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Trump Executive Order on AI Creates More Uncertainty for Insurance Landscape

Paige Waters, a partner with Troutman Pepper Locke, was quoted in the February 9, 2026 *InsuranceNewsNet* article, "Trump Executive Order on AI Creates More Uncertainty for Insurance Landscape."

However, Paige Waters, partner, Troutman Pepper Locke, said regulators are concerned the executive order could be used to "try and prevent the states from enforcing their state laws that apply to AI and that are specific to insurance companies."

"There's a concern that the executive order is interfering with the states' rights to regulate insurance in that space. In particular, they're concerned because insurance companies have been using algorithms and predictive modeling for years and years that is currently regulated under state insurance laws," Waters said.

Additionally, she said there is some concern that the interference could lead to litigation under the McCarran-Ferguson Act of 1945, which permits states to self-govern their respective insurance industries.

"I think is a bigger issue, maybe, that causes a lot of uncertainty within the insurance industry is that, if the executive order is interpreted or enforced in such a way that it would impinge on the state insurance commissioner's right to regulate those insurance companies as they have been, there could be a litigation or court challenge, she said.

…

"I would think that the insurance companies would want to continue doing what they're doing to comply because there may end up being litigation in the future with respect to whether or not the executive order is reverse preempted by the McCarran-Ferguson Act — and that litigation could take a long time to resolve," Waters added.

Like Aldama, she also encouraged insurers to continue to comply with state insurance laws "until such a time as the insurance regulators are not enforcing those existing laws."

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