EXECUTIVE (EX) COMMITTEE AND PLENARY

Draft Pending Adoption

Draft: 8/28/24

Executive (EX) Committee and Plenary
Chicago, Illinois
August 15, 2024

The Executive (EX) Committee and Plenary met in Chicago, IL, Aug. 15, 2024. The following Committee and Plenary members participated: Andrew N. Mais, Chair (CT); Jon Godfread, Vice Chair, represented by John Arnold (ND); Scott A. White, Vice President (VA); Elizabeth Kelleher Dwyer, Secretary-Treasurer (RI); Chlora Lindley-Myers, Most Recent Past President (MO); Lori K. Wing-Heier (AK); Mark Fowler (AL); Alan McClain (AR); Barbara D. Richardson (AZ); Ricardo Lara represented by Lucy Wang (CA); Michael Conway (CO); Karima M. Woods represented by Sharon Shipp (DC); Trinidad Navarro (DE); Michael Yaworsky (FL); John F. King (GA); Gordon I. Ito (HI); Doug Ommen (IA); Dean L. Cameron (ID); Ann Gillespie (IL); Amy L. Beard represented by Victoria Hastings (IN); Vicki Schmidt (KS); Sharon P. Clark (KY); Timothy J. Temple represented by Chris Cerniauskas (LA); Kevin P. Beagan (MA); Joy Y. Hatchette (MD); Robert L. Carey (ME); Anita G. Fox (MI); Grace Arnold (MN); Mike Chaney represented by Andy Case (MS); Troy Downing (MT); Mike Causey represented by Jackie Obusek (NC); Eric Dunning (NE); Justin Zimmerman (NJ); Alice T. Kane (NM); Scott Kipper (NV); Adrienne A. Harris represented by Bhavna Agnihotri (NY); Judith L. French represented by Whitney Fitch (OH); Glen Mulready (OK); Andrew R. Stolfi (OR); Michael Humphreys represented by Shannen Logue (PA); Michael Wise (SC); Larry D. Deiter (SD); Carter Lawrence represented by Toby Compton (TN); Cassie Brown (TX); Tregenza A. Roach (VI); Kevin Gaffney (VT); Mike Kreidler represented by Charles Malone (WA); Nathan Houdek (WI); Allan L. McVey (WV); and Jeff Rude (WY).

1. Received the Report of the Executive (EX) Committee

Commissioner Mais reported that the Executive (EX) Committee met Aug. 14 and adopted the Aug. 13 report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee.

The Committee adopted its June 25 and April 4 meeting reports.

The Committee adopted the reports of its Task Forces: 1) Climate and Resiliency (EX) Task Force; 2) Government Relations (EX) Leadership Council; and 3) Special (EX) Committee on Race and Insurance.

The Committee adopted revisions to the NAIC Consumer Participation Plan of Operation.

The Committee received a status report on model law development efforts for amendments to the: 1) *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171); 2) *Public Adjuster Licensing Model Act* (#228); and 3) *Privacy of Consumer Financial and Health Information Regulation* (#672).

The Committee also heard reports from the National Insurance Producer Registry (NIPR) and the Interstate Insurance Product Regulation Commission (Compact).

2. Adopted by Consent the Committee, Subcommittee, and Task Force Minutes of the Spring National Meeting

Director Lindley-Myers made a motion, seconded by Director Cameron, to adopt by consent the committee, subcommittee, and task force minutes of the Spring National Meeting. The motion passed unanimously.

3. Received the Report of the Life Insurance and Annuities (A) Committee

Commissioner Ommen reported that the Life Insurance and Annuities (A) Committee met Aug. 14. During this meeting, the Committee: 1) adopted its July 15 minutes; 2) adopted its Spring National Meeting minutes; 3) adopted the report of the Accelerated Underwriting (A) Working Group, including its interim meeting minutes and the *Accelerated Underwriting in Life Insurance Regulatory Guidance and Considerations* and *Market Regulation Handbook* referral to the Market Conduct Examination Guidelines (D) Working Group; and 4) adopted the 2025 revisions to the *Valuation Manual*.

The Committee also: 1) adopted the report of the Life Actuarial (A) Task Force; 2) heard a federal update; and 3) heard presentations from Securian Financial and Athene on illustrations.

The Committee received an update from the Special (EX) Committee on Race and Insurance's Life Workstream, which included its adoption of the *Financial Wellness Resource Guide* and endorsement of a mandatory financial education course as a prerequisite to high school graduation. The Workstream also exposed a draft survey of life insurers' use of criminal history in underwriting for a 30-day public comment period ending Sept. 5.

4. Adopted the Amendments to the 2025 *Valuation Manual*

Commissioner Ommen reported that the amendments to the 2025 *Valuation Manual* include 13 amendments adopted by the Life Insurance and Annuities (A) Committee during its July 15 meeting and one amendment adopted by the Health Insurance and Managed Care (B) Committee during its June 13 meeting.

Several of the amendments clarify, correct, or update existing requirements. However, some of the amendments were substantive, including: 1) amendment 2023-12, which is based on findings from the review of *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53) filings and explicitly requires reflection of equity return volatility in cash-flow testing; 2) amendment 2023-13, which adds explicit requirements for international mortality to principle-based reserving for life products; and 3) amendment 2024-01, which requires the qualified actuary for principle-based reserving to meet the American Academy of Actuaries (Academy) Specific Qualification Standard with respect to their opining areas.

Commissioner Ommen made a motion, seconded by Director Wing-Heier, to adopt the amendments to the 2025 *Valuation Manual* (Attachment One). The motion was adopted by 50 jurisdictions, representing 97.81% of the applicable premiums written. Commissioner Mais confirmed that the vote satisfied the requirements to amend the *Valuation Manual*.

5. Received the Report of the Health Insurance and Managed Care (B) Committee

Director Fox reported that the Health Insurance and Managed Care (B) Committee met Aug. 15. During this meeting, the Committee adopted its Spring National Meeting minutes.

The Committee also adopted its July 26 minutes. During this meeting, the Committee: 1) adopted the Regulatory Framework (B) Task Force's revised 2024 charges, including revisions to the 2024 charges for the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup.

