NCSL STANDING COMMITTEE on BANKING, FINANCIAL SERVICES, & INSURANCE

POLICY DIRECTIVES AND RESOLUTIONS

LEGISLATIVE SUMMIT
Louisville, Kentucky
Aug 5-7, 2024

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COMMITTEE: BANKING, FINANCIAL SERVICES, & INSURANCE

POLICY: RECOGNIZING AN INCREASE IN CONSUMER FRAUD AND SCAMS AND URGING ACTION TO PROTECT THE PUBLIC

TYPE: NEW RESOLUTION INTRODUCED BY NCSL PRESIDENT BRIAN PATRICK KENNEDY

WHEREAS, Federal Trade Commission data shows that 2.6 million consumers filed fraud reports and that consumers lost more than $10 billion to fraud in 2023; and

WHEREAS, the most reported schemes were impostor scams; online shopping scams; scams involving prizes, sweepstakes and lotteries; investment scams; and business and job opportunity scams; and

WHEREAS, consumers lost more money to investment scams and imposter scams in 2023 than any other category and the biggest losses were through bank transfers and cryptocurrency; and

WHEREAS, in addition to robocalls and spoofing, digital tools such as emails, text messaging, and social media are making it easier than ever to target hard-working Americans; and

WHEREAS, while a smaller percentage of older people report being victims of scams than younger people, they tend to lose far more money to these crimes. Fraud victims in their 70s lost a median of $800. Fraud victims in their 80s lost a median of $1,450, while those in their 20s lost about $480; and

WHEREAS, veterans are victims of scams and fraud more often than the general public because of their hard-earned benefits and resources, as well as their general good will. According to data from the FTC, there were more than 93,000 military reports of fraud with a median reported loss of about $600 in 2023; and

WHEREAS, fraud in all forms is a crime and policymakers should encourage reporting of fraudulent acts to law enforcement; and

29   **NOW, THEREFORE, BE IT RESOLVED** that the National Conference of State

30   Legislatures urges the federal government to work with state and local governments,

31   law enforcement, and private industry to develop policies and practices that prevent,

32   curtail, and stop fraud and, where possible, provide victims of fraud some options for

33   relief and recovery. Congress and federal agencies should support and not preempt

34   states' ability to adopt their own laws to curtail and stop fraud and scams in the best

35   interests of their residents; and

36   **BE IT FURTHER RESOLVED** that a copy of this resolution be sent to the President of

37   the United States, all members of Congress, and all relevant federal and state officials.

COMMITTEE: BANKING, FINANCIAL SERVICES, & INSURANCE

POLICY: ARTIFICIAL INTELLIGENCE IN FINANCIAL SERVICES

TYPE: NEW RESOLUTION INTRODUCED BY
                 ASSEMBLYMEMBER DAVID WEPRIN

WHEREAS, the National Conference of State Legislatures recognizes that AI is transforming and impacting the field of financial services; and

WHEREAS, AI is enhancing the field by increasing efficiency, accuracy, and innovation through the use of chatbots and virtual assistants, risk assessment, real-time fraud detection programs, and the prediction of price movements and trends within financial markets; and

WHEREAS, the deployment of AI in the financial sector can also create certain risks such as perpetuating bias, reducing transparency and accountability, exacerbating cybersecurity concerns if malicious actors can gain unauthorized access to sensitive financial information, and creating market instability from an overreliance on one single AI data set or single base model; and

WHEREAS, federal laws and regulations should support states' ability to adopt their own laws to keep pace with and respond to rapid AI technological advances and to protect the public's financial interests; and

NOW, THEREFORE, BE IT RESOLVED that the National Conference of State Legislatures urges Congress and federal regulatory agencies to keep these competing priorities in mind as they consider how to best regulate AI's use in financial services. NCSL further encourages Congress and federal agencies to consult with states as they debate and develop AI legislation and regulations related to financial services, paying particular attention to how any federal law or regulation will impact state laws governing AI in the financial space; and

32   **BE IT FURTHER RESOLVED** that a copy of this resolution be sent to the President of

33   the United States, all members of Congress, and all relevant federal and state officials.

COMMITTEE: **BANKING, FINANCIAL SERVICES, & INSURANCE**

POLICY: **RESOLUTION IN SUPPORT OF POSITION STATEMENT RECOGNIZING CONGRESSIONAL CONSENT TO THE INTERSTATE INSURANCE PRODUCT REGULATION COMPACT**

TYPE: **UPDATED MEMORIAL RESOLUTION INTRODUCED BY NCSL PRESIDENT BRIAN PATRICK KENNEDY**

WHEREAS, it is well established that states have primary jurisdiction and responsibility for regulating insurance products offered by the life insurance industry to consumers in their respective jurisdictions; and

WHEREAS, the National Conference of State Legislatures (NCSL) strongly supports the rights of states to regulate their unique insurance markets while joining together to support targeted modernization initiatives that protect insurance consumers and streamline regulation; and

WHEREAS, NCSL endorsed the development and implementation of the *Interstate Insurance Product Regulation Compact* (Insurance Compact) in 2004 and has actively supported its mission with NCSL legislators serving on the Insurance Compact Legislative Committee; and

