

2023 Summer National Meeting
Seattle, Washington

VALUATION OF SECURITIES (E) TASK FORCE


Monday, August 14, 2023

2:00 – 3:00 p.m.

Meeting Summary Report

The Valuation of Securities (E) Task Force met Aug. 14, 2023. During this meeting, the Task Force:

1. Adopted its July 13, May 15, and Spring National Meeting minutes, which included the following action:
 - A. Received a Structured Securities Group (SSG) staff report on updates on the proposed collateralized loan obligation (CLO) modeling methodology and CLO Ad Hoc Working Group.
 - B. Received comments on a *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) amendment to update the definition of an NAIC designation. The Task Force had previously exposed the amendment for a 45-day public comment period ending June 30.
 - C. Adopted a P&P Manual amendment to clarify the meaning of repurchase agreements in the derivatives transaction definition for funds in Part Three of the P&P Manual. The amendment had previously been exposed for a 45-day public comment period ending June 30.
 - D. Discussed a proposal for consideration by the Executive (EX) Committee to change how NAIC Securities Valuation Office (SVO) fees are determined.
 - E. Received updates on the proposed CLO modeling methodology and CLO Ad Hoc Working Group.
 - F. Discussed and exposed a P&P Manual amendment to clarify the meaning of repurchase agreements in the derivatives transaction definition in Part Three of the P&P Manual for a 45-day public comment period ending June 30.
 - G. Discussed and exposed a proposed P&P Manual amendment authorizing the procedures for the SVO's discretion over NAIC designations assigned through the filing exemption (FE) process for a 60-day public comment period ending July 14.
2. Adopted its 2024 proposed charges.
3. Received and discussed comments on the proposed P&P Manual amendment to update the definition of an NAIC designation.
4. Received and discussed comments on the proposed P&P Manual amendment authorizing the procedures for the SVO's discretion over NAIC designations assigned through the FE process.
5. Received a status report on the proposed CLO modeling methodology and Ad Hoc CLO Working Group.
6. Received a report on the projects of the Statutory Accounting Principles (E) Working Group.
7. Received final questions to be answered by credit rating providers (CRPs).

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8. Discussed the Fitch Ratings downgrade of its U.S. government credit rating.