

**NCSL STANDING COMMITTEE on BANKING, FINANCIAL SERVICES
AND INSURANCE**

POLICY DIRECTIVES AND RESOLUTIONS

**LEGISLATIVE SUMMIT
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CONTENTS

**POLICY: PRESERVING STATE AUTHORITY TO REGULATE CRYPTOCURRENCY
KIOSKS..... 2**

**POLICY: PRESERVING STATE AUTHORITY TO REGULATE EARNED WAGE ACCESS
PRODUCTS..... 4**

**POLICY: SUPPORTING PRICE TRANSPARENCY, CONSUMER PRIVACY, AND
FAIRNESS IN THE GROCERY RETAIL MARKETPLACE..... 6**

**POLICY: URGING LONG-TERM REAUTHORIZATION AND TARGETED REFORMS TO
THE NATIONAL FLOOD INSURANCE PROGRAM..... 8**

POLICY: INSURANCE MODERNIZATION 11

1 **COMMITTEE: BANKING, FINANCIAL SERVICES AND INSURANCE**
2 **(BFSI)**

3 **POLICY: PRESERVING STATE AUTHORITY TO REGULATE**
4 **CRYPTOCURRENCY KIOSKS**

5 **TYPE: NEW RESOLUTION INTRODUCED BY BFSI**
6 **COMMITTEE LEADERSHIP**
7

8 **WHEREAS**, cryptocurrency kiosks, often located in convenience stores, gas stations
9 and grocery stores, allow consumers to convert cash to digital assets and transmit
10 those assets to a wallet address. These transactions are frequently irreversible, making
11 kiosks attractive for fraud schemes.

12 **WHEREAS**, in 2025, the FBI received over 13,460 complaints involving cryptocurrency
13 kiosks, with reported losses exceeding \$389 million.

14 **WHEREAS**, state and local law enforcement have reported a growing pattern of
15 scammers coercing consumers into using cryptocurrency kiosks to send funds to
16 fraudsters.

17 **WHEREAS**, states are acting as laboratories of democracy by adopting a variety of
18 approaches to protect consumers and deter fraud at cryptocurrency kiosks, such as:

- 19
- 20 • Licensing, registration and supervision of kiosk operators.
 - 21 • Mandatory disclosures and prominent fraud warnings at kiosks.
 - 22 • Transaction limits.
 - 23 • Fee caps and transparent pricing to reduce excessive charges that can
24 compound losses.
 - 25 • Refund rights and other remediation for victims of fraud or coerced transactions.
 - 26 • Statewide prohibitions on cryptocurrency kiosks.

27 **NOW, THEREFORE, BE IT RESOLVED** that the National Conference of State
28 Legislatures (NCSL) supports the authority of states to regulate cryptocurrency kiosks to
29 protect consumers, prevent fraud, ensure transparent pricing and disclosures and
30 provide effective enforcement.

31 **BE IT FURTHER RESOLVED** that NCSL opposes federal legislation or regulation that
32 would preempt, limit or weaken state consumer-protection, anti-fraud, licensing,
33 supervisory or enforcement authority over cryptocurrency kiosks.

34 **BE IT FURTHER RESOLVED** that if Congress creates national rules for cryptocurrency
35 kiosks, NCSL urges Congress to make clear that states can still adopt and enforce

35 stronger consumer protections, such as licensing, registration, disclosures, fraud
36 warnings, transaction limits, fee transparency, refund/remediation rights, as well as
37 broader restrictions or prohibitions.

38 **BE IT FURTHER RESOLVED** that NCSL encourages Congress and federal agencies
39 to consult early and meaningfully with states and state legislative organizations when
40 developing any kiosk-related rules, guidance or enforcement priorities, and to
41 coordinate with state legislators, regulators and attorneys general to combat fraud.

42 **BE IT FINALLY RESOLVED** that NCSL urges Congress and federal agencies to
43 support information sharing and consumer education efforts consistent with state-led
44 strategies to reduce cryptocurrency kiosk fraud.

1 **COMMITTEE: BANKING, FINANCIAL SERVICES AND INSURANCE**
2 **(BFSI)**

3 **POLICY: PRESERVING STATE AUTHORITY TO REGULATE**
4 **EARNED WAGE ACCESS PRODUCTS**

5 **TYPE: NEW RESOLUTION INTRODUCED BY BFSI**
6 **COMMITTEE LEADERSHIP**
7

8 **WHEREAS**, earned wage access (EWA) services allow workers to access earned but
9 unpaid wages prior to a scheduled payday through products that may be employer-
10 integrated or direct-to-consumer.

