



2026 SPRING NATIONAL MEETING
SAN DIEGO, CA



Draft date: 3/4/26

*2026 Spring National Meeting
Virtual Meeting in lieu of in-person meeting*

**JOINT MEETING OF THE FINANCIAL STABILITY (E) TASK FORCE
AND MACROPRUDENTIAL (E) WORKING GROUP**

Monday, March 16, 2026
2:00 – 3:00 p.m. EST
Virtual Meeting

ROLL CALL

FINANCIAL STABILITY (E) TASK FORCE

NAIC Member

Susan Ochs, Chair
Kaitlin Asrow, Vice Chair
Mark Fowler
Peter M. Fuimaono
Jimmy Harris
Jared Kosky
Karima M. Woods
Michael Conway
Joshua Hershman
Michael Yaworsky
Holly W. Lambert
Doug Ommen
Vicki Schmidt
Marie Grant
Michael T. Caljouw
Grace Arnold
Angela L. Nelson
Eric Dunning
Alice T. Kane
Jon Godfread
Remedio C. Mafnas
Judith L. French
Glen Mulready
TK Keen
Michael Humphreys
Suzette M. Del Valle
Elizabeth Kelleher Dwyer

Representative

Susan Ochs, Chair
Avani Shah, Vice Chair
Richard Russell
Elizabeth Perri
Mel Anderson
William Arfanis
Philip Barlow
Rolf Kaumann
William Arfanis
Bradley Trim
Roy Eft
Kim Cross
Tish Becker
Lynn Beckner
John Turchi
Ben Slutsker
John F. Rehagen
Anthony Quandt
Alice T. Kane
Matt Fischer
Maryann Borja-Arriola
Tracy Snow
Eli Snowbarger
Paul Throckmorton
Diana Sherman
Glorimar Santiago
Elizabeth Kelleher Dwyer

State/Territory

New Jersey
New York
Alabama
American Samoa
Arkansas
Connecticut
District of Columbia
Colorado
Connecticut
Florida
Indiana
Iowa
Kansas
Maryland
Massachusetts
Minnesota
Missouri
Nebraska
New Mexico
North Dakota
Northern Mariana Islands
Ohio
Oklahoma
Oregon
Pennsylvania
Puerto Rico
Rhode Island



Michael Wise
Amanda Crawford
Scott A. White
Nathan Houdek

Ryan Basnett
Jamie Walker
Dan Bumpus
Rebecca Easland

South Carolina
Texas
Virginia
Wisconsin

NAIC Committee Support: Tim Nauheimer

MACROPRUDENTIAL (E) WORKING GROUP

Bob Kasinow, Chair
Anthony Quandt
William Arfanis / Ken Cotrone
Tom Hudson
Carolyn Morgan
Roy Eft
Carrie Mears

New York
Nebraska
Connecticut
Delaware
Florida
Indiana
Iowa

Fred Andersen
John F. Rehagen
Jennifer Li
David Wolf
Diana Sherman
Liz Ammerman
Rachel Hemphill /Jamie Walker

Minnesota
Missouri
New Hampshire
New Jersey
Pennsylvania
Rhode Island
Texas

Philip Barlow
Lynn Beckner
John Turchi
Steve Mayhew

District of Columbia
Maryland
Massachusetts
Michigan

Greg Chew / Dan Bumpus
Amy Malm

Virginia
Wisconsin

NAIC Committee Support: Tim Nauheimer

AGENDA

1. Hear Opening Remarks—*Acting Commissioner Susan Ochs (NJ)*
2. Consider Adoption of its Fall National Meeting Minutes— *Acting Commissioner Susan Ochs (NJ)* Attachment One
3. Hear an Update on Financial Stability Oversight Council (FSOC) Developments
—*Ethan Sonnichsen, NAIC*
4. Consider Adoption of the Report of the Macroprudential (E) Working Group—*Bob Kasinow (NY)* Attachment Two
Attachment Three
 - a. Consider Referral of the FABN Pari Passu topic from the Macroprudential (E) Working Group to the Receivership and Insolvency (E) Task Force
—*Bob Kasinow (NY)* Attachment Four
5. Receive an Update from the Valuation Analysis (E) Working Group
—*Fred Andersen (MN)* Attachment Five



6. Hear an International Update—*Jan Bauer (NAIC)*
7. Discuss Any Other Matters Brought Before the Task Force
— *Acting Commissioner Susan Ochs (NJ)*
8. Adjournment