WHEREAS, the Insurance Compact serves to bring states together to set national Uniform Standards that apply as the product requirements for life insurance, annuity, disability income, and long-term care insurance products, including requirements that in certain cases may differ from state-specific product requirements; and

WHEREAS, the Insurance Compact is an instrumentality of the states serving as a central clearinghouse for prompt and thorough product review and approval while preserving state authority over all other areas of insurance regulation—including agent

32 licensing, market conduct, company licensing and solvency regulation—as well as

33 preserving applicable state filing fee revenues; and

34

35 **WHEREAS,** since it became operational in 2006, the Insurance Compact has

36 demonstrated sustained growth in the number of Compacting States, the number of

37 Uniform Standards for the authorized product lines, the number of filing companies and

38 product filings, and has transformed the state-based product filing platform for

39 Compacting States, their regulated entities and insurance consumers; and

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41 **WHEREAS,** the Compacting States represent 46 jurisdictions, including Puerto Rico

42 and the District of Columbia, comprising more than 70 percent of the nationwide

43 premium volume for asset-protection insurance products; and

44

45 **WHEREAS,** more than 100 product Uniform Standards prepared and adopted by the

46 Insurance Compact member states have fulfilled the promise of stringent and detailed

47 requirements administered by knowledgeable, professional staff, with over 12,000

48 insurance products reviewed and approved for use in the Compacting States; and

49

50 **WHEREAS,** states' legislatures determine the extent and authority of participation in the

51 Insurance Compact, and further exercise their sovereign authority and rights, through

52 their legislatively designated representative to the Insurance Compact, who serves on

53 the Compact Commission, its governing body; and

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55 **WHEREAS,** the Insurance Compact has become an extremely important part of the

56 fabric of state-based product regulation for these authorized insurance products; and

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58 **WHEREAS,** a recent court opinion by the Colorado Supreme Court found that

59 congressional consent to an interstate compact would affect whether states could join

60 together to embrace provisions in duly promulgated uniform standards that may differ

61 from state laws; and

62

63   **WHEREAS,** it is well-established in interstate compact case law that regulations

64   adopted by states pursuant to an interstate compact with congressional consent can

65   apply when different from state law; and

66

67   **WHEREAS**, the Insurance Compact is considering adoption of a position statement

68   known as Position Statement 1-2022 to document that Congress conferred implied

69   consent for the Insurance Compact in 2006 in the form of Public Law 109-356 enacted

70   by Congress and signed by President George W. Bush, which authorized the District of

71   Columbia to enter the Compact, and approved the delegation of authority necessary for

72   the Commission to achieve the purposes of the Compact; and

73

74   **NOW, THEREFORE, BE IT** that NCSL reaffirms its endorsement of the Insurance

75   Compact as the legislative-regulatory state-based solution to making the product

76   submission, review, and approval process more uniform, efficient, and robust across

77   states; and

78

79   **BE IT ALSO RESOLVED** that NCSL agrees that the Compact Commission, working

80   with legislators, regulators, and others in Compacting States, should take action to

81   further strengthen and inform on the legal foundation of the Insurance Compact, an

82   interstate agreement among the states requiring passage by their respective

83   legislatures; and

84

85   **BE IT FURTHER RESOLVED** that at the recommendation of the ~~Insurance Task Force~~

86   ~~of the Communications, Financial Services and Interstate Commerce~~, Banking,

87   Financial Services and Insurance Committee, NCSL supports the adoption by the

88   Compact Commission of Position Statement 1-2022 acknowledging implied

89   congressional consent was given to the Insurance Compact in 2006; and

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91   **BE IT FINALLY RESOLVED** that a copy of this Resolution shall be distributed to the

92   Office of the Interstate Insurance Product Regulation Commission with instructions to

93   distribute to its members, members of the Legislative Committee and members of its

94   Consumer and Industry Advisory Committees.

95

1	**COMMITTEES:**	**BANKING, FINANCIAL SERVICES, & INSURANCE AND TECHNOLOGY & COMMUNICATIONS**
2		
3	**POLICY:**	**LIABILITY INSURANCE FOR ARTIFICIAL INTELLIGENCE (AI)**
4		
5	**TYPE:**	**NEW RESOLUTION INTRODUCED BY SENATOR VICTORIA GU**
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7 **WHEREAS,** it should be an important goal of federal policy to ensure that development and

8 deployment of advanced AI systems is conducted responsibly and does not generate social

9 costs that exceed the social benefits of the technology; and

10 **WHEREAS,** advanced AI systems may generate risks of harm that would exceed the ability of

11 their creators or deployers to compensate the victims; and

12 **WHEREAS,** it is crucial that any victims of harms caused by advanced AI systems receive

13 compensation; and

14 **WHEREAS,** requiring liability insurance commensurate with each technology's risk level will

15 provide an economic incentive for advanced AI system developers to take appropriate

16 precautions to avoid the occurrence of damage; and

17 **NOW, THEREFORE, BE IT RESOLVED** that NCSL requests that Congress works with state

18 insurance regulators to encourage the insurance industry to develop liability insurance for the

19 deployment of advanced AI systems, with coverage requirements set based on an assessment

20 of the system's potential hazardous capabilities.