



National Association of Insurance Commissioners

**The
2020
Fall
National
Meeting**

Synopsis

December 3 – 4 | 7 – 9, 2020





National Association of
Insurance Commissioners

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Printed in the United States of America

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Date: 12/21/2020

**Synopsis of the NAIC Committee, Subcommittee and Task Force Meetings
2020 Virtual Fall National Meeting
December 3–9, 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 Fall 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)

Dec. 9, 2020

1. Adopted the report of the Executive (EX) Committee. See the Executive (EX) Committee listing for details.
2. Adopted by consent the committee, subcommittee and task force minutes of the 2020 Summer National Meeting.
3. Adopted the NAIC 2021 proposed budget.
4. Adopted the NAIC 2021 proposed committee charges.
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 the 2021 Generally Recognized Expense Table (GRET).
13. Adopted amendments to *Actuarial Guideline XLIX—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest* (AG 49).
14. Adopted amendments to the *Standard Nonforfeiture Law for Individual Deferred Annuities* (#805).
15. Adopted amendments to the *Health Maintenance Organization Model Act* (#430).
16. Adopted the *Workers' Compensation Policy and the Changing Workforce* white paper.
17. Adopted revisions to the *NAIC State Disaster Response Plan*.
18. Adopted revisions to the Market Conduct Annual Statement (MCAS).
19. Adopted amendments to the *Insurance Holding Company System Regulatory Act* (#440) and the *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions* (#450).
20. Received a status report on state implementation of NAIC-adopted model laws and regulations.
21. Received the results of the 2021 zone officer elections:
 - a. Midwest Zone: Director Larry D. Deiter (SD), Chair; Commissioner Glen Mulready (OK), Vice Chair; and Commissioner Doug Ommen (IA), Secretary.
 - b. Northeast Zone: Commissioner Jessica K. Altman (PA), Chair; Commissioner Gary Anderson (MA), Vice Chair; and Commissioner Kathleen A. Birrane (MD), Secretary.
 - c. Southeast Zone: Commissioner Jim L. Ridling (AL), Chair; Commissioner Mike Chaney (MS), Vice Chair; and Commissioner James J. Donelon (LA), Secretary.
 - d. Western Zone: Director Lori K. Wing-Heier (AK), Chair; Commissioner Michael Conway (CO), Vice Chair; and Commissioner Andrew R. Stolfi (OR), Secretary.
22. Elected the 2021 NAIC officers: Commissioner David Altmaier (FL), President; Director Dean L. Cameron (ID), President-Elect; Director Chlora Lindley-Myers (MO), Vice President; and Commissioner Andrew N. Mais (CT), Secretary-Treasurer.

EXECUTIVE (EX) COMMITTEE

Dec. 9, 2020

1. Adopted the report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee, which met Dec. 2 in regulator-to-regulator session pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) and paragraph 6 (consultations with NAIC staff members related to NAIC technical guidance) of the NAIC Policy Statement on Open Meetings. During this meeting, the Committee and Subcommittee took the following action:
 - a. Presented the NAIC 2021 proposed budget in a public hearing, with no written or oral comments received.
 - b. Approved the NAIC 2021 proposed budget and recommended the NAIC 2021 proposed budget be considered by the full NAIC membership during the joint meeting of the Executive (EX) Committee and Plenary during the Fall National Meeting.
 - c. Adopted its Oct. 27 and Sept. 30 interim meeting report. These meetings, which were held 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, included the following action:
 1. Approved release of the NAIC 2021 proposed budget for public review and comment.
 2. Reappointed Commissioner David Altmaier (FL), Commissioner Gary Anderson (MA), Director Raymond G. Farmer (SC) and Michael F. Consedine (NAIC, Chief Executive Officer) to the International Association of Insurance Supervisors' (IAIS) Executive Council.
 3. Adopted the July 14 minutes of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee. This meeting was held 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
 4. Adopted the Sept. 9 minutes of the Internal Administration (EX1) Subcommittee. This meeting was held 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.
 5. Adopted the report of the Audit Committee.
 6. Adopted the report of the Information Systems (EX1) Task Force. See the Task Force listing for details.
 7. Approved the economic scenario generator (ESG) fiscal and authorized the NAIC management contract with Conning to provide the ESG and related services.
 8. Appointed Commissioner Anderson as the alternate representative on the Financial Stability Oversight Council (FSOC).
 9. Heard an update on the System for Electronic Rate and Form Filing (SERFF) assessment.
 10. Received the chief executive officer (CEO)/chief operating officer (COO) report.
 - d. Received the CEO/COO report.
 - e. Discussed the 2021 Commissioners Conference and future NAIC meetings.
 - f. Received a cybersecurity briefing.
 - g. Received the Sept. 30 long-term investment portfolio and defined benefit plan investment reports.
 - h. Adopted the report of the Audit Committee, which met Nov. 16 and took the following action:
 1. Received an overview of the Sept. 30 financial statements with an update for October.
 2. Received an update on the 2020 financial audit.
 3. Received an update on the 2020/2021 Service Organization Control (SOC) 1 and SOC 2 reviews and reports.
 4. Received an update on database filing fee payments.
 5. Received an update on zone financials.
 6. Reviewed the 2021 budget calendar.
 - i. Adopted the report of the Information Systems (EX1) Task Force. See the Task Force listing for details.
 - j. Approved a recommendation to: 1) utilize a law firm to assist the Long-Term Care Insurance (EX) Task Force; and 2) expose the Long-Term Care Insurance (LTCI) Legal Restructuring fiscal impact statement for a public comment period.
2. Adopted the report the Climate and Resiliency (EX) Task Force. See the Task Force listing for details.
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 amendments to the *Unfair Trade Practices Act* (#880). See the Task Force listing for details.
6. Adopted the report of the Long-Term Care Insurance (EX) Task Force. See the Task Force listing for details.
7. Adopted the report of the Special (EX) Committee on Race and Insurance. See the Special Committee listing for details.
8. Adopted its 2021 proposed charges.
9. Adopted amendments to Model #880, specifically Section 4(H)(2)(e), related to anti-rebating.

10. Received a status report on implementation of the NAIC *State Ahead* strategic plan. Given the change in priorities due to COVID-19, the development of *State Ahead 2.0* is on pause, and that important work will continue in 2021.
11. Received a status report on model law development efforts for amendments to the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171); the *Annuity Disclosure Model Regulation* (#245); Model #430; Model #440; Model #450; the *Life Insurance Disclosure Model Regulation* (#580); the *Mortgage Guaranty Insurance Model Act* (#630); Model #805; Model #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.
12. Heard a report from the National Insurance Producer Registry (NIPR). Despite the challenges associated with the pandemic, NIPR has had a successful and productive year.
13. Heard a report from the Interstate Insurance Product Regulation Commission (Compact), which met Dec. 4 in joint session with its Management Committee. The Commission re-elected: Superintendent Elizabeth Kelleher Dwyer (RI), Chair; Commissioner Mark Afable (WI), Vice Chair; and Commissioner James A. Dodrill (WV), Treasurer. The 2021 Management Committee also includes Georgia, Illinois, Kansas, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Virginia and Wyoming. The Compact also approved 2021 committee assignments and appointed company and industry representatives to four open seats on the Industry Advisory Committee

Financial Stability (EX) Task Force

Oct. 13, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Adopted its 2021 proposed charges.
3. Adopted proposed revisions to Model #440 related to the liquidity stress test (LST). The proposed revisions were referred to the Financial Condition (E) Committee for consideration.
4. Received an update from the Liquidity Assessment (EX) Subgroup, which provided an update on its progress toward achieving its deliverables related to liquidity stress testing.

Government Relations (EX) Leadership Council

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

Innovation and Technology (EX) Task Force

Dec. 4, 2020

1. Adopted its Nov. 30 minutes, which included the following action:
 - a. Adopted its Nov. 4 minutes, which included following action:
 1. Adopted its Oct. 15 minutes, which included the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Discussed the Sept. 17 anti-rebating amendments to Model #880, as well as next steps for completing the development of amendments.
 - c. Discussed the 2020 report on the Cybersecurity Insurance and Identity Theft Coverage Supplement.
 - d. Discussed the Request for Information (RFI) sent to interested parties regarding specific “regulatory relief” or “regulatory accommodations” offered by the states as a result of the COVID-19 pandemic that they would recommend be continued or made permanent related to innovation and technology.
 2. Adopted its 2021 proposed charges.
 3. Discussed the Oct. 30 anti-rebating amendments to Model #880, as well as next steps for completing the development of amendments for Model #880.
 4. Discussed the 2020 report on the Cybersecurity Insurance and Identity Theft Coverage Supplement, which is delayed but should be released soon.
 5. Reminded interested parties to submit responses to the RFI.
2. Adopted the report of the Artificial Intelligence (EX) Working Group, which has not met since June 30. In 2021, this Working Group will be merged with the Big Data (EX) Working Group to create the new Big Data and Artificial Intelligence (EX) Working Group.
3. Adopted the report of the Big Data (EX) Working Group, which has not met since the Summer National Meeting. In 2021, this Working Group will be merged with the Artificial Intelligence (EX) Working Group to create the new Big Data and Artificial Intelligence (EX) Working Group.
4. Adopted the report of the Speed to Market (EX) Working Group, including its Nov. 10 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Sept. 29 minutes, which included the following action:
 1. Adopted its Aug. 27 minutes, which included the following action:
 - a. Discussed its priorities and charges for the remainder of 2020.

- b. Discussed parameters and output fields for the SERFF canned report for rate changes.
2. Discussed possible discontinuation of the Product Requirements Locator (PRL).
3. Discussed the communication plan for speed to market tools.
- b. Discussed possible discontinuation of the PRL. The Working Group agreed to survey the states that currently populate the PRL to find out how they use the tool. Further discussion will take place after the survey results are compiled.
- c. Discussed Phase One of the communication plan for speed to market tools.
- d. Discussed the possibility of creating a type of insurance (TOI) or sub-TOI code in SERFF for private flood insurance.
5. Received an update from the Dec. 1 Innovation and Technology State Contacts Roundtable.
6. Discussed the anti-rebating amendments based on the Task Force’s Nov. 30 and Nov. 4 meetings and comments submitted. The Task Force adopted amendments to Section 4(H) of Model #880, with one revision to change “evidence” to “criteria” in Section 4(H)(2)(e)(vi) and to change “criteria” to “evidence” in Section 4(H)(2)(e)(vii).
7. Received updates from the Accelerated Underwriting (A) Working Group, the Casualty Actuarial and Statistical (C) Task Force, and the Privacy Protections (D) Working Group.
8. Received a report on the cybersecurity workstreams across the NAIC, including an update on the *Insurance Data Security Model Law* (#668); updated guidance including a new tool associated with the *Financial Condition Examiners Handbook*; an update on cybersecurity tabletop exercises; ongoing collaboration with international colleagues; the Property and Casualty Insurance (C) Committee’s program to further work regarding the cybersecurity insurance market; and the NAIC’s internal cybersecurity and data security and privacy program.
9. Heard an update from the National Council of Insurance Legislators (NCOIL) on its insurance modernization activities.
10. Discussed responses to the RFI regarding specific “regulatory relief” or “regulatory accommodations” offered by the states because of the COVID-19 pandemic. Responses were grouped into the following categories: a) electronic commerce; b) regulatory capabilities; c) claims facilitation; and d) items specific to surplus lines. The Task Force agreed to draft a bulletin or bulletins to address some of the issues presented.
11. Deferred a presentation on components of a model governance framework.