Draft: 12/16/25

Joint Meeting of the Financial Stability (E) Task Force
and the Macroprudential (E) Working Group
Hollywood, Florida
December 10, 2025

The Financial Stability (E) Task Force and the Macroprudential (E) Working Group of the Financial Stability (E) Task Force met in Hollywood, FL, Dec. 10, 2025. The following Task Force members participated: Justin Zimmerman, Chair (NJ); Elizabeth Keller Dwyer, Vice Chair (RI); Mark Fowler represented by Lori Brock (AL); Jimmy Harris represented by Chris Erwin (AR); Jared Kosky represented by Ken Cotrone (CT); Karima M. Woods represented by Philip Barlow (DC); Michael Yaworsky represented by Bradley Trim (FL); Doug Ommen represented by Carrie Mears (IA); Holly W. Lambert represented by Roy Eft (IN); Vicki Schmidt represented by Chut Tee (KS); Timothy J. Temple represented by Tom Travis (LA); Michael T. Caljouw represented by John Turchi (MA); Marie Grant represented by Greg Ricci (MD); Grace Arnold represented by Fred Andersen (MN); Angela L. Nelson represented by John Rehagen (MO); Mike Causey represented by Robert Croom (NC); Jon Godfread represented by Matt Fischer (ND); Eric Dunning represented by Anthony Quandt (NE); Kaitlin Asrow represented by Bob Kasinow (NY); Judith L. French represented by Dale Bruggeman (OH); Glen Mulready represented by Eli Snowbarger (OK); TK Keen (OR); Michael Wise represented by Ryan Basnett (SC); Carter Lawrence represented by Trey Hancock (TN); Cassie Brown represented by Jamie Walker (TX); Scott A. White represented by Greg Chew (VA); and Nathan Houdek represented by Amy Malm (WI). The following Working Group members participated: Bob Kasinow, Chair (NY); Carrie Mears, Vice Chair (IA); William Arfanis and Ken Cotrone (CT); Phillip Barlow (DC); Tom Hudson (DE); Carolyn Morgan (FL); Roy Eft (IN); John Turchi (MA); Greg Ricci (MD); Steve Mayhew (MI); Fred Andersen (MN); John Rehagen (MO); Anthony Quandt (NE); Jennifer Li (NH); Jamie Walker (TX); Greg Chew (VA); and Amy Malm (WI).

1. Adopted the Task Force’s Oct. 17 and Summer National Meeting Minutes

The Task Force conducted an e-vote that concluded Oct. 17 to adopt its 2025 proposed charges.

Walker made a motion, seconded by Eft, to adopt the Task Force’s Oct. 17 (Attachment One) and Aug. 12 (*see NAIC Proceedings – Summer 2025, Financial Stability (E) Task Force*) minutes. The motion passed unanimously.

2. Adopted the Report of the Macroprudential (E) Working Group

Kasinow reported that insurer liquidity stress testing (LST) submissions were due June 30, and the states and the NAIC received all required filings. The aggregated results, based on data as of Dec. 31, 2024, are included in this meeting’s materials. The LST’s primary objective is to assess potential asset sales the life insurance industry could generate under stress scenarios, while also providing supervisory insight at the insurer and group levels. Twenty-seven life insurance groups submitted results, including two new participants. NAIC staff reviewed narrative details, aggregated quantitative data, and provided the analysis to regulators along with a public summary. A new LST template was also introduced for current and future filings. Results indicated the largest projected sales were in investment-grade corporate bonds and U.S. Treasury and Agency securities, but these levels were not expected to have a material market impact. Regulators were reminded to review company-level LST submissions as part of financial analysis and examination work.

Kasinow also summarized the Macroprudential (E) Working Group’s Nov. 7 meeting. During this meeting, the Working Group discussed potential disclosures for funding agreements (FAs) backing funding agreement-backed notes (FABNs) to improve transparency. The Working Group also exposed a proposal to add a footnote to Exhibit

7 requiring insurers to report aggregate FA data for a 30-day public comment period ending Dec. 8. The related blanks proposal is targeted for year-end 2026 implementation.

Kasinow reported that the Macroprudential Risk Assessment has been updated with refreshed key indicators supporting the Macroprudential Risk Dashboard. A call with regulators will be scheduled to align assessment levels before finalizing the public macroprudential report, expected in the first quarter of next year. Kasinow noted that the Climate and Resiliency (EX) Task Force has approved the Natural Catastrophe Risk Dashboard and exposed it on Dec. 2 for a public comment period ending Jan. 12, 2026. The Working Group originally developed the Natural Catastrophe Risk Dashboard, and its results will contribute to the broader Macroprudential Risk Dashboard.

