Meeting Summary Report

The Risk-Focused (E) Surveillance Working Group met March 23, 2023. During this meeting, the Working Group:

1. Discussed and exposed proposed changes to the NAIC’s Financial Analysis Handbook and Financial Condition Examiners Handbook for a 45-day public comment period ending May 8. The proposed changes, developed by a drafting group consisting of state insurance regulators and industry representatives, are intended to provide additional guidance for regulators in reviewing service agreements put in place between insurers and their affiliates, particularly those that incorporate market-based reimbursement for services performed. In addition to requesting comments on the proposed handbook additions, the exposure also requests input on whether and how guidance on “cost-plus” reimbursement rates for affiliated service contracts should be developed and included in handbook guidance.

2. Discussed plans to conduct an all-state survey to collect data on financial analyst and examiner compensation for purposes of adjusting the salary ranges included in NAIC handbooks.

3. Discussed plans for 2023 peer review training sessions, which include two financial analysis sessions, one financial examination session, and one Own Risk and Solvency Assessment (ORSA)-focused session.