2026 Fall National Meeting
Dallas, Texas

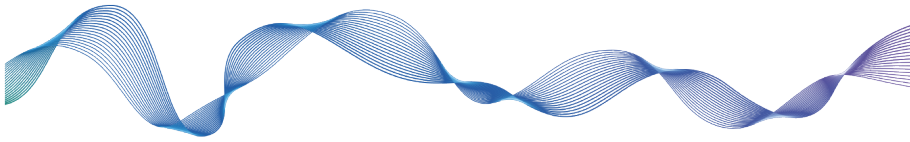
CAPITAL ADEQUACY (E) TASK FORCE
Monday, November 16, 2026
11:30 a.m. – 12:30 p.m.

Meeting Summary Report

The Capital Adequacy (E) Task Force met Nov. 16, 2026. During this meeting, the Task Force:

1. Adopted its Nov. 3 and Aug. 4 minutes (*see NAIC Proceedings – Summer 2026, Capital Adequacy (E) Task Force*). During its Nov. 3 meeting, the Task Force took the following action:
   A. Adopted proposal 2026-04-CR (Jan. 1 – Sept. 30, 2026, Catastrophe Event Lists).
   B. Adopted proposal 2026-13-CR (Severe Convective Storm Implementation).
   C. Adopted its Task Force and its Working Groups' working agenda.
   D. Adopted its revised risk-based capital (RBC) procedures.
   E. Received referrals from the Statutory Accounting Principles (E) Working Group regarding insurance company-owned life insurance (ICOLI) and securities lending. The Task Force noted that it will dedicate a significant portion of its Nov. 16 meeting to the ICOLI item. NAIC committee support have prepared a draft proposal incorporating the securities lending changes.
   F. Exposed proposal 2026-14-CA (Security Identifier Update) for a 30-day public comment period ending Dec. 3.
   G. Exposed proposal 2026-16-CA (Non-Controlled Assets) for a 30-day public comment period ending Dec. 3.
   H. Adopted the RBC publication editorial changes listing.

2. Adopted the report of the Risk-Based Capital Investment Risk and Evaluation (E) Working Group, which met Nov. 16. During this meeting, the Working Group took the following action:
   A. Adopted its June 23 minutes (*see NAIC Proceedings – Summer 2026, Capital Adequacy (E) Task Force, Attachment Five*).
   B. Adopted its Oct. 5 minutes. During this meeting, the Working Group took the following action:
      i. Received comments on a presentation by the American Academy of Actuaries (Academy) on the collateralized loan obligation (CLO) RBC project, focusing on residual tranches.
      ii. Received comments on the Academy's experts from its Dec. 15, 2025, C-1 Subcommittee presentation.
      iii. Reviewed asset-backed securities (ABS) reported in the *2025 Annual Statement* filings. The summary of ABS, titled "Asset-Backed Securities Reported in 2025 Statutory Filings – Schedule D, Part 1, Section 2 – For All Types of Businesses," along with cover questions, was exposed for a 30-day public comment period ending Nov. 5.
      iv. Adopted its working agenda.
      v. Discussed broadly syndicated loan (BSL) CLOs thin tranche list.
   C. Received the Academy's model document titled "Model Construction and Development of RBC C-1 CLO Factors." The Working Group directed posting of the model document on the Working Group's web page.



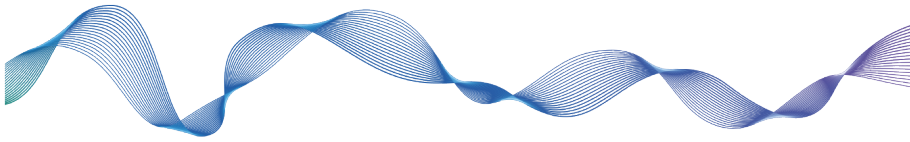
D. Received an update from the Investment Designation Analysis (E) Working Group on its recent exposures, including: 1) a proposed amendment to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) *to* publish the List of Broadly Syndicated Loan CLOs Impacted by the Tranche Thickness RBC Guidance: 2) an amendment to the P&P Manual to update the filing exempt (FE) treatment of CLOs; 3) a technical amendment to the P&P Manual to expand eligibility for the NAIC U.S. Government Money Market Fund List to include master/feeder fund structures; 4) an amendment to the P&P Manual to update the eligible security identifiers to file a security; and 5) an amendment to the P&P Manual to update the reporting guidance for the Securities Valuation Office (SVO) Analytical Department Symbol "ER."

