NATIONAL COUNCIL OF INSURANCE LEGISLATORS
LIFE INSURANCE & FINANCIAL PLANNING COMMITTEE
2026 NCOIL SUMMER MEETING – BOSTON, MASSACHUSETTS
JULY 16, 2026
DRAFT MINUTES

The National Council of Insurance Legislators (NCOIL) Life Insurance & Financial Planning Committee met at The Westin Copley Place Hotel in Boston, MA on Thursday, July 16, 2026 at 10:00 a.m.

Massachusetts Representative David LeBoeuf, Chair of the Committee, presided.

Other members of the Committee present were:

Rep. Deanna Gordon (KY)
Rep. Edmond Jordan (LA)
Rep. Brenda Carter (MI)
Sen. Mark Huizenga (MI)
Sen. Lana Theis (MI)
Sen. Joseph Thomas (MS)
Asm. Jarrett Gandolfo (NY)
Asw. Pamela Hunter (NY)
Rep. Brian Lampton (OH)
Sen. George Lang (OH)
Rep. Carl Anderson (SC)
Rep. Matt Morgan (TX)
Rep. Tom Oliverson, MD (TX)
Del. Walter Hall (WV)

Other legislators present were:

Sen. Tim Grayson (CA)
Rep. Stephen Meskers (CT)
Rep. Elijah Pierrick (HI)
Rep. Ben Fuhrman (ID)
Rep. Rita Mayfield (IL)
Rep. Michael Meredith (KY)
Rep. Michael Sarge Pollack (KY)
Sen. Jason Howell (KY)
Rep. Adrielle Camuel (KY)
Rep. John Illg (LA)
Rep. Dennis Bamburg (LA)
Rep. Shaun Mena (LA)
Sen. Kirk Talbot (LA)
Rep. Poppy Arford (ME)
Rep. Michelle Boyer (ME)
Rep. Robert Foley (ME)
Sen. William Gannon (NH)
Sen. Tim McGough (NH)
Asm. David Weprin (NY)
Sen. Mark Mann (OK)
Rep. Kevin Norwood (OK)
Rep. William Slater (TN)
Rep. Calvin Callhan (WI)
Sen. Cale Case (WY)
Sen. Pepper Ottman (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 Sen. Justin Boyd (AR) and seconded by Del. Walter Hall (WV), the Committee voted without objection by way of a voice vote to waive the quorum requirement.

MINUTES

Upon a Motion made by Sen. Lana Theis (MI) and seconded by Rep. Tom Oliverson, M.D. (TX), the Committee voted without objection by way of a voice vote to adopt the minutes of the Committee's April 17, 2026 meeting.

PRESENTATION ON MORTALITY DRIVERS: PRACTICAL INSIGHTS FROM SOCIETY OF ACTUARIES RESEARCH

Kara Clark, Senior Research Actuary at the Society of Actuaries (SOA) Research Institute, thanked the Committee for the opportunity to speak and stated that understanding mortality and understanding future mortality requires recognizing both emerging headwinds and tailwinds and also separating population mortality from insured mortality. So, we're going to get into that throughout this presentation. Future mortality will be shaped by competing forces. So, if there are three things that I want you to take away from today, first, that behavioral risks remain significant. Medical innovation may improve outcomes, and then finally, population trends require thoughtful translation to insured experience. There are a number of research reports that are up on the screen now, and I'm going to be touching on each of these very briefly to provide an overview, along with another study that was conducted by Reinsurance Group of America (RGA). So, the first of our studies looks at an overview of the U.S. population mortality observations through 2022. It uses national death certificate data and applies coding from ICD 10, which is the diagnosis for cause of death. Everything is categorized into one of 14 categories, and it enables us to look at patterns across years and ages.

This particular slide is the percentage of deaths and this by age band and the different colors represent different causes of death so again, for each of these age groups, 100% of the deaths would be on this y-axis here, this vertical axis. And then the age bands go from the younger ages to the older ages here. Working ages are pretty much in the middle. And that's what we're going to be focusing on primarily in this presentation. And so, the point here is that working age deaths reflect a different cause of death mix than older ages. That probably isn't a huge surprise to you. If you look down here at some of the colors that stand out, we've got heart disease here at the bottom. This lighter purple is cancer. But for the younger ages, you can see that there are some different colors that become more prominent, and the light blue up here is suicide, and the teal is accidents, which includes drug overdose deaths. So, heart disease is important across the board, cancer is a leading cause of death. But when you get to the working ages, you can see that the distribution by cause of death is quite different than the older ages where you've got accidents representing a much larger portion as well as suicide. This is from 2020 to 2022. The red is COVID-related deaths.

So, we've done some additional research, really digging into drug overdose deaths and how those have been trending over time. So, this is another graph that looks by age band at drug overdose deaths and the percentage of deaths caused by drug overdoses at different age bands in two different time periods. We've got women here on the left and men on the right. And at certain age bands, 25 to 39, drug overdose deaths account for over up to and slightly over 30% of all deaths. These deaths occur at younger ages. The average age is approximately 45. The overdose epidemic evolved in some very distinct waves. And so, these are deaths over time by different types of drug overdoses. The total is here at the top, and then the different colors represent different drug types, including the early phases which were driven primarily by prescription opioids. Those were the early increases. Those of you who have been around for a while will remember a lot of prescription painkillers that were causing problems in some cases. The second wave became heroin, but things really started to take off due to fentanyl. That was a major shift in drug overdose deaths because you can see how much things increased once fentanyl came on the market. Fentanyl is very deadly. It is much easier to overdose and it has

higher fatalities. So less than two milligrams can be fatal as compared to roughly 100 milligrams of heroin. In addition, fentanyl contaminates street drugs and it can be harder to reverse in those cases. Some substances mixed with fentanyl don't respond as well or require more naloxone to reverse. The recent data, the dotted line that shows some decreases in drug overdose deaths. In 2023 we saw the first decline in recent years and 2024 provisional data also saw a decline. So, the question is, is that going to continue? Is it stabilization or is it volatility? And that is a big question as we go forward. At the same time that we did this research The Society of Actuaries also commissioned a consumer sentiment survey and asked people what their perceptions were of drug overdose deaths and most of them did believe that drug overdose deaths would increase in the next five years rather than go down.

