



## Synopsis

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NAIC Executive Office  
444 North Capitol Street, NW  
Suite 700  
Washington, DC 20001  
202.471.3990

NAIC Central Office  
1100 Walnut Street  
Suite 1500  
Kansas City, MO 64106  
816.842.3600

NAIC Capital Markets  
& Investment Analysis Office  
One New York Plaza, Suite 4210  
New York, NY 10004  
212.398.9000

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**Synopsis of the NAIC Committee, Subcommittee, and Task Force Meetings  
2024 Summer National Meeting  
August 12–15, 2024**

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 2024 Summer 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)**

Aug. 15, 2024

1. Received the Aug. 14 report of the Executive (EX) Committee.
2. Adopted by consent the committee, subcommittee, and task force minutes of the Spring National Meeting.
3. Received the report of the Life Insurance and Annuities (A) Committee. Refer to the Committee listing for details.
4. Received the report of the Health Insurance and Managed Care (B) Committee. Refer to the Committee listing for details.
5. Received the report of the Property and Casualty Insurance (C) Committee. Refer to the Committee listing for details.
6. Received the report of the Market Regulation and Consumer Affairs (D) Committee. Refer to the Committee listing for details.
7. Received the report of the Financial Condition (E) Committee. Refer to the Committee listing for details.
8. Received the report of the Financial Regulation Standards and Accreditation (F) Committee. Refer to the Committee listing for details.
9. Received the report of the International Insurance Relations (G) Committee. Refer to the Committee listing for details.
10. Received the report of the Innovation, Cybersecurity, and Technology (H) Committee. Refer to the Committee listing for details.
11. Adopted amendments to the *2025 Valuation Manual*.
12. Adopted amendments to *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51).
13. Adopted the risk-based capital (RBC) disclosure on climate impact.
14. Received a status report on the state implementation of NAIC-adopted model laws and regulations.

**EXECUTIVE (EX) COMMITTEE**

Aug. 14, 2024

1. Adopted the report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee, which met Aug. 13 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. Adopted their Spring National Meeting minutes.
  - B. Adopted their June 25 and April 4 minutes. During these meetings, the Committee and Subcommittee took the following action:

- i. Appointed Gary D. Anderson (NAIC Chief Executive Officer) to serve on the National Insurance Producer Registry (NIPR) Board of Directors.
  - ii. Received a 2024 financial update and overview of the preliminary 2025 budget.
  - iii. Selected Hollywood, FL, as the replacement site for the 2025 Fall National Meeting.
  - iv. Appointed Director Chlora Lindley-Myers (MO) to the International Association of Insurance Supervisors (IAIS) Executive Committee.
- C. Approved the following fiscal requests:
- i. Retention of a consultant to assist with CEO onboarding training.
  - ii. Retention of a public relations firm to assist in communications campaigns.
  - iii. Two full-time employees (FTEs) for the Member Services department.
  - iv. Retention of a consultant to assist with the property/casualty (P/C) market intelligence (PCMI) data call.
- D. Approved a recommendation to revise the zone funding methodology.
- E. Received a May year-to-date (YTD) financial update and overview of the preliminary 2025 budget.
- F. Approved the new 2025 Fall National Meeting site in Hollywood, FL.
- G. Approved the appointment of Director Chlora Lindley-Myers (MO) to the International Association of Insurance Supervisors (IAIS) Executive Committee.
- H. Approved the ratification of the memorandum of understanding between the Federal Insurance Office (FIO) and the NAIC.
- I. Approved the new 2026 Spring National Meeting site in San Diego, CA.
- J. Adopted the report of the Audit Committee, which met Aug. 1 and May 9. During these meetings, the Committee took the following action:
- i. Received an overview of proposed 2025 revenues.
  - ii. Received the June 30 financial update.
  - iii. Reappointed RubinBrown as the financial audit firm to conduct the 2024 audit.
  - iv. Approved a revision to the zone funding methodology.
  - v. Affirmed the 2025 Audit Committee charter.
  - vi. Received an update on the Enterprise Resource Planning (ERP) project.
  - vii. Received an update on the 2025 budget calendar.
  - viii. Received the 2023/2024 Service Organization Control (SOC) 1 and SOC 2 audit reports.
  - ix. Heard a presentation on the 2024 operating reserve analysis.
- K. Adopted the report of the Internal Administration (EX1) Subcommittee, which met May 30. During this meeting, the Subcommittee took the following action:
- i. Received the March 31 long-term investment portfolio report.
  - ii. Received the March 31 defined benefit portfolio report.
  - iii. Received an update on the termination of the defined benefit pension plan.
- L. Heard the CEO report.
- M. Heard an update on the fiscals approved at the Commissioners' Mid-Year Roundtable.
- N. Heard an update on the PCMI data call.
2. Adopted its June 25 and April 4 meeting report.
3. Adopted the report of the Climate and Resiliency (EX) Task Force. Refer to the Task Force listing for details.
4. Adopted the report of the Government Relations (EX) Leadership Council. Refer to the Task Force listing for details.
5. Adopted the report of the Special (EX) Committee on Race and Insurance. Refer to the Special Committee listing for details.
4. Adopted revisions to the NAIC Consumer Participation Plan of Operation.
5. Received a status report on model law development efforts for amendments to: 1) the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171); 2) the *Public Adjuster Licensing Model Act* (#228); and 3) the *Privacy of Consumer Financial and Health Information Regulation* (#672).

6. Received a report from the NIPR Board of Directors.
7. Received a report from the Interstate Insurance Product Regulation Commission (Compact).

### **Climate and Resiliency (EX) Task Force**

Aug. 15, 2024

1. Adopted its Spring National Meeting minutes.
2. Heard a presentation from reThought Flood on its innovative flood insurance product and how consumer education, mitigation, and risk modeling are all components to increasing flood insurance take-up and closing protection gaps. The company uses risk modeling to develop a technology-based approach to underwriting flood risk.
3. Heard a presentation from Marsh McLennan on the *Global Risks Report 2024*. The report, published by the World Economic Forum, looks at the global insurance markets and identifies current and upcoming risks. The presentation put climate risks in the context of all the relative risks that insurance companies are facing and trying to address.
4. Received an update on deliverables from the *NAIC National Climate Resilience Strategy for Insurance* (Climate Resilience Strategy), including the development of a climate risk dashboard. The current draft of the dashboard includes information on physical risks, transition risks, and coverage trends. The Task Force plans to form a regulator-only drafting group to complete the development of the dashboard.
5. Received an update from its Climate Risk Disclosure Workstream. The Workstream met twice in 2024, during which it heard reports on the analysis of submitted disclosures and highlighted best practices for the completion of the climate risk disclosure survey by small and medium-sized companies.
6. Received a federal update from NAIC staff on the following issues: legislative proposals; congressional actions; Federal Emergency Management Agency (FEMA) activities; Federal Housing Finance Agency (FHFA) and U.S. Department of Housing and Urban Development (HUD) events; interest in the property/casualty (P/C) market intelligence (PCMI) data call; the U.S. Securities and Exchange Commission's (SEC's) reporting rule; the U.S. Department of the Treasury's (Treasury Department's) actions; and White House initiatives.

### **Government Relations (EX) Leadership Council**

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

### **Special (EX) Committee on Race and Insurance**

Aug. 13, 2024

1. Adopted its Spring National Meeting minutes.
2. Received a status report from its Health Workstream.
3. Received a status report from its Life Workstream.
4. Received a status report from its Property/Casualty (P/C) Workstream.
5. Received an update on the Member Diversity Leadership Forum.
6. Heard an update from the American Academy of Actuaries (Academy) on its Health Equity Committee (HEC) and its accomplishments over the past four years.

### **INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE**

Refer to the Executive (EX) Committee listing for details.

### **LIFE INSURANCE AND ANNUITIES (A) COMMITTEE**

Aug. 14, 2024

1. Adopted its July 15 minutes. During this meeting, the Committee took the following action:
  - A. Adopted its Spring National Meeting minutes.
  - B. Adopted the 2025 revisions to the *Valuation Manual*.

2. Heard a federal update on the U.S. Department of Labor’s (DOL’s) proposed Retirement Security Rule, also known as the fiduciary rule, and amendments to the prohibited transaction exemptions (PTEs), which exempt fiduciaries from what would otherwise be prohibited conflicts.
3. *Financial Wellness Resource Guide* Adopted the report of the Life Actuarial (A) Task Force. Refer to the Task Force listing for details.
4. Adopted the report of the Accelerated Underwriting (A) Working Group, including the *Regulatory Guidance and Considerations* document and the *Market Regulation Handbook* referral. The Working Group met Aug. 6, July 11, June 13, and April 3. During these meetings, the Working Group took the following action:
  - A. Discussed a work plan for completing a guidance document for state insurance regulators on accelerated underwriting (AU) in life insurance, along with a draft referral to the Market Conduct Examination Guidelines (D) Working Group to consider adding specific guidance to the *Market Regulation Handbook*.
  - B. Reviewed drafts of the *Accelerated Underwriting in Life Insurance Regulatory Guidance and Considerations* document and the *Market Regulation Handbook* referral.
  - C. Discussed comments received on the draft *Accelerated Underwriting in Life Insurance Regulatory Guidance and Considerations* document.
  - D. Adopted the draft *Accelerated Underwriting in Life Insurance Regulatory Guidance and Considerations* document and the referral to the Market Conduct Examination Guidelines (D) Working Group.
5. Heard presentations from Securian Financial and Athene on illustrations.
6. Received an update from the Special (EX) Committee on Race and Insurance’s Life Workstream, which included its adoption of the and endorsement of a mandatory financial education course as a prerequisite to high school graduation. The Workstream also exposed a draft survey of life insurers’ use of criminal history in underwriting for a 30-day public comment period ending Sept. 5.