The Committee adopted its June 13 minutes. During this meeting, the Committee: 1) adopted revisions to *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51); 2) adopted revisions to Valuation Manual (VM)-26, Section 3B—Contract Reserves for Credit Disability Insurance; 3) adopted the Health Actuarial (B) Task Force's revised 2024 charges; 4) discussed the Health Actuarial (B) Task Force's findings on how possible changes to the cost-sharing reduction (CSR) subsidy, including changes to silver loading, could impact plan options and costs to consumers; and 5) heard a presentation from the Center for Insurance Policy and Research (CIPR) on findings from a case study that CIPR completed as part of its Network Adequacy Project: Compensation of Travel Costs for In-Network Care in Mississippi.

The Committee adopted its subgroup, working group and task force reports and their interim meeting minutes.

The Committee heard a federal update on various issues of interest to the Committee, including recent court cases such as the *Loper Bright* case and the *Braidwood* case.

The Committee heard a presentation from the consumer perspective on recent state activity related to the prior authorization process, including potential improvements to the process for the benefit of consumers and providers. The presenters also discussed recent federal activity on this issue, which states could use as a guide to inform their future activities. Additionally, the presenters discussed potential next steps, such as: 1) charging the Consumer Information (B) Subgroup with modifying and using the Subgroup's new consumer prior authorization guide to educate consumers; 2) forming a new working group to share information and work on implementation, best practices, and enforcement; and 3) partnering with the Innovation, Cybersecurity, and Technology (H) Committee on the use of artificial intelligence (AI) in the prior authorization process.

The Committee heard presentations from the Center on Health Insurance Reforms (CHIR) and America's Health Insurance Plans (AHIP) on health cost transparency. The CHIR presentation focused on state-level options to improve transparency in coverage (TiC) data collected as a result of the federal TiC requirements. The AHIP presentation provided an overview of the federal TiC requirements, including an implementation timeline. In addition, AHIP discussed actions states can take to address this issue, such as: 1) prioritizing solutions that provide direct consumer value; 2) considering approaches to expand consumer awareness and education tools; and 3) avoiding single-state solutions.

The Committee heard an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO) on recent activities of interest to the Committee, including steps CCIIO can take to address consumer complaints regarding agents making unauthorized plan switches.

The Committee also reported on the progress of the Committee member priorities identified at the beginning of the year and the priorities that will be addressed during future Committee meetings.

6. <u>Adopted the Amendments to Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves (AG 51)</u>

Director Fox reported that revisions to AG 51 are the result of the work of the Health Test Ad Hoc Group of the Health Risk-Based Capital (E) Working Group.

The Ad Hoc Group reviewed the health test language within the *Annual Statement Instructions* due to inconsistencies in the reporting of health business across different blanks, as well as a significant amount of health business being reported on the life and fraternal blank.

Through its evaluation and discussion of changes to the health test, a question was raised regarding whether an entity would still be required to comply with the AG 51 requirements for long-term care insurance business if it moved from the life blank to the health blank.

To address the issue, the Long-Term Care Actuarial (B) Working Group revised AG 51 to clarify that regardless of the blank the entity files, AG 51 filing is required by the entity if the criteria stated in the guideline are met.

The Health Actuarial (B) Task Force adopted the amendment on Feb. 20. The Long-Term Care Insurance (B) Task Force adopted the amendment on March 16. The Health Insurance and Managed Care (B) Committee adopted the amendment on June 13.

Director Fox made a motion, seconded by Director Lindley-Myers, to adopt the amendments to AG 51 (Attachment Two). The motion passed unanimously.

7. Received the Report of the Property and Casualty Insurance (C) Committee

Commissioner McClain reported that the Property and Casualty Insurance (C) Committee met Aug. 15. During this meeting, the Committee adopted its Spring National Meeting minutes.

The Committee adopted its Task Force and Working Group reports, including: the Casualty Actuarial and Statistical (C) Task Force; the Surplus Lines (C) Task Force; the Title Insurance (C) Task Force; the Workers' Compensation (C) Task Force; the Cannabis Insurance (C) Working Group; the Catastrophe Insurance (C) Working Group; the Terrorism Insurance Implementation (C) Working Group; and the Transparency and Readability of Consumer Information (C) Working Group.

The Committee also: 1) heard a federal update related to property/casualty (P/C) insurance issues; 2) heard an update on the state regulator Property and Casualty Market Intelligence (PCMI) data call; and 3) heard a presentation on the state of the P/C insurance market, particularly challenges faced by insurance companies in homeowners insurance markets.

8. Received the Report of the Market Regulation and Consumer Affairs (D) Committee

Commissioner Navarro reported the Market Regulation and Consumer Affairs (D) Committee met on Aug. 15 and adopted its Spring National Meeting minutes.

The Committee also adopted its July 29 minutes, which included the following action: 1) adopted a revised charge for the Market Actions (D) Working Group to "facilitate interstate communication and coordinate collaborative state regulatory activities involving non-traditional market actions through the Coordinated Market Investigation Subgroup"; 2) adopted a revision to the Life and Annuity Market Conduct Annual Statement (MCAS) blank to reflect the language in the NAIC'S *Life Insurance and Annuities Replacement Model Regulation* (#613). The revision clarifies that replacements of policies and contracts of affiliated companies are internal replacements; and 3) adopted a requirement for fraternal organizations to report MCAS annually to participating MCAS jurisdictions.

The Committee heard a presentation by the Automotive Education and Policy Institute (AEPI) on insurer automobile claim adjusting practices.

The Committee adopted its Task Force and Working Group reports, including: the Antifraud (D) Task Force; the Market Information Systems (D) Task Force; the Producer Licensing (D) Task Force; the Market Analysis Procedures (D) Working Group; the Market Conduct Annual Statement Blanks (D) Working Group; the Market Conduct Examination Guidelines (D) Working Group; the Market Regulation Certification (D) Working Group; and the Speed to Market (D) Working Group.

Commissioner Navarro also noted that the Antifraud (D) Task Force is developing a Consumer Agent Broker Search Tool, which will be a free, web-based service for consumers to verify whether an agent is licensed in their state and the types of insurance products the agent is authorized to sell.

9. <u>Received the Report of the Financial Condition (E) Committee</u>

Commissioner Houdek reported the Financial Condition (E) Committee met Aug. 15. During this meeting, the Committee adopted its Aug. 2 and June 12 minutes, which included the following action: 1) discussed risk-based capital (RBC) proposal 2023-17-CR; 2) exposed RBC proposal 2024-20-CR for a public comment period for 48 days that ended July 30; and 3) adopted RBC proposal 2024-20-CR MOD.

