

## VALUATION OF SECURITIES (E) TASK FORCE

Valuations of Securities (E) Task Force March 25, 2025, Minutes

Amendment to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) to Require Private Letter Rationale Reports be Filed Within 90 Days of an Affirmation, Update, or Change (Attachment One)

Amendment to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) to Require That Private Letter Rational Reports Possess Analytical Substance (Attachment Two)

## Draft Pending Adoption

Draft: 4/3/2025

Valuation of Securities (E) Task Force  
Indianapolis, Indiana  
March 25, 2025

The Valuation of Securities (E) Task Force met in Indianapolis, IN, March 25, 2025. The following Task Force members participated: Doug Ommen, Chair, represented by Carrie Mears (IA); Andrew N. Mais, Vice Chair, represented Ken Cotrone (CT); Lori K. Wing-Heier represented by David Phifer (AK); Mark Fowler represented by Sanjeev Chaudhuri (AL); Ricardo Lara represented by Laura Clements (CA); Michael Yaworsky represented by Ray Spudeck and Carolyn Morgan (FL); Dean L. Cameron represented by Eric Fletcher (ID); Vicki Schmidt represented by Tish Becker (KS); Timothy J. Temple represented by Melissa Gibson (LA); Michael T. Caljouw represented by John Turchi (MA); Marie Grant represented by Gilbert Mendoza and Greg Ricci (MD); Grace Arnold represented by Fred Andersen (MN); Angela L. Nelson represented by Danielle Smith (MO); Jon Godfread represented by Matt Fischer and Colton Schulz (ND); Eric Dunning represented by Tadd Wegner (NE); Justin Zimmerman represented by David Wolf and Nakia Reid (NJ); Adrienne A. Harris represented by Bob Kasinow (NY); Judith L. French represented by Cameron Piatt (OH); Glen Mulready represented by Ryan Rowe (OK); Michael Humphreys represented by Diana Sherman (PA); Carter Lawrence represented by Trey Hancock (TN); Cassie Brown represented by Amy Garcia (TX); Jon Pike represented by Jake Garn (UT); Scott A. White represented by Doug Stolte (VA); Patty Kuderer represented by Steve Drutz (WA); and Nathan Houdek represented by Amy Malm (WI).

### 1. Adopted its 2024 Fall National Meeting Minutes

Garn made a motion, seconded by Clements, to adopt the Task Force's Nov. 17, 2024, minutes (*see NAIC Proceedings – Fall 2024, Valuation of Securities (E) Task Force*). The motion passed unanimously.

### 2. Exposed Two Proposed P&P Manual Amendments

Mears said the next two items on the agenda would be discussed together and considered for exposure. The first item is a proposed *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) amendment to require the filing of private rating letter rationale reports within 90 days of an affirmation, update, or change. The second item is a P&P Manual amendment to require that private rating letter rationale reports possess analytical substance.

Charles Therriault (NAIC) said that since Jan. 1, 2024, all private letter (PL) securities (other than waived submission PL rating securities) have required a corresponding "private rating letter rationale report" to be filed with the Securities Valuation Office (SVO) in order to be eligible for the filing exemption (FE) process. The first proposed amendment establishes a deadline of 90 days to submit a new or updated private rating letter rationale report following the date of any annual or mid-year rating affirmation, confirmation, or change. If the private rating letter rationale report is not filed during that time, the security would become ineligible for FE. The security could become eligible for FE again when the SVO receives the private rating letter rationale report related to such rating action. Making this a daily process should avoid a repeat of this past year-end when a very large number of private ratings were unsupported by a required rationale report.

The second proposed amendment is focused on satisfying the intent of the policy to submit private rating letter rationale reports. As defined in the P&P Manual, "*The phrase "private rating letter rationale report" means an analytical review of the privately rated security explaining the transaction structure, methodology relied upon, and, as appropriate, analysis of the credit, legal and operational risks and mitigants supporting the assigned NAIC CRP rating, in a report issued by an NAIC CRP on its letterhead or its controlled website to an issuer or investor, obtained by an insurer in its capacity as an investor in the issuance or by following the confidentiality process established by the NAIC CRP.*" Unfortunately, the SVO has received rationale report filings that do not meet this minimum expectation.

