



June 16, 2025

Honorable John Thune
Senate Majority Leader
United States Senate
Washington, D.C. 20510

Honorable Charles Schumer
Senate Minority Leader
United States Senate
Washington, D.C. 20510

Honorable Ted Cruz
Chairman, Senate Committee
on Commerce, Science,
& Transportation
Washington, D.C. 20510

Honorable Maria Cantwell
Ranking Member, Senate
Committee on Commerce,
Science, & Transportation
Washington, D.C. 20510

Dear Leader Thune, Leader Schumer, Chairman Cruz, and Ranking Member Cantwell:

On behalf of the National Association of Professional Insurance Agents (PIA)¹, we join our industry partners in expressing significant concern with the 10-year moratorium on state legislative and regulatory action relating to artificial intelligence (AI), as directed by the House-passed reconciliation bill and Senate Committee on Commerce, Science, & Transportation bill text.

As you know, the business of insurance has been successfully regulated at the state level for over a century, and the McCarran-Ferguson Act of 1945 codified the longstanding exemption of the insurance industry from most federal regulation. The local expertise of state insurance regulators has proven beneficial for consumers, insurers, and the industry at large, thanks to their ability to quickly respond to emerging insurance risks associated with changing technologies, including artificial intelligence (AI).

In fact, state insurance regulators are already at the forefront of AI regulation. The National Association of Insurance Commissioners (NAIC) adopted a Model Bulletin in 2023 that requires insurers to implement AI governance programs in accordance with all existing state and federal laws. It also offers a template by which insurance commissioners can communicate their expectations to their domiciliary carriers. As of May 2025, nearly 30 states had already adopted the NAIC's model bulletin on the use of artificial intelligence systems by insurers.²

¹ Founded in 1931, PIA is a national trade association that represents independent insurance agents in all 50 states, Puerto Rico, and the District of Columbia. PIA members are small business owners and insurance professionals.

² See https://content.naic.org/sites/default/files/2023-12-4%252520Model%252520Bulletin_Adopted_0.pdf, last visited on June 16, 2025.

As you may recall, the NAIC, like PIA, has expressed its strong objection to the 10-year moratorium on state legislation and regulation of AI. In its letter to Senate leadership, sent earlier this month, the NAIC said, “[The state insurance regulatory] system has not only protected consumers and fostered innovation but has also allowed for the flexibility and experimentation that is essential in a rapidly changing world. By allowing states to develop and implement appropriately tailored regulatory frameworks, the system ensures that [insurance] oversight is both robust and adaptable.”³

State regulators also object to the unnecessarily expansive definition of AI included in the legislative text, noting that its “language ... would potentially apply not only to advanced machine learning systems, but also to a wide range of processes using existing analytical tools and software that insurers rely on every day, including calculations, simulations, and stochastic forecasts performed in millions if not hundreds of millions of Excel spreadsheets, databases, coded scripts, and a multitude of InsurTech provided analytical systems for rate setting, underwriting, and claims processing.”⁴ This overly broad definition could prevent state legislators and regulators from conducting appropriate oversight of insurers, whether the risk is related to AI or not. It would also increase costs and regulatory uncertainty for the targeted entities and states and potentially delay the implementation of needed consumer protections.

PIA strongly urges the Senate to eliminate the reconciliation language enforcing a 10-year moratorium on state AI legislation and regulation, or explicitly exempt the insurance industry’s state regulation of AI because the industry is already appropriately regulated by the states.

Thank you for your attention to this matter.

Sincerely,



Mike Skiados, MBA, CAE
CEO

National Association of Professional Insurance Agents

³ See <https://content.naic.org/sites/default/files/government-affairs-letter-ai-moratorium.pdf>, last visited June 16, 2025.

⁴ Ibid., 2.