Long-Term Care Insurance (EX) Task Force

Dec. 4, 2020

1. Adopted its Nov. 2 and Summer National Meeting minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
2. Received the report of the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup. The Subgroup met Oct. 22 and Oct. 8 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings. The Subgroup reported:
 - a. A multistate actuarial team is conducting a pilot project to review LTCI rate filings from several insurers. The Subgroup is learning lessons and receiving feedback from the Task Force members on how to improve the usability of the confidential advisory reports from the pilot project.
 - b. A survey of Task Force members indicates that members view the multistate rate review process and pilot project reports as a positive development toward a more consistent and effective approach to rate filings.
 - c. The Subgroup began working on a draft outline for a framework for multistate LTCI rate reviews, with a goal to have a first draft available by the 2021 Spring National Meeting.
 - d. The Subgroup is weighing the findings from the data call analysis completed earlier this year, and it is working with the consultant on the best public presentation.
3. Received the report of the Long-Term Care Insurance Reduced Benefit Options (EX) Subgroup, including its Nov. 30 minutes. During this meeting, the Subgroup took the following action:
 - a. Adopted its Oct. 1 minutes, which included the following action:
 1. Adopted its Sept. 15 minutes, which included the following action:
 - a. Adopted its Aug. 24 minutes, which included the following action:
 1. Discussed comments on a proposed document related to reduced benefit options (RBO), “Principles and Issues (including those with particular need for stakeholder input)” (RBO Principles).
 - b. Discussed comments on the RBO Principles.
 - c. Discussed the proposed “Guiding Principles to Ensure Quality Consumer Notices of Rate Increase and Reduced Benefit Options” (RBO Consumer Notices Principles).
 2. Discussed Penn Treaty materials.
 3. Exposed the proposed RBO Principles and the RBO Consumer Notices Principles for a 30-day comment period ending Nov. 9.
 2. Discussed Penn Treaty materials.
 3. Exposed the proposed RBO Principles and the RBO Consumer Notices Principles for a 30-day comment period ending Nov. 9.
 - b. Adopted the RBO Principles and the RBO Consumer Notices Principles, which are intended to assist in providing guidance to state insurance regulators when evaluating RBO offerings by insurers and evaluating the quality of consumer notices and RBO materials presented to policyholders

4. Referred the RBO Principles and the RBO Consumer Notices Principles to the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup to incorporate into the development of an LTCI multistate rate review framework.
5. Reported that the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee exposed a fiscal regarding the engagement of an outside legal consultant for a 15-day public comment period to assist the Task Force on matters relating to the restructuring of LTCI policies.

Special (EX) Committee on Race and Insurance

Dec. 7, 2020

1. Adopted its Sept. 17 minutes, which included the following action:
 - a. Reaffirmed its charges
 - b. Discussed its five workstreams.
 - c. Heard comments from Special Committee members and interested parties.
2. Received status reports from the following workstreams:
 - a. Workstream One: Research/analyze the level of diversity and inclusion within the insurance industry.
 - b. Workstream Two: Research/analyze the level of diversity and inclusion within the NAIC and state insurance regulator community.
 - c. Workstream Three: Examine and determine which practices or barriers exist in the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups in the property/casualty (P/C) line of business.
 - d. Workstream Four: Examine and determine which practices or barriers exist in the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups in the life insurance and annuities lines of business.
 - e. Workstream Five: Examine and determine which practices or barriers exist in the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups in the health insurance line of business.

INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE

See the Executive (EX) Committee listing for details.

Information Systems (EX1) Task Force

Nov. 20, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Received an update on draft 2021 fiscals with a technology component.
3. Received an information technology (IT) operational report on the NAIC's IT activities, which included: product highlights; innovation and technology; service and support; data collection metrics; team; project portfolio summary; and 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 20 active technical projects and a summary of three 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

Dec. 7, 2020

1. Adopted its Nov. 10 and Summer National Meeting minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
 - b. Adopted the Life Actuarial (A) Task Force's 2021 proposed charges.
 - c. Adopted proposed amendments to Model #805.
 - d. Adopted the 2021 GRET.
 - e. Adopted proposed revisions to AG 49.
 - f. Adopted technical revisions to *Actuarial Guideline XLIX-A—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest Sold on or After November 25, 2020* (AG 49-A).
 - g. Heard a presentation on re-engineering life and annuity illustrations and disclosures.
2. Adopted the report of the Accelerated Underwriting (A) Working Group, including its Nov. 17 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Heard an update from the Ad Hoc Drafting Group, which will continue to work on an educational report that offers guidance to state insurance regulators and will not pursue the development of a model law at this time.

- c. Heard an update from the Ad Hoc Liaison Group, which is continuing to track and share information in a regulator-only collaboration space.
3. Adopted the report of the Annuity Disclosure (A) Working Group, which has not met since March 13.
4. Adopted an extension of the Annuity Disclosure (A) Working Group's Request for NAIC Model Law Development to revise Section 6—Standards for Illustrations of Model #245 to address issues identified by the Working Group related to innovations of annuity products currently in the marketplace that are not addressed or not adequately addressed in the current standards.
5. Adopted the report of the Annuity Suitability (A) Working Group, which has not met since the Summer National Meeting.
6. Adopted the report of the Life Insurance Illustration Issues (A) Working Group, which has not met since July 24.
7. Adopted an extension of the Life Insurance Illustration Issues (A) Working Group's Request for NAIC Model Law Development to amend Model #580 to reference a short policy overview document.
8. Adopted the report of the Life Insurance Online Guide (A) Working Group, including its Oct. 20 and Feb. 24 minutes. During these meetings, the Working Group took the following action:
 - a. Reviewed its work plan for the online guide.
 - b. Discussed its next steps related to its charge to “develop an online resource on life insurance, including the evaluation of existing content on the NAIC website, to be published digitally for the benefit of the public.”
9. Adopted the report of the Life Actuarial (A) Task Force. See the Task Force listing for details.
10. Agreed to discuss in early 2021 whether revisions to its charges might be needed.

Life Actuarial (A) Task Force

Dec. 3, 2020

1. Adopted its Nov. 12, Nov. 5, Oct. 29, Oct. 27, Oct. 22, Oct. 8, Oct. 1, Sept. 24 and Aug. 27 minutes, which included the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Adopted its 2021 proposed charges.
 - c. Exposed the “Criteria to Assess VM-20 Solutions for Modeling Non-Guaranteed YRT Reinsurance” for a 30-day public comment period ending Dec. 11.
 - d. Adopted amendment proposal form (APF) 2020-09, which modifies the life principle-based reserving (PBR) exemption. APF 2020-09 was previously exposed for a 21-day public comment period ending Oct. 21 and was re-exposed for a 10-day public comment period ending Nov. 2.
 - e. Adopted revisions to AG 49. The proposed revisions were previously exposed for a seven-day public comment period ending Oct. 28.
 - f. Adopted APF 2020-02, which clarifies guidance on the boundaries of a company's latitude in following VM-20, Requirements for Principle-Based Reserves for Life Products. APF 2020-02 was previously re-exposed for a 21-day public comment period ending Oct. 15.
 - g. Heard an update on the ESG implementation project.
 - h. Adopted a technical amendment to AG 49-A.
 - i. Adopted a letter regarding the technical amendment to AG 49-A that changes the effective date from Nov. 25, 2020, to Dec. 14, 2020.
 - j. Adopted proposed amendments to Model #805 to make 0.15% the new minimum nonforfeiture interest rate floor.
 - k. Exposed APF 2020-08 for a 30-day public comment period ending Nov. 10.
 - l. Adopted the 2021 GRET.
 - m. Adopted APF 2020-03, which clarifies net premium reserve (NPR) calculation requirements.
 - n. Approved the Society of Actuaries' (SOA) 2020 life mortality improvement scale for use with *Valuation Manual* requirements.
2. Adopted the report of the Longevity Risk (E/A) Subgroup, which has not met since the Summer National Meeting. The Subgroup plans to meet prior to the 2021 Spring National Meeting, with a focus on longevity risk transfer reserve formulation and potential C-2 factors for capital. In addition, the Subgroup will be awaiting year-end reporting of the zero-factor C-2 longevity risk measure in order to complete an impact study and work with the Life Actuarial (A) Task Force and the Life Risk-Based Capital (E) Working Group on finalizing the C-2 factors within the adopted formula for C-2 longevity to be effective for year-end 2021 reporting.
3. Adopted the report of the Guaranteed Issue (GI) Life Valuation (A) Subgroup, which has not met since the Summer National Meeting. The Subgroup plans to meet prior to the 2021 Spring National Meeting to continue discussing potential solutions for GI life mortality used for reserves, including potential solutions for use of own company mortality combined with a standardized mortality base and approaches for applying credibility standards to company-specific mortality.
4. Adopted the report of the Experience Reporting (A) Subgroup, which has not met since the Summer National Meeting. The Subgroup plans to meet prior to the Spring National Meeting to discuss development of mandatory experience reporting of variable annuity policyholder behavior data.

5. Adopted the report of the Indexed Universal Life (IUL) Illustration (A) Subgroup, which has not met since the Summer National Meeting. The Subgroup plans to monitor activity in the IUL illustration space following the effective date of AG 49-A.
6. Adopted the report of the Variable Annuities Capital and Reserve (E/A) Subgroup, which has not met since the Summer National Meeting. The Subgroup continues to monitor results of companies implementing the Variable Annuities Framework and stands ready to consider any requests of the Task Force or the Life Risk-Based Capital (E) Working Group.
7. Adopted the report of the Valuation Manual (VM)-22 (A) Subgroup, including its Oct. 28, Oct. 26, Oct. 21 and Sept. 29 minutes. During these meetings, the Subgroup took the following action:
 - a. Exposed the American Academy of Actuaries' (Academy) preliminary framework elements for fixed annuity PBR for a 45-day public comment period ending Dec. 14.
 - b. Heard a presentation from the Academy on its preliminary framework elements for fixed annuity PBR.
 - c. Voted to recommend exploration of a standard projection amount (SPA) for the fixed annuity PBR framework.
 - d. Discussed proposed revisions to VM-22, Statutory Maximum Valuation Interest Rates for Income Annuities.
8. Heard an update from the Compact.
9. Heard an update from the SOA on research and education.
10. Heard an update from the Academy Life Practice Council.
11. Heard a report from the NAIC Legal Division staff on the application of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) to the NAIC as the experience reporting agent under VM-50, Experience Reporting Requirements, and VM-51, Experience Reporting Formats.
12. Re-exposed APF 2019-33, which provides for the application of PBR requirements for group life insurance contracts with individual risk selection criteria issued under insurance certificates.
13. Adopted APF 2020-08, which provides an alternative method for mortality aggregation.
14. Exposed APF 2020-11, which allows exemption of policies from prior issue years when there is a change in the life PBR exemption requirements.
15. Heard a proposal from the Academy requesting that the Task Force consider a one-year time lag for PBR mortality reporting.
16. Heard an overview of the ESG timeline and model.

HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE

Dec. 7, 2020

1. Adopted its Nov. 2 and Summer National Meeting minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
 - b. Adopted the 2021 proposed charges of the Health Actuarial (B) Task Force, the Regulatory Framework (B) Task Force and the Senior Issues (B) Task Force.
 - c. Adopted revisions to Model #430. The revisions address conflicts and redundancies in Model #430 with provisions in the revised *Life and Health Insurance Guaranty Association Model Act* (#520), which added health maintenance organizations (HMOs) as members of the guaranty association.
 - d. Received an update on the Consumer Information (B) Subgroup's work related to its charge to develop information or resources that would be helpful to state insurance regulators and others in assisting consumers to better understand health insurance. The Subgroup recently adopted updates to its "Frequently Asked Questions About Health Reform" (FAQ document) in preparation for the 2021 open enrollment period. The Subgroup also developed a new document for consumers to use when considering purchasing a short-term policy, a policy that is not subject to the requirements of the federal Affordable Care Act (ACA).
2. Adopted the report of the Consumer Information (B) Subgroup, including its Oct. 29 and Oct. 20 minutes. During these meetings, the Subgroup took the following action:
 - a. Discussed revisions to the FAQ document and the development of a new consumer-facing document to assist consumers considering the purchase of a short-term policy, a policy that is not subject to the requirements of the ACA.
 - b. Adopted a revised FAQ document and the new consumer document for consumers on short-term policies.
3. Adopted the report of the Health Innovations (B) Working Group, including its Nov. 9 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Heard presentations on issues of interest to the Working Group, including hospital prices, a new hospital cost tool, and costs and coverage requirements for coronavirus tests.
4. Adopted the report of the Health Actuarial (B) Task Force. See the Task Force listing for details.
5. Adopted the report of the Regulatory Framework (B) Task Force. See the Task Force listing for details.
6. Adopted the report of the Senior Issues (B) Task Force. See the Task Force listing for details.

7. Heard an update on legal actions related to the ACA, including a discussion and observations from the recent oral arguments before the U.S. Supreme Court in the case of *California v. Texas*, which challenges the constitutionality of the individual mandate and the potential impact of the decision on other key ACA provisions. It is anticipated that any decision in that case will not be released until 2021, possibly as early as spring 2021 or as late as summer 2021. The update also included a discussion of *Rutledge v. Pharmaceutical Care Management Association*, which received oral argument before the Court on Oct. 6. This case challenges the authority of the states to regulate pharmacy benefit managers (PBMs).
8. 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.
9. Heard a federal legislative update on congressional legislation and administrative actions of interest to the Committee. The update discussed the key factors that will affect health actions in 2021, including the court's decision in *California v. Texas* and the final makeup of the U.S. Senate. The update also included an outlook for 2021, such as the completion of unfinished business related to surprise billing, prescription drug reform, telehealth expansion and COVID-19 relief. The U.S. Congress also could consider health insurance reforms in areas related to subsidies, network adequacy and short-term, limited-duration (STLD) plans and other health reforms, such as mental health parity and health care sharing ministries (HCSMs). Potential administrative actions in 2021 could include regulatory changes involving STLD plans, association health plans (AHPs), ACA Section 1332 guidance and Medicaid work requirements

Health Actuarial (B) Task Force

Nov. 19, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Oct. 8 and Summer National Meeting minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
 - b. Disbanded the Health Reserves (B) Subgroup.
 - c. Discussed educational opportunities.
2. Adopted the report of the Health Care Reform Actuarial (B) Working Group, which has not met since the Summer National Meeting.
3. Adopted the report of the Long-Term Care Actuarial (B) Working Group, which met Nov. 2 and took the following action:
 - a. Adopted its Aug. 25 and Summer National Meeting minutes, which included the following action:
 1. Heard an update from the Academy on its long-term care (LTC) work group activities.
 - b. Adopted the report of the Long-Term Care Valuation (B) Subgroup. The Subgroup's focus has been on implementation of *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51).
 - c. Adopted the report of the Long-Term Care Pricing (B) Subgroup, including its Sept. 2 minutes. During this meeting, the Subgroup took the following action:
 1. Discussed LTCI cash value buyouts.
 2. Heard presentations from interested parties on considerations regarding cash value buyouts.
4. Discussed a proposal from the Blanks (E) Working Group for revisions to the Accident and Health Policy Experience Exhibit (AHPEE).

Regulatory Framework (B) Task Force

Nov. 19, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Oct. 23, Sept. 24 and Summer National Meeting minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
 - b. Adopted revisions to Model #430 to address inconsistencies and redundancies in the model with the provisions of the recently revised Model #520, which added HMOs as members of the guaranty association.
 - c. Disbanded the HMO Issues (B) Subgroup.
 - d. Received an update on the work of the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup to develop and adopt a new NAIC model regulating PBMs, the [State] Pharmacy Benefit Manager Licensure and Regulation Model Act.
2. Adopted the report of the Accident and Sickness Insurance Minimum Standards (B) Subgroup, which has not met since December 2019 due to the COVID-19 public health emergency and the resignation of one of its co-chairs.
3. Adopted the report of the Employee Retirement Income Security Act (ERISA) (B) Working Group, which met Nov. 12 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, which has completed its work to adopt revisions to Model #430 to address inconsistencies and redundancies in the model with the provisions in Model #520, which added HMOs as members of the guaranty association. The Subgroup has been disbanded.

5. Adopted the report of the Mental Health Parity and Addiction Equity Act (MHPAEA) (B) Working Group, which met Oct. 6 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 Oct. 29, Oct. 22, Oct. 8, Oct. 1, Sept. 24 and Sept. 14 minutes, but did not include adopting the proposed [State] Pharmacy Benefit Manager Licensure and Regulation Model Act. During these meetings, the Subgroup took the following action:
 - a. Discussed the Sept. 1 comments received on the proposed [State] Pharmacy Benefit Manager Licensure and Regulation Model Act.
 - b. Adopted the proposed [State] Pharmacy Benefit Manager Licensure and Regulation Model Act.
7. Exposed the proposed [State] Pharmacy Benefit Manager Licensure and Regulation Model Act for a 30-day public comment period ending Dec. 22.
8. Heard a presentation on “Protect Consumers from Individual Health Insurance Marketing & Sales Abuses.” The presentation highlighted the seriousness of the issue of marketing and sales abuses related to non-ACA health benefit plans and the resulting harm to consumers. The presentation also discussed secret shopping experiences and how those experiences exposed the various deceptive sales practices, including high-pressure sales tactics, misleading use of insurer logos and names, and the types and scope of plan benefits offered. The presentation also included specific actions state insurance regulators and the NAIC can take to address these concerns.
9. Heard a discussion of the recent decision in *Data Marketing Partnership, LP, et al vs. U.S. Department of Labor, et al.* and its potential effect on the ability of state insurance regulators to enforce state insurance laws with respect to certain health insurance arrangements.
10. Discussed possible next steps regarding HCSMs. The Task Force decided to defer deciding and to revisit the discussion during its meeting at the 2021 Spring National Meeting.

Senior Issues (B) Task Force

Oct. 20, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Oct. 8 and Summer National Meeting minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
 - b. Discussed Medicare and payment of the costs of administering a coronavirus vaccine if approved by the U.S. Food and Drug Administration (FDA) under an emergency-use authorization.
2. Adopted its Sept. 2 minutes, which included the following action:
 - a. Heard a presentation from AlliedVirtualCare on its initiative to reduce LTCI costs.
 - b. Discussed deceptive COVID-19 marketing and sales practices targeting seniors.

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE

Dec. 8, 2020

1. Adopted the report of the Casualty Actuarial and Statistical (C) Task Force. See the Task Force listing for details.
2. Adopted the report of the Surplus Lines (C) Task Force. See the Task Force listing for details.
3. Adopted the report of the Title Insurance (C) Task Force. See the Task Force listing for details.
4. Adopted the report of the Workers’ Compensation (C) Task Force. See the Task Force listing for details.
5. 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.
6. Adopted the report of the Catastrophe Insurance (C) Working Group, including its Nov. 17 minutes. During this meeting, the Working Group took the following action:
 - a. Heard federal updates, which included information regarding:
 1. A one-year extension of the National Flood Insurance Program (NFIP).
 2. The Nov. 10 U.S. Department of Housing and Urban Development’s (HUD) proposed amendment to the Federal Housing Administration (FHA) regulations that would allow lenders to accept private flood insurance policies on FHA-insured properties located in Special Flood Hazard Areas (SFHAs).
 - b. Discussed hurricane response during this year’s hurricane season. States reporting included Alabama, Louisiana and Mississippi. Each of the three states experienced more than one named storm this year. Alabama has been struggling with multiple deductibles regarding the storms. Louisiana and Mississippi shared information regarding how they deal with the multiple deductible issues. Louisiana experienced three hurricanes involving flooding this year. Mississippi experienced more wind damage than expected this year along its coast, as well as damage from storm surge.

- c. Heard a summary of the NAIC/Federal Emergency Management Agency (FEMA) regional roundtables that have been held with various regions. Events have been held with FEMA Region 7 states and FEMA Region 4 states. The NAIC and FEMA will hold another event in February 2021 with FEMA Region 8, Region 9 and Region 10. These roundtables allow state insurance regulators and FEMA to make recommendations and discuss solutions related to insuring for catastrophe risk.
7. Adopted the report of the Climate Risk and Resilience (C) Working Group, including its Oct. 14 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Sept. 30 minutes, which included the following action:
 1. Adopted its Summer National Meeting minutes.
 2. Heard a presentation from Ceres on its *Addressing Climate as a Systemic Risk: A Call to Action for U.S. Financial Regulators* report.
 3. Discussed climate risk-related state activities. Washington state hosted a Climate Summit, which was held Oct. 7. New York issued a circular letter Sept. 22 outlining its expectations for the industry in managing the financial risks from climate change.
 - b. Heard a presentation on “Climate Change in the American Mind.”
 8. Adopted the report of the Lender-Placed Insurance Model Act (C) Working Group, including its Dec. 2 minutes. During this e-vote, the Working Group took the following action:
 - a. Adopted its Nov. 13 minutes, which included the following action:
 1. Adopted its Oct. 19 minutes, which included the following action:
 - a. Discussed comments on the proposed Real Property Lender-Placed Insurance Model Act.
 - b. Exposed the proposed Real Property Lender-Placed Insurance Model Act for a 15-day public comment period ending Nov. 3.
 2. Discussed comments on the proposed Real Property Lender-Placed Insurance Model Act.
 3. Adopted the proposed Real Property Lender-Placed Insurance Model Act.
 9. Adopted the report of the Pet Insurance (C) Working Group, including its Dec. 2 minutes. During this e-vote, the Working Group took the following action:
 - a. Adopted its Nov. 24 minutes, which included the following action:
 1. Adopted its Nov. 6 minutes, which included the following action:
 - a. Adopted its Oct. 21 minutes, which included the following action:
 1. Adopted its Sept. 30 minutes, which included the following action:
 - a. Discussed Section 5 and Section 6 of the proposed Pet Insurance Model Act
 2. Discussed Section 6 of the proposed Pet Insurance Model Act
 - b. Discussed Section 7 and Section 8 of the proposed Pet Insurance Model Act.
 2. Discussed Section 7, Section 8 and Section 9 of the proposed Pet Insurance Model Act
 10. Adopted the report of the Terrorism Insurance Implementation (C) Working Group, which has not met since the Summer National Meeting.
 11. Adopted the report of the Transparency and Readability of Consumer Information (C) Working Group, including its Nov. 17 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Oct. 29, Oct. 13 and Sept. 21 minutes via an e-vote that concluded Nov. 23. During these meetings, the Working Group took the following action:
 1. Adopted its Summer National Meeting minutes.
 2. Discussed the need for consumer disclosures regarding significant premium increases on P/C insurance products.
 3. Heard comments from interested parties and discussed existing statutes, regulations and checklists in place for several member states.
 - b. Discussed the need for consumer disclosures regarding significant premium increases on P/C insurance products. Specifically, the Working Group discussed Kansas’ rate/ruling checklist and the drafting of a best practices document.
 12. Adopted an extension for revisions to the proposed Pet Insurance Model Act.
 13. Adopted the proposed Real Property Lender-Placed Insurance Model Act, which addresses the regulation of lender-placed insurance (LPI) as it relates to real property.
 14. Adopted the *Regulatory Review of Predictive Models* white paper. The white paper identifies best practices for the review of predictive models and analytics filed by insurers with state insurance regulators to justify rates and will provide state guidance for the review of rate filings based on predictive models.
 15. Adopted its 2021 proposed charges.
 16. Adopted a Request for NAIC Model Law Development to amend the *Nonadmitted Insurance Model Act* (#870) to modernize it and bring it into compliance with the federal Nonadmitted and Reinsurance Reform Act (NRRRA).

