

NATIONAL COUNCIL OF INSURANCE LEGISLATORS
JOINT STATE-FEDERAL RELATIONS & INTERNATIONAL INSURANCE ISSUES
COMMITTEE
INTERIM COMMITTEE MEETING – MARCH 12, 2026
DRAFT MINUTES

The National Council of Insurance Legislators (NCOIL) Joint State-Federal Relations & International Insurance Issues Committee held an interim meeting via Zoom on Thursday, March 12, 2026 at 2:00 P.M. (EDT)

New York Assemblymember Erik Dilan, Chair of the Committee, presided.

Other members of the Committee present were:

Rep. Justin Wilmeth (AZ)	Rep. Nelly Nicol (MT)
Rep. Camille Lilly (IL)	Rep. Meredith Craig (OH)
Rep. Matt Lehman (IN)	Rep. Ellyn Hefner (OK)
Rep. Brenda Carter (MI)	Rep. Tom Oliverson, M.D. (TX)
Sen. Lana Theis (MI)	Rep. Jim Dunnigan (UT)
Sen. Hillman Frazier (MS)	

Other legislators present were:

Sen. Tim Grayson (CA)	Asm. Jarett Gandolfo (NY)
Rep. Peggy Mayfield (IN)	Sen. George Lang (OH)
Rep. Edmond Jordan (LA)	Rep. Carl Anderson (SC)
Rep. David LeBoeuf (MA)	Rep. Trey Wharton (TX)
Rep. Mike McFall (MI)	Del. Walter Hall (WV)
Sen. Jeff Barta (ND)	Sen. Cale Case (WY)

Also in attendance were:

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

QUORUM

Upon a Motion made by Rep. Meredith Craig (OH) and seconded by Rep. Ellyn Hefner (OK) the Committee voted without objection by way of a voice vote to waive the quorum requirement.

INTRODUCTORY REMARKS: CHAIR DILAN

Asm. Dilan thanked everyone for joining and stated I'm honored that Sen. Paul Utke (MN), NCOIL President, has asked me to serve as Chair of this Committee this year. I look forward to working with all of you on the issues that will come before this Committee.

The purpose of this meeting is to conduct some committee business before our scheduled meeting in April in Louisville, KY. The first item today will be introducing and discussing the NCOIL Individual Coverage Health Reimbursement Arrangement (ICHRA) Model Act sponsored by Rep. Meredith Craig (OH). Following that, I'll be introducing a Resolution Affirming U.S. State Based Regulation of Artificial

Intelligence (AI) in Insurance Consistent with the McCarran-Ferguson Act and I'll discuss plans for the draft NCOIL Model Act Regarding Insurers Use of AI that I have sponsored.

INTRODUCTION AND DISCUSSION OF THE NCOIL INDIVIDUAL COVERAGE HEALTH REIMBURSEMENT ARRANGEMENT MODEL ACT

Asm. Dilan stated we had a great discussion on this topic at our last meeting in Atlanta and now Rep. Craig has decided to introduce and sponsor this Model which is based on a bill she is sponsoring in her home state of Ohio. ICHRA's have been the subject of a lot of headlines in the past several months, and I'm glad to see that NCOIL is taking on this issue and I appreciate Rep. Craig for bringing it forward. Based on how the discussion goes today and during the build up towards our Spring Meeting, if it appears that there is a consensus around this and no opposition, I would be comfortable in entertaining a vote as this is a rare issue where there doesn't seem to be a lot of opposition, especially since there is no mandate involved with this. But we'll see how this goes today, and we'll go from there.

Rep. Craig stated that I'm proud to sponsor this Model and as the Chair noted, it essentially mirrors a bill that I'm sponsoring here in Ohio. The Model is pretty straightforward. It authorizes a non-refundable tax credit to small businesses, and we clarify that a small business means anyone from 2 to 50 employees. This gives a non-refundable tax credit to those small businesses who offer an ICHRA. This is something that has bipartisan support both at the federal and state levels and it was formed to enable flexibility for both employers and employees when it comes to health coverage. I'm sure you all have not been immune to everything that's going on in this space, both from the federal changes happening and then also just some of the small group fully insured plans and the premiums that have gone up here at the beginning of the year. So, with everything going on, we're excited about this bill. It offers and incentivizes employers to offer health insurance who are not currently offering health insurance. And again, my state and other states across the country are looking at this. I believe Georgia has either voted on it or is close to voting on it and we're excited that NCOIL is potentially going to take this up as a Model. It's important to note that this does not include a mandate of any sort. It simply says that if a state adopts this Model, it just establishes a framework for ICHRAs to be provided. With widespread support, it passed out of the Ohio House of Representatives unanimously with a vote of 93 to 0. I appreciate Asm. Dilan's willingness to potentially consider this Model in Louisville. I agree it'll depend on how this conversation goes today, so I'm excited to hear feedback from all of you. To that end, I'm certainly open to suggestions on how this Model can be approved. I look forward to the discussion.

