



National Association of Insurance Commissioners

**The
2020
Summer
National
Meeting**

Synopsis

July 27 – August 14, 2020





National Association of
Insurance Commissioners

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**Synopsis of the NAIC Committee, Subcommittee and Task Force Meetings
2020 Virtual Summer National Meeting
July 27 – August 14, 2020**

TO: Members of the NAIC and Interested Parties
FROM: The Staff of the NAIC

Committee Action

NAIC staff have reviewed the committee, subcommittee and task force reports and highlighted the actions taken by the committee groups during the 2020 Virtual Summer National Meeting. The purpose of this report is to provide NAIC members, state insurance regulators and interested parties with a summary of these meeting reports.

EXECUTIVE (EX) COMMITTEE AND PLENARY (Joint Session)

Aug. 14, 2020

1. Adopted the report of the Executive (EX) Committee. See the Committee listing for details.
2. Adopted the “NAIC Principles on Artificial Intelligence (AI)” (AI Principles).
3. Adopted by consent the committee, subcommittee and task force minutes of the 2019 Fall National Meeting.
4. Adopted its Feb. 13 minutes, which included the following action:
 - a. Adopted revisions to the *Suitability in Annuity Transactions Model Regulation* (#275).
5. Received the report of the Life Insurance and Annuities (A) Committee. See the Committee listing for details.
6. Received the report of the Health Insurance and Managed Care (B) Committee. See the Committee listing for details.
7. Received the report of the Property and Casualty Insurance (C) Committee. See the Committee listing for details.
8. Received the report of the Market Regulation and Consumer Affairs (D) Committee. See the Committee listing for details.
9. Received the report of the Financial Condition (E) Committee. See the Committee listing for details.
10. Received the report of the Financial Regulation Standards and Accreditation (F) Committee. See the Committee listing for details.
11. Received the report of the International Insurance Relations (G) Committee. See the Committee listing for details.
12. Adopted technical revisions to *Actuarial Guideline XLVIII—Actuarial Opinion and Memorandum Requirements for the Reinsurance of Policies Required to be Valued under Sections 6 and 7 of the NAIC Valuation of Life Insurance Policies Model Regulation* (AG 48).
13. Adopted amendments to the *Valuation Manual*.
14. Adopted *Actuarial Guideline XLVIX-A—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest* (AG 49-A).
15. Adopted *Considerations for State Insurance Regulators in Building the Private Flood Insurance Market*.
16. Adopted the NAIC Continuing Education Reciprocity (CER) Agreement – 2019 Version.
17. Adopted the 2019 revisions to the *Credit for Reinsurance Model Law* (#785) and the *Credit for Reinsurance Model Regulation* (#786) as an addition to the Part A Accreditation Standards.
18. Adopted the *Term and Universal Life Insurance Reserve Financing Model Regulation* (#787) as a new Part A accreditation standard.
19. Received a status report on state implementation of NAIC-adopted model laws and regulations.

EXECUTIVE (EX) COMMITTEE

Aug. 13, 2020

1. Adopted the report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee, which met July 14 in regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meetings. During this meeting, the Committee and Subcommittee took the following action:
 - a. Adopted its May 12 minutes.
 - b. Adopted the Internal Administration (EX1) Subcommittee’s May 20 minutes, which included the following action:
 1. Received an update on the defined benefit plan portfolio as of March 31.
 2. Received an update on the NAIC long-term investment plan portfolio as of March 31.
 3. Approved a recommendation to replace one of the NAIC’s fund managers responsible for short-term bond funds.
 - c. Adopted the report of the Audit Committee, which met June 2 via conference call and received the 2019/2020 Service Organization Control (SOC) 1 and SOC 2 reports.
 - d. Received an update on the 2020 financial results and preliminary 2021 budget assumptions and approved an extension of unused 2020 grant funds to the end of 2021.

- e. Appointed the Special Committee on Race and Insurance.
 - f. Appointed the Climate and Resiliency (EX) Task Force and adopted its draft charges.
 - g. Received a System for Electronic Rate and Form Filing (SERFF) assessment and directed NAIC staff to prepare and issue a request for proposal (RFP) to solicit proposals to help complete a “modernization pilot” and “Wave One” as recommended in the SERFF assessment.
 - h. Approved the NAIC staff recommendation to extend the residential mortgage-backed securities (RMBS)/commercial mortgage-backed securities (CMBS) modeling contract with BlackRock for another year.
 - i. Approved the release of the economic scenario generator (ESG) fiscal for a two-week public comment period prior to a final vote of the Executive (EX) Committee during a future meeting.
 - j. Approved an information-sharing agreement with the U.S. Department of Labor (DOL).
 - k. Selected the meeting locations for the 2024 summer and fall national meetings: 1) the 2024 Summer National Meeting will be held in Chicago, IL; and 2) the 2024 Fall National Meeting will be held in Denver, CO.
 - l. Received the joint chief executive officer (CEO)/chief operating officer (COO) report.
2. Adopted the report of the Executive (EX) Committee, which met May 12, April 2, Feb. 13 and Jan. 10 in regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meetings. During these meetings, the Committee took the following action:
 - a. Adopted the 2019 Fall National Meeting minutes of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee.
 - b. Adopted its April 2, Feb. 13 and Jan. 10 minutes.
 - c. Adopted the report of the Audit Committee.
 - d. Adopted the report of the Investment Committee.
 - e. Adopted the recommendation of the Life Actuarial (A) Task Force to delay the start of principle-based reserving (PBR) experience data reporting from 2020 to 2021.
 - f. Appointed Commissioner Vicki Schmidt (KS) and Director Bruce R. Ramge (NE) to serve on the National Insurance Producer Registry (NIPR) Board of Directors effective May 12.
 - g. Heard a report on a change in membership for the SERFF Advisory Board. Andrea Davey (Athene Annuity and Life Company) will serve as the life insurance representative on the SERFF Advisory Board.
 - h. Discussed the National Association of Registered Agents and Brokers (NARAB) board recommendations.
 - i. Heard an update on the ESG RFP.
 - j. Heard an update on the SERFF Assessment.
 - k. Heard an update on NAIC cybersecurity.
 - l. Discussed the status of the Mid-Year Roundtable and the Summer National Meeting.
 - m. Heard a joint CEO/COO report.
 - n. Discussed 2020 NAIC strategic priorities in light of COVID-19.
 - o. Received an update on the 2019 year-end financial results.
 - p. Approved the fiscal impact statement for the Long-Term Care Insurance Data Call and authorized NAIC staff to contract with a selected vendor.
 - q. Approved the fiscal impact statement for the SERFF Filing Review Tools Pilot.
 - r. Approved the following non-regulator appointments to the SERFF Advisory Board: Birny Birnbaum (Center for Economic Justice—CEJ) as the consumer representative; Theresa Boyce (Chubb Group) as a property/casualty (P/C) representative; Amanda Wheeler (LifeSecure Insurance Company) as a life insurance representative; and Rachel Benton (Bright Health) as a health insurance representative and vice chair.
 - s. Appointed Director Chlora Lindley-Myers (MO) as vice chair of the 2020 Consumer Participation Board of Trustees.
 - t. Appointed Commissioner Mark Afable (WI) to serve on the NIPR Board of Directors effective Feb. 13.
 - u. Disbanded the Long-Term Care Insurance (B/E) Task Force, the NAIC/State Government Liaison Committee and the NAIC/Industry Liaison Committee.
 - v. Removed the membership limit on the Life Actuarial (A) Task Force and the Health Actuarial (B) Task Force.
 - w. Approved the fiscal impact statement for the PBR Yearly Renewable Term Reinsurance Study.
 - x. Voted to release for public review and comment the Long-Term Care Insurance Data Call and Analysis fiscal impact statement.
 - y. Approved the debt restructure terms between the NAIC and Interstate Insurance Product Regulation Commission (Compact).
 - z. Appointed Florida, Idaho, Kentucky, Massachusetts, Missouri, Nebraska, Nevada, Ohio and Oklahoma as members of the NAIC 2020 Audit Committee.
 3. Adopted the report of the Financial Stability (EX) Task Force. See the Task Force listing for details.
 4. Adopted the report of the Government Relations (EX) Leadership Council. See the Leadership Council listing for details.
 5. Adopted the report of the Innovation and Technology (EX) Task Force, including the AI Principles. See the Task Force listing for details.

6. Adopted the report of the Long-Term Care Insurance (EX) Task Force, including charges for its three new subgroups: Long-Term Care Insurance (LTCI) Multi-state Rate Review (EX) Subgroup; LTCI Reduced Benefit Options (EX) Subgroup; and LTCI Financial Solvency (EX) Subgroup. See the Task Force listing for details.
7. Adopted Requests for NAIC Model Law Development to amend the *Insurance Holding Company System Regulatory Act* (#440), the *Insurance Holding Company System Regulation with Reporting Forms and Instructions* (#450) and the *Standard Nonforfeiture Law for Individual Deferred Annuities* (#805).
8. Received the 2019 annual report of the NAIC Designation Program Advisory Board.
9. Received a status report on implementation of the NAIC *State Ahead* strategic plan.
10. Received a status report on model law development efforts for amendments to: *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171); *Annuity Disclosure Model Regulation* (#245); *Health Maintenance Organization Model Act* (#430); Model #440; Model #450; *Life Insurance Disclosure Model Regulation* (#580); *Mortgage Guaranty Insurance Model Act* (#630); *Unfair Trade Practices Act* (#880); and new models, including the Real Property Lender-Placed Insurance Model Act, the Pet Insurance Model Act and the [State] Pharmacy Benefit Manager Licensure and Regulation Model Act (PBM Model Act).
11. Heard a report from the Compact.

Financial Stability (EX) Task Force

Aug. 5, 2020

1. Adopted its Feb. 26 and 2019 Fall National Meeting minutes, which included the following action:
 - a. Announced the reappointment of the Liquidity Assessment (EX) Subgroup.
 - b. Discussed comments received on the draft 2019 liquidity stress test framework.
 - c. Discussed comments received on a request to join the Financial Condition (E) Committee in opening Model #440 and Model #450 for amendments.
2. Heard an update on Financial Stability Oversight Council (FSOC) developments.
3. Received an update from the Liquidity Assessment (EX) Subgroup on its progress toward achieving its deliverables related to liquidity stress testing.
4. Received an update from the Receivership and Insolvency (E) Task Force on its work to address the Financial Stability (EX) Task Force's referral letter to undertake analysis relevant to the Macroprudential Surveillance Initiative.
5. Heard an update on collateralized loan obligation (CLO) stress tests.
6. Heard an update on the International Association of Insurance Supervisors (IAIS)
7. Heard an update on the London Interbank Offered Rate (LIBOR).
8. Discussed exposure comments on the draft revisions to Model #440.

Government Relations (EX) Leadership Council

The Government Relations (EX) Leadership Council did not meet at the Summer National Meeting.

Innovation and Technology (EX) Task Force

Aug. 7, 2020

1. Adopted its July 23 and 2019 Fall National Meeting minutes, which included the following action:
 - a. Discussed comments regarding the AI Principles as adopted by the Artificial Intelligence (EX) Working Group during its June 30 conference call.
 - b. Discussed comments regarding the anti-rebating draft amendments to Section 4H of Model #880.
2. Adopted the report of the Big Data (EX) Working Group, which met Aug. 4 and took the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Received an update from the Casualty Actuarial and Statistical (C) Task Force on its progress drafting a white paper, *Regulatory Review of Predictive Models*, to provide best practices for the review of predictive models and analytics filed by insurers to justify rates.
 - c. Received an update from the Accelerated Underwriting (A) Working Group. The Working Group plans to circulate a first draft of its work product by the end of 2020 and complete its work by the 2021 Summer National Meeting.

