

*Virtual Meeting
(in lieu of meeting at the 2020 Fall National Meeting)*

VALUATION OF SECURITIES (E) TASK FORCE
Wednesday, November 18, 2020
3:30 p.m. ET / 2:30 p.m. CT / 1:30 p.m. MT / 12:30 p.m. PT

Meeting Summary Report

The Valuation of Securities (E) Task Force met Nov. 18, 2020. During this meeting, the Task Force:

1. Adopted its Sept. 29 and Summer National Meeting minutes, which included the following action:
 - a. Adopted a proposed amendment to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) to add instructions for ETFs that contain a combination of preferred stocks and bonds. This amendment was exposed for a 30-day public comment period ending Sep. 6.
 - b. Discussed an updated proposed amendment to the (P&P Manual) on guidance for working capital finance investments (WCFI) consistent with the Statutory Accounting Principles (E) Working Group adoption of changes to *Statement of Statutory Principles (SSAP) No. 105R—Working Capital Finance Investments*.
 - c. Received a referral response from the Statutory Accounting Principles (E) Working Group on the proposed P&P Manual amendment to update instructions for nonconforming credit tenant loan (CTL) transactions that relied upon credit ratings and approved NAIC staff's recommendation to withdraw the previously exposed proposed amendment.
 - d. Adopted its 2021 proposed charges.
2. Adopted an amendment to the P&P Manual to update guidance on initial and subsequent annual filings, methodologies and documentation. This amendment was previously exposed for a 30-day public comment period ending Sept. 6.
3. Received an updated proposed amendment to the P&P Manual on guidance for WCFI consistent with the Statutory Accounting Principles (E) Working Group's adoption of changes to SSAP No. 105R. This amendment was exposed for a 60-day public comment period ending Jan. 18, 2021.
4. Received a proposed amendment to the P&P Manual to permit the Securities Valuation Office (SVO) to rely upon the un-rated subsidiaries of a credit rating provider (CRP) rated parent entity for only WCFI. This amendment was exposed for a 60-day public comment period ending Jan. 18, 2021.
5. Received a proposed amendment to the P&P Manual to require the filing of private rating analysis and directed NAIC staff to modify the amendment to limit it to only filing the analysis and then expose the revised amendment for a 60-day public comment period.
6. Discussed bespoke securities and the NAIC's reliance on CRP ratings.
7. Heard an NAIC staff report on projects before the Statutory Accounting Principles (E) Working Group, and updated guidance from the Working Group and SVO for nonconforming CTLs for year-end 2020 reporting.

W:\National Meetings\2020\Fall\Cmte\E\Materials\Attachment 8-VOSTF Meeting Summary - 2020-11-18.docx