### **Life Actuarial (A) Task Force**

#### Aug. 11–12, 2024

1. Adopted its July 25, June 20, June 13, June 6, May 30, May 23, May 16, May 9, May 2, April 25, April 4, and March 28 minutes. During these meetings, the Task Force took the following action:
  - A. Adopted its Spring National Meeting minutes.
  - B. Reported that it met July 11 and May 22 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to review the illustrations of annuity products.
  - C. Discussed comments received on a June 20 exposure of concepts for asset adequacy testing (AAT) for reinsurance and an attribution analysis template.
  - D. Exposed a presentation on AAT for reinsurance and the attribution analysis concept spreadsheet for a 30-day public comment period ending July 19.
  - E. Adopted amendment proposal form (APF) 2023-13 to add mortality tables to the *Valuation Manual* for certain annuities and allow the use of international mortality tables for life insurance business issued in foreign countries. The Task Force previously exposed APF 2023-13 for a 21-day public comment period ending May 15.
  - F. Adopted APF 2024-08 to revise the net asset earned rate (NAER) calculation in VM-21, Requirements for Principle-Based Reserves for Variable Annuities. The Task Force previously re-exposed APF 2024-08 with one editorial change for a seven-day public comment period ending June 5. It initially exposed the proposal for a 21-day public comment period ending May 22.
  - G. Adopted APF 2024-07 to update the VM-21 standard projection amount (SPA) assumptions. The Task Force previously exposed APF 2024-07 for a 21-day public comment period ending June 5.
  - H. Adopted APF 2024-06, which allows for non-jumbo contracts to be treated as jumbo for discounting purposes. The Task Force previously re-exposed APF 2024-06 for a 14-day public comment period ending May 22. It initially exposed the proposal for a 30-day public comment period ending May 3.

- I. Adopted APF 2024-05, which allows for the use of monthly rates when determining the discount rate for deposit-type contracts. The Task Force previously exposed APF 2024-05 for a 21-day public comment period ending May 29.
  - J. Adopted APF 2024-09, which changes how the interest maintenance reserve (IMR) is treated in VM-21. The Task Force previously exposed APF 2024-09 for a 21-day public comment period ending May 29.
  - K. Discussed AAT reinsurance comments.
  - L. Adopted APF 2024-10 to update credit disability claim incidence rate assumptions.
  - M. Re-exposed APF 2024-13, with a guidance note on the potential for the NAIC to post a listing of the tables along with the removal of the reference to 2030, for a 14-day public comment period ending June 5.
  - N. Adopted APF 2024-01 to require specific qualification standards for qualified actuaries.
  - O. Adopted APF 2024-04 to update the lapse assumptions in VM-20, Requirements for Principle-Based Reserves for Life Products. The Task Force previously exposed APF 2024-04 for a 21-day public comment period ending April 17.
  - P. Discussed adherence to Task Force exposure periods.
  - Q. Discussed editorial changes to the 2024 *Valuation Manual*.
  - R. Discussed a correction to the *Actuarial Guideline LIII—Application of the Valuation Manual for Test the Adequacy of Life Insurer Reserves* (AG 53) template to fix a locking issue so that the relevant numbers can be populated.
2. Adopted the report of the Indexed Universal Life (IUL) Illustration (A) Subgroup, which is reviewing the impact of the most recent revisions to *Actuarial Guideline XLIX-A—The Application of the Life 1 Illustrations Model Regulation to Policies with Index-Based Interest Sold on or After Dec. 14, 2020* (AG 49-A) on the market.
  3. Adopted the report of the Variable Annuities Capital and Reserves (E/A) Subgroup, which met May 16 in joint session with the Task Force and April 4. During its April 4 meeting, the Subgroup took the following action:
    - A. Exposed APF 2024-07 to update VM-21 SPA assumptions.
  4. Adopted the report of the Longevity Risk (E/A) Subgroup, which will resume meeting once the VM-22, Requirements for Principle-Based Reserves for Non-Variable Annuities, methodology is finalized to develop and recommend longevity risk factors.
  5. Adopted the report of the Experience Reporting (A) Subgroup, which is monitoring the NAIC’s mortality experience data collection and considering a group annuity mortality experience data collection.
  6. Exposed APF 2024-12, which would mandate data collection for group annuity mortality, for a 75-day public comment period ending Oct. 25.
  7. Adopted the report of the Valuation Manual (VM)-22 (A) Subgroup, which met June 4, May 29, April 10, and March 25. During these meetings, the Subgroup took the following action:
    - A. Exposed the longevity reinsurance alternative methodology for a 119-day public comment period ending Sept. 30.
    - B. Discussed the initial spread bonus placeholder in the VM-22 SPA draft.
    - C. Exposed the VM-22 Section 6 SPA draft, which includes the proposed SPA mortality and policyholder behavior assumptions, for a 119-day public comment period ending Sept. 30.
    - D. Heard a presentation from the American Council of Life Insurers (ACLI) on longevity reinsurance.
    - E. Discussed VM-31, PBR Actuarial Report Requirements for Business Subject to a Principle-Based Valuation, comments on nonguaranteed element (NGE) disclosures.
    - F. Discussed its next steps.
    - G. Discussed the VM-22 reserves supplement draft.
    - H. Discussed comments received on the VM-31 draft.
  8. Received an update on the generator of economic scenarios (GOES) field test.
  9. Adopted the report of the Generator of Economic Scenarios (GOES) (E/A) Subgroup, which met June 12, May 15, May 1, April 17, April 10, and March 27. During these meetings, the Subgroup took the following action:
    - A. Heard a presentation from Oliver Wyman showing results from a variable annuity model office for the GOES field test scenarios.

- B. Discussed stochastic exclusion ratio test (SERT) scenarios.
  - C. Discussed model governance.
  - D. Received an update on the GOES field test.
  - E. Discussed questions received on the C-3 Phase I GOES field test instructions.
  - F. Reviewed results from the revised GOES calibration.
  - G. Discussed instructions for the 2024 GOES field test.
10. Heard an update from the Society of Actuaries (SOA) on the VM-20 historical mortality improvement (HMI) and future mortality improvement (FMI) rates.
  11. Heard a presentation from Oliver Wyman on the results of model office testing of the GOES field test scenarios.
  12. Heard an update from the SOA on research and education.
  13. Exposed APF 2024-11, which would revise the VM-20 life principle-based reserves (PBR) exemption to account for recent updates made to the annual statement blanks, for a 21-day public comment period ending Sept. 2.
  14. Heard a presentation on the appropriate reflection of negative IMR in PBR and AAT.
  15. Heard a presentation on state insurance regulator reviews of AG 53 filings.
  16. Exposed the AAT for reinsurance actuarial guideline draft for a 60-day public comment period ending Oct. 11. The Task Force exposed specific components of the draft actuarial guideline were for shorter comment periods to allow for discussion during its interim meetings.
  17. Heard an update from the American Academy of Actuaries (Academy) Council on Professionalism and Education (COPE).
  18. Heard an update from the Academy Life Practice Council.
  19. Heard an update on Academy life knowledge statements.
  20. Heard an update from the Interstate Insurance Product Regulation Commission (Compact).
  21. Exposed the Generally Recognized Expense Tables (GRETs) for a 21-day public comment period ending Sept. 2.

## **HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE**

Aug. 15, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted its July 26 and June 13 minutes. During these meetings, the Committee took the following action:
  - A. Adopted the Regulatory Framework (B) Task Force’s revised 2024 charges. Revisions amend the 2024 charges for the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup, which has been renamed as the Pharmaceutical Benefit Management Regulatory Issues (B) Working Group.
  - B. Adopted revisions to *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51).
  - C. Adopted revisions to Valuation Manual (VM)-26, Section 3B—Contract Reserves for Credit Disability Insurance.
  - D. Adopted the Health Actuarial (B) Task Force’s revised 2024 charges.
  - E. Discussed the Health Actuarial (B) Task Force’s findings from its review and discussion of an issue the Committee referred to the Task Force late last year on how possible changes to the cost-sharing reduction (CSR) subsidy, like changes to silver loading, could impact plan options and costs to consumers.
  - F. Heard a presentation from the Center for Insurance Policy and Research (CIPR) on findings from a case study the CIPR completed as part of its Network Adequacy Project: Compensation of Travel Costs for In-Network Care in Mississippi.
3. Adopted the report of the Health Actuarial (B) Task Force. Refer to the Task Force listing for details.
4. Adopted the report of the Long-Term Care Insurance (B) Task Force. Refer to the Task Force listing for details.
5. Adopted the report of the Regulatory Framework (B) Task Force. Refer to the Task Force listing for details.
6. Adopted the report of the Senior Issues (B) Task Force. Refer to the Task Force listing for details.
7. Adopted the report of the Consumer Information (B) Subgroup, which met July 29 and June 18. During these meetings, the Subgroup took the following action:



- A. Discussed and adopted a consumer guide on prior authorization.
- B. Discussed potential future projects, including guides on preventive services, limited benefit plans, balance billing protections under the federal No Surprises Act (NSA), mental health parity protections, and others.
8. Adopted the report of the Health Innovations (B) Working Group, which did not meet at the Summer National Meeting but plans to meet following the Summer National Meeting.
9. Heard a federal update on various issues of interest to the Committee.
10. Heard a presentation from the consumer perspective on recent state activity related to the prior authorization process, including potential improvements to the process for the benefit of consumers and providers based on such state activity. The presenters also discussed recent federal activity on this issue, which states could use as a guide to inform their future activities. Additionally, the presenters discussed potential next steps that state insurance regulators and the Committee can take, such as: 1) charging the Consumer Information (B) Subgroup to modify and use the Subgroup's new consumer prior authorization guide to educate consumers; 2) forming a new Committee working group to share information and work on implementation, best practices and enforcement; and 3) partnering with the Innovation, Cybersecurity, and Technology (H) Committee on the use of artificial intelligence (AI) in the prior authorization process.
11. Heard presentations from the Center on Health Insurance Reforms (CHIR) and AHIP on health cost transparency. The CHIR presentation focused on state-level options to improve transparency in coverage (TiC) data collected as a result of the federal TiC requirements. The AHIP presentation provided an overview of the federal TiC requirements, including an implementation timeline. In addition, AHIP discussed what actions states can take to address the issue, such as: 1) prioritizing solutions that provide direct consumer value; 2) considering approaches to expand consumer awareness and education of tools; and 3) avoiding single-state solutions.
12. Heard an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO) on recent activities of interest to the Committee.
13. Discussed the Committee member priorities identified at the beginning of the year that have already been addressed and priorities to be addressed during future Committee meetings.

