

WASHINGTON (April 2, 2025)

Noting that state insurance regulation is about people, Commissioner Godfread shared a story from shortly after his election to the commissioner's office in 2016. By taking the time to listen and understand, he assisted a consumer in combing through boxes of paperwork and successfully navigating issues with the consumer's long-term care insurance.

"This is what we do as state regulators. We make sure that when people need help, we are there," Godfread shared.

You can read Commissioner Godfread's entire Opening Session keynote below:

So, to my fellow commissioners, directors, and regulators, whether you're here in person or you're tuning in across the country, thank you.

Thank you for your dedication.

Thank you for the work you do every day to uphold the integrity of our state-based system.

And I also want to send a special appreciation to the nearly 11,000 regulators working behind the scenes all across the country and our respective departments, who ensure that consumers are protected, and markets remain strong.

Your work does not just shape policy. It impacts the lives of all the consumers all across our country.

To our industry partners, our consumer advocates, and distinguished guests, your presence today is a testament to the collaborative spirit that drives our work forward.

And, of course, I need to give a very special shout-out to our NAIC leadership—Commissioner White, Director Dwyer, Commissioner Pike—for your commitment, for your partnership, and, frankly, for managing to put up with me for this year.

It is truly an honor to get to stand before you as the NAIC president, because this organization and the work that we do together are about more than just regulating insurance.

It's about securing tomorrow.

It's about ensuring that our markets remain strong.

It's about ensuring that innovation benefits consumers.

And it's about making sure the United States continues to set the global standard for insurance regulation.

And there is no better place to set the stage for the work that we have ahead than right here in Indianapolis, the heart of the Hoosier State.

The city built on competition, resilience, and a love for the game of basketball.

Next weekend, right across the street, Lucas Oil Stadium will host the Midwest Regional, where a spot for the Final Four of the men's basketball tournament is at stake.

Now, some of you may know, and some certainly may better than others, I still occasionally lace up the sneakers for an occasional noon pickup basketball game.

Before testing my noon-ball prowess, I was fortunate to play basketball at the University of Utah and Northern Iowa and was truly lucky enough to compete in two NCAA tournaments.

So, yes, I certainly did try. I advocated as very hard as I could to push this meeting back a week so we could all enjoy the Midwest Regional in person.

But just like in basketball, timing is everything, and now is the time for us as state regulators to lean in and to lead. To ensure that the future of insurance serves our consumers, fosters innovation, and strengthens our markets.

In the spirit of March Madness, we've entered what is known as "crunch time," the moment where preparation, strategy, and execution all come together under pressure.

In basketball, crunch time is where champions rise and legacies are built.

But for our industry, our consumers, and our regulatory system, every day is crunch time.

Because for us, the stakes aren't just about winning or losing a basketball game.

They're about financial security.

They're about protecting families, businesses, and communities.

They're about making sure that when people turn to insurance, that coverage is there.

When consumers call state regulators, it's generally not because things are going well. It's because they're facing some of the toughest days of their lives.

And it's our responsibility, our duty, to make sure that when they make that call, there's some help on the other end of that line.

We don't have to look too far to see the scale of the challenges before us, from the wildfires in California to the hurricanes on the East Coast to the tornado sweeping across the Midwest. These events are testing the resilience of our market like never before.

But it's not just natural disasters.

We're also facing economic pressures in other markets.

Our reinsurance costs are rising.

Inflation and supply chain disruptions are reshaping access and affordability for consumers.

And as state regulators, we stand on the front line of it all.

We don't get the luxury of sitting on the sidelines waiting to see what happens next.

We must take bold action.

We've all seen the devastation from the wildfires in Los Angeles this past January.

I want to take a moment and commend Commissioner Lara for his decisive leadership in prioritizing consumers.

But behind the scenes, all of these events have placed an enormous strain on our reinsurance markets, the financial backbone of our insurance industry.

I have been working directly with Commissioner Lara and the California Insurance Department to discuss how we will tackle some of the most pressing challenges in both global and domestic reinsurance markets.

We are at the point where we don't need just another policy discussion.

We need some real-world problem solving.

Our goal is clear.

We'll bring together regulators, industry leaders, and key stakeholders to develop tangible solutions to keep our reinsurance markets strong and sustainable.

And this conversation is not just about the reinsurance in our property markets.

We're seeing shifts in life reinsurance, as well.

And this discussion is already gaining attention, especially from our friends in the federal government.

These are the type of opportunities where the NAIC and our state-based system truly shine. Because we must rise to the challenge.

We must leverage the expertise we have around this table and other departments and bring forth real-world solutions to one of the most pressing challenges in the global and domestic reinsurance market today. Because that's what leadership looks like, and that's exactly what we're going to do.

2025 marks a milestone in the history of insurance regulation.

It's the 80th anniversary of President Franklin Delano Roosevelt signing the McCarran-Ferguson Act, which affirmed, and I quote, "[T]he continued regulation and taxation by the several States of the business of insurance is in the public interest..."

But let's be clear. State-based insurance regulation existed long before McCarran-Ferguson.

The first state insurance department was created in New Hampshire in 1851, and by 1871, regulators from across the country came together to establish what we now know as the NAIC, a collaborative forum that has stood the test of time.

For more than 150 years, our state-based regulatory system has been the foundation of America's insurance market: a system that has weathered financial downturns, stood strong against catastrophes, evolved through political pressures. And through it

all, it has proven time and time again to be the most effective system for protecting consumers and ensuring strong markets.

We have an absolutely incredible story to tell. Not just here to the United States but around the world.

Our system is not just surviving. It is thriving.

And now more than ever, we must protect it.

We must advocate for it and elevate it.

Given all of that, I have never been more optimistic about the state of insurance regulation.

Because I know the quality of leadership in this room.

I see the dedication in your states, and I know what we can accomplish together.

That is why today I want to outline for you the NAIC's 2025 roadmap: *Securing Tomorrow: Advancing State-Based Regulation*.

This is not just a plan.

This is an invitation and a call to action, a commitment to shaping the future of insurance regulation with sustainable growth, preparedness, adaptability, and global leadership.

Together, we will navigate the challenges ahead and foster a resilient, relevant, and prosperous insurance sector for generations to come.

But make no mistake, this work is already happening.

In states all across the country, regulators are taking proactive, data-driven steps to protect consumers and strengthen their insurance markets.

We see it in Louisiana.

We see it in Alabama, Oklahoma, Mississippi, and Kentucky.

These states and many of yours are leading in home fortification, pre-disaster mitigation, wildfire response and preparation, catastrophe modeling, and consumer outreach.

These are not just policies; these are solutions. And they are proof that our system works.

Unlike one-size-fits-all national models, our state-based system allows individual states to serve as the labs of innovation, where we test solutions, we adapt, we learn, and we lead. And most importantly, we share with each other here at meetings like this.

This approach is making a difference.

Last year, the NAIC adopted the first-ever *National Climate Resilience Strategy for Insurance*, a plan focused on protecting property markets and increasing mitigation and resilience.

This strategy was not the result of federal mandates.

It was a result of collaboration, leadership, and coordination among state regulators.

But our work simply does not stop at catastrophe resilience.

One of the most important responsibilities we have as regulators is ensuring that our consumers are educated, informed, and protected. Because, at the end of the day, it's not about markets and policies. It's about people.

I'm going to share a real quick story.

When I first ran for North Dakota insurance commissioner, I met a man during a parade.

He stopped me and said he was having a lot of issues with his long-term care insurance.

After months of going back and forth with the insurer, meeting with literally every elected official, I think, in the state, both state and federal, he felt hopeless.

I promised to him that if I were elected, I would have him up to my office, and I'd personally help him navigate the system.

A few months later, he took me up on my offer.

He brought in literal boxes of paperwork.

We sat down, and we combed through everything page by page and discovered that his family was simply using the wrong terminology, that a simple slip of the tongue or misunderstanding of the policy terms had cost him hundreds of thousands of dollars.

But because we took the time to help and to listen, he got the coverage that he was entitled to.

This is what we do as state regulators.

We make sure that when people need help, we are there.

That is why consumer education matters.

That is why transparency matters.

That is why clarity in our policy matters.

And that is why I've always told my constituents in North Dakota, while cost is certainly important, coverage should always come first.

That is why the NAIC is committed to expanding financial literacy initiatives and reinforcing the critical role of insurance in financial well-being.

We plan to do this through public-private partnerships that expand access to financial education, targeted outreach to underserved communities, and enhanced transparency in insurance policies.

Because if consumers don't understand what they're buying, we are failing them.

Commissioner Mais did a fantastic job last year and led the charge by challenging us to close the gap, and now we must continue that mission.

In addition to catastrophe resilience and financial literacy, the NAIC is going to focus on key initiatives, including cybersecurity incident and market disruption frameworks, enhancing consumer privacy protections, enforcing annuity protections for consumers, monitoring implementation of the insurance capital standard, and protecting consumer access to health insurance.

Because again, at the end of the day, our job is to secure tomorrow. To ensure that our markets are strong, that our consumers are protected, and that the state-based system remains the global leader.

Let's take a look at some facts.

The United States insurance sector is the largest, most sophisticated, and most successful in the world.

It generates over 3.2 trillion in premiums annually and employs millions of Americans all across our country.

It powers our economy, it supports innovation, and it provides financial security to millions of Americans.

Insurance is not simply a safety net.

It is a pillar of economic strength.

It allows businesses to take risks. Enables home ownership, investment, and job creation. And it funds infrastructure, public services, and future innovation.

These contributions are not only significant. They are indispensable.

And that is why we cannot afford to let our system stagnate.

We must modernize.

We must innovate.

We must ensure that our regulatory framework remains as strong and dynamic as the markets we support.

For decades, the risk-based capital framework has been the cornerstone of insurance regulation.

It helps guarantee that insurers are able to meet their promises to their consumers and that our markets continue to operate with strength and stability.

But as the financial landscape continues to evolve, our tools must evolve with it.

That is why the NAIC has launched the RBC Model Governance Initiative, a holistic review of our world-class system.

This initiative will ensure that the capital standards reflect the modern realities of today's insurance markets. Because as insurers' asset compositions shift, and new risks emerge, we must ensure that our regulatory guardrails are clear, consistent, and effective.

This critical work will be led by four outstanding co-chairs and vice chairs.

Ohio Department of Insurance Director Judy French and Wisconsin Insurance Commissioner Nathan Houdek are our co-chairs, and Iowa Insurance Commissioner Doug Ommen and South Carolina Director Michael Wise will serve as co-vice chairs.

As you can see, it's a little bit of a who's who of financial regulation around the NAIC.

Together, they will oversee a comprehensive review of our capital framework to ensure that we're not just keeping pace with change but that we are leading the way.

This cannot be overstated.

The alternative to a strong, well-functioning private insurance market is greater reliance on government safety nets.

And while these programs play critical roles in protecting vulnerable populations, they are not designed to replace the innovation, the flexibility, and the consumer choice a strong market provides.

When crisis hits, a strong, well-capitalized private insurance market plays a crucial role in providing timely support and financial stability, and it reduces the need for additional public resources and ensuring that recovery efforts are efficient and sustainable.

As regulators, our responsibility is to strike that right balance.

We must ensure that insurers have the financial strength to meet their commitments while also maintaining the flexibility that continues to make the U.S. market the most competitive in the world.

A rigid, inflexible framework would push us away from innovation and competition, making it more difficult for markets to adapt and to meet the evolving needs of our consumers.

That is why the NAIC is committed to ensuring a strong, dynamic private insurance market, one that protects consumers, supports economic growth, and provides long-term security for future generations.

And while we strengthen our system at home, we must also defend it abroad.

The U.S. insurance market is deeply interconnected with the global economy.

The NAIC will continue to lead on the international stage by showcasing the strengths of our state-based regulatory model.

Now there are some that may not want to admit it, but the reality is our system remains the gold standard.

It attracts capital. It offers better protection for consumers, and it drives innovation that other markets struggle to replicate.

That is why the NAIC is launching an initiative to foster knowledge and understanding on the global stage. To elevate the U.S. state-based system as a premier regulatory model.

We will showcase the success of state-based regulation.

We will highlight the advantages of the U.S. system in fostering growth, competition, and consumer protection.

We will build targeted partnerships with international regulatory bodies to promote knowledge exchange and to demonstrate why the U.S. system works better than some of the centralized, inflexible models we see elsewhere in the world.

Because here's the reality.

We do not apologize for our success.

Instead, we welcome others to learn from it.

If other countries want to modernize their insurance markets, we invite them to follow our lead.

Because when it comes to insurance regulation, the United States is not just participating in the global conversation.

We are continuing to set the standard.

And that leadership doesn't happen by chance.

It happens because of you: the commissioners, the directors, the regulators all across our country who dedicate yourselves every day to serving the consumers, strengthening markets, and ensuring stability.

Whether you're leading your department at home, chairing a working group or a parent committee, or helping shape the future regulation of the NAIC, your leadership matters.

The work we do doesn't exist in a vacuum.

It is interconnected, it is impactful, and it is shaping the future of insurance regulation all around the world.

The NAIC is the premier insurance standard-setting body in the world.

With that leadership comes great responsibility.

Responsibility to our consumers to ensure they have access to fair, transparent, and sustainable insurance markets.

Responsibility to the industry to create regulatory frameworks that promote innovation, stability, and long-term success.

And, just as importantly, it comes with great opportunity.

An opportunity to lead, to shape, to guide, and to ensure that the future of insurance regulation is stronger, smarter, and more resilient.

This is not just about maintaining the status quo.

This is about securing tomorrow.

And "securing tomorrow" is more than just a phrase.

Again, it's a call to action.

By uniting under this shared vision, we can redefine the future of the insurance sector, ensuring its resilience, relevance, and prosperity for generations to come.

Together, we have the expertise, the innovation, and the dedication needed to tackle these challenges ahead.

And by embracing collaboration, driving innovation, and applying a little strategic foresight, we can navigate the complexities of an ever-evolving industry and emerge stronger, more agile, and more resilient than ever.

So, as we meet here in Indianapolis, and we continue our work throughout this year, I ask you to have those important conversations, even when they're difficult, technical, or uncomfortable. Because that's what consumers expect of us, and that's what they deserve.

About the National Association of Insurance Commissioners

As part of our state-based system of insurance regulation in the United States, the National Association of Insurance Commissioners (NAIC) provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard-setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally.