2025-2026

STATE OF ADVOCACY

A Year of Achievements and What Lies Ahead

PREPARED AND PRESENTED BY
NAIFA Government Relations

NAIFA | Advocacy

TOGETHER
WE CAN TAKE ON
ANYTHING

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Message from the President

Christopher L. Gandy, LACP
Lisle, Illinois
NAIFA Member Since 2003

NAIFA: The Unrivaled Champion of Political Advocacy

For over a century, NAIFA has stood unmatched as the premier voice for insurance and financial advisors in the political arena. Our robust government relations program has delivered a proven track record of legislative and regulatory victories nationwide—protecting consumer choice, defeating harmful proposals, and shaping policies that empower advisors to serve Main Street families effectively.

As we charge into 2026, NAIFA's commitment is unwavering: to champion policies that bolster the insurance and financial services industry, expand consumer protections, and unlock greater financial opportunities for all Americans.

Our expert government relations team fights tirelessly at the federal and state levels, prioritizing:

- Securing consumer access to essential financial guidance
- Advancing retirement security
- Driving economic growth

NAIFA maintains a powerful presence in interstate bodies like the National Association of Insurance Commissioners (NAIC) and the National Council of Insurance Legislators (NCOIL), influencing model laws to deliver favorable outcomes before they reach state legislatures.

What sets NAIFA apart? Our unstoppable force: professional lobbying amplified by the industry's leading political action committees, and our nationwide grassroots network of members who forge authentic, lasting relationships with Congress, state lawmakers, and regulators.

We boast a proud legacy of bipartisan collaboration, enacting laws that benefit advisors and the clients we serve—no matter the political landscape.

Your voice is our strength. In 2026, NAIFA will continue delivering fierce, successful advocacy for our members. Join us—together, we will conquer every challenge.

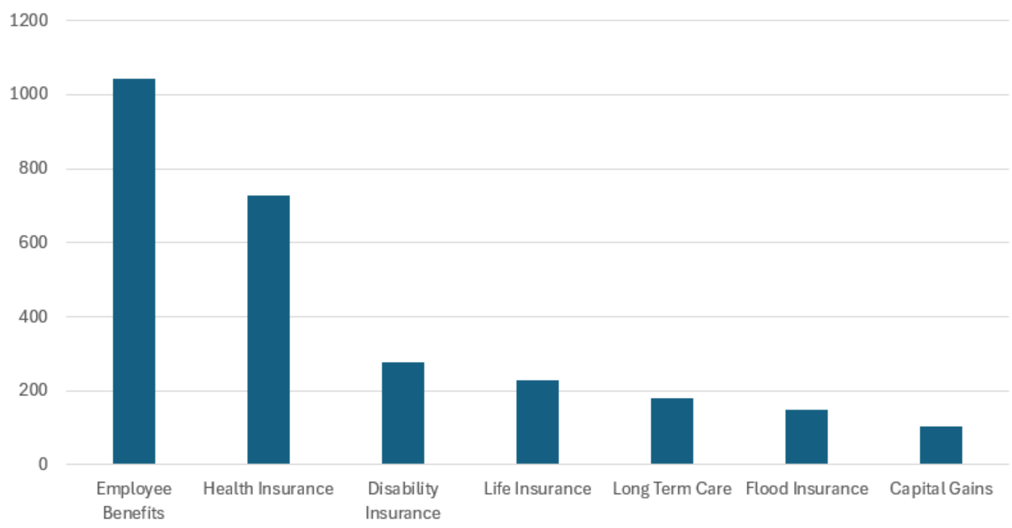
NAIFA Impact

FEDERAL ADVOCACY

2,714	**Bills Tracked**
16	**Congressional Committees and Regulatory Agencies Engaged**
10,000	**Letters submitted to Federal Lawmakers on 21 pieces of bipartisan legislation**

2025 was an active and successful year for NAIFA. Through direct advocacy with Congress and multiple federal agencies, NAIFA ensured policymakers understand the significant role our industry plays in promoting robust economic growth and prosperity for all Americans. NAIFA championed the important role insurance producers and financial advisors play in guaranteeing families' financial well-being, advocating on issues including appropriate regulatory oversight, greater access to financial products, and maintaining comprehensive healthcare coverage.

Industry-Related Bills Filed During 118th Congress



With over 2,700 industry-related bills introduced in the 119th Congress, NAIFA Federal Government Relations professionals have been hard at work representing members' needs before Congress.

2025 Federal Wins

New Tax Law

The budget reconciliation tax package passed by Congress in July preserved favorable tax treatment of life insurance, retirement incentives, and group health tax exclusions, while maintaining current tax treatment for carried interest rules, the C-SALT deduction, and existing rates, and making permanent the passthrough income deduction.

CMS

CMS rescinded a proposed policy that would have required agents and brokers to reconnect their online federally facilitated marketplace account credentials after just 30 minutes of inactivity following pushback from NAIFA and other trade associations. CMS also withdrew a December 3 memo requiring 1-800 Medicare as the only enrollment option for disaster SEP.

Medicare

CMS's proposed rule, *Contract Year 2027 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program*, and *Medicare Cost Plan Program*, included several NAIFA-supported provisions, including changes to the definition of third-party marketing organizations (TPMOs), scope of appointment parameters, call recording retention requirements, special enrollment periods for provider terminations, and unnecessary restrictions currently in place for educational and marketing events.

Short-Term Limited Duration Health Insurance

The Departments of Labor and Treasury announced they will not enforce the three-month limit on short-term limited duration health insurance plans while reviewing the 2024 rule, allowing plans lasting up to 12 months and renewable for up to 3 years.

Alternative Investments

President Trump issued an Executive Order allowing alternative investments (crypto, private equity, lifetime income strategies, real estate, and commodities) in 401(k) plans.

Affordable Care Act (ACA)

The Paperwork Burden Reduction Act (H.R. 3797) and the Employer Reporting Improvement Act (H.R. 3801) were signed into law, alleviating ACA reporting administrative burdens.

INVEST Act

In December, the House passed the bipartisan INVEST Act to expand retirement-planning options for teachers, hospital workers, nonprofit employees, and others. NAIFA's advocacy focused on four primary bills found within the INVEST Act:

- Retirement Fairness for Charities and Educational Institutions Act of 2025 (HR 1013)
- Senior Security Act (HR 1469)
- Fair Investment Opportunities for Professional Experts Act (HR 3394)
- Fair Investment Opportunities for Professional Experts Act (HR3339)

DOL Fiduciary-Only Proposal

A federal court dismissed the DOL's appeal of a decision that stayed the Biden Administration-era regulation. The stay, which remains in place, was the result of a lawsuit filed by NAIFA, several NAIFA chapters in Texas, the American Council of Life Insurers, and others. Fifteen members of Congress also filed an amicus brief in support of NAIFA's position.

NAIFA Impact

INTERSTATE ADVOCACY

Model Laws & Resolutions:

- NCOIL Prior Authorization Reform Model Act
- NCOIL Transparency in Dental Benefits Contracting Model Act
- NCOIL Improving Affordability for Patients Model Act
- NCOIL Life Insurers' Use of Genetic Information Model Act
- NAIC Suitability in Annuity Transactions Model Regulation

NAIFA actively engaged with the National Association of Insurance Commissioners (NAIC) on multiple fronts in 2025. NAIFA 2026 President Christopher Gandy spoke before the NAIC's Senior Issues Task Force during the 2025 Fall National Meeting, where he discussed hybrid life insurance policies with long-term care, extended care, and critical care riders. With his unique perspective as an agent, Gandy provided insight into what he's seeing in the market and offered suggestions to regulators to ensure the products remain accessible and easily understandable to consumers.

NAIFA also submitted a widely cited letter to the NAIC applauding Idaho's Department of Insurance for addressing troubling unfair trade practices occurring in the Medicare insurance marketplace, including implementing zero-commission or substantially reduced commissions on select Medicare products; changing commission structures mid-year; discouraging producers from selling certain products; and removing enrollment applications from websites. NAIFA urged other states to take similar action where appropriate and provided comments on the matter during the 2025 Fall National Meeting.

NAIFA is proud to serve on the National Insurance Producer Registry (NIPR) Board of Directors, providing cost- effective, streamlined, and uniform licensing data and compliance services for insurance professionals. NAIFA Policy Director, Roger Moore, is a voting member of the NIPR Board of Directors. In 2025, Moore was appointed to the NIPR Board of Directors' Investment Committee, which reviews portfolio returns, makes decisions about financial managers, and ensures investment strategies are consistent with Board policy.

Two members of the NAIFA Lifetime Healthcare Legislative Working Group participated in a General Session panel on trends and innovations in the long-term care insurance marketplace during the National Council of Insurance Legislators (NCOIL) summer meeting.

Partnerships & Collaborations

NAIFA is a member of broad industry coalitions with fellow trade associations advocating for the insurance profession. Our coalitions are proud to encompass the best and brightest to effectively collaborate, thus demonstrating a proven track record of legislative and regulatory wins for the industry.

NAIFA Impact

STATE ADVOCACY

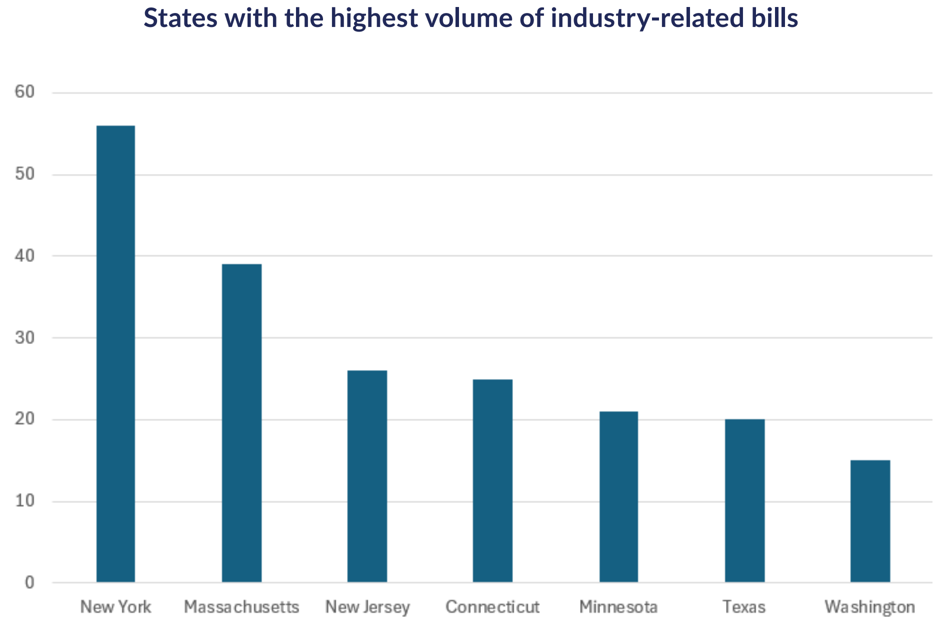
466	Bills Tracked
1,000+	Letters and testimony submitted at the state level
100%	of states engaged on state level legislative and regulatory proposals

NAIFA's Government Relations team closely monitors legislative and regulatory proposals for all state Chapters and assists with advocacy, policy, and grassroots coordination.

In 2025, with every state legislature in session, NAIFA members engaged policymakers nationwide, advocating for the industry and strengthening its collective voice.

