

NATIONAL COUNCIL OF INSURANCE LEGISLATORS
PROPERTY & CASUALTY INSURANCE COMMITTEE
INTERIM COMMITTEE MEETING – SEPTEMBER 30, 2025
DRAFT MINUTES

The National Council of Insurance Legislators (NCOIL) Property & Casualty Insurance Committee held an interim meeting via Zoom on Tuesday, September 30, 2025 at 11:00 A.M. (EST)

Representative Forrest Bennett of Oklahoma, Chair of the Committee, presided.

Other members of the Committee present were:

Sen. Larry Walker (GA)	Sen. Paul Utke (MN)
Rep. Brian Lohse (IA)	Sen. Walter Michel (MS)
Rep. Matt Lehman (IN)	Sen. Jerry Klein (ND)
Sen. Julie Adams (KY)	Asm. Ken Blankenbush (NY)
Rep. Erica Hancock (KY)	Asm. Erik Dilan (NY)
Sen. Jason Howell (KY)	Asw. Pam Hunter (NY)
Rep. Mike Meredith (KY)	Asm. David Weprin (NY)
Rep. Michael Pollock (KY)	Rep. Meredith Craig (OH)
Rep. Gabe Firment (LA)	Rep. Brian Lampton (OH)
Rep. Edmond Jordan (LA)	Rep. Mark Tedford (OK)
Rep. David LeBoeuf (MA)	Rep. Carl Anderson (SC)
Rep. Robert Foley (ME)	Rep. Tom Oliverson, M.D. (TX)
Rep. Brenda Carter (MI)	Rep. Jim Dunnigan (UT)
Rep. Kristian Grant (MI)	Sen. Mary Felzkowski (WI)
Sen. Lana Theis (MI)	Del. Walter Hall (WV)
Sen. Jeff Howe (MN)	

Other legislators present were:

Rep. Joseph Gullet (GA)	Rep. Elizabeth Wilson (IA)
Rep. Viola David (GA)	Rep. Dan Vollmer (ND)
Rep. Sandra Scott (GA)	

Also in attendance were:

Will Melofchik, NCOIL CEO
Anne Kennedy, NCOIL General Counsel
Pat Gilbert, Director of Policy, Administration & Member Services, NCOIL Support Services, LLC

QUORUM

Upon a Motion made by Sen. Paul Utke (MN), NCOIL Vice President, (IN) and seconded by Rep. Brenda Carter (MI), the Committee voted without objection by way of a voice vote to waive the quorum requirement.

CONTINUED DISCUSSION AND CONSIDERATION OF NCOIL MODEL ACT
REGARDING INSURERS' USE OF AERIAL IMAGES

Rep. Bennett thanked everyone for joining and stated that the focus of today's meeting is the NCOIL Model Act Regarding Insurers Use of Aerial Images (model). We have had a number of substantive conversations about this model and based on what I've heard recently, a lot of people have arrived at their position on the issue and there's not necessarily a lot of room for further negotiation but there are a couple of things that I want to talk about today that could potentially improve the model from the opinion of some folks. So I want to open this up first to the model's sponsors, Rep. David LeBoeuf (MA) and Rep. Brian Lampton (OH). After we hear from them, we will open it up to hear from interested parties and after that, we will hear from any legislators. And when everyone is finished, we will vote on this model.

Rep. LeBoeuf thanked everyone who has worked on the Model and stated that there has been a lot of discussion on this over the past year, and it's been a great process to learn from all different perspectives, and hopefully we'll get this across the finish line today. When we left Chicago in July, there was a pretty clear consensus that the model was close, but not quite ready for a vote. And there was some discussion right before the committee's meeting at that time about some potential amendments, but there wasn't time for them to be fully developed and be distributed for that discussion. So, it was best that we paused and had this interim meeting to go through this. At this point, we've been discussing this issue for quite a while so I think most people are aware of what the model's provisions are, but I do want to point out some changes that have been made to the model since our discussion in July.