### **Health Actuarial (B) Task Force**

Aug. 12, 2024

1. Adopted its May 13 minutes. During this meeting, the Task Force took the following action:
  - A. Adopted its Spring National Meeting minutes.
  - B. Adopted an amendment proposal form (APF) to revise Valuation Manual (VM)-26, Credit Life and Disability Reserve Requirements, Section 3.B. Contract Reserves for Credit Disability Insurance.
2. Heard a presentation from the American Academy of Actuaries (Academy) on drivers of 2025 federal Affordable Care Act (ACA) health insurance premium changes.
3. Heard an update on Society of Actuaries (SOA) Research Institute activities and on SOA education redesign.
4. Heard an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO) on Bright HealthCare and Friday Health Plans risk adjustment payments, risk adjustment and risk adjustment data validation (RADV) topics, the proposed 2026 Notice of Benefit and Payment Parameters (NBPP), and plan year 2025 federal ACA rate filings.
5. Heard an update from the Academy's Health Practice Council on recent Academy health-related webinars and Academy engagement with various NAIC groups.
6. Heard a presentation from the Academy on health knowledge statements.
7. Heard an Academy professionalism update.

### **Long-Term Care Insurance (B) Task Force**

Aug. 13, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted the report of the Long-Term Care Actuarial (B) Working Group, which met Aug. 12. During this meeting, the Working Group took the following action:

- A. Adopted its Spring National Meeting minutes.
  - B. Adopted its July 2 minutes. During this meeting, the Working Group took the following action:
    - i. Discussed comments received on the exposure of the Minnesota approach with any suggested adjustments as a candidate for a single long-term care insurance (LTCI) multistate rate review approach methodology for use in multistate actuarial (MSA) filing reviews.
    - ii. Exposed the Minnesota approach with any suggested adjustments to the cost-sharing formula to address large rate increases for policyholders at roughly age 85 with a policy duration of 25 years (85/25 issue) as a candidate for a single LTCI multistate rate review approach for a 30-day public comment period ending Aug. 1.
  - C. Discussed and received comments on a proposed single multistate LTCI rate review approach.
  - D. Exposed proposed single multistate rate review approaches for a 45-day comment period ending Sept. 27.
3. Heard a report on industry trends that could have an impact on the solvency of LTCI companies and reserves.
  4. Heard an update from Delaware regarding consumer education on reduced benefit options (RBOs). The update included the Delaware Department of Insurance's (DOI's) Office of Long-Term Care Insurance website, staff who are trained to provide customer assistance, and links to additional LTCI and RBO information.
  5. Received an update from the Center for Insurance Policy and Research (CIPR) on a study of RBO letters to consumers and consumer choices. The CIPR plans to continue to model the data, as well as consider ways to improve RBO checklists and better ways to educate consumers.

### **Regulatory Framework (B) Task Force**

Aug. 13, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted its July 1 minutes. During this meeting, the Task Force took the following action:
  - A. Adopted its 2024 revised charges. Revisions amend the 2024 charges for the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup, which has been renamed as the Pharmaceutical Benefit Management Regulatory Issues (B) Working Group.
3. Adopted the report of the Accident and Sickness Insurance Minimum Standards (B) Subgroup, which met July 29, July 15, June 24, April 22, April 8, and March 25. During these meetings, the Subgroup took the following action:
  - A. Discussed the Dec. 1, 2023, comments received on the Oct. 12, 2023, draft of proposed revisions to the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171).
  - B. Distributed for final review a May 3 draft of proposed revisions to Model #171 reflecting the Subgroup's discussions.
  - C. Discussed comments received on the May 3 draft of proposed revisions to Model #171.
4. Adopted the report of the Employee Retirement Income Security Act (ERISA) (B) Working Group.
5. Adopted the report of the Mental Health Parity and Addiction Equity Act (MHPAEA) (B) Working Group, including its Spring National Meeting minutes. Additionally, the Working Group will meet Aug. 14. During this meeting, it plans to take the following action:
  - A. Hear presentations on clinical guidelines for behavioral health care.
  - B. Meet in regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to continue discussion of the opioid use disorder issue.
6. Adopted the report of the Pharmaceutical Benefit Management Regulatory Issues (B) Working Group (formerly the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup), which met June 7 and May 2. During these meetings, the Working Group took the following action:
  - A. Discussed and adopted its revised 2024 charges.
7. Heard a presentation from the Center on Health Insurance Reforms (CHIR) on outpatient facility fee reforms focusing on options for the states.

8. Discussed the *Loper Bright Enterprises v. Raimondo and Relentless v. Department of Commerce* (Loper Bright) ruling, which overturned the so-called “Chevron Doctrine” and its potential implications on health insurance-related regulations. Schiffbauer Law Office provided an overview of the case and highlighted several health insurance-related regulations, including the federal Affordable Care Act’s (ACA) Section 1557 federal regulations, the ACA’s cost-sharing and deductible regulations, and Medicare hospital payment rules that could be affected by its overturning of the Chevron Doctrine, which provided deference to federal agencies in rulemaking in interpreting statutes they administer.
9. Heard a presentation from AHIP and the Bipartisan Policy Center (BPC) on a new collaborative multi-stakeholder initiative “Promoting Health Through Prevention (PHTP).”

## **Senior Issues (B) Task Force**

Aug. 13, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted its July 18 minutes. During this meeting, the Task Force took the following action:
  - A. Discussed the Medicare Supplement Insurance (Medigap) guaranteed issue and provider withdrawals from Medicare Advantage plans.
  - B. Discussed the impacts of Section 1557 of the federal Affordable Care Act (ACA) and the application of nondiscrimination rules to Medigap.
3. Heard a presentation on State Health Insurance Assistance Programs (SHIPs).
4. Discussed the Medigap guarantee issue and provider withdrawals from Medicare Advantage plans. The Task Force agreed to send a letter to the federal Centers for Medicare & Medicaid Services (CMS) seeking information, guidance, and clarification on this topic to help states help their beneficiaries.
5. Discussed the impacts of Section 1557 of the ACA and the application of nondiscrimination rules to Medigap. The Task Force agreed to send a letter to the U.S. Office of Civil Rights (OCR) seeking answers and guidance on Section 1557 and nondiscrimination.

## **PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE**

Aug. 15, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted the report of the Casualty Actuarial and Statistical (C) Task Force. Refer to the Task Force listing for details.
3. Adopted the report of the Surplus Lines (C) Task Force. Refer to the Task Force listing for details.
4. Adopted the report of the Title Insurance (C) Task Force. Refer to the Task Force listing for details.
5. Adopted the report of the Workers’ Compensation (C) Task Force, which did not meet at the Summer National Meeting. However, the Task Force reported that it met Aug. 8 to hear an update from the National Council on Compensation Insurance (NCCI) on the state of the workers’ compensation market.
6. Adopted the report of the Cannabis Insurance (C) Working Group, which met May 8. During this meeting, the Working Group took the following action:
  - A. Adopted its Dec. 19, 2023, minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its Nov. 14, 2023, minutes.
    - ii. Heard an update on cannabis-related legislative activities.
    - iii. Heard a presentation on ALM Global’s cannabis insurance coverage specialist designation.
  - B. Heard an update on cannabis-related legislative activities.
  - C. Heard a presentation from BDSA on trends and emerging issues in the cannabis space.
  - D. Heard a presentation from Jencap on insurance availability, coverage trends, and new risks in the cannabis space.
  - E. Heard a presentation on the work of the Highway Loss Data Institute (HLDI) and the Insurance Institute for Highway Safety (IIHS) on the legalization of marijuana for recreational use.
7. Adopted the report of the Catastrophe Insurance (C) Working Group, which met Aug. 13 in joint session with the NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group. During this meeting, the

Working Group and Advisory Group took the following action:

- A. Adopted their Spring National Meeting minutes.
- B. Heard an update on federal legislation. The update included: 1) FEMA activity; 2) the various congressional hearings and public press releases around the high cost of property insurance related to natural catastrophes; and 3) state insurance regulators' support of several congressional bills supporting mitigation and resilience funding, tax incentives, and research for state mitigation and resilience programs to address challenges arising from natural disasters.
- C. Received an update on the Catastrophe Modeling Primer from the drafting group. The drafting group is close to completion and is reviewing the document. It anticipates exposing the document soon so that it can be considered for adoption at the Fall National Meeting.
- D. Heard an update from FEMA on the changes to the Community Rating System (CRS). The CRS is an incentive program that recognizes and rewards community floodplain management practices that exceed minimum requirements of the National Flood Insurance Program (NFIP). Improvements in FEMA's capability to analyze, assess, and communicate flood risk, as well as overwhelming feedback from external stakeholders, influenced FEMA's consideration of bold programmatic changes to the CRS. The CRS redesign process started in fiscal year 2023 and will be implemented sometime in 2026. FEMA will be hosting events, public meetings, and webinars to collect feedback.
- E. Heard a presentation on FEMA's Direct to Customer (D2C) launch and timeline and FEMA's Agent Registry. The D2C implementation has two phases: 1) Phase One will provide quotes to customers and sales leads to insurance agencies; and 2) Phase Two will provide online sales to customers, as well as servicing by the NFIP directly. The agency locator will allow agencies to register to appear in the quote table, and it is a voluntary program. The data will undergo a validation process, and the agencies displayed will be based on geography. FEMA has conducted user interviews and consumer testing, and the Agent Registry will go through internal testing.
- F. Received an update from the Center for Insurance Policy and Research (CIPR) on the Center of Excellence (COE) resiliency activities. The Mitigation and Resilience Assistance Resilience Hub provides information on mitigation program coordination and development, peer-to-peer learning opportunities, consumer education and outreach, resilience funding, and data and analysis.
- G. Heard a presentation from the American Property Casualty Insurance Association (APCIA) on mitigation discounts. Increased property loss is being caused by weather, a rise in exposure values and replacement costs, the natural variability that comes from selecting any five-year sample of natural catastrophe sample of natural catastrophe experience, the effects of the changing climate on different atmospheric perils, and the impacts of human-made loss drivers. Insurance availability pressures are caused by the demand for property insurance and increased costs, while capital is decreasing. Insurers are leading efforts to make communities more resilient and mitigate risks. Consumer empowerment includes mitigation, catastrophe deductibles, and catastrophe savings accounts. There are financial incentives for resilience, including grants, low-interest loans, waiving and reducing fees, tax credits, and insurance incentives.
8. Adopted the report of the Terrorism Insurance Implementation (C) Working Group, which has not met since the Spring National Meeting.
9. Adopted the report of the Transparency and Readability of Consumer Information (C) Working Group, which met Aug. 8. During this meeting, the Working Group took the following action:
  - A. Discussed proposed revisions to the premium increase transparency guidance based on received comment letters.
  - B. Discussed general comments received from comment letters on the previously exposed premium increase transparency guidance.
  - C. Exposed the revised premium increase transparency guidance for a 22-day public comment period ending Aug. 30.
10. Heard a federal update on property/casualty (P/C) insurance issues.
11. Heard an update on the P/C market intelligence (PCMI) data call.