Some other important things to note, and you'll see this throughout the rest of our presentation, is that the risk of certain types of death is not evenly distributed. So, in this particular case, this looking at education levels. And those with lower levels of education showed higher mortality rates due to drug overdose deaths. That does not mean that lower education causes drug overdose deaths. It simply means that they are correlated. And this differential is widening over time. So, this is less than high school, high school, and then college educated is that yellow line on the bottom. There are other occupations again that correlate with overdose mortality risk. So certain occupations like construction, maintenance, service occupations have a higher rate of mortality than those in management jobs. Again, that does not mean that being in construction causes overdose mortality deaths. It may mean that there is different exposure either to injury or access to prescription drugs or a need for prescription pain drugs. But something to be aware of is that these risks do not impact groups of the population in even ways. One of the other interesting findings in this particular study is that alcohol-related deaths, alcohol-induced deaths, show a different pattern than drug overdose deaths in the working ages. So, here we're looking at alcohol-induced deaths, which is not just acute alcohol poisoning, but how alcohol contributes to other causes over the longer term. Alcohol deaths skew older. Less than 10% of alcohol-induced deaths are at ages younger than 40, whereas for drug overdose deaths, closer to 40% occur at ages younger than 40. The other interesting thing here is that for university-educated individuals, there is a higher risk of alcohol-induced death. In the most recent years, alcohol induced deaths were more than drug related deaths for the university educated population.

I am going to pivot now to another study that was conducted looking at mental health trends, again, something of importance in the working ages. So, here one of the things to point out is that suicides - this is for women over time here on the left, these are different age groups and for men here on the right - have been increasing. And it's another study that shows that socioeconomic context and geography contribute to different risk profiles. In this particular study, we looked at data that came in part from the Mental Health Association and was information at the county level where there were self-reported surveys that included self-reported poor mental health days, suicidal ideation, severe depression. And we looked at how those particular components related to suicide and all cause mortality within those counties. So, the finding here is that mental health indicators, probably again not a surprise, do correlate with mortality risk. This is all cause mortality here on the left and suicide is on the right. Anything that is above the solid line means there is a positive correlation with all cause death or a positive correlation with suicide death. Meaning, the more severe depression from the survey, the more all-cause deaths we saw. And over on the right, the more severe depression results from these surveys, the more suicide deaths we saw.

So, the effects for all-cause mortality are strongest at the younger ages and for suicide and then it declines a little bit over time. And for suicide it's positive. These are positive correlations. And they persist really at all ages. I want to point out that these are correlations at the population

level and studies at the county level, meaning it's not an individual person that is being studied and leading you to say this particular individual that has a high number of poor mental health days would necessarily result in a suicide death. One of the other components of this study is to show that suicide risk also clusters geographically, and these clusters persist over time. So, this particular graph, I would call it almost an actual to expected if we were looking at what we would expect the suicide rate to be in these different areas. Given everything that we know about the populations in those counties, the ones that are green and yellow are greater than expected suicide deaths. So, you can see that there is a persistent across years and across ages, where the western states show elevated suicide risk. We don't really know why that is. That is, there's something in the socioeconomic environment there that is a latent risk factor that we haven't modeled. And then finally, socioeconomic context also shapes suicide outcomes. So, we looked at again percentage at the county level of education levels and found that counties with higher levels of education were correlated with lower levels of suicide risk. Higher housing values correlated with lower suicide risk. Down at the very bottom, again, you can see most of that shaded area is above this solid line, meaning that high poor-related, poor mental health days as reported by the county residents correlated with higher suicide risk.

So, I've talked about mental health and I've talked about drug overdoses, those are some of the headwinds that are influencing mortality right now. What are some of the tailwinds and things that might have a positive impact on mortality? This is some modeling that was done by RGA looking at the potential impact of GLP-1's which may represent a positive influence on U.S. mortality. At the Society of Actuaries Research Institute we do have a couple of studies underway right now looking at the impact of GLP 1's that are not expected to be published until the fall or maybe early 2027. In their study, they estimated the impact of anti obesity medications, including GLP-1's on U.S. mortality looking at multiple adoption pathways over a 20-year horizon. And in particular they looked at assumptions related to clinical effectiveness, uptake in the market, persistence with treatment so adherence to the medications and how that reduced mortality risk. And what they modeled according to pessimistic, optimistic and kind of a central set of scenarios is that over time, GLP-1's could produce meaningful mortality improvements. So cumulatively, in their central set of scenarios, 3.5 cumulative mortality improvement over 20 years. The largest effects occurred at ages 45 to 59. What they would expect is that the insured population would have smaller absolute mortality gains and that is because the insured populations do not look the same as the general population. An insured population likely has a healthier baseline risk and lower obesity prevalence to begin with and so even though they may have greater access to these drugs, there might be a smaller base upon which they are applied.

And so that brings us to my final point here is that in all of these cases and I hope this has come through in the presentation, U.S. mortality is not one national trend. And I'm going to show you some additional information that brings home that point. In any of these studies, we cannot assume that the average applies to all individuals. And in addition, we need to be thinking about how population mortality needs to be thoughtfully translated into an insured population.
So, this is again one final study that I am going to mention here. We do this on an annual basis, and we look at mortality over time at different socioeconomic groups. So, each county in the U.S. is put into one of 10 deciles where the tenth decile is the, let's say most advantaged and the lowest decile is the least advantaged. And what goes into categorizing counties into these deciles are things like percent of the population that have higher levels of education, percent of the population that has less than an eighth grade education, average income in the county, average housing price in the county, some of the disparate housing prices and incomes within the county, etc. So, with that, there are some details here. You can see here are the results that we show where the red are life expectancy at birth. And the red is the least advantaged.