First, we've added Section 3 which clarifies that the model is intended to apply to personal insurance and not commercial insurance and excess and surplus lines. That's something that we learned more about and agreed that wasn't the intent of the model to include those lines so we added that section. Second, there was an amendment discussed in Chicago but now is formally incorporated to the model in Section 5(d) which makes it clear that the time period to cure the defect should be consistent with the state's existing notice requirements, and there is a drafting note that encourages states to amend their non-renewal notice laws to be at least 60 days. We noticed there are some states that have a 30-day notice requirement and we think that's too short and that's a longer discussion for another day but we think that this amendment plus the drafting note is a reasonable compromise. Also, as Rep. Bennett mentioned, we have also issued one final amendment to Section 5(d) and (e) that clarifies that the insurer can use bad repairs as a basis for non-renewal. That's always been the intent of the model throughout the process, but that's now added to make it clearer. Lastly, in Section 5(a), we've added language to make it clear that when the insurer sends the non-renewal notice, they can send either copies of the images or an electronic link. Frankly, we think providing the electronic option has really been in line with the intent all along, but after the discussion in Chicago, we realized that should be explicitly stated in the model. And on that specific issue, I know there is some disagreement and I know Rep. Lampton and I aren't necessarily on the same page right now and there's going to be some other language discussed today but I do want to say that I strongly believe that the consumer needs to be provided with either the copies of the image or the link to them when they receive the non-renewal. The consumer shouldn't have to take this extra step to reach out to the insurer and request to get access to the images. It's just an extra needless step that takes up valuable time, especially if you are in a state that has a 30-day notice requirement and it's a very time-sensitive situation.

Also, some of you might have seen the news story about this issue that happened since our last meeting out of Massachusetts that actually made it to the New York Post. And that story referenced that the insurance company did proactively provide the photos to the consumer for them to identify the issue and to make the repairs before that news investigation took place. Again, from a process standpoint, I understand there is disagreement on this issue but I want to make it clear that when the committee does vote on this, I personally won't be in a position to vote in favor of the model if it doesn't have the current language and then will withdraw myself as a sponsor. I just see that an amendment removing that would negate the intent that I had brought forward, and I will respect the committee's process if that's the amendment they want to adopt. I do feel that this is a reasonable approach towards providing consumers help in what can be a very difficult situation and as you take it back to your states, changes can be made to sure that it meets the needs of your state's marketplace. I think this is a very solid foundation to address what is a really strong consumer protection issue. And lastly, I just want to point out that this type of legislation is coming to your states. I'm sponsoring a bill in my legislature, and I know others on this committee are sponsoring similar bills in their own states. Up until this point, I know the response to this has been regulatory in nature through bulletins, but it's just a matter of time before this becomes a statutory approach and I really hope NCOIL will take this opportunity to be a leader on the issue and provide strong, balanced guidance that will help set a standard. Thank you again and I hope the committee will support the model today.

Rep. Lampton thanked everyone for their work on the model and stated that as noted by Rep. LeBoeuf, the issue remaining seems to be the requirement surrounding that the images are made available upon request as opposed to upon notice. Some potential language to address that was shared which we weren't able to get it distributed in time in Chicago but we have it before us now. My big thing is the expense that the industry has communicated would be involved in that image being made available up front. I promised myself when I got into this that as an insurance producer I would not put my name on something that would provide upward pressure on rates. I look forward to the discussion today.

Rep. Bennett thanked the sponsors and stated that the NCOIL bylaws regarding the voting process say that no more than four legislators from any one state may vote on a matter before any one committee. If a state has more than four legislators present at a committee, then the four legislators voting would be determined in the following order: Chair, Vice Chair, Ranking Member of the Committee that oversees insurance Matters; if that has been exhausted, then members serving on the Committee with authority over insurance matters shall have preference in order of seniority in the legislature; if both of those have been exhausted, then members shall have preference in order of seniority in the legislature.