Brooke Tiner, State Government Relations Director at Oscar Health stated we just want to thank Asm. Dilan and Rep. Craig's leadership for this Model. We are working in a number of states on similar legislation. As Rep. Craig said, we fully support this as an option for employers and as an incentive for employers to look at ICHRAs. It is not a requirement; it is not a mandate. We believe that this provides employers flexibility and also provides more access for individuals who don't currently have insurance coverage through their employer. We fully support this model. It has been considered in a number of states and we're continuing to support it at a state level and I appreciate the consideration of the Committee.

Matthew Domagala, Vice President of Product Strategy & Innovation at Centene thanked the committee for consideration of this Model. We are in full support of this which helps small businesses offer benefits through ICHRAs. Roughly 83% of

ICHRA's have come from small businesses offering insurance for the first time. It enables them to compete, attract and retain talent that otherwise may go to larger businesses and gives them a way to ensure that they can stay viable in the market. Here at Centene, ICHRA's are driving a lot of innovation as we look at the way that we're seeing purchasing behaviors and employers shop in the market. We're excited to start supporting and enabling people in all stages of life to find benefits that fit their needs with affordability still on the minds of many small businesses. ICHRA just offer another flexible financial tool for employers to offer affordable coverage to consumers.

JP Wieske, speaking on behalf of the Health Benefit Institute, thanked Rep. Craig for bringing this forward. We think this is a really important Model. I want to note two things that haven't been noted before. First, I think if you look inside the Model, there are a number of consumer protections included. They are sort of belt and suspenders related to what's in existing state laws typically but there are significant protections for employees on this front. I think that's an important thing to note. Second, I also do want to note that the potential impact on the individual market of the expansion of ICHRA's is extremely positive. It has the possibility of making the individual market a much more stable place across the board that with more enrollees in that marketplace and more enrollees that are in stable coverage, it will result in a larger and more stable market. Also, it allows a flexible benefit for employees to be able to take that coverage with them and not to have to switch insurers from time to time. So, I think this Model is extremely important, and the Health Benefit Institute is happy to support this wholeheartedly.

Rep. Matt Lehman (IN) thanked Rep. Craig for bringing this forward. We passed this in Indiana back in 2023 and looking at your Model, the only other thing that was in our law that I thought was very good was it made the taxpayer, the credit receiver, report back to the Department of Revenue every 3 years if you were still taking the credit because we wanted to see if you went to a fully funded plan and if so, then obviously you don't need to get the credit for the taxes. I think that was kind of the safety valve of this which is a great product, but you can't get the credit if you go back to a fully insured plan. So, there's some belt and suspenders in there that would be one for the government. I fully support this. I think it's a great product and I fully support it at NCOIL.

Rep. Craig thanked Rep. Lehman and stated that we chatted with our Tax Department and they brought up the same concern you just gave so I think we'll be looking at some of that language here in Ohio. I think if that's something this Committee wants to pursue in the Model, I'm happy to consider that as well. I appreciate you raising that. I just again want to thank the committee for considering this. We'll work behind the scenes here to try and get some language crafted to address any concerns and we'll circle back with the Committee, and we'll keep talking in Louisville. Please don't hesitate to reach out if anyone else has questions or comments.

Asm. Dilan thanked Rep. Craig and thanked everyone for their comments on this item today. If there's any questions between now and April, please be sure to reach out to Rep. Craig, myself, or NCOIL staff with any questions on this Model.

**INTRODUCTION OF RESOLUTION AFFIRMING U.S. STATE-BASED
REGULATION OF AI IN INSURANCE CONSISTENT WITH THE MCCARRAN
FERGUSON ACT AND DISCUSSION ON DRAFT MODEL ACT REGARDING
INSURERS USE OF AI**

Asm. Dilan stated we'll move to the next agenda item, which is the introduction of a proposed Resolution Affirming U.S. State-Based Regulation of AI in Insurance Consistent with the McCarran Ferguson Act and discussion on my draft Model Act Regarding Insurers Use of AI. As most of you know, I introduced the NCOIL Model Act Regarding Insurers Use of AI in the Financial Services and Multi-Lines Issues Committee last year. I still support that Model and strongly believe in the concept of ensuring that there is a human involved in the insurance process, particularly when we're talking about claims and denials. But throughout our discussions, it's become clear to me and others that it would be very difficult to get the consensus necessary to successfully adopt that Model. I recognize that requiring something so new in the insurance process causes a lot of people some pause, and understandably so. At this time, I think it's best to pause on the development of that Model and see how the legislative landscape throughout the states evolves before going any further. I still want to discuss AI at NCOIL and hope that it will be a topic of major conversation on meeting agendas. But in terms of this specific Model, I'm okay with hitting the pause button for now and picking it up in the future as this evolves and different concepts are introduced.