Casualty Actuarial and Statistical (C) Task Force

Nov. 10, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Oct. 26, Oct. 13, Sept. 16 and Summer National Meeting minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
 - b. Adopted a comment letter on U.S. qualification standards. The comment letter was sent to the Academy Committee on Qualifications prior to its Oct. 31 comment deadline.
 - c. Adopted the report of the Actuarial Opinion (C) Working Group.
 - d. Adopted the report of the Statistical Data (C) Working Group.
 - e. Discussed the Casualty Actuarial Society (CAS)/SOA Task Force's appointed actuary continuing education (CE) log.
 - f. Discussed Ref 2019-49: Retroactive Reinsurance Exception, referred by the Statutory Accounting Principles (E) Working Group.
 - g. Adopted the *Regulatory Review of Predictive Models* white paper.
2. Reported that it met Oct. 20 and Sept. 22 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss rate filing issues.
3. Reported that its Predictive Analytics Book Club meetings were held Oct. 27, Sept. 29 and Aug. 25.
4. Adopted the report of the Actuarial Opinion (C) Working Group, including its Oct. 30, Oct. 22, Sept. 24 and Sept. 10 minutes. During these meetings, the Working Group took the following action:
 - a. Adopted the 2020 *Regulatory Guidance on Property and Casualty Statutory Statements of Actuarial Opinion* (Regulatory Guidance).
 - b. Adopted proposed changes to the *Financial Analysis Handbook* and the *Financial Condition Examiners Handbook*.
 - c. Reported that it met Aug. 20 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss Statement of Actuarial Opinion reviews in risk-focused surveillance.
5. Adopted the report of the Statistical Data (C) Working Group. The Working Group will meet in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to consider adoption of the *Report on Profitability by Line by State* (Profitability Report) and the *Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance Report* (Homeowners Report).
6. Heard an update from the Task Force's volunteer group on Ref 2019-49: Retroactive Reinsurance Exception, which was referred by the Statutory Accounting Principles (E) Working Group.
7. Heard an update on communication about the CAS/SOA Task Force's appointed actuary CE log.
8. Discussed the Actuarial Standards Board's (ASB) exposure draft of Actuarial Standard of Practice (ASOP) No. 38, *Catastrophe Modeling (for All Practice Areas)* and the third exposure draft of a proposed ASOP, *Setting Assumptions*. The Task Force decided not to comment on the exposure drafts.
9. Heard a presentation from the Academy regarding the activities of its Committee on Property and Liability Financial Reporting (COPLFR) and its Casualty Practice Council.
10. Heard reports from the CAS and the SOA on P/C actuarial research.

Surplus Lines (C) Task Force

Nov. 18, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Adopted the report of the Surplus Lines (C) Working Group, which met Sept. 29 in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings. During this meeting, the Working Group approved four applications for the *Quarterly Listing of Alien Insurers*.
3. Adopted a Request for NAIC Model Law Development to amend Model #870 to modernize it and bring it into compliance with the federal Nonadmitted and Reinsurance Reform Act (NRRRA).
4. Discussed a memorandum on revisions to the NAIC Trust Agreement for Alien Excess or Surplus Lines Insurers and referred the issue to the Surplus Lines (C) Working Group to develop and propose updates to the trust agreement.

Title Insurance (C) Task Force

Oct. 21, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its 2020 Summer National Meeting and 2019 Fall National Meeting minutes via an e-vote that concluded Nov. 24.
2. Adopted its 2021 proposed charges. The proposed charges include adding a charge to explore issues and solutions related to the COVID-19 pandemic. The proposed charges also include elevating the existing charge to revise the *Title Insurance Consumer Shopping Tool* to include fraud topics, such as closing protection letters (CPLs) and wire fraud, to an essential work item for 2021.

Workers' Compensation (C) Task Force

Nov. 16, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Oct. 26 and Summer National Meeting minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
2. Heard a presentation on workers' compensation treatment guidelines and formularies, including:
 - a. What qualifies as an evidence-based guideline and the criteria used to determine what is evidence-based.
 - b. Reasons why a formulary that includes a patient's condition and phase of care is the most medically responsible approach.
 - c. The similarities and differences between the American College of Occupational and Environmental Medicine (ACOEM) guidelines and the Official Disability Guidelines (ODG).

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE

Dec. 8, 2020

1. Adopted its Summer National Meeting minutes.
2. Adopted its 2021 proposed charges, which included the 2021 proposed charges of the Antifraud (D) Task Force, the Market Information Systems (D) Task Force and the Producer Licensing (D) Task Force.
3. Adopted revisions to the *Antifraud Plan Guideline* (#1690), which serves as a guide for insurance companies preparing antifraud plans to document efforts established to prevent and report fraud. The revisions focus on reorganizing the guidelines to eliminate repetitive requirements and on adding language to align more closely with existing state mandates.
4. Adopted clarifications to proposed revisions to the MCAS to continue using the definition of "lawsuit" currently being used for the auto and home MCAS blanks and to change the definition of "lawsuits closed with consideration to the consumer" to adapt it for use with the auto and home MCAS blanks. With these clarifications, the collection of lawsuit information will be limited to lawsuits arising from claims only. This is the methodology used in all prior auto and home MCAS filings.
5. Adopted a new standardized data request (SDR) for LTCI in-force policies and a new SDR for LTCI claims, as proposed by the Market Conduct Examination Standards (D) Working Group. These new SDRs will be included in the reference documents of the *Market Regulation Handbook*.
6. Adopted revisions to Chapter 24—Conducting the Health Examination of the *Market Regulation Handbook*, as proposed by the Market Conduct Examination Standards (D) Working Group. The revised guidance is based on the *Supplementary and Short-Term Health Insurance Minimum Standards Model Act* (#170) and addresses STLD health plans.
7. Adopted a motion to defer the discussion on the Market Conduct Annual Statement Blanks (D) Working Group's request for feedback on the collection of transactional data.
8. Adopted the report the Antifraud (D) Task Force. See the Task Force listing for details.
9. Adopted the report of the Market Information Systems (D) Task Force. See the Task Force listing for details.
10. Adopted the report of the Producer Licensing (D) Task Force. See the Task Force listing for details.
11. Adopted the report of the Advisory Organization Examination Oversight (D) Working Group, which meets regularly in in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.
12. Adopted the report of the Market Actions (D) Working Group, which meets regularly in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.
13. Adopted the report of the Market Analysis Procedures (D) Working Group, including its Nov. 12 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Oct. 22 minutes, which included the following action:
 1. Adopted its Sept. 10 minutes, which included the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Discussed proposed revisions to the *MCAS Best Practices Guide* and heard an update from the drafting group.
 - c. Discussed proposed revisions of the *Market Regulation Handbook* and heard an update from the drafting group.
 - d. Discussed the most recent MCAS filings. It was noted that all companies were provided with a 60-day extension. Lines of business except disability insurance and health insurance were due June 30.
 - e. Discussed new lines of business for the MCAS.
 2. Discussed proposed revisions to the *MCAS Best Practices Guide*. The drafting group last met Oct. 20 and continues to make progress on its work.
 3. Discussed proposed revisions of the *Market Regulation Handbook*. The drafting group last met Oct. 15 and continues to make progress on its work to update Chapter 6 through Chapter 11.
 4. Discussed the most recent MCAS filings and challenges encountered. Suggested improvements should be sent to NAIC staff.

5. Discussed new lines of business for the MCAS. It was noted that “other health” and travel MCAS blanks are currently being developed.
 6. Discussed the possibility of collecting transactional-level data in the MCAS.
 - b. Discussed proposed revisions to the *MCAS Best Practices Guide*. The drafting group plans to have its proposed revisions ready for consideration by the Working Group during its next meeting.
 - c. Discussed proposed revisions of the *Market Regulation Handbook*. The drafting group has completed its work on Chapter 6, with a goal to bring the market analysis chapters up-to-date and to reference current tools and processes.
 - d. Discussed the MCAS attestation process, which has created some issues for companies. The Working Group asked NAIC staff to consider possible solutions.
 - e. Discussed training needs for market analysts, especially considering the new processes, tools and data available. Working Group members were asked to submit their suggestions to NAIC staff by Dec. 11.
14. Adopted the report of the Market Conduct Annual Statement Blanks (D) Working Group, including its Nov. 16 minutes. During this meeting, the Working Group took the following action:
- a. Adopted its Oct. 28 minutes, which included the following action:
 1. Adopted its Sept. 30 minutes, which included the following action:
 - a. Adopted its Aug. 26 minutes, which included the following action:
 1. Adopted its Summer National Meeting minutes.
 2. Discussed the creation of the travel MCAS blank and data call and definitions.
 3. Adopted a clarification in the home MCAS data call and definitions related to the reporting of policies in-force by type of policy within the underwriting section.
 4. Discussed the addition of National Producer Number (NPN) reporting within the home, auto, and life and annuity MCAS; and NPN reporting for managing general agents (MGAs) within the home and auto MCAS. Comments on this subject were requested by Sept. 25.
 5. Discussed possible placement changes for the lawsuit and complaint data elements within the home and auto MCAS. Comments on this subject were requested by Sept. 25.
 6. Discussed the addition of accelerated underwriting reporting to the life MCAS. Comments on this subject were requested by Sept. 25.
 7. Discussed the addition of digital claims settlement reporting to the home and auto MCAS. Comments on this subject were requested by Sept. 25.
 - b. Discussed the suggestion to conduct a pilot to collect transactional-level detail on a single MCAS line of business. Comments on this subject were requested by Oct. 23.
 - c. Received an update on the travel MCAS. It was reported that the subject-matter expert (SME) group will meet Oct. 21.
 - d. Discussed questions regarding the life MCAS definition of “lawsuits” and “lawsuits closed during the period with consideration for the customer.” Comments on this subject were requested by Oct. 23.
 - e. Adopted a motion to add NPN reporting for third-party administrators (TPAs) within the home, auto, and life and annuity MCAS; and NPN reporting for MGAs within the home and auto MCAS.
 - f. Adopted a motion to move forward with reviewing the proposed definitions and data elements, with the intent to implement reporting of accelerated underwriting in the life MCAS. Comments on this subject were requested by Oct. 23.
 - g. Adopted a motion to move forward with reviewing the proposed definitions and data elements, with the intent to implement reporting of digital claims settlements in the home and auto MCAS. Comments on this subject were requested by Oct. 23.
 - h. Received an update on the “other health” MCAS. It was reported that the SME group will meet Oct. 8
 - i. Discussed the new reporting for the auto MCAS to collect data on claims closed without payment because the claim amount was below the deductible.
 2. Heard and discussed a presentation on the possibility of collecting transactional-level data in the MCAS.
 - b. Discussed the possibility of collecting transactional-level data in the MCAS. This information will be provided to the Market Regulation and Consumer Affairs (D) Committee for feedback and guidance.
 - c. Discussed the recently adopted home and auto MCAS definitions of “lawsuits” and “lawsuits closed during the period with consideration for the consumer” and whether to revert to the prior definitions. NAIC staff will consult with the NAIC Legal Division, and the Working Group will continue to discuss this issue during a future Working Group meeting.
 - d. Adopted a motion to specify \$50,000 in premiums written as the threshold in the 2021 *Disability Income Data Call and Definitions*.

15. Adopted the report of the Market Conduct Examination Standards (D) Working Group, including its Nov. 19 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Oct. 20 minutes, which included the following action:
 1. Discussed proposed revisions to Chapter 24 of the *Market Regulation Handbook*.
 2. Discussed new LTCI SDRs for inclusion in the reference documents of the *Market Regulation Handbook*.
 - b. Adopted proposed revisions to Chapter 24 of the *Market Regulation Handbook*. The revisions were referred to the Market Regulation and Consumer Affairs (D) Committee for consideration.
 - c. Adopted new LTCI SDRs for inclusion in the reference documents of the *Market Regulation Handbook*. The new SDRs were referred to the Market Regulation and Consumer Affairs (D) Committee for consideration.
16. Adopted the report of the Market Regulation Certification (D) Working Group, including its Nov. 12 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Oct. 19 minutes, which included the following action:
 1. Adopted its Sept. 9 minutes, which included the following action:
 - a. Adopted its Feb. 20 minutes.
 - b. Discussed suggestions from the pilot program volunteers.
 - c. Reported that the drafting group for the scoring document will: 1) define mandatory and provisional questions; 2) define employees and staff; 3) determine how to incorporate partial scoring; and 4) identify the requirements that are mandatory and how to score them.
 2. Discussed pass and fail metrics for the Voluntary Market Regulation Certification Program. Comments on this subject were requested by Nov. 6.
 - b. Discussed pass and fail metrics for the Voluntary Market Regulation Certification Program. Comments were requested on the yellow-coded questions.
 - c. Discussed suggestions from the pilot program volunteers.
 - d. Reported that the drafting group will meet again to review the guidelines considering the scoring matrix and will have a draft for the next Working Group meeting.
17. Adopted the report of the Privacy Protections (D) Working Group, including its Nov. 20 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Discussed its initial draft gap analysis, which has three parts: consumer issues; industry obligations; and regulatory enforcements. The Working Group focused its initial discussion on consumer issues—specifically, notifications, portability, opt-ins/opt-outs and disclosures. Comments were requested on all three parts of the gap analysis.

Antifraud (D) Task Force

Nov. 16, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Oct. 30 and Oct. 26 minutes, which included the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Adopted its 2021 proposed charges.
2. Discussed its 2021 proposed charges.
3. Adopted revisions to Guideline #1690, as proposed by the Antifraud Technology (D) Working Group, and referred them to the Market Regulation and Consumer Affairs (D) Committee for consideration.
4. Received an update from the Antifraud Education Enhancement (D) Working Group. On Sept. 30, the Working Group hosted a webinar titled “Safety Training for State Department of Insurance Investigators.” On Nov. 19, the Working Group hosted a webinar titled “How ecoATM Can Assist State Fraud Investigators Investigating Fraudulent Claims Involving Mobile Devices.”
5. Adopted the report of the Antifraud Technology (D) Working Group, including its Oct. 29, Oct. 14 and Sept. 17 minutes. During these meetings, the Working Group took the following action:
 - a. Discussed proposed revisions to Guideline #1690.
 - b. Adopted proposed revisions to Guideline #1690 and referred them to the Antifraud (D) Task Force for consideration.
6. Heard reports on antifraud activity from NAIC staff, the National Insurance Crime Bureau (NICB) and the Coalition Against Insurance Fraud (CAIF)

Market Information Systems (D) Task Force

Nov. 17, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Oct. 23 and Summer National Meeting minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
2. Adopted the report of the Market Information Systems Research and Development (D) Working Group, which met Oct. 26, Oct. 6 and Aug. 27 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) and paragraph 6 (consultations with NAIC staff members related to NAIC technical guidance) of the NAIC Policy Statement on Open Meetings. During these meetings, the Working Group took the following action:
 - a. Reviewed and prioritized outstanding Uniform System Enhancement Request (USER) forms.
 - b. Reviewed proposed coding structure changes to the NAIC Regulatory Information Retrieval System (RIRS). The proposal was shared with the Financial Analysis Solvency Tools (E) Working Group and state producer licensing directors. Feedback was requested and received by Nov. 6. These state insurance regulator groups will be notified of the future Market Information Systems Research and Development (D) Working Group meeting where the proposal and comments will be discussed.
 - c. Reviewed the Market Information Systems (MIS) data analysis results. The Working Group will analyze the results and determine if updates to the metrics or methods to improve reporting and data quality are recommended.
3. Discussed the preliminary “NAIC Market Information Systems – Data Analysis Summary” report, which provides an analysis of the accuracy, timeliness and completeness of the data in the NAIC MIS databases.
4. Received a report on the outstanding USER forms. The following USER forms are complete or in development: 10051; 10053; 10069A; 10069B; 10080; and 10082.
5. Discussed its charge to make recommendations for the use of artificial intelligence (AI) in the MIS. Completion of the Task Force’s charge was extended to the 2021 Fall National Meeting.

Producer Licensing (D) Task Force

Nov. 13, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Oct. 30 and Summer National Meeting minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
2. Discussed state implementation of remote examinations. NIPR continues to work with the states and testing vendors to track state implementation of online examinations. As reflected on NIPR’s website, as of Nov. 12, 25 states have implemented online examinations, and two other states are scheduled to implement online examinations during the fourth quarter of 2020. In response to a request from the American Council of Life Insurers (ACLI), the Task Force requested that the Producer Licensing Uniformity (D) Working Group review the examination standards in the *State Licensing Handbook* regarding state implementation of remote examinations to avoid disruptions should physical testing become unavailable.
3. Discussed adjuster licensing uniformity and reciprocity, which includes the following issues for future discussion: a) home state examination requirement only; b) simplified fingerprinting; c) use of a uniform application; d) implementation of uniform license renewals; e) implementation of uniform and reciprocal CE; f) streamlining the licensing of adjusters after catastrophe losses; g) elimination of the licensing of adjusters by line of authority; and h) implementation of a consistent application of the Designated Home State standard.
4. Received an update from the Producer Licensing Uniformity (D) Working Group, which has not met in 2020 due to the COVID-19 crisis.
5. Received an update from the Uniform Education (D) Working Group, which has not met in 2020 due to the COVID-19 crisis. It was reported that 37 jurisdictions have signed the Continuing Education Reciprocity (CER) Agreement, which the NAIC membership adopted at the Summer National Meeting.
6. Discussed producer licensing uniformity and reciprocity, which were last formally reviewed in 2011 by the now disbanded National Association of Registered Agents and Brokers (NARAB) (EX) Working Group. At that time, the Working Group recommended to the NAIC membership that 40 jurisdictions be certified as reciprocal for the purposes of producer licensing related to the federal Gramm-Leach-Bliley Act of 1999 (GLBA). Because of the critical importance of licensing reciprocity and uniformity for insurance producers operating in multiple states, it is unknown when the NARAB Board of Directors might be appointed pursuant to the federal National Association of Registered Agents and Brokers Reform Act of 2015 (NARAB II). The Task Force agreed that further review of state compliance with uniform and reciprocal licensing standards should occur.
7. Discussed draft procedures for amending the NAIC uniform applications, which were drafted as a starting point to address the Task Force’s charge to “draft procedures for amending the NAIC’s uniform producer licensing applications and uniform appointment form to ensure consistency with the NAIC membership’s goal of maintaining uniform and stable applications that encourage the efficient use of electronic technology.” The draft procedures were exposed for a public comment period ending Dec. 14.

8. Received a report from the NIPR Board of Directors. NIPR's assets are \$5.16 million higher than this time last year. NIPR is scheduled to achieve its budgeted revenue target for 2020. The NIPR Board of Directors is developing the 2021 budget and a strategic plan for the next three years. NIPR continues to be a source of producer licensing-related information for the states and the industry through the "Coronavirus Resource Center" on the NAIC website, which is a centralized location for state-specific bulletins and alerts related to COVID-19; NAIC resources related to COVID-19; information on insurance policy coverage related to COVID-19; consumer-focused materials related to COVID-19; and other COVID-19-related resources.
9. Discussed producer licensing standards for pet insurance in response to the Pet Insurance (C) Working Group's recommendation to remove Section 6 from the proposed Pet Insurance Model Act and replace it with this drafting note: "[w]hen each state considers enacting this model, they should review the NAIC *State Licensing Handbook* and other guidance adopted by the Producer Licensing (D) Task Force with respect to licensing issues." The Task Force requested that the Producer Licensing Uniformity (D) Working Group review the Uniform Licensing Standards (ULS) for pet insurance.

FINANCIAL CONDITION (E) COMMITTEE

Dec. 8, 2020

1. Adopted its Nov. 19, Oct. 27 and Summer National Meeting minutes, which included the following action:
 - a. Adopted amendments to Model #440 and Model #450 to enable the group capital calculation (GCC) and the LST.
 - b. Adopted its 2021 proposed charges.
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 Financial Analysis (E) Working Group, which met Nov. 16, Oct. 28 and Oct. 7 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 2020 financial results.
8. Adopted the report of the Group Capital Calculation (E) Working Group, including its Nov. 17 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Oct. 30, Oct. 20, Sept. 29, Sept. 18 and Sept. 2 minutes, which included the following action:
 1. Adopted its Summer National Meeting minutes.
 2. Discussed comments and proposed amendments to Model #440 and Model #450 to enable the GCC and the LST.
 3. Discussed comments and proposed revisions to the GCC template and instructions.
 4. Exposed the GCC template and instructions for public comment periods ending Oct. 15 and Nov. 12.
 5. Exposed the proposed amendments to Model #440 and Model #450 for public comment periods ending Oct. 5 and Oct. 30.
 - b. Adopted proposed amendments to Model #440 and Model #450 to enable the GCC and the LST.
 - c. Adopted the GCC template and instructions.
9. Adopted the report of the NAIC/American Institute of Certified Public Accountants (AICPA) (E) Working Group, including its Aug. 26 minutes. During this meeting, the Working Group took the following action:
 - a. Discussed the premium threshold amounts contained within the *Annual Financial Reporting Model Regulation* (#205). No action to adjust the threshold was deemed necessary.
 - b. Heard an overview of recent accounting and auditing pronouncements affecting statutory audit reports.
 - c. Heard an update on the completeness and accuracy training project. A two-part webinar series was held Sept. 1 and Sept. 3 to provide training to financial regulators in this area. The first session focused on the overall audit approach and control testing; the second session focused on substantive testing.
 - d. Discussed questions received on audit awareness and qualification letters, both of which are required under Model #205. The Working Group agreed to survey the states on these issues and, based on the survey results, will consider updating the *Implementation Guide for the Annual Financial Reporting Model Regulation*.
10. Adopted the report of the National Treatment and Coordination (E) Working Group, including its Oct. 13 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Aug. 26 minutes, which included the following action:
 1. Received a referral from the Chief Financial Regulator Forum regarding domestic surplus lines insurers. The Working Group agreed to form an ad hoc group to draft guidance on this topic.
 2. Exposed proposal 2020-01 for a 30-day public comment period ending Sept. 25.
 3. Exposed proposal 2020-02 for a 30-day public comment period ending Sept. 25.

4. Discussed Form 14 issues. The Working Group agreed to survey the states and post a chart on the Uniform Certificate of Authority Application (UCAA) website with state-specific information related to receiving Form 14 updates.
 - b. Adopted proposal 2020-01.
 - c. Adopted proposal 2020-02.
 - d. Discussed the Form 14 survey results. Thirty-two states responded to the survey, and the remaining states will be asked to respond before the results are posted on the UCAA website.
 - e. Discussed Form 3 issues.
 - f. Reported that the Biographical Third-Party Review (E) Subgroup met Oct. 6 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to review an application from Renaissance Associates. This vendor was approved, and its contact information has been added to the “Independent Third-Party Vendors for Furnishing Background Investigation Reports in All States” listing.
 - g. Discussed examination requests.
11. Adopted the report of the Risk-Focused Surveillance (E) Working Group, including its Oct. 27 and Sept. 1 minutes. During these meetings, the Working Group met in joint session with the Own Risk and Solvency Assessment (ORSA) Implementation (E) Subgroup and took the following action:
 - a. Adopted proposed revisions to the *Financial Analysis Handbook* and the *Financial Condition Examiners Handbook* to update the ORSA review guidance for analysts and examiners. The proposed revisions were referred to the Financial Analysis Solvency Tools (E) Working Group and the Financial Examiners Handbook (E) Technical Group for consideration.
 - b. Adopted a 1% increase in the daily rate guidance for financial examiners contained in Section 1–II (D) of the *Financial Condition Examiners Handbook*.
 - c. Reported that the Subgroup met Oct. 5 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals), paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) and paragraph 6 (consultations with NAIC staff members related to NAIC technical guidance) of the NAIC Policy Statement on Open Meetings. During this meeting, the Subgroup discussed whether guidance should be developed on how to incorporate COVID-19 risk exposures into ORSA filings.
 12. Adopted the report of the Valuation Analysis (E) Working Group, which met Nov. 16, Oct. 19 and Oct. 6 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.
 13. Adopted the *Guideline for Administration of Large Deductible Policies in Receivership* as an alternative to Section 712 of the *Insurer Receivership Model Act* (#555).
 14. Adopted the Nov. 17 draft of the GCC template and instructions, as proposed by the Group Capital Calculation (E) Working Group.