Rep. Bennett again stated his appreciation for the work that the sponsors have done on the model. He also stated that both he and Rep. Edmond Jordan (LA), NCOIL Treasurer, asked industry representatives during the Chicago meeting to get a better explanation of where the costs are coming from with this to sort of quantify that because they had heard that claim of increased costs a lot, but they had not really been presented with a detailed explanation of how this difference can translate into significant costs. So, when folks from the industry speak today, if you can provide more information on that for the legislators that are going to be taking this vote, I would really appreciate it. My position is similar to Rep. LeBoeuf's, that this really is a consumer protection model

that would oftentimes make the difference between that person having the time to make the repair and not. From my perspective, the cost to get insurance, especially after you've had a non-renewal, is already going to be high for consumers and the ability for them to fix the problem quickly is a priority, and as legislators, we represent individuals.

Joe Roth, Assistant VP with the American Property Casualty Insurance Association (APCIA) thanked the committee for the opportunity to speak and stated that APCIA continues to be in a position of having foundational concerns with the model. Insurers visually inspecting properties to make informed decisions about potential risks and overall conditions of property is a well-established practice and it's a practice where ensuring properties fitting underwriting guidelines so that carriers can appropriately price risks benefits all consumers. So, what we're talking about here is just using a newer technology with the same goals as an in-person inspection, but having the benefits of being more efficient, more cost-effective, and much less intrusive than an in-person inspection. Every insurance company already has underwriting departments and processes to allow for consideration of new and corrected information. This doesn't create the need for new or separate processes. This begs the question of why are we now holding this newer technology to a different standard than any other underwriting tool?

And I'd like to make two big points about cost since affordability is top of mind for all of us right now. First, focusing on an image age, like 12 months, is fairly arbitrary and is going to add significant costs to carriers and subsequently consumers. Imaging companies, especially those just entering the market, are going to need more planes, they're going to need more pilots, they're going to need more everything, not to just ensure that these photos are accurate, but to also meet this time frame. This arbitrary threshold has the potential to stifle competition and restrict market forces that naturally help reduce costs in a competitive marketplace. The second point I want to make relates to requiring the insurers to print and mail copies. This is going to have a cost that has to be passed along to consumers. Beyond printing and mailing, they're going to have to develop the technological systems necessary to do this. Even if you're mailing a letter with a URL so the customer can go visit that, it's an entire system that needs to be developed and needs to be maintained. It's not like you just kind of push it out there and it's going to be forever. These things require care and maintenance. This all comes with a sizable price tag. We don't believe this is the time to be creating policies that put upward pressure on underwriting costs. Based on that, we encourage a no vote today.

Emily Rogan, Senior Program Officer with United Policyholders, thanked the Committee for the opportunity to speak and thanked the sponsors and the committee members for their work on this model. The Model must set reasonable limits on what is currently an unregulated use of aerial imagery in underwriting. But we also want transparency and a process for the policyholders to be able to either make repairs or fix errors identified from above. And I think that's the biggest thing is fixing errors if possible. We've heard from policyholders that what the aerial image captured was an error. While even the proposed amendments to Section 5(a) add back that requirement that the insurer must tell the policyholder what exactly is out of compliance and is triggering their non-renewal, the burden still falls on the homeowner to request the photos and when that happens, it either intentionally or unintentionally runs the clock down for how much time the homeowner has to appeal and/or repair the defect in question. But they also have to take that time to shop for replacement coverage as well so they're doing those three things at the same time - requesting the photos, meeting with vendors to see if they can

get someone to go up on their roof and see what the issue is and having to shop around for coverage. So that just runs the clock down. We need to give homeowners a fighting chance to be able to keep their coverage and we want to reward property owners who take action and fix the defects to reduce any risk of future damage. Depriving the homeowner of the benefit of the insurer's risk observations about their property defeats the purpose of the model and adds extra steps in place that make an impractical burden on the policyholders, and that will continue to drive consumer frustration or anger.

