NCSL STANDING COMMITTEE on BANKING, FINANCIAL SERVICES AND INSURANCE

POLICY DIRECTIVES AND RESOLUTIONS

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

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

TYPE: **NEW RESOLUTION INTRODUCED BY BFSI COMMITTEE LEADERSHIP**

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that if Congress creates national rules for cryptocurrency kiosks, NCSL urges Congress to make clear that states can still adopt and enforce stronger consumer protections, such as licensing, registration, disclosures, fraud warnings, transaction limits, fee transparency, refund/remediation rights, as well as broader restrictions or prohibitions.

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

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

COMMITTEE: BANKING, FINANCIAL SERVICES AND INSURANCE (BFSI)

POLICY: PRESERVING STATE AUTHORITY TO REGULATE EARNED WAGE ACCESS PRODUCTS

TYPE: NEW RESOLUTION INTRODUCED BY BFSI COMMITTEE LEADERSHIP

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TYPE: **NEW RESOLUTION INTRODUCED BY BFSI COMMITTEE LEADERSHIP**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

POLICY: **INSURANCE MODERNIZATION**

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

Insurance Regulatory Modernization

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

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

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

State-Federal Partnership

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

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

Therefore, NCSL opposes any administrative action by the FIO or federal legislation that: relies on wholesale preemption of state authority, would compel state compliance with federal standards or those of any non-governmental third party, or conditions, restricts or redirects state insurance revenues, including insurance premium taxes, fees and fines, either directly or as a condition of a state's refusal to submit to federal standards or federal efforts to commandeer a state executive branch official to participate in a federal regulatory program.

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

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

Insurance Company Solvency

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

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

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

In the same vein, NCSL is concerned by federal bankruptcy rulings under the federal bankruptcy code that would allow alien insurers and reinsurers to move certain trust fund assets to bankruptcy proceedings in their domicile country. The trust funds established by alien insurers and reinsurers are to serve as collateral for insurance and reinsurance underwriting in the United States. Federal bankruptcy rulings have allowed such alien insurers and reinsurers to be exempt from state solvency regulation and have placed these collateral trust funds out of the reach of state insurance departments, which are solely responsible for solvency protection. NCSL urges Congress to rectify this situation by amending federal law to eliminate or limit this exemption for alien insurers and reinsurers under the bankruptcy code.

Insurance Information Security

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

Insurance Fraud-Federal Criminalization

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

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

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

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

Equal Access to FBI Criminal History Records

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

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

Natural Disaster Mitigation and Insurance

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

Terrorism Risk Insurance

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

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