Accounting Practices and Procedures (E) Task Force

Nov. 19, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Summer National Meeting minutes:
2. Adopted the report of the Statutory Accounting Principles (E) Working Group, including its Nov. 12 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Oct. 15, Oct. 13, Aug. 17 and Summer National Meeting minutes, which included the following action:
 1. Exposed proposed revisions to *Statement of Statutory Accounting Principles (SSAP) No. 71—Policy Acquisition Costs and Commissions* (Ref #2019-24).
 2. Received an update on the ACA risk corridors.
 3. Heard comments on agenda items previously exposed, including the project to substantively revise *SSAP No. 43R—Loan-Backed and Structured Securities*.
 4. Rejected several U.S. generally accepted accounting principles (GAAP) accounting updates for statutory accounting.
 5. Adopted the option to allow for early application of *SSAP No. 32R—Preferred Stock*, which was previously effective Jan. 1, 2021.
 6. Exposed a proposal to clarify what should be reported on Schedule D, Part 1 – Long-Term Bonds.
 7. Adopted non-contested statutory accounting revisions.
 8. Exposed agenda item 2020-31: Early Application of *SSAP No. 32R* for a 32-day public comment period ending Sept. 18.
 - b. Adopted the following nonsubstantive revisions to statutory accounting guidance:
 1. Revisions require disclosure of cash equivalents that remain on the same reporting schedule for more than one consecutive reporting period and clarify that the disclosure is satisfied using the code on the investment schedules. (Ref #2020-20)

2. Revisions allow leasehold improvements to have lives that match the associated lease term, which agrees with U.S. GAAP in Accounting Standards Codification (ASC) Topic 842 – Leases. (Ref #2020-23)
3. Revisions clarify a participant’s required financial rights in a mortgage loan participation agreement, which are reported as mortgage loans. (Ref #2020-19)
4. Revisions update the financial modeling guidance/mapping instructions for residential mortgage-backed securities (RMBS)/commercial mortgage-backed securities (CMBS) to ensure consistency with guidance recently adopted in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual). (Ref #2020-21)
5. *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities*:
 - a. Revisions update guidance, descriptive language and the delivery process of completed subsidiary, controlled and affiliated (SCA) reviews for both domestic regulators and financial statement filers. The change in delivery of SCA review documents will occur Jan. 1, 2021. (Ref #2020-17)
 - b. Revisions delete a previously superseded wording indicating that guarantees or commitments result in a negative equity valuation of the SCA and clarify language in Exhibit C, question 7. The Working Group directed a separate agenda item to review the provisions of paragraph 9, which requires limited statutory accounting adjustments, and whether certain provisions should continue to apply to paragraph 8.b.iv entities. (Ref #2020-18)
6. Adopted the following editorial revisions to statutory accounting: (Ref #2020-25EP)
 - a. Removed redundant paragraph references in *SSAP No. 5R—Liabilities, Contingencies and Impairment of Assets*.
 - b. Added a table that lists the questions addressed in *SSAP No. 62R—Property and Casualty Reinsurance: Exhibit A – Implementation Questions and Answers*.
- c. Exposed the following substantive revisions to statutory accounting guidance:
 1. Potential new SSAP: Exposed agenda item to solicit comments from state insurance regulators and industry on establishing accounting and reporting guidance for derivatives hedging the growth in interest for fixed indexed products. Two general options have been presented, and the Working Group is open for additional commentary and suggestions. A notification of the exposure will be sent to the Life Actuarial (A) Task Force. (Ref #2020-36)
- d. Exposed the following nonsubstantive revisions to statutory accounting guidance:
 1. Revisions reject *Accounting Standards Update (ASU) 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40), Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity*, as this ASU primarily addresses various convertible debt valuation models along with bifurcating embedded derivative components, which are concepts not supported under statutory accounting. (Ref #2020-41)
 2. Revisions clarify the identification of related parties, with changes from the prior exposure to reflect discussions with interested parties. The revisions also include a new disclosure recommended by the Group Solvency Issues (E) Working Group. (Ref #2019-34)
 3. Revisions clarify that perpetual bonds with a call feature shall apply the yield-to-worst concept with reporting at amortized cost. Fair value is required for all other perpetual bonds. (Ref #2020-22)
 4. Revisions expand the called-bond disclosures to include bonds terminated through a tender offer. (Ref #2020-32)
 5. Revisions capture publicly traded preferred stock warrants as preferred stock, and not derivatives, with reporting at fair value. (Ref #2020-33)
 6. Revisions incorporate minor scope modifications to reflect recent changes to the Freddie Mac Structured Agency Credit Risk and the Fannie Mae Connecticut Avenue Securities programs, which allow credit risk transfer securities from these programs to remain in scope of SSAP No. 43R when issued through a real estate mortgage investment conduit (REMIC) structure. (Ref #2020-34)
 7. Exposed an agenda item to solicit comments regarding the degree of product granularity that should be captured in Separate Account general interrogatory 1.01. With exposure, information was requested about when aggregate product reporting should be permitted. (Ref #2020-37)
 8. Exposed an agenda item to solicit comments regarding possible modifications to separate accounting guidance to specifically address pension risk transfers (PRTs), including separate identification transactions, guarantees, reserve assumptions within existing disclosure requirements, or the addition of new general interrogatories and new schedules/exhibits to distinguish product detail currently reported in an aggregated format. (Ref #2020-38)
 9. Exposed prior nonsubstantive revisions to SSAP No. 71 with minor clarifications, noting that the revisions apply to contracts in effect on the date of adoption. Revisions distinguish traditional persistency commission from a funding agreement. The Working Group directed NAIC staff to draft an issue paper documenting the discussion. (Ref #2019-24)
 10. Exposed an agenda item with a request for comments on the extent to which situations exist that hinder the admittance of SSAP No. 97, Subsection 8.b.iii. entities (U.S. and foreign noninsurance U.S. GAAP basis SCAs) due to the inability to quantify the departure from of U.S. GAAP. (Ref #2020-35)

11. Revisions reject *ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities* as not applicable to statutory accounting. (Ref #2020-42)
12. Revisions clarify the issuance and adoption process of accounting interpretations in the NAIC Policy Statement on Maintenance of Statutory Accounting Principles. (Ref #2020-39)
13. Revisions clarify in the Preamble that while any state in which a company is licensed can issue prescribed practices, the prescribed practices directed by the domiciliary state shall be reflected in the financial statements filed with the NAIC, which are the financial statements subject to the independent auditor requirements. (Ref #2020-40)
- e. Directed the following action:
 1. Directed year-end reporting guidance to clarify the inclusion of “conforming” credit tenant loan (CTL) transactions in scope of SSAP No. 43R and the reporting of non-conforming CTLs that do not have NAIC Securities Valuation Office (SVO) assigned designations on Schedule BA. (This guidance provides a limited-time provision to permit nonconforming CTLs to be reported on Schedule D, Part 1 if they have SVO-assigned NAIC designations.) Also directed a referral to the SVO and the NAIC Capital Markets Bureau requesting comments on whether it is appropriate to change the existing 5% residual risk threshold in determining whether a CTL is conforming. (Ref #2020-24)
 2. Directed NAIC staff to draft revisions for more explicit guidance on return of premium and other premium adjustments for review. (Ref #2020-30)
- f. Received an update on the following projects and referrals:
 1. The following interpretations (INTs), previously adopted in response to COVID-19, were evaluated for possible extension, but they were not extended beyond their current effective dates.
 - a. The following INTs were effective through third-quarter 2020:
 1. INT 20-02: Extension of the Ninety-Day Rule for the Impact of COVID-19.
 2. INT 20-04: Mortgage Loan Impairment Assessment Due to COVID-19.
 3. INT 20-05: Investment Income Due and Accrued.
 - b. The following INTs are effective for the 60 days following the termination of the national emergency or Dec. 31, whichever occurs first:
 1. INT 20-03: Troubled Debt Restructuring Due to COVID-19.
 2. INT 20-07: Troubled Debt Restructuring of Certain Investments Due to COVID-19.
 2. Ref #2019-21: The Working Group previously exposed the Iowa Insurance Proposal to define what should be captured in scope of Schedule D, Part 1: Long-Term Bonds for a public comment period ending Dec. 4. NAIC staff, industry and key state insurance regulators have been working to discuss the definition throughout the exposure period.
 3. Deferred discussion of the following agenda items for a subsequent meeting. While these items remain deferred, NAIC staff have proposed a project to holistically review the business combinations (and goodwill) guidance in *SSAP No. 68—Business Combinations and Goodwill*. If approved, the outstanding items in these agenda items will likely be addressed in the project:
 - a. Ref #2019-12: *ASU 2014-17, Business Combinations, Pushdown Accounting*.
 - b. Ref #2019-14: Allocation of Goodwill.
 4. Ref #2019-49: This agenda item addresses a referral from the Academy COPLFR, which noted diversity in reporting regarding companies applying the retroactive reinsurance exception, which allows certain contracts to be reported prospectively. NAIC staff have held preliminary discussion with members of the Casualty Actuarial and Statistical (C) Task Force.
 5. 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.
 6. The comment deadline for new and exposed agenda items is Jan. 11, 2021.
3. Adopted the report of the Blanks (E) Working Group, including its Aug. 27 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its May 28 minutes.
 - b. Adopted five proposals:
 1. 2020-24BWG Modified – Remove actuarial filing questions 29, 30, 31 and 32 from the Supplemental Exhibits and Schedules Interrogatories, and remove the related instructions.
 2. 2020-25BWG – Add a new Column 5 to the annual and quarterly health blank for Schedule T with instructions to specifically capture the Children’s Health Insurance Program (CHIP) premium. Existing columns after the new Column 5 will be renumbered.
 3. 2020-26BWG Modified – Add a new Column 5 to Schedule DB, Part D, Section 1, and renumber the remaining columns. Add instruction for the new Column 5, add the column reference to Column 7, and adjust other column references in crosschecks. Correct column references for this schedule on the Liability Page, Asset Page and Schedule DB Verification. Modify instruction language for the disclosure Note 8A(8). (SAPWG Ref #2019-38)

4. 2020-27BWG Modified – Add a new category line to Schedule E, Part 2 for Qualified Cash Pools Under SSAP No. 2R—Cash, Cash Equivalents, Drafts and Short-Term Investments (8799999), and renumber the remaining category lines. Add a new disclosure 5R to the Notes to Financial Statements. The new disclosure will be data-captured. (SAPWG Ref #2019-42)
5. 2020-22BWG Modified – Modify the instructions and illustration for Note 3A – Business Combinations and Goodwill, Statutory Purchase Method and a new Note 3E for “Subcomponents and Calculations of Adjusted Surplus and Total Admitted Goodwill” with instructions and illustrations to be data-captured. Modify the blank and instructions for Schedule D, Part 6, Section 1 and Section 2. (SAPWG Ref #2020-03)
- c. Deferred one proposal:
 1. 2020-02BWG Modified – Modify the instructions and illustration for Note 10L to reflect the disclosure changes for SSAP No. 97 being adopted by the Statutory Accounting Principles (E) Working Group.
- d. Adopted its editorial listing.