Legislative Trends

TOP STATES

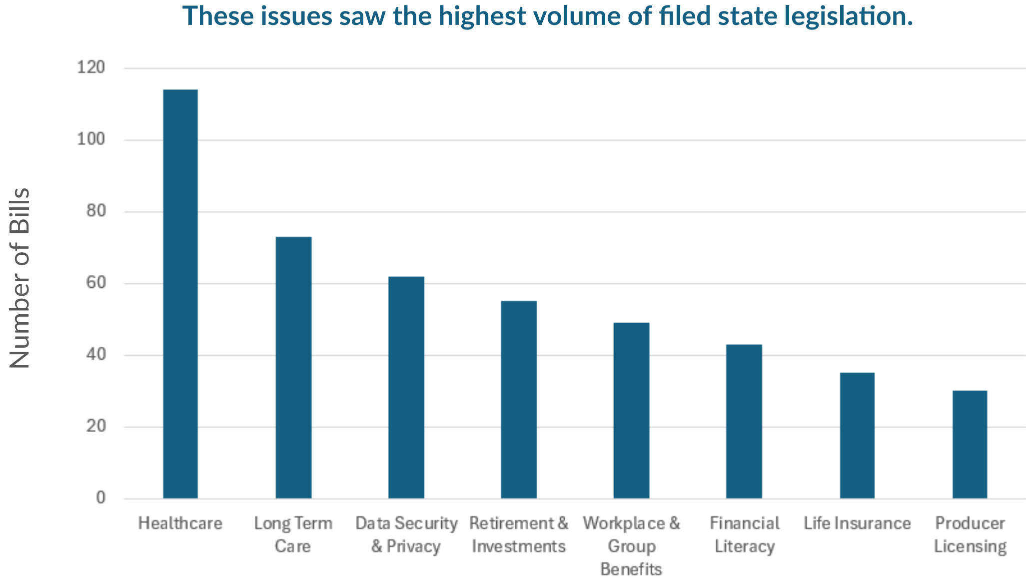


Highlights

- **North Carolina** and **California** became the 32nd and 33rd states, respectively, to eliminate insurance producer pre-licensing mandates.
- **Vermont, Kentucky, North Dakota, Colorado, Texas,** and **Delaware** passed legislation mandating financial literacy instruction as a prerequisite for graduation.
- **New Jersey** became the final state to adopt the NAIC's Best Interest Annuity Rule, an important milestone for consumers.
- NAIFA chapters in **Arkansas, Alabama,** and **Mississippi** helped prevent state-run retirement proposals from gaining traction.

Top Issues

STATE LEGISLATIVE TRENDS



Highlights

- Healthcare and Long-Term Care (LTC) saw the largest volume of filed bills in the states. **Fifteen states** introduced legislation relating to the prior authorization process.
- The bulk of LTC bills proposed a tax incentive for LTCi premiums to encourage consumers to consider private plan options. NAIFA is still monitoring the progress of the Washington Cares Program and the California Long-Term Care Insurance Task Force.
- **New York, Massachusetts, New Jersey, Connecticut,** and **Vermont** introduced bills pursuing a study on establishing an LTC trust fund.
- By the end of 2025, **72%** of states mandate a semester-long financial literacy course as a high school graduation requirement.

2025 State Wins

Insurance & Financial Producer Regulation

- **Tennessee** and **Mississippi** defeated bills that would give funeral directors the ability to obtain a decedent's life insurance policy information. This marks the third consecutive year the bill has been introduced in Tennessee and the first time it has been introduced in Mississippi.

Producer Licensing

- **North Carolina** and **California** eliminated insurance producer pre-licensing mandates.
- **Maine** established an Apprentice Insurance Producer License.

Worker Classification

- The **New Jersey** Department of Labor & Workforce Development issued a proposed regulation to narrow the ABC Test and reclassify independent contractors as full-time employees under New Jersey law. NAIFA–New Jersey led advocacy efforts on behalf of insurance agents through in-person testimony, grassroots action alerts, and direct engagement with regulators and lawmakers. To date, the regulation has not been adopted.

Retirement & Investment

- NAIFA members in **Tennessee, North Carolina, Arkansas, Iowa, Alaska, Mississippi, Alabama,** and **Indiana** successfully advocated against proposed state-mandated retirement programs, arguing that consumers already have access to a wide range of retirement savings options in the private sector and that such proposals do not adequately address why Americans are not saving for retirement.

Financial Literacy

- **Texas, Colorado, North Dakota, Kentucky, Delaware,** and **Vermont** enacted measures to require high school students to complete a personal finance course to satisfy graduation requirements.

Tax

- NAIFA successfully pushed back on financial services tax proposals in **Maryland** and **Minnesota**, which initially had support from the states' governors before they were removed from consideration.

Grassroots

A LOOK BACK AT 2025

840+	FSAA Graduates
38	State Legislative Days
450+	Meetings on Capitol Hill

NAIFA's integrated grassroots program encompasses both state and federal advocacy efforts and is the industry's largest and most comprehensive initiative of its kind. The cornerstone of our continued success has always been, and will remain, the active participation of our members through grassroots engagement.

To further strengthen these efforts, NAIFA offers its premier grassroots training program, the Financial Security Advocate Academy (FSAA), at no cost to members. This program equips advocates with the knowledge and skills necessary to build meaningful relationships with elected and appointed officials, ensuring they are well prepared to engage in informed discussions on legislation and policy issues impacting the financial services industry and the economic well-being of Main Street Americans.

Grassroots

BOOTS ON THE GROUND

NAIFA in the District 2025

140+ Meetings with Lawmakers at the State and Federal Levels

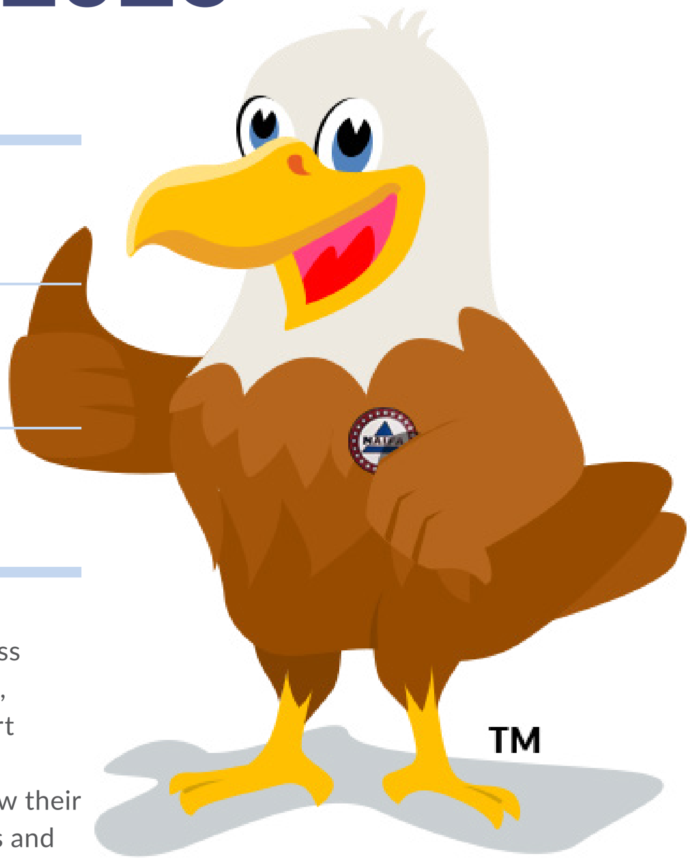
At the heart of NAIFA's highly effective grassroots advocacy program is the power of relationship-building. Our members engage year-round with state and federal lawmakers to advance the issues that matter most to our industry and the families we serve. These conversations take place everywhere decisions are made — on Capitol Hill, in state capitals, and across legislative districts nationwide.

