

2025 GOVERNMENT RELATIONS RECAP

COMMENT LETTERS & AMICUS BRIEFS

In 2025 CCIA submitted the following comment letters, available on the CCIA website

- CCIA, APCIA and SCIC 2.27.25 Amicus Brief re Custom Communications, Inc. v. Federal Trade Commission
- CCIA and APCIA Comment Letter to NAIC Market Conduct Annual Statement Blanks (D) Working Group March 6, 2025 Proposed LPI MCAS Changes
- CCIA March 25 2025 Letter to TDI re Empire Captive
- CCIA March 24 2025 Comments for the Arizona Department of Insurance and Financial Institutions Hearing re Proposed Order for Credit Insurance Prima Facie Rates and Loss Ratio
- CCIA 2025.05.22 Letter re Negative Option Rule
- CCIA 9.25.25 Comments to CFPB Proposed Rule re Legal Standard Applicable to Supervisory Designation Proceedings
- CCIA 5.27.25 Comments to FTC Request for Comment Regarding Reducing Anti-Competitive Regulatory Barriers: Negative Option Rule
- CCIA November 10 2025 Comments to Louisiana Regulation 136
- CCIA 12.30.25 Letter re Negative Option Rule pdf

STATE ISSUES AND INITIATIVES

Legislative

California SB 354	The Insurance Consumer Privacy Protection Act (ICPPA) of 2025, is the California insurance department's answer to the NAIC Privacy Protection Working Group efforts to update Model Act #672. The department doesn't think that the current updated draft of #672 goes far enough for consumer protections. SB 354 includes, for example an opt-out for sharing of only a portion of consumer's personal information, provides a consumer with access to how their personal information was used in the event a consumer's policy or coverage is cancelled, non-renewed, or rescinded as part of an adverse underwriting decision and the licensee's reasons for that decision. The bill would require a contract between a licensee and a third-party service provider to clearly govern the processing of personal information performed on behalf of the licensee. The bill passed the Senate June 4, 2025. Industry's concern is that other states adopt ICPPA if passed.
California SB766	California SB766 would enact the California Combating Auto Retail Scams (CARS) Act. Would make it a violation of the act for a dealer to fail to make disclosures relating to the total price and any add-on product or services clear and conspicuous or to sell an add-on product or service if the vehicle purchaser or lessee would not benefit from the add-on product or service. Also, would require a dealer to create and retain for a period of 2 years from the date the record is created. Passed Senate 6.2.25.
WA HB 1006	Allows for multiple first dollar and default reimbursement insurance policies that service contract providers and protection product guarantee providers may use to demonstrate financial responsibility. Signed by Governor 4.16.25.
NY AB 8030	Limits on amount of flood insurance required by mortgagee. 1. No mortgagee shall require a mortgagor to whom the mortgagee makes, increases, extends, or renews any loan or line of credit secured by improved residential real property to purchase or pay for flood insurance on such residential real property: (1) at a coverage amount that exceeds the lesser of the replacement value of the IMPROVEMENT ON THE residential real property or the outstanding principal mortgage balance as of the beginning of the year for which the policy shall be in effect; or (2) that includes coverage for contents. IN THE CASE OF AN OPEN-END LINE OF CREDIT, "PRINCIPAL" SHALL INCLUDE THE FULL LINE OF CREDIT AMOUNT REGARDLESS OF THE AMOUNT THAT HAS BEEN DRAWN ON THE LINE OF CREDIT. In