12. Heard a presentation from APCA and the National Association of Mutual Insurance Companies (NAMIC) on the state of the P/C insurance market, particularly regarding challenges insurance companies are facing in homeowners insurance markets.

### **Casualty Actuarial and Statistical (C) Task Force**

Aug. 13, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted its July 9, June 17, May 7, and March 20 minutes. During these meetings, the Task Force took the following action:
  - A. Adopted the *2022 Auto Insurance Database Average Premium Supplement* (Auto Supplement).
  - B. Heard an update on rate filing issues.
  - C. Discussed the American Academy of Actuaries' (Academy's) Cyber Risk Toolkit.
  - D. Received an update on the activities of the Cybersecurity (H) Working Group.
  - E. Discussed reporting for the private flood insurance supplement.
  - F. Heard a presentation from InsurSight on reserving analytics for regulators.
3. Reported that it met July 16, June 18, May 21, and April 16 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.
4. Reported that it held Book Club education sessions about predictive modeling on July 23, June 25, May 28, and April 23. Book Club sessions included the following:
  - A. Gary Wang (Pinnacle Actuarial Resources Inc.) and Joey Sveda (Pinnacle Actuarial Resources Inc.) presented "Stepping into the Actuarial Modeling Wonderland."
  - B. Tammy Schwartz (Guidewire) and Paul Harper (Guidewire) introduced a tool called HazardHub, which focuses on property risk.
  - C. Matt Moore (Highway Loss Data Institute—HLDI) presented on electric vehicles.
  - D. Sam Kloese (NAIC), April Yu (NAIC), and Roberto Perez Santiago (NAIC) presented recommendations for non-generalized linear model (GLM) model documentation.
5. Adopted the report of the Actuarial Opinion (C) Working Group, which met June 25 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss observations resulting from state insurance regulators' review of the 2023 Statements of Actuarial Opinion (SAOs). The Working Group also met Aug. 6 and July 23. During these meetings, the Working Group took the following action:
  - A. Discussed the Regulatory Guidance on Property and Casualty Statutory Statements of Actuarial Opinion, Actuarial Opinion Summaries, and Actuarial Reports for the Year 2024, and the 2025 Property/Casualty (P/C) Statement of Actuarial Opinion Instructions. Some topics under discussion include documenting: 1) the already adopted 2024 limitation of qualification documentation to only first appointment and no longer annually thereafter; 2) changes to the Actuarial Standards Board (ASB) Actuarial Standard of Practice (ASOP) No. 36, Statements of Actuarial Opinion Regarding Property/Casualty Loss, Loss Adjustment Expense, or Other Reserves; and the Society of Actuaries (SOA) educational plan.
6. Adopted the report of the Statistical Data (C) Working Group, which met July 29. During this meeting, the Working Group took the following action:
  - A. Adopted its May 30 minutes. During this meeting, the Working Group took the following action:
    - i. Discussed proposed changes to the *Report on Profitability by Line by State* (Profitability Report) and to the *Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance Report* (Homeowners Report).
  - B. Discussed proposed changes to the Homeowners Report, Profitability Report, and *Auto Insurance Database Report* (Auto Report).
7. Received an update on the NAIC Rate Model Review team's newly announced six- to nine-month moratorium on submission of any new rate model filing to the NAIC. The team is currently booked for nine months and

will complete all the filings already received, including any initial reviews and any of the related objection reviews. During the moratorium, the Task Force will be asked to consider adjustments to the program. The Executive (EX) Committee will discuss budget considerations and staffing.

8. Heard a presentation from the Casualty Actuarial Society (CAS) on race and insurance.
9. Discussed the private flood insurance supplement and personal flood insurance alien data reported to the International Insurance Department (IID). It is unclear whether the data from the IID is a match to the supplement data.
10. Received liaison reports about other committees' P/C actuarial activities.
11. Exposed a draft white paper appendix on penalized regression for a 30-day public comment period ending Sept. 13.
12. Heard activity and research reports from the ASB, the Actuarial Board for Counseling and Discipline (ABCD), the Academy, the CAS, and the SOA.

### **Surplus Lines (C) Task Force**

Aug. 13, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted the report of the Surplus Lines (C) Working Group, which met June 25 and March 28 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings. The Working Group also met June 28 and April 30. During these meetings, the Working Group took the following action:
  - A. Exposed the draft *NAIC International Insurers Department Plan of Operation* for a 30-day public comment period that ended May 31.
  - B. Adopted amendments to the *NAIC International Insurers Department Plan of Operation*, which clarify the scope of analysis completed on insurers applying or admitted to the NAIC Quarterly Listing of Alien Insurers (Quarterly Listing).
3. Exposed its draft surplus lines service of process form, which includes new language regarding the location of a lawsuit as defined within the *Nonadmitted Insurance Model Act (#870)*, for a 30-day public comment period ending Sept. 13.
4. Heard details regarding adjustments to exempt commercial purchaser minimum qualifications, which are required to be amended every five years.
5. Adopted its 2025 proposed charges, which remain unchanged from its 2024 charges.
6. Heard a presentation from the National Association of Public Insurance Adjusters (NAPIA) on public adjusters in the surplus lines market. The presentation covered the following: 1) the role and need for public adjusters; 2) discussion on recent anti-public adjuster endorsements; and 3) potential solutions to the problems.

### **Title Insurance (C) Task Force**

Aug. 14, 2024

1. Adopted its Spring National Meeting minutes.
2. Received an update on the *Survey of State Insurance Laws Regarding Title Data and Title Matters*. The results from the jurisdiction filings are being compiled to produce the updated report. The final report is anticipated to be considered for adoption at the Fall National Meeting.
3. Heard an update from NAIC Government Affairs on recent title-related federal activities that have garnered both support and concerns among stakeholders. As part of the current administration's housing affordability initiative, federal housing regulators have instituted affordability policies and pilots, including eliminating title insurance fees for certain federally backed mortgages and allowing attorney opinion letters (AOLs) to replace title insurance in most states.
4. Heard an update from the American Academy of Actuaries (Academy) on its soon-to-be-initiated title-related research.
5. Heard a presentation from CertifID on its *2024 State of Wire Fraud Report and Wire Fraud Liability: Insights from 2020–2024 Court Battles* report. The title industry is experiencing increased wire fraud from advances in

artificial intelligence (AI), a fast-paced real estate market, and a prevalence of consumers communicating and transacting via mobile phones.

### **Workers' Compensation (C) Task Force**

The Workers' Compensation (C) Task Force did not meet at the Summer National Meeting.

### **MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE**

Aug. 15, 2024

1. Adopted its July 29 minutes. During this meeting, the Committee took the following action:
  - A. Adopted its Spring National Meeting minutes.
  - B. Adopted a revised Market Actions (D) Working Group charge to "facilitate interstate communication and coordinate collaborative state regulatory activities involving nontraditional market actions through the Coordinated Market Investigation Subgroup."
  - C. Adopted a revision to the life and annuity Market Conduct Annual Statement (MCAS) blank to reflect the language in the *Life Insurance and Annuity Replacement Model Regulation* (#613). The revision clarifies that the replacements of policies and contracts of affiliated companies are internal replacements.
  - D. Adopted a requirement for fraternal organizations to report MCAS annually to participating MCAS jurisdictions.
2. Adopted the report of the Antifraud (D) Task Force. Refer to the Task Force listing for details.
3. Adopted the report of the Market Information Systems (D) Task Force. Refer to the Task Force listing for details.
4. Adopted the report of the Producer Licensing (D) Task Force. Refer to the Task Force listing for details.
5. Adopted the report of the Market Analysis Procedures (D) Working Group, which met Aug. 5. During this meeting, the Working Group took the following action:
  - A. Adopted its June 24 minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its April 29 minutes. During this meeting, the Working Group took the following action:
      - a. Adopted its Spring National Meeting minutes.
      - b. Adopted public and non-public pet insurance MCAS ratios.
      - c. Adopted a requirement for fraternal companies to annually report MCAS.
      - d. Discussed the Market Information Systems (MIS) data.
      - e. Discussed the lunch-and-learn webinar scheduled for May 6.
      - f. Received an update on the current MCAS reporting.
    - ii. Discussed MIS data.
    - iii. Discussed the lunch-and-learn schedule.
  - B. Received an update from the Market Analysis Prioritization Tool (MAPT) Recommendations Subgroup.
  - C. Discussed the lunch-and-learn schedule.
6. Adopted the report of the Market Conduct Annual Statement Blanks (D) Working Group, which met July 11. During this meeting, the Working Group took the following action:
  - A. Adopted its June 6 minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its May 1 minutes. During this meeting, the Working Group took the following action:
      - a. Adopted its April 19 and April 2 minutes. During these meetings, the Working Group took the following action:
        - 1) Adopted its Oct. 10, 2023, minutes. During this meeting, the Working Group took the following action:
          - A) Adopted clarifying language to the definition of closed claim in the property/casualty (P/C) lines of business.
          - B) Adopted revisions to the MCAS change process.
        - 2) Adopted the proposed grammatical changes to the MCAS life and annuity definition of accelerated underwriting (AU).
        - 3) Discussed needed clarifications on the pet insurance MCAS.