Lastly, Kasinow noted that the tracking of the 13 Working Group considerations related to private equity ownership of insurers has been updated and posted online. The Working Group will continue monitoring the 13th consideration concerning cross-border reinsurance, with further analysis to follow once year-end data becomes available.

Arfanis made a motion, seconded by Eft, to adopt the report of the Macroprudential (E) Working Group, including its Nov. 7 minutes (Attachment Two). The motion passed.

3. Exposed the Proposed 2025 LST Framework

Kasinow reported that the Macroprudential (E) Working Group would consider exposing the 2025 LST Framework document during this meeting. Kasinow noted that no significant updates were made to the framework this year. One non-substantive change reflects the review of separate accounts activity by regulators, which confirmed that the current framework adequately captures related cash flow activity.

Kasinow stated that the Working Group plans to review the 2025 LST Framework document again in the second quarter of 2026, with specific focus on the liability assumptions insurers provide. Kasinow added that the 2025 LST Framework, along with the lead state guidance, will be issued in February 2026. This update will include revised annexes that prescribe the assumptions insurers should apply for the adverse scenario in their 2026 submissions due June 30, 2026.

Malm made a motion, seconded by Chew, to expose the proposed 2025 LST Framework (Attachment Three) for a 45-day public comment period ending Jan. 26, 2026. The motion passed unanimously.

4. Re-Exposed the FABN Blanks Proposal

Kasinow reported that during its Nov. 7 meeting, the Macroprudential (E) Working Group received, discussed, and exposed for public comment a proposal to disclose FAs backing FABNs. The proposal, originally suggested by the American Council of Life Insurers (ACLI), was slightly modified by the Working Group and exposed for a 30-day comment period ending Dec. 8. Kasinow noted that the ACLI has requested additional time to provide comments and that the Working Group would allow the ACLI an opportunity to offer further context in its comment letter. Kasinow stated that the Working Group will continue to work on the disclosure details with the Blanks (E) Working Group and the Statutory Accounting Principles (E) Working Group following the formal referral from the Financial Stability (E) Task Force.

Marc Altschull (ACLI) thanked the Macroprudential (E) Working Group for its thoughtful discussions and consideration of industry perspectives on the FABN market and the development of the exposed disclosure. He said the ACLI appreciates the opportunity to provide comments on the proposed additional disclosures for FAs supporting FABNs issued by life insurance companies.

Altschull stated that the ACLI acknowledges the regulators' intent for the disclosure to capture issuances backed by FAs beyond FABNs, including funding agreement-backed repurchase agreements (FABRs), funding agreement-backed commercial paper (FABCP), funding agreement-backed liabilities (FABLs), and direct funding agreements. He stated that in order to ensure sufficient time to develop a comprehensive response reflecting the full range of such issuances, the ACLI has respectfully requested a 45-day extension to the original public comment period, making the deadline Jan. 26, 2026.

Kasinow provided clarification regarding the scope of FABNs, noting questions about whether FAs supporting FABCP are included in the disclosure requirements. Kasinow stated that the intent of the proposal has always been to capture all FAs backing all FABNs. FABCP represents one category of FABN among several others. The disclosure does not request separate reporting for each type of FABN, but only separate identification of foreign exchange (FX) funding agreements and FAs backing puttable FABNs.

Kasinow further clarified that FAs backing FABLs are not currently included in the proposal, and that the Working Group is not aware of this nomenclature or product type. In response to questions raised, additional research will be conducted to determine whether these instruments should be classified as a type of FABN. Kasinow indicated that a 45-day comment extension would be a prudent approach and would still provide adequate time for implementation of the disclosure in the blanks for year-end 2026.

Mears made a motion, seconded by Arfanis, to extend the public comment period for the FA blanks disclosure proposal for a 45-day public comment period ending Jan. 26, 2026.

5. Deferred Referral of the FABN Blanks Proposal from the Macroprudential (E) Working Group to the Financial Stability (E) Task Force

Commissioner Zimmerman stated that since the FABN blanks proposal was re-exposed, this agenda item will be deferred until the end of the new comment period ending Jan. 26, 2026.