The repairs of contracted work are already an unplanned expense that the homeowner is going to have to pay but by removing the incentive for investing time and money into risk reduction property improvements before a loss is short-sighted in our current climate. We believe the model should affirmatively require insurers to provide the images to policyholders, along with the specific conditions that triggered the non-renewal and commitments to renew upon completion with that reasonable time frame to complete the work. Otherwise, the model does little more than business as usual, especially for homeowners in states that have less than 60 days notice of non-renewal. Thank you and we look forward to working with committee members as this not only gets worked out, but also becomes legislation and law in your states as well.

Paul Martin, VP of State Affairs with the National Association of Mutual Insurance Companies (NAMIC) thanked the committee for the opportunity to speak and stated that from the overarching perspective, anytime you put limitations on tools that assist insurers with keeping rates low and coverages available, that could result in carriers choosing not to use those tools which in the end impacts overall affordability and availability of insurance. We cannot control the weather. We cannot control inflation or the cost of building materials or the cost of building labor. So, we have to get as much utility out of the tools that we have as possible. And this model, unfortunately, restricts the utility of a very valuable tool. I want to speak for a minute on the amendments we received yesterday to Sections 5(d) and 5(e). The industry has not had a lot of time to review those but the good news about those amendments was that it actually forced me to go back and review the entire model and it helped me crystallize in my mind what my concerns are about Section 5(e). The amendments to Section 5(d) are probably in a vacuum. I didn't notice anything that was too concerning there but we've always been concerned, and we've registered this concern in multiple meetings now, about the language in Section 5(e) regarding a reason "unrelated to the defects/conditions" noted in the non-renewal.

There are a couple of concerns here and the first concern is, if you go back to the very first line in what is now Section 5, it says, "when utilizing aerial images as part of the coverage determination, an insurer shall." That "as part" is really critical here because a lot of insurers use aerial imaging in conjunction with non-aerial imaging data - they'll take aerial imaging plus data from other sources and that's how they arrive at their non-renewal decision. If you use aerial imaging as part of the decision, then all of Section 5 applies to a non-renewal decision, even those things that came from information not related from the aerial image. So, for example, if you have an aerial image that shows the roof is in bad shape, and then as you investigate, you learn the policyholder has had several non-weather-related claims, or if the image shows there's a trampoline, and the agent learns that the property is vacant for large periods of time, or the image shows that there's trees overgrowing the roof, and further investigation finds out that there's an on-site daycare facility being run. All those things in the image are fixable. You can remedy all those things pretty easily, but if you apply the "as part" provision to this, and you have

to because the words on the paper and the words in the statute mean something, then you wouldn't be able to use the other things you found in the investigation because you used aerial imaging as part of the underwriting decision. That's the first concern.

The second concern is in situations where things are identified in the aerial image that unfortunately are just not curable by the policyholder. And this really comes up in the wildfire context. I live in Austin, TX next door to municipal park. If the Austin does a poor job managing the wildland-urban interface (WUI) where I live in the park, then the image may show that I'm now in the WUI. It's not being managed well, but I cannot go into the park and legally manage that around my house. There are situations where underwriting guidelines, to provide coverage for those people in WUI's, where the company has to say, we have to have defensible space. If the policyholder can't do anything about it, we can't then use the underwriting tools available to us because of what Section 5(e) says now. Going back to Rep. Lampton's concerns about cost drivers, Section 5(e) probably presents a pretty significant litigation risk to the industry because if you're a company, you've got to navigate how you're going to use data points that do not come from aerial images because of that "as part" language at the beginning of Section 5.

Mr. Roth talked about costs. To be clear, we think the costs are primarily up front, but they are significant. And to be totally transparent, we have asked our members and it has been a struggle to come up with an exact dollar amount, but we are told it is significant. And I had some conversations with Rep. Jordan after the meeting in Chicago on this. We've asked our members about costs we're told it's very challenging to calculate. But I will also say that Section 5(a) remains the main concern, this additional cost. And I will conclude by saying that at the end of the day, this model does nothing to improve affordability of insurance for homeowners. It does nothing. All it does is add cost. We're not opposed to providing the images provided we provide the image in a cost-effective way.