11 **WHEREAS**, state policymakers are actively evaluating EWA in light of consumer
12 protection, transparency, fee structures, repayment practices and product design,
13 including questions regarding whether and when EWA products should be treated as
14 loans or distinct financial products.

15 **WHEREAS**, states have adopted different regulatory approaches to EWA based on
16 state consumer protection frameworks and market conditions, resulting in a diverse set
17 of policy models across the country.

18 **WHEREAS**, NCSL recognizes that financial services regulation of nonbank companies
19 is traditionally performed by the states, and states are often best positioned to address
20 emerging risks, enforce consumer protections and tailor requirements to local
21 economies and communities.

22 **WHEREAS**, federal legislative proposals have included provisions that would preempt
23 state licensing, registration and disclosure requirements and classification for EWA
24 products, raising concerns about disrupting state oversight and experimentation in a
25 rapidly evolving market.

26 **NOW, THEREFORE, BE IT RESOLVED** that the National Conference of State
27 Legislatures (NCSL) supports the authority of state legislatures and state regulators to
28 define, regulate, supervise and enforce EWA products and providers, including authority
29 to determine appropriate product classification and consumer protection requirements
30 based on state law.

31 **BE IT FURTHER RESOLVED** that NCSL recognizes and supports states' ability to
32 pursue different policy approaches to EWA, including EWA-specific licensing/registration
33 frameworks, disclosure and fee transparency requirements, oversight mechanisms and
34 classifications, reflecting the laboratories-of-democracy role of states.

35 **BE IT FINALLY RESOLVED** that NCSL urges Congress and federal agencies to refrain
36 from enacting federal legislation or regulations that preempt, invalidate or otherwise limit
37 state EWA laws.

1 **COMMITTEE: BANKING, FINANCIAL SERVICES AND INSURANCE**
2 **(BFSI)**

3 **POLICY: SUPPORTING PRICE TRANSPARENCY, CONSUMER**
4 **PRIVACY, AND FAIRNESS IN THE GROCERY RETAIL**
5 **MARKETPLACE**

6 **TYPE: NEW RESOLUTION (REP. RICK HANSEN, REP.**
7 **SONYA HARPER, SEN. CATHY KIPP, REP.**
8 **VERONICA PAIZ & SEN. SHEIKH RAHMAN)**

9 **WHEREAS**, affordable access to food and other necessities is essential to the well-
10 being of American families and communities; and

11 **WHEREAS**, consumers benefit from transparent, predictable, and easily understood
12 pricing practices that allow them to make informed purchasing decisions; and

13 **WHEREAS**, electronic shelf labels (ESLs) enable retailers to change prices remotely
14 and instantaneously throughout a store; and

15 **WHEREAS**, advances in data collection, artificial intelligence, and automated pricing
16 technologies have created new opportunities for retailers to adjust prices based on
17 factors beyond ordinary market conditions; and

18 **WHEREAS**, consumers should be able to trust that prices displayed in stores are clear,
19 readily understandable, and not influenced by the collection or use of personal
20 information; and

21 **WHEREAS**, the use of technologies such as cameras, sensors, mobile applications,
22 loyalty programs, and facial recognition systems may enable retailers to collect
23 information about consumers in ways that are not always apparent to the public; and

24 **WHEREAS**, public confidence in the marketplace depends upon ensuring that
25 consumers are treated fairly and that pricing practices are transparent and accountable;
26 and

27 **WHEREAS**, policymakers have a responsibility to evaluate emerging technologies and
28 establish appropriate safeguards before their widespread adoption creates risks for
29 consumers, and communities; and

30 **WHEREAS**, protecting consumers from unfair or deceptive pricing practices and
31 safeguarding personal privacy are principles that transcend political affiliation and enjoy
32 broad public support; now, therefore, be it

33 **NOW, THEREFORE, BE IT RESOLVED**, that NCSL supports policies that promote
34 transparent, consistent, and understandable pricing practices for consumers; and be it
35 further

36 **BE IT FURTHER RESOLVED**, that NCSL encourages federal policymakers to ensure
37 that emerging retail technologies are subject to appropriate oversight, transparency, and
38 accountability standards in the retail marketplace.

1 **COMMITTEE: BANKING, FINANCIAL SERVICES AND INSURANCE**
2 **(BFSI)**

3 **POLICY: URGING LONG-TERM REAUTHORIZATION AND**
4 **TARGETED REFORMS TO THE NATIONAL FLOOD**
5 **INSURANCE PROGRAM**

6 **TYPE: NEW RESOLUTION INTRODUCED BY BFSI**
7 **COMMITTEE LEADERSHIP**
8

9 **WHEREAS**, flooding is one of the most common and costly natural disasters in the
10 United States, and flood damage is generally not covered by standard homeowners'
11 insurance, leaving families, businesses and communities financially vulnerable following
12 flood events.