6. Deferred Referral of the FABN Blanks Proposal from the Financial Stability (E) Task Force to the Blanks (E) Working Group and Statutory Accounting Principles (E) Working Group

Commissioner Zimmerman stated that since the FABN blanks proposal was re-exposed, this agenda item will be deferred until the end of the new comment period ending Jan. 26, 2026.

7. Received an Update from the Valuation Analysis (E) Working Group

Andersen reported that the Valuation Analysis (E) Working Group continues to support the NAIC's broader oversight of life insurers' complex assets, products, and reinsurance activities. An update was provided on *Actuarial Guideline LV—Application of the Valuation Manual for Testing the Adequacy of Reserves Related to Certain Life Reinsurance Treaties* (AG 55), which requires ceding companies to submit cash flow testing and supporting documentation for certain transactions. The Life Actuarial (A) Task Force has adopted standard templates to improve consistency and clarity of submissions, with the first AG 55 reports due April 1, 2026. The Working Group will review the filings and present summary findings at the 2026 Summer National Meeting.

Andersen also provided an update on *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53), which addresses disclosures related to complex assets. The guideline ensures appropriate modeling of asset performance and emerging risks that could affect reserve adequacy, such as changing policyholder behavior, sector-specific asset stress, and product optionality. The Working Group is engaging with insurers to evaluate modeling practices and confirm that reserves remain sufficient under a range of market and risk conditions.

In closing, Andersen discussed planned coordination between the Valuation Analysis (E) Working Group and the newly established Investment Analysis (E) Working Group. The Valuation Analysis (E) Working Group will focus on issues with primary actuarial implications, while the Investment Analysis (E) Working Group will address matters driven more by asset risk. Ongoing collaboration will ensure comprehensive oversight across both areas.

8. Heard an International Update

Jan Bauer (NAIC) reported that the International Association of Insurance Supervisors (IAIS) released the 2025 *Global Insurance Market Report* (GIMAR) on Dec. 1. The report summarizes global monitoring results from the individual insurer and sector-wide monitoring assessments, highlighting themes such as geoeconomic fragmentation, private credit investments, artificial intelligence (AI), cyber risk, and climate-related risk. A special topic paper on natural catastrophe protection gaps found no evidence of resulting financial instability.

Bauer noted that the IAIS Macroprudential Monitoring Working Group completed its triennial review of the Global Monitoring Exercise (GME) and related indicators, with updated materials expected later in December for 2026 application. The IAIS Macroprudential Supervision Working Group finalized its issues paper on structural shifts in the life insurance sector, determining that associated global systemic risk remains limited and introducing globally agreed definitions for alternative assets. Bauer also referenced recent IAIS work on climate-related risk supervision, including the publication of an application paper and a member webinar series focused on climate scenario analysis.

9. Discussed Other Matters

Kasinow thanked Mears for all of her work with the Macroprudential (E) Working Group as she steps down from her position as vice chair.

Having no further business, the Financial Stability (E) Task Force and Macroprudential (E) Working Group adjourned.

SharePoint/NAIC Support Staff Hub/Committees/E CMTE/FSTF/2025/2025_3 Fall/Minutes/FSTF Fall NM Minutes 12-10.docx



MEMORANDUM

TO: Members, Interested Regulators, and Interested Parties of the Financial Stability (E) Task Force

FROM: Robert Kasinow, Chair, Macroprudential (E) Working Group

DATE: March 16, 2026

RE: MWG Report to FSTF

FABNs, FABLs & Muni Pre-pay

As many of you know the MWG held an eVote to make a referral to the Blanks WG and SAPWG to implement enhanced disclosures for funding agreements that back FABNs and other similar structures. We shall continue to monitor the implementation and provide assistance to Blanks and SAPWG if needed.

Regarding other funding agreement backed structures, we wanted to provide a very brief overview of a couple of other unique, complex structures we came across in our research on the topic. They are Funding Agreement Backed Loans or FABLs and Funding agreement backed Muni-Prepay structures. Sorry, no real nice acronym for the latter. I'll turn it over to Tim to provide this overview.

Pari passu Referral

Another item related to FABNs is the treatment of FABNs in an insolvency. We know of a few states whereby insurance contract policyholders, including funding agreements, may not have priority over general creditors in an insurer insolvency. Additionally, we are unsure of how foreign bondholders of Foreign Currency Denominated FABNs would be treated in an insolvency. Therefore, we are making a referral to the Receivership and Insolvency TF to look further into these matters.

Please find the referral in the meeting materials as attachment 3.