Rep. Bennett asked about the idea of an additional cost being mitigated if the photos are only provided by request. How is there a difference in cost there? Because it feels to me that means that there's a million one-off requests as opposed to one uniform system, which I understand up front may require some build-out of a process, but then you've got that process. And I would point out that there was a build-out associated with using aerial imaging, which I'm sure was a capital cost up front, but it smoothed out over time because you now have this equipment and you have this more accessible way to see what the damages might be. Could you briefly explain that?

Mr. Martin stated many companies produce those images on request now. The system is already set up for a lot of companies to produce those images now. There is no additional cost as it is now to produce those images. There may be some in terms of getting it within a timeframe and by the way, we created language and provided it to this committee back in June of how we would suggest to remedy that situation where you have a timeframe whereby when the consumer asks for it the images are produced. Companies are already doing this now, number one. Number two, what we're finding is that right now, there's not a lot of demand for the images. Most people do not ask for the image. We suspect that's because when the image comes out, it shows the roof's in bad shape. You're not telling the consumer anything they don't already know. Now, in those situations where the consumer wants to dispute the image, of course, there needs to be a mechanism by which the consumer contacts the insurance company and says, "Hey, I don't think that's right. I need to see the image because maybe I just put the new roof on

and maybe it just went on six weeks ago.” There needs to be a mechanism for that. As we said back in Chicago, insurance companies are in the business of retaining customers. There's a cost associated with losing a good customer and going and finding a replacement customer. We want that consumer to fix the problem, whether it's getting rid of the trampoline or the diving board in their pool or putting on a new roof, whatever the thing is, you want to keep that customer. But at the same time, if only a few people are asking for the image, we think it's more cost effective to create a system and put it in statute that if a consumer asked for that image, they get it using existing software programming as it is now.

Wes Bissett, Senior Counsel of Gov't Affairs at the Independent Insurance Agents and Brokers of America (IIABA) thanked the Committee for the opportunity to speak and stated that we support the model. I was a little surprised to hear so much concern expressed by my insurance company counterparts because this is a very narrow proposal at the end of the day. It's been suggested that this proposal would somehow restrict the ability to use aerial images, and it really doesn't do that. It only establishes a relatively narrow set of requirements that would apply in the event that an insurer uses an aerial image to non-renew somebody. It doesn't say how an aerial image can be used. It doesn't prohibit aerial images from being used at all. It's in no way a referendum on the ability of insurers to use aerial images. Nobody is challenging the fact that aerial imagery provides benefits and efficiencies to the industry. If you support this proposal today, you're not challenging that in any way. You're just voting to establish some consumer protections that would apply in the hopefully rare event that an image is used to cut-off someone's insurance coverage. And the reason why this is a timely and important issue, despite all the benefits associated with aerial imagery, is because its rollout in recent years has not been perfect. It has not been great. There have been too many instances where the images are inaccurate. The insurers will look to images of the wrong home. They will come up with faulty conclusions, sometimes based on the use of artificial intelligence (AI), that doesn't reflect the reality of the situation and there's no protections that apply at the moment.

And for that reason, that's why about a dozen state insurance departments have tried, given their limited regulatory authority, to act in this area. But what we need is a legislative-based response so that we can have a thoughtfully crafted model so that we can have some interstate consistency among the states. There's been the assertion made that this doesn't address affordability. I think the use of aerial images overall does help aid affordability but think about what we're really trying to do here is ensure that someone who actually in reality meets the underwriting standards of an insurance company does not lose their coverage. It is very disruptive and scary, frankly, in today's environment if you lose your homeowner's coverage. It puts into motion a series of events that no one wants to be in the middle of. So, the way we look at it is there are four core common sense elements to this proposal. It addresses the age of the images. It says they can't be more than 12 months old, which is the industry standard we've heard in earlier meetings. It creates the ability for policyholders to access their images, which again is common sense. It gives the consumer the ability to make sure it's the image actually of their house, that it's the correct image, that there hasn't been some sort of faulty conclusion that has been reached. It was mentioned a moment ago that there aren't many requests for images, which is not at all shocking because if you're non-renewed, there might not be any mention at all that an aerial image was used or of your ability to get access to that image. So, the fact that few people are asking about that today is really not surprising.

