that separates Treasury from independent financial regulators.
- **Ensuring Natural Catastrophe Resilience:** Congress has a crucial role to play in partnership with state insurance regulators and other state leaders to promote community-based resilience and mitigation efforts aimed at addressing the growing risks posed by natural catastrophes. Through targeted funding, tax incentives, and support of state mitigation programs, Congress can help protect communities by reducing the frequency and severity of losses and subsequent insurance claims. This, in turn, would support healthy property insurance and housing markets.
- **Promoting and Preserving State Flexibility to Manage their Health Insurance Markets:** Congress and the Administration should preserve existing state flexibilities through Affordable Care Act waivers and supporting state-based policies in areas like state exchanges and essential health benefit benchmarks. They should also enhance state authority and flexibility for Medicare Advantage, Short-Term Limited Duration Plan, and Association Health Plan oversight.
- **Providing Consistent Funding for Crucial Programs:** Americans have better health outcomes when they have access to health insurance. Congress should extend the enhanced Affordable Care Act subsidies, which have expanded coverage, before they expire at the end of this year. The Administration should fully fund state grants and waivers without delay, as states have leveraged these to support and expand coverage.
- **Producing Guidance on Key Issues:** The Administration should provide long-overdue guidance and necessary clarifications to states on important federal regulations:

Section 1557 nondiscrimination rules, copay accumulator rules, and Mental Health Parity grants.

Insurance regulators remain committed to working with Congress and the Executive Branch to ensure that the U.S. insurance market remains strong, resilient, and responsive to the needs of consumers. State insurance regulators supervise the largest and most competitive insurance sector in the world. The U.S. state-based system of insurance regulation's strength is not an accident of history. It is the result of a deliberate partnership and a clear division of responsibilities between the states and the federal government.

See, "NAIC Announces 2025 Federal Legislative and Regulatory Priorities," March 21, 2025 NAIC News Release.

Conclusion

The NAIC's 2025 priorities reflect a proactive approach to a rapidly changing risk environment. By focusing on modernizing foundational regulatory tools, addressing new risks like climate change and AI, and reinforcing the strength of the state-based system, the NAIC is well-positioned to protect consumers and ensure market stability for years to come. The initiatives outlined in this agenda demonstrate a strong commitment to a robust, transparent, and resilient insurance regulatory framework.