Capital Adequacy (E) Task Force

Nov. 19, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Oct. 27 minutes, which included the following action:
 - a. Adopted its Sept. 25 minutes, which included the following action:
 1. Adopted its 2021 proposed charges.
 - b. Exposed proposal 2020-10-CA to include hybrid securities and pull the bonds from Schedule D, Schedule DA and Schedule E footnotes for a 45-day public comment period ending Dec. 11.
 - c. Received proposal 2020-09-CA to clarify the asset concentration factor for mutual funds.
2. Adopted the report of the Health Risk-Based Capital (E) Working Group, including its Oct. 29 and Aug. 18 minutes. During these meetings, the Working Group took the following action:
 - a. Adopted its Sept. 11 and Summer National Meeting minutes, which included the following action:
 1. Reported that it met Aug. 31 in regulator-to-regulator session pursuant to paragraph 6 (consultations with NAIC staff members related to NAIC technical guidance) of the NAIC Policy Statement on Open Meetings.
 2. Discussed comments and agreed to send a referral letter to the Academy to request its analysis regarding incorporating investment income in the underwriting risk component of the health risk-based capital (RBC) formula.
 3. Approved the two- and five-year proposed bond factors for the 2020 impact analysis.
 4. Adopted an update to its 2020 working agenda to “discuss and determine the bond factors for the 20 designations.”
 5. Exposed proposal 2020-07-H (Split Bonds and Miscellaneous Assets into Separate Pages).
 - b. Referred the health care receivable guidance to the Blanks (E) Working Group for consideration.
 - c. Adopted proposal 2020-07-H (Split Bonds and Miscellaneous Assets into Separate Pages).
 - d. Heard an update from the Academy on its analysis regarding incorporating investment income in the underwriting risk component of the health RBC formula.
 - e. Received an update from the Excessive Growth Charge Ad Hoc Group. The Ad Hoc Group has identified areas and data points that will be used in its analysis of the charge based on the request made to the Working Group from the now disbanded Operational Risk (E) Subgroup.
 - f. Received an update from the Health Test Ad Hoc Group. The Ad Hoc Group has taken a pause in meeting until the Blanks (E) Working Group has determined how to move forward with the potential changes.
 - g. Adopted its Summer National Meeting minutes.
 - h. Adopted the 2020 health RBC newsletter.
 - i. Exposed a referral letter to the Academy to request its analysis regarding incorporating investment income in the underwriting risk component of the health RBC formula.
 - j. Adopted updates to its 2020 working agenda.
 - k. Exposed the health care receivable guidance for a 30-day public comment period ending Sept. 17.
 - l. Discussed the impact of COVID-19 and pandemic risk on the health RBC formula.
3. Adopted the report of the Life Risk-Based Capital (E) Working Group, including its Nov. 10 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Oct. 27, Oct. 9, Sept. 25, Sept. 11, Aug. 21 and Summer National Meeting minutes, which included the following action:
 1. Heard an update on the ESG implementation project.
 2. Adopted the industry-requested RBC mortgage reporting guidance and directed NAIC staff to work with the industry on 2021 instructional changes.
 3. Received a memorandum from the Financial Condition (E) Committee on bond factors.
 4. Heard an update from the Academy C-2 Mortality Risk Work Group.
 5. Heard an update from the Academy C-3 Work Group.

6. Adopted a revised 2020 life RBC newsletter.
- b. Received an update on the ESG implementation project. The Working Group met Oct. 27 in joint session with the Life Actuarial (A) Task Force to discuss the background and deliverables that Conning will have for the ESG project.
- c. Discussed possible modifications to the life and fraternal statistics. A volunteer group of state insurance regulators agreed to review the statistics and propose changes.
- d. Adopted updates to its working agenda.
4. Adopted the joint Property and Casualty Risk-Based Capital (E) Working Group and Catastrophe Risk (E) Subgroup's Nov. 11 minutes, which included the following action:
 - a. Adopted proposal 2020-12-CR (2020 U.S. and Non-U.S. Catastrophe Risk Event Lists).
5. Adopted the report of the Property and Casualty Risk-Based Capital (E) Working Group, including its Oct. 27 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Adopted the report of the Catastrophe Risk (E) Subgroup, including its Oct. 19 minutes. During this meeting, the Subgroup took the following action:
 1. Adopted its Summer National Meeting minutes.
 2. Exposed proposal 2020-08-CR (Clarification to PR027 Interrogatories) for a 30-day public comment period ending Nov. 18.
 3. Discussed the possibility of adding wildfire peril to the Rcat component.
 4. Discussed the internal catastrophe model evaluation process.
 5. Heard a presentation from NAIC staff regarding a Center for Insurance Policy and Research (CIPR) research project titled "Modeling Wildfire Catastrophe Risk for Regulatory Decision Making." The goal of the project is to assist the Subgroup with: educating and validating the wildfire models and methodology; engaging with catastrophe modeling vendors and insurers that have internally developed wildfire models to understand individual models; advising on the design of the Rcat charge; and drafting review questions and the process to permit the use of wildfire models for Rcat purposes.
 6. Reported that it would expose proposal 2020-12-CR (2020 U.S. and Non-U.S. Catastrophe Risk Event Lists) on Nov. 1 for a seven-day public comment period ending Nov. 8.
 - c. Adopted the 2020 P/C RBC newsletter.
 - d. Exposed proposal 2020-11-CR (Remove Operational Risk Factor from Rcat) for a 35-day public comment period ending Dec. 1.
 - e. Heard an update on work being done by the Casualty Actuarial and Statistical (C) Task Force on Ref #2019-49: Retroactive Reinsurance Exception, as referred by the Statutory Accounting Principles (E) Working Group.
 - f. Discussed the referral from the Restructuring Mechanisms (E) Subgroup to determine if changes should be made to the P/C RBC formula to better assess companies in runoff. The Working Group agreed to form an ad hoc group to respond to this referral.
 - g. Discussed updates to its 2020 working agenda.
 - h. Discussed line 1 underwriting risk reserves and premium methodology. The Working Group asked the Academy to determine the impact on line 4 by using the consistent approach with line 1 and to share its findings with the Working Group during an upcoming meeting.
 - i. Discussed the possibility of adding an equivalent reinsurer designation column in the *NAIC Listing of Companies*.
6. Adopted proposal 2020-02-CA (ACA Fee Sensitivity Test Removal).
7. Adopted proposal 2020-04-H (Safe Growth/Safe Harbor Max Function).
8. Adopted proposal 2020-07-H (Split Bonds and Misc. Fixed Income Assets).
9. Adopted proposal 2020-12-CR (2020 U.S. and Non-U.S. Catastrophe Risk Event Lists).
10. Adopted its 2020 working agenda.

Examination Oversight (E) Task Force

Nov. 17, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Sept. 10 minutes, which included the following action:
 - a. Adopted its 2019 Fall National Meeting minutes.
 - b. Adopted its 2021 proposed charges.
2. Adopted the report of the Electronic Workpaper (E) Working Group, which met Oct. 1 and July 13 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, to discuss evaluating replacement options for TeamMate AM, which will be reaching its end of life in 2023.

3. Adopted the report of the Financial Analysis Solvency Tools (E) Working Group, including its Nov. 4 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted revisions to the 2020/2021 edition of the *Financial Analysis Handbook*, including:
 1. Guidance and procedures for LTCI, risk retention groups (RRGs), P/C actuarial review, non-troubled insurers and separate accounts.
 2. Revised guidance and review templates for financial analysis of ORSA summary reports.
 - b. Adopted its Sept. 23 and Aug. 26 minutes, which included the following action:
 1. Exposed proposed revisions to the *Financial Analysis Handbook* for a 30-day public comment period ending Oct. 23.
 2. Adopted proposed revisions to Life Ratio No. 10 (Change in Product Mix) in the *Insurance Regulatory Information System (IRIS) Ratios Manual* for more clear and accurate reporting.
4. Adopted the report of the Financial Examiners Coordination (E) Working Group, which met Nov. 10, July 31, March 23 and March 4 in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.
5. Adopted the report of the Financial Examiners Handbook (E) Technical Group, including its Nov. 12 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Oct. 5 minutes, which included the following action:
 1. Exposed proposed revisions to the *Financial Condition Examiners Handbook* for public 30-day public comment period ending Nov. 4.
 2. Received an update on proposed revisions to the ORSA-related guidance in the *Financial Condition Examiners Handbook* being drafted by the Risk-Focused Surveillance (E) Working Group and the ORSA Implementation (E) Subgroup.
 - b. Adopted proposed revisions to the *Financial Condition Examiners Handbook*, including:
 1. Revisions to Section 1-5: Reinsurance Review to incorporate concepts from the recently revised *Credit for Reinsurance Model Law* (#785) and the *Credit for Reinsurance Model Regulation* (#786).
 2. Revisions to Reserves/Claims Handling – Life, Reserves/Claims Handling – Health, and Reserves/Claims Handling – P/C examination repositories as part of the annual repository maintenance to ensure appropriate and relevant risks and procedures are included. Minor related updates were made to Section 1-6: Life Insurance Reserves Review for consistency purposes.
 3. Revisions related to LTCI, affecting Section 1-6: Life Insurance Reserves Review, Reserves/Claims Handling – Life and Underwriting exam repositories, and Exhibit Y – Examination Interviews.
 4. Revisions to Exhibit M – Corporate Governance and to the Reserves/Claims Handling P/C exam repository to incorporate feedback from the Actuarial Opinion (C) Working Group and the Casualty Actuarial and Statistical (C) Task Force regarding the definition of “qualified actuary” per the P/C Statement of Actuarial Opinion.
 5. Revisions to ORSA-related guidance within Section 1-11, Exhibit M – Corporate Governance and Exhibit AA – Summary Review Memorandum.
 - c. Heard an update on planned enhancements to the Financial Exam Electronic Tracking System (FEETS), which are expected to be implemented during the fourth quarter of 2020.
6. Adopted the report of the IT Examination (E) Working Group, including its Oct. 29 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Sept. 17 minutes, which included the following action:
 1. Adopted its March 12 minutes, which included the following action:
 - a. Discussed its 2020 project list.
 2. Exposed proposed revisions to the IT Planning Questionnaire (ITPQ) section within Exhibit C of the *Financial Condition Examiners Handbook* for a 30-day public comment period ending Oct. 17.
 3. Exposed a new mapping of Exhibit C procedures to the Insurance Data Security Pre- and Post-Breach Checklists and a mapping of Section E and Section F of Model #668 for a 30-day public comment period ending Oct. 17.
 - b. Adopted proposed revisions to the ITPQ in the *Financial Condition Examiners Handbook* to add “cyber self-assessment tools” to the list of items requested from the company at the beginning of an IT examination.
 - c. Approved a new mapping of Exhibit C procedures to the Insurance Data Security Pre- and Post-Breach Checklists and a mapping of Section E and Section F of Model #668.
 - d. Discussed its 2021 project list.
7. Adjourned into regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to receive reports on exams open past 22 months.