- d. Received an update on NAIC technical and nontechnical rate review trainings. Starting Nov. 13, 2019, and ending in June 2020, the NAIC Education and Training Department hosted biweekly statistical training for regulatory review of P/C rate models (technical training). State insurance regulators received technical training in exploratory data analysis and statistical techniques insurers are using to develop P/C risk classification and rating plans. The next phase of training was devoted to specific advanced statistical techniques. Course topics included generalized linear models (GLMs), generalized additive models (GAMs), gradient boosted trees, random forest ensembles and decision tree models. Model validation techniques were also covered. The NAIC also sponsored two non-theoretical, practical webinars, designated as “nontechnical webinars.” The NAIC plans to provide training targeted specifically to market conduct examiners.
- e. Received an update on NAIC technical services to state insurance regulators for the review of P/C rate models. State insurance regulators will be able to share information through a confidential model database and obtain NAIC technical assistance when reviewing a specific company’s filed P/C rate model.
3. Adopted the report of the Speed to Market (EX) Working Group, including its July 31 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its July 15 minutes, which included the following action:
 1. Adopted its June 15 minutes, which included the following action:
 - a. Received an update on the SERFF Advisory Board and SERFF metrics.
 - b. Received an update from the Compact.
 - c. Adopted a suggestion to create a SERFF canned report for rate changes.
 - d. Discussed the SERFF State Reports document.
 2. Discussed suggestions for changes to the Uniform Property & Casualty Product Coding Matrix and Uniform Transmittal Document. None of the suggested changes were adopted.
 - b. Adopted its June 30 minutes, which included the following action:
 1. Adopted changes to the Uniform Life, Accident & Health, Annuity and Credit Product Coding Matrix and Uniform Transmittal Document effective Jan. 1, 2021.
4. Adopted the report of the Artificial Intelligence (EX) Working Group, including its June 30 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its June 3 minutes, which included the following action:
 1. Adopted its May 5 minutes, which included the following action:
 - a. Adopted its Feb. 19 minutes, which included the following action:
 1. Adopted its Feb. 4 minutes, which included the following action:
 - a. Reviewed and discussed comments regarding Version 1 of the draft AI Principles.
 - b. Reviewed a proposed timeline for adoption of the AI Principles.
 2. Reviewed and discussed comments regarding Version 2 of the draft AI Principles.
 3. Reviewed a proposed timeline for adoption of the AI Principles.
 - b. Reviewed and discussed comments regarding Version 3 of the draft AI Principles.
 - c. Reviewed a proposed timeline for adoption of the AI Principles.
 2. Reviewed and discussed comments regarding Version 4 of the draft AI Principles.
 3. Reviewed a proposed timeline for adoption of the AI Principles.
 - b. Reviewed and discussed comments regarding Version 5 of the draft AI Principles.
 - c. Adopted the AI Principles, which were referred to the Innovation and Technology (EX) Task Force for consideration.
5. Discussed and adopted the AI Principles as amended during the meeting. Amendments to the version adopted by the Artificial Intelligence (EX) Working Group include:
 - a. Adding “data providers” to the list of entities included as playing an active role in the AI system life cycle.
 - b. Adding “Consistent with the risk-based foundation of insurance” to the beginning of the Fair and Ethical part b.
 - c. Adding “and corrects and remediates such consequences when they occur” to the end of Fair and Ethical part b.
 - d. Deleting the last sentence in the Accountable and Compliant sections.
 - e. Deleting “including consumers” and adding “can be demonstrated” to the first and second sentences in the Transparent section part a.
 - f. Making several other “clean up” type changes.
6. Heard presentations from Director Robert Muriel (IL), Chris Stehno (Deloitte) and Patricia Matson (Risk and Regulatory Consulting) on the topic of accelerated underwriting in life insurance and algorithmic auditing.
7. Received an update on the latest draft of the anti-rebating amendments to Section 4H of Model #880 and exposed it for a public comment period ending Aug. 28. Any comments received will be discussed by the Task Force during an interim meeting prior to the Fall National Meeting.

Long-Term Care Insurance (EX) Task Force

Aug. 7, 2020

1. Adopted its July 2 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Received progress reports on the current activities for the Task Force's six workstreams.
 - c. Exposed a draft reduced benefit option principles document for a 30-day public comment period ending Aug. 3.
 - d. Exposed draft 2020 subgroup charges for a 14-day public comment period ending July 17.
2. Appointed three subgroups and related 2020 charges: LTCI Multi-state Rate Review (EX) Subgroup; LTCI Reduced Benefit Options (EX) Subgroup; and LTCI Financial Solvency (EX) Subgroup.
3. Received progress reports on the current activities for two of the Task Force's workstreams:
 - a. The Multi-State Rate Review Practices workstream continues to make progress in conducting a pilot project to perform multi-state rate reviews.
 - b. The Reduced Benefit Options and Consumer Notices workstream received comments on a draft principles document outlining the states' practices in reviewing and approving reduced benefit options. Further discussions of comments received will be held on future conference calls of the LTCI Reduced Benefit Options (EX) Subgroup. The Subgroup also plans to begin development of principles for consumer notices.
4. Received comments from interested parties on the draft reduced benefit options principles document.

INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE

See the Executive (EX) Committee listing for details.

Information Systems (EX1) Task Force

Aug. 5, 2020

1. Adopted its Fall 2019 National Meeting minutes.
2. Adopted its 2021 proposed charges, which remain unchanged from 2020.
3. Received an information technology (IT) operational report on the NAIC's IT activities, including: 1) product highlights; 2) innovation and technology; 3) service and support; 4) data collection metrics; 5) team; 6) project portfolio summary; and 7) technology adoption and system usage. The report provides updates for upcoming improvements, impacts to new state technology offerings from the NAIC and general updates on the activities of the NAIC technology team.
4. Received a project portfolio update, including project status reports for 23 active technical projects and a summary of two projects recently completed.
5. Adjourned into regulator-to-regulator session pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meetings.

LIFE INSURANCE AND ANNUITIES (A) COMMITTEE

Aug. 11, 2020

1. Adopted its July 10 minutes, which included the following action:
 - a. Adopted its Dec. 30, 2019, and 2019 Fall National Meeting minutes, which included the following action:
 1. Adopted revisions to the appendices of Model #275, as referred by the Annuity Suitability (A) Working Group.
 - b. Adopted technical revisions to AG 48.
 - c. Adopted amendments to the *Valuation Manual*.
 - d. Adopted AG 49-A.
2. Adopted the report of the Annuity Disclosure (A) Working Group, including its March 13 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted revisions to Section 6F(9)(b)(i) of Model #245 clarifying what financial instruments are included in an index, each of which has to have been in existence for at least 15 years.
3. Adopted an extension of the Annuity Disclosure (A) Working Group's Request for NAIC Model Law Development to amend Model #245.
4. Adopted the report of the Accelerated Underwriting (A) Working Group, which met July 31 and took the following action:
 - a. Adopted its March 12, Feb. 20, Feb. 2, Jan. 23, and 2019 Fall National Meeting minutes, which included the following action:
 1. Discussed its work plan.
 2. Heard presentations from consulting firms, lawyers, consumer representative organizations, and the American Academy of Actuaries (Academy).
 - b. Heard a presentation on the work of the Working Group, including the process that has been followed, some of the lessons learned, and the timeline for completion of its charge.

5. Adopted the report of the Annuity Suitability (A) Working Group, which met July 29 and took the following action:
 - a. Adopted its Dec. 19, 2019, and 2019 Fall National Meeting minutes, which included the following action:
 1. As directed by the Life Insurance and Annuities (A) Committee, reviewed and discussed the comments received on the draft of proposed revisions to Model #275 related to the proposed appendices.
 2. Revised the appendices based on the comments received and forwarded the revised draft to the Committee for consideration during a Dec. 30, 2019, conference call.
 - b. Agreed to work on a draft frequently asked questions (FAQ) document to complete the second half of its charge to “consider how to promote greater uniformity across NAIC-member jurisdictions.”
6. Adopted the report of the Life Insurance Illustration Issues (A) Working Group, including its July 24 minutes. During this meeting, the Working Group took the following action:
 - a. Continued making progress in the development of a one- to two-page consumer-oriented policy overview document in order to achieve its charge of improving the understandability of the life insurance policy summaries already required in Section 7B of the *Life Insurance Illustrations Model Regulation* (#582) and Section 5A(2) of Model #580.
 - b. Reviewed two alternative draft revisions to Model #580. One version retains the current time frame for delivery of the policy overview at the same time as the buyer’s guide (either at the time of application or at the time of policy delivery if there is a “free look” period.) The other version has the policy overview delivered at the time of application.
 - c. Reviewed two alternative versions of the policy overview sample for term life insurance policies. One version shows the sample pre-underwriting, the other after underwriting.
 - d. Exposed the policy overview documents for a public comment period ending Aug. 28.
 - e. Agreed to request an extension of the Request for NAIC Model Law Development from the Life Insurance and Annuities (A) Committee in order to make progress on draft revisions to Model #580 creating a policy overview and sample templates.
7. Adopted an extension of the Life Insurance Illustration Issues (A) Working Group’s Request for NAIC Model Law Development to amend Model #580.
8. Adopted the report of the Life Actuarial (A) Task Force. See the Task Force listing for details.
9. Discussed next steps for the Life Insurance Online Guide (A) Working Group and agreed that NAIC staff would send an email to Committee members:
 - a. Describing its planned process to have the Working Group focus on the substance of a guide and have the NAIC Communications Division work on an online design.
 - b. Seeking additional state insurance regulator members to be on the Working Group.
10. Discussed next steps for the Retirement Security (A) Working Group and agreed that NAIC staff would send an email to Committee members:
 - a. Asking for comments on a revised work plan focusing on areas where state insurance regulators have expertise while leveraging the existing work of other organizations to avoid duplication of efforts.
 - b. Seeking additional state insurance regulator members to be on the Working Group.
11. Agreed to discuss on a future conference call whether the Committee should review the design and regulation of life insurance and annuity illustrations and discuss what, if any, changes or additions might be needed.

Life Actuarial (A) Task Force

Aug. 3–6, 2020

1. Adopted its June 25, June 18, June 11, June 4, May 28, May 21, May 14 and May 7 minutes, which included the following action:
 - a. Adopted its Feb. 27, Feb. 20, Feb. 13, Feb. 6, Jan. 30 and Jan. 23 minutes, which included the following action:
 1. Adopted its 2019 Fall National Meeting minutes.
 2. Agreed to distribute an RFP for a replacement ESG.
 3. Adopted amendment proposal 2019-62.
 4. Exposed amendment proposal 2020-03.
 5. Exposed amendment proposal 2019-58.
 6. Adopted revisions to AG 48.
 7. Agreed to refer proposed revisions to the VM-20 Reserve Supplement Blank to the Blanks (E) Working Group.
 9. Exposed amendment proposal 2020-02.
 10. Rejected amendment proposal 2017-51.
 11. Discussed amendment proposal 2019-33.
 12. Adopted amendment proposal 2019-61.
 13. Adopt amendment proposal 2019-60.
 14. Accepted amendment proposal 2020-01 as an editorial change to the *Valuation Manual*.
 15. Discussed the Oliver Wyman yearly renewable term (YRT) reinsurance reserve credit long-term solution.
 16. Heard a status update on the YRT field test.

- b. Adopted changes to Model #805.
 - c. Adopted amendment proposal 2020-05.
 - d. Adopted AG 49-A.
 - e. Adopted amendment proposal 2020-06.
 - f. Adopted amendment proposal 2020-07.
2. Heard an update on the results of the YRT field test modeling and range of interpretation survey from the Academy YRT Field Test Project Oversight Work Group, Oliver Wyman and NAIC staff.
 3. Discussed proposed changes to Model #805 nonforfeiture interest rate floor. The Task Force agreed to expose Section 4B with various nonforfeiture rate floor options between one-half of one percent (0.5%) and zero percent, inclusive.
 4. Heard an update from the Academy Annuity Reserves Work Group on the proposed timeline and approach for the development of a PBR framework for non-variable annuities.
 5. Adopted the report of the VM-22 (A) Subgroup, including its July 15, July 1, June 11 and May 20 minutes. During these meetings, the Subgroup took the following action:
 - a. Discussed developing a standard projection amount (SPA) for VM-22, Statutory Maximum Valuation Interest Rate for Income Annuities.
 6. Heard an update from the Compact.
 7. Adopted the report of the Longevity Risk (E/A) Subgroup.
 8. Adopted the report of the GI Life Valuation (A) Subgroup.
 9. Adopted the report of the Experience Reporting (A) Subgroup.
 10. Adopted the report of the IUL Illustration (A) Subgroup, including its June 2 and May 26 minutes. During these meetings, the Subgroup took the following action:
 - a. Discussed proposed revisions to *Actuarial Guideline XLIX—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest* (AG 49).
 11. Exposed amendment proposal 2019-33.
 12. Exposed amendment proposal 2020-03.
 13. Exposed amendment proposal 2019-34.
 14. Exposed the 2021 Generally Recognized Expense Table (GRET) recommendation.
 15. Heard an update from the Society of Actuaries (SOA) on research and education.
 16. Exposed the SOA update of 2020 life mortality improvement factors.
 17. Heard an update from the Academy PBR Governance Work Group.
 18. Heard an update from the Academy Council on Professionalism.

HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE

Aug. 11, 2020

1. Adopted its April 28, Feb. 26, and 2019 Fall National Meeting minutes, which included the following action:
 - a. Received a report from the Health Actuarial (B) Task Force on its work to develop an outline and eventual 2021 rate pricing resource and guidance document for the states to consider when reviewing initial 2021 rates in light of the COVID-19 pandemic.
 - b. Discussed and heard comments from stakeholders on areas, such as telehealth requirements and form filing requirements, in which state insurance regulators can provide regulatory flexibility due to the COVID-19 pandemic.
 - c. Adopted the Regulatory Framework (B) Task Force's revised 2020 charges, which added a charge for the newly appointed MHPAEA (B) Working Group. This new Working Group will monitor, report and analyze developments related to the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), and make recommendations regarding NAIC strategy and policy with respect to those developments
2. Adopted the report of the Health Actuarial (B) Task Force. See the Task Force listing for details.
3. Adopted the report of the Regulatory Framework (B) Task Force. See the Task Force listing for details.
4. Adopted the report of the Senior Issues (B) Task Force. See the Task Force listing for details.
5. Adopted the report of the Consumer Information (B) Subgroup, including its July 9, Jan. 21 and Jan. 7 minutes. During these meetings, the Subgroup took the following action:
 - a. Discussed and adopted the revised consumer guide, "Using Your Health Coverage." The guide helps consumers better understand health coverage they are enrolled in by providing guidance on cost-sharing, provider networks, referrals, coordination of benefits, life changes and other topics.
 - b. Discussed its work plan for 2020, including completing its work on a new consumer guide to the claims process, developing materials related to the COVID-19 pandemic and updating its "Frequently Asked Questions About Health Care Reform" document for the plan year 2021.