The Committee also adopted its Spring National Meeting minutes.

The Committee adopted the reports of its Task Forces and Working Groups, including: the Accounting Practices and Procedures (E) Task Force; the Capital Adequacy (E) Task Force; the Examination Oversight (E) Task Force; the Financial Stability (E) Task Force; the Receivership and Insolvency (E) Task Force; the Reinsurance (E) Task Force; the Risk Retention Group (E) Task Force; the Risk-Focused Surveillance (E) Working Group; and the National Treatment and Coordination (E) Working Group. The Committee also adopted the report of the Valuation of Securities (E) Task Force, except for the action taken by the Task Force on its Securities Valuation Office (SVO) discretion proposal, which the Committee plans to consider during a future meeting.

The Committee also received status reports from: 1) the Risk-Based Capital Investment Risk and Evaluation (E) Working Group and 2) the Valuation of Securities (E) Task Force.

The Committee exposed a draft request for proposal (RFP) for assistance with the due diligence process of rating agencies for a 60-day public comment period ending Oct. 14.

The Committee also received an update on a revised draft of its proposed *Framework for Regulation of Insurer Investments – A Holistic Review* and related documents, including an updated work plan.

The Committee heard a federal update from NAIC staff on Basel III.

The Committee also heard a presentation from BlackRock on commercial mortgages.

Note: Items adopted within the Financial Condition (E) Committee's Task Force and Working Group reports that are considered technical, noncontroversial, and not significant by NAIC standards—i.e., they do not include model laws, model regulations, model guidelines, or items considered to be controversial—will be considered for adoption by the Executive (EX) Committee and Plenary through the Financial Condition (E) Committee's technical changes report process. Pursuant to this process, which was adopted by the NAIC in 2009, a listing of the various technical changes will be sent to NAIC Members shortly after completion of the national meeting, and the Members will have 10 days to comment with respect to those items. If no objections are received with respect to a particular item, the technical changes will be considered adopted by the NAIC membership and effective immediately.

10. <u>Adopted the Risk-Based Capital (RBC) Disclosure on Climate</u>

Commissioner Houdek reported that the Risk-Based Capital (RBC) Disclosure on Climate captures confidential analytical information that can be used by a state regulator to help initiate conversations with companies regarding their exposure to hurricane and wildfire risk. Commissioner Houdek noted that the changes to the 2024 RBC formula do not impact the RBC calculation or the amount of capital that companies are required to hold.

The work on this proposal started in fall 2023 with a referral from the Solvency Workstream of the Climate and Resiliency (EX) Task Force to the Catastrophe Risk (E) Subgroup.

The proposal provides companies with three options to calculate their potential exposure to these perils given recent trends and future projected impacts.

One option allows companies to develop the estimate by using existing catastrophe (CAT) models and adjusting the frequency of future CAT events based upon current and expected future trends. This option helps to reduce the cost of complying with this disclosure and can be performed quickly.

Another option allows companies to use their own internal models or develop estimates with the assistance of a reinsurance broker. Costs for this approach are expected to be minimal.

This disclosure will automatically sunset in three years unless regulators decide to continue to require the disclosure.

Commissioner Houdek made a motion, seconded by Commissioner Lara, to adopt the RBC Disclosure on Climate (Attachment Three).

Commissioner Yaworsky stated that Florida would be voting no because Florida does not understand why this information is being collected, feels the process was rushed, and would have preferred that the item be referred back to the Climate and Resiliency (EX) Task Force.

The motion passed. Alabama, Alaska, Florida, Georgia, Idaho, Kansas, Louisiana, Montana, Nebraska, North Carolina, South Carolina, Tennessee, and West Virginia voted no. Indiana abstained.

11. <u>Received the Report of the Financial Regulation Standards and Accreditation (F) Committee</u>

Director Wing-Heier reported that the Financial Regulation Standards and Accreditation (F) Committee met Aug. 13. During this meeting, the Committee reported that it met Aug. 12 in regulator-to-regulator session, pursuant to paragraph 7 (consideration of individual state insurance department's compliance with NAIC financial regulation standards) of the NAIC Policy Statement on Open Meetings, and took the following action: 1) discussed state-specific accreditation issues and 2) voted to award continued accreditation to the insurance departments of Florida, Georgia, Montana, Pennsylvania, and Utah.

The Committee also adopted its Spring National Meeting minutes.

The Committee adopted a clarification to the record that the significant elements of the holding company accreditation standard, which have an effective date of Jan. 1, 2026, apply differently for risk retention groups (RRGs). Specifically, RRGs are subject to the group capital calculation (GCC) element but not the liquidity stress test (LST) element.

The Committee adopted a recommendation from the Receivership and Insolvency (E) Task Force that the 2023 revisions to the *Property and Casualty Insurance Guaranty Association Model Act* (#540) be acceptable for accreditation but not required. The amendments are to: 1) preserve guaranty fund coverage for policyholders subject to restructuring mechanisms and 2) clarify guaranty fund coverage of cybersecurity insurance.

12. <u>Received the Report of the International Insurance Relations (G) Committee</u>

Director Dunning reported that the International Insurance Relations (G) Committee met Aug. 13. During this meeting, the Committee adopted its June 11 minutes, which included the following action: approved NAIC comments on the following International Association of Insurance Supervisors (IAIS) public consultations: a) draft revisions to supervisory material related to the Holistic Framework; b) proposed changes to reflect climate risk in selected Insurance Core Principle (ICP) guidance and supporting material; and c) a draft application paper on supervising diversity, equity, and inclusion (DE&I)—the governance, risk management, and culture perspective.

The Committee also adopted its Spring National Meeting minutes.

The Committee facilitated a discussion on international activities related to resolution and recovery, which included remarks from the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA).

The Committee heard an update on the IAIS' recent activities, including its recent committee meetings and publications, as well as the status of the comparability assessment of the insurance capital standard and the aggregation method.

The Committee heard an update on international activities, including: 1) recent meetings, events, and speaking engagements with international insurance regulators; 2) bilateral meetings with certain jurisdictions; and 3) ongoing developments at the Organisation for Economic Co-operation and Development (OECD) and the Sustainable Insurance Forum (SIF).

13. Received the Report of the Innovation, Cybersecurity, and Technology (H) Committee

Commissioner Gaffney reported that the Innovation, Cybersecurity, and Technology (H) Committee met Aug. 15. During this meeting, the Committee took the following action: 1) adopted its June 28 minutes and 2) adopted the reports of its Task Force and Working Groups.