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To enable the SVO to better monitor credit rating provider (CRP) analysis for privately rated securities, which are otherwise opaque, the SVO recommends clarifying language that insurers are required to file a full private rating letter rationale report that contains sufficient analytical substance to enable an independent party, like the SVO, to form an opinion of the basis for a CRP's assessment of investment risk for any annual or mid-year rating action, affirmation, confirmation, or change, even if the CRP's own policies do not require a full analysis. Additionally, the analysis will be no less comprehensive than the work product that a CRP would produce for a similar publicly rated security.

The SVO believes the first proposed amendment will help it operationally by spreading the flow of the large volume of private rating letter rationale reports across the year, and the second proposed amendment will help clarify the expectations of the rationale reports' content. Neither proposed amendment is being viewed as a material change, and the SVO recommends a 30-day comment period.

Christopher Anderson (Anderson Insights) said the standards for private and public securities by the rating agency are the same. He said that what is being seen here is an effort to conform to the private and public securities. There are instances, as referred to in the second proposal, where a rating agency would not deem it necessary to do a new rating rationale. However, that does not mean that: 1) the rating agency would not have conducted its surveillance; 2) the rating agency would not have reported the new rating to the NAIC through the data feed; or 3) the rating agency would not submit a new rating letter. The rating agency is asked to submit a new rating rationale even in an instance where it ordinarily would not. That means that a rating agency would be in the position of thinking that since nothing has changed, it can just change the date and send a new rating rationale or put a banner at the top of the rating rationale saying there were no material changes. The rating agency could also send a note to the SVO saying there were no changes. As a result, the savings would not be to the rating agency, as it will conduct surveillance in any event. The savings would be to the SVO, which is beginning to acquire thousands and thousands of rating rationales that it has never acquired before. Imposing the requirement that a rating rationale be submitted every year, regardless of whether it is thought to be necessary by the rating agency, imposes a burden on the SVO and insurers. Insurers are struggling with the requirement that they provide these rating rationales, where, ideally, rating rationales would come directly from the rating agencies to the SVO and be done on a machine-to-machine basis. Therefore, the only time an insurer would need to get involved is if there were exceptions.

Therriault said it is key that what the SVO receives aligns with the other information it has. Rating rationale reports are also evidence that there has been an annual review in some capacity, and the rating itself must show that it was reviewed. The rationale report, consistent with what the SVO does on an annual basis, is evidence that the rating was reviewed, hence the reason for the requirement. Anderson replied that U.S. Securities and Exchange Commission (SEC) Rule 17g- 7(a) requires that. Secondly, the rating letter that is submitted is evidence that the rating is current. If a rating is under surveillance, then it is a demonstrated fact. However, rating agencies might want to weigh in on this matter.

Mears said in regard to the comment about reducing the workload of the SVO that if a new rating letter has been submitted with a new date and there is not a corresponding rationale, the SVO would have to go in and review it to see that there was no change, versus only looking at exceptions where a rationale does not exist, to see that there might be some sort of automatic removal for the FE rating. Mears said that would increase the SVO's workload rather than decrease it. Mears asked Mr. Anderson to put these comments in writing. CRPs' comments are also welcome so the Task Force can review them prior to adoption.

Mears directed NAIC staff to expose the two proposed P&P Manual amendments (Attachment One and Attachment Two) for a 30-day public comment period ending April 25.

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### 3. Received a Report from the SVO on the Status of Private Rating Letter Rationale Report Filings for 2024

SVO staff informed the Task Force at the 2024 Fall National Meeting that the system functionality necessary to accurately identify which privately rated securities were missing a required rationale report in the NAIC systems, VISION and AVS+, was now operational, and the status of each security was published in the AVS+ valuation file. For the past two years, the SVO has recommended deferring the removal from FE privately rated securities that did not have the required supporting private rating letter rationale report submitted to the SVO because of the needed system functionality, which had not yet been implemented.

Marc Perlman (NAIC) said, as previously mentioned, that since Jan. 1, 2024, all privately rated securities, other than waived submission PL rating securities, have required a corresponding private rating letter rationale report to be filed with the SVO to be eligible for the FE process. 2024 was the first year that NAIC systems were sufficiently enhanced to make the FE classification changes. As reported at the 2024 Fall National Meeting, as of Nov. 11, 2024, the SVO had identified 1,636 privately rated securities missing a required rationale report. That number declined to 853 by Dec. 31, 2024. By Feb. 27, 2025, the number of missing required rationale reports was down to 494, and by March 3, when the policy to remove privately rated securities with a missing rating rationale report from FE was applied, the number was down to 346 impacted securities. Those privately rated securities can be reinstated if an insurer submits the missing rationale report for 2024 or provides one for 2025. The private rating and supporting rationale report are needed each year.