So, the green is the most advantaged set of counties, the red is the least advantaged set of counties. Men on the left, women on the right. And so, you can see that since 1982, which is the beginning of this chart there has always been a differential in the life expectancy of the most advantaged and least advantaged counties in the country. That differential has expanded over time. It has been widening over time. It's been persistent and it has been increasing. And so, when we hear about an average U.S. mortality rate, please understand that the average is not representative as there is a lot of dispersion and variation that goes into making up that average, and we have to be thinking about that as we translate to an insured population, which you can see again how much variation there is in the general population. An insured population is not going to look like the general population, and in many cases it may look more like the more advantaged counties that you see here at the top of the graph. And that mortality difference at the county decile level is largest in working age adults. So, again, there's significant overlap here with the core insured population, which means we again have to be thoughtful about how we're translating these trends to insured groups. So again, with key takeaways, behavioral causes are an important driver of working age mortality. Medical advances such as but not limited to GLP-1's may improve future mortality outcomes. There is a lot of differentiation in mortality results across socioeconomic groups, and there needs to be a thoughtful translation when we look at population experience as we consider how to apply it to any given insured population.

Rep. Stephen Meskers (CT) stated that on the second to last slide, could you go over your interpretation there because I had a question on the working age where you have the largest gap in mortality rates - does that reflect the incidence or occurrence of Medicare and insurance coverage at the age of 65 for the narrowing of the gap? And is it an insurance-related issue of treatment that's narrowing that gap? And is it all related to basically healthcare coverage, or is there an interpretation I should take from that? Ms. Clark stated that is not something that we have studied, so I don't think I can speak to it. Where I was coming from with this is, and I did go through this very quickly, but if you look here at the ages, this is the middle working ages here and if this is the average, that solid line, you can see how the gap difference from that solid central line is the widest between the most advantaged and least advantaged socioeconomic counties in this central section. So, that's why we're saying that those adult ages have the largest gap in mortality difference. I cannot say that the reason is because of insurance access one way or the other. That is not something that we have studied. It's an interesting question. Rep. Meskers stated that basically I'm thinking of at the state level, we manage insurance pools for all of our socioeconomic groups at some level, the Affordable Care Act, etc. And the only time the federal government steps in is at 65, with essentially a blanket coverage. The second piece is I guess your GLP study is relatively incomplete in that it's only this year that GLPs are covered under Medicare, right? Ms. Clark stated that is correct and I'd have to go back and see what the assumption was in the RGA study with respect to seniors and GLP-1 access.

Rep. Tom Oliverson, M.D. (TX) stated that if I'm understanding your presentation correctly, it would seem to me that socioeconomic factors are valid measures of risk in terms of mortality. So a life insurance company that is trying to make actuarially valid decisions about pricing, if I'm understanding you correctly, this data would seem to indicate that the use of socioeconomic factors is an actuarially valid way to predict risk. Could you comment on that? Ms. Clark stated that I can't really speak to how any given organization would or should operate.

Rep. Oliverson stated that I'm not asking you to say whether it should be or it shouldn't be, or whether there should be disparities at all, or how we feel about that. I'm just saying it would appear to me that the math indicates that the higher your socioeconomic status, the lower your

mortality and that's just mathematical. And so thus, if an insurer is attempting to quantify risk in order to price, that is a valid factor. Is it not? Ms. Clark stated that these are correlations and not causation. So, I need to be clear that we're not saying that any of these factors are causing lower mortality, but they are related. Rep. Oliverson stated that correlation is a valid factor, we talk about this all the time. You don't have to prove where something came from to consider that it is a valid association. Ms. Clark stated right, but I'm sorry I'm not sure how to answer the question. Rep. Oliverson stated that I think it's pretty straightforward and I'm not trying to make a value judgment or any kind of moral equivalency or statement about what the difference between what is and what should be, but I'm just trying to say from a mathematical standpoint, it would seem as though your data very conclusively shows that if you are at a higher socioeconomic status that your risk of mortality across all ages is not only lower, but seems to have gone down over time. And so that is just simple data and these are the facts. We cannot like them and we can seek to change them, but it is what it is. Ms. Clark stated that I think that at the individual level, that's where I hesitate because these are population based studies so individual underwriting when it comes to that needs to take into account individual level characteristics and I really can't speak to the range of those that might be based in practice.

DISCUSSION ON DEVELOPMENTS IN UNCLAIMED LIFE INSURANCE BENEFITS

Rep. LeBouef stated that next on our agenda is a discussion on developments in unclaimed life insurance benefits. The NCOIL model Unclaimed Life Insurance Benefits Act will be referenced, along with another NCOIL model, the Beneficiaries Bill of Rights. Copies of those models are on the app, website and in your binders starting on page 20. Today, we have two speakers who will update us on developments in these areas, including whether or not the death master file (DMF) remains an appropriate use of proving someone's death for life insurance purposes.

Brendan Bridgeland, Director of the Center for Insurance Research here in Massachusetts, thanked the Committee for the opportunity to speak and stated that the Center is a non-profit consumer advocacy organization. I've served as a consumer advisor to the National Association of Insurance Commissioners (NAIC) and the Interstate Insurance Product Regulation Commission (IIPRC), and in the past I've been on certain NCOIL panels as well, a couple of which I will address here today because I was involved in some of the drafting of the two models being discussed. I am here today to offer a few thoughts on developments and updates on NCOIL's excellent models that have protected tens of thousands of life insurance consumers and their families. The first is the Model Unclaimed Life Insurance Benefits Act originally adopted in 2011 and the second is the beneficiaries bill of rights that was originally adopted in 2010. The amount of unclaimed money held by abandoned property funds is massive, it totals $70 billion, and overall states return about one third of this property to consumers and the other two thirds of it is going to stay with an abandoned property forever. But in some cases, that return rate has been less than 5% of unclaimed property, depending on the jurisdiction and the type of property. And in these difficult economic times, taking steps to help return unclaimed accounts to consumers could help millions more families around the country.