- 4) Exposed duplicate data elements in the MCAS short-term, limited-duration (STLD) blank for a 17-day public comment period that ended April 19.
- 5) Exposed duplicate data elements in the MCAS other health blank for a 17-day public comment period that ended April 19.
- 6) Discussed possible edits to clarify the definition of AU.
- 7) Discussed the clarification of the MCAS home and auto lawsuit definition.
- 8) Discussed MCAS reporting of life/annuity replacements of a company's policy/contract under the same holding company group and exposed the data elements for a 17-day public comment period ending April 19.
  - b. Discussed the formation of a subject matter expert (SME) group to review the STLD rule change.
  - c. Adopted a motion to remove duplicate data elements in the MCAS STLD blanks.
  - d. Adopted a motion to remove duplicate data elements in the MCAS other health blanks.
  - e. Adopted the proposed clarification of the MCAS home and auto definition of lawsuit.
  - f. Adopted a proposed edit to the definition of external replacement of affiliated company policies in the MCAS life and annuity blanks.
  - g. Received an update on possible edits to the definition of AU for clarification purposes.
  - h. Received an update on the formation of an SME group to discuss needed pet insurance MCAS clarification.
- ii. Received an update from the SME group on other health and STLD MCAS reporting issues.
- iii. Received an update from the SME group on the MCAS life AU definition and frequently asked questions (FAQ).
- iv. Received an update from the SME group on pet insurance MCAS topics.
- v. Received an update on MCAS filings and the 2023 MCAS premium exhibit used for identifying required MCAS filings.
- B. Discussed the recommendation from the other health/STLD SME group to remove duplicate data element No. 51 from the other health MCAS.
- C. Discussed the draft FAQ document and definitions related to artificial intelligence (AI) and machine learning (ML) proposed by the AU SME group.
- D. Discussed the draft definitions for partial payments and cancellations proposed by the pet insurance SME group.
- E. Discussed a review of MCAS other health interrogatory question No. 5.
- F. Discussed the review of existing MCAS lines of business.
7. Adopted the report of the Market Conduct Examination Guidelines (D) Working Group, which met July 30. During this meeting, the Working Group took the following action:
  - A. Adopted its May 22 minutes. During this meeting, the Working Group took the following action:
    - i. Discussed its 2024 work plans.
  - B. Discussed its 2024 work plans.
8. Adopted the report of the Market Regulation Certification (D) Working Group, which met June 24. During this meeting, the Working Group took the following action:
  - A. Adopted its April 29 minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its Spring National Meeting minutes.
    - ii. Discussed its plans for the Summer National Meeting.
    - iii. Reviewed the market regulation certification scoring sheet.
    - iv. Discussed certification program revisions.
  - B. Discussed assistance to jurisdictions and peer review.
  - C. Discussed its plans for the Summer National Meeting.
  - D. Discussed a certification session at the Insurance Summit
  - E. Discussed certification program revisions.
9. Adopted the report of the Speed to Market (D) Working Group, which met July 30. During this meeting, the Working Group took the following action:



- A. Adopted its Feb. 22 minutes. During this meeting, the Working Group took the following action:
    - i. Received a report on the System for Electronic Rates & Forms Filing (SERFF) modernization project
    - ii. Received a report on the Interstate Insurance Product Regulation Commission (Compact).
    - iii. Received an update on the 2024 product coding matrix (PCM) adoption rating.
  - B. Received a report on the SERFF modernization project.
  - C. Received an update on the release of the 2024 *Product Filing Review Handbook*.
  - D. Heard a presentation on using ML for property/casualty (P/C) form review.
  - E. Discussed suggestions received on the PCM and uniform transmittal document (UTD).
  - F. Received an update on the 2025 PCM.
10. Heard a presentation from the Automotive Education & Policy Institute (AEPI) on insurer automobile claim adjusting practices.

### **Antifraud (D) Task Force**

Aug. 14, 2024

1. Adopted its Spring National Meeting minutes.
2. Discussed its 2025 proposed charges.
3. Heard a presentation from Louisiana on how artificial intelligence (AI) is affecting insurance fraud.
4. Adopted the report of the Improper Marketing of Health Insurance (D) Working Group, which met Aug. 14. During this meeting, the Working Group took the following action:
  - A. Adopted its Spring National Meeting minutes.
  - B. Heard from the federal Centers for Medicare & Medicaid Services (CMS) and AHIP on the current issues consumers are experiencing with continued agent transfers of policy. The Working Group discussed the importance of this issue as it concerns consumer protection. CMS advised the Working Group that at the time of the 2025 Spring National Meeting, it would have a 12-month time frame of data to review and determine if current efforts are making the impact necessary to protect consumers. The Working Group agreed that it would continue to discuss this topic in regulator-to-regulator and open meetings.
  - C. Heard an update from NAIC staff on improper marketing within the federal Affordable Care Act (ACA) and unauthorized agent transfers.
5. Received an update from the Antifraud Technology (D) Working Group. The Working Group did not meet prior to the Summer National Meeting. However, it will assist with the implementation process of the new web service and reviewing necessary enhancements to the Online Fraud Reporting System (OFRS).
6. Heard reports from the Coalition Against Insurance Fraud (CAIF) and the National Insurance Crime Bureau (NICB) on antifraud activity.

### **Market Information Systems (D) Task Force**

Aug. 2, 2024 (in lieu of the Summer National Meeting)

1. Adopted its 2023 Fall National Meeting minutes.
2. Adopted the report of the Market Information Systems Research and Development (D) Working Group, which met May 6. During this meeting, the Working Group took the following action:
  - A. Adopted the addition of a Complaints Database System (CDS) claim handling reason code of “General Balanced Billing.” This is now in preliminary analysis.
  - B. Adopted adding “Insurance Companies” in the drop-down description of the complainant in the State Based Systems (SBS) Complaints, Consumer Assistance, and External Health Review (EHR) portals. This is now in preliminary analysis.
  - C. Received the 2022 *Market Information Systems (MIS) Data Analysis Metrics Report*. The 2023 *MIS Data Analysis Metrics Report* should be ready prior to the Working Group’s next meeting.
3. Received a report from the Market Analysis Procedures (D) Working Group on its work on the second recommendation in *The Market Information Systems Research and Development (D) Working Group Review of Artificial Intelligence Techniques in Market Analysis*. The Working Group has formed a Market Analysis

Prioritization Tool (MAPT) Recommendations Subgroup to review the MAPT data elements and develop recommendations to improve the efficiency and prioritization scoring for the tool.

4. Received an update on Uniform System Enhancement Request (USER) form projects and *State Connected* strategic plan projects affecting the MIS. The NAIC Information Technology Group (ITG):
  - A. Began work on preparing the Market Conduct Annual Statement (MCAS) for the 2024 data year collection.
  - B. Completed the detailed design work on Regulatory Information Retrieval System (RIRS) enhancements and will soon be working with SBS and Vertafore states to begin implementing the new codes.

## **Producer Licensing (D) Task Force**

Aug. 13, 2024

1. Adopted its May 9 minutes. During this meeting, the Task Force took the following action:
  - A. Discussed the template for the 1033 waiver process.
  - B. Received reports from the Adjuster Licensing (D) Working Group, the Producer Licensing Uniformity (D) Working Group, the Public Adjuster Licensing (D) Working Group, and the Uniform Education (D) Working Group.
  - C. Received comments from the American Council of Life Insurers (ACLI), Finseca, and the National Association of Insurance and Financial Advisors (NAIFA) seeking the following changes to the *State Licensing Handbook*: 1) clarify that pre-licensing education is not required; 2) encourage states to provide examinations in additional languages; and 3) recognize the use of online examinations.
2. Received comments on proposed amendments to the *Public Adjuster Licensing Model Act* (#228). The model is being amended to strengthen regulatory standards governing the conduct of public adjusters for the following four issues: 1) individuals acting as unlicensed public adjusters; 2) contractors who are also acting as public adjusters on the same claim; 3) inappropriate assignment of benefit rights; and 4) excessive fees charged by public adjusters.
3. Received comments on the draft 1033 waiver template. The comments focused on whether individuals should be required to submit a waiver request to non-resident states in which they seek to conduct the business of insurance and on the definition of “conviction.”
4. Exposed proposed amendments to the NAIC uniform producer licensing applications, along with the proposed time and cost estimate from the National Insurance Producer Registry (NIPR), for a 30-day public comment period ending Sept. 12.
5. Adopted the report of the Adjuster Licensing (D) Working Group, which met June 12 and May 15. During these meetings, the Working Group took the following action:
  - A. Discussed the review of Chapter 18—Adjusters of the *State Licensing Handbook* (Handbook).
6. Adopted the report of the Producer Licensing Uniformity (D) Working Group, which met Aug. 6, June 4, May 7, and April 2. During these meetings, the Working Group took the following action:
  - A. Adopted the 2018 revisions of the NAIC uniform licensing applications for the Individual and Business Entity (Initial and Renewal).
  - B. Discussed the review of the Handbook. The Working Group distributed a checklist listing each chapter of the Handbook for Working Group members, interested state insurance regulators, and interested parties to review and designate chapters that need to be revised. The Working Group plans to meet in September to review the responses and determine which chapters to open and potentially revise.
7. Adopted the report of the Public Adjuster Licensing (D) Working Group, which met July 17. During this meeting, the Working Group took the following action:
  - A. Adopted its June 18 minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its May 2 minutes. During this meeting, the Working Group took the following action:
      - a. Adopted its April 5 minutes. During this meeting, the Working Group took the following action:
        - 1) Discussed its charge and scope of work, which is to consider amendments to strengthen regulatory standards governing the conduct of public adjusters for the following four issues:
          - 1) individuals acting as licensed public adjusters; 2) contractors who are also acting as public

adjusters on the same claim; 3) inappropriate assignment of benefit rights; and 4) excessive fees charges by public adjusters.

- 2) Reviewed proposed amendments to Model #228.
- 3) Received comments on proposed amendments to Model #228.
- b. Received comments on proposed amendments to Section 3 and Section 14 of Model #228, which address public adjuster fees.
  - ii. Received comments on proposed amendments to Section 15, Section 16, and Section 19 of Model #228 to strengthen regulatory standards regarding individuals acting as unlicensed public adjusters, contractors who are also acting as public adjusters on the same claim, and inappropriate assignment of benefits.
  - iii. Discussed public adjuster fees.
- B. Adopted proposed amendments to Model #228.
8. Adopted the report of the Uniform Education (D) Working Group, which met July 10 and May 8. During these meetings, the Working Group took the following action:
  - A. Discussed the creation of continuing education (CE) audit procedures. The Working Group distributed a checklist containing the language from the draft CE audit procedures. It plans to meet to review comments and finalize the draft.
  - B. Discussed guidelines for course introduction statements. The Working Group discussed how states provide course introductory statements, and it plans to work to determine a uniform process.
9. Received a report from the NIPR Board of Directors. Through June, NIPR's revenue year to date is \$39.6 million, which is 5.7% over budget and 10.5% higher than the same period in 2023. NIPR and the NAIC continue to provide producer licensing zone training for states. The program covers producer licensing practices, as well as current and emerging industry issues. It also encourages dialogue among state licensing peer regulators.