The Committee also: 1) heard a presentation from Paige Waters (Locke Lord) on federal regulatory actions regarding the use of AI; 2) heard a presentation from Dale Hall (Society of Actuaries—SOA) on National Institute of Standards and Technology (NIST) AI Safety Institute Consortium (AISIC) efforts to develop a framework for governing AI; and 3) heard a presentation from Dorothy Andrews (NAIC) on International Actuarial Association (IAA) efforts to survey global AI governance frameworks.

14. Received a Report on the States' Implementation of NAIC-Adopted Model Laws and Regulations

Commissioner Mais referred attendees to the written report for updates on states' implementation of NAIC-adopted model laws and regulations (Attachment Four).

Having no further business, the Executive (EX) Committee and Plenary adjourned.

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Life VM Amendment	Valuation Manual Reference	Valuation Manual Amendment Proposal Descriptions	LATF Adoption Date
2023-08	VM- 20 Section 7.D.7, VM-30 Section 3.B.5	Clarifies the allocation of negative interest maintenance reserves (IMR) for VM-20 and VM-30 and that non-admitted IMR is excluded from the allocation.	8/31/2023
2023-09	VM-20 Section 9.C.2.h	This amendment requires companies to apply historical mortality improvement rates, which may be negative.	10/5/2023
2023-11	VM-20 Section 8.C.17 and VM-21 Section 1.C.3	This amendment proposes removal of references to risk-based capital (RBC) in VM-20 and VM-21 that are inconsistent with the purpose, scope, and intended use of RBC to be consistent with improvements made in related sections of the VM-22 draft.	1/25/2024
2023-12	VM-01 and VM-30 Section 3.B	This amendment clarifies expectations on the reflection of equity return volatility in VM-30 cash-flow testing.	2/29/2024
2024-01	VM-01 "Qualified Actuary"	Model 820 specifically calls out a qualified actuary as a person “who meets the requirements specified in the valuation manual.” This amendment adds the requirement that "A qualified actuary must meet the specific qualification standard for providing a NAIC Annual Statement Opinion".	4/25/2024
2024-02	VM-G Governance in PBR Actuarial Report, VM-31 Section 3.C.7 and Sections 3.C.8 - 3.C.11, VM-31 Section 3.B.6	This amendment clarifies that documentation on VM-G applies to all products subject to principle-based reserves (PBR). Currently VM-G documentation is only required in the Life PBR Actuarial Report.	2/29/2024
2024-04	VM-20 Section 9.D.5	This amendment updates the industry lapse experience table used for minimally funded universal life with secondary guarantee (ULSG) policies to the term-to-100 lapse experience table published by the Canadian Institute of Actuaries in December 2021.	4/25/2024
2024-06	VM-22 Section 3.C.3	This amendment permits companies to elect to consistently determine statutory maximum valuation interest rates for non-jumbo contracts as if they were jumbo contracts, with prior approval of the domiciliary commissioner.	6/6/2024
2024-05	Valuation Manual II, Subsection 3: Deposit-Type Contracts	This amendment allows companies to consistently determine statutory maximum valuation interest rates monthly rather than annually for certain simple deposit-type contracts with prior approval of the domiciliary commissioner.	6/6/2024
2024-09	VM-21 Section 3.A and VM-21 Section 4.B.1	This amendment corrects the order of operations for the pre-tax IMR application in VM-21.	6/6/2024
2023-13	VM-M Sections 1 and 2, VM-31 Section 3.D.3, VM-20 Sections 3.C.1.h, 9.C.3.b and 9.C.3.g	This amendment requires the use of non-U.S. mortality tables for blocks of business issued in foreign countries covering insureds who are not residents of the U.S. These tables must be approved by LATF before being used for reserve purposes. This amendment also adds several annuity tables to VM-M.	6/13/2024
2024-07	VM-21 Section 6.C.2, VM-21 Section 6.C.6, VM-21 Section 6.C.9, VM-21 Section 11.B.3	This amendment makes updates to VM-21 standard projection amount maintenance expense, full surrender, and mortality assumptions.	6/13/2024
2024-08	VM-21 Section 4.B.3	This amendment clarifies the calculation of the Net Asset Earned Rate (NAER) on additional assets, providing additional detail on how the initial additional asset portfolio is constructed and how it is reinvested.	6/13/2024

Health VM Amendment	Valuation Manual Reference	Valuation Manual Amendment Proposal Descriptions	HATF Adoption Date
2024-10	VM-26, Section 3.B	Updates the margins for credit disability insurance reserves based on the Society of Actuaries' "2023 Credit Disability Study Report"	5/13/24

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

MEMORANDUM

TO: Health Insurance and Managed Care (B) Committee

FROM: Long-Term Care Insurance (B) Task Force

DATE: March 16, 2024

RE: Amendment to AG 51

The Health Risk-Based Capital (E) Working Group established the Health Test Ad Hoc Group in 2018 to review the health test language within the Annual Statement Instructions due to inconsistencies in reporting of health business across the different blanks, as well as a significant amount of health business reported on the life and fraternal blank. Through the evaluation and discussion of changes to the health test, there was a question brought up as to whether an entity would still be required to comply with *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51) requirements for long-term care insurance (LTCI) business if the entity moved from the life blank to the health blank.

In consideration of the Health Risk-Based Capital (E) Working Group's request for a sentence to be added to AG 51 to clarify the applicability to insurers filing health blanks, the Long-term Care Actuarial (B) Working Group adopted an amendment to AG 51's scope paragraph (**Attachment A**) on Nov. 20, 2023, that would indicate that regardless of the blank the entity files, AG 51 filing is required by the entity if the criteria stated in the Guideline are met. The Health Actuarial (B) Task Force adopted the amendment on Feb. 20, 2024. The Long-Term Care Insurance (B) Task Force adopted the amendment on March 16, 2024.

The Long-Term Care Insurance (B) Task Force requests the Committee consider adopting the amendment to AG 51.