And then third, there's the ability created in this model to challenge the assertion of the insured just to push back and say, "Well, wait a second, this is a roof that was put on six months ago, or that's a cloud shadow and not an issue with my shingles." And then fourth, there's a limited, and I stress limited ability in the model to address and remedy the problem that is asserted in the image. It's not an absolute ability to do that. And maybe it's not crafted perfectly, but it gives the consumer at least a limited window of time to try to fix that problem. So, given the need for a model in this area, given the need that states are beginning to act, we urge you to move forward with this model. Even if you don't intend to bring it back to your state, we'd urge you to support it. Even if there'd be things in this model that you would tweak and perhaps do a little bit differently, we would urge you to move forward because there are states that are looking for guidance in this area, and it's important for NCOIL to provide that.

Asw. Pam Hunter (NY), NCOIL President, thanked the committee and the sponsors of the model and stated that I think it's important and timely. I just have a couple of thoughts. I do support the model, and I do support the amendments as well, and I encourage all of my legislative colleagues to support it as well. I think the last comment was very telling that these are model laws. You can tweak it for your state, but this is a foundation for us to go forward. We have had comprehensive and extensive conversations about this, but listening to some of the comments, there were mentions of not that many people are asking for the aerial photographs, and it just causes me to ask a question of how many non-renewals are out there that this seems to be such a cost-prohibitive thing to send someone either a link or a copy of the pictures. Also, when we talk about affordability and availability, maybe this doesn't speak to affordability directly, but I think it's important for people to have comfort knowing that the carrier that they've been using for a year or 10 years is not going to just drop them but rather have a conversation with them. And it seems like sending a letter and not having a conversation with you and not sending you any information and rather you having to make sure that you ask for a picture doesn't seem like a customer-oriented situation. Also, we do represent individuals and companies and this is where we have to find the balance. We want to make sure that they're solvent and doing everything that they need to do to provide services in our communities, but we have to make sure we strike a right balance. And that goes into, this is new technology but it's not required. You don't have to do this as a carrier. You don't have to use it. But if it's new technology, why not start with a safeguard and then if it's working and you're not getting a lot of concerns or pushback relative to the images, then it can transition to what your current standard is.

But in this world of AI, we need to take a step back and have some safeguards. Also, I don't necessarily agree that aerial imaging is less intrusive than an actual person going to your house. And to my last point, we need to have an integration of forward-thinking technology and customer service now more than ever before. I was just at an insurance conference this past week where it was discussed that some people who own their homes are not paying for insurance. They just aren't renewing their policy. That's a pretty scary situation when people don't have enough money to afford homeowner's insurance, and they are just hoping their house doesn't burn down or some other catastrophic issue doesn't happen. That's what you're paying insurance for. That's why you're paying into the pool. Let's not make the perfect be the enemy of the good with this model. I support the model and I'm asking for others to support it as well.

Rep. Jordan thanked everyone for their work and stated I think this model is a good compromise, and we should support it. However, I will say I think I heard Mr. Martin say that companies already have these images and have the platforms built but then to send the pictures might create some extra costs, although it's difficult to calculate. And then when I heard Mr. Roth talking, it seemed as if they would have to build these platforms out and that they didn't have even the storage. That seems to be somewhat contradictory. My major frustration though is that this is a good compromise but we keep talking about this cost being significant, but nobody can calculate the cost. And I can tell you in Chicago when I was told by industry representatives that I would receive information on the costs associated with this, I did not get a call or an e-mail or anything related to the issue. And so, I just find it somewhat disingenuous to now come back and say that these costs are significant when nobody really can calculate them. I'm of the opinion that if we're providing a link and you don't have to provide the actual photos, I think that's a good measure. I think that people should have an idea of what they need to improve on their property so that they can be renewed. I don't really see what the big deal is about the images being provided via some sort of link. I support the model and I hope everyone else does as well.