## **FINANCIAL CONDITION (E) COMMITTEE**

Aug. 15, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted its Aug. 2 and June 12 minutes. During these meetings, the Committee took the following action:
  - A. Discussed a proposed change to risk-based capital (RBC) proposal 2023-17-CR (Climate Scenario Analysis).
  - B. Exposed RBC proposal 2024-20-CR (Climate Stress Test) for a 48-day public comment period that ended July 30.
  - C. Heard comments received on proposal 2024-20-CR.
  - D. Adopted proposal 2024-20-CR-MOD.
3. Reported that it met July 15 with representatives of the Federal Insurance Office (FIO) in regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy statement on Open Meetings.
4. Adopted the report of the Accounting Practices and Procedures (E) Task Force. Refer to the Task Force listing for details.
5. Adopted the report of the Capital Adequacy (E) Task Force. Refer to the Task Force listing for details.
6. Adopted the report of the Examination Oversight (E) Task Force. Refer to the Task Force listing for details.
7. Adopted the report of the Financial Stability (E) Task Force. Refer to the Task Force listing for details.
8. Adopted the report of the Receivership and Insolvency (E) Task Force. Refer to the Task Force listing for details.
9. Adopted the report of the Reinsurance (E) Task Force. Refer to the Task Force listing for details.
10. Adopted the report of the Risk Retention Group (E) Task Force. Refer to the Task Force listing for details.
11. Adopted the report of the Valuation of Securities (E) Task Force, except for the action taken by the Task Force on its Securities Valuation Office (SVO) discretion proposal, which the Committee plans to consider during a future meeting. Refer to the Task Force listing for details.
12. Adopted the report of the National Treatment and Coordination (E) Working Group, which met July 24. During this meeting, the Working Group took the following action:

- A. Adopted proposal 2024-02 (Expansion Application, Form 2), proposal 2024-03 (Questionnaire, Form 8), and proposal 2024-04 (Narrative).
  - B. Exposed proposal 2024-04 for a 50-day public comment period ending Sept. 20.
13. Adopted the report of the Risk-Focused Surveillance (E) Working Group, which met July 17. During this meeting, the Working Group took the following action:
- A. Adopted its May 30 minutes. During this meeting, the Working Group took the following action:
    - i. Referred proposed *Financial Analysis Handbook* additions to the Financial Analysis Solvency Tools (E) Working Group and proposed *Financial Condition Examiners Handbook* additions to the Financial Examiners Handbook (E) Technical Group.
    - ii. Discussed a referral from the Financial Analysis (E) Working Group regarding best practices related to monitoring insurers that have been placed in run-off.
  - B. Exposed proposed regulatory guidance for run-off insurers.
  - C. Received an update on the 2024 Peer Review Program sessions.
14. Reported that the Financial Analysis (E) Working Group met Aug. 12, July 10, June 26, June 6, June 3, May 8, and May 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 in financial audits.
15. Reported that the Valuation Analysis (E) Working Group met Aug. 12, May 10, and April 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 valuation items related to specific companies.
16. Received an update from the Risk-Based Capital Investment Risk and Evaluation (E) Working Group.
17. Received an update from the Valuation of Securities (E) Task Force.
18. Exposed a draft request for proposal (RFP) for assistance with the due diligence process of rating agencies for a 60-day public comment period ending Oct. 14.
19. Received an update on a revised investment framework and related document and re-exposed the revised documents for a 60-day public comment period ending Oct. 14.
20. Heard a federal update from NAIC staff on Basel III.
21. Heard a presentation from BlackRock on commercial mortgages.

### **Accounting Practices and Procedures (E) Task Force**

Aug. 14, 2024

- 1. Adopted its Spring National Meeting minutes.
- 2. Adopted its proposed 2025 charges.
- 3. Adopted the report of the Statutory Accounting Principles (E) Working Group, which met Aug. 13. During this meeting, the Working Group took the following action:
  - A. Adopted its Spring National Meeting minutes.
  - B. Adopted its May 15 minutes. During this meeting, the Working Group took the following action:
    - i. Adopted support and sponsorship for the Schedule BA modified blanks proposal 2023-12BWG, which incorporates revisions for non-bond debt securities pursuant to the principles-based bond project effective Jan. 1, 2025. (Ref #2023-16)
    - ii. Adopted revisions to *Statement of Statutory Accounting Principles (SSAP) No. 107—Risk-Sharing Provisions of the Affordable Care Act*, which removed the transitional reinsurance program and risk corridor disclosures, as both programs have expired. In addition, the roll-forward illustration in Exhibit B was revised to remove the portion for the transitional reinsurance program and the risk corridors program. (Ref #2014-13)
    - iii. Exposed revisions to *Issue Paper No. 169: Principles-Based Bond Project*, detailing the discussions and decisions underlying the principles-based bond project. (Ref #2019-21)
  - C. Adopted the following clarifications to statutory accounting guidance:
    - i. Adopted revisions to eliminate lingering references that imply that asset-backed securities (ABS), mortgage loans, or other Schedule BA: Other Long-Term Invested Assets items are permitted to be reported as cash equivalents or short-term investments. (Ref #2024-09)

- ii. Adopted, with modification, disclosures from Accounting Standards Update (ASU) 2023-06, *Disclosure Improvements* for unused commitments and lines of credit, disaggregated by short-term and long-term, and disclosure of cash flows from derivatives. The remaining disclosures related to repurchase and reverse repurchase agreements were added to agenda item 2024-04 for further consideration as part of that project. (Ref #2023-26)
  - iii. Adopted, with modification, the leasehold improvement guidance from ASU 2023-01, *Leases (Topic 842), Common Control Arrangements*, modified to align with existing guidance and reject the practical expedient for private companies and not-for-profit entities. (Ref #2024-02)
  - iv. Adopted revisions to clarify that directly-held crypto assets are non-admitted assets and adopt the definition of crypto assets from ASU 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60), Accounting for and Disclosure of Crypto Assets*. (Ref #2024-03)
  - v. Adopted revisions that address transfers of assets when modifying intercompany pooling agreements and nullify *Interpretation (INT) 03-02: Modification to an Existing Intercompany Pooling Arrangement*. (Ref #2022-12)
  - vi. Adopted revisions that refer to SSAP No. 21R—*Other Admitted Assets* for the residual definition and accounting and reporting guidance. (Ref #2024-08)
  - vii. Adopted editorial revisions to remove the “Revised” and “R,” previously intended to identify a substantively revised SSAP, from SSAP titles and SSAP references within the *Accounting Practices and Procedures Manual (AP&P Manual)*. (Ref #2024-14EP)
  - viii. Adopted *Issue Paper No. 169, Principles-Based Bond Project*, which details the discussions and decisions underlying the principles-based bond project. (Ref #2019-21)
- D. Exposed the following statutory accounting principle (SAP) concepts and clarifications to statutory accounting guidance for a public comment period ending Sept. 27, except for agenda items 2024-10 and 2024-15, which have a public comment period ending Nov. 8, and agenda item 2024-01, which has a public comment period ending Sept. 6.
- i. Exposure clarifies the guidance for debt securities issued by funds to clarify U.S. Securities and Exchange Commission (SEC) registration is a practical safe harbor and should not be used as a proxy for other debt securities issued by funds. Debt securities issued by funds must be classified in accordance with the issuer’s primary purpose. (Ref #2024-01)
  - ii. Exposure includes clarifications to the accounting guidance for SSAP No. 93—*Low-Income Housing Tax Credit Property Investments* and SSAP No. 94R—*Transferable and Non-Transferable State Tax Credits*. (Ref #2024-18)
  - iii. Exposed the measurement method guidance, which specifies the process of transferring assets for cash between the general account and book-value separate accounts. (Ref #2024-10)
  - iv. Re-exposed revisions to SSAP No. 61R—*Life, Deposit-Type, and Accident and Health Reinsurance*, which incorporate guidance consistent with SSAP No. 62R—*Property and Casualty Reinsurance*, Exhibit A Implementation Questions and Answers, question 10. This guidance requires risk transfer to be evaluated in aggregate for contracts with interrelated contract features, such as experience rating refunds. Also exposed reference to A-791, paragraph 6, guidance for yearly renewable term contracts regarding the entirety of the contract. (Ref #2024-06)
  - v. Exposed concept agenda item to consider new guidance for interest-rate hedging derivatives that do not qualify as accounting effective hedges under SSAP No. 86—*Derivatives* but are used for asset-liability management (ALM). (Ref #2024-15)
  - vi. Exposed revisions to address debt security investments with derivative components that do not qualify as structured notes. The proposed guidance would require the separation of the derivatives from the debt security and be applicable to “credit repack” investments and any type of debt security with derivative wrappers or components. (Ref #2024-16)
  - vii. Exposed revisions to reject, with modification, ASU 2023-09, *Improvements to Income Tax Disclosures*. The exposure also proposes to remove one of the existing disclosures detailed within the ASU. (Ref #2024-11)

- viii. Exposed revisions to *SSAP No. 108—Derivatives Hedging Variable Annuity Guarantees* to update the definition of a clearly defined hedging strategy (CDHS) to reflect the revised guidance pursuant to *Valuation Manual (VM)-01*. (Ref #2024-17)
- ix. Re-exposed revisions to *Appendix A-791 Life and Health Reinsurance Agreements (A-791)* to remove the first sentence of the A-791, paragraph 2c's question and answer. (Ref #2024-05)
- x. Exposed a new part to the reinsurance Schedule S in the life/fraternal and health annual statement blanks and Schedule F in the property/casualty (P/C) and title annual statement blanks to capture information on modified coinsurance (modco) and funds withheld. (Ref #2024-07)
- xi. Exposed revisions to provide more reporting lines for collateral loans. (Ref #2023-28)
- xii. Exposed a memorandum that details an overview and discussion of securities lending and repurchase/reverse repurchase agreements. (Ref #2024-04)
- xiii. Exposed the *Current Expected Credit Losses (CECL) Issuer Paper* to document pre-CECL generally accepted accounting principles (U.S. GAAP) impairment guidance for historical purposes. (Ref #2023-24)
- xiv. Exposed the *New Market Tax Credit Project Issue Paper* detailing the discussions and decisions underlying the new market tax credit project. (Ref #2022-14)
- xv. Exposed agenda item to reject *ASU 2024-02, Codification Improvements* as not applicable to statutory accounting. (Ref #2024-19)
- xvi. Exposed the *Bond Project Question-and-Answer Implementation Guide (Q&A)*, which addresses topics in applying the principles-based bond definition. (Ref #2019-21)
- E. Directed NAIC staff to defer action on Ref #2024-12: *SSAP No. 27—Off-Balance-Sheet and Credit Risk Disclosures* to allow NAIC staff additional time to confer with interested parties.
- F. Received updates on the following:
  - i. U.S. generally accepted accounting principles (GAAP) exposures, noting that items will be addressed during the normal maintenance process.
  - ii. *Valuation Manual* adoptions and updates were received, noting that no items were identified that require coordination under the NAIC Policy Statement on Coordination with the *Valuation Manual*.
  - iii. Interest Maintenance Reserve (IMR) Ad Hoc group activities, as well as an update on the group's discussions. This update identified that companies are not consistently reflecting negative IMR in cash flow testing (CFT). Information was also shared with the Life Actuarial (A) Task Force and chief financial regulators on examples of the correct, incorrect, and potential misreporting that have been noted to assist with the review of domiciliary companies.
  - iv. Bond Project Implementation. This update informed that an NAIC self-study educational program is available to all participants without a course fee for 2024.
  - v. International Association of Insurance Supervisors (IAIS) Audit and Accounting Working Group activities, including notice of the exposed application paper on climate risk.
- 4. Adopted the report of the Blanks (E) Working Group, which met Aug. 7, 2024. During this meeting, the Working Group took the following action:
  - A. Adopted its May 23 minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its Feb. 21 minutes.
    - ii. Adopted its editorial listing and the following proposals:
      - a. 2023-12BWG Modified – Categorize debt securities on Schedule BA that do not qualify as bonds under *SSAP No. 26R—Bonds* or *SSAP No. 43R—Loan-Backed and Structured Securities* and are captured in the scope of *SSAP No. 21R*.
      - b. 2024-01BWG – Update the Investment Schedules General Instructions to identify that common and preferred stock residual interests should be reported on Schedule BA. (Statutory Accounting Principles [E] Working Group agenda item #2023-23).
      - c. 2024-02BWG Modified – Remove categories from Schedule DA, Part 1, and Schedule E, Part 2, that should be reported on Schedule BA. Add clarifying instructions on what should be included in other short-term and other cash equivalent categories.