I do want to thank everyone that participated in commenting on the Model and providing feedback on that process. I would like to offer up a Resolution today that I think really fits with NCOIL's mission and is also responsive to the current scenario we find ourselves in. That Resolution has been distributed and is in the meeting materials and is fairly straightforward. It affirms that U.S. state-based regulation of AI in insurance is consistent with the McCarran Ferguson Act, and as the Resolution states, there has been a concerning trend at the federal level to seek to wrongly curtail state legislators' ability to develop policy surrounding AI in insurance. There's been a 10 year moratorium on state legislative and regulatory authority over AI that has been proposed by Congress and the recently signed, constitutionally questionable, Executive Order that aims to preempt state legislation and regulation of AI. NCOIL has pushed back on both of these federal actions, and I think this resolution is an important next step in that process. With that, I'd like to introduce the Resolution today for any comments and discussion and then potentially consider it in April. I'm certainly open to making changes to meet any concerns or to address something that may have been missed, but I think it sends the right message for NCOIL at this time. Of course, I say all this assuming that the Chair of the Financial Services and Multi-Lines Issues Committee, Asm. Jarett Gandolfo (NY) is okay with what I've set forth and is willing to entertain it on his agenda.

Asm. Gandolfo thanked Asm. Dilan and stated that I think this is the right direction for the Committee to take at this time, particularly given the unknowns surrounding AI and the rapidly changing nature. Your resolution I think clearly articulates NCOIL's position and aligns with our mission as well as the statements regarding the preemption of the state's abilities to regulate AI. I would be happy to put this on my Committee's agenda for discussion at our meeting in Louisville. I also want to say that I agree NCOIL needs to continue these discussions. Despite your Model being paused, we have to continue to have these discussions and I'm committed to do that throughout the year in my Committee. If anyone has any suggested AI-themed topics for my Committee, please feel free to reach out to me directly or to the NCOIL staff. We'd be happy to accommodate you as best as we can. I'll close and say I think it's incumbent that this organization continues to discuss AI and we try to learn as much as we can, especially with how quickly this is evolving. A lot of us are dealing with this in our home state legislatures. Here in New York, we actually just passed an amendment to a major piece of AI legislation so it's something we're all dealing with.

Mr. Weiske, on behalf of the American InsurTech Council, stated that we appreciate all the work that has gone into this and the discussions that we have had related to this. We offered an alternative proposal to the model but we think that this Resolution is a great way to, in the interim, put a bow on that process with the assumption that we're going to be continuing discussing it because it continues to be a big issue. So, we just want to indicate our support both for the state-based regulatory system that this entails and for the Resolution itself.

Paul Martin, Vice President of State Affairs at the National Association of Mutual Insurance Companies (NAMIC) stated that I echo Mr. Wieske's remarks. We really appreciate NCOIL looking at this and going to a resolution. As you've heard in other comments, this is a rapidly evolving area of not just insurance but commerce generally. We think going to a resolution at this stage is the appropriate path, and we certainly look forward to any future conversations on this topic.

Rep. Jim Dunnigan (UT), NCOIL Treasurer, stated that our legislative session in Utah just ended and we had a bill to promote state regulation of AI. President Trump called the bill sponsor and he called some in our legislative leadership to put an end to the bill because he wanted to regulate it at the federal level. I think this is better regulated at the state level. So, I appreciate the resolution. I think it's very important. I think the states are the laboratories and we need to figure out what's best for our states. Unfortunately that bill in Utah did not proceed and I appreciate the Resolution.

Asm. Dilan thanked everyone for their comments and stated that if anyone has any comments on the Resolution before the Louisville Meeting, please feel free to reach out to myself, Asm. Gandolfo, or the NCOIL staff.

ADJOURNMENT

Hearing no further business, upon a Motion made by Rep. Lehman and seconded by Rep. Brenda Carter (MI), NCOIL Secretary, the Committee adjourned at 3:00 p.m.