6. Adopted the report of the Health Innovations (B) Working Group, which met July 30 and took the following action:
 - a. Adopted its June 23 minutes, which included the following action:
 1. Discussed the regulation of coverage for telehealth services.
 2. Discussed potential topics for the Working Group’s meeting during the Summer National Meeting.
 - b. Heard a presentation on privacy requirements for telehealth communications under the federal Health Insurance Portability and Accountability Act (HIPAA). An attorney with Manatt Health reviewed which HIPAA standards are required versus addressable, the flexibility established under the COVID-19 pandemic, and other considerations for covered entities in complying with privacy requirements.
 - c. Heard a panel discussion on telemedicine from representatives of stakeholder groups. The National Alliance on Mental Illness (NAMI) shared poll results and concerns from patients and mental health providers. America’s Health Insurance Plans (AHIP) reviewed the growth in telehealth services, ongoing challenges, and what the states can do to further promote telehealth. The American Academy of Family Physicians (AAFP) discussed changes to provider workflows, regulatory flexibilities and ongoing challenges, including the lack of alignment across payers.
 - d. Heard a presentation from the Milbank Memorial Fund on strategies for cost control. It suggested five areas in which state insurance regulators can incentivize and encourage greater health care system affordability
7. Heard a presentation on health equity and disparities in health care and coverage. The presentation explained what health and health care disparities are, their origin, and why health and health care disparities are a persistent and longstanding issue. The presentation also highlighted how the disparate impacts of COVID-19 mirror and compound underlying health disparities and how progress to address the problem will require long-term efforts across sectors to prioritize equity and address systemic and structural barriers, including racism and discrimination.
8. Heard a presentation on how the COVID-19 pandemic and the resulting recession has affected employer-sponsored insurance coverage. The presentation also discussed consumer considerations and choices after the loss of employer-sponsored insurance coverage. The presentation outlined several policy opportunities and lessons that state and federal regulators could consider when dealing with this issue, such as considering the impact of Medicaid expansion, the timing of enrollment and outreach, and expanded outreach efforts.
9. Heard a presentation on COVID-19 testing and costs. The presentation provided an overview of COVID-19 testing, its essential components and purpose. The presentation also discussed the current framework for COVID-19 testing and how each stakeholder involved—insurers, government, public health entities, and employers—plays a leadership role in ensuring access to such testing for those who need it. The presentation discussed the current costs of COVID-19 tests for diagnostic purposes and antibody testing and the potential impact of the cost of testing on premium rates. The presentation suggested several recommendations, including ensuring that all consumers are able to access COVID-19 testing regardless of coverage status, solidifying comprehensive strategies that incorporate testing to achieve occupational and public health goals, ensuring that testing does not lead to premium spikes in 2021 and protecting against testing fraud.
10. Heard an update on legal actions related to the federal Affordable Care Act (ACA), including U.S. Supreme Court cases from its recent 2019 term, such as the 8-1 decision in favor of insurers challenging the legality of the federal government’s refusal to pay participants for full risk corridor amounts. The update also discussed what to expect from the U.S. Supreme Court in its 2020 term, including oral arguments in a case challenging the constitutionality of the individual mandate and its potential impact on other key ACA provisions and a case challenging the authority of the states to regulate pharmacy benefit managers (PBMs).
11. Received an update on the work of the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup in completing its charge to develop a new NAIC model regulating PBMs. The Subgroup exposed a draft PBM Model Act for a public comment period ending Sept. 1. Following the end of the public comment period, the Subgroup will meet via conference call to discuss and consider revisions to the draft based on the comments received.
12. Heard a federal legislative update on congressional legislation and administrative actions of interest to the Committee.

Health Actuarial (B) Task Force

Aug. 4, 2020

1. Adopted its May 27, April 23 and Feb. 14 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Adopted the ACA 2021 coronavirus (COVID-19) rate review guideline Excel template. The guideline was referred to the Health Insurance and Managed Care (B) Committee for consideration.
 - c. Discussed the impact of COVID-19 on 2021 ACA rates.
 - d. Adopted revisions to the Long-Term Care Experience Reporting Forms, as referred by the Long-Term Care Actuarial (B) Working Group. The forms were referred to the Senior Issues (B) Task Force and the Health Insurance and Managed Care Committee for their consideration.
2. Adopted the report of the Health Care Reform Actuarial (B) Working Group, which has not met in 2020. The Working Group plans to meet as needed via conference call to review any work by the State Rate Review (B) Subgroup pertaining to ACA rating regulations.

3. Adopted the report of the Long-Term Care Actuarial (B) Working Group, which met Aug. 4 and took the following action:
 - a. Adopted its Jan. 23 and 2019 Fall National Meeting minutes, which included the following action:
 1. Adopted revisions to the Long-Term Care Experience Reporting Forms. The forms were referred to the Health Actuarial (B) Task Force for consideration.
 - b. Adopted the report of the Long-Term Care Valuation (B) Subgroup, which has not met since the 2019 Fall National Meeting. A review group composed of Subgroup members continues to review *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51) year-end 2019 filings.
 - c. Adopted the report of the Long-Term Care Pricing (B) Subgroup, including its Feb. 6 and Jan. 6 minutes. During these meetings, the Subgroup took the following action:
 1. Discussed LTCI cash value buyouts to policyholders in lieu of rate increases.
 2. Discussed LTCI hybrid products.
 - d. Heard an update from the Academy Long-Term Care Valuation Work Group.
 - e. Heard an update on SOA on its Long-Term Care (LTC) Experience Study.
4. Heard an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO) on 2021 ACA rate filings.
5. Heard an update from the Academy Council on Professionalism.
6. Heard an update from the SOA on health insurance research.
7. Heard an update from the Academy Health Practice Council.

Regulatory Framework (B) Task Force

Aug. 4, 2020

1. Adopted its Feb. 20 and 2019 Fall National Meeting minutes, which included the following action:
 - a. Appointed the MHPAEA (B) Working Group and adopted its 2020 proposed charges.
2. Adopted the report of the Accident and Sickness Insurance Minimum Standards (B) Subgroup, including its Dec. 19, 2019, minutes. During this meeting, the Subgroup took the following action:
 - a. Continued its discussion of the comments received on Section 1 through Section 5 of Model #171.
 - b. Exposed Section 6 and Section 7 of Model #171 for a public comment period ending Feb. 7. The Subgroup had planned to begin meeting via conference call in February to complete its discussion of the comments received on Section 1 through Section 5 and begin discussion of the comments received on Section 6 and Section 7; however, due to the COVID-19 public health emergency and the loss of one of its co-chairs, the Subgroup has not met since December 2019.
3. Adopted the report of the ERISA (B) Working Group, which met July 31 minutes and took the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Discussed what the Working Group should focus on in 2021, including reviewing the *Prevention of Illegal Multiple Employer Welfare Arrangements (MEWAs) and Other Illegal Health Insurers Model Regulation* (#220) to consider its continuing relevance.
 - c. Reported that it met July 28 in regulator-to-regulator session pursuant to paragraph 2 (pending investigations which may involve either the NAIC or any member in any capacity), paragraph 3 (specific companies, entities or individuals), and paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings.
4. Adopted the report of the HMO Issues (B) Subgroup, including its July 13 minutes, but not including adoption of the proposed revisions to Model #430. During this meeting, the Subgroup took the following action:
 - a. Adopted its June 11 minutes, which included the following action:
 1. Discussed the comments received by the public comment period ending March 18 on proposed revisions to Model #430 to address inconsistencies and redundancies in the model with the provisions in the *Life and Health Insurance Guaranty Association Model Act* (#520), which added health maintenance organizations (HMOs) as members of the guaranty association.
 - b. Adopted proposed revisions to Model #430. The proposed revisions were referred to the Regulatory Framework (B) Task Force for consideration.
5. Adopted the report of the MHPAEA (B) Working Group, including its July 28 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its June 24 minutes, which included the following action:
 1. Adopted its June 5 minutes, which included the following action:
 - a. Adopted its March 19 and March 9 minutes, which included the following action:
 1. Discussed current and potential compliance tools available to the states related to the MHPAEA.
 2. Discussed its plan to operate similar to the ERISA (B) Working Group.
 3. Discussed its anticipated work for 2020 consistent with its 2020 charges.
 - b. Discussed a draft quantitative treatment limitation/financial requirement (QTL/FR) template.
 2. Discussed the draft Working Group work plan.

3. Discussed the comments received on the draft QTL/FR template received by the June 18 public comment deadline.
 - b. Heard a presentation on activities and work being done to assist self-funded group health plans and private employers to comply with mental health parity requirements under the MHPAEA.
 - c. Heard a presentation from the American Psychiatric Association (APA) on state activities and legislation related to MHPAEA parity data reporting requirements.
 - d. Discussed current parity compliance resources and tools available to the states to determine plan compliance with the MHPAEA parity requirements and potential resources and tools the Working Group developed to supplement, but not supplant, these existing tools and resources.
 - e. Discussed next steps in developing supplemental MHPAEA parity compliance resources and tools for the states related to non-quantitative treatment limitations (NQTLs).
 - f. Reported that it will meet July 29 in regulator-to-regulator session pursuant to paragraph 2 (pending investigations which may involve either the NAIC or any member in any capacity), paragraph 3 (specific companies, entities or individuals), and paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings.
6. Adopted the report of the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup, including its July 16 minutes. During this meeting, the Subgroup took the following action:
 - a. Discussed the ad hoc drafting group's draft of a proposed new NAIC model regulating PBMs.
 - b. Exposed the draft PBM Model Act for a public comment period ending Sept. 1. The Subgroup plans to meet via conference call in September to begin discussing any comments received.
 7. Heard an update from the Center on Health Insurance Reforms' (CHIR) work related to implementation of the ACA and other issues of interest to state insurance regulators. The update included a discussion of the CHIR's efforts to track state activity related to COVID-19's effect on private coverage of critical services. The CHIR is continuing to track and analyze developments under the ACA's Section 1332 waiver program and state regulatory approaches to short-term, limited duration (STLD) plans. The CHIR is also continuing its work to track state reforms affecting the individual market and the affordability of comprehensive coverage. The presentation also highlighted the CHIR's ongoing technical assistance regarding insurance regulatory matters, including state COVID-19 responses through the State Health and Value Strategies Program (SHVSP) and assistance provided to state and federal policymakers regarding regulatory approaches to balance billing.
 8. Heard a panel presentation on health care sharing ministries (HCSMs). The CHIR discussed consumer confusion with HCSMs because of how they are marketed by some HCSMs and their similarity in many aspects to traditional health insurance plans, such as defined benefit packages, cost-sharing and premium-like payment requirements. A representative from Samaritan Ministries discussed suggestions for best practices for HCSMs to provide transparency and potentially reduce consumer confusion between HCSMs and traditional health insurance plans.
 9. Heard a discussion on premium holidays, early medical loss ratio (MLR) rebate payments, and adjustments to cost-sharing benefits due to fewer claim filings in 2020 because of COVID-19. As part of this discussion, the federal Centers for Medicare & Medicaid Services (CMS) announced that it had just released guidance on a new temporary policy that will allow issuers to offer temporary premium reductions for individuals with 2020 coverage in the individual and small group markets. The guidance can be found at this link: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/Premium-Credit-Guidance.pdf>.

Senior Issues (B) Task Force

Aug. 3, 2020

1. Adopted its March 3 and 2019 Fall National Meeting minutes, which included the following action:
 - a. Discussed its 2020 agenda.
 - b. Appointed the LTCI Model Update (B) Working Group, with a charge of determining whether the *Long-Term Care Insurance Model Act* (#640) and the *Long-Term Care Insurance Model Regulation* (#641) need to be updated.
2. Heard a federal legislative update, including an update on federal funding for the State Health Insurance Assistance Program (SHIP), as well as the work of the federal task force and its final report.
3. Discussed seniors and COVID-19; specifically, what the states are experiencing in regard to seniors putting off health care needs due to the pandemic.
4. Discussed misleading advertisements that have led seniors unknowingly off their current plan and into Medicare Advantage plans they did not ask for and, in most cases, do not need.
5. Discussed the federal Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) and Medicare. It was reported that too many seniors do not know that they must enroll in Medicare even if they are continuing to work past the age 65. A request was made for amendments to the *Coordination of Benefits Model Regulation* (#120) to help address this issue.