As these numbers indicate, a large number of submissions were made over the last few months. As Therriault mentioned while discussing the proposed rationale report filing deadline amendment, the SVO would like to spread this filing volume out over the entire year by setting a reasonable submission deadline for the filing of private rating letter rationale reports.

### 4. Received an Annual Report from the SVO on 2024 Carry-Over Filings

Therriault said as required in Part Two of the P&P Manual (Operational and Administrative Instructions Applicable to the SVO), the SVO director must prepare a report for the Spring National Meeting identifying an acceptable annual rate of carry-over filings for the year-end reporting period. These carry-over filings can be identified with the administrative symbols "IF," which are initial filings that are self-assigned, and "YE," which are annual updates where the designation has been extended from the prior year.

For 2024, the SVO reviewed 19,443 filings composed of 4,480 initial filings, 14,685 annual updates, 3 appeals, 253 material changes, and 22 renumbering requests (e.g., Committee on Uniform Security Identification Procedures [CUSIP] changes). In comparison, in 2023, the SVO reviewed 15,549 filings composed of 3,893 initial filings, 11,257 annual updates, 12 appeals, 366 material changes, and 21 renumbering requests. This was a 25% overall increase, primarily due to a 112% increase in PL rating-related filings in 2024.

The total number of 2024 filings includes 8,229 manually processed PL ratings, which were composed of 3,083 ratings, 4,812 rationale reports that were not billed, and 334 filings that were rejected. That is a significant increase compared to 2023, when there were 3,879 manually processed private rating letters that comprised 2,407 ratings, 1,305 rationale reports that were not billed, and 167 filings that were rejected. The most common reasons for private rating letter rejections in 2024 were: 13% for preliminary/provisional rating; 13% for PLR only for a rationale report filing; 13% for security not identified; 11% for duplicate filing; 10% for prior year; 8% for insufficient content; 7% for filer-requested rejection; 7% for wrong security; 7% for public rating; 7% for wrong CRP; and 6% for expired information request.

There were 1,496 carry-over filings for year-end 2024 compared to 1,262 in 2023 and 1,199 in 2022. The carry-over filings comprise 364 IFs for initial filings and 1,132 YEs for accepted annual updates. This represents a carry-over rate of 7.5% for 2024, which is slightly lower than the 2023 carry-over rate of 8.1%. As of March 5, when the report was prepared, there were 398 carry-over filings remaining. As of March 18, there were 268 carry-over filings remaining.

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Generally, a carry-over rate of 10% or higher would be an indication that there is an analytical resource constraint issue for the SVO. The higher number of PL rating filings is now distorting the overall carry-over percentage. Excluding PL rating filings, the carry-over percentage for traditional SVO filings of was 13.3% for 2024 and 10.8% for 2023. The growing carry-over rate for non-PL rating filings reflects increasing demands on the office that require additional resources, which is why the Task Force is being alerted and the reason for this annual report.

The carry-over rate does not provide any insight into the technology resource needs of the SVO team. The SVO made sufficient progress on PL rating processing to recommend applying the Task Force's policy to remove it from FE, as just occurred in March. The PL rating work included adding technology that enabled an SVO analyst to match private rating letter rationale reports to the private ratings received via electronic feeds. For further reporting on the status of private rating rationale, reports are needed for insurers and will be worked on in 2025. The NAIC implemented multi-factor authentication (MFA) for the SVO's applications, VISION and AVS+. While there was some initial foundational work to permit multiple security identifiers (e.g., International Securities Identification Numbers [ISINs]) utilizing S&P Global Ratings' business entity cross reference service (BECRS) and global identifier cross reference service (GICRS) in 2023, full functionality has not been achieved and that work needs to continue. Other initiatives, such as improving the efficiency of handling the documents received by insurers, improving overall filing efficiency, completing ratings history, and electronically delivering private rating letter rationale reports, have not begun. Several new technology resources were approved in the 2024 budget, but the department needs additional technology resources.