13 **WHEREAS**, maintaining access to affordable flood insurance is critical for households
14 and communities.

15 **WHEREAS**, the National Flood Insurance Program (NFIP), administered by the Federal
16 Emergency Management Agency (FEMA), provides the primary source of flood
17 insurance coverage for millions of policyholders and operates through a partnership with
18 more than 22,000 participating communities that adopt and enforce floodplain
19 management standards.

20 **WHEREAS**, the NFIP must be periodically reauthorized by Congress, and repeated
21 short-term extensions create uncertainty for policyholders, real estate markets and
22 governments; a lapse in authorization can prevent the issuance or renewal of policies
23 and disrupt housing transactions.

24 **WHEREAS**, states and local governments play a central role in reducing flood risk
25 through land use planning, building codes, floodplain management, infrastructure
26 investment and hazard mitigation programs that protect lives and property.

27 **WHEREAS**, the NFIP faces long-term financial challenges driven in part by severe flood
28 events and a relatively small number of repeatedly flooded properties that account for a
29 disproportionate share of claims, highlighting the need for targeted mitigation efforts that
30 reduce future losses.

31 **WHEREAS**, accurate and up-to-date flood mapping and transparent risk information are
32 essential for state and local planning, individual decision-making and fair insurance
33 pricing, and stakeholders have called for improved mapping, better data access and
34 clearer communication of risk.

35 **WHEREAS**, the NFIP is most effective when it operates as a strong federal–state–local
36 partnership that provides flexibility for states and communities to implement solutions
37 tailored to their unique geography, risks and policy environments.

38 **NOW, THEREFORE, BE IT RESOLVED** that National Conference of State Legislatures
39 (NCSL) urges Congress to enact long-term reauthorization of the NFIP to provide
40 certainty and stability for policyholders, lenders and state and local governments, and to
41 reduce the risks associated with repeated short-term extensions.

42 **BE IT FURTHER RESOLVED** that NCSL urges Congress to ensure that flood insurance
43 remains accessible and affordable by pairing risk-based insurance rates with targeted
44 assistance for households that may struggle to afford coverage, recognizing that
45 maintaining participation in the program helps reduce uninsured losses and supports
46 faster recovery following disasters.

47 **BE IT FURTHER RESOLVED** that NCSL supports policies that promote predictable and
48 manageable premium changes such as reasonable limits on annual increases and
49 flexible payment options so that households and communities are not subject to sudden
50 and disruptive cost burdens.

51 **BE IT FURTHER RESOLVED** that NCSL urges Congress to prioritize investments in
52 pre-disaster mitigation, including efforts such as elevating structures, improving
53 drainage and infrastructure and supporting voluntary property-level and community-level
54 risk reduction strategies, which can lower long-term costs and reduce future disaster
55 impacts.

56 **BE IT FURTHER RESOLVED** that NCSL supports targeted strategies to address
57 repetitive loss properties, which represent a significant share of program costs, and
58 encourages streamlining federal mitigation programs to improve access for states and
59 local governments.

60 **BE IT FURTHER RESOLVED** that NCSL urges Congress to invest in modern, accurate
61 flood mapping and to ensure that state and local governments have access to reliable
62 and timely data needed for planning, infrastructure investment and emergency
63 management.

64 **BE IT FURTHER RESOLVED** that NCSL supports improved transparency in risk
65 modeling and insurance pricing, including clear communication tools and accessible
66 processes for correcting mapping or rating errors, so that property owners and
67 communities can better understand and respond to flood risks.

68 **BE IT FURTHER RESOLVED** that NCSL encourages Congress to address the long-
69 term financial sustainability of the NFIP, including consideration of debt reduction,
70 program efficiency and administrative improvements, while ensuring that reforms do not
71 undermine affordability or participation.

72 **BE IT FURTHER RESOLVED** that NCSL urges Congress to preserve and strengthen
73 the federal–state–local partnership that underpins the NFIP by supporting state and
74 local capacity to administer floodplain management and mitigation programs, and by
75 ensuring that states retain the flexibility to tailor policies and approaches to their unique
76 needs and conditions.

77 **BE IT FURTHER RESOLVED** that Congress should ensure any reforms to the NFIP
78 respect the longstanding role of states and local governments in land use, insurance
79 regulation and floodplain management, and avoid federal preemption of state and local
80 authority.