LST

Moving on to Liquidity Stress Testing. We want to let everyone know the Final 2025 LST Framework with Lead State Guidance is final and was posted last Thursday, March 12 to the FSTF Committee webpage in the documents section.

We still plan to begin a WG initiative to review Liability assumptions used by insurers in the 3rd quarter of this year.



Macroprudential Risk Dashboard

Turning to the Macroprudential Risk Assessment, NAIC staff has updated all the key risk indicators for the Macro risk dashboard for year-end 2024. The next step is to have a call with working group members to update the risk assessment levels to reflect the updated underlying data. We plan for this to occur in mid April and once approved by the WG, the dashboard will be available for regulator only use.

At the same time NAIC staff will be updating the dashboard for 2025 year-end data. The MWG will convene in June to review and approve the 2025 dashboard. However, at this time there will also be an associated public macroprudential summary report that will be issued upon approval of the working group.

On a related note, the Natural Catastrophe Risk Dashboard has been approved by the Climate and Resilience Task Force. The public portion of this report was approved and released. I mention here at this meeting as this work originally began in the MWG and was transferred to the CRTF. The Nat Cat Dashboard results are also incorporated into the comprehensive Macroprudential risk dashboard.

13 Considerations

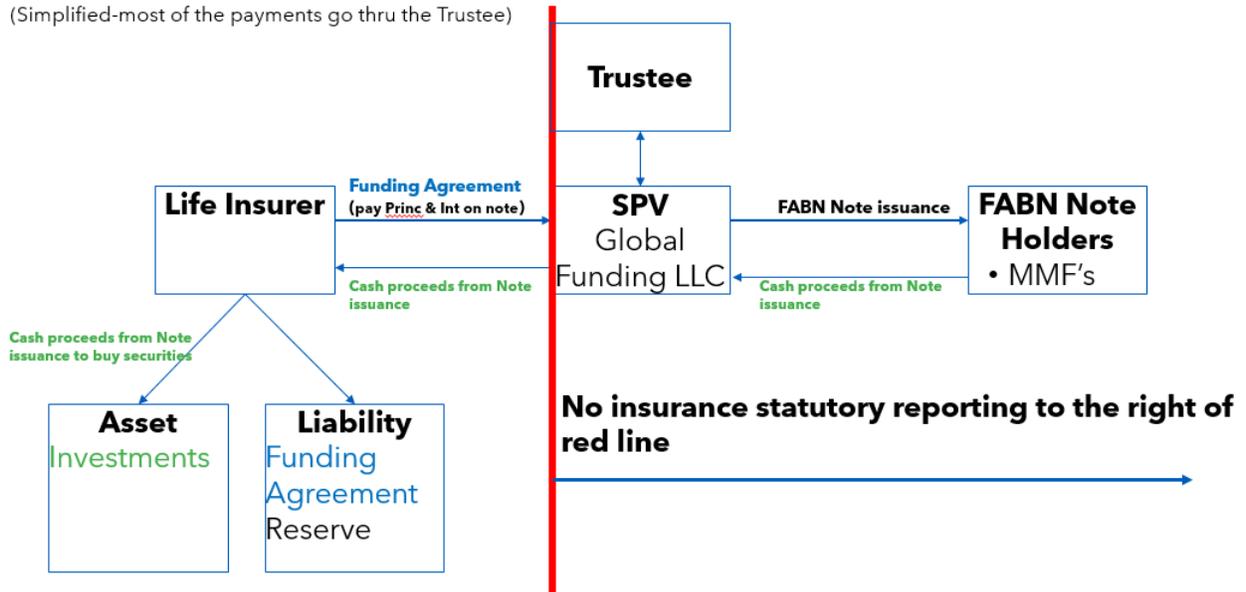
Regarding the List of 13 MWG Considerations related to private equity ownership of insurers, the tracking of the 13 items was updated and posted on the macroprudential working group webpage for the 2025 Fall NM. The MWG will continue its heightened monitoring of the 13th point regarding Cross-border reinsurance. When 2025 year-end data is available the WG will again run and assess exposures by type of reinsurance, assuming jurisdiction, product types ceded and affiliated transactions.

This concludes my update, and I am happy to answer any questions.