- d. 2024-03BWG Modified – Update General Interrogatory 35 for private letter rating security reporting to clarify what should be included.
- e. 2024-04BWG – Add clarifying language to the VM-20, Requirements for Principle-Based Reserves for Life Products, supplement in the life blank to include separate accounts where applicable.
- f. 2024-05BWG – Add language to Annual General Interrogatory 29.05 (Quarterly General Interrogatory 17.5) to clarify that all investment advisors that have the discretion to make investment decisions, including sub-advisors, should be disclosed through the interrogatory.
- g. 2024-06BWG – P/C changes: Limit the requirement to send qualification documentation to the board of directors only at the initial appointment and not annually thereafter. Title changes: Update the title instructions so they are more similar to the P/C instructions.
- h. 2024-07BWG – Update the illustration under Note 5S(A)—Investments for net negative (disallowed) IMR to add a separate account breakout. Add a new general interrogatory for a company attestation for separate accounts.
- i. 2024-08BWG – Update the IMR and asset valuation reserve AVR instructions for specific allocation guidance for NAIC designation changes for debt securities (excluding loan-backed and structured securities [LBSS]), mortgage loans, and perpetual preferred stocks. (Statutory Accounting Principles [E] Working Group agenda items #2023-15 and #2023-29)
- j. 2024-09BWG Modified – Add a note (5T) to the Notes to Financials to be data captured to report the aggregate collateral loans by qualifying investment collateral.
- k. 2024-10BWG Modified – Remove the SSAP No. 107 disclosure on the transitional reinsurance program and the risk corridors program from Note 24E in the Notes to Financials (Note 24F for P/C) in the *Annual Statement Instructions*.
- iii. Deferred proposal 2024-11BWG – Update the Annual and Quarterly Instructions and Blanks for the New Market Tax Credit changes. Changes that will be made to the Annual include Assets; Notes to Financial Statements 5K, 14A, and 21E; AVR; Schedule BA, Parts 1 and 3; and Verification Between Years. Quarterly changes include Assets; Schedule BA, Part 3; and Verification Between Years. The public comment period ended July 8.
- iv. Exposed one proposal for a public comment period that ended July 8.
- B. Adopted its editorial listing and the following proposals:
  - i. A. 2024-11BWG Modified – Update the Annual and Quarterly Instructions and Blanks for the New Market Tax Credit changes. Changes that will be made to the Annual include Assets; Notes to Financial Statements 5K, 14A, and 21E; AVR; Schedule BA, Parts 1 and 3; and Verification Between Years. Quarterly changes include Assets; Schedule BA, Part 3; and Verification Between Years.
  - ii. B. 2024-12BWG Modified – Update the quarterly investment schedules for editorial items to the bond project. (Schedule D Verification; Schedule D, Part 1B; Schedule D, Parts 3 and 4; Schedule DL, Parts 1 and 2; and Schedule E, Parts 1 and 2) Update the Quarterly Investment Schedule General Instructions for the changes that were adopted in the Annual Investment Schedule General Instructions. (Reference: adopted proposal 2023-06BWG).
- C. Received a Statutory Accounting Principles (E) Working Group memorandum regarding instructional changes to the AVR to allow collateral loans backed by mortgage loans to flow through AVR as an “Other Invested Asset with Underlying Characteristics of Mortgage Loans.”

### **Capital Adequacy (E) Task Force**

Aug. 14, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted its June 28 and April 30 minutes. During these meetings, the Task Force took the following action:
  - A. Adopted proposal 2024-09-CA (Underwriting Risk Investment Risk Factors). The Task Force previously exposed the proposal for a 30-day public comment period ending May 30.
  - B. Adopted proposal 2024-13-CA (Receivable for Securities Factors). The Task Force previously exposed the proposal for a 30-day public comment period ending May 30.

- C. Adopted proposal 2024-15-L (Collateral Loans).
  - D. Adopted proposal 2024-17-L (BA Mortgages Omitted AVR Line).
  - E. Adopted proposal 2024-12-H (Modified Health Care Receivable Factors).
  - F. Adopted proposal 2024-14-P (PC Underwriting Line 1 Factors).
  - G. Adopted the June 28 summary report of the Risk-Based Capital Investment Risk and Evaluation (E) Working Group.
  - H. Adopted proposal 2024-18-CA (Residual Factor for PC & Health).
  - I. Adopted proposal 2024-04-L (TAC for Non-Admitted Affiliate).
  - J. Adopted proposal 2024-05-L (BA Mortgages Omitted AVR Line).
  - K. Adopted proposal 2024-08-CA (Column 12 Affiliated Investment).
  - L. Adopted proposal 2024-10-P (PR019 Other Health Line).
  - M. Adopted proposal 2024-11-P (2024 and 2025 Underwriting Risk Lines 4 and 8 Factors).
  - N. Adopted proposal 2023-17-CR (Climate Scenario Analysis). However, the Financial Condition (E) Committee adopted proposal 2024-20-CR to replace the 2023-17-CR during its Aug. 2 meeting.
  - O. Received an update from the Statutory Accounting Principles (E) Working Group on the potential revisions to Schedule BA collateral loans disclosures and reporting lines.
  - P. Discussed proposal 2024-16-CA (Revised Preamble). The Task Force previously exposed the proposal for a 30-day public comment period ending May 30.
  - Q. Discussed proposal 2024-02-CA (Residual Structure PC & Health).
  - R. Discussed the possibility of establishing a new working group to evaluate the non-investment risk issues.
  - S. Discussed a referral from the Statutory Accounting Principles (E) Working Group regarding the investment in tax credit structures.
  - T. Forwarded a referral regarding the issue of asset concentration to the Risk-Based Capital Investment Risk and Evaluation (E) Working Group.
  - U. Referred issues regarding geographic concentration to the Catastrophe Risk (E) Subgroup.
  - V. Exposed a referral from the Statutory Accounting Principles (E) Working Group regarding the investment in tax credit structures for a 30-day public comment period that ended May 30.
  - W. Discussed the possibility of establishing a new subgroup to evaluate non-investment risk issues.
3. Adopted the report of the Health Risk-Based Capital (E) Working Group, which met July 25. During this meeting, the Working Group took the following action:
- A. Adopted its June 24, June 6, and April 16 minutes. During these meetings, the Working Group took the following action:
    - i. Adopted its Feb. 22 minutes. During this meeting, the Working Group took the following action:
      - a. Exposed proposal 2024-09-CA for a 32-day public comment period ending March 25.
      - b. Discussed comments received from UnitedHealth Group (UHG) on the American Academy of Actuaries' (Academy's) health care receivables presentation.
      - c. Discussed pandemic risk and agreed to send a referral to the Financial Analysis Solvency Tools (E) Working Group and the Financial Examiners Handbook (E) Technical Group.
      - d. Adopted its 2024 working agenda.
      - e. Heard an update from the Academy on the H2 – Underwriting Risk review project.
    - ii. Referred proposal 2024-09-CA to the Capital Adequacy (E) Task Force.
    - iii. Heard an update from the American Academy of Actuaries (Academy) on the health care receivables and H2 – Underwriting Risk review projects.
    - iv. Exposed a referral letter on pandemic risk to the Financial Analysis Solvency Tools (E) Working Group and Financial Examiners Handbook (E) Technical Group for a 30-day public comment period that ended May 16.
    - v. Discussed the excessive growth charge.
    - vi. Adopted proposal 2024-12-H (MOD). The Working Group previously re-exposed the proposal for a 14-day public comment period ending June 20. It first exposed the proposal for a 30-day public comment period that ended May 16.



