

**PROCEDURES OF THE FINANCIAL ANALYSIS SOLVENCY TOOLS (E) WORKING GROUP IN CONNECTION WITH
PROPOSED AMENDMENTS TO THE *FINANCIAL ANALYSIS HANDBOOK***

The following establishes procedures of the Financial Analysis Solvency Tools (E) Working Group (“the Working Group”) for proposed changes, amendments and/or modifications to the NAIC *Financial Analysis Handbook* (“the Handbook”).

1. The Working Group may consider relevant proposals to change the Handbook at any conference call, interim or national meeting (“the meeting”) throughout the year as scheduled by the Working Group.
2. If a proposal for suggested changes, amendments and/or modifications is submitted to, or filed with, NAIC staff support it may be considered at the next regularly scheduled meeting of the Working Group.
3. The Working Group publishes a formal submission form and instructions that can be used to submit proposals and is available on the Group’s webpage. However, proposals may also be submitted in an alternate format provided that they are stated in a concise and complete format. In addition, if another NAIC committee, task force or working group is known to have considered this proposal, that committee, task force or working group should provide any relevant information.
4. Any proposal that would change the Handbook will be effective for analysis conducted in the year following the NAIC Fall National Meeting (i.e. of the preceding year) in which it was adopted (e.g., a change proposed to be effective January 1, 2019 must be adopted no later than the 2018 Fall National Meeting).
5. Upon receipt of a proposal, the Working Group will review the proposal at the next scheduled meeting and determine whether to consider the proposal for public comment. The public comment period shall be thirty days unless extended by the Working Group. The Working Group will consider comments received on each proposal at its next meeting and take action. Proposals under consideration may be deferred by the Working Group until the following scheduled meeting. The Working Group may form an ad hoc group to study the proposal, if needed. The Working Group may also refer proposals to other NAIC committees for technical expertise or review. If a proposal has been referred to another NAIC committee, the proposal will come off the Working Group’s agenda until a response has been received.
6. NAIC staff support will prepare an agenda inclusive of all proposed changes. The agenda and relevant materials shall be sent via e-mail to each member of the Working Group, interested regulators and interested parties and posted to the Working Group’s webpage approximately 5-10 business days prior to the next regularly scheduled meeting during which the proposal would be considered.
7. In rare instances, or where emergency action may be required, suggested changes and amendments can be considered as an exception to the above stated process and timeline based on a two-thirds majority consent of the Working Group members present.
8. NAIC staff support will publish the Handbook on or about February 1 each year. NAIC staff will post to the NAIC Publications Web site any material subsequent corrections to these publications.