E. Received an update from the Statutory Accounting Principles (E) Working Group on a few investment-related exposures/topics: 1) revised CLO definition, 2) embedded asset-liability management (ALM) risk; 3) referral from the Investment Analysis (E) Working Group regarding reporting of the structured investments and underlying collateral and other reporting enhancements project.

F. Received comments on the summary titled "Asset-Backed Securities Reported in 2025 Statutory Filings - Schedule D, Part 1, Section 2 - For All Types of Businesses." The Academy provided a refresher on the C-1 modeling flowchart, which captures guiding principles in reviewing C-1 factors for structured securities.

G. Heard an update from the Academy on the CLO RBC modeling refinement project. The Academy reported progress to date, focusing on future runs involving model assumptions such as systemic correlation, collateral repurchase price and prepayment.

3. Adopted the report of the Life Risk-Based Capital (E) Working Group, which met Nov. 15. During this meeting, the Working Group took the following action:
   A. Adopted its July 16 minutes (*see NAIC Proceedings – Summer 2026, Capital Adequacy (E) Task Force, Attachment Four*).
   B. Adopted its Oct. 28, Oct. 13, Oct. 6, and Aug. 6 minutes. During these meetings, the Working Group took the following action:
      i. Heard a presentation from Bridgeway Analytics on reinsurance recapture and counterparty risk.
      ii. Adopted its 2027 working agenda.
      iii. Received comments on the reinsurance recapture charge from the Financial Condition (E) Committee referral.
      iv. Discussed questions on the reinsurance recapture charge from the Financial Condition (E) Committee referral.
      v. Received notification from the Statutory Accounting Principles (E) Working Group's intention to sponsor a proposal on a referral on asset value reserve (AVR) affiliated common stock.
      vi. Exposed the Financial Condition (E) Committee referral on reinsurance recapture and counterparty risk.
   C. Received an update from the Generator of Economic Scenarios (GOES) (E/A) Subgroup, which noted that the Life Actuarial (A) Task Force took the following action:
      i. Adopted the latest revisions to the GOES Model Governance Framework.
      ii. The GOES Model Governance Framework will be exposed each year to receive comments from interested parties on whether updates or enhancements need to be made.
   D. Received an update from the Longevity Risk (E/A) Subgroup. The Longevity Risk (E/A) Subgroup has not met since the Summer National Meeting.



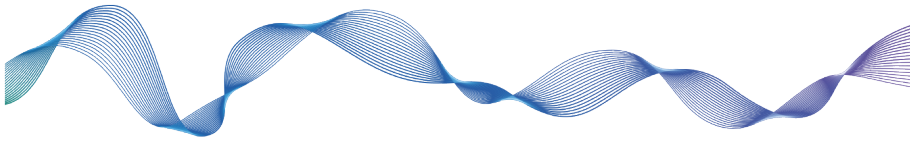
E. Adopted GOES Model Governance Framework revisions. Key revisions include the addition of:
   i. An overview section that clarifies objectives of the model governance framework and sets metrics for operational performance.
   ii. A scenario file retention policy that states that scenario files and associated data will remain on the GOES website unless removed after a public exposure process.
   iii. A hashing process that will help with the auditability of the scenario files stored on the website.

F. Exposed proposal 2026-17-L (Recapture Risk Non-Reciprocal Jurisdiction), along with a cover letter question on retrocessions, for a 30-day public comment period ending Dec. 15.