Sen. Lana Theis (MI) thanked everyone for their work on the model and stated I understand the desire behind the model but I have significant concerns that this will have an upward pressure on costs. And I agree with Asw. Hunter's remarks that we need to make sure that we make it as affordable as possible so that people do insure their homes but if what we're doing is more regulation that may or may not be necessary that could increase costs, I think we have to be serious about thinking about that. The other question that I have is about the vast majority of the businesses that I interact with have a right to do business with me or not. And if I'm insured with them, obviously they have to pay a claim, but do they have an obligation then to maintain insurance in perpetuity? Or do they have the right to see my home as too much of a risk for the premium that they can take? If they see that and we don't let them non-renew, then the cost is going to go up for everybody because the risk has gone up. So again, I appreciate the desire for consumer protection. I absolutely want to support that. I don't think this model is ready yet and I don't think mandating that we provide information that's not been asked for to everybody is helpful. I also have issues with the 12-month limitation on it. The upper peninsula in my state of Michigan has got a few houses and a whole lot of land, and there are going to be occasionally third-party planes that will fly over to take pictures, but for the most part, those are going to have to be individually hired, and that's going to increase costs. That's something they do industry-wide right now every two years. If you can provide your own photographic evidence to disprove whatever it is they're doing, you have that opportunity, but I don't want to mandate something that's going to push up on the costs. So, as is currently written I'm a no on the model. I would very much love the opportunity to discuss this further, however.

Sen. Mary Felzkowski (WI) stated that I agree with Sen. Theis on a lot of this, but I do have a question. One of the concerns is the turnaround time of getting the aerial images. I don't think I share that concern, but I would like to ask the question to industry - if I get this notice of non-renewal and I send an e-mail to the company asking for the photos, what is the turnaround time to get those photos? Am I getting those within four or five days? And then I would ask people in practicality, if let's say that I have curling shingles or I have missing shingles, can you get your roof re-done in 60 days? The other question I have, and I think this is a real concern that was brought to us, is let's say as an agent, I'm notified that somebody is going to be non-renewed for the aerial photos,

but I've already called my underwriter and said, "Hey, look, I just found out that my homeowner is opening a daycare in their house and that goes against all underwriting guidelines." I've notified them of that, and they're going to issue a non-renewal. So now they can't issue that non-renewal because of the aerial imaging that they've done. So, I would like to know if there's openings to a tweak in that language that the only time that this applies is if the non-renewal is solely due to the aerial imaging, because there could be other factors. They may have a trampoline. Maybe they have liability exposures that they now have around their home or other hazards. You're putting that company into the position of accepting risks that, number one, don't meet their underwriting guidelines and they're not charging for and that's driving up the cost and their claims. So, I can't support this model as it stands because I don't think that you vetted it out from the actuarial standpoint or from the insurance standpoint. If they're using that aerial image solely as a cause for non-renewal, it's a whole lot different than a multi-factor approach to why they're non-renewing that policy.

Rep. Gabe Firment (LA) stated that I believe the Louisiana law that we passed in 2024 sort of prompted this conversation with the model, and just a couple comments I want to make are, the specific problem we were addressing in Louisiana is when aerial images were the only thing being used to make a non-renewal decision, and so it is a little concerning to me that now the language says if aerial images are used "in part", so we've got more restrictive regulations, more burdensome regulations when we use aerial images in conjunction with maybe an in-person inspection than if we did an in-person inspection on its own. Now if we do an in-person inspection, there's no requirement to provide photos. There's no requirement to provide the homeowner with time to correct the defect. So, it just seems to me like this should be part of a bigger discussion. I would just hate to see us use this aerial image conversation as a backdoor to accomplish some other policies around underwriting and things of that nature. And regarding the idea that this is not going to create some additional cost, I can tell you in a place like south Louisiana where small insurance companies are such a big part of the solution, I can see them completely foregoing aerial inspections and doing in-person inspections on every policy. That's certainly going to increase the cost for them. And so, for a tumultuous market like we've got in south Louisiana, that's very concerning for me.