This continuous, boots-on-the-ground advocacy creates lasting, trusted relationships with elected officials and their staff, positioning NAIFA members as go-to experts when legislation arises that could impact the insurance and financial services sectors.

One of the most exciting and impactful opportunities to advocate for Main Street occurs during the Summer In-District Work Period. Through the NAIFA In the Districts Challenge, state chapters energize their advocacy efforts by competing in a friendly, mission-driven challenge focused on protecting consumers and advancing financial security. During this time, NAIFA advocates connect with lawmakers in powerful and flexible ways — through in-person meetings, fundraisers, virtual discussions, official office visits, and local campaign events — ensuring our voice is heard wherever policy conversations happen.

NAIFA PACs in 2025

Your Business Protection Insurance



$1.5M	RAISED
2,600+	CONTRIBUTORS
16%	MEMBER PARTICIPATION

NAIFA PACs, a network of political action committees across all 50 states, the District of Columbia, and our Federal PAC, allow for NAIFA members to combine their financial support for legislative candidates who understand and support our industry and will champion policy to help our members grow their businesses and ensure their clients have access to products and services that work for their needs.

Top 2025 IFAPAC Percent Participation by State

1.	Georgia	31.8%
2.	Washington, D.C.	30.6%
3.	North Dakota	28.7%
4.	Oklahoma	28.5%
5.	Alaska	27.2%

Top 2025 IFAPAC Contributors by State

1.	Iowa	$153,582.42
2.	Texas	$150,377.31
3.	Florida	$114,457.36
4.	Nebraska	$112,233.84
5.	California	$100,318.86

Top 2025 IFAPAC Participation by State

1.	Florida	191
2.	Georgia	168
3.	Texas	165
4.	California	155
5.	Iowa	148

NAIFAPAC in 2025

2025 Election Cycle Snapshot

$600,000+

Contributed This Cycle

130+

Congressional Candidates

2025 marked the beginning of the 2026 Election cycle, the second half of which doesn't begin until the conclusion of the primary election season by mid-year 2026. NAIFAPAC is nonpartisan and maintains a 60/40 split among the two major parties depending on which holds the majority.

The NAIFA Political Action Committee (NAIFAPAC) is the federal component of NAIFA's PAC program. NAIFAPAC contributes only to candidates running for federal legislative office and national political parties. The Candidate Selection Group, composed of NAIFA members appointed by the NAIFA Executive Committee, determines the candidates to whom NAIFAPAC will contribute.

A LOOK AHEAD

NAIFA ADVOCACY IN 2026

TOGETHER WE CAN TAKE ON ANYTHING

2026 Federal and State Elections

Protect the Party of Insurance and Financial Advisors with NAIFA!

GOTV4FinancialSecurity.org, powered by the National Association of Insurance & Financial Advisors (NAIFA), is a civic engagement and voter education platform focused on how public policy affects financial security. Rather than serving as a traditional financial planning resource, the site aims to help users become informed and engaged participants in the democratic process.

It provides comprehensive voting resources, including election timelines, registration deadlines, and general guidance on how and where to vote. One of its key interactive features allows users to enter their address to receive personalized local election information, such as relevant deadlines, polling locations, and ballot details specific to their jurisdiction. In addition to voting tools, the site offers educational content under its “Government Basics” section, which explains how the U.S. government operates, how laws are created, and the role citizens play in civic participation.

The platform also includes a news and analysis section that shares updates on political developments and election-related topics that may influence public policy and economic conditions.

Overall, GOTV4FinancialSecurity.org serves as a public policy awareness and democratic participation platform that connects understanding of government decisions with long-term financial and economic security—particularly for those interested in how legislative actions impact the financial services and insurance industries.

NAIFA PACs are celebrating their 60th anniversary in 2026. In honor of six decades of protecting our profession, we encourage every member to consider contributing at least $60 to support NAIFA’s advocacy efforts—our members’ business protection policy.

A LOOK AHEAD

NAIFA ADVOCACY IN 2026

TOGETHER WE CAN TAKE ON ANYTHING

The results of the 2025-2026 State Issues Survey provide an outlook of state proposals to come. NAIFA will use this data to continue monitoring national trends, prepare and update policy briefs, and coordinate advocacy efforts in 2026.

NAIFA's comprehensive state, interstate, and federal advocacy will continue to ensure a thriving industry for Main Street insurance agents and financial advisors.

THANK YOU FOR PARTICIPATING!*

Alabama	Illinois	Mississippi	Pennsylvania
Alaska	Indiana	Missouri	Rhode Island
Arizona	Iowa	Nebraska	South Carolina
Arkansas	Kansas	New Hampshire	South Dakota
California	Kentucky	New Jersey	Tennessee
Colorado	Louisiana	New Mexico	Utah
Connecticut	Maine	New York	Virginia
Delaware	Maryland	North Carolina	Washington
Florida	Massachusetts	Ohio	West Virginia
Georgia	Michigan	Oklahoma	Wisconsin
Idaho	Minnesota	Oregon	Wyoming

*Legislatures in Montana, Nevada, North Dakota, and Texas do not meet in 2026.