81 **BE IT FINALLY RESOLVED** that NCSL supports the development of responsible
82 private flood insurance options, overseen by state regulators, which can complement
83 the NFIP, expand consumer choice and increase overall coverage, provided that
84 appropriate consumer protections are maintained.

1 **COMMITTEE: BANKING, FINANCIAL SERVICES AND INSURANCE**
2 **(BFSI)**

3 **POLICY: INSURANCE MODERNIZATION**

4 **TYPE: AMENDED DIRECTIVE INTRODUCED BY BFSI**
5 **COMMITTEE VICE CHAIR KENTUCKY REP. MICHAEL**
6 **MEREDITH.**

7 **Insurance Regulatory Modernization**

8 The National Conference of State Legislatures (NCSL) is committed to state regulation
9 of the business of insurance. NCSL acknowledges the responsibility of states to adjust
10 state systems to meet the needs of the modern economy. NCSL opposes any proposal
11 to establish either a federal or a dual system of regulation of insurance, to cede any
12 state authority to regulate financial institutions involved in the business of insurance or
13 to obtain Congressional ratification of trade agreements that preempt state regulation of
14 insurance.

15 States and insurance commissioners continue to develop a shared vision of insurance
16 regulatory reform to meet the needs of the modern marketplace while preserving the
17 advantages of the state system. NCSL supports the efforts of states to streamline and
18 simplify insurance regulation. NCSL endorses state participation in the Interstate
19 Insurance Product Regulation Commission, which creates a national state-based
20 system to make regulatory decisions quickly on life insurance products according to
21 uniform national standards.

22 NCSL believes that state efforts to enact significant reforms in critical areas represent
23 tremendous progress, and NCSL will continue to support further efforts as states move
24 forward to achieve widespread reform in all areas in the years ahead.

25 **State-Federal Partnership**

26 Individually and at the national level, states work to modernize insurance regulation.
27 However, state legislatures recognize a legitimate federal role in promoting well-
28 functioning insurance markets.

29 Title V of the Dodd-Frank Wall Street Reform and Consumer Protection Act established
30 The Federal Insurance Office (FIO) within the U.S. Department of Treasury. While
31 NCSL and other state groups were successful in limiting the scope of the FIO's
32 authority, concern remains that the FIO will serve as a vehicle to promote a greater
33 federal role in the historically state-regulated industry of insurance.

34 Therefore, NCSL opposes any administrative action by the FIO or federal legislation
35 that: relies on wholesale preemption of state authority, would compel state compliance

36 with federal standards or those of any non-governmental third party, or conditions,
37 restricts or redirects state insurance revenues, including insurance premium taxes, fees
38 and fines, either directly or as a condition of a state's refusal to submit to federal
39 standards or federal efforts to commandeer a state executive branch official to
40 participate in a federal regulatory program.

41 Moreover, some in Congress and industry support federal legislation to establish a
42 single federal regulator of insurance or allow for dual federal and state insurance
43 regulation. NCSL opposes any provision of federal legislation that preempts state
44 authority through the creation of a federal insurance official, commission or entity with
45 the authority to regulate insurance, to implement federal standards, to enforce state
46 compliance with federal standards, or to initiate or participate in judicial proceedings to
47 resolve differences between federal standards and state law.

48 State legislators perform a critical role in the development of insurance public policy.
49 However, despite this important function, state legislators are oftentimes overlooked for
50 service on federal advisory boards and committees related to the regulation of the
51 business of insurance. Recognizing this recurring oversight, NCSL requests an
52 enhanced effort from the federal government to incorporate state legislators onto
53 associated insurance advisory panels.

54 **Insurance Company Solvency**

55 The safety and soundness of insurance companies operating in the United States are
56 the prime objective of state insurance regulation. State legislatures have endeavored to
57 strengthen state insurance departments and to create standards for financial regulation
58 that have improved the solvency of insurance companies.

59 NCSL opposes any proposal to establish federal standards for state solvency regulation
60 that cedes any authority to federal agencies to regulate financial institutions involved in
61 the business of insurance, including congressional ratification of trade agreements that
62 would preempt state regulation of insurance for solvency purposes. Although NCSL
63 continues to support the National Association of Insurance Commissioners' Financial
64 Regulation Standards and Accreditation Program, NCSL acknowledges that state
65 legislatures and governors have the responsibility to enact policy, which state regulators
66 enforce. NCSL recognizes that interstate compact proposals have the potential of
67 addressing binding uniformity and effectiveness in specific areas of regulation.