Rep. Matt Lehman (IN) thanked everyone for their work and comments and stated I'm going to kind of go back to the 30,000-foot view here for a second. I've been involved at NCOIL for many years, and I've heard a lot about "it's just not right" and "it's not perfect yet." I've never taken an NCOIL model back to my state and adopted it verbatim. You've got to make this fit your state. We keep talking about the "bill" but it's a model. Take this as it is - a model. What works in your state might not work somewhere else. I think 95% of this is good. We're hung up on this issue of when you should or should not give someone the data. We live in a data world. We've had the transparency model law a couple years ago at NCOIL that dealt with how we are telling our insurance clients what they're paying for and why and I think this is just another piece of that puzzle. I think this model is a good model, not a great model. I think there's going to be some nuances that need to change and I think we can change those when we're in Atlanta. I just don't want to get hung up on the technical things. I think it is a good model, not a great model and I'd ask for your support today.

Rep. LeBoeuf thanked everyone for their comments and stated that I won't repeat all of my earlier points but I think some of the concerns raised today are really technical in nature as Rep. Lehman said. With this model we're not trying to add other ways to deny

underwriting. That's not what it is. It's about focusing on the aerial image. The argument about the "in part" language was not something that was brought to our attention earlier and that is more of something that is a technical change that could be made in Atlanta as the model is not trying to address things besides aerial images. I hope everyone supports the model.

Rep. Lampton thanked everyone who worked on the model and stated that I agree with the comments made about how the way the model reads now it could prevent carriers for non-renewing for other non-aerial image reasons. And so without the amendment to fix that part of it, I'm going to have to oppose it at this time.

Rep. Bennett thanked everyone for their comments and stated that it does sound like there may be a lot of consternation around the "in part" language and whether we should add "solely" in the part of the model to clarify things and my understanding is that is indeed a technical change that can be addressed by the Executive Committee in Atlanta if this model is adopted today. And I just want to reiterate the comments made that stressed that this is model legislation and we in Oklahoma have never adopted NCOIL language verbatim, either. And it does sound like there are plenty of opportunities for the industry and legislators to engage on this issue across the country. I will now entertain a Motion to adopt the amendments referenced earlier to Sections 5(d) and (e)¹.

Upon a Motion made by Asw. Hunter and seconded by Rep. Tom Oliverson, M.D. (TX), NCOIL Immediate Past President, the Committee voted by way of a 15-14 roll call vote to adopt the amendments². Then, upon a Motion made by Asw. Hunter and seconded by Rep. Jordan, the Committee conducted a roll call vote to adopt the Model as amended. By way of a 13-16 roll call vote, the Motion did not carry.

ADJOURNMENT

Hearing no further business, upon a Motion made by Rep. Anderson and seconded by Sen. Utke, the Committee adjourned at 12:15 p.m.

¹ Section 5

(d) Provide the ~~currently insured property~~ named insured owner a minimum of 60 days time period consistent with notice requirements of this state to cure the defects or conditions underlying a non-renewal from the date the insurer identifies the specific conditions, ~~even if that exceeds the non-renewal notice period as set forth in [insert citation to state non-renewal requirements].~~ An insurer shall have the right to assess the work used to correct defects to determine and ensure they have been corrected in a manner that meets the standards originally communicated by the insurer in subsection (a). Should the insurer determine that the work did not correct the defects, the insurer shall notify the named insured that the non-renewal will be upheld.

Drafting Note: States are encouraged to amend their non-renewal notice laws to ensure that the non-renewal notice period is at least 60 days.

(e) ~~Require an insurer to~~ Offer a renewal policy to a consumer who submits proof that they've have cured the defects/conditions identified in subsection (a). Once the defects are cured in a manner that meets the standards originally communicated by the insurer in subsection (a). ~~However,~~ an insurer may non-renew the policy in question but only for a reason unrelated to the defects/conditions identified in subsection (a).

² Some legislators who were present at the beginning of the Committee's meeting had left by the time of the vote.