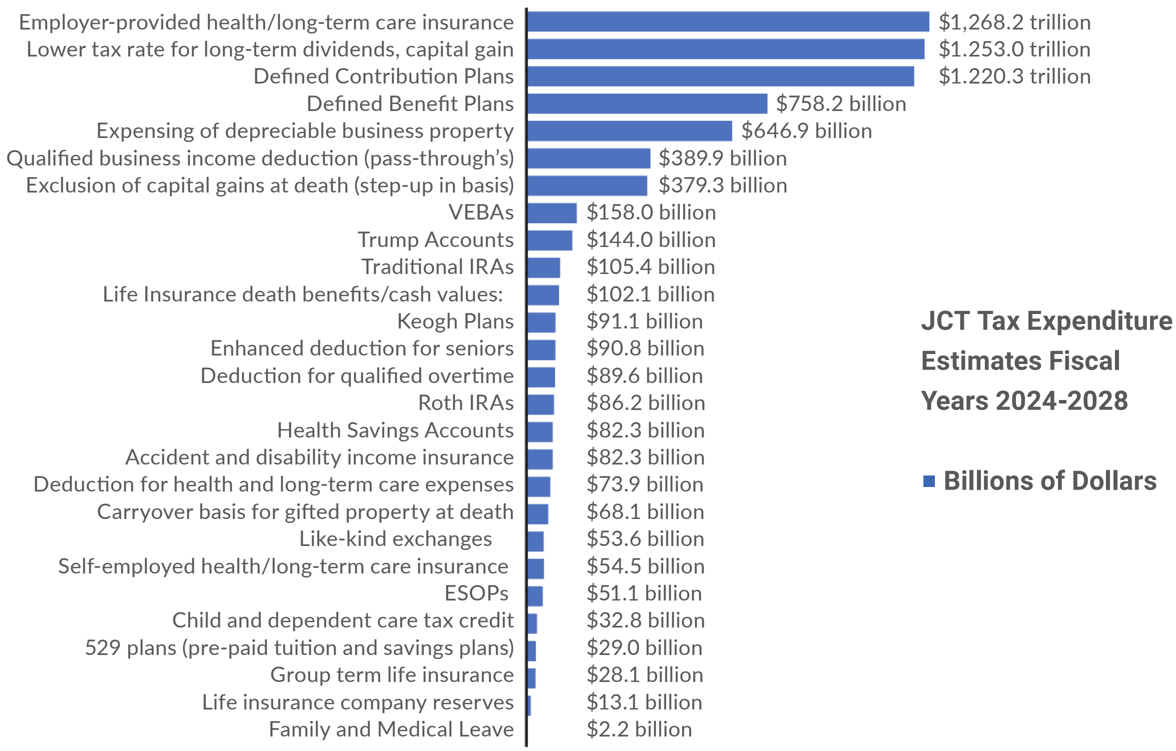
NAIFA advocacy is working to ensure law and regulations support access to affordable insurance and investment products from dedicated financial professionals.

Taxation of Financial Services Industry

NAIFA-relevant tax expenditures are a central part of Congress' Joint Committee on Taxation (JCT) annual report.

This year's report, covering fiscal years 2025-2029, shows that more than $7 trillion in federal tax expenditures affect life and health insurance, retirement savings, general investments, and employer-sponsored benefits. As Congressional negotiators consider offsetting revenue, or revenue to reduce the growing federal deficit, many industry benefits could be at risk.

NAIFA has observed an increase in state-level proposals to impose taxes on financial services and investment advice, often driven by state budget shortfalls. In 2025, NAIFA chapters in **Maryland, Minnesota,** and **Washington** actively opposed these measures through grassroots action alerts and direct engagement with lawmakers to protect members and preserve their ability to serve clients in their communities. The proposals in Maryland and Minnesota ultimately did not advance.



On the state level, **68%** of NAIFA chapters reported the likelihood of a proposal that would implement a sales tax of financial services, planning or advice is **somewhat unlikely** or **extremely unlikely. Ten percent (10%)** of chapters indicated such state proposal was **likely** in 2026.

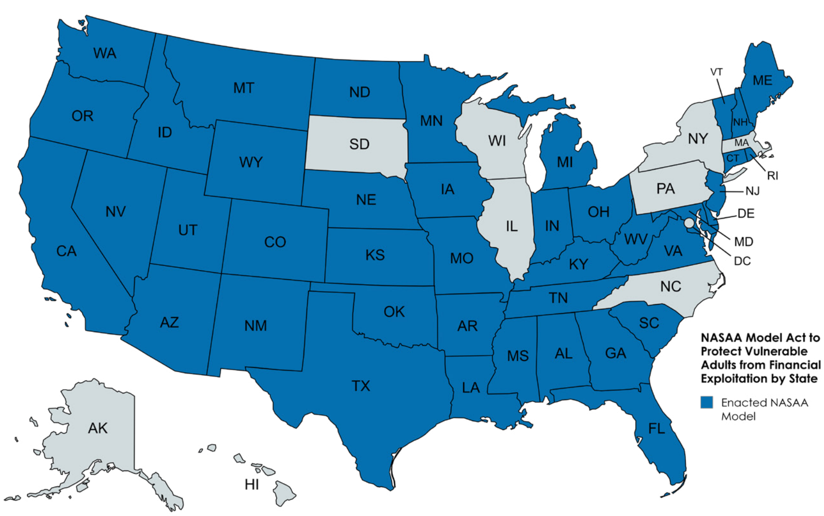
Fiduciary-Only Standard of Care

In April 2024, the Department of Labor (DOL) released its final fiduciary-only rule after an astonishingly brief regulatory and review process and despite grave concerns expressed by NAIFA, members of Congress, and other stakeholders. Internal NAIFA polling showed the proposed changes would have significantly limited access to professional financial services and protected lifetime income products, particularly for low and middle income Americans.

At the end of 2025, a federal court dismissed the DOL's appeal of a decision that stayed the regulation. The stay, which remains in place, was the result of a lawsuit filed by NAIFA, several NAIFA chapters in Texas, the American Council of Life Insurers, and others. Fifteen members of Congress also filed an amicus brief in support of NAIFA's position. The decision is a meaningful advocacy win that not only protects NAIFA members but more importantly preserves consumer access to retirement services and protects the ability of Americans seeking retirement guidance to work with the financial professionals of their choice.

Senior Financial Protection

- **78%** of states have enacted the North American Securities Administrators Association (NASAA) Senior Financial Protection Model Act. **11%** of states who have not adopted the Model Act reported it is extremely or somewhat likely to see a proposal in 2026.
- Senior Security Act (HR 1469), which passed as part of the INVEST Act, creates a Senior Investor Task Force within the Securities and Exchange Commission (SEC) to investigate challenges and report to Congress on trends in senior investor protection. The task force identifies senior investor challenges (including cognitive decline), coordinates SEC efforts, and report to Congress.