Receivership and Insolvency (E) Task Force

Nov. 19, 2020 (*in lieu of meeting at the Fall National Meeting*)

1. Adopted its Oct. 7 minutes, which included the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Adopted its 2021 proposed charges.
 - c. Discussed comments received on key provisions of receivership and guaranty fund laws the states should consider adopting into their laws, particularly with respect to receivership of insurers operating in multiple states.
2. Adopted the report of the Receivership Financial Analysis (E) Working Group, which met Nov. 2 in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings. During this meeting, the Working Group discussed the status of individual receiverships. The Working Group requested state insurance regulator and interested party comments on best practices to address the impact of the COVID-19 pandemic on the administration of receiverships. Comments were due Dec. 4.
3. Adopted the report of the Receivership Large Deductible Workers' Compensation (E) Working Group, including its Nov. 5 and Sept. 30 minutes. During these meetings, the Working Group took the following action:
 - a. Adopted the proposed Guideline for Administration of Large Deductible Policies in Receivership. This proposed guideline was previously exposed for a 30-day public comment period ending Oct. 30.
 - b. Adopted proposed guidance for the *Receiver's Handbook for Insurance Company Insolvencies* (Receiver's Handbook) for large deductible policies. This proposed guidance was previously exposed for a 30-day public comment period ending Oct. 30.
4. Adopted the report of the Receivership Law (E) Working Group, including its Oct. 29 minutes. During these meetings, the Working Group took the following action:
 - a. Adopted its Aug. 25 minutes, which included the following action:
 1. Discussed its 2020 charges.
 2. Exposed a request for comment on the continuity of essential services in receivership for a 30-day public comment period ending Sept. 24.
 3. Exposed proposed revisions to the Receiver's Handbook for qualified financial contracts (QFCs) for a 30-day public comment period ending Sept. 24.
 - b. Reported that it met Aug. 18 in regulator-to-regulator session pursuant to paragraph 6 (consultations with NAIC staff members related to NAIC technical guidance) of the NAIC Policy Statement on Open Meetings.
 - c. Discussed comments and recommendations received for remedies to ensure continuity of essential services and functions to an insurer in receivership, including changes to Model #440 and Model #450. The Working Group will begin drafting changes to Section 5 of Model #440 and Section 19 of Model #450 for discussion during a future meeting.
 - d. Adopted proposed guidance for the Receiver's Handbook for QFCs.
5. Adopted the proposed Guideline for Administration of Large Deductible Policies in Receivership, which provides alternative language for Model #555, Section 712—Administration of Loss Reimbursement Policies.
6. Adopted proposed guidance for the Receiver's Handbook for large deductible policies and QFCs. The revisions for large deductible policies were adopted subject to the NAIC membership's adoption of the proposed Guideline for Administration of Large Deductible Policies in Receivership.
7. Exposed a new proposed model, Guideline for the Definition of Reciprocal State in Receivership Laws, for a 42-day public comment period ending Dec. 31.
8. Heard an update on discussions on the Financial Regulation Standards and Accreditation Program Part A standards for receivership and guaranty fund laws. An ad hoc group met Nov. 4 to consider drafting clarifications to accreditation interlineations to provide guidance on the intended outcome of a state's receivership and guaranty association laws. Further discussion is expected in the future.
9. Adopted a report to the Financial Stability (EX) Task Force outlining conclusions from the evaluation of receivership and guaranty fund laws and practices in the context of the Macroprudential Initiative (MPI).
10. Heard an international resolution update that highlighted activities of the IAIS. The IAIS Resolution Working Group finalized the *Application Paper on Resolution Planning*, which is available on the IAIS website. Comments on the paper are due to the IAIS by Feb. 5, 2021. The IAIS Resolution Working Group will begin drafting an application paper on policyholder protection schemes in 2021.

Reinsurance (E) Task Force

Nov. 17, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Adopted the report of the Reinsurance Financial Analysis (E) Working Group, which met Oct. 11 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss actions taken with respect to the passporting of certified reinsurers by the states.
3. Adopted the report of the Qualified Jurisdiction (E) Working Group, which met Nov. 12 in regulator-to-regulator session, pursuant to paragraph 6 (consultations with NAIC staff members related to NAIC technical guidance) and paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to continue work on its goals. The Working Group has been approached by three countries about becoming qualified jurisdictions, and it will continue initial reviews in the next several months.
4. Received a status report on the states' implementation of the 2019 revisions to Model #785 and Model #786.

Risk Retention Group (E) Task Force

Nov. 18, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Sept. 23 minutes, which included the following action:
 - a. Adopted its March 2, 2020, and 2019 Fall National Meeting minutes, which included the following action:
 1. Discussed the revisions adopted by the NAIC membership to Model #785 and Model #786.
 2. Confirmed the Task Force's support for the recommendation that both the 2011 revisions to Model #785 and Model #786 related to certified reinsurers and qualified jurisdictions, as well as the 2019 revisions to Model #785 and Model #786 related to reciprocal jurisdictions, be applicable to RRGs for accreditation, with an effective date of Sept. 1, 2022.
 - b. Adopted its 20201 proposed charges.
 - c. Discussed the impact and effectiveness of the recently adopted FAQ document about the registration and regulation of RRGs in non-domiciliary states; the "Best Practices – Risk Retention Groups" document; and the revised NAIC Uniform Risk Retention Group Registration Form.
 - d. Heard updates on NAIC groups with related activity, including the adoption by the Financial Regulation Standards and Accreditation (F) Committee, as well as the Executive (EX) Committee and Plenary, of the Task Force's recommendation that both the 2011 and 2019 revisions to Model #785 and Model #786 be applicable to RRGs for accreditation, with an effective date of Sept. 1, 2022.
2. Reached a consensus to conduct a survey to generate feedback on the FAQ document, the best practices document and the registration form for RRGs to further guide the Task Force's work. Feedback on survey questions was requested, with the intention to distribute the survey prior to the 2021 Spring National Meeting.
3. Discussed next steps for the Task Force, including ongoing monitoring of the impact of the above adoptions; providing training, such as a webinar; and developing best practices for licensing domestic RRGs.
4. Heard updates on related NAIC activity, including recent revisions to the *Financial Analysis Handbook* to clarify analysis requirements for the states with RRGs.

Valuation of Securities (E) Task Force

Nov. 18, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Sept. 29 and Summer National Meeting minutes, which included the following action:
 - a. Adopted a proposed amendment to the P&P Manual to add instructions for exchange-traded funds (ETFs) that contain a combination of preferred stocks and bonds. This amendment was previously exposed for a 30-day public comment period ending Sept. 6.
 - b. Discussed an updated proposed amendment to the P&P Manual on 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*.
 - c. Received a referral response from the Statutory Accounting Principles (E) Working Group on the proposed P&P Manual amendment to update instructions for nonconforming CTL transactions that rely on credit ratings and approved NAIC staff's recommendation to withdraw the previously exposed proposed amendment.
 - d. Adopted its 2021 proposed charges.
2. Adopted an amendment to the P&P Manual to update guidance on initial and subsequent annual filings, methodologies and documentation. This amendment was previously exposed for a 30-day public comment period ending Sept. 6.
3. Received an updated proposed amendment to the P&P Manual on guidance for WCFIs consistent with the Statutory Accounting Principles (E) Working Group's adoption of changes to *SSAP No. 105R*. This amendment was exposed for a 60-day public comment period ending Jan. 18, 2021.

4. Received a proposed amendment to the P&P Manual to permit the SVO to rely on the unrated subsidiaries of a credit rating provider (CRP)-rated parent entity for only WCFIs. This amendment was exposed for a 60-day public comment period ending Jan. 18, 2021.
5. Received a proposed amendment to the P&P Manual to require the filing of private rating analysis. NAIC staff were directed to modify the proposed amendment to limit it to only filing the analysis and to expose the revised amendment for a 60-day public comment period.
6. Discussed bespoke securities and the NAIC's reliance on CRP ratings.
7. Heard an NAIC staff report on projects before the Statutory Accounting Principles (E) Working Group, and updated guidance from the Working Group and the SVO for nonconforming CTLs for year-end 2020 reporting.

INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE

Dec. 9, 2020

1. Adopted its Oct. 28 and Summer National Meeting minutes, which included the following action:
 - a. Approved the referral plan of the International Monetary Fund (IMF) Financial Sector Assessment Program (FSAP) recommendations.
 - b. Heard an update on key 2020 projects of the IAIS.
 - c. Heard an update on the Organisation for Economic Co-operation and Development (OECD) and other supervisory cooperation activities.
 - d. Heard an update on the NAIC International Fellows Program. Due to COVID-19-related travel restrictions and work-from-home policies, the fall session was held Oct. 12–16 in a virtual format instead of being held in a seven-week in-person format. A similar format may be used for the spring 2021 session, with a possibility of offering the virtual format beyond the pandemic to supplement the in-person format.
2. Adopted its 2021 proposed charges.
3. Heard an update on activities of the IAIS, including: 1) the holistic framework for systemic risk in the insurance sector; and 2) and the insurance capital standard (ICS) and aggregation method (AM) data collection and comparability. Additionally, the Committee heard initial comments from interested parties on the IAIS public consultation on the draft definition and high-level principles for developing criteria to assess comparability, as well as highlights for upcoming activities and workstreams for 2021.
4. Heard an update on recent and upcoming international activities, including bilateral meetings with the Japan Financial Services Agency (FSA) and with the European Insurance and Occupational Pensions Authority (EIOPA) and European Union (EU) member states; meetings of the OECD Insurance and Private Pensions Committee; and meetings of the Sustainable Insurance Forum (SIF).

NAIC/CONSUMER LIAISON COMMITTEE

Dec. 3, 2020

1. Heard an update regarding the selection of the 2021 NAIC consumer representatives. Forty-five applications were received, and selections will be made before year-end.
2. Heard a presentation on the insurability of natural disasters. It was suggested that the NAIC to create a new task force or charge an existing group with gathering information on this issue so the extent of such coverage inadequacy can be determined, all aspects can be evaluated, and an attainable solution can be recommended.
3. Heard a presentation on developments in health care reform. It was reported that there is still a lot of uncertainty surrounding health care reform due to the unresolved election results and the case currently pending a decision by the U.S. Supreme Court. There has also been an increase in the number of uninsured Americans, with 21 million dealing with the harmful effects of COVID-19, such as a loss of coverage through employers, lack of Medicare and Medicaid expansion, and racial disparity.
4. Heard a presentation on protecting consumers from unethical health insurance marketing and sales practices. It was reported that deceitful sales practices regarding health care plans under the ACA have been well-documented. This type of misrepresentation causes consumers serious harm, resulting in post claim underwriting, unwarranted rescissions due to preexisting conditions and loss of health care coverage.
5. Heard a presentation on leveraging health plan capital for affordable housing and community development. It was reported that there are more Black and Hispanic renters of homes than there are owners of homes; therefore, the ability to recover financially following a catastrophe is easier for white communities than it is for non-white communities. Citing a pilot project the California Organized Investment Network (COIN) did with life insurers in California, it was suggested that fixing housing in disparate areas will help improve consumer health. State insurance regulators were asked to encourage health insurance companies to invest in housing, especially in areas with poor health care, which will, in turn, lead to healthier insureds who have additional funds with which to purchase the companies' products.

6. Heard a presentation on insurers' use of criminal history information. It was reported that consumers' criminal history records are being used by insurance companies as part of the data to determine premium rates to be charged, regardless of whether claims have been paid. It was suggested that the use of such criminal history and records needs to be transparent, and those using the data must be held accountable.

NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE

Nov. 16, 2020 (in lieu of meeting at the Fall National Meeting)

1. Adopted its Oct. 9 minutes, which included the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Reaffirmed its mission statement for 2021.
2. Recognized November as National Native American Heritage Month.
3. Discussed current messaging activities in collaboration with tribal leaders, articles by individual tribal members surrounding the issue of the COVID-19 pandemic, and upcoming distribution of the soon-to-be-available vaccine.
4. Discussed the work of the Special (EX) Committee on Race and Insurance as it relates to American Indians and Alaska Natives.

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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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