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Amendment Adopted by:
Long-term Care Actuarial (B) Working Group, Nov. 20, 2023
Health Actuarial (B) Task Force, Feb. 20, 2024
Long-term Care Insurance (B) Task Force, March 16, 2024
Adopted by the Health Insurance and Managed Care (B) Committee, June 13, 2024

Actuarial Guideline LI

THE APPLICATION OF ASSET ADEQUACY TESTING TO LONG-TERM CARE INSURANCE RESERVES

Background

The *Health Insurance Reserves Model Regulation (#010)* and the *NAIC Valuation Manual (VM-25)* contain requirements for the calculation of long-term care insurance (LTC) reserves. Regulators have observed a lack of uniform practice in the implementation of tests of reserve adequacy and reasonableness of LTC reserves. The reserve adequacy testing required by Model #10 and VM-25 does not provide regulators comfort as to the reserve adequacy of companies with material blocks of LTC business. As such, regulators must rely upon asset adequacy analysis required by the NAIC Valuation Manual (*VM-30*) to evaluate the solvency position of companies with sizable blocks of LTC business. This Guideline is intended to provide uniform guidance and clarification of requirements for the appropriate support of certain assumptions for the asset adequacy testing applied to a company's LTC block of contracts. In particular, this Guideline:

(1) Specifies that the appropriate form of asset adequacy analysis may be in the form of a gross premium valuation or in a more robust form, such as cash-flow testing, with Actuarial Standards of Practice providing guidance in this area;

(2) Clarifies the type of adequacy testing methods that must be used for aggregation with other blocks of business to be allowed for asset adequacy analysis purposes;

(3) Requires a uniform approach to supporting acceptable assumptions regarding future LTC premium rate increases;

(4) Provides requirements for documentation of assumptions associated with all key LTC risks; and

(5) Provides requirements for documentation of standalone LTC asset adequacy testing results.

Note: It is anticipated that the requirements contained in this Guideline will be incorporated into the *NAIC Valuation Manual* (VM-30) at a future date, effective for a future valuation year. This Guideline will cease to apply to annual statutory financial statements at the time the corresponding VM-30 requirements become effective.

Text

1. Effective Date

This Guideline shall be effective for reserves reported with the December 31, 2017 and subsequent annual statutory financial statements.

2. Authority

Pursuant to Section 1, paragraph 3, of *VM-30* of the *NAIC Valuation Manual*, the commissioner shall have the authority to specify specific methods of actuarial analysis and actuarial assumptions when, in the commissioner's judgment, these specifications are necessary for an acceptable opinion to be rendered relative to the adequacy of reserves and related items.

3. Scope

This Guideline shall apply to a company with over 10,000 inforce lives covered by long-term care insurance contracts as of the valuation date regardless of which Annual Statement blank (Health, Life/Accident/Health & Fraternal, or Property/Casualty) the company files with its domiciliary state's insurance regulatory authority. All long-term care insurance contracts, whether directly written or assumed through reinsurance are included. Accelerated death benefit products or other combination products where the substantial risk of the product is associated with life insurance or an annuity are not subject to this Guideline.

4. Asset Adequacy Analysis of LTC Business

A. As stated in Actuarial Standard of Practice (ASOP) No. 22, multiple asset adequacy analysis methods, including cash-flow testing and gross premium valuation, are available to actuaries for this analysis.

The method of analysis used for LTC shall conform with ASOP No. 22 in recognition of the typical significant asset- and liability-related risks associated with LTC.

B. Asset adequacy analysis specific to all inforce LTC business, and without consideration of results for other block of business within the company, must be performed for valuations associated with the December 31, 2017 and subsequent annual statutory financial statements. The analysis shall comply with applicable Actuarial Standards of Practice, including standards regarding identification of key risks. Material assumptions associated with the LTC business shall be determined testing moderately adverse deviations in actuarial assumptions.

C. When determining whether additional reserves are necessary:

1. A reserve deficiency in the LTC block may be aggregated with sufficiencies in the company's other blocks of business for the purposes of developing an actuarial opinion, if cash-flow testing is used for both the LTC business and for all significant blocks of non-LTC business within a company. If a reserve deficiency in the LTC block is not offset with sufficiencies in the company's other blocks of business, then additional reserves shall be established as required by section 2.C.2. of *VM-30*.

2. If cash-flow testing is not used for testing of the LTC business, then a reserve deficiency revealed from another method, e.g., a gross premium valuation, utilized for purposes of asset adequacy analysis of the LTC block under this Guideline shall not be offset with sufficiencies in the company's other blocks of business. The additional reserves under this Guideline shall be established based only upon the adequacy of the reserves in the LTC block.

D. When determining the effect of investment returns or the time value of money:

1. In the case where cash-flow testing is used, the company must allocate investment income to the LTC block of business consistently with the way investment income generated by the General Account is managed. If, however, a segment of the

General Account is used to manage the investment risk for LTC business, the investment income generated by assets from that segment should be appropriately represented within the asset adequacy analysis.

2. In the case where a gross premium valuation method is used or asset cash flows are not explicitly modeled, the discount rate used by the actuary must reflect consideration of the yield on current assets held to support the liability as well as future yields on assets purchased with future premium income and reinvestments or anticipated divesture of existing assets.

E. The analysis shall only anticipate premium rate increases based upon a rate increase plan that is documented, is supported by and has been approved by management, is highly likely to be undertaken, and contains rate increase requests and timelines by jurisdiction. The assumptions used in the analysis should reflect a reasonable estimate of regulatory approved amounts and implementation timelines.

5. Documentation Required

The documentation requirements below are to be incorporated as a separate section of the appointed actuary's Actuarial Memorandum required by the *VM-30* or in a special Actuarial Memorandum containing LTC-specific information and shall be submitted to the commissioner of the company's state of domicile. The separate section of the companywide Actuarial Memorandum or the special Actuarial Memorandum shall be available to other state insurance commissioners in which the company is licensed upon request to the company. The confidentiality provisions regarding the Actuarial Memorandum contained in *VM-30* are applicable to the separate section of the Actuarial Memorandum and to the special Memorandum.

A. Results of the asset adequacy analysis of the LTC business shall be reported and documented in the separate section of the Actuarial Memorandum or the special Memorandum, as appropriate.

B. Assumptions on mortality shall be documented to state the reference standard valuation table, if applicable, and explicitly cite adjustments, select factors, and mortality improvement factors, where applicable. If a reference standard valuation table is not used in setting the mortality assumption, then a table of rates and comparison of the applied rates to rates from an unmodified standard mortality table for sample issue ages shall be provided. A summary of experience or other actuarial support of assumptions used shall be documented.