Funding Agreement Backed Notes FABNs

Attachment Three March 16, 2026

(Simplified-most of the payments go thru the Trustee)

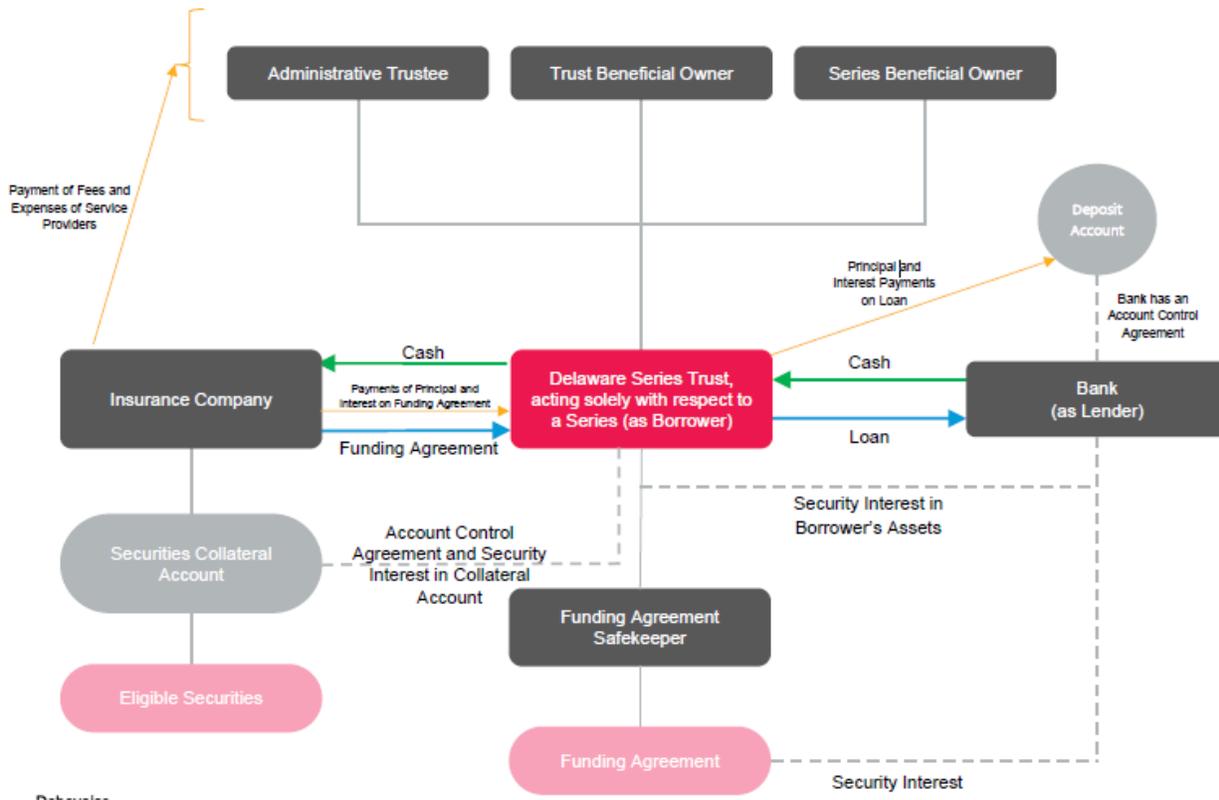


Funding Agreement Backed Loans FABLs

Funding Agreement Backed Loans (FABLs) are structured similar to FABNs, except that the SPV is not a legal entity under the ultimate parent of the Insurer. The SPV is typically a Delaware Trust formed by a bank.

Another key difference here is that the insurer pledges collateral to the SPV into a Securities collateral account.

