

*2020 Summer National Meeting
Virtual Meeting*

**CATASTROPHE RISK (E) SUBGROUP
Wednesday, July 29, 2020
10:00 – 11:30 a.m.**

Meeting Summary Report

The Catastrophe Risk (E) Subgroup met July 29, 2020. During this meeting, the Subgroup:

1. Adopted its Feb. 3 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Adopted the Property and Casualty Risk-Based Capital (E) Working Group’s 2019 Fall National Meeting minutes.
 - c. Adopted its e-vote minutes.
 - d. Adopted proposal 2019-19-P (Vulnerable 6 or Unrated Risk Charge) and agreed to refer the Schedule F proposal to the Blanks (E) Working Group.
 - e. Received referrals from the Statutory Accounting Principles (E) Working Group and the Restructuring Mechanisms (E) Subgroup.
2. Heard a presentation from Karen Clark & Company (KCC) on its catastrophe model, which included the following topics:
 - a. Innovative risk metrics for identifying threats to solvency.
 - b. How KCC partners with state insurance regulators.
 - c. Introduction to different KCC models.
3. Discussed the possibility of allowing additional third-party commercial vendor models.
4. Discussed the internal catastrophe model evaluation process, which included the following items:
 - a. Definition of internal catastrophe model.
 - b. NAIC guidance related to the use of “own models” for risk-based capital (RBC) catastrophe risk charges.
 - c. Model validation and Actuarial Standard of Practice (ASOP) No. 56.

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