MEMORANDUM

TO: Commissioners, Directors, Superintendents, and Interested Parties
FROM: Jennifer Neuerburg, Legal Counsel
DATE: April 3, 2023
RE: Action on Model Laws, Guidelines, and White Papers at the 2023 Spring National Meeting

This memorandum describes NAIC action on model laws, guidelines, and white papers at the 2023 Spring National Meeting. For further information, including current drafts and staff support contacts for each item, please consult the NAIC web site (www.naic.org), Committees page.

I. Actions by Executive (EX) Committee and Plenary

A. Model Laws and Regulations Considered by the Executive (EX) Committee and Plenary

The Executive (EX) Committee and Plenary did not adopt any model laws or regulations at the 2023 Spring National Meeting.

B. Guidelines Adopted by the Executive (EX) Committee and Plenary

The Executive (EX) Committee and Plenary did not adopt any guidelines at the 2023 Spring National Meeting.

C. Actuarial Guidelines Adopted by the Executive (EX) Committee and Plenary

1. Amendments to Actuarial Guideline XLIX-A—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest to Policies Sold on or After December 14, 2020 (AG 49-A)

The Executive (EX) Committee and Plenary adopted revisions to the Actuarial Guideline XLIX-A—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest to Policies Sold on or After December 14, 2020 (AG 49-A). These revisions, effective for policies sold on or after May 1, address an issue in indexed universal life (IUL) illustrations where some companies are illustrating non-benchmark indices in a more favorable manner than benchmark indices, particularly for products with uncapped volatility-controlled funds and a fixed bonus. The Life Insurance and Annuities (A) Committee adopted the revisions to AG 49-A on February 24, 2023.
2. **New: Actuarial Guideline LIV—Nonforfeiture Requirements for Index-Linked Variable Annuity Products (AG 54)**

The Executive (EX) Committee and Plenary adopted *Actuarial Guideline LIV—Nonforfeiture Requirements for Index-Linked Variable Annuity Products (AG 54)*. AG 54 provides principles outlining the conditions under which an index-linked variable annuity (ILVA) is consistent with the definition of a variable annuity and exempt from the *Standard Nonforfeiture Law for Individual Deferred Annuities* (#805), and it specifies nonforfeiture requirements consistent with variable annuities. The Life Insurance and Annuities (A) Committee adopted the revisions to AG 49-A on Feb. 24, 2023.

D. **Bulletins/Consumer Alerts Adopted by Executive (EX) Committee and Plenary**

1. **New: Regulator Resources for Consumers on Personal Lines Pricing and Underwriting**

The Executive (EX) Committee and Plenary adopted *Regulator Resources for Consumers on Personal Lines Pricing and Underwriting*. This document can be used by state departments of insurance to create consumer education bulletins, social media posts, and other consumer facing materials to help consumers better understand their home and auto insurance premiums. The Property and Casualty (C) Committee adopted the document on Dec. 15, 2022.

2. **New: Rate/Rule Filing Checklist**

The Executive (EX) Committee and Plenary adopted the *Rate/Rule Filing Checklist*. State departments of insurance can use the checklist to ensure that their rate/rule filings include all necessary information. The Property and Casualty (C) Committee adopted the checklist on Dec. 15, 2022.

E. **White Papers Adopted by Executive (EX) Committee and Plenary**

The Executive (EX) Committee and Plenary did not adopt any white papers at the 2023 Spring National Meeting.

II. **Actions by Executive (EX) Committee**

A. **Model Law and Regulation Requests Approved for Development by the Executive (EX) Committee**

1. **Amendments to the Property and Casualty Insurance Guaranty Association Model Act (#540)**

The Executive (EX) Committee approved the model law development request to amend the *Property and Casualty Insurance Guaranty Association Model Act (#540)*. The amendments will clarify guaranty fund coverage of cybersecurity insurance. The Financial Condition (E) Committee approved the request on Dec. 15, 2022.
2. Amendments to the *Unfair Trade Practices Act* (#880)

The Executive (EX) Committee approved the model law development request to amend the *Unfair Trade Practices Act* (#880). These amendments aim to provide state insurance regulators with the appropriate regulatory authority over health insurance lead generators and define prohibited practices of health insurance lead generators. The Market Regulation and Consumer Affairs (D) Committee approved the request on Dec. 14, 2022.

### III. Actions by Other Committees, Task Forces and Working Groups

**A. Life Insurance and Annuities (A) Committee**

The Life Insurance and Annuities (A) Committee did not take action on any model laws at the 2023 Spring National Meeting.

**B. Health Insurance and Managed Care (B) Committee**

The Health Insurance and Managed Care (B) Committee did not take action on any model laws at the 2023 Spring National Meeting.

**C. Property and Casualty Insurance (C) Committee**

Amendments to the *Nonadmitted Insurance Model Act* (#870)

The Property and Casualty Insurance (C) Committee adopted amendments to the *Nonadmitted Insurance Model Act* (#870). The revisions are intended to conform Model #870 to the federal Nonadmitted and Reinsurance Reform Act of 2010 (NRRA), which was part of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The Executive (EX) Committee approved the model law development request for these amendments at the 2021 Spring National Meeting.

**D. Market Regulation and Consumer Affairs (D) Committee**

The Market Regulation and Consumer Affairs (D) Committee did not take action on any model laws at the 2023 Spring National Meeting.

**E. Financial Condition (E) Committee**

The Financial Condition (E) Committee granted a request for extension of time to the Mortgage Guaranty Insurance (E) Working Group to continue drafting amendments to the *Mortgage Guaranty Insurance Model Act* (#630). The Working Group’s goal is to construct a counter-cyclical model similar to risk-based capital. The Executive (EX) Committee approved the model law development request for these amendments at the 2013 Summer National Meeting.
F. **Innovation, Cybersecurity, and Technology (H) Committee**

The Innovation, Cybersecurity, and Technology (H) Committee did not take action on any model laws at the 2023 Spring National Meeting.