There's a number of slides here that will provide some background. I'm not going to cover them all today because that would take far too long. But feel free to look it over if you want to see some of the background. I started on this issue when I was working on a mutual to stock conversion, and I happened to look up some names in the unclaimed state property database, and I found the deceased father of one of my best childhood friends who died when we were both in grade school. And unknown to his widow, there had been a life insurance policy gifted to him as a newborn that he wasn't even aware of because he was one when it was taken out. When she ultimately contacted the state to claim the funds, she got both the death benefit and a

demutualization payment. This was a tiny policy, originally only a couple hundred dollars, but due to the time and generation of interest and dividends and the demutualization, they ultimately received a payout of over $15,000. But this was money a family coping with the loss of a parent could have benefited from long ago and there was over two decades between his death and his family finally receiving this benefit. Now, under the law in most jurisdictions, a life insurance policy will not be transferred into the abandoned property fund until three years after the insured would have reached 100 years old. It's called the limiting age. So, if somebody passes away at 80, it's going to be another 23 years before it's going to show up in unclaimed property and at that point, the family is probably no longer looking, which is one of the reasons why these go unclaimed. But this has been addressed by the NCOIL Model Unclaimed Life Insurance Benefits Act that has protected tens of thousands of middle class families by requiring insurers to use the Social Security DMF.

For example, in 2010, one company took 1 million policies and used the DMF to identify 5,600 policyholder deaths that had not been reported and even when that was done, the leftover policies had a benefit around $1 million or about $3,600 per average death benefit. It shows this is an issue that particularly impacts families who purchase smaller policies to cover death and funeral expenses. The model act requires proper disclosure, transparency and accountability relating to the payment of life insurance death benefitsl; requires insurers to semiannually compare enforced policies against the DMF; and develop search protocols to adjust for things like name typos. And it requires a company to confirm or verify the status of an insured once a potential match is made. I've included some slides here from a colleague of mine, Richard Weber, who just made this presentation at the NAIC, and I wanted to give him due credit. So, I'm using some of his materials that we've worked on together for this. So, the next few slides will be from the recent NAIC presentation. Each year in the U.S., three million people die but not all are captured in the federal database that insurers rely on, and as a result, benefits are delayed or never received by beneficiaries. You can see here in the chart the change since the Model was first enacted. The DMF used to cover 95% of deaths that occur in the U.S., but due to changes that has dropped down in recent years, and now it only contains about 16% of all total deaths. And this is because in 2011, the Social Security Administraiton removed 4.2 million state death records from publicly available DMF files in response to privacy and identity theft concerns. And there was the bipartisan budget act of 2013 that restricted access to the full DMF so now insurers can only use what's called the limited access DMF, which is not as complete.

There are other potential tools that are available, but they have limits. There are 40,000 news outlets today providing 67% of the needed death data obituaries on top of the state and federal records. But obituary sources are unwieldy and inconsistent to be used for tracking, and it's becoming less customary for families to post and pay for a published obituary. And this is some summary background, but I just want to note that the issue is important because of the amount and how it impacts American families. There's $14 trillion in individual life insurance for coverage enforce. There's $8.1 trillion in group life insurance and together, that's $22 trillion, and there's another $16 trillion in retirement plans, pensions and annuity contracts. And we're not talking about disputed claims or anything like that. These are benefits people have earned by paying into a lifetime life insurance policy, and they should get that benefit.

The other Model I was going to touch on is the NCOIL Beneficiaries Bill of Rights, which relates to retained asset accounts (RAAs) specifically. In 2010 press accounts emerged about the use of RAAs as a default settlement option for military families and the difficulties those families sometimes faced in accessing those funds. And RAA is one of the potential options for the settlement of a death benefit, an alternative to taking a lump sum cash payment. They operate like a checking account with insurers distributing their own checkbooks that can be used to draw

upon the funds. However, unlike in a licensed banking institution, there's no Federal Deposit Insurance Corporation (FDIC) protection for RAA's, and there are some other differences. But in light of these problems in 2010, NCOIL began investigating and developing its beneficiaries bill of rights, which was adopted in 2010. I participated in that working group and it did an excellent job. Section five of that model act established important new consumer protections for RAAs, including disclosures about how they differed from a bank account, interest rates, fees, and any limitations on withdrawals.

Bill of Rights section six also required for the first time data collection and disclosure about the amount of funds held in RAAs by insurers each year and also the amount that is turned over to abandoned property. To date, transfers of RAAs to abandoned property funds appears to be the first and only source of data and disclosure requirement applied to unclaimed life insurance benefits and the transfers to unclaimed property funds. And while RAAs represent only a tiny portion of the life insurance benefits distributed each year, a review of that data, which I've done this year, shows the scope is potentially enormous. I was granted access to the recent RAA NAIC data on insurer annual statements from 2020 to 2025 and I was just going to share as I finish up a couple of key findings. During this timeframe, insurers turned over 8,233 individual and 4,995 group insurance RAA accounts to abandoned property funds. The total value of these accounts was $105 million, for an average per contract of approximately $8,000. The biggest individual insurer handed over 15.6% of all RAA's to abandoned property accounts during that period. They turned over accounts averaging $365,000, very big policies, very big accounts. And one problem that's arising from this may attract insurance fraudsters. A colleague of mine from the Coalition Against Insurance Fraud will be addressing that at the next NAIC meeting.

And closing, a couple of recommendations. The NCOIL model acts have already benefited tens of thousands of families, and hopefully will be maintained and updated as necessary. As alternatives to the DMF emerge and as that fades as the best source, NCOIL should consider adding alternative search options and there are some things being developed by private parties and private markets that may ultimately prove to be a better data source than the DMF which was fantastic but is becoming less so as time goes on. And also, I think more data collection and disclosure is necessary about insurance funds turned over to abandoned property. I'm working at the NAIC on the subject to help expand the reporting, and I welcome any support from NCOIL to help get more money back to families from their life insurance purchases.