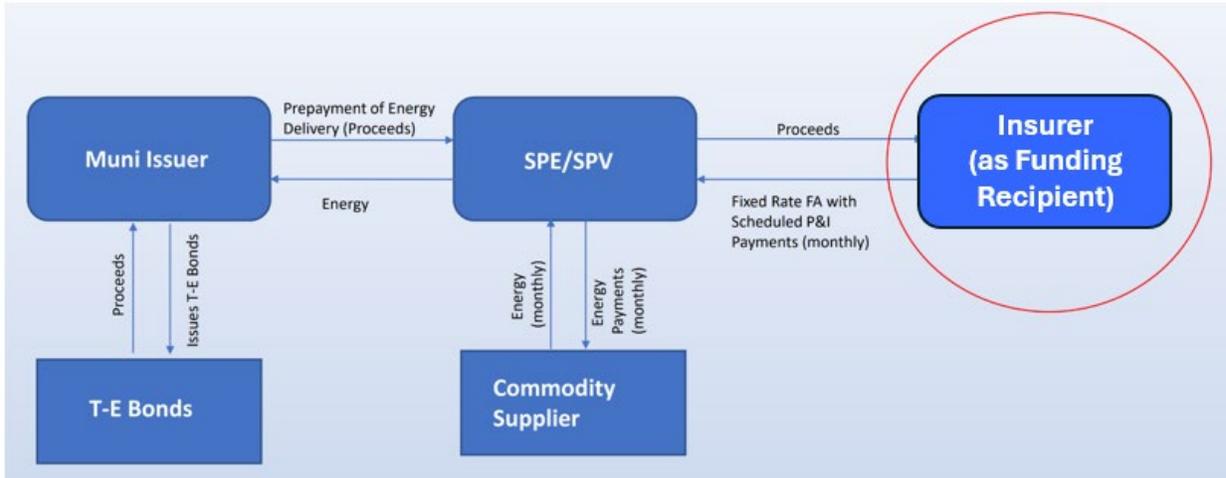
Funding Agreement-Backed Loan Structure Overview



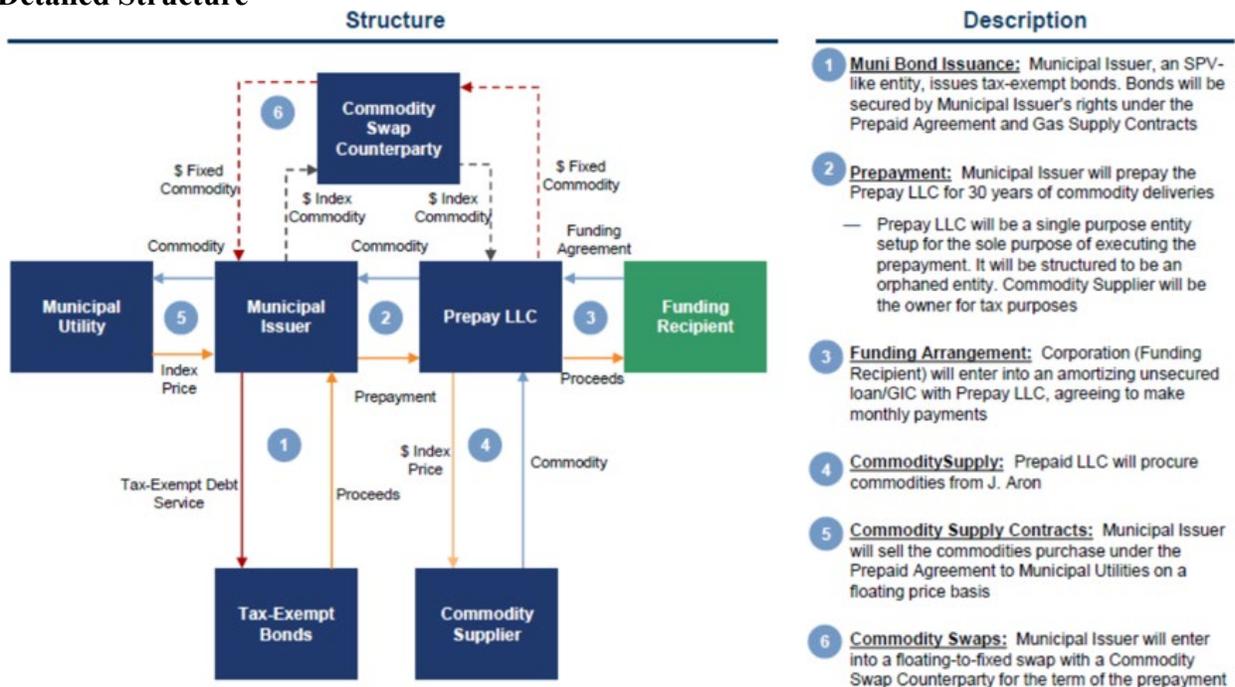
Funding Agreement Backed Municipal Pre-pay/Energy Bonds FABMB

Municipal gas and electric prepayment bonds are a specialized segment of the municipal bond market that allow municipal utilities to secure a long-term, discounted supply of natural gas, typically over 20 to 30 years, by making a large lump-sum advance payment. The proceeds for this prepayment are generated by issuing tax-exempt bonds to investors.

Simple View



Detailed Structure



Structure and Mechanics

- **Issuance:** A municipal utility or a special purpose entity issues tax-exempt bonds to investors.
- **Prepayment:** The bond proceeds are used to make an upfront payment to a gas supplier, often the commodity trading arm of an investment bank, for a predetermined quantity of future gas deliveries.

