

As of October 20, 2020

**NAIC Referral Plan for  
Select U.S. Financial Sector Assessment Program (FSAP) Recommendations<sup>1</sup>**

Source Doc.	Topic	FSAP Recommendation	Party Responsible	Recommended NAIC Committee Referral
FSSA, p. 72, para 95	Climate risk and resilience	Regulatory responses to the increasing risk and severity of natural catastrophes need to be strategically focused on the medium to long term; ensuring that risks are appropriately priced to increase resilience through incentivizing mitigation.	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the Climate Risk and Resiliency (EX) Task Force
Ins. TN, p. 10; 29, paras 44 and 45	Independence	State governments should consider reforms to remuneration of the state insurance regulators' staff to safeguard the ability to attract and retain key skilled personnel, while maintaining appropriate accountability for the use of public resources.	NAIC, States	<b>Flagged</b> for future consideration by the Executive (EX) Committee
Ins. TN, p.10; 42, para 83	Reserving	The NAIC and state insurance regulators should significantly expand their in-house supervisory actuarial capability to supervise PBR effectively. Consider formation of a shared center of expertise in addition to the NAIC resources already available to the Valuation Analysis (E) Working Group (VAWG).	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the Life Insurance and Annuities (A) Committee
Ins. TN, p.10; 58 and 59, paras 131 and 132	Risk-Based Supervision	State insurance regulators should better coordinate and leverage the expertise of teams of supervisors dedicated to financial analysis and financial examination for large insurance groups including Internationally Active Insurance Groups (IAIGs).	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the Group Solvency Issues (E) Working Group
Ins. TN, p.10; 58,59, paras	Risk-Based Supervision	State insurance regulators should reduce the separation between financial analysis and financial examination functions to effectively focus on	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the Risk Focused Surveillance (E) Working Group

<sup>1</sup> Recommendations provided by the IMF Team in the FSAP Financial System Stability Assessment (FSSA) and Insurance Technical Note (Ins. TN).

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131, 132, and 133		understanding risk culture, governance, and the quality of risk management, partly through more frequent engagement with C-Suite management.		
Ins. TN, p.11; 59, para 132	Risk-Based Supervision	State insurance regulators should undertake more frequent, narrower scope examinations such that comprehensive scope coverage occurs within a five-year period but there are more frequent onsite processes carried out by state insurance regulators.	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the Risk Focused Surveillance (E) Working Group
Ins. TN, p.11; 55, para 120	Risk-Based Supervision	The NAIC and state insurance regulators should add a market significance or impact of failure overlay to the existing prioritization framework to ensure that large and important insurers and groups receive suitable ongoing supervisory attention.	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the for Risk Focused Surveillance (E) Working Group
Ins. TN, p.11; 26, para 35	Regulatory Developments	State governments should give state insurance regulators a clear mandate for financial stability.	NAIC, States	<b>Flagged</b> for future consideration by the Executive (EX) Committee
Ins. TN, p. 11; 32, para 54	Regulatory Developments	The NAIC, state insurance regulators and state governments should put in place insurance-specific regulatory governance and risk management requirements to clarify expectations, create greater enforceability of the requirements and reduce differentiation among states that could occur through different interpretations of supervisory handbooks.	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the Risk Focused Surveillance (E) Working Group
Ins. TN, p.11; 43, para 87	Captives	The NAIC and state insurance regulators should regularly monitor and report publicly on the impact of the uses of captives by direct writing insurers and insurance groups including the combined impact of the captives on the reserve and capital positions of those entities.	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the Financial Analysis (E) Working Group

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Ins. TN, p. 12; 47, para 98	Long-Term Care Insurance	The NAIC and state insurance regulators should develop a balanced approach to rate approvals at the states level that recognizes the trade-off between their dual responsibilities to treat customers fairly and protect policyholders against insurer insolvency.	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the LTCI (EX) Task Force
Ins. TN, p. 12; 47, paras 97 and 98	Long-Term Care Insurance	NAIC and state insurance regulators should work together to develop a more consistent response to LTC rate approvals to avoid cross-subsidization between states.	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the LTCI (EX) Task Force
Ins. TN, p.12; 50, para 107	Own Risk and Solvency Assessment (ORSA)	State insurance regulators should align filing deadlines for ORSA across states.	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the ORSA Implementation (E) Subgroup
Ins. TN, p. 12; 50, para 107	Own Risk and Solvency Assessment (ORSA)	The NAIC and state insurance regulators should start benchmarking ORSAs across all states to document best and weak practices in the insurance industry, identify risk trends and help inform NAIC and state supervisors of emerging macroprudential issues.	NAIC, State Insurance Departments	<b>Flagged</b> for future consideration by the ORSA Implementation (E) Subgroup