### 5. Received an NAIC Staff Report on Statutory Accounting Principles (E) Working Group Projects

Julie Gann (NAIC) highlighted a few items from the Statutory Accounting Principles (E) Working Group's March 24 discussion, including that the bond definition was in effect Jan. 1, 2025. Gann said that, as a reminder, there is a transition disclosure that should be completed in the first quarter financial statements, details of which are captured in *SSAP No. 26—Bonds*. For those items that move from Schedule D to Schedule BA, there are six reporting lines for those that are captured on the non-bonded securities with an SVO designation that must come from the SVO. A CRP rating cannot be utilized for those reporting lines. Next, with regard to investments and tax credits, that guidance was also in effect Jan. 1, 2025. Under that guidance, an investment in a tax credit structure that predominantly provides tax benefits or other tax credit-type items is captured in *SSAP No. 93—Investments in Tax Credit Structures*. There are new reporting lines to capture those items. Under the old guidance, a CRP rating was a factor in classification that is no longer a factor with regard to those reporting lines.

The Working Group adopted the collateral loan agenda item, which breaks out the reporting of collateral loans into six more granular lines to look at the underlying collateral. That item is currently exposed at the Blanks (E) Working Group for a comment period ending April 29. A call is scheduled for May 29 to propose a Jan. 1, 2026, effective date. The Working Group is looking at the investment subsidiary category that's a reported-on D-6-1 and flows through to risk-based capital (RBC). That discussion was deferred during the Working Group's call. Instead, the Working Group is looking at a project for residential mortgage loans that are held in trust, which seems to be the key driver of the increase of things reported as investment subcategories. It is asking if other common structures are being reported as investment subcategories that are brought to NAIC staff attention so they can be looked at because there is going to be a review of whether that investment subcategory should be retained.

Next, the Working Group proposed to delete the capital structure code that is currently captured on Schedule D-1-1 and Schedule D-1-2. That code originally came from the Task Force many years ago. It is the reporting of whether an investment is secured, senior, or unsecured. There are inconsistencies in that reporting data and a lot of questions. Working with the SVO, Financial Regulatory Services (FRS) staff realized that that information is not being used from Schedule D, although that information could be used since it comes from the data feeds. The Working Group proposes to remove the Schedule D data if no one is using it. The key thing

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is to make sure none of the regulators are using that information. Gann asked Task Force members to let FRS staff know if this field is being used. The change is exposed until May 2.

Gann said the last two items were modified coinsurance (modco) and funds withheld assets. The Working Group adopted a restricted asset disclosure to provide more clarity on how those should be reported as restricted assets. There is an exposed Schedule S to detail what those assets are for RBC flow through. The Working Group also exposed another agenda item to identify the modco and funds withheld assets that are affiliated to the reinsurer and then to require note 5L, which is the restricted asset disclosure, both in all quarterly and annual financial statements. Currently, it is only required in the annual financial statements. It is supposed to be included in the quarterly if there have been significant changes, but it is proposed to be required in all instances.

Lastly, there has been much discussion regarding interest maintenance reserve (IMR), which is the result of realized gains and losses from noncredit-related investment sales. This item has been exposed multiple times, and the IMR Ad Hoc Group meets every other week. Those exposures are posted on the Working Group's web page.

### 6. Received an SSG Staff Report on the Proposed CLO Modeling Methodology and the CLO Ad Hoc Group

Eric Kolchinsky (NAIC) said the Collateralized Loan Obligation (CLO) Ad Hoc Group plans to meet April 2. Kolchinsky said the call is open, so any interested parties should let SSG staff know if they have not received an invitation. The SSG posted new results on the CLO web page using the three-bucket reinvestment methodology, which was proposed by an interested party. The methodology has been incorporated, and the results are available on the SSG's website, dated March 1, 2025. Lastly, the SSG continues its productive collaboration with the American Academy of Actuaries (Academy). NAIC staff participate in weekly calls and will continue to support the effort to ensure that the methodologies dovetail.

Mears said those projects remain coordinated and will be looked at as a complete package for ultimate recommendation, exposure, adoption, and implementation once complete.

Having no further business, the Valuation of Securities (E) Task Force adjourned.