Jill Rickard, Regional VP of State Relations at the American Council of Life Insurers (ACLI), thanked the committee for the opportunity to speak and stated that I'm just going to speak briefly because I think we share the same goal. And the key point of my presentation is that life insurers make long-term promises to their customers, and they are committed to fulfilling those promises so we do share the same goal of putting money into the hands of the beneficiaries when a policy comes to its close. Our industry paid out $223 billion in benefits in 2023, which consisted of $89 billion in life insurance benefits and $104 billion in annuity benefits. The last year for which data is available, we paid out $199 billion in 2024 and Rep. LeBoeuf, in your state alone, we pay out $6.2 billion each year in benefits to Massachusetts families, which is $17.1 million each day. We are very supportive of the NCOIL Model Unclaimed Life Insurance Benefits Act and the Beneficiaries Bill of Rights which actually comes into play in the extremely small percentage of cases where benefits are not claimed through the traditional process, where more than 98% of policies are paid, meaning a beneficiary submits a claim, the insurer reviews it and then timely pays the claim. That's 98% of policies. So, in those 2%, which is real money, the NCOIL model comes into play and has been actually adopted in 36 jurisdictions, so we are supportive of the model, and have been since its inception and continue to support its adoption in the 15 or so jurisdictions that have not yet adopted it. I won't go over what the model does

because Mr. Bridgeland did a great job there but in short, most major life insurance companies even in the states that have not adopted the model, do follow the model's recommendations and perform semi-annual searches of the DMF, which is the authoritative source at this point at least for death records. So, while we are open to hearing and learning about what additional sources may be available, right now the DMF is the authoritative source for death records in the US.

Another thing that I think is very helpful to beneficiaries that was recently launched in 2016 by the NAIC is the life insurance policy locator. Most insurance companies are participating in this, and it helps consumers determine if they're owed unclaimed life insurance benefits. The tool searches participating life insurers, it is voluntary, but as I said, I think most insurers are participating as well as annuity companies. As of April of this year, the Policy Locator has recovered $13 billion in life insurance benefits, which is a substantial amount and the tool is working very well. Submitting a request takes only minutes and it requires minimal documentation. Once the consumer submits the request, the NAIC then contacts the insurance companies on their behalf to determine whether policies exist and gets those claims paid out. Finally, escheat - after a certain number of years of dormancy on a policy, usually it's three, but it depends on the state, the insurers must turn over unclaimed life insurance benefits to the state in which the policy owner last lived, and then the state takes over and does additional enhanced searches with the state records. Consumers can also check their states unclaimed property office with usually a simple online search using just a last name. So, all of these are tools that are helping insurers accomplish their goals of getting these benefits paid out. I think the key overall point here is that we do share the goal of getting these benefits paid, and we support the NCOIL models.

UNDERSTANDING THE ELUSIVE LIFE INSURANCE CONSUMER

Rep. LeBouef stated that next on our agenda is the topic of understanding the elusive life insurance consumer. As many of you know, life insurance can serve as a very important safety net for people and families after a death as we just heard, but policy ownership in the U.S. is only around 50%. To explain the benefits of life insurance and how elusive the life insurance consumer is, today we have Steve Wood, Head of Market Research for LIMRA.

Mr. Wood thanked the committee for the opportunity to speak and stated that for those who don't know, LIMRA is a nonprofit trade association serving the insurance and financial industry. We do partner studies with our friends at the SOA quite often as well. I lead the consumer markets research team so everything that I have to present comes from the consumer side of things. If we believe that the customer is always right, their ideas of how life insurance should be distributed, sold and underwritten is very different from what the industry thinks. But it also is important to get their viewpoint, especially from a marketing perspective. I usually do talk to life insurance marketers, distributors, and product developers so this is a little bit different tone here today. So, this first slide follows quite nicely with the previous speakers and this comes from a consumer survey and we just thought of the idea of what is life insurance? How would you term life insurance if it wasn't called life insurance? Life insurance as a term itself is acceptable to the majority of Americans, but as we see here, many do view it as death insurance or something surrounding death, which is fair, but what's interesting about that is when we talk about the elusive consumer, these are people we know through our research that tens of millions of people say they need life insurance, or they need more life insurance, but they never go about getting it. There are many reasons for that, but there are people who truly do want it, and we start asking them, what would an ideal policy be for you? Why are you not purchasing it?

And when I think about elusive, they're right there. I'll make a world cup analogy. Leo Messi, he's elusive but he's relatively small and it seems easy to take the ball off of him but it's not. So, these are people who are consuming media, they understand the need for life insurance, they're starting families, starting careers, but they're not taking that leap. So that's what I mean by elusive consumer. One other interesting thing about this, this word cloud here is the people who do understand life insurance a little bit more. They understand there are living benefits and as we'll see in my few slides today, living benefits is such a seller of life insurance. It's something that's very attractive to people, whether or not they can necessarily afford a policy with living benefits, or even understand what that means. The lack of awareness of different types of insurance that offer living benefits and other components of policies is astounding. It's the elusive consumer. It's very difficult to market life insurance for a multitude of reasons and we'll touch on a few of them today. I really like this quote – "Change has never been this fast. It will never be this slow again." When it was said, it was applying to artificial intelligence (AI) several years ago, without even understanding of where we'd be today. However, what's important I think for the life insurance industry is this is not just an AI thing. This is everything. AI is obviously affecting how we're underwriting policies much quicker to get into somebody's hands a policy which is a huge plus for the consumer. That's one of the top things that they didn't like years ago was how long it took to get fully underwritten. As those processes are changing, that's certainly going to help the consumer. But our distribution models are changing rapidly. Private equity is entering into the picture with our distributors, direct network marketing is a newish way of distributing life insurance, and that has shown massive success to certain socioeconomic demographics that are really attracted to that type of life insurance purchase and those smaller face amount policies. And everything is changing.