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE

Aug. 12, 2020

1. Adopted its June 10 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Adopted revisions to the NAIC Uniform Risk Retention Group Registration Form for inclusion in the *Risk Retention and Purchasing Group Handbook*.
 - c. Discussed regulatory actions related to COVID-19.
 - d. Adopted the Private Passenger Auto Insurance Study.
2. Adopted the report of the Casualty Actuarial and Statistical (C) Task Force. See the Task Force listing for details.
3. Adopted the report of the Surplus Lines (C) Task Force. See the Task Force listing for details.
4. Adopted the report of the Title Insurance (C) Task Force. See the Task Force listing for details.
5. Adopted the report of the Workers' Compensation (C) Task Force. See the Task Force listing for details.
6. Adopted the report of the Cannabis Insurance (C) Working Group, which has not met in 2020. Due to the prioritization of COVID-19 issues, it is unclear when the Working Group will next meet.
7. Adopted the report of the Catastrophe Insurance (C) Working Group, which met July 31 and took the following action:
 - a. Adopted its May 29 minutes, which included the following action:
 1. Adopted its 2019 Fall National Meeting minutes.
 2. Adopted the NAIC *State Disaster Response Plan*.
 - b. Heard an update regarding federal flood insurance. The National Flood Insurance Program (NFIP) is under its 15th short-term extension, which will expire at the end of September. The NAIC sent a letter to U.S. House of Representatives and U.S. Senate leaders urging action on a long-term reauthorization. Additionally, the Federal Emergency Management Agency (FEMA) released a guide to help emergency managers and public health officials prepare for disasters while continuing to respond to the coronavirus pandemic.
 - c. Heard a presentation from Milliman on the concept of a catastrophe modeling clearinghouse.
 - d. Heard a presentation from the Reinsurance Association of America (RAA) on catastrophe modeling.
 - e. Heard a presentation from the American Property Casualty Insurance Association (APCIA) on catastrophe modeling.
 - f. Heard a presentation from the NAIC Center for Insurance Policy and Research (CIPR) regarding the CIPR wildfire catastrophe modeling project.
8. Adopted the report of the Climate Risk and Resilience (C) Working Group, which met July 31 and took the following action:
 - a. Adopted its June 18 minutes, which included the following action:
 1. Received an update on the drafting of the "Insurance Regulatory Discussion Points on Catastrophic Events" document.
 2. Heard an update on California's development of a sustainable insurance roadmap.
 3. Heard a high-level summary of Ceres' recently released report, *Addressing Climate as a Systemic Risk: A Call to Action for U.S. Financial Regulators*.
 4. Discussed its work plan for 2020.
 - b. Heard an update on the NAIC Climate Risk Disclosure Survey analyses being conducted by the CIPR and the Academy. The CIPR plans to report in September 2020 on quantitative and qualitative responses for 2018. The Academy plans to report in December 2020 on the 2018, 2015 and 2012 responses, and in 2021 on responses that include the Financial Stability Board's Task Force on Climate-Related Financial Disclosures.
 - c. Heard an update on California's Climate Smart Insurance Product Database. The database lists more than 400 internationally available products that address climate risks, harness new technologies and build resilience.
 - d. Heard a presentation on Swiss Re's approach to climate change and sustainable insurance products. Swiss Re uses an Insurance Resilience Index to measure the contribution to the financial stability of households and organizations. The index indicates the insurance gap has been increasing from 2000 to 2018, with the largest growing protection gap being health.
 - e. Heard a presentation on Allianz's approach to climate change and sustainable insurance products. Allianz views climate change as a risk driver to be managed as part of overarching risk governance architecture. With a focus on decarbonizing investments and strengthening its climate risk disclosure, Allianz uses six criteria to identify sustainable products with a specific environmental and social added value.
 - f. Heard a presentation on the APCIA's domestic and international climate risk-related activities.
9. Adopted the report of the Lender-Placed Insurance Model Act (C) Working Group, which has not met in 2020. The Working Group plans to meet via conference call to complete the drafting of a new model law concerning lender-placed insurance as it relates to mortgages.

10. Adopted the report of the Pet Insurance (C) Working Group, including its July 16 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its March 5 minutes, which included the following action:
 1. Adopted its Feb. 19 minutes, which included the following action:
 - a. Adopted its Dec. 19, 2019, minutes, which included the following action:
 1. Discussed Section 3 of the draft Pet Insurance Model Act.
 2. Discussed Section 4 of the draft Pet Insurance Model Act.
 - b. Discussed draft referrals for data collection.
 3. Discussed a draft supplement for the annual financial statement.
 4. Discussed Section 2 and Section 3 of the draft Pet Insurance Model Act.
 - b. Discussed Section 4 of the draft Pet Insurance Model Act.
11. Adopted the report of the Terrorism Insurance Implementation (C) Working Group, which met July 30 and took the following action:
 - a. Adopted its March 12 minutes, which included the following action:
 1. Adopted its Feb. 11 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Discussed the status of the 2020 data call.
 - c. Discussed updates to the model bulletin and policyholder disclosures.
 2. Adopted the model bulletin and policyholder disclosures.
 - b. Received an update on the 2020 joint state insurance regulator/U.S. Department of the Treasury terrorism risk insurance data call, with data due to both entities by May 15, and the state supplement, which collects ZIP code-level data, with data due Sept. 30.
 - c. Heard an overview of the workers' compensation terrorism risk insurance market, including state-level data on average premiums and take-up rates from 2011 to 2017.
 - d. Heard a presentation from NAIC staff regarding results from the state supplement portion of the terrorism risk insurance data call, including take-up rates, average premium rates, portions of premium allocated to terrorism risk and percent of exposures covered by terrorism insurance, at a ZIP code level.
12. Adopted the report of the Transparency and Readability of Consumer Information (C) Working Group, which met July 30 and took the following action:
 - a. Adopted its July 16 and June 16 minutes, which included the following action:
 1. Discussed creating social media content and the best formats to use to communicate with consumers.
 2. Discussed flood insurance disclosures.
 3. Heard a presentation from the APCIA, the NAIC Communications Division and consumer representatives regarding best practices each have discovered when using social media to communicate with consumers.
 - b. Discussed the need for consumer disclosures regarding significant premium increases on P/C insurance products. States discussed their concerns and solutions for communicating information to consumers regarding premium increases. The Working Group plans to collect and compile information from the states regarding processes that are already in place.
13. Adopted an extension for revisions to the proposed Real Property Lender-Placed Insurance Model Act.
14. Adopted the white paper, *Workers' Compensation Policy and the Changing Workforce*, which explores how changes in work and the evolving landscape of legal employment are shifting responsibility for coverage and benefits for occupational injuries, illnesses and fatalities.
15. Adopted the NAIC *State Disaster Response Plan*, which provides a template for state departments of insurance (DOIs) to use when assisting consumers before, during and after a disaster.
16. Received a recap of the FEMA and DOI disaster workshops.
17. Received a preview of the Southeast Zone flood workshop.
18. Heard a presentation on building codes from the International Code Council (ICC).
19. Heard a report on results from the state regulator business interruption data call and other issues regarding business interruption claims related to COVID-19.
20. Heard a proposal from the CEJ to collect additional homeowners and auto insurance data within the annual financial statement.
21. Heard a presentation on race and P/C insurance, including an overview of historical studies related to the issue.

Casualty Actuarial and Statistical (C) Task Force

Aug. 5, 2020

1. Adopted its July 14, May 19, Feb. 18 and Jan. 28 and 2019 Fall National Meeting minutes, which included the following action:
 - a. Adopted the report of the Actuarial Opinion (C) Working Group, including its June 11 minutes. During this meeting, the Working Group took the following action:
 1. Discussed potential revisions to the risk repository in the *Financial Condition Examiners Handbook*.
 2. Discussed proposed revisions to the *Financial Analysis Handbook* and the *Financial Condition Examiners Handbook*.
 - b. Discussed a proposed COVID-19 data call.
 - c. Adopted a recommendation to the Casualty Actuarial Society (CAS)/SOA task force to defer implementation of the CAS/SOA continuing education (CE) log for 2020 and allow appointed actuaries to add a column to their existing CE log, indicating the categorization approved by the Task Force (“Appointed Actuary CE Log Categories”).
 - d. Discussed Ref #2019-49: Retroactive Reinsurance Exception, as referred by the Statutory Accounting Principles (E) Working Group.
 - e. Discussed the white paper, *Best Practices for Regulatory Review of Predictive Analytics*.
 - f. Adopted a response to the Statutory Accounting Principles (E) Working Group regarding Ref #2019-40: Reporting of Installment Fees and Expenses.
 - g. Adopted a response to the Actuarial Standards Board (ASB) request for input on a potential Actuarial Standard of Practice (ASOP) on P/C rate filings.
 - h. Discussed letters the state insurance departments have received from the SOA regarding the definition of “qualified actuary” in state law.
 - i. Adopted proposed revisions to the 2020 *Annual Statement Instructions* to implement the CAS/SOA Appointed Actuary Continuing Education Verification Process. The proposed revisions were referred to the Blanks (E) Working Group for consideration.
2. Adopted the report of the Actuarial Opinion (C) Working Group, which has met in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss examination procedures and other related issues. On July 13, the Working Group exposed, for a 45-day public comment period ending Aug. 27, proposed revisions to the *Financial Analysis Handbook* and the *Financial Condition Examiners Handbook*.
3. Adopted the report of the Statistical Data (C) Working Group, which has not met in 2020. The Working Group will begin its work in September.
4. Discussed Ref #2019-49: Retroactive Reinsurance Exception, as referred by the Statutory Accounting Principles (E) Working Group.
5. Discussed the CAS/SOA Task Force’s Appointed Actuary CE Log.
6. Discussed comments on the white paper, *Best Practices for Regulatory Review of Predictive Analytics*.
7. Heard reports from the Academy regarding the activities of its Committee on Property and Liability Financial Reporting (COPLFR) and its Casualty Practice Council.
8. Heard reports on actuarial professionalism from the Academy, the Actuarial Board for Counseling and Discipline (ABCD) and the ASB.
9. Heard reports from the CAS and the SOA on P/C actuarial research.
10. Discussed COVID-19 data calls for multiple lines of insurance.

Surplus Lines (C) Task Force

Aug. 5, 2020

1. Adopted its 2019 Fall National Meeting minutes.
2. Adopted the report of the Surplus Lines (C) Working Group, which met June 29, 2020, March 10, 2020, and Dec. 18, 2019, in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities and individuals) of the NAIC Policy Statement on Open Meetings. During these meetings, the Working Group approved seven applications for the *Quarterly Listing of Alien Insurers*.
3. Adopted its 2021 proposed charges. No substantive changes were proposed for the charges.
4. Discussed a memorandum that outlined three potential courses of action regarding modifications to the *Nonadmitted Insurance Model Act* (#870). The Task Force chair directed NAIC staff to develop a drafting group to produce a summary document that outlines the significant updates needed to modernize Model #870.
5. Discussed comments received regarding a 2021 annual blanks proposal regarding the modification of Schedule T to include a new Part 3 that would add details on “home state” direct premiums written. Following a lengthy discussion, the Task Force tabled the proposal.

- f. Discussed the extraordinary circumstance definition for health extension requests.
 - b. Discussed the review of the MCAS for the life and annuities lines of business.
 - c. Discussed the review of the MCAS for the homeowners and private passenger auto lines of business.
 - d. Discussed vendor single-interest concerns for the lender-placed MCAS.
 - e. Discussed the MCAS data call for the “other health” line of business, as adopted by the Market Analysis Procedures (D) Working Group.
 - 2. Received an update on existing MCAS reviews and the other health MCAS development.
 - 3. Adopted a \$50,000 premium threshold for the private flood MCAS reporting.
 - a. Discussed survey results and adopted various changes to the MCAS blanks and Data Call and Definitions for the life and annuities, homeowners and private passenger auto MCAS lines of business.
 - b. Adopted edits to the lender-placed insurance MCAS regarding blanket vendor single-interest.
 - c. Adopted a motion to add an interrogatory for the homeowners and private passenger auto MCAS.
 - 2. Discussed and approved needed clarifications to several MCAS blanks and Data Call and Definitions following the adoption of edits to the life and annuities, homeowners and private passenger auto lines of business.
 - b. Discussed homeowners MCAS clarifications related to newly added underwriting data elements.
 - c. Discussed possible MCAS updates previously tabled for further discussion.
 - c. Heard and discussed industry concerns with addition of newly adopted data element to collect claims closed without payment below the deductible for the private passenger auto MCAS.
10. Adopted the report of the Market Conduct Examination Standards (D) Working Group, including its July 23 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its March 4 minutes, which included the following action:
 - 1. Adopted its Dec. 18, 2019, minutes, which included the following action:
 - a. Adopted a new farmowners in force SDR and a new farmowners claims SDR for inclusion in the reference documents of the *Market Regulation Handbook* (Handbook).
 - b. Discussed a new chapter of limited LTCI examination standards for inclusion in the Handbook. The new examiner guidance is based on the *Limited Long-Term Care Insurance Model Act* (#642) and the *Limited Long-Term Care Insurance Model Regulation* (#643)
 - 2. Discussed draft limited LTCI examination standards for inclusion in the Handbook, which was a carryover item from 2019.
 - 3. Discussed a new inland marine in force policies SDR and an inland marine claims SDR for incorporation into the reference documents of the Handbook.
 - 4. Discussed its 2020 charges and potential tasks.
 - b. Adopted the Dec. 11, 2019, draft of new “Conducting the Limited Long-Term Care Examination” chapter for inclusion in the Handbook.
 - c. Adopted the Feb. 24, 2020, draft of a new inland marine in force policies SDR and a new inland marine claims SDR for inclusion in the reference documents of the Handbook.
11. Adopted the report of the Market Analysis Procedures (D) Working Group, which met July 30 and took the following action:
 - a. Adopted its March 23 minutes, which included the following action:
 - 1. Adopted its Feb. 20 minutes, which included the following action:
 - a. Adopted its Jan. 30 minutes, which included the following action:
 - 1. Adopted its 2019 Fall National Meeting minutes.
 - 2. Discussed revisions to the *MCAS Best Practices Guide*.
 - 3. Discussed a proposal to add travel insurance as the next MCAS line of business.
 - b. Discussed revisions to the *MCAS Best Practices Guide*.
 - c. Discussed a proposal to add travel insurance as the next MCAS line of business.
 - d. Discussed private flood MCAS scorecard ratios.
 - 2. Discussed revisions to the *MCAS Best Practices Guide*. When the revisions are completed, the drafting group will move on to other MCAS documents.
 - 3. Discussed potential MCAS filing issues arising from work adjustments due to COVID-19. The Working Group agreed to a blanket extension of all lines of business due dates of 60 days. NAIC staff will send each jurisdiction’s MCAS contact a confirming email regarding the extension of the due date.
 - 4. Adopted travel insurance as the next MCAS line of business.
 - b. Discussed the revisions to the *MCAS Best Practices Guide*. The updates to date were reviewed, and the drafting group will resume its work on the revisions.
 - c. Discussed the Market Analysis Framework and asked for comments to be reviewed by the Working Group at its next meeting.