68 NCSL also objects to actions taken or contemplated by the Internal Revenue Service or
69 other federal agencies to assert priority claims to the assets of failed insurers. The
70 states should first be allowed to distribute an insolvent company's assets to pensioners,
71 family businesses, other policyholders and others protected by the McCarran-Ferguson
72 Act's delegation of the business of insurance to the states.

73 In the same vein, NCSL is concerned by federal bankruptcy rulings under the federal
74 bankruptcy code that would allow alien insurers and reinsurers to move certain trust

75 fund assets to bankruptcy proceedings in their domicile country. The trust funds
76 established by alien insurers and reinsurers are to serve as collateral for insurance and
77 reinsurance underwriting in the United States. Federal bankruptcy rulings have allowed
78 such alien insurers and reinsurers to be exempt from state solvency regulation and
79 have placed these collateral trust funds out of the reach of state insurance departments,
80 which are solely responsible for solvency protection. NCSL urges Congress to rectify
81 this situation by amending federal law to eliminate or limit this exemption for alien
82 insurers and reinsurers under the bankruptcy code.

83 **Insurance Information Security**

84 NCSL opposes any federal effort to preempt state laws and regulations or to enact
85 federal standards that address the use of financial and credit information in insurance.

86 **Insurance Fraud-Federal Criminalization**

87 NCSL recognizes the toll that policyholder and claimant initiated fraud has on the cost of
88 insurance and the solvency of the insurer. We applaud the action taken in various states
89 to pass laws that make it more difficult to file a false claim, increase the penalties for
90 those who are guilty of fraudulent activities, and expand state insurance department
91 fraud units.

92 NCSL believes that the prosecution of policyholder and claimant fraud should and must
93 remain in the jurisdiction of state and local law enforcement officials. However, in cases
94 of internal insurer fraud that may be the result of interstate and international
95 conspiracies to defraud, loot or plunder an insurance company, states and the federal
96 government should cooperate to prosecute such criminal activity.

97 As a result of financial services modernization, the various federal and state financial
98 institutions regulators need to coordinate anti-fraud activities. However, federal
99 legislation to assist the coordination of state and federal anti-fraud activities should not
100 unnecessarily preempt state anti-fraud laws and regulations nor grant audit or subpoena
101 authority to a federal entity over a state agency operating under appropriate state
102 constitutions and laws.

103 NCSL's endorsement of federal involvement in the criminal prosecution of certain kinds
104 of insurance fraud does not diminish our support for continued state regulation of the
105 insurance business. Federal criminal sanctions will assist state regulators in state efforts
106 to prevent future insolvencies.

107 **Equal Access to FBI Criminal History Records**

108 State regulators should have efficient access to the Federal Bureau of Investigation's
109 (FBI) Criminal Justice Information System in order to establish dependable procedures
110 for licensing officers, directors, and agents of insurance companies across the United
111 States.

112 NCSL calls on Congress to give state insurance regulators statutory access to FBI
113 fingerprint files. This information is currently available to federal and state banking and
114 securities regulators. Access will help safeguard insurance consumers from the
115 unnecessary risk of having known fraud artists or violent offenders engaged in the
116 insurance business.

117 **Natural Disaster Mitigation and Insurance**

118 NCSL urges Congressional action that would: (a) provide federal grants, tax credits or
119 deductions to assist consumers to strengthen their homes to better withstand
120 catastrophic natural disasters, including by supporting a federal tax-advantaged
121 catastrophe savings account that helps to facilitate pre-event mitigation and post-event
122 recovery by allowing consumers to accumulate funds to both pay for expenses and
123 insurance deductibles, and (b) support state innovations and efforts that promote and
124 enhance the ability of existing insurance and reinsurance mechanisms to cope with
125 catastrophic natural disasters, such as providing grants or funds to state-created
126 disaster mitigation programs. However, any such action must not displace private sector
127 risk transfer mechanisms, adversely impact a state's ability to levy premium taxes,
128 regulate the business of insurance or set solvency standards for property and casualty
129 insurers.

130 **Terrorism Risk Insurance**

131 NCSL requests Congress work with state insurance regulators to ensure that the
132 property and casualty insurance and group life insurance industries develop the
133 products to protect Americans from financial losses associated with terrorism and to
134 ensure an available and affordable insurance market for American consumers and
135 businesses.

136 NCSL continues to believe that any reauthorization of the Terrorism Risk Insurance Act
137 should recognize the temporary nature of the program and therefore encourage efforts
138 to further promote development of the private insurance markets. Any federal plan for a
139 temporary and limited federal backstop for terrorism insurance coverage must not
140 adversely impact a state's ability to levy premium taxes, regulate the business of
141 insurance and set solvency standards for property and casualty and group life insurers.