According to Marc Altschull from ACLI: The municipal bond issuance provides a single pool of proceeds that is used to purchase a funding agreement, and that funding agreement converts the proceeds into scheduled cash flows that both service the bonds and economically prepay the utility's long-term energy obligations by fixing future prices and payment terms over time, rather than through a lump-sum advance payment for all deliveries.

- **Delivery & Repayment:** The supplier delivers gas over the contract term. As the municipal utility receives and sells the gas to its customers, the generated revenue is used to make periodic payments to the bond issuer, which in turn services the debt (principal and interest) to bondholders.
- **Credit & Guarantee:** The underlying credit quality of the bonds is primarily based on the creditworthiness of the financial institution or insurance company that guarantees the gas supplier's performance, as well as various embedded commodity swaps and liquidity protections that mitigate price risk and ensure bondholder interests are protected.

Key Benefits

- For Municipalities/Ratepayers: Municipal utilities can lock in a long-term supply of natural gas at a discounted, predetermined price, which helps control costs and reduces operational risk from market price volatility.
- For Investors: Investors receive tax-exempt income, and the bonds often carry high credit ratings (typically "A" rated or higher) due to strong third-party guarantees and structural protections.
- For Guarantors: The financial institutions that guarantee the performance can access cost-effective funding relative to alternative sources.

MEMORANDUM

TO: Ann Gillespie, (IL), Chair, and Jacob Stuckey (IL), Receivership and Insolvency (E) Task Force

FROM: Robert Kasinow (NY), Chair, Macroprudential (E) Working Group

DATE: March 16, 2026

RE: Funding Agreements backing Funding Agreement Backed Notes

The Macroprudential (E) Working Group (MWG) would like to make a referral to the Receivership and Insolvency (E) Task Force (RITF) to review the treatment of Funding Agreements that back all types of Funding Agreement Backed Notes (FABNs), similar structures and the Notes themselves in receivership. The MWG has been researching the activity surrounding the issuance of funding agreements by insurers and the related issuance of FABNs by special purpose vehicles. The MWG has also made referrals to the Blanks (E) WG and Statutory Accounting Principles (E) WG in pursuit of obtaining further disclosures of funding agreements in the Annual Statement.

Please note there are several types of FABNs and we request the RITF consider all types as follows:

- Funding Agreement Backed Notes (FABNs)
- Funding Agreement Backed Commercial Paper (FABCP)
- Foreign Currency Funding Agreement Backed Notes (FXFABNs)

There are also several other types of transactions involving funding agreements that we would like the RITF to review as well. They include:

- Funding Agreement Backed Repurchase Agreements (FABRs)
- Funding Agreement Backed Loans (FABLs)
- Funding Agreement Backed Energy/Municipal Pre-pay Notes.

We ask the RITF to review the priority treatment of these agreements and financial instruments along with (pari passu) “traditional” policyholders in a receivership or insolvency. We would appreciate some type of report back from RITF outlining the results of their review, recommendations and conclusions.

If there are any questions regarding the proposed recommendations, please contact me or NAIC Committee Support Tim Nauheimer (tnauheimer@naic.org). Thank you for your consideration of this referral.

Update from Valuation Analysis (E) Working Group: AG 53, AG 55

FSTF Virtual Meeting
March 16, 2026
Attachment Five

Fred Andersen, MN

Actuarial Guideline 53 update

- Requires disclosures and asset-related information for 260+ life insurers
- How company cash-flow testing models address those risks, ensure reserve adequacy
- Past three years:
 - Identify and address outliers
 - Companies that may be over-reliant on high returns on complex assets to cover future claims
- Coordination with new InVAWG
 - Identify asset trends, address emerging risks

Actuarial Guideline 53 update

- YE 2025 areas of focus:
 - Continuation of working with companies with outlying assumptions
 - Deeper dive into potential unmodeled risks
 - Coordination with new Investment Analysis Working Group (InVAWG)
 - Identify asset trends, address emerging risks

Actuarial Guideline 55 update

- Aligns consumer protection of reserve adequacy review for insurance policies whether business is ceded or retained
- Adopted by commissioners in 2025, first reports due April 1, 2026
- Valuation Analysis Working Group (VAWG) will prioritize AG 55 reviews in 2Q
- Goal is for initial general findings to be presented at Summer 2026 national meeting