- d. Adopted scorecard ratios for the private flood MCAS blank. The ratios closely match the homeowners and private passenger auto MCAS scorecard ratios, with the addition of a ratio to measure lawsuits closed with consideration for the consumer.
 - e. Discussed the MCAS attestation process. No changes to the current process were made.
12. Adopted the report of the Market Regulation Certification (D) Working Group, including its Feb. 20 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Jan. 30 minutes, which included the following action:
 1. Adopted its Nov. 20, 2019, minutes.
 2. Discussed the pilot volunteers' suggested revisions to the Voluntary Market Regulation Certification Program.
 - b. Discussed the pilot volunteers' suggested revisions to the Voluntary Market Regulation Certification Program.
 - c. Discussed pass and fail metrics.
 13. Adopted the report of the Privacy Protections (D) Working Group, which met July 30 and took the following action:
 - a. Adopted its May 5 minutes, which included the following action:
 1. Adopted its Feb. 19 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Heard an update on state and federal privacy legislation.
 - c. Discussed its next steps.
 2. Heard an update on state and federal privacy legislation.
 3. Discussed comments received on the *NAIC Insurance Information and Privacy Protection Model Act* (#670).
 - b. Heard an update on state and federal privacy legislation.
 - c. Heard a presentation that included a comparative analysis and comments from the Blue Cross and Blue Shield Association (BCBSA) and Arbor Strategies LLC on behalf of the Health Coalition.
 - d. Reviewed plans to begin a gap analysis discussion by Working Group members, interested state insurance regulators and interested parties using the *Privacy of Consumer Financial and Health Information Regulation* (#672) as a baseline model.
 14. Adopted the Market Information Systems (D) Task Force's recommendation to add a "pandemic" subject code and the coverage codes for "business interruptions," "lender-placed insurance" and "pet insurance" to the NAIC's Complaint Database System.
 15. Adopted the Market Analysis Procedures (D) Working Group's recommendation to add travel insurance as the next line of business for the MCAS and implement new scorecard ratios for the private flood MCAS blank.
 16. Adopted the Market Conduct Annual Statement Blanks (D) Working Group's recommended clarification to the definition of "individual indexed variable annuity" for the MCAS blank.
 17. Heard a presentation from the Alliance of Health Care Sharing Ministries (Alliance). This presentation addressed the background of the Alliance, its history and features, statistics on the number and size of health care sharing ministries (HCSMs), challenges for HCSMs, and the development of an accreditation program for oversight of HCSMs by an independent board of directors.
 18. Discussed a template bulletin for state insurance departments to advise insurance companies regarding the waiver of on-site review requirements of managing general agents (MGAs) and third-party administrators (TPAs) during the COVID-19 public health emergency.

Antifraud (D) Task Force

Aug. 3, 2020

1. Adopted its May 20 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Received updates concerning antifraud activity specific to COVID-19 from California, Delaware, Florida and Ohio.
 - c. Heard updates concerning antifraud activity specific to COVID-19 from the Coalition Against Insurance Fraud (CAIF), the Healthcare Fraud Prevention Partnership (HFPP), the National Healthcare Antifraud Association (NHCAA) and the National Insurance Crime Bureau (NICB).
2. Received updates concerning antifraud activity specific to COVID-19 from California, Florida and Texas.
3. Heard an update concerning antifraud activity specific to COVID-19 from the CAIF.
4. Received an update from the Antifraud Education Enhancement (D) Working Group. The Working Group updated and finalized the content of the "Safety Training for Private Sector Field Employees," which will be held Aug. 26. The Working Group also updated and finalized the content of the Investigator Safety Training program, which will be held Sept. 30.
5. Received an update from the Antifraud Technology (D) Working Group. The Working Group has worked with NAIC staff to update a revised draft of the *Antifraud Plan Guideline* (#1690). The Working Group will expose the draft for a public comment period, with conference calls scheduled for September and October to discuss any comments received.
6. Heard reports on antifraud activity from the NICB and the CAIF.

Market Information Systems (D) Task Force

Aug. 4, 2020

1. Adopted its 2019 Fall National Meeting minutes.
2. Adopted the report of the Market Information Systems Research and Development (D) Working Group, which met July 22 and July 8 in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) and paragraph 6 (consultations with NAIC staff members) of the NAIC Policy Statement on Open Meetings.
3. Heard a report on the following Uniform System Enhancement Request (USER) forms: USER form 10051; USER form 10053; USER form 10069A; USER form 10080; USER form 10072; USER form 10069B; and USER form 10082.
4. Adopted USER Form 10069B and USER form 10082 to add an NAIC Complaints Database System (CDS) subject code of “pandemic” and coverage codes for “lender-placed insurance” and “pet insurance.”
5. Heard a presentation on the use of artificial intelligence (AI) in market information.

Producer Licensing (D) Task Force

Aug. 3, 2020

1. Adopted its May 6 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Discussed producer licensing issues arising from COVID-19, which included a review of suggested practices for the issuance of temporary producer licenses and state implementation of online, proctored examinations.
 - c. Discussed uniform and reciprocal licensing of independent adjusters.
2. Discussed producer licensing issues arising from COVID-19. This discussion primarily focused the state implementation of online, proctored examinations. It was reported that 15 states have implemented online, proctored examinations. State insurance regulators generally indicated that approximately 50%–60% of all examinations are now online, proctored examinations. Industry representatives encouraged additional state implementation of online, proctored examinations. The industry all requested that the states continue to work with the industry to convert temporary licenses to permanent licenses. Examination vendors reported that they continue to work with the states to implement online examinations. The examination vendors said they can generally implement online examinations for a state in less than 60 days, and it could be as short as one week.
3. Received an update from the Producer Licensing Uniformity (D) Working Group. The activity of this Working Group has been on hold during the COVID-19 crisis, but it will resume its work in the second half of 2020.
4. Received an update from the Uniform Education (D) Working Group. The activity of this Working Group has been on hold during the COVID-19 crisis, but it will resume its work in the second half of 2020.
5. Received a report from the NIPR Board of Directors. Since the onset of the COVID-19 crisis, 48 states have issued more than 100 separate bulletins regarding producer licensing. Thirty-three bulletins specifically address license renewal extensions, and 30 states issued bulletins offering temporary licensing. These bulletins and state changes required NIPR to complete significant coding work to move the states’ license expiration dates and provide an electronic solution for a new temporary producer license class through NIPR. NIPR has also been developing enhancements to its Attachments Warehouse product, which allows insurance producers and other licensees to upload licensing related documents for review by state insurance regulators.

FINANCIAL CONDITION (E) COMMITTEE

Aug. 11, 2020

1. Adopted its July 1, June 12, May 15 and March 26 minutes, which included the following action:
 - a. Adopted its Feb. 27 and 2019 Fall National Meeting minutes, which included the following action:
 1. Adopted a Request for NAIC Model Law Development from the Receivership and Insolvency (E) Task Force to amend Model #440 and Model #450 to address issues regarding continuity of essential services.
 2. Adopted a request for extension from the Mortgage Guaranty Insurance (E) Working Group to amend Model #630.
 3. Adopted a request from the Financial Stability (EX) Task Force to amend Model #440 and Model #450 to establish regulatory authority to require liquidity stress testing processes and confidentiality protections for the data reported from the liquidity stress tests.
 - b. Adopted technical revisions to Model #787 and acknowledged the similar technical revisions made to AG 48 by the Life Insurance and Annuities (A) Committee.
 - c. Adopted actions from the Capital Adequacy (E) Task Force, the Valuation of Securities (E) Task Force, and the Accounting Practices and Procedures (E) Task Force, with the exception of *Interpretation (INT) 20-08: COVID-19 Premium Refunds, Limited-Time Exception, Rate Reductions and Policyholder Dividends*, which was rejected and sent back to the Accounting Practices and Procedures (E) Task Force.

- d. Discussed INT 20-08 and agreed to send it back to the Accounting Practices and Procedures (E) Task Force for additional revision.
 - e. Adopted a memorandum from the Committee to all NAIC members regarding the treatment of the LIBOR under state investment laws.
 - f. Adopted guidance for troubled debt restructurings for March 31 – Sept. 30 statutory financial statements and related interim risk-based capital (RBC) filings (where required).
 - g. Adopted guidance for troubled debt restructurings for March 31 – June 30 statutory financial statements and related interim RBC filings (where required).
2. Adopted the report of the Accounting Practices and Procedures (E) Task Force. See the Task Force listing for details.
 3. Adopted the report of the Capital Adequacy (E) Task Force. See the Task Force listing for details.
 4. Adopted the report of the Receivership and Insolvency (E) Task Force. See the Task Force listing for details.
 5. Adopted the report of the Reinsurance (E) Task Force. See the Task Force listing for details.
 6. Adopted the report of the Valuation of Securities (E) Task Force. See the Task Force listing for details.
 7. Adopted the report of the Group Capital Calculation (E) Working Group, which met July 29 and took the following action:
 - a. Adopted its July 21, June 2 and May 19 minutes, which included the following action:
 1. Adopted its 2019 Fall National Meeting minutes.
 2. Continued to make decisions on previously exposed aspects of the group capital calculation (GCC), including the template, instructions and legislation authority.
 - b. Discussed comments received on exposed revised template and instructions and directed NAIC staff to make various changes as discussed during the meeting. Further discussion is expected.
 8. Adopted the report of the Group Solvency Issues (E) Working Group, which met July 29 and took the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Reported that it met Feb. 11 in regulator-to-regulator pursuant to paragraph 6 (consultations NAIC with staff on technical guidance) of the NAIC Policy Statement on Open Meetings.
 - c. Heard an update on the ongoing work of the ORSA Implementation (E) Subgroup, which met July 13 in joint session with the Risk-Focused Surveillance (E) Working Group. The meeting was held in regulator-to-regulator session pursuant to paragraph 3 (discussions of specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings. During this meeting, the Working Groups took the following action:
 1. Discussed proposed revisions to Own Risk and Solvency Assessment (ORSA) review guidance in the *Financial Analysis Handbook* and the *Financial Condition Examiners Handbook*.
 2. Discussed scheduling a conference call to discuss the impact of COVID-19 on ORSA filings.
 - d. Heard an update on recent group-related activities of the IAIS, including the status of ongoing projects of the IAIS Insurance Groups Working Group.
 - e. Discussed a request from the Group Capital Calculation (E) Working Group to quantify and evaluate the impact of XXX/AXXX reserves held by grandfathered captives on an insurance groups' overall capital positions. Noted that a drafting group of state insurance regulators has been appointed to address the request and present its results to the full Working Group.
 - f. Discussed comments received on the exposure of a gap analysis conducted by NAIC staff to compare elements of the IAIS' Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) against existing practices in state solvency regulation. As a result of the discussions, the Working Group agreed to appoint drafting groups to develop targeted enhancements to NAIC handbooks and the *NAIC Own Risk and Solvency Assessment (ORSA) Guidance Manual* for further consideration by the Working Group in ComFrame implementation.
 9. Adopted the report of the Financial Analysis (E) Working Group met July 15, June 17, May 13, May 12, May 6 and May 5 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss letter responses related to second-quarter 2019 financial results.
 10. Adopted the report of the Valuation Analysis (E) Working Group met in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss valuation items related to specific companies.
 11. Adopted a revised INT 20-08, as referred by the Accounting Practices and Procedures (E) Task Force.