Long-Term Care & Healthcare

Long-Term Care

America is entering a "Peak 65" moment, with a record number of people turning 65 years old each year. In 2025, approximately 11,400 people turned 65 every day. Congress and several state legislatures have considered action to establish public programs that offer long-term support and services; however, the activity has remained stagnant, with the exception of Washington State. NAIFA will work to ensure that the private long-term care insurance (LTCI) market, where important innovations are happening to address consumers' needs, remains a strong part of LTC solutions.

52% of chapters reported the likelihood of their state proposing a public long-term care program was extremely unlikely or somewhat unlikely.

Likelihood of Expansion of State LTC Tax Credits & Incentives

49%	reported unlikely
18%	reported neutral
17%	reported likely

New York saw 16 LTC-related bills, the highest volume in all the states, none of which saw movement. However, in **Connecticut**, out of the 15 LTC-related bills filed, 5 were voted out of committee. These bills pertained to establishing outreach programs to educate consumers on the LTC marketplace, enhancing mandatory reporting measures, and holding hearings to approve significant rate increases.

State Legislative Working Collective

The NAIFA Limited and Extended Care Planning Center Legislative Working Collective explores and recommends policy positions for consideration by the NAIFA Government Relations Committee and Board of Trustees. NAIFA engages directly with state lawmakers and regulators and plays a significant role in shaping policy and serving as a resource for information.

Healthcare

- **62%** of chapters reported the likelihood of their state proposing a single-payer health insurance plan was unlikely.
- **20%** of chapters indicated a single-payer health insurance proposal was likely.

New York, **Rhode Island,** and **Massachusetts** introduced bills to enact single-payer health insurance plans. A bill was filed in **Connecticut** proposing a study on establishing a universal healthcare system.

Medical/Dental Loss Ratio

- **34%** of states indicated the likelihood of either a medical or dental loss ratio proposal in their states to be unlikely.
    - 24% reported neutral
    - 14% reported likely

Paid Family Medical Leave

Fourteen (14) states, plus the District of Columbia, offer mandatory PFML programs. Ten states (10) either offer voluntary programs or have expanded private family medical leave insurance products. Most state programs provide parent/family caregiving leave and temporary disability insurance to cover paid personal medical leave. Some also use an insurance policy design that funds these benefits through pooled payroll taxes on employees and/or employers. While NAIFA remains neutral on this issue, we work to ensure that any requirements can be met with private insurance.

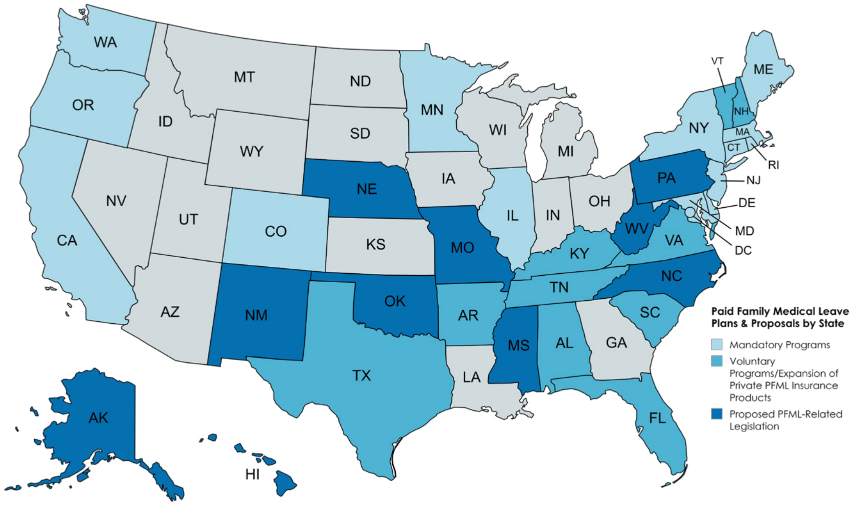
8% of Chapters that have **not** passed a PFML proposal yet say the likelihood of such proposal being filed is likely.

North Carolina introduced companion bills establishing a state-run paid family leave insurance program. The program would provide wage replacement benefits to eligible workers for qualifying family and medical leave events. Neither bill saw movement in the legislative process.

For the fourth year in a row, **the Pennsylvania General Assembly** introduced the Family and Medical Leave Program and the Family and Medical Leave Fund. The bill was voted out of committee. It proposed allowing employers to opt out of the state's public program, provided they offer a private insurance alternative for their employees.

Virginia introduced a proposal to enact a 0.72% payroll tax on employees and employers to fund a mandatory paid family and medical leave insurance program administered by the Virginia Employment Commission (VEC). The bill moved through both chambers but was vetoed by Governor Glenn Youngkin. Virginia was one of the first states to follow the NCOIL Paid Family Leave Insurance Model Act.

H.R. 1 included several significant provisions related to paid family medical leave, including permanently extending the employer tax credit for PFML, which was set to expire at the end of 2025, and expanding the credit to also include premiums paid on PFML policies, regardless of whether an employee claimed leave under the policy during the year. H.R. 1 also gave employers greater flexibility by claiming the credit for leave provided beyond state-mandated requirements and reducing the employee eligibility period from 12 months to 6 months.



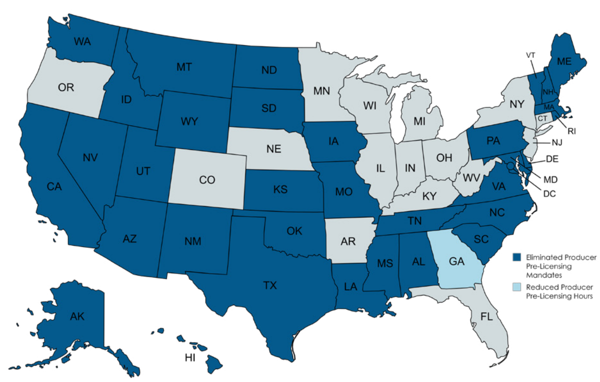
Worker Classification

16% of Chapters reported they are likely to see proposals attempting to reclassify independent contractors.

