

**PROCEDURES OF THE FINANCIAL CONDITION (E) COMMITTEE'S  
GROUP CAPITAL CALCULATION WORKING GROUP IN CONNECTION WITH PROPOSED  
AMENDMENTS  
TO GCC TEMPLATE AND INSTRUCTIONS**

The following establishes procedures and rules of the Financial Condition (E) Committee's Group Capital Calculation Working Group with respect to proposed amendments to the NAIC GCC Template and Instructions.

1. The Working Group may consider relevant proposals to change the GCC Template and Instructions at the national meeting or designated interim meeting as scheduled by the Working Group.
2. All proposals for suggested changes and amendments shall use NAIC Proposal Forms and shall be stated in a concise and complete manner and include the appropriate blank and instruction modifications. The Proposal Form and its instructions are available online under related documents and resources at [https://content.naic.org/cmte\\_e\\_grp\\_capital\\_wg.htm](https://content.naic.org/cmte_e_grp_capital_wg.htm) and should be emailed to the appropriate NAIC staff support.

The following guidelines apply:

- Any proposal that affects the GCC Template must be exposed by the Working Group by January 31 of the effective year of the change and adopted by the Working Group no later than April 30 of the effective year of the change.
- Any proposal that only affects the instructions or factors must be exposed by the Working Group by April 30 and adopted by the Working Group by June 30 of the current year.
- The Working Group may extend the June 30<sup>th</sup> adoption deadline for previously considered proposals regarding instructions or factors upon a super majority (two-thirds) consent of the Working Group members present where such extension can be no later than July 30<sup>th</sup> of the current year. This would be considered only in rare circumstances where urgency of such adoption is high.

An illustration of the proposed change to the GCC Template and Instructions should accompany the Proposal Form.

The Working Group will review the proposal and determine whether to receive the proposal and expose for public comment (initial exposure of at least 30-days) or whether to reject the proposal. The comment period ends at least 10 days prior to the next designated national or interim meeting of the Working Group. The Working Group will consider comments received on each proposal at its next meeting. Proposals under consideration may be deferred by the Working Group if there is general consensus among members that the proposal has merit but warrants additional work or input. However, the Working Group will limit the number of deferrals to two. The proposal must be acted upon by the third meeting, and absent action, the proposal is deemed to have been rejected and will be removed from the agenda. The Working Group may also refer proposals to other NAIC groups due to their technical expertise or for additional review. If a proposal has been referred to another NAIC group, it will be considered again in the form of a modified or new proposal after comments/recommendations are received.

3. Proposals filed with the appropriate NAIC staff support shall be considered at the next regularly scheduled meeting of the Working Group if the proposal is filed at least twenty days prior to the meeting. Items filed less than twenty days prior to a regularly scheduled meeting will be considered at the following regularly scheduled meeting.
4. The NAIC staff support shall prepare an agenda of all suggested proposals. The agenda will be posted one week prior to the scheduled meeting.
5. At each meeting, the Working Group will review comments that were received by the comment exposure due date for suggested proposals.
6. NAIC staff support will present to the Working Group a list of necessary non-substantive changes discovered in the process of implementing proposals, e.g., reference changes due to new SSAPs or required changes discovered in the process of implementing proposals. The Working Group will review these changes and may adopt the appropriate items at any regularly scheduled meeting. Such actions will be documented in the minutes of the Working Group. NAIC staff support may also request that the Working Group reconsider items adopted, if these items contain substantial errors.
7. The Working Group may, when deemed necessary, appoint an Ad Hoc Drafting Group to study proposals and/or certain issues.
8. The NAIC will publish each agenda approximately one week prior to each interim or national meeting (including proposals received for comment and comments received) on the NAIC Web site.

9. The NAIC will retain all current and subsequent adopted proposals on the Working Group website up to the publication date of November 1 for current and subsequent years.
10. The NAIC will publish the GCC Template and Instructions for the next subsequent year on, or about November 1 each year. NAIC staff support will post to the NAIC Web site any subsequent corrections to these publications.

## **Group Capital (E) Working Group**

### **GCC Proposal Form**

1. Complete this form for EACH proposal to modify GCC documents.
2. Under "Identification of Sources and Form(s)/Instructions to Change", mark all appropriate boxes for the forms or instructions that apply.
3. Under "Description of Changes", state in specific terms the changes to be made for this proposal. Include the line(s) to be changed, as well as the Page number(s), and the Paragraph or Item number(s), or other identification and specific reference to items to be changed.
4. Under "Reason or Justification for Change", state in specific terms the enhancement to the GCC to be derived from this proposal.
5. All attachments should be presented in Word and/or Excel format wherein new language is underscored and deletions struck through.
6. Original forms, etc., are available from NAIC staff support for the GCC Working Group.
7. All Submission Forms and Attachments must be Typed and Submitted electronically directly to the NAIC staff support.

## Group Capital (E) Working Group

<p style="text-align: right;"><b>DATE:</b> _____</p> <p><b>CONTACT PERSON:</b> _____</p> <p><b>TELEPHONE:</b> _____</p> <p><b>EMAIL ADDRESS:</b> _____</p> <p><b>ON BEHALF OF:</b> _____</p> <p><b>NAME:</b> _____</p> <p><b>TITLE:</b> _____</p> <p><b>AFFILIATION:</b> _____</p> <p><b>ADDRESS:</b> _____</p> <p>_____</p>	<p style="text-align: center;"><b><u>FOR NAIC USE ONLY</u></b></p> <hr/> <p>Agenda Item # _____</p> <p>Year _____</p> <hr/> <p style="text-align: center;"><b><u>DISPOSITION</u></b></p> <p>[ <input type="checkbox"/> ] ADOPTED _____</p> <p>[ <input type="checkbox"/> ] REJECTED _____</p> <p>[ <input type="checkbox"/> ] DEFERRED TO _____</p> <p>[ <input type="checkbox"/> ] REFERRED TO OTHER NAIC GROUP _____</p> <p>[ <input type="checkbox"/> ] EXPOSED _____</p> <p>[ <input type="checkbox"/> ] OTHER (SPECIFY) _____</p>
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### IDENTIFICATION OF SOURCE AND FORM(S)/INSTRUCTIONS TO BE CHANGED

- [  ] GCC Template
- [  ] GCC Instruction

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### DESCRIPTION OF CHANGE(S)

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### REASON OR JUSTIFICATION FOR CHANGE \*\*

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### Additional Staff Comments:

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\*\* This section must be completed on all forms.

Revised 7-2021