Accounting Practices and Procedures (E) Task Force

Aug. 3, 2020

1. Adopted its July 22, June 22, and 2019 Fall National Meeting minutes, which included the following action:
 - a. Adopted revisions to INT 20-08. These revisions were requested by the Financial Condition (E) Committee to add flexibility, which allows a limited-time exception to apply other underwriting expense treatment for certain policies.
 - b. Adopted the report of the Statutory Accounting Principles (E) Working Group for its actions on June 15, May 20, April 15 and March 18.

- c. Adopted INT 20-08 as adopted by the Statutory Accounting Principles (E) Working Group on June 15. This was adopted by a separate vote of the Task Force.
- d. Adopted the report of the Blanks (E) Working Group, including its May 28 minutes. During this meeting, the Working Group took the following action:
 - 1. Adopted its Dec. 17, 2019, minutes, which included the following action:
 - a. Adopted its Oct. 22, 2019, minutes.
 - b. Adopted two items previously exposed:
 - 1. 2019-26BWG – Add instructions and crosschecks for Line 34 on the Analysis of Operations by Lines of Business – Summary. Add instructions for Column 5 – Indexed Life on the Analysis of Operations by Lines of Business – Individual Life. Add clarifying instructions to the Analysis of Operations by Lines of Business for individual life and group life regarding reporting consistent with policy type language in the contract and reporting of policies issued with secondary guarantees that have expired.
 - 2. 2019-27BWG – Remove the alphabetic index from inclusion at the back of the annual financial statement blank, instructions and Blanks (E) Working Group page on the NAIC website.
 - c. Adopted its procedures.
 - d. Exposed four proposals:
 - 1. 2019-25BWG – Modify the instruction for Column 10 (Schedule F, Part 3 – Property and Schedule F, Part 2 – Life/Fraternal Workers’ Compensation Carve-out supplement) to remove instruction to exclude adjusting and other reserves from the column and add instruction to include those reserves with the defense and cost containment reserves. Add a new instruction for Column 12 for the same schedules. Add crosschecks to Schedule P, Part 1.
 - 2. 2019-28BWG – Modify the instruction for Supplemental Investment Risk Interrogatories Line 13.02 through Line 13.11 clarifying when to identify the actual equity interests within a fund and aggregate those equity interests for determination of the 10 largest equity interests.
 - 3. 2019-29BWG – Modify the instruction and blank for Supplemental Investment Risk Interrogatories Question 14.01.
 - 4. 2019-30BWG – Add a category and instructions for Reciprocal Jurisdiction Companies in Schedule S for the life/fraternal and health blanks and to Schedule F for the property and title blanks. Add a list of identification numbers in instruction to Schedule Y, Part 1A; Schedule Y, Part 2; and Schedule D, Part 6, Section 1 for reciprocal jurisdiction companies. Add a reference to reciprocal jurisdiction companies in the Trusteed Surplus Statement instructions for life/fraternal, health and property financial statements.
 - e. Adopted its editorial listing.
 - 2. Adopted 24 proposals:
 - a. 2019-25BWG – Modify the instruction for Column 10 (Schedule F, Part 3 – Property and Schedule F, Part 2 – Life/Fraternal Workers’ Compensation Carve-out supplement) to remove instruction to exclude adjusting and other reserves from the column and add instruction to include those reserves with the defense and cost containment reserves. Add a new instruction for Column 12 for the same schedules. Add crosschecks to Schedule P, Part 1.
 - b. 2019-28BWG – Modify the instruction for Supplemental Investment Risk Interrogatories Line 13.02 through Line 13.11 clarifying when to identify the actual equity interests within a fund and aggregate those equity interests for determination of the 10 largest equity interests.
 - c. 2019-29BWG – Modify the instruction and blank for Supplemental Investment Risk Interrogatories Question 14.01.
 - d. 2019-30BWG – Add a category and instructions for Reciprocal Jurisdiction Companies in Schedule S for the life/fraternal and health blanks and to Schedule F for the property and title blanks. Add a list of identification numbers in instruction to Schedule Y, Part 1A; Schedule Y, Part 2; and Schedule D, Part 6, Section 1 for reciprocal jurisdiction companies. Add a reference to reciprocal jurisdiction companies in the Trusteed Surplus Statement instructions for life/fraternal, health and property financial statements.
 - e. 2020-01BWG – Add crosschecks to Line 13 and Line 14 of the Exhibit of Premiums, Enrollment and Utilization (State Page) to Line 10 and Line 11 of the Underwriting and Investment Exhibit, Part 1. Add crosschecks to Line 9, Line 10 and Line 11 of the Underwriting and Investment Exhibit, Part 1 and Schedule T, Line 61.
 - f. 2020-03BWG – Modify the instruction and illustration for 13(11) to the Notes to Financial Statement. Change the numbering from 1 through 13 to A through M to reflect the disclosure addition for *Statement of Statutory Accounting Principles (SSAP) No. 41R—Surplus Notes* being adopted by the Statutory Accounting Principles (E) Working Group and correct the instruction.
 - g. 2020-04BWG – Modify the instruction and illustration for Note 23A – Unsecured Reinsurance Recoverables to reflect the disclosure addition for *SSAP No. 62R—Property and Casualty Reinsurance* being adopted by the Statutory Accounting Principles (E) Working Group.

- h. 2020-05BWG – Modify the instruction and illustration for Note 2 – Accounting Changes and Correction of Errors to reflect the disclosure addition for *SSAP No. 3—Accounting Changes* and *SSAP No. 51R—Life Contracts* being adopted by the Statutory Accounting Principles (E) Working Group.
 - i. 2020-07BWG – Add new disclosure Note 23 – Reinsurance for reinsurance credit (Note 23H – Life/Fraternal, Note 23E – Health and Note 23K – Property) to reflect the disclosure additions for *SSAP No. 61R—Life, Deposit-Type and Accident and Health Reinsurance* being adopted by the Statutory Accounting Principles (E) Working Group.
 - j. 2020-08BWG – Add a disclosure instruction for 10C to the Notes to Financial Statement for related party transactions not captured on Schedule Y to reflect the disclosure addition for *SSAP No. 25— Accounting for and Disclosures about Transactions with Affiliates and Other Related Parties* being adopted by the Statutory Accounting Principles (E) Working Group. Combine existing 10C into 1B instructions and illustration narrative.
 - k. 2020-09BWG – Modify the *Annual Statement Instructions* for Schedule F, Part 3 to reflect the factors for all uncollateralized reinsurance recoverable from unrated reinsurers be the same for authorized, unauthorized, certified and reciprocal reinsurance.
 - l. 2020-10BWG – Revise the column 10 header in the Variables Annuities Supplement Blank to be Contract Level Reserves Less Cash Surrender Value. Revise the line descriptions in Lines 1 through 3 in the footer and add a line for the Reserve Credit from Other Reinsurance and for Post-Reinsurance Ceded Aggregate Reserve. Adjust the instructions to correspond with changes made to the blanks, as well as changes in the 2020 *Valuation Manual* for the new Variable Annuities Framework.
 - m. 2020-11BWG – For the VM-20 Reserves Supplement Blank, split Part 1 into Part 1A and Part 1B.
 - n. 2020-12BWG – The proposal will require appointed actuaries to attest to meeting CE requirements and participate in the CAS/SOA CE review procedures, if requested.
 - o. 2020-13BWG – Remove Line 24.04 from the General Interrogatories, Part 1 and renumber remaining lines for Interrogatory Question 24. Modify Lines 24.05 and 24.06 to require reporting amounts for conforming and nonconforming collateral programs.
 - p. 2020-14BWG – Modify the columns and rows on the blank pages for the Long-Term Care Experience Reporting Form 1 through Form 5 and make appropriate changes to the instructions for those forms.
 - q. 2020-15BWG – Contains a new Private Flood Insurance Supplement collecting residential and commercial private flood insurance data and revisions to the Credit Insurance Experience Exhibit (CIEE) to collect lender-placed flood coverages.
 - r. 2020-16BWG – Modify Question 3.1 and Question 3.2 of General Interrogatories Part 2 and provide instructions.
 - s. 2020-17BWG – Adjust the asset valuation reserve (AVR) presentation to include separate lines for each of the expanded bond designation categories.
 - t. 2020-18BWG Modified – Clarify the instructions to indicate which funds reported on Schedule D, Part 2, Section 2 (annual filing) and Schedule D, Part 3 and Part 4 (quarterly filing) must have an NAIC designation, NAIC designation modifier, and SVO administrative symbol. Modify the reference to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office (P&P Manual)* found in the following investment instructions.
 - u. 2020-19BWG – Add a code of “%” to the code column for all investments which have been reported on Schedule DA, Part 1 and Schedule E, Part 2 for more than one consecutive year. Add certification to the General Interrogatories, Part 1 inclusion of these investments on Schedule DA, Part 1 and Schedule E, Part 2 (SAPWG 2019-20).
 - v. 2020-20BWG – For Schedule D, Part 1, add code “10” to Column 26 – Collateral Type for ground lease financing. Renumber “Other” code to “11.”
 - w. 2020-21BWG – Add a new line 4.05 for valuation allowance for mortgage loans to the Summary Investment Schedule and renumber existing line 4.05 to 4.06. Modify the instructions to include a crosscheck for new line 4.05 back to Schedule B – Verification Between Years. Clarify the instructions for 4.01–4.04 to explicitly show crosschecking to Column 8 of Schedule B, Part 1.
 - x. 2020-23BWG – Add footnote to Exhibit 5 (life/fraternal & health – life supplement) and Exhibit 3 separate accounts to disclose cases when a mortality risk is no longer present or a significant factor; i.e., due to a policyholder electing a payout benefit (SAPWG 2019-08).
3. Adopted its editorial listing.
 2. Adopted its 2021 proposed charges, which include one change to the charges for each Working Group:
 - a. For the Blanks (E) Working Group, a charge regarding changes to the investment schedules was updated to reference that Capital Adequacy (E) Task Force and all of its working groups instead of a single working group.
 - b. For the Statutory Accounting Principles (E) Working Group, a charge to update accounting and reporting to reflect the changes to Model #785 and Model #786 is complete and was deleted.

3. Adopted the report of the Statutory Accounting Principles (E) Working Group, which met July 30 and took the following action:
 - a. Adopted its July 15, June 15, May 20, May 5, April 17, April 15, March 26 and March 18 minutes, which included the following action:
 1. Exposed *INT 20-09: Basis Swaps as a Result of the LIBOR Transition*.
 2. Adopted the consensus in INT 20-08 with modifications.
 3. Exposed agenda item 2020-16EP.
 4. Discussed ACA risk corridors and actions by the U.S. Supreme Court.
 - b. Adopted the following substantive revisions to statutory accounting guidance:
 1. Revisions to *SSAP No. 32R—Preferred Stock* and corresponding *Issue Paper No. 164—Preferred Stock*, which updates the definitions, measurement and impairment guidance for preferred stock pursuant to the investment classification project effective Jan. 1, 2021.
 2. Revisions supersede *SSAP No. 106—Affordable Care Act Section 9010 Assessment* and nullify Interpretation (INT) 18-02: ACA Section 9010 Assessment Moratoriums. These revisions address the federal repeal of this assessment in 2021. With this adoption, a blanks proposal will be sponsored to incorporate reporting changes for 2021 reporting and recommend guidance for 2020 year-end reporting.
 - c. Adopted the following nonsubstantive revisions to statutory accounting guidance:
 1. Revisions update the reporting line for qualifying cash pools and make clarifying edits.
 2. Revisions eliminate references to the NAIC Bond Fund List in *SSAP No. 26R—Bonds* and add reference to the “NAIC Fixed Income-Like SEC Registered Funds List” in *SSAP No. 30R—Unaffiliated Common Stock*.
 3. Revisions clarify that the accounting and reporting of investment income and capital gain/loss, due to early liquidation either through a called bond or a tender offer, shall be similarly applied. This adoption has a Jan. 1, 2021, effective date with early adoption permitted.
 4. Revisions specify that voluntary decisions to choose one allowable reserving methodology over another, which requires commissioner approval under the *Valuation Manual*, shall be reported as a change in valuation basis.
 5. Revisions add disclosure elements for reported goodwill. The additional disclosures will improve the validity and accuracy of the financial statements, and they will assist with state insurance regulators’ review of reported assets that are not readily available for policyholder claims. These disclosure revisions will be effective for the 2021.
 6. Revisions ensure reporting consistency in that derivatives are reported “gross”; i.e., without the inclusion of financing components. Additionally, amounts owed to/from the reporting entity from the acquisition or writing of derivatives shall be separately reflected. The revisions are effective of Jan. 1, 2021.
 7. INT 20-09. Basis swaps are compulsory derivatives issued by central clearing parties (CCPs) in response to the market-wide transition away from the LIBOR. The interpretation directs that the basis swaps be reported as “hedging - other” and at fair value, thus qualifying for admittance. To be considered or reported as an “effective” hedging, the instrument must qualify as a highly effective hedge under *SSAP No. 86—Derivatives*.
 - d. Exposed the following nonsubstantive revisions to statutory accounting guidance:
 1. Revisions require the identification/disclosure of cash equivalents, or substantially similar investments, that remain on the same reporting schedule for more than one consecutive reporting period. This is an expansion of the current disclosure requirements that only referenced short-term investments and to clarify that the disclosure is satisfied through the use of the code on the investment schedules.
 2. Revisions update the amortization guidance for leasehold improvements. The updated language will allow leasehold improvements to have lives that match the associated lease term, which agrees with U.S. generally accepted accounting principles (GAAP).
 3. Revisions clarify that non-controlling ownership over 10% results in a related party classification regardless of any disclaimer of control or disclaimer of affiliation, a disclaimer of control does not eliminate the classification as a related party, and disclosure of material transactions are required under *SSAP No. 25*. The revisions also propose rejection of several U.S. GAAP standards addressing variable interest entities and update disclosures.
 4. Revisions clarify that perpetual bonds shall be reported at fair value, not to exceed any currently effective call price, with a proposed effective date of Jan. 1, 2021, with early application permitted.
 5. Revisions clarify that a participant’s financial rights in a mortgage participation agreement may include the right to take legal action against the borrower or participate in the determination of legal action, but they do not require that the participant has the right to solely initiate legal action; foreclosure; or to communicate with the borrower.
 6. Revisions reflect the updated NAIC designation category guidance for RMBS/CMBS recently adopted to the P&P Manual.
 7. Exposed agenda item to solicit comments on two options for the accounting of credit tenant loans (CTLs). The Valuation of Securities (E) Task Force will be notified of this exposure with a request for further confirmation that an SVO listing could be developed to capture the CTLs that meet the SVO’s structural and legal analysis and possess bond characteristics.