I have to touch on social media as well, how people are consuming information now. We started tracking social media consumption with regards to financial products, I think about 11 years ago. And it's astounding to me how many people, that is the only place they go to to learn about things like life insurance – 62% of people say that's where they go now, and you kind of say, wow, that's really high. But think about your own behaviors. If you're going to look for a restaurant tonight, you usually wind up looking at some form of Facebook, Yelp, Reddit, YouTube, what have you. It's not necessarily their actual website. That plays a role in life insurance as we'll touch on in a second. This is a slide showing life insurance policies and face amount. I think it goes back to 1960 or so. We see the money of life insurance policies are the bars that have grown significantly over the years, and the orange is policy ownership. And what's interesting about this is life insurance has had a great few years with large face amount policies. The tax advantages for a certain wealth class that can afford those types of policies has really put a lot of money into the life insurance industry. But meanwhile, the number of policies has remained pretty flat for a long time. So, that delta between the bar and the orange line or red line, that's the elusive consumer. We know people are getting variable products, they're getting the tax advantages from it, they're putting a lot of money into that. And we also know that network marketing and lower face amount policies, final expense policies, low face amount term policies are doing quite well right now for a lot of people selling those products.

But that part in the middle is that elusive consumer, that upper middle class, middle class new family. They're the ones who say they need life insurance, and they're just not taking the step to get it. And a lot of our research tries to inform our life insurance company members of how best to attract that attention to get their eyes on marketing materials and to take that next step to actually purchase a policy. Importantly, with all the technology, with social media, with the way we communicate now, people who understand life insurance still want those in person conversations and in person. And when we include things like video calling, phone calling, video chatting, what have you, that number jumps over 50% and what's important about that is

through all the technology there is always this sort of fear that we're kind of diminishing the role of the life insurance agent or the financial professional. When it comes to life insurance, as of mid-2026, have no fear, as people need to speak with people for any policy beyond a small term policy or end of life policy or final expense policy. And it's really important and we study this a lot at LIMRA. People are uncomfortable talking about death.

So, back to that first slide, the idea of naming it death insurance, there's some problems with that from a marketing perspective. I don't know how we would do that. I don't recommend that we call it death insurance. In fact, I have a second-to-die life insurance policy. The industry decided that didn't sound too good. So now they call them survivorship policies. I think that was a good move. But importantly, even younger generations still understand the need to have that in person conversation. And they're talking about life, death, their personal health, their personal finances. Those are very difficult conversations, and we are not at the point where people feel comfortable talking to an AI agent with those conversations. We're not necessarily at the point where people want to give their entire health records to an AI agent to underwrite them. I know that is a very interesting topic for some people in this room as far as how far AI would go with underwriting with prescriptions and personal health information and things like that. We ask consumers about that a lot. And it's interesting because they all say, down to 18 year olds, they are not comfortable with that. They want to protect their data. They want to protect their personal information. And I get very cynical in my job because I have a 15 year old and I have a 20 year old. They know what to say. They want to protect their information, but meanwhile, their lives are all out there. So, I don't think we're going to get to the point where we're fully AI underwriting policies but obviously it's already helping speeding along the underwriting process and that speed again is very important to consumers. They want to know what their policy is going to cost as quickly as possible. They don't want necessarily to give fluids anymore. They want some way to get fully underwritten as quickly as possible.

So, I mentioned social media and I mentioned my sort of hesitation of how we treat those questions on our surveys to the general population. For an example, a person I work with decided to add TikTok as an option for where people turn for financial information. And this was three years ago, and I said, are you kidding me? I don't even want to ask that because I already have a low opinion of the general population when it comes to these things. I am happy slash sad to report that the usage of TikTok for this information has grown significantly year over year as that platform's moved from dance trends to actually providing some content. The reason I have this slide here today is because it's a problem for the life insurance industry. It's a huge problem. I hear weekly from the folks in marketing at life insurance companies and elsewhere of how difficult it is to create content, whether it's TikTok, Instagram, Facebook, that provides relevant accurate information that attracts viewers. But most importantly, that does well against so called influencers or as some are called now financial influencers. The problem with that is and what I hear from our people is that, obviously, our life insurance companies are held to brand standards, legal standards, regulations and what they can put out there on social media, and they're competing against influencers who do not have any of that. Most of them, if they ever held a license, they've given it up. They can say whatever they want to say. And we've collected examples of these so-called influencers who will just go out there. Some have two or three million followers, and they'll just say something like whole life insurance is a scam. Three million people see that and they trust that person, but meanwhile, an insurance company - how do you combat that? And we keep hearing that they wish they could create content quicker and not have to go through all the levels of regulation that their companies require. I don't know the answer to that. I know that's what their wish is. I think it's going to be a challenge regardless. We're way behind the social media landscape when it comes to life insurance companies.

Let's be honest, it's not the coolest thing to follow on social media, but there have been successes. There's been some really successful campaigns on social media and there has to be. And it's not necessarily a social media account, it's just getting that person to take that time to understand that they're speaking to them and their life situation and then to click through and have those AI chatbots at the ready and to have the website at the ready, the life insurance calculators, and most importantly that button to talk to a human. That button to talk to a human is paramount for life insurance companies to get that person really in that purchase funnel. By the way, a lot of this stuff comes from the LIMRA and Life Happens Annual barometer study. For those in the room who do work at life insurance companies your company is almost assuredly a member of LIMRA and that study does publish on Monday three days from now. And the theme this year was asking consumers what they'd want from a life insurance policy. Interestingly, the top answers are things that exist, such as final expense coverages and retirement income. We purposely asked a bunch of choices that are impossible or ridiculous from an underwriting or actuarial perspective but we were just curious of what people would want from a life insurance policy. So self-directed policy changes and customization, we really dove into this year.

People were less interested in components of a policy that provided sort of life advice like planning and budgeting, estate planning services, drug and alcohol rehab, house down payment improvements, gym memberships, and things like that. But we wanted to look at the younger generations most, that's the elusive consumer. So younger millennials, older Gen Z who the majority of Gen Z now are legally adults. So, this was a question surrounding so-called embedded insurance you purchase something and life insurance comes with it, or you get a service and life insurance is offered with it. And we see here that there's general interest in it. It sounds fairly attractive to the younger generations when they purchase a gym membership. I thought it was interesting at the hospital or the pediatrician after the birth of a child. We know that starting a family is a top driver of purchasing life insurance. I would have thought that those percentages would have been higher, but there's a lot of components that go into this. A lot of people when they start a family, finances are even tighter than they are for the rest of us. So, the idea of purchasing life insurance is just another added expense, which is a whole other topic. The idea that people have of how expensive life insurance is is really eye-opening to people. We have slides, I don't have them here today, but generally healthy young males who are in their late 20s or early 30s, overestimate the cost of life insurance 10 times of what it would cost them. And again, going back to social media, being able to put pricing models out there, which does involve some regulatory changes, would be helpful to educate the younger consumer. I've seen it where you offer them a 20 year level term $200,000 policy. They'll divide 200,000 by 20 and they'll think that's how much it costs. So that fundamental misunderstanding of what life insurance is, is a hurdle to get over and it's not getting better for many reasons.