G. Received an update on C-3 alignment field and model office testing. The Academy proposed a modernization of the C3 framework, and an industry field test began in October. As part of the field test, participants share their results directly with regulators. These calls are scheduled to begin after the Fall National Meeting concludes. Participants will also provide results via a standardized template. NAIC committee support will work to analyze and share aggregated field test results at the beginning of next year. Additionally, the Academy, the American Council of Life Insurers (ACLI), and the NAIC are hiring Ernst & Young as a consultant to produce field test model office results for public discussion. The Academy proposes changes to the framework be effective for year-end 2027.

4. Adopted the minutes of the Property and Casualty Risk-Based Capital (E) Working Group and Catastrophe Risk (E) Subgroup, which met Oct. 28 in joint session. During this meeting, the Working Group and Subgroup took the following action:
   A. Adopted their July 9 minutes (*see NAIC Proceedings – Summer 2026, Capital Adequacy (E) Task Force, Attachment Six*).
   B. Adopted their Sept. 28 minutes. During this meeting, the Working Group and Subgroup took the following action:
      i. Discussed comments regarding proposal 2026-13-CR (Severe Convective Storm Implementation).
      ii. Discussed severe convective storm implementation impact analysis.
      iii. Discussed the Working Group and Subgroup working agenda.
   C. Adopted proposal 2026-13-CR (Severe Convective Storm Implementation).
   D. Adopted proposal 2026-04-CR (Jan. 1 – Sept. 30 Cat Event List).
   E. Discussed climate impact disclosures. Industry representatives supported sunsetting the reporting requirements after 2026. The Working Group and Subgroup encouraged industry representatives to share their perspectives with the Financial Condition (E) Committee for consideration.
   F. Heard a recommendation from the Academy to conduct future analysis of correlations among perils within the catastrophe scenario (Rcat) component. The Working Group and Subgroup suggested coordinating with the Academy's Extreme Events Committee, which has developed an extensive database that could support this analysis.
   G. Discussed editorial changes to the 2026 property/casualty (P/C) RBC publications. The changes do not alter the intent of the adopted proposals and will be reflected in the 2026 P/C RBC Forecasting and Instructions.

5. Adopted the minutes of the Health Risk-Based Capital (E) Working Group, which met Oct. 28. During this meeting, the Working Group took the following action:



A. Adopted its July 15 minutes (*see NAIC Proceedings – Summer 2026, Capital Adequacy (E) Task Force, Attachment Three*).
B. Adopted its working agenda.
C. Received a referral from the Statutory Accounting Principles (E) Working Group on an exposure of guidance related to State Directed Payments and Separate Payment terms with regard to updated Medicaid programs. The guidance was re-exposed yesterday during the SAP meeting with edits for additional comments.
D. Received a report from the Managed Care Credit drafting group. The group met in August and September to develop a discussion draft of expanded Exhibit 7 reporting, using comments received from group members and discussion from the meetings.
E. Discussed a tool that helps estimate the impact of implementing the factors from the H2 report on XR013. The tool is available on the Health Risk-Based Capital (E) Working Group web page under the documents tab.

6. Heard a presentation from the Academy titled "Risk-Based Capital Ratios and Impairment Risk: Are They Related and, If So, When?" The Academy's analysis of insurer data from 2000 through 2024 found that RBC ratios have been a stronger predictor of impairment since 2010, particularly when size outliers are excluded.

7. Discussed a referral from the Statutory Accounting Principles (E) Working Group regarding ICOLI. The Task Force noted that the level of investment risk in ICOLI varies depending on product structure (e.g., general account vs. separate account products) and other product characteristics. The Task Force exposed a request for an RBC proposal, supported by quantitative analysis and rationale, for a 60-day public comment period ending Jan. 15, 2027. To help develop the RBC proposal, the Task Force also exposed questions on considerations for developing charges for general account and separate account ICOLI products. For reference, it also provided the comment letters received on the Statutory Accounting Principles (E) Working Group's exposure of agenda item 2026-08.