2026 Fall National Meeting
Dallas, Texas

RISK-BASED CAPITAL INVESTMENT RISK AND EVALUATION (E) WORKING GROUP
Monday, November 16, 2026
9:00 – 10:00 a.m.

Meeting Summary Report

The Risk-Based Capital Investment Risk and Evaluation (E) Working Group met Nov. 16, 2026. During this meeting, the Working Group:

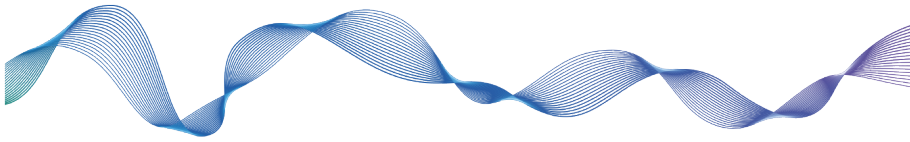
1. Adopted its Oct. 5 minutes. During this meeting, the Working Group took the following action:
   A. Received comments on a presentation by the American Academy of Actuaries (Academy) on the collateralized loan obligation (CLO) risk-based capital (RBC) project, focusing on residual tranches.
   B. Received comments on the Academy's excerpts from its Dec. 15, 2025, C-1 Subcommittee presentation.
   C. 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.
   D. Adopted its working agenda.
   E. Discussed broadly syndicated loan (BSL) CLOs thin tranche list.

2. Adopted its June 23 (*see NAIC Proceedings – Summer 2026, Capital Adequacy (E) Task Force, Attachment Five*) minutes.

3. Received the Academy's model document titled *Model Construction and Development of RBC C-1 CLO Factors*. The Working Group directed that the model document be posted to the Working Group's web page.

4. 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 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."

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



6. 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.

7. 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.