

August 22, 2019

Via Electronic Delivery

Commissioner David Altmaier
Florida Office of Insurance Regulation
J. Edwin Larson Building
200 E. Gaines Street, Room 101A
Tallahassee, Florida 32399

Attention: Dan Daveline

Re: Confidentiality of GCC Results

Commissioner Altmaier:

The issue of confidentiality protection of the group capital calculation (“GCC”) has been presented for discussion by the Group Capital Calculation Working Group (the “Working Group”). Arriving at the appropriate answer to this question is integral to regulators receiving high quality information from insurance groups. As continued supporters of the NAIC’s development of a robust capital calculation, we appreciate the opportunity to comment on this issue. An appropriately designed GCC that promotes comparable and consistent approaches across companies will be a useful supervisory tool to assist lead states in analyzing the financial condition of insurance groups by complementing entity-based solvency requirements. While the issue of appropriate confidentiality should be considered with any new supervisory tool, a narrow or premature focus on confidentiality could distract from resolution of all the other important issues that need to be addressed to develop a credible capital standard. Confidentiality must be approached and sequenced within the broader development process, taking into consideration a variety of interdependent issues, including the supervisory purpose, the relationship to existing regulatory tools, the statute or regulation under which the filings would be made (i.e., the regulatory filing mechanism) and how confidentiality is provided within statutes or regulations.

We have reviewed the draft memorandum from the Working Group to the Group Solvency Issues Working Group (“GSIWG”), including its recommendation that the *Insurance Holding Company System Regulatory Act* (#440) be revised to incorporate appropriate confidentiality protections for the GCC. The memorandum alludes to other key decisions that remain with respect to the GCC, including several with respect to the filing mechanism. We believe that a determination as to the appropriate filing mechanism is a critical pre-condition that should be discussed and agreed upon before language regarding confidentiality can be developed. Different confidentiality considerations may apply depending on the regulatory framework that is ultimately chosen to facilitate filing of the GCC with regulators.

When the Working Group discusses the appropriate level of confidentiality protections, we would respectfully suggest that it consider the appropriate level of confidentiality for the results of a regulatory tool that provides insight into group-level risk, and how that should differ, if at all, from the confidentiality applied to other information provided under the Holding Company Act. One of the advantages of the GCC over consolidated group capital methods is that it aggregates existing entity-level RBC results, with appropriate adjustments, in a straightforward and transparent manner. The resulting GCC will be, as members of the Working Group have noted, another tool in the regulatory toolbox that assists with group-wide surveillance and solvency regulation. We view these considerations as more relevant to the determination of an appropriate degree of confidentiality than speculation as to whether and how the results will differ from a legal-entity view.

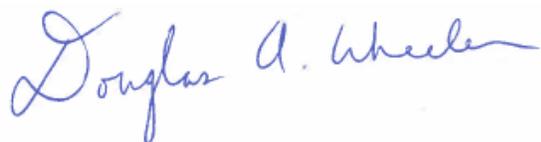
We understand that the Working Group may be concerned with ratings agencies seeking to access GCC results. Even if the Working Group were to draft confidentiality protections that would prevent groups from sharing their GCC results with ratings agencies, we would still expect that those agencies could conduct their own calculations that would approximate the GCC's results or provide a similar group-level perspective on capital.

Our companies will be pleased to provide further input into this process as the Working Group completes the work necessary to establish a robust GCC, including resolving important issues such as the appropriate degree of confidentiality, as well as the related and equally important issue of the filing mechanism for GCC results.

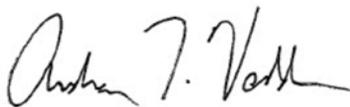
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We are grateful for your time and attention to our comments. If you would like to discuss this letter with us, please let us know.

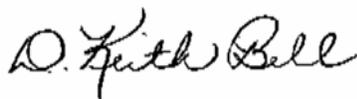
Sincerely,

Handwritten signature of Douglas A. Wheeler in blue ink.

Douglas A. Wheeler
Senior Vice President
Office of Governmental Affairs
New York Life Insurance Company

Handwritten signature of Andrew T. Vedder in black ink.

Andrew T. Vedder
Vice President
Solvency Policy & Risk Management
The Northwestern Mutual Life Insurance Company

Handwritten signature of D. Keith Bell in black ink.

D. Keith Bell
Senior Vice President
Corporate Finance
The Travelers Companies, Inc.