C. Assumptions on voluntary lapse shall be documented in table format by duration band and by other factors such as gender, marital status, with versus without inflation rider, and length of benefit period impacting the lapse assumption, where applicable. A summary of experience or other support of assumptions shall be documented.

D. Assumptions on morbidity shall be documented and actuarial support of the assumption shall be provided. If an outside source is used as the basis for morbidity assumptions, then the rationale for the applicability of that source and any adjustments to the factors from that source shall be documented.

E. Assumptions on investment returns and interest rates shall be documented. If a simplified approach is applied, such as implicit reflection of projected investment returns through the use of discount rates in a gross premium valuation as contemplated in Section 4.D.2., then justification shall be provided.

F. Any rate increases already approved shall be documented by jurisdiction with approved implementation timelines. Assumptions on future rate increases shall be documented by policy form or policy grouping. Such documentation should adequately describe the way in which future rate increase assumptions are developed. Unless the appointed actuary has operational responsibility for carrying out the rate increase plan specified in Section 4.E., the Memorandum shall contain a signed and dated reliance statement from the person with operational responsibility for carrying out such actions that the rate increase plan(s) provided to the appointed actuary appropriately reflects management's plan.

G. Documentation of any other material assumptions shall be provided.

H. Documentation shall be provided for assumptions that have significantly changed from the prior year's analysis.

Capital Adequacy (E) Task Force

RBC Proposal Form

☐ Plenary ☒ Financial Condition (E) Committee

☐ Capital Adequacy (E) Task Force ☐ Health RBC (E) Working Group ☐ Life RBC (E) Working Group
☐ Catastrophe Risk (E) Subgroup ☐ P/C RBC (E) Working Group ☐ Longevity Risk (A/E) Subgroup
☐ Variable Annuities Capital. & Reserve (E/A) Subgroup ☐ Economic Scenarios (E/A) Subgroup ☐ RBC Investment Risk & Evaluation (E) Working Group

		FOR NAIC USE ONLY
	DATE: 5/28/2024	Agenda Item # 2023-17-CR MOD Year 2024
CONTACT PERSON:	**Steve Broadie**	**DISPOSITION**
TELEPHONE:	**847-736-8258**	**ADOPTED:** ☐ Plenary ☑ Financial Condition (E) Aug. 2, 2024 ☐ TASK FORCE (TF) ☐ WORKING GROUP (WG) ☐ SUBGROUP (SG)
EMAIL ADDRESS:	**steve.broadie@apci.org**	**EXPOSED:** ☐ TASK FORCE (TF) ☐ WORKING GROUP (WG) ☐ SUBGROUP (SG)
ON BEHALF OF:	**American Property Casualty Insurance Assoc**	**REJECTED:** ☐ TF ☐ WG ☐ SG
NAME:	**Steve Broadie**	**OTHER:** ☐ DEFERRED TO ☐ REFERRED TO OTHER NAIC GROUP ☐ (SPECIFY)
TITLE:	**Vice Present, Financial & Counsel**	
AFFILIATION:	**American Property Casualty Insurance Assoc**	
ADDRESS:		

IDENTIFICATION OF SOURCE AND FORM(S)/INSTRUCTIONS TO BE CHANGED

☐ Health RBC Blanks ☒ Property/Casualty RBC Blanks ☐ Life and Fraternal RBC Blanks
☐ Health RBC Instructions ☒ Property/Casualty RBC Instructions ☐ Life and Fraternal RBC Instructions
☐ Health RBC Formula ☒ Property/Casualty RBC Formula ☐ Life and Fraternal RBC Formula
☐ OTHER ____________

DESCRIPTION/REASON OR JUSTIFICATION OF CHANGE(S)

The Solvency Workstream of the Climate & Resiliency (EX) Task Force was tasked with considering the development of climate scenario analysis. The workstream held three public panels on the topic in 2022 and in 2023 learned that commercial CAT modelers have products known as "Climate Conditioned Catalogs" that reflect adjusted frequency and severity for certain time horizons (e.g. 2040 or 2050) that if compared side by side with existing RBC data in PR027 would provide an estimate of climate change for hurricane and wildfire. The information is intended to be useful for domestic regulators holding conversations with insurers that may have a greater degree of risk levels for these perils.

Additional Staff Comments:

** **This section must be completed on all forms.** **Revised 2-2023**

CALCULATION OF CATASTROPHE RISK CHARGE RCAT
PR027A, PR027B, PR027C, PR027, PR027B2, PR027C2, PR027B3, PR027C3
AND PR027INT

Detail Eliminated to Conserve

DISCLOSURE OF CLIMATE IMPACT ON CATASTROPHE EXPOSURE
PR027B2, PR027B3, PR027C2, PR027C3

These disclosures aim at collecting the impact of climate related risks on the modeled losses for the perils of hurricane and wildfire that have been used in PR027B and PR027C respectively. These disclosures will be effective for YE 2024, YE 2025 and YE 2026 reporting. The intent of these disclosures is for informational purposes only and not to determine a new RCAT charge.

An insurer may elect to provide its response as either time-based or frequency-based, with the insurer responding to yes-no questions to indicate which approach is taken along with additional corresponding questions (if any). The impact should be estimated using the following specific instructions:

- For any approach used, the insurer must assume a static in-force book for business at year end (no changes to book of business, to reinsurance strategy, or to total insured value (TIV) inflation over the projected time horizon).
- For a time-based approach:
  - Representative Concentration Pathway (RCP) represents a set of projections that are meant to serve as an input for climate modeling, pattern scaling and atmospheric chemistry modeling. For purposes of these instructions, companies should utilize an RCP of 4.5 (or equivalent SSP).
  - The impact should be assessed separately under two-time horizons 2040 and 2050.
  - The impact can be modeled using either a Climate Conditioned Catalog developed by a commercial CAT model vendor or equivalent view of climate risk internally developed by the insurer or that is the result of adjustments made by the insurer to vendor provided catalogs to represent the own view of climate risk.
  - The two interrogatories PR027B2 for 2040 and 2050 should be populated for hurricane and the two interrogatories PR027C2 for 2040 and 2050 should populated for wildfire.
- For a frequency-based approach:
  - The impact should be modeled using both a 50% frequency increase for major hurricanes (Category 3 and higher, but only for wind losses) and all wildfire events, and a 10% increase in frequency for major hurricanes and all wildfire events.
  - The impact should be modeled using the same commercial CAT model or an equivalent model internally developed by the insurer used to develop the insurer's RCAT charge
  - The modeling assumptions should be the same as those used in the RCAT charge. For the hurricane peril, the adjustments should be constrained to wind frequency only—no adjustments should be made for other sub perils.
  - The two interrogatories PR027B3 10% and 50% should be populated for hurricane and the two interrogatories PR027C3 10% and 50% should populated for wildfire.