[https://naiconline.sharepoint.com/teams/SVOVOSTaskForce/Shared Documents/Meetings/2025/2025-03-23 - NAIC Spring NM/Minutes/VOSTF\\_2025-03-25\\_Spring\\_NM\\_Minutes v6 \(Fina\).docx](https://naiconline.sharepoint.com/teams/SVOVOSTaskForce/Shared Documents/Meetings/2025/2025-03-23 - NAIC Spring NM/Minutes/VOSTF_2025-03-25_Spring_NM_Minutes v6 (Fina).docx)

SVO



**NAIC**  
NATIONAL ASSOCIATION OF  
INSURANCE COMMISSIONERS

TO: Carrie Mears, Chair, Valuation of Securities (E) Task Force  
Members of the Valuation of Securities (E) Task Force

FROM: Charles A. Therriault, Director, NAIC Securities Valuation Office  
Marc Perlman, Managing Investment Counsel, NAIC Securities Valuation Office  
Eric Kolchinsky, Director, NAIC Structured Securities Group and Capital Markets Bureau

RE: Proposed Purposes and Procedures Manual Amendment to Provide a Deadline for the Filing of Private Rating Letter Rationale Reports

DATE: March 4, 2025

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**Summary:** Since January 1, 2024, all PL securities (other than waived submission PLR securities, as defined in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (the “P&P Manual”)) have required a corresponding “private rating letter rationale report” to be filed with the SVO in order to be eligible for the Filing Exemption process. Based on ongoing discussions with Task Force chairs and industry, the SVO proposes the following amendment to the P&P Manual to clarify when a private rating letter rationale report needs to be filed with the SVO to prevent a security from becoming ineligible for Filing Exemption and the related Filing Exemption-derived NAIC Designation from becoming de-activated.

**Recommendation** – The SVO recommends allowing a grace period of 90 days from the date of any annual, or mid-year, rating affirmation, confirmation or change, for a new or updated private rating letter rationale report to be filed with the SVO, through the feed or otherwise. If the private rating letter rationale report is not filed during that time, the security would become ineligible for Filing Exemption. The security could again become eligible for Filing Exemption at such time as the SVO receives the private rating letter rationale report related to such rating action.

**Proposed Amendment** –The proposed changes to the current P&P Manual are shown below with additions in red underline font color, and deletions in ~~red strikethrough~~.



## PART THREE SVO PROCEDURES AND METHODOLOGY FOR PRODUCTION OF NAIC DESIGNATIONS

### PL SECURITIES

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#### Producing NAIC Designations for PL Securities

21. The SVO shall produce NAIC Designations for securities subject to private letter ratings as follows:

- The insurance company shall file a copy of the private rating letter with the SVO if not included in the applicable NAIC CRP Rating feed(s) (or other form of direct delivery from the CRP) noted above in Conditions to Filing Exemption for PL Securities and the supporting private rating letter rationale report, if the SVO has not received it directly from the CRP, within the initial filing deadline for newly acquired securities or securities in transition (as explained in “SVO Analytical Department Symbols” in Part Two of this Manual) and each calendar year thereafter along with any changes in PL Securities rating. In instances where the **PL** security is included in the applicable NAIC CRP Rating feed(s), the SVO shall follow the procedure for Filing Exempt (FE) securities only after the SVO receives both the private rating letter and private letter rationale report either directly or through a NAIC CRP Rating feed(s), and the SVO deems the privately rated security eligible to receive an NAIC Designation with an NAIC CRP Credit Rating.
- The SVO must receive a private rating letter rationale report supporting the assigned private rating no later than 90 days following the date of an annual rating update, any rating affirmation or confirmation, or any rating change, otherwise the SVO will mark the security as ineligible for Filing Exemption. The security can again become eligible for Filing Exemption at such time as the SVO receives the private rating letter rationale report related to such rating action for that filing year.