- B. Adopted the 2024 health risk-based capital (RBC) newsletter.
  - C. Adopted the 2023 health RBC statistics.
  - D. Received an update from the Academy on the H2 – Underwriting Risk review project.
  - E. Forwarded a referral letter on pandemic risk to the Risk-Focused Surveillance (E) Working Group.
  - F. Adopted its working agenda.
4. Adopted the report of the Life Risk-Based Capital (E) Working Group, which met Aug. 14. During this meeting, the Working Group took the following action:
- A. Adopted its Spring National Meeting minutes.
  - B. Adopted its June 18 and April 19 minutes. During these meetings, the Working Group took the following action:
    - i. Adopted proposal 2024-15-L.
    - ii. Adopted proposal 2024-17-L.
    - iii. Adopted proposal 2024-04-L.
    - iv. Adopted proposal 2024-05-L.
    - v. Discussed covariance.
    - vi. Discussed C-3 risk.
    - vii. Discussed the American Council of Life Insurers’ (ACLI’s) repurchase agreement proposal.
    - viii. Discussed the other long-term assets proposal.
    - ix. Exposed the ACLI’s collateral loan proposal for instructional and line reference changes for a 30-day public comment period.
  - C. Received updates from its subgroups:
    - i. Generator of Economic Scenarios (GOES) (E/A) Subgroup.
    - ii. Longevity Risk (E/A) Subgroup.
    - iii. Variable Annuities Capital and Reserve (E/A) Subgroup.
  - D. Adopted the 2024 life RBC newsletter.
  - E. Adopted the 2023 life RBC statistics.
  - F. Discussed a referral from the Statutory Accounting Principles (E) Working Group on investments in tax credit structures.
  - G. Discussed the Schedule BA proposal for non-bond debt securities.
  - H. Adopted its working agenda.
5. Adopted the report of the Risk-Based Capital Investment Risk and Evaluation (E) Working Group, which met Aug. 14. During this meeting, the Working Group took the following action:
- A. Adopted its Spring National Meeting minutes.
  - B. Adopted its June 21, May 22, and April 12 minutes. During these meetings, the Working Group took the following action:
    - i. Discussed a review of year-end 2023 data reported for residual tranches.
    - ii. Heard a presentation from the NAIC’s Structured Securities Group (SSG).
    - iii. Discussed comment letters received on Oliver Wyman’s residual tranche risk analysis.
    - iii. Discussed comment letters received on a memorandum requesting additional feedback from industry stakeholders to substantiate their request for an additional one-year delay in implementing the 45% RBC factor for residual tranches.
    - iv. Discussed comment letters received on proposal 2024-19-I and other potential alternative proposals.
    - v. Discussed the ACLI’s survey data on residual ownerships by life insurers.
    - vi. Voted to retain the original adoption of the 45% charge to be applied to all residuals.
  - C. Received updates from the Valuation of Securities (E) Task Force and the Statutory Accounting Principles (E) Working Group.
  - D. Heard an update from the Academy on a structured securities RBC project.
  - E. Discussed referrals related to funds and discussed moving forward in considering RBC formula and instruction changes to reflect Securities Valuation Office (SVO)-assigned designations in U.S. Securities and Exchange Commission (SEC)-registered funds, as well as to review and consider convergence with

- exposure aggregations for funds consistently with the Supplemental Investment Risk Interrogatory (SIRI).
- F. Adopted its 2024 working agenda
  6. Adopted the report of the Property and Casualty Risk-Based Capital (E) Working Group and Catastrophe Risk (E) Subgroup, which met in joint session Aug. 14. During this meeting, the Working Group and Subgroup took the following action:
    - A. Adopted their Spring National Meeting minutes.
    - B. Adopted the Working Group’s June 17 and April 25 minutes. During these meetings, the Working Group took the following action:
      - i. Adopted proposal 2023-14-P (Underwriting Risk Line 1 Factors). The Working Group and Subgroup previously exposed the proposal for a 30-day public comment period that ended May 25.
      - ii. Adopted proposal 2023-17-CR (Climate Scenario Analysis). The Working Group and Subgroup previously re-exposed the proposal for a 22-day public comment period that ended April 8. However, the Financial Condition (E) Committee adopted proposal 2024-20-CR to replace the 2023-17-CR during its Aug. 2 meeting.
      - iii. Adopted proposal 2024-10-P (Other Health Line). The Working Group and Subgroup previously exposed the proposal for a 30-day public comment period that ended April 16.
      - iv. Adopted proposal 2024-11-P (Underwriting Risk Lines 4 & 8 Factors). The Working Group and Subgroup previously exposed the proposal for a 30-day public comment period that ended April 16.
      - v. Discussed potential modifications in the RBC statistics.
      - vi. Discussed the study of flood risk in the Catastrophe Risk (E) Subgroup.
      - vii. Heard updates from the Academy on its current underwriting risk projects.
    - C. Adopted the Catastrophe Risk (E) Subgroup’s June 10 and April 23 minutes. During these meetings, the Subgroup took the following action:
      - i. Adopted proposal 2023-17-CR (Climate Scenario Analysis). The Subgroup previously exposed the proposal for a 22-day public comment period that ended April 8.
      - ii. Exposed a referral from the Capital Adequacy (E) Task Force regarding the geographic concentration issue.
      - iii. Discussed the wildfire peril impact analysis.
      - iv. Discussed CoreLogic’s wildfire model review.
      - v. Discussed the possibility of adding flood peril to the Rcat component.
      - vi. Heard an update on the severe convective storm peril.
    - D. Adopted the 2024 property/casualty (P/C) RBC newsletter.
    - E. Discussed 2023 P/C RBC statistics.
    - F. Discussed changes to the Working Group’s 2024 working agenda.
    - G. Discussed the geographic concentration issue.
    - H. Heard updates on the severe convective storm peril.
    - I. Discussed the wildfire peril impact analysis.
    - J. Discussed the CoreLogic wildfire model review.
    - K. Discussed the possibility of adding flood peril to the Rcat component.
    - L. Discussed how to handle flood peril with the Florida Commission on Hurricane Loss Projection Methodology (FCHLPM).
    - M. Heard an update from the Academy on current and future research topics.
  7. Adopted its working agenda with a few edits to the Risk-Based Capital Investment Risk and Evaluation (E) Working Group section.
  8. Exposed its revised procedures document for a 30-day public comment period ending Sept. 13.
  9. Exposed its 2025 proposed charges for a 30-day public comment period ending Sept. 13.
  10. Exposed a memorandum to the Financial Condition (E) Committee regarding the request for a new working group for a 30-day public comment period ending Sept. 13.

## **Examination Oversight (E) Task Force**

July 24, 2024 (in lieu of the Summer National Meeting)

1. Adopted its 2023 Fall National Meeting minutes.
2. Adopted the report of the Electronic Workpaper (E) Working Group, which has not met in open session this year. However, it conducted a series of monthly virtual sessions through April to provide ongoing updates on the TeamMate+ transition and answer questions as states worked through the implementation.
3. Adopted the report of the Financial Analysis Solvency Tools (E) Working Group, which met July 16. During this meeting, the Working Group took the following action:
  - A. Adopted revisions to the *Financial Analysis Handbook* (Handbook) regarding affiliated investment management services and agreements as referred by the Risk-Focused Surveillance (E) Working Group.
  - B. Exposed revisions to the Handbook regarding complex ownership structure, the property/casualty (P/C) catastrophe reinsurance program, and Own Risk and Solvency Assessment (ORSA) guidance related to the Form F-Enterprise Risk Report for a 30-day public comment period that ended Aug. 15.
  - C. Exposed draft revisions to the Handbook's chapter on credit risk assessment for a 45-day public comment period that ended Aug. 30.
  - D. Received a referral from the Risk-Focused Surveillance (E) Working Group regarding revisions to the Handbook's guidance on surplus notes and capital maintenance agreements.
  - E. Exposed draft guidance to the Handbook regarding the potential impact of pricing and underwriting risks on health insurers, based on a referral from the Financial Analysis (E) Working Group, for a 30-day public comment period that ended Aug. 15.
4. Adopted the report of the Financial Examiners Coordination (E) Working Group, which met March 13 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss reports on group coordination.
5. Adopted the report of the Information Technology (IT) Examination (E) Working Group, which met May 9. During this meeting, the Working Group took the following action:
  - A. Discussed activities in response to the March 7, 2023, referral from the Cybersecurity (H) Working Group asking it to consider making cybersecurity a higher priority in the examination process.
  - B. Heard an update on the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) 2.0.
  - C. Discussed its drafting group's goals for 2024.

## **Financial Stability (E) Task Force**

Aug. 13, 2024

1. Adopted its Spring National Meeting minutes.
2. Received an update on Financial Stability Oversight Council (FSOC) developments.
3. Received an update from the Macroprudential (E) Working Group.
4. Received an update from the Valuation Analysis (E) Working Group.
5. Heard an international update, which included an update on the International Association of Insurance Supervisors (IAIS) Global Monitoring Exercise (GME). The GME includes the individual insurers monitoring exercise and the sector-wide monitoring exercise. Updates for other IAIS key initiatives were discussed, including cross-border reinsurance, level 3 assets, and climate risk.

## **Receivership and Insolvency (E) Task Force**

Aug. 14, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted the 2025 proposed charges for the Task Force and its Working Groups. The proposed charges do not contain any substantive changes.
3. Adopted the report of the Receivership Financial Analysis (E) Working Group, which met Aug. 14 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy

Statement on Open Meetings, to discuss companies in receivership and related topics.

4. Adopted the report of the Receivership Law (E) Working Group, which met July 24. During this meeting, the Working Group took the following action:
  - A. Heard an update on states' adoption of exemptions to stays and injunctions for Federal Home Loan Banks (FHLB) agreements in states' receivership laws. To date, 29 states have adopted exemptions.
  - B. Heard a presentation on the results of litigation regarding the continuation of coverage and over-the-cap claims in the liquidation of Penn Treaty Network America Insurance Company. State insurance regulators are encouraged to review and consider amending their receivership laws, if necessary, to include Section 501, Section 502, and Section 801 of the *Insurer Receivership Model Act* (#555) to avoid similar legal issues in future insolvencies.
5. Heard an update on international resolution activities. The International Association of Insurance Supervisors (IAIS) Resolution Working Group is reviewing comments received on the public consultation of the revisions to Insurance Core Principle (ICP) 12 (Exit from the Market and Resolution) and ICP 16 (Enterprise Risk Management for Solvency Purposes) related to recovery and resolution. After receiving feedback from the IAIS Supervisory Material Review Task Force, the Resolution Working Group is expected to meet Sept. 11–12 in Basel, Switzerland, to review the draft response and prepare a report for its parent committee, the IAIS Policy Development Committee.
6. Heard an update on upcoming events of the International Association of Insurance Receivers (IAIR), which has scheduled a series of virtual events in September and October that are open for registration.
7. Heard an update from the National Conference of Insurance Guaranty Funds (NCIGF) on the proposed federal American Privacy Rights Act (APRA).
8. Heard an update on the U.S. Court of Appeals for the Federal Circuit (DC Circuit) decision on Nevada Health CO-OP, an insurer in liquidation in Nevada.

### **Reinsurance (E) Task Force**

July 22, 2024 (*in lieu of the Summer National Meeting*)

1. Adopted its Spring National Meeting minutes.
2. Adopted its 2025 proposed charges, which included minor revisions from 2024 to reflect the current duties of the Task Force and the Reinsurance Financial Analysis (E) Working Group.
3. Adopted the report of the