The same basic information is required to be completed for these PR027B2 and PR027C2 and PR027B3 and PR027C3 as the previous pages PR027B and PR027C, including specifically as follows:

Column (1) – Direct and Assumed Modeled Losses
These are the direct and assumed modeled losses per the first footnote. Include losses only; no loss adjustment expenses. For companies that are part of an inter-company pooling arrangement, the losses in this column should be consistent with those reported in Schedule P, i.e. losses reported in this column should be the gross losses for the pool multiplied by the company's share of the pool.

Column (2) – Net Modeled Losses
These are the net modeled losses per the footnote. Include losses only; no loss adjustment expenses.

Column (3) - Ceded Amounts Recoverable
These are the modeled losses ceded under any reinsurance contract. Include losses only, no loss adjustment expenses, and should be associated with the Net Modeled Losses.

For a time-based approach, in addition, the insurer should provide the following information about the view of climate risk used to determine the climate conditioned modeled losses under each time horizon:

- If a Climate Conditioned Catalog developed by a commercial CAT model vendor is used, provide name and version of the catalog.
- If it is internally developed by the company or developed in collaboration with external climate specialists and/or reinsurance brokers, provide a brief description of assumptions/adjustments made including the sources of climate science research used

DISCLOSURE OF CLIMATE IMPACT ON EXPOSURE FOR HURRICANE PR027B2
(For Informational Purposes Only)

	Hurricane	Reference	Climate Impact on Modeled Losses - 2040 (1) Direct and Assumed	(2) Net	3† Ceded Amounts Recoverable
(1)	Worst Year in 50	Company Records			
(2)	Worst Year in 100	Company Records			
(3)	Worst Year in 250	Company Records			
(4)	Worst Year in 500	Company Records			
(5)	Worst Year in 1000	Company Records			

View of climate impact used:	(4) Y/N
(5a) Was a Climate Conditioned Catalog developed by a commercial cat model vendor used?	
(5b) If the answer is yes, provide name and version of the catalog:	
(5c) Was this internally developed by the company or developed in collaboration with external climate specialists and/or reinsurance brokers?	
(5d) If the answer is yes, provide a brief description of assumptions/adjustments made, including the sources of climate science research used:	
(6a) Were the modeled losses calculated using the same commercial vendor/catastrophe model, or a combination of models used to calculate the CAT Risk Charge.	
(6b) If the answer is no, provide a brief description of the combination of models used:	

† Column (3) is modeled catastrophe losses that would be ceded under reinsurance contracts. This should be associated with the Net Modeled Losses shown in Column (2).

Denotes items that must be manually entered on the filing software.

DISCLOSURE OF CLIMATE IMPACT ON EXPOSURE FOR HURRICANE PR027B2
(For Informational Purposes Only)

	Hurricane	Reference	Climate Impact on Modeled Losses - 2050 (1) Direct and Assumed	(2) Net	3† Ceded Amounts Recoverable
(1)	Worst Year in 50	Company Records			
(2)	Worst Year in 100	Company Records			
(3)	Worst Year in 250	Company Records			
(4)	Worst Year in 500	Company Records			
(5)	Worst Year in 1000	Company Records			

View of climate impact used:

	(4) Y/N
(5a) Was a Climate Conditioned Catalog developed by a commercial cat model vendor used?	
(5b) If the answer is yes, provide name and version of the catalog:	
(5c) Was this internally developed by the company or developed in collaboration with external climate specialists and/or reinsurance brokers?	
(5d) If the answer is yes, provide a brief description of assumptions/adjustments made, including the sources of climate science research used:	
(6a) Were the modeled losses calculated using the same commercial vendor/catastrophe model, or a combination of models used to calculate the CAT Risk Charge.	
(6b) If the answer is no, provide a brief description of the combination of models used:	

† Column (3) is modeled catastrophe losses that would be ceded under reinsurance contracts. This should be associated with the Net Modeled Losses shown in Column (2).

Denotes items that must be manually entered on the filing software.

DISCLOSURE OF CLIMATE IMPACT ON EXPOSURE FOR HURRICANE PR027B2
(For Informational Purposes Only)

		Climate Impact on Modeled Losses - 10% Frequency Adjustment		
Hurricane	Reference	(1) Direct and Assumed	(2) Net	3† Ceded Amounts Recoverable
(1) Worst Year in 50	Company Records			
(2) Worst Year in 100	Company Records			
(3) Worst Year in 250	Company Records			
(4) Worst Year in 500	Company Records			
(5) Worst Year in 1000	Company Records			

((6) The impact should be modeled using the same commercial CAT model or an equivalent model internally developed by the insurer used to develop the insurer's RCAT charge.

† Column (3) is modeled catastrophe losses that would be ceded under reinsurance contracts. This should be associated with the Net Modeled Losses shown in Column (2).

Denotes items that must be manually entered on the filing software.

DISCLOSURE OF CLIMATE IMPACT ON EXPOSURE FOR HURRICANE PR027B2
(For Informational Purposes Only)

	Hurricane	Reference	Climate Impact on Modeled Losses - 50% Frequency Adjustment		
			(1) Direct and Assumed	(2) Net	3† Ceded Amounts Recoverable
(1)	Worst Year in 50	Company Records			
(2)	Worst Year in 100	Company Records			
(3)	Worst Year in 250	Company Records			
(4)	Worst Year in 500	Company Records			
(5)	Worst Year in 1000	Company Records			

(6) The impact should be modeled using the same commercial CAT model or an equivalent model internally developed by the insurer used to develop the insurer's RCAT charge.

† Column (3) is modeled catastrophe losses that would be ceded under reinsurance contracts. This should be associated with the Net Modeled Losses shown in Column (2).

Denotes items that must be manually entered on the filing software.