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[https://naiconline.sharepoint.com/teams/SVOVOSTaskForce/Shared Documents/Meetings/2025/2025-03-23 - NAIC Spring NM/03-PLR RationaleReportFiling/2025-001.01 PP\\_Manual\\_PLRationaleFiling.docx](https://naiconline.sharepoint.com/teams/SVOVOSTaskForce/Shared%20Documents/Meetings/2025/2025-03-23%20NAIC%20Spring%20NM/03-PLR%20RationaleReportFiling/2025-001.01%20PP_Manual_PLRationaleFiling.docx)



SVO



TO: Carrie Mears, Chair, Valuation of Securities (E) Task Force  
Members of the Valuation of Securities (E) Task Force

FROM: Charles A. Therriault, Director, NAIC Securities Valuation Office  
Marc Perlman, Managing Investment Counsel, NAIC Securities Valuation Office  
Eric Kolchinsky, Director, NAIC Structured Securities Group and Capital Markets Bureau

RE: Proposed Purposes and Procedures Manual Amendment to Require Private Rating Letter Rationale Reports to Contain Analytical Substance

DATE: March 4, 2025

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**Summary:** Since January 1, 2024, all PL securities (other than waived submission PLR securities, as defined in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (the “P&P Manual”)) have required a corresponding “private rating letter rationale report” to be eligible for the Filing Exemption process. Based on ongoing discussions with the Task Force chairs and industry, the SVO proposes the following amendment to the P&P Manual to clarify what is expected for a private rating letter rationale reports filed with the SVO.

As defined in the P&P Manual in Part Three, paragraph 13, “*The phrase “private rating letter rationale report” means an analytical review of the privately rated security explaining the transaction structure, methodology relied upon, and, as appropriate, analysis of the credit, legal and operational risks and mitigants supporting the assigned NAIC CRP rating, in a report issued by an NAIC CRP on its letterhead or its controlled website to an issuer or investor, obtained by an insurer in its capacity as an investor in the issuance or by following the confidentiality process established by the NAIC CRP.*” Unfortunately, the SVO has received rationale report filings that do not meet this minimum expectation.

**Recommendation** – Private rating letter rationale reports should possess sufficient analytical content that an independent party can form their own opinion as to a NAIC credit rating providers’ (“CRPs”) assessment of investment risk. To enable the SVO to better monitor CRP analysis for privately rated securities, which are otherwise opaque, the SVO recommends requiring insurers to file a full private rating letter rationale report that contains sufficient analytical substance to enable an independent party to form an opinion as to the investment risk for any annual, or mid-year, rating action, affirmation, confirmation, or change, even if the CRP’s own policies do not require a full analysis.

**Proposed Amendment** –The proposed changes to the current P&P Manual are shown below with additions in red underline font color, and deletions in ~~red strikethrough~~.



## PART THREE SVO PROCEDURES AND METHODOLOGY FOR PRODUCTION OF NAIC DESIGNATIONS

### PL SECURITIES

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#### Definitions

13. For purposes of this section:

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- The phrase “private rating letter rationale report” means an analytical review of the privately rated security explaining the transaction structure, methodology relied upon, and, as appropriate, analysis of the credit, legal and operational risks and mitigants supporting the assigned NAIC CRP rating, in a report issued by an NAIC CRP on its letterhead or its controlled website to an issuer or investor, obtained by an insurer in its capacity as an investor in the issuance or by following the confidentiality process established by the NAIC CRP. A private rating letter rationale report should mirror shall be no less comprehensive than the work product that a CRP would produce for a similar publicly rated security and always include sufficient analytical content to enable an independent party to form a reasonable opinion of the basis for the CRP’s assessment of investment risk.

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#### Producing NAIC Designations for PL Securities

21. The SVO shall produce NAIC Designations for securities subject to private letter ratings as follows:



- The insurance company shall file a copy of the private rating letter with the SVO if not included in the applicable NAIC CRP Rating feed(s) (or other form of direct delivery from the CRP) noted above in Conditions to Filing Exemption for PL Securities and the supporting private rating letter rationale report, if the SVO has not received it directly from the CRP, within the initial filing deadline for newly acquired securities or securities in transition (as explained in “SVO Analytical Department Symbols” in Part Two of this Manual) and each calendar year thereafter ~~(so long as such rationale update would normally be produced by the CRP for a comparable publicly rated security)~~ along with any changes in PL Securities rating. In instances where the PL security is included in the applicable NAIC CRP Rating feed(s), the SVO shall follow the procedure for Filing Exempt (FE) securities only after the SVO receives both the private rating letter and private letter rationale report either directly or through a NAIC CRP Rating feed(s), and the SVO deems the privately rated security eligible to receive an NAIC Designation with an NAIC CRP Credit Rating.

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