8. Exposed agenda item to solicit comments on the development of more explicit guidance for policyholder refunds and other premium adjustments. Assistance from industry was requested in developing principles-based guidance, particularly for the varieties of data-telematics policies.
9. Revisions clarify existing leveled commissions guidance in *SSAP No. 71—Policy Acquisition Costs and Commissions*, which requires full recognition of the funding liabilities incurred to date for commission expenses prepaid on behalf of an insurer. The revisions also clarify that the recognition of commission expense is based on experience to date. The exposed revisions are consistent with the 2019 Fall National Meeting exposure, with the inclusion of guidance to clarify that reporting entities that have not complied with the original intent shall reflect the change as a correction of an error, in accordance with SSAP No. 3, in the year-end 2020 financial statements.
10. Revisions update the subsidiary, controlled and affiliated entities (SCA) review process descriptive language and the procedures for availability and delivery of completed SCA reviews.
11. Revisions remove the statement that guarantees or commitments from the insurance reporting entity to the SCA can result in a negative equity valuation of the SCA.
12. Revisions extend the following interpretations issued in response to COVID-19 to the third quarter 2020 financial statements. With these revisions, these interpretations will expire Dec. 30, 2020; therefore, they will not be applicable for year-end 2020. The exposure has a shortened comment period ending Aug. 14. Adoption of these extensions may be considered via e-vote if there are no concerns with the extensions received:
 - a. INT 20-02: Extension of the Ninety-Day Rule for the Impact of COVID-19.
 - b. INT 20-04: Mortgage Loan Impairment Assessment Due to COVID-19.
 - c. INT 20-05: Investment Income Due and Accrued.
13. The following U.S. GAAP standards were rejected as not applicable to statutory accounting:
 - a. ASU 2015-10, Technical Corrections and Improvements.
 - b. ASU 2019-09, Financial Services—Insurance (Topic 944): Effective Date.
 - c. ASU 2020-01, Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815), Clarifying the Interactions between Topic 321, Topic 323, and Topic 815.
 - d. ASU 2020-05—Effective Dates for Certain Entities.
14. Exposed the following editorial revisions to statutory accounting:
 - a. Deleted redundant paragraph references in *SSAP No. 5R—Liabilities, Contingencies and Impairment of Assets*.
 - b. Added a table that lists the questions addressed in Exhibit A - Implementation Questions and Answers in SSAP No. 62R.
- e. Rejected agenda item 2020-13: Health Industry Request on 2020 Health Insurance Assessment without statutory revisions. (Note that the sponsor requested withdrawal.)
- f. Received an update on the following projects and referrals:
 1. Determined that the following two interpretations, issued in response to COVID-19, are specifically tied to the timeframes described in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). As such, an extension was not deemed necessary at this time.
 - a. INT 20-03: Troubled Debt Restructuring Due to COVID-19.
 - b. INT 20-07: Troubled Debt Restructuring of Certain Debt Investments Due to COVID-19.
 2. Ref #2019-21: Received an update that the issue paper to consider substantive revisions to *SSAP No. 43R—Loan-Back and Structured Securities* was exposed through July 31, and a subsequent conference call will be scheduled to consider comments and continue the discussion. It was also noted that NAIC staff have had ongoing conversations with industry representatives and investment providers to discuss differing structures during the exposure period.
 3. Deferred discussion of the following agenda items for a subsequent call or meeting:
 - a. Ref #2018-07: Surplus Note Accounting – Referral from the Reinsurance (E) Task Force.
 - b. Ref #2019-12: ASU 2014-17, Business Combinations, Pushdown Accounting.
 - c. Ref #2019-49: Retroactive Reinsurance Exception.
 4. Received a referral from the Valuation of Securities (E) Task Force regarding the accounting and reporting treatment of CTLs is being addressed in agenda item Ref #2020-24.
 5. Received a referral from the Financial Condition (E) Committee regarding an American Council of Life Insurers (ACLI) request relative to the accounting treatment of certain “basis swaps” permitted under state law, as a result of the transition away from LIBOR. This referral was addressed with the adoption of INT 20-09.
 6. Received an update on current U.S. GAAP Exposures / Invitations to Comment, noting that no comments by the Working Group are planned during the exposure periods.
- g. Reported that the comment deadline for new and exposed agenda items is Sept. 18, except for INT 20-02, INT 20-04 and INT 20-05, which have a comment deadline of Aug. 14.

Capital Adequacy (E) Task Force

Aug. 5, 2020

1. Adopted its June 30 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Adopted its April 30 and Jan. 27 minutes, which included the following action:
 1. Adopted proposal 2019-14-CR (2019 U.S. and Non-U.S. Catastrophe Risk Event Lists).
 2. Adopted proposal 2019-16-CA (20-Designation Bond Structure for Year-End 2020).
 3. Adopted proposal 2019-13-L (Longevity Risk Structure).
 - c. Adopted its working group proposals:
 1. Proposal 2020-05-CA (Table of Contents).
 2. Proposal 2020-06-L (Longevity Risk for Life/Fraternal Instructions).
 3. Proposal 2018-19-P (Vulnerable 6 or Unrated Risk Charge).
 4. Proposal 2020-01-P (Line 1 Premium and Reserve Underwriting Factors).
2. Adopted the report of the Health Risk-Based Capital (E) Working Group, which met July 30 and took the following action:
 - a. Adopted its Dec. 17, 2019 minutes, which included the following action:
 1. Adopted its 2019 Fall National Meeting minutes.
 2. Discussed the draft health bond structure; specifically, the bond portfolio adjustment, the investment grade bond factors, the investment income and the time horizon.
 - b. Approved the 2019 health RBC statistics to be posted on the Working Group's page on the NAIC website.
 - c. Discussed and referred the ACA Fee Sensitivity Test proposal to the Capital Adequacy (E) Task Force for exposure for all formulas.
 - d. Adopted proposal 2020-04-H to add the MAX Function to the formula included in the RBC forecasting file for Line 17 of the excessive growth charge on page XR021 of the health RBC formula.
 - e. Heard comments on the health bond factors from the Academy to address questions raised regarding investment income and the time horizon used in the development of the factors.
 - f. Adopted updates to the 2020 health RBC working agenda.
 - g. Discussed the impact of COVID-19 and pandemic risk in the health RBC formula.
 - h. Heard comments on the health care receivable guidance.
 - i. Heard an update on the Health Test Ad Hoc Group.
3. Adopted the report of the Life Risk-Based Capital (E) Working Group, which met July 30 and took the following action:
 - a. Adopted its July 10, June 30 and June 11 minutes, which included the following action:
 1. Adopted industry-requested RBC mortgage reporting guidance for construction loans; origination and valuation dates, property values and 90 days past due; and contemporaneous property values.
 2. Deferred industry-requested RBC mortgage reporting guidance for net operating income (NOI).
 3. Adopted the instruction and factors for 2020 longevity risk.
 4. Adopted its Feb. 14 and 2019 Fall National Meeting minutes, which included the following action:
 - a. Adopted proposal 2019-13-L (Longevity Risk Structure).
 - b. Adopted proposal 2020-03-L (C-3 Instructional Changes and C-3 Guidance).
 - c. Discussed the life RBC treatment of alien affiliates.
 - b. Adopted the life RBC newsletter.
 - c. Discussed the 2019 RBC statistics.
 - d. Heard an update from the industry on their request for RBC reporting guidance for NOI.
 - e. Discussed the Working Group's working agenda and upcoming conference calls.
4. Adopted the report of the Investment Risk-Based Capital (E) Working Group, including its Feb. 25 minutes. During this meeting, the Working Group took the following action:
 - a. Discussed comments received on the bond proposal.
 - b. Re-exposed the bond proposal to include updates to the 2020 annual financial statement blanks.
5. Adopted the report of the Property and Casualty Risk-Based Capital (E) Working Group, which met July 30 and took the following action:
 - a. Adopted its June 12 and Feb. 3 minutes, which included the following action:
 1. Adopted its 2019 Fall National Meeting minutes.
 2. Adopted its Jan. 22 minutes, which included the following action:
 - a. Adopted proposal 2019-14-CR (2019 U.S. and Non-U.S. Catastrophe Risk Event Lists).
 3. Adopted proposal 2019-19-P (Vulnerable 6 or Unrated Risk Charge).
 4. Agreed to refer the Schedule F proposal to the Blanks (E) Working Group.
 5. Received referrals from the Statutory Accounting Principles (E) Working Group and the Restructuring Mechanisms (E) Subgroup.
 6. Adopted proposal 2020-01-P (Line 1 Premium and Reserve Underwriting Factors).

- b. Adopted the report of the Catastrophe Risk (E) Subgroup, which met July 29 and took the following action:
 1. Adopted its Feb. 3 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Adopted its Jan. 22 minutes, which included the following action
 1. Adopted proposal 2019-14-CR (2019 U.S. and Non-U.S. Catastrophe Risk Event Lists).
 - c. Adopted proposal 2019-19-P (Vulnerable 6 or Unrated Risk Charge).
 - d. 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 on its catastrophe model.
 3. Discussed the possibility of allowing additional third-party commercial vendor models.
 4. Discussed the internal catastrophe model evaluation process.
 - c. Adopted the 2020 P/C RBC newsletter.
 - d. Discussed 2020 P/C RBC statistics.
 - e. Discussed the possibility of using the NAIC as a centralized location for reinsurer designations.
 - f. Discussed the R3 credit risk and Rcat contingent credit risk charges.
 - g. Discussed referrals from the Statutory Accounting Principles (E) Working Group.
 - h. Forwarded the request for extension to the Restructuring Mechanisms (E) Subgroup.
 - i. Discussed 2020 P/C RBC working agenda.
 - j. Heard updates on current P/C RBC projects from the Academy.
 - k. Discussed Line 1 underwriting risk reserves and premium methodology.
6. Adopted its working agenda.
 7. Disbanded the Investment Risk-Based Capital (E) Working Group.
 8. Exposed Proposal 2020-02-CA (ACA Fee Sensitivity Test Removal) for a 30-day public comment period ending Sept. 4.
 9. Exposed its 2021 proposed charges for a 30-day public comment period ending Sept. 4.
 10. Adopted proposal 2020-03-L (C-3 Instructional Changes and C-3 Guidance).

Examination Oversight (E) Task Force

The Examination Oversight (E) Task Force did not meet at the Summer National Meeting.

Receivership and Insolvency (E) Task Force

Aug. 7, 2020

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 Model #440 and Model #450 related to essential services provided by affiliates in receivership.
 - b. Discussed comments received regarding key provisions the states should have in their laws to promote effectiveness and consistency in receiverships affecting multiple states.
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.
4. Adopted the report of the Receivership Large Deductible Workers' Compensation (E) Working Group, including its March 2 minutes. During this meeting, the Working took the following action:
 - a. Received comments on a draft model guideline that provides alternative language for the *Insurer Receivership Model Act* (#555), Section 712—Administration of Loss Reimbursement Policies.
 - b. Appointed a drafting group to address comments received.
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 (IGF) on the NCIGF's white paper, *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 update on activities of the IAIS Resolution Working Group (ReWG). The ReWG met via conference call in April to continue development of the *Application Paper on Resolution Planning*. The ReWG expects to finalize the draft during a conference call in September. A draft for consultation is expected to be available in November.