DISCLOSURE OF CLIMATE IMPACT ON EXPOSURE FOR WILDFIRE PR027C2
(For Informational Purposes Only)

	Wildfire	Reference	Climate Impact on Modeled Losses - 2040 (1) Direct and Assumed	(2) Net	3† Ceded Amounts Recoverable
(1)	Worst Year in 50	Company Records			
(2)	Worst Year in 100	Company Records			
(3)	Worst Year in 250	Company Records			
(4)	Worst Year in 500	Company Records			
(5)	Worst Year in 1000	Company Records			

View of climate impact used:	(4) Y/N
(5a) Was a Climate Conditioned Catalog developed by a commercial cat model vendor used?	
(5b) If the answer is yes, provide name and version of the catalog:	
(5c) Was this internally developed by the company or developed in collaboration with external climate specialists and/or reinsurance brokers?	
(5d) If the answer is yes, provide a brief description of assumptions/adjustments made, including the sources of climate science research used:	
(6a) Were the modeled losses calculated using the same commercial vendor/catastrophe model, or a combination of models used to calculate the CAT Risk Charge.	
(6b) If the answer is no, provide a brief description of the combination of models used:	

† Column (3) is modeled catastrophe losses that would be ceded under reinsurance contracts. This should be associated with the Net Modeled Losses shown in Column (2).

Denotes items that must be manually entered on the filing software.

DISCLOSURE OF CLIMATE IMPACT ON EXPOSURE FOR WILDFIRE PR027C2
(For Informational Purposes Only)

	Wildfire	Reference	Climate Impact on Modeled Losses - 2050 (1) Direct and Assumed	(2) Net	3† Ceded Amounts Recoverable
(1)	Worst Year in 50	Company Records			
(2)	Worst Year in 100	Company Records			
(3)	Worst Year in 250	Company Records			
(4)	Worst Year in 500	Company Records			
(5)	Worst Year in 1000	Company Records			

View of climate impact used:

	(4) Y/N
(5a) Was a Climate Conditioned Catalog developed by a commercial cat model vendor used?	
(5b) If the answer is yes, provide name and version of the catalog:	
(5c) Was this internally developed by the company or developed in collaboration with external climate specialists and/or reinsurance brokers?	
(5d) If the answer is yes, provide a brief description of assumptions/adjustments made, including the sources of climate science research used:	
(6a) Were the modeled losses calculated using the same commercial vendor/catastrophe model, or a combination of models used to calculate the CAT Risk Charge.	
(6b) If the answer is no, provide a brief description of the combination of models used:	

† Column (3) is modeled catastrophe losses that would be ceded under reinsurance contracts. This should be associated with the Net Modeled Losses shown in Column (2).

Denotes items that must be manually entered on the filing software.

DISCLOSURE OF CLIMATE IMPACT ON EXPOSURE FOR WILDFIRE PR027C3
(For Informational Purposes Only)

			Climate Impact on Modeled Losses - 10% Frequency Adjustment		
	Wildfire	Reference	(1) Direct and Assumed	(2) Net	3† Ceded Amounts Recoverable
(1)	Worst Year in 50	Company Records			
(2)	Worst Year in 100	Company Records			
(3)	Worst Year in 250	Company Records			
(4)	Worst Year in 500	Company Records			
(5)	Worst Year in 1000	Company Records			

(6) The impact should be modeled using the same commercial CAT model or an equivalent model internally developed by the insurer used to develop the insurer's RCAT charge.

† Column (3) is modeled catastrophe losses that would be ceded under reinsurance contracts. This should be associated with the Net Modeled Losses shown in Column (2).

Denotes items that must be manually entered on the filing software.

DISCLOSURE OF CLIMATE IMPACT ON EXPOSURE FOR WILDFIRE PR027C3
(For Informational Purposes Only)

			Climate Impact on Modeled Losses - 50% Frequency Adjustment		
			(1)	(2)	3†
	Wildfire	Reference	Direct and Assumed	Net	Ceded Amounts Recoverable
(1)	Worst Year in 50	Company Records			
(2)	Worst Year in 100	Company Records			
(3)	Worst Year in 250	Company Records			
(4)	Worst Year in 500	Company Records			
(5)	Worst Year in 1000	Company Records			

(6) The impact should be modeled using the same commercial CAT model or an equivalent model internally developed by the insurer used to develop the insurer's RCAT charge.

† Column (3) is modeled catastrophe losses that would be ceded under reinsurance contracts. This should be associated with the Net Modeled Losses shown in Column (2).

Denotes items that must be manually entered on the filing software.

State Implementation Reporting of NAIC-Adopted Model Laws and Regulations
As of: 7/8/2024

Executive (EX) Committee

- Amendments to the ***Unfair Trade Practices Act* (#880)**—The Executive (EX) Committee and Plenary adopted these revisions at the 2024 Spring National Meeting. NAIC staff are not aware of adoption by any jurisdiction.

Life Insurance and Annuities (A) Committee

- Amendments to the ***Annuity Disclosure Model Regulation* (#245)**—The Executive (EX) Committee and Plenary adopted these revisions at the 2021 Summer National Meeting. Two jurisdictions have adopted revisions to this model.

Health Insurance and Managed Care (B) Committee

- Amendments to the ***Insurance Holding Company System Regulatory Act* (#440)**—The Executive (EX) Committee and Plenary adopted these revisions at the 2021 Summer National Meeting. Fourteen jurisdictions have adopted revisions to this model.

- Amendments to the ***Insurance Holding Company System Model Regulation with Reporting Forms and Instructions* (#450)**—The Executive (EX) Committee and Plenary adopted these revisions at the 2021 Summer National Meeting. Seven jurisdictions have adopted revisions to this model.

Property and Casualty Insurance (C) Committee

- Adoption of the ***Pet Insurance Model Act* (#633)**—The Executive (EX) Committee and Plenary adopted Model #633 at the 2022 Summer National Meeting. Ten jurisdictions have adopted this model.

- Adoption of the ***Nonadmitted Insurance Model Act* (#870)**—The Executive (EX) Committee and Plenary adopted Model #870 at the 2023 Summer National Meeting. NAIC staff are not aware of adoption by any jurisdiction.

Financial Condition (E) Committee

- Adoption of the ***Property and Casualty Insurance Guaranty Association Model Act* (#540)**—The Executive (EX) Committee and Plenary adopted Model #540 at the 2023 Fall National Meeting. NAIC staff are not aware of adoption by any jurisdiction.

- Adoption of the ***Mortgage Guaranty Insurance Model Act* (#630)**—The Executive (EX) Committee and Plenary adopted Model #630 at the 2023 Summer National Meeting. NAIC staff are not aware of adoption by any jurisdiction.