So, here we asked people what components of a life insurance policy would be attractive to you. The ones that are boxed are ones that are readily available to any and all of us. And they kind of slot right in there in the middle with the younger generations. Now, the same question for Gen X and boomers, those two in the box were far and away the most attractive. Part of that is because they know that they have that or it exists, so there's some bias towards knowing it's real and they can get it. And again, some of the other ones here, I know you can't read them in the back, but they don't exist. And a couple of them are ridiculous. But what we were trying to get at is the idea of customizing a life insurance policy. And by customizing, I don't really mean customizing, I mean giving the illusion of customization and control over life insurance. We tested a lot of ideas around that. And we're doing another study for the rest of this year that really gets into that and trying to understand a more realistic scenario, what is most effective on consumers. And I am confident in saying the data will show that the illusion of control of their policy will be greatly beneficial. And not just illusion, but some control in different ways to do

conversion policies. I was just reading the other day in Canada, you can buy individual disability insurance that can later convert to critical illness or long-term care coverage. That is very attractive to people. Anything that converts and anything that you can take your money and put it into something else that's more relevant to you at that point in life is something that works with consumers. Obviously, we underwrite that at the time of purchase or we build those expectations in. The consumer does not know that. It gives them the idea that, hey, I've made it through this period in life. Now I can perhaps move some funds into an annuity, I can move it into long term care insurance. We know those riders exist. But one of the questions on here is the ability to toggle on and off a critical illness rider or a long term care rider.

We can't do that. You can't go to the doctor today, get diagnosed with something, go home and turn on your critical illness rider. But I think there are ways that we can look at the way we market and sell and build life insurance products that give these younger consumers the idea of control of their policies. And if you think about life now, they're controlling everything. Your streaming services you can turn on and off month to month week to week. The way that people shop for food now, you build meals, you get it delivered to your house. Lots of goods and services have moved to these sort of models where the people have this control over what they're doing month to month, year to year. And I think it would serve the life insurance industry very well to look at how we're building products, creating products, underwriting products, to provide consumers this idea of control. And lastly, this is just looking at other policy add-ons that are attractive to the younger consumers. This is a funny question because it was a multiple select question, and why wouldn't you want to add these things to your life insurance company? But people did think about it and some of these do exist through some products with wearables and sharing information with life insurers, it's very successful in other countries. It's sort of had a a slower go here in the U.S. I think there are some benefits to those products where we are sharing our daily health information with both health insurers life insurers, but to a younger consumer who's healthy and can get benefits from that and to learn from that. I think I still believe in those programs. I've been following them for many years and I'm really hoping they take off because I do think it's good for Americans, it's good for the general health of our country, which obviously helps life insurance and health insurers as well.

Rep. Peggy Mayfield (IN) stated that I am a mother of both a Gen Z and a millennial, and they seem to think they're going to live forever and I am paying for their health insurance. So, I just want to comment you're absolutely right. It is an elusive generation to capture because they just do not understand the value of life insurance. Obviously, as a Gen X, I understand the value of a of life insurance, which is why I have it for both of them but I think it would be better if we had more in person interactions. I know they have TikTok and all of that, but a lot of them don't see anything that is actually directed toward them marketing at an in person event. Like my daughter just graduated college. There was nothing there leading into getting ready to find a job. They talk about moving forward in the workforce but nobody talks about moving forward and making sure that you have these things in line. They think that they're just going to get insurance from their job that's going to be sufficient and trying to explain to them that they need to have that separate policy is hard. So I think maybe at some of these job fairs would be a good place to have a table to start marketing it to them early and getting that information out there other than just having us parents do so. And also you had a good point there about where they could prepay for their services. I think that is a really good marketing strategy for them because they do like tangible things.

Mr. Wood stated that you made the point that they feel that they're going to be covered through their employer, which is largely true for a young single person. That's a perfectly valid response. But it's interesting as we've seen people have policies through their employers that they don't

know that they have. That has become a massive issue for my organization in tracking life insurance ownership. We can't do it with consumer surveys anymore. We know that 52% of people say they have a life insurance policy. We know that number is north of 60% and that delta is almost entirely people who have life insurance through their employer and are completely unaware. That opens up the question as to why, which I will not take any more time, but there's many reasons why we don't have benefit fairs anymore. We don't have that time to speak to life insurance, and if you do have time, it's all trying to explain what a high deductible health plan is to somebody. So that's gone. You don't read emails anymore from HR with the form topics, so they're not learning about their life insurance through work and if they did that would engender the conversation of, I need more than my one time salary. I'm married now, I have a kid now, I'm going to make that secondary outreach.

UPDATE ON INTERSTATE INSURANCE PRODUCT REGULATION COMPACT (IIPRC) ACTIVITIES

Rep. LeBouef stated that last on our agenda is an update on IIPRC activities. It's important to remember that insurance products must meet the rules of each state in which they are sold, and with 56 U.S. jurisdictions, filing policy forms and rates was an enormous project. But with the Compact, there's been a streamlined and efficient product filing process, which has worked extremely well. Today we have the Executive Director of the compact, Karen Schutter, who will provide us an update on the latest compact activities. Before she begins, I would like to note that I do serve on the compact's legislative committee with several other NCOIL legislators and there was also a compact roundtable held yesterday in Boston and I know that many in the room attended that as well.

