

2020 Summer National Meeting
Virtual Meeting

RECEIVERSHIP AND INSOLVENCY (E) TASK FORCE

Friday, August 7, 2020

2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

Meeting Summary Report

The Receivership and Insolvency (E) Task Force met Aug. 7, 2020. During this meeting, the Task Force:

1. Adopted its March 4, Jan. 8, and 2019 Fall National Meeting minutes, which included the following action:
 - a. Adopted a referral to the Financial Condition (E) Committee to request opening *Insurance Holding Company System Regulatory Act* (#440) and *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions* (#450) related essential services provided by affiliates in receivership.
 - b. Discussed comments received on key provisions of receivership and guaranty fund laws.
2. Adopted draft guidance for the *Receiver's Handbook for Insurance Company Insolvencies* for best practices in handling taxes and federal releases in receivership.
3. Adopted the report of the Receivership Financial Analysis (E) Working Group, which met Aug. 4 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings. During this meeting, the Working Group discussed the status of individual receiverships.
4. Adopted the report of the Receivership Large Deductible Workers' Compensation (E) Working Group, which included its March 2 minutes. The Working Group received comments and formed an ad hoc drafting group to develop revisions on a draft model guideline that provides alternative language for *Insurer Receivership Model Act* (#555) Section 712—Administration of Loss Reimbursement Policies. The drafting group and the Working Group plan to convene after the Summer National Meeting.
5. Exposed for a 30-day public comment period a request for feedback on key provisions of receivership and guaranty fund laws. For each provision, the request asks: (1) if it is critical for all states to have in receivership and guaranty fund law in a receivership affecting multiple states; (2) if it should be considered for a limited scope accreditation standard; (3) if other methods should be used to encourage its adoption; and (4) if there are impediments to its adoption.
6. Heard a presentation from representatives of the National Conference of Insurance Guaranty Funds (NCIGF), the Western Guaranty Fund Services (WGFS), and the Illinois Insurance Guaranty Fund (IIGF) on the NCIGF's white paper titled *Insurance Resolution: Preparing for Cyber Claims*. The presenters requested that state insurance regulators acknowledge potential issues with cyber claims in a receivership, and engage in early communication with guaranty funds when an insurer that writes cyber policies becomes troubled.
7. Heard an international resolution update on activities of the International Association of Insurance Supervisors Resolution Working Group (ReWG). The ReWG met telephonically in April to continue development of the *Application Paper on Resolution Planning*. The ReWG expects to finalize the draft at a telephonic meeting in September. A draft for consultation is expected to be available in November.

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