	Assembly Judiciary Committee 4.22.25.
Regulatory	
Debt Cancellation/GAP 50 State Regulatory Survey	CCIA staff completed and posted to the association website a “fifty-state survey” of statutes and regulations governing debt cancellation agreements and guaranteed asset protection.
Credit Life Mortality Study from Actuarial Committee	The Actuarial Committee is soliciting funding from members for a Society of Actuaries credit life mortality study. CCIA is contributing from its Issues Management Fund.
AZ Credit Insurance Prima Facie Rates	The Arizona Department of Insurance and Financial Institutions proposes changes for prima facie rates for credit life, credit disability, credit property and credit unemployment rates. Prima facie rates decrease for credit life by 20% and for credit disability by 25%. Archives of Notices CCIA commented to and at 3.27.25 hearing asked for extended implementation time and opposed B, Birnbaum’s attempt to decrease rates further. New rates go into effect February 1, 2026. Credit Life - For single life decreasing benefits, the prima facie monthly premium rate Op actor per \$1000 of outstanding balance insured indebtedness = \$0.36. This is a change from the current \$0.47 rate. Credit Disability - changes depending upon coverage terms decrease 19% - 75%.
IL Department of Financial and Professional Regulation	The DFPR issued amendments to the Consumer Installment Loan Act and Sales Finance Agency Act with an effective date of March 25, 2025, for an actuarial refund method that conflicts with 215 ILCS 5/155.58 (b) that calls for the Rule of 78s. CCIA asked the insurance department for clarification of DFPR’s authority of DFPR to change refund method. The DOI contacted DFPR which then advised CCIA 4.23.25 that they would issue a retraction amendment.
IL Department of Insurance	Rule amendments for decreases of credit life prima facie rates, changing one year suicide exclusion to six months adopted 5.13.25 with CCIA successfully requesting adequate implementation time.
IA Insurance Department	The Department requiring fingerprinting of all insurance producers commencing 6.2.25 (grandfather current producers). CCIA requested exemption for limited lines licenses for credit insurance, but Department not agree. Further efforts will be made.
NM Office of the Superintendent of Insurance	CCIA intervened with the OSI when on May 9, 2025 it reduced credit a&h prima facie rates with an eff date of 7.1.25. On July 23, 2025 the OSI then dropped a requirement for insurers to submit all rate materials for filings of the new rates.
SC Credit Life Rates	On April 10, CCIA staff and Fortegra met via Zoom with the insurance department staff, including their new actuary, to request approval for deviated credit life rates. These rates, set by statute in 2003, have remained unchanged. The department agreed to review credit life experience data, which showed accounts with high loss ratios. Despite this review and Fortegra’s case for deviated rates, the department concluded that the evidence was insufficient to warrant a rate change. The department, like many other state insurance departments, continues to resist accepting deviated rates where appropriate. It is likely that legislation may be required to address the issue. CCIA will work with members and outside lobbyists to evaluate the success and cost of introducing legislation.
South Carolina Department of Insurance	CCIA and a member have approached the SCDI to intervene and stop the state Department of Revenue from imposing sales taxes on credit insurance premiums. Further advocacy with the Departments or legislation will be considered.
Creditor Placed Insurance by Risk Retention Group (RRG)	The Texas Department of Insurance allows a captive insurer to offer CPI. CCIA has written to TDI asking that it halt such practices. CCIA has learned on good sources that TDI will allow this regardless of the statute. CCIA is considering whether there are alternative solutions.

or Captive Insurer	
Kentucky	CCIA will oppose a legislative effort to enact a provision in the insurance code regulating credit property insurance.
Wisconsin	CCIA will address the high failure rate for limited lines license test takers in Wisconsin with lenders and members as well the Wisconsin insurance department. Other states may also be problematical.
Louisiana Regulation 136 -Fortify Homes Premium Discount	CCIA commented on November 10, 2025 to the Louisiana Department of Insurance to request that Regulation 136 exempt insurers of lender placed insurance for real property from the requirement to provide a premium discount or rate reduction for residential property constructed or improved per La. R.S. 22:1483.

NAIC	
NAIC Consumer Privacy Protection Model Act	CCIA continues to monitor and provide feedback on the NAIC Insurance Consumer Privacy Protection Working Group updating of Model Act #672 incorporating key aspects of comprehensive state privacy laws. The Working Group exposes one Article at a time for comment, so the process of completing a draft is laborious and there is some dissension in the Group for certain provisions or actual need for a re-draft of #672. In industry calls there is a belief that the updating of Model Act #672 will not be completed this year which would mean that Plenary would not be approving a draft until summer 2026, if then. CCIA issues include any restrictions on sharing of insured personal information and insurer liability for third parties receiving the information.
NAIC MCAS Working Group	Proposed changes for LPI MCAS which would have added data elements for expired and renewed policies and certificates. The issue was precipitated by the MCAS software creating an error message if an expired policy/certificate was entered into the canceled policy/certificate data element. CCIA commented March 19, 2025, and participated in an April 4 Working Group call asking that the error message resulting from inputting expired policies/certificates into the canceled policies data element be fixed by just removing the error message with no data elements for expired/renewed policies/certificates. CCIA successful led industry opposition to adding to the LPI data reporting new categories for renewing policies and certificates

FEDERAL ISSUES AND INITIATIVES

Legislative

*CCIA is working with our Washington DC lobbyists, KDCR, to **oppose**:*

S 381: 10% Credit Card Interest Rate Cap Act	S. 381 amends TILA to cap credit card interest rates at 10%. Senators Sanders and Hawley. Referred to Committee on Banking, Housing, and Urban Affairs 2.4.25. CCIA met with Senator Hawley's staff in 2024 to advocate against another bill 18% all-in APR rate cap.
HR 3437: Insurance Data Protection Act	To prohibit the Federal Insurance Office of the Department of the Treasury and other financial regulators from collecting data directly from an insurance company by amending the Financial Stability Act 12 USC 5311. Referred to House Financial Services Committee 5.15.25.
HR 2822: NFIP Authorization Extension Act	Extends the National Flood Insurance Program through December 31, 2026. Referred to House Financial Services Committee 4.10.25.
H.R. 643: FIO Elimination Act	Abolishes the FIO within the U.S. Department of the Treasury and removes the Director's role as a non-voting member of the Financial Stability Oversight Council.
S. 2275: Click to Cancel Consumer Protection Act	Codifies the FTC's Negative Option Rule.

