

NAIC 2020 Budget

Reconciliation of Revenue/Expense Changes to the 2020 Budget

| | <u>Revenue</u> | <u>Investment Income</u> | <u>Expense</u> | <u>Revenues Over/ (Under) Expenses</u> |
|---|----------------------|------------------------------|----------------------|--|
| 2020 Budget as approved by the Executive (EX) Committee on November 18, 2019 | \$114,463,088 | \$3,153,072 | \$124,499,330 | (\$6,883,170) |
| Amendments: | | | | |
| ⁽¹⁾ SERFF Business and Technical Assessment | | | 324,500 | (324,500) |
| ⁽²⁾ Principle-Based Reserving Yearly Renewable Term Reinsurance Study | | | 165,550 | (165,550) |
| ⁽³⁾ Long-Term Care Information Data Call | | | 110,000 | (110,000) |
| ⁽⁴⁾ SERFF Filing Review Tools Pilot | 43,000 | | 159,750 | (116,750) |
| ⁽⁵⁾ Economic Scenario Generator (ESG) | | | 41,364 | (41,364) |
| Revised NAIC 2020 Budget as presented for adoption at the NAIC 2019 Fall National Meeting | <u>\$114,506,088</u> | <u>\$3,153,072</u> | <u>\$125,300,494</u> | <u>(\$7,641,334)</u> |

Notes:

- ⁽¹⁾ On October 7, 2019, the NAIC Executive (EX) Committee approved the release of a request for proposal (RFP) to identify a firm to conduct a business and technical assessment of the NAIC's System for Electronic Rate and Form Filing (SERFF). The selection of the firm and cost of the assessment was approved on December 7, 2019.
- ⁽²⁾ On December 6, 2019, the NAIC Executive (EX) Committee approved the release of a request for proposal (RFP) to conduct a field test, which is intended to deliver data summarizing potential solutions to enable the Life Actuarial (A) Task Force to adopt a permanent interpretation regarding the modeling of yearly renewable term (YRT) reinsurance. The fiscal was approved on January 10, 2020.
- ⁽³⁾ On January 10, 2020, the NAIC Executive (EX) Committee approved the release of a fiscal for public comment. This fiscal is to conduct a long-term care data call to gather information on the existence and degree of cross-state subsidization on different approaches when considering rate increases in each state. The fiscal was approved on February 13, 2020.
- ⁽⁴⁾ On February 13, 2020, the NAIC Executive (EX) Committee approved the SERFF Filing Review Tools Pilot fiscal to fund a three-year pilot project with the Texas Department of Insurance to provide add on capabilities for SERFF.
- ⁽⁵⁾ On September 30, 2020, the NAIC Executive (EX) Committee approved the Economic Scenario Generator (ESG) fiscal to engage a consultant to provide, maintain, and support an ESG producing real-world interest and equity scenarios to be prescribed for use in calculations of life and annuity statutory reserves according to the *Valuations Manual*.