Reinsurance (E) Task Force

Aug. 6, 2020

1. Adopted its June 9 minutes, which included the following action:
 - a. Adopted its March 11, Jan. 29 and 2019 Fall National Meeting minutes, which included the following action:
 1. Adopted a recommendation to the Financial Regulation Standards and Accreditation (F) Committee that the 2019 revisions to Model #785 and Model #786 be an accreditation standard for risk retention groups (RRGs).
 2. Discussed whether compliance with AG 48 should be considered “substantially similar” to Model #787 for purposes of accreditation.
 3. Adopted technical revisions to Model #787.
 - b. Discussed whether compliance with AG 48 should be considered “substantially similar” to Model #787 for purposes of accreditation.
 - c. Adopted the *Uniform Checklist for Reciprocal Jurisdiction Reinsurers* and updates to the *Uniform Application Checklist for Certified Reinsurers*.
2. Adopted its 2021 proposed charges.
3. Adopted the report of the Reinsurance Financial Analysis (E) Working Group, which met March 11 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to adopt the new Uniform Checklist for Reciprocal Jurisdiction Reinsurers and updates to the Uniform Application Checklist for Certified Reinsurers.
4. Adopted the report of the Qualified Jurisdiction (E) Working Group, which has not met since the 2019 Fall National Meeting. The Working Group has been approached by three countries about becoming qualified jurisdictions and will begin initial reviews in the next several months.
5. Received a status report on the states’ implementation of the 2019 revisions to Model #785 and Model #786.

Risk Retention Group (E) Task Force

The Risk Retention Group (E) Task Force did not meet at the Summer National Meeting.

Valuation of Securities (E) Task Force

Aug. 7, 2020

1. Adopted its July 1 and May 14 minutes, which included the following action:
 - a. Adopted its Feb. 4 and 2019 Fall National Meeting minutes, which included the following action:
 1. Discussed proposed amendments to the P&P Manual to:
 - a. Remove the financial modeling instructions for RMBS/CMBS.
 - b. Clarify that the sovereign rating limitation applies to filing exemption (FE).
 2. Exposed an updated amendment to the P&P Manual for the definition and instructions for principal protected notes (PPNs).
 3. Adopted an amendment to the P&P Manual to reflect the U.S. Securities and Exchange Commission’s (SEC) adoption of a new rule to modernize the regulation of exchange-traded funds (ETFs).
 - b. Adopted an updated amendment to the P&P Manual to map financially modeled RMBS/CMBS designations to NAIC designation categories, including mapping the zero-loss bonds to the 1.A NAIC designation category.
 - c. Adopted an amendment to the P&P Manual for PPNS, with an updated description, definition and instructions. This amendment removes PPNS from FE eligibility and requires all PPNS, including those currently designated under the FE process, to be submitted to the Securities Valuation Office (SVO) for review under their Subscript S authority beginning Jan. 1, 2021, and filed with the SVO by July 1, 2021, if previously owned.
 - d. Exposed an NAIC Investment Analysis Office (IAO) issue paper on NAIC staff concerns about bespoke securities and reliance on credit rating provider (CRP) ratings. The issue paper, along with the April 28, 2010, adopted recommendations of the Ratings Agency (E) Working Group, were exposed for a 90-day public comment period ending Aug. 16. The Task Force directed IAO staff to begin drafting incremental recommendations for the Task Force to consider addressing the risks identified in the issue paper.
 - e. Exposed a proposed amendment to the P&P Manual with updated instructions for nonconforming credit tenant loan (CTL) transactions that relied on credit ratings, along with an update to the Task Force policy on “The Use of Credit Ratings of NRSROs in NAIC Processes.” The amendment was exposed for a 30-day public comment period ending June 17, and it was referred to the Statutory Accounting Principles (E) Working Group for its consideration.
 - f. Adopted an amendment to the P&P Manual for technical NAIC designation category corrections.

- g. Discussed temporarily extending insurers' 2020 initial filing deadline from 120 days to 165 days for newly acquired or in-transition securities. The Task Force decided this was a temporary change, and it directed SVO staff to include in the minutes instructions that the filing deadline for the initial filing of newly acquired or in-transition securities for 2020 would be 165 days instead of the usual 120 days.
 - h. Heard reports from NAIC staff on: RMBS/CMBS; rating agency actions year-to-date (YTD); requirements for material credit events and issuer amendments or refinancing an existing issue; and SVO year-end process and carry-over filings.
 - i. Adopted an amendment to the P&P Manual to rename the "U.S. Direct Obligations/Full Faith and Credit Exempt List" as the "NAIC U.S. Government Money Market Fund List" and discontinue the "NAIC Bond Fund List."
 - j. Exposed a proposed amendment to the P&P Manual to map short-term CRP ratings to NAIC designation categories. This amendment was exposed for a 25-day public comment period ending July 27.
 - k. Exposed a proposed amendment to the P&P Manual to add supranational entities filed with the SVO to the "Sovereign NAIC Designation Equivalent List." This amendment was exposed for a 25-day public comment period ending July 27.
 - l. Exposed a proposed amendment to the P&P Manual to update guidance for working capital finance investments (WCFIs) consistent with the Statutory Accounting Principles (E) Working Group adoption of changes to *SSAP No. 105R—Working Capital Finance Investments*. This amendment was exposed for a 45-day public comment period ending Aug. 17.
 - m. Exposed an NAIC SVO staff report on the use and regulation of derivatives in ETFs. This report was exposed for a 45-day public comment period ending Aug. 17.
2. Adopted an amendment to the P&P Manual to map short-term CRP ratings to NAIC designation categories.
 3. Adopted an amendment to the P&P Manual to add supranational entities filed with the SVO to the Sovereign NAIC Designation Equivalent List.
 4. Received a proposed amendment to the P&P Manual to add instructions for ETFs that contain a combination of preferred stocks and bonds. This amendment was exposed for a 30-day public comment period ending Sept. 6.
 5. Received a proposed amendment to the P&P Manual to update guidance on initial and subsequent annual filings, methodologies and documentation. This amendment was exposed for a 30-day public comment period ending Sept. 6.
 6. Heard a report from NAIC staff regarding projects before the Statutory Accounting Principles (E) Working Group.
 7. Heard a report from the NAIC Structured Securities Group (SSG) on RMBS/CMBS modeling.
 8. Received its 2021 proposed charges and agreed to discuss and consider adoption during a future meeting.

FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE

Aug. 12, 2020

1. Adopted its 2019 Fall National Meeting minutes.
2. Adopted, immediately by reference, revisions made during 2019 to NAIC publications that are required for accreditation purposes (e.g., the *Accounting Practices and Procedures Manual*) and were deemed insignificant.
3. Adopted a referral to confirm that the 2019 and 2011 revisions to Model #785 and Model #786 are applicable to RRGs as an accreditation standard. The revisions address the reinsurance collateral requirements necessary for U.S. ceding companies to take credit for certain reinsurance transactions. The adopted effective date is Sept. 1, 2022, with enforcement to begin Jan. 1, 2023.
4. Adopted technical changes to the new accreditation standard for Model #787 to update a reference that was revised in 2020.
5. Exposed proposed revisions to the Review Team Guidelines and the Self-Evaluation Guide for Part C: Organizational and Personnel Practices, for a 30-day public comment period ending Sept. 11. The revisions incorporate consideration of where each department's average salaries fall in relation to the range as defined in the *Financial Analysis Handbook* and the *Financial Condition Examiners Handbook*.
6. Exposed proposed revisions to the Review Team Guidelines for Part B1: Financial Analysis for a 30-day public comment period ending Sept. 11. The proposed revisions consist of a technical clarification related to RRGs and the use of the "Captives and/or Insurers Filing on a U.S. GAAP Basis Worksheet."
7. Reported that it met Aug. 10, July 21 and June 23 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:
 - a. Discussed state-specific accreditation issues.
 - b. Voted to award continued accreditation to the insurance departments of Delaware, Louisiana, Maryland, Oregon, Rhode Island and Washington.

INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE

Aug. 12, 2020

1. Adopted its June 3, Feb. 3, Jan. 30 and Jan. 15 and 2019 Fall National Meeting minutes, which included the following action:
 - a. Heard an update on upcoming IAIS committee meetings and activities.
 - b. Heard an update on the Organisation for Economic Co-operation and Development (OECD) and other supervisory cooperation activities.
 - c. Heard an update on the International Monetary Fund (IMF) Financial Sector Assessment Program (FSAP).
 - d. Heard an update on NAIC events.
 - e. Approved submission of NAIC comments on the IAIS and Sustainable Insurance Forum (SIF) draft *Issues Paper on the Implementation of the Recommendations of the Task Force on Climate-related Financial Disclosures*.
 - f. Heard a recap of IAIS committee meetings and an update on the insurance capital standard (ICS), including the aggregation method (AM) and comparability.
 - g. Approved submission of NAIC comments on the IAIS draft *Application Paper on Liquidity Risk Management*.
2. Heard an update on key 2020 projects of the IAIS, including: 1) the Louisiana Department of Insurance became the latest U.S. member of the IAIS Multilateral Memorandum of Understanding (MMoU); 2) implementation of the holistic framework for systemic risk in the insurance sector; 3) ICS data collection and comparability; 4) and the responses to COVID-19.
3. Heard an update on the 2020 U.S. FSAP, which concluded earlier in the week with the publication of final documents describing the IMF's findings and opinions on the U.S. financial regulatory system. While there are several findings and conclusions drawn by IMF staff that state insurance regulators may ultimately disagree with, their view that the U.S. insurance system is in line with the IAIS Insurance Core Principles (ICPs) and that key 2015 FSAP recommendations are being addressed is welcomed. As these reports have just been made public, state insurance regulators and NAIC staff will review all of the IMF recommendations and allocate, where appropriate, such recommendations to appropriate NAIC committees and working groups for further consideration.
4. Heard an update on international activities, including recent virtual meetings and events with international colleagues, plans for a virtual NAIC International Fellows Program session this fall, recent meetings of the OECD Insurance and Private Pensions Committee, and recent meetings of the SIF.

NAIC/CONSUMER LIAISON COMMITTEE

Aug. 14, 2020

1. Adopted its June 19 and 2019 Fall National Meeting minutes, which included the following action:
 - a. Heard a presentation on consumer protection issues resulting from, or heightened by, COVID-19 and measures to reduce or flatten infection rates.
 - b. Heard a presentation on the importance of high-quality, affordable coverage for COVID-19 testing.
 - c. Heard a presentation on the impact of COVID-19 on vulnerable populations and specific issues for older adults.
 - d. Heard a presentation on additional areas for state leadership and consumer protection related to COVID-19.
 - e. Heard a presentation titled, "Stop the Spread: COVID-19 and Insurance Fraud."
 - f. Heard a presentation regarding United Policyholders' COVID-19 loss recovery library.
2. Heard a presentation from United Policyholders on COVID-19-related business interruption claims, coverage issues, disputes and litigation. This presentation highlighted the lack of and need for pandemic coverage for business interruption.
3. Heard a presentation from the Automotive Education & Policy Institute (AEPI) on digital claims handling and photo-estimating. This presentation focused on the need for additional consumer education and consumer protection in the form of advance notifications regarding initial claim payments and follow up claim payments, especially during the COVID-19 pandemic.
4. Heard a presentation from the CEJ proposing a model law to modernize insurance rate and form regulation that would address algorithmic bias plans used on patients and markets. This presentation explained how some algorithmic plans have a built-in bias based on discriminatory data points being used. A new model law was proposed to alleviate the inconsistencies currently noted from state to state.
5. Heard a presentation from the National Health Law Program (NHLP), Community Catalyst (CC) and the American Kidney Fund (AKF) on improving equity in health care access. This presentation discussed how the pandemic highlighted the problem of inequity and discrimination in the equal and adequate access to health care for consumers.
6. Heard a presentation from the National Alliance of State and Territorial AIDS Directors (NASTAD) on addressing the needs of patients and consumers in the COVID-19 pandemic. This presentation discussed the importance of reasonable preauthorization standards for the utilization management of formulary medications, especially those used for pre-exposure prophylaxis (PrEP).

7. Heard a presentation from California Health Advocates (CHA) on the federal Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), Medicare and Model #120. This presentation recommended that state insurance regulators revise Model #120, so it no longer allows insurers to avoid paying for medical treatment when an insured person is eligible for Medicare but not enrolled in Medicare Part B because they are still covered by their employer.

NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE

Aug. 3, 2020

1. Adopted its April 29 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Discussed how the states are conducting outreach to Native Americans regarding ACA coverage opportunities.
 - c. Discussed retroactive coverage through ACA plans and tribal coverage programs.
2. Discussed the significant impact of COVID-19 on the health and economies of American Indian and Alaska Native populations.
3. Discussed coverage available through the ACA plans and tribal programs.
4. Received and discussed a general overview from Ron Kreiter (OK) regarding what the recent U.S. Supreme Court decision, *McGirt v. Oklahoma*, U.S. Supreme Court, October Term, 2019, decided July 9, 2020, means (or could mean) to the insurance industry, health care, etc.

NAIC/INDUSTRY LIAISON COMMITTEE

The NAIC/Industry Liaison Committee did not meet at the Summer National Meeting.

NAIC/STATE GOVERNMENT LIAISON COMMITTEE

The NAIC/State Government Liaison Committee did not meet at the Summer National Meeting.

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National Association of Insurance Commissioners

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

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