Ms. Schutter thanked the committee for the opportunity to speak and stated that I usually come before this committee every year just to tell you what we're doing. Hopefully, many of you in the room are familiar with what we are now calling the insurance compact. It's an interstate compact that has been enacted by your legislatures over the last 20 years. In fact, this is the compact's 20th anniversary of its inaugural meeting and implementation of operations. Many of your predecessors were there at our first meetings and have served on our legislative committee. We do have 46 states, D.C. and Puerto Rico in the compact. So, this is now a national compact, one of the first really effective compacts in the insurance space. And what it is, it's a state driven creature of every state. We are not associated or we're not part of the NAIC. They do give us services. I don't have staff for meetings, so they help us with that. But it is a group of about 20 people and what we do is we will approve insurance products for states under what we call uniform standards and these are product standards for individual and group life insurance, annuities, long term care insurance, and disability income insurance.

What's special about those products? Those products really are what we call mobile. You can actually buy a long term care product in my home state of Missouri and move to Massachusetts and claim on it. So, it really is unlike your P&C or even your health coverages. These are national products they're based on mortality and morbidity risks, and they compete with your securities and banking products now, especially over the last 25 years. So, it's important to have more of a central location uniformity across the products. Your regulation is built off a common set of model laws and framework. So that is what we do. One of the things important about the compact is it's a legislative and regulatory partnership. It can't happen without you all. You have to pass the legislation, and as I said, that has been an effort over the last 20 years. But what we do for you is we come together and develop uniform standards, and as I said your state insurance departments are fully engaged in that. And then once those standards are adopted, they go through a two-thirds majority requirement. And usually it's unanimous by the

time we get to an adoption at our commission level. Every state, your chief insurance regulator is the member to the compact. Once it's adopted, what happens is an insurance company can make one product filing through the commission or an arm of your state. Your state actually sees the product, but our product team we have product form experts and we have credentialed actuaries that review that product for those uniform standards, which are incredibly detailed comprehensive, and very robust. Sometimes, they might have requirements that are even more stringent, more detailed than what would be in a particular state.

Once it's approved, then it can be issued on a uniform basis in all those states that are members of the compact. There is an important protection as states can opt out of a uniform standard if it does not work for them. We have seen that especially in the long-term care area. And again, that doesn't mean you have to leave the compact altogether. So, we have a very unique and flexible feature for states. One of the important things you'll like to know is that the compact is revenue neutral to all of the states. So, while companies will give us a fee for our services, we actually collect all the fees that otherwise would have been paid if that filing had been made to your state. So, in 2025, we collected and remitted to our states a combined $3.2 million. Also, as Rep. LeBoeuf alluded to, we have an important legislative committee. We don't call them an advisory committee because they are very much a part and integral to the work of the commission, even though that is regulatory driven. We have an eight person legislative committee. Four members are appointed by NCOIL, four members are appointed by the National Conference of State Legislatures (NCSL). And many times, you'll see both of them here at these meetings. So, we have Rep. LeBoeuf, Rep. Michael Sarge Pollock (KY), Rep. Ellyn Hefner (OK), Rep. Jim Dunnigan (UT), NCOIL Treasurer, and Rep. Matt Lehman (IN) who is chair of our legislative committee. And then we also have Del. Dean Jeffries (WV), Sen. Laura Fine (IL), and Rep. Brian Patrick Kennedy (RI). They are very important, and we're very responsive to the legislative concerns with regards to our activities.

So, 300 life insurance companies actively file within the compact. Life insurance companies is one of the smaller universes when you think of P&C and health companies. So, that is a really high majority of the companies that are filing through the compact. We've approved over 16,000 insurance products over the 20 years, which if you multiply that by 48 compacting states, that's exponential with what otherwise would have been required if companies had to file those products state by state. So, the compact has delivered speed to market, efficiency, and really confidence among our states that they know they're getting a very thorough prior review of the product, not only just the product but the actuarial information behind that. Does the non-forfeiture comply with the laws? What are the charges? Where are they embedded? We're looking at all those before it gets out into the marketplace.

As Rep. LeBoeuf mentioned, we've been twice a year having a compact roundtable. In fact, the first one was in New York City on the front end in 2022 of the NCOIL summer meeting. And we were very excited to have so many legislators there as well as NCOIL staff and it's a dialogue not only with commissioners and regulators, but with consumer representatives. Mr. Bridgeland attended and has been on our consumer advisory committee since 2006. So, he has a t-shirt to commemorate that. And we also have an industry advisory committee and we have companies and industry representatives coming to these roundtables. It's an interactive dialogue about product regulation, how can we make the product approval process more efficient and making sure it still preserves those consumer protections. Yesterday we talked about AI and what states are doing, what companies are doing. I think what we found is it's not as far developed as we all hear and think, but it's something we should all be thinking about. And we also talked about how to make products, especially the complex products, more understandable to the consumers and whether there's a role to play in a central clearinghouse with standards.

The other thing that our commission has greenlighted and we worked very closely with Rep. Lehman and the legislative committee in the 2024 timeline was a compact center of expertise. A product can only be filed with us if we have standards. That means the members have said, we're okay with the standards and we're going to let you approve these but there's a lot of other products out there and they're complex and can the compact with its expertise that we've built for our states, can we leverage that to help states when products that are outside of what are in those standards? So, we're trying to launch that as well. We have in person meetings at the NAIC meetings as well. Our next meeting is Thursday, August 13th at noon Eastern. Some of you may already be coming to Columbus, Ohio for it. This is the meeting where the NAIC works with commissioners to sponsor legislators to attend. And I would really encourage you if you are a member to come to our meeting and see it in action.

Rep. Carl Anderson (SC) thanked Ms. Schutter for your hard work and dedication and stated that there are efforts in South Carolina to come back on board with the compact. Ms. Schutter stated we stand ready to welcome you back with open arms as well as any of the other states that aren't members. We continue to work with them and answer questions. I will also mention we are working with the territories so American Samoa and Northern Mariana Islands and Guam are actively considering the compact.

ADJOURNMENT

Hearing no further business, upon a motion made by Rep. Oliverson and seconded by Rep. Anderson, the Committee adjourned at 11:30 a.m.