<p><u>HR 1: One Big Beautiful Act</u></p>	<p>Enacted in July 2025, this law cut the CFPB’s funding cap from 12% of the Federal Reserve’s 2009 operating expenses (adjusted for inflation/employment cost index) down to 6.5%. Under the old cap, the CFPB could have requested ~\$823 million for FY 2025; under the new cap, that dropped to about \$446 million.</p>
<p><u>S.2419/HR 4735: Business of Insurance Regulatory Act</u></p>	<p>Amends Section 1027(f) of the Consumer Financial Protection Act of 2010 to limit the CFPB’s authority: when the activity involves insurance.</p>
<p><u>HR 814: Defund the CFPB Act</u></p>	<p>Introduced in January 2025, this bill would limit the Director’s ability to request any funding (i.e. cap it at \$0) under the current funding mechanism.</p>
<p><u>HR 3141: CFPB Budget Integrity Act</u></p>	<p>Subjecting CFPB to appropriations or limiting its ability to carry forward unused funds.</p>
<p><i>Regulatory</i></p>	
<p>FTC Final CAR Sales Rule</p>	<p>Initially referred to as the Motor Vehicle Dealers Trade Regulation Proposed Rule, this rule was released in December and will be effective July 30, 2024. CCIA commented on the proposed rule, highlighting that the requirements for motor vehicle dealers would negatively impact on the sale and financing of GAP, service contracts, credit insurance, and motor clubs.</p> <p>NADA and the Texas Auto Dealers Association (TADA) filed a Motion to Stay and Petition for Review in the 5th Federal Circuit Court of Appeals. CCIA joined other trades in submitting an amicus brief supporting NADA’s and TADA’s actions. The FTC responded to NADA’s litigation in May, and NADA responded to the FTC on June 13. The appeals court vacated the Rule in January 2025.</p>
<p>CFPB Proposed Legal Standard Applicable to Supervisory Designation Proceedings Rule</p>	<p>CCIA commented to the CFPB proposed Legal Standard Applicable to Supervisory Designation Proceedings for additional language restricting oversight of business of insurance financial products and services. Read the comment letter here.</p>
<p>FTC’s Amendment to the Negative Option Rule</p>	<p>Finalized as the “Click-to-Cancel” Amendment. Implementation date was moved to July 13, 2025. CCIA and other trades commented that Congress prohibited the FTC from regulating the “business of insurance” in Section 2 of the McCarran-Ferguson Act and the FTC exempted insurance sales in its Cooling-Off Rule. Further, “[s]tate regulations in every jurisdiction require an insurer to give notice of a policy renewal,” The FTC said that activities of entities within the insurance industry that are beyond the scope of the “business of insurance” are subject to the Commission’s jurisdiction. The Amendment allows that service contract sellers are subject to the Rule. Custom Communications vs. FTC in the 8th Circuit claims that the Rule is arbitrary, capricious, and an abuse of discretion within the meaning of the Administrative Procedure Act. CCIA joined other trades in an amicus brief arguing also, in part, that service contracts and negative option provisions are already regulated in most states so the Rule is not needed and could only cause confusion for compliance with the states and the FTC. In oral arguments June 10 it appears that of the 3-judge panel, at least 2 of the judges (and perhaps all 3) see that prejudice was suffered from the failure to issue a Paperwork Reduction Act, a U.S. law governing federal agencies’ collection of information because a full opportunity to comment on the final rule was not given. They appear to accept that case law is favorable to the Petitioners on the issue of prejudicial error (vs. harmless error). Decision is expected in mid-July. CCIA also joined an industry letter to the Republican and Democrat leaders in the House and Senate to revoke the Rule through CRA. CCIA released its own press release on the Rule and worked with</p>

	<p>KDCR to advocate to Senators and Representatives to support the CRA introduced in the House June 6. Finally, CCIA members were provided letters to send to the House Representative and Senators asking for their support for the CRA. Appellate Court on 7.1.25 vacated the Rule in its entirety. The Eighth Circuit held that the FTC's failure to issue a required Preliminary Regulatory Analysis (PRA) before finalizing the Rule was a fatal procedural deficiency under Section 22 of the Federal Trade Commission Act. On December 30, 2025 CCIA commented to a Petition for Rulemaking Concerning Negative Option Plans submitted by Consumer Federation of America and the American Economic Liberties Project to do more rulemaking to the Negative Option Rule.</p>
<p>FTC Request for Comment Regarding Reducing Anti-Competitive Regulatory Barriers</p>	<p>CCIA submitted a 5.27.25 comment letter in response asking for exemption for service contracts. Robert Tilley of Hudson Cook believes that political appointees will likely review comment letters such as ours and may be more sympathetic to our request than FTC staff. A petition to the FTC for the exemption will likely follow. CCIA will submit a further letter to the FTC requesting at the very least consideration of changes in the Rule.</p>