- In May 2025, the U.S. Department of Labor announced it would no longer enforce the previous administration's 2024 independent contractor rule, which could have misclassified many financial professionals as employees under federal labor laws. The DOL reverted to the "economic reality" test from 2008, signaling a move toward easier classifications of workers as independent contractors, a move strongly supported by NAIFA.
- The **New Jersey** Department of Labor and Workforce Development introduced a regulatory proposal to narrow the criteria under which an independent contractor would be classified as a full-time employee. NAIFA-NJ spearheaded the effort on behalf of agents, along with an industry coalition, to strongly oppose the regulation. While the regulation has not been adopted, it will remain active until May. Legislation has also been filed exempting insurance agents and broker-dealers from being reclassified as full-time employees.
- **Colorado** is very likely to explore a similar measure as New Jersey this coming legislative session (2026) or next.

Producer Licensing

27% of Chapters reported they are unlikely to see proposals related to producer licensing, such as eliminating pre-licensing mandates.



- In 2025, **North Carolina** and **California** eliminated producer pre-licensing mandates, bringing the grand total of states to 33, plus the District of Columbia.
- The Freedom to Invest in Tomorrow's Workforce Act, which expands qualified expenses for 529 savings plans to include costs associated with postsecondary training, licensing, and professional certification was passed as part of H.R. 1 in July.

CE for NAIFA Membership

32% of states have passed measures allowed Continuing Education (CE) credits for being a member of a professional insurance association.

- **Mississippi** became the latest state to approve continuing education (CE) credit for professional insurance association membership. Meanwhile, **Michigan** and **New York** considered similar proposals during their legislative sessions.

Financial Education and Empowerment

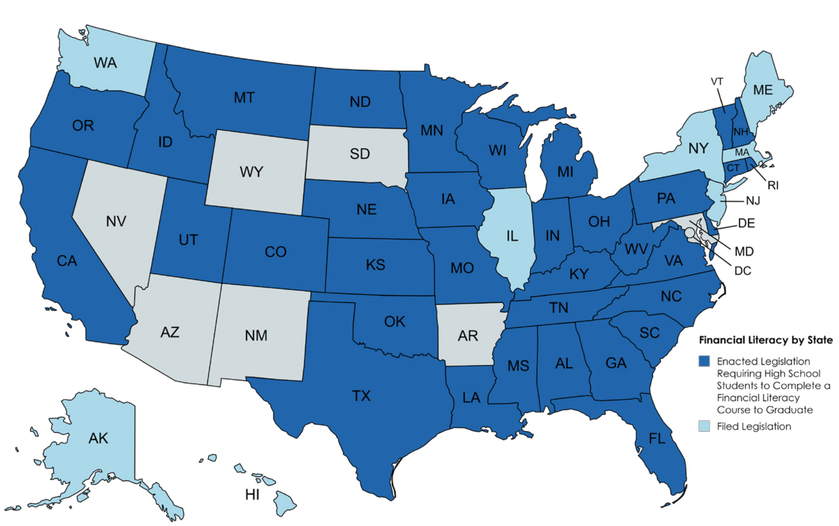
Financial Literacy is at the foundation of Financial Security for All.

30%	of states do NOT have a high school financial literacy requirement in place.
35	states have passed a financial literacy course requirement for graduating high school students.
5	states passed a financial literacy requirement in 2025.

NAIFA 2026 President Christopher Gandy is launching a bold, proactive initiative to bring financial education and empowerment directly to communities across America. Under his leadership, NAIFA is hosting impactful, community-based roundtables in select Congressional districts with active participation by individual Members of Congress and Senators.

In 2025, **Kentucky, North Dakota, Colorado, Texas, Delaware** and **Vermont** passed measures to require public high school students to take a financial literacy course to graduate.

NAIFA members continue to urge lawmakers to join the Congressional Financial Literacy and Wealth Creation Caucus, co-chaired by Reps. Young Kim (R-CA) and Joyce Beatty (D-OH). The Financial Literacy and Wealth Creation Caucus aims to equip Americans with the skills and resources they need for economic stability, wealth-building, and prosperity.



Life Insurance

Genetic Testing

In 2025, NAIFA was tracking 16 bills regarding whether life insurance providers can use genetic information obtained from certain sources, such as direct-to-consumer genetic tests (e.g., 23andMe and similar services) or healthcare providers, to make decisions about policy issuance, renewal, cancellation, or pricing.

18% of Chapters reported the likelihood of a proposal that would limit how and under what circumstances life insurers can use genetic testing results in underwriting decisions is **likely**. Whereas, **28%** were **neutral** and **38%** said it was **unlikely.**

The National Council of Insurance Legislators (NCOIL) discussed this issue extensively during its 2025 meetings. In 2025, the Life Insurance & Financial Planning Committee introduced the NCOIL Life Insurers' Use of Genetic Information Model Act, which seeks to protect individuals' genetic data and limit discriminatory uses of such information by life insurers, while still permitting insurers to use other health information appropriately in underwriting decisions. Industry stakeholders have submitted comments and continue to engage in discussions as the model advances toward potential adoption.

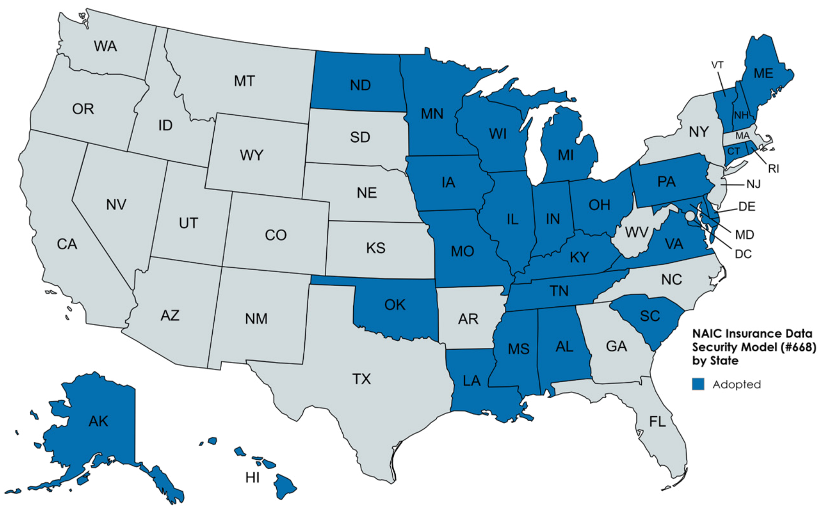
Maryland passed HB 1007 prohibiting unfair discrimination by life and disability insurance carriers based on genetic information, requiring written consent for accessing sensitive data and banning mandatory genetic testing for insurance eligibility.

South Carolina, Nebraska, Illinois, Pennsylvania, New York and **New Hampshire** filed similar bills.

Privacy & Data Security

To date, 27 states have adopted the National Association of Insurance Commissioners (NAIC) Insurance Data Security Model Law (Model #668) The Model sets data security standards for insurers and regulators designed to reduce the risk and impact of data breaches. It requires insurers and other entities licensed by the Department of Insurance to establish, implement, and maintain a comprehensive information security program, investigate cybersecurity incidents, and notify the state insurance commissioner when such events occur.

NAIFA and industry coalition partners have drafted several additional producer-specific suggested amendments that address issues of particular concern to the producer community, including exempting licensees from supervising their outside vendors' compliance with the Model.



The NAIC's Privacy Protections Working Group continued its article-by-article approach to modernizing the Privacy of Consumer Financial and Health Information Regulation (Model #672) throughout 2025, exposing several draft articles for public comment. The Working Group has been specifically focused on 1) requirements for a licensee's initial and subsequent delivery notices to consumers and revised language regarding the form of certain required opt-in and opt-out notices, and 2) limits on disclosure of nonpublic personal information in targeted marketing, limits on the sale of such information including requirements for consumers affirmatively opting in to the sale, and limits on the disclosure of sensitive personal information.

43% of Chapters reported the likelihood of a proposal requiring insurers to safeguard consumer data and establish transparency protocols when using artificial intelligence systems was **extremely likely** or **somewhat likely**.

Risk Classification & Artificial Intelligence

Algorithmic Accountability

Advances in automated and algorithmic underwriting continue, as do conversations about which data (including 3rd-party data) can be used and what transparency obligations apply to consumers. NAIFA continues to work to ensure that a fair and workable balance is maintained in this extraordinarily complex area.

Likelihood of State Proposal Related to Algorithm-Based Underwriting Practices and/or Transparency

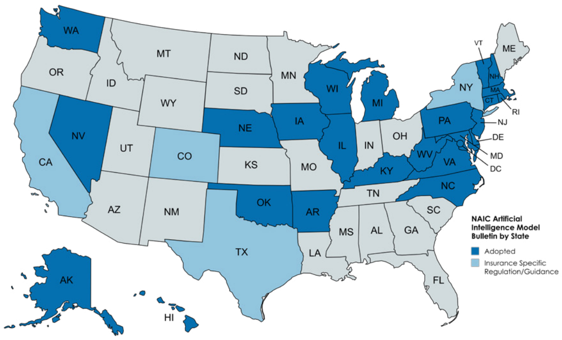
29% reported likely

27% reported neither likely nor unlikely

11% reported unlikely

In 2025, NCOIL continued discussions on algorithmic accountability and insurers' use of artificial intelligence. Through its Financial Services & Multi-Lines Issues Committee, NCOIL advanced work on a model addressing AI governance in insurance, focusing on transparency, oversight, and preventing unfair discrimination while supporting innovation.

Artificial Intelligence (AI)



Artificial intelligence (AI) is quickly transforming the insurance industry, affecting everything from product development and marketing to underwriting and fraud detection. While the advancement of AI can foster innovation and promote efficiencies within insurance markets, it also poses inherent risks related to data vulnerabilities, unfair discrimination, and transparency. At the end of 2023, the NAIC adopted an AI Model Bulletin that sets clear expectations for state Departments of Insurance regarding insurance companies' use of AI, balancing the potential for innovation with the imperative to address unique risks.

23 states have adopted the NAIC AI Model Bulletin that sets clear expectations for state Departments of Insurance regarding the utilization of AI by insurance companies, balancing the potential for innovation with the imperative to address unique risks.

Unfair Discrimination/Unfair Trade Practices

20% of Chapters reported the likelihood of a proposal requiring insurers to avoid unfair trade practices and unfair discrimination in the use of artificial intelligence systems was **extremely likely** or **somewhat likely.**

Additional Issues to Watch

INTRODUCED & ANTICIPATED PROPOSALS

Property & Casualty (P&C)

Natural Disaster Mitigation

29% of Chapters reported the likelihood of a proposal that would provide financial incentives, such as tax credits or tax-advantages savings accounts, for disaster mitigation and recovery is **unlikely. Twenty-seven percent (27%)** of Chapters were neutral.

Consumer Protection

31% of Chapters reported likelihood of a proposal that would provide consumer protection for P&C products, including enhanced coverage disclosure standards or additional coverage requirements is unlikely. **Twenty percent (20%)** of Chapters said it was **likely**.

Medigap Guarantee Issue Birthday Rule

The Medigap Birthday Rule is a state-specific provision allowing people with existing Medicare Supplement plans to switch to a different insurer or plan without medical underwriting during a limited time around their birthday, usually within a 30- to 60-day window. Almost two dozen states have already enacted some kind of Guarantee Issue Birthday Rule legislation, and several others are considering similar measures in 2026. Although intended to provide an additional protection for Medicare beneficiaries, the Birthday Rule has led to unintended consequences, including larger rate increases, reduced compensation for agents, and less competition within affected markets.

29% of Chapters reported the likelihood of a proposal that would give Medigap policyholders a limited time around their birthdays to switch to a different Medigap plan with similar benefits without undergoing medical underwriting is **unlikely**.

Government Relations Team

Diane Boyle
Senior Vice President
dboyle@naifa.org

Mike Hedge
Senior Director
mhedge@naifa.org

Stephanie Sheridan
Senior Political Director
ssheridan@naifa.org

Jayne Fitzgerald
Director
jfitzgerald@naifa.org

Roger Moore
Policy Director
rmoore@naifa.org

Andrew Holt
Grassroots Director
aholt@naifa.org

Cody Schoonover
PAC Manager
cschoonover@naifa.org

Bianca Alonso Weiss
State Government Relations Director
bweiss@naifa.org

Shanika Thomas
PAC Coordinator
sthomas@naifa.org

Caprice Evans
Continuing Education & Professional Development Coordinator, FSP
cevans@naifa.org

Liz Nelson
Member Records Manager
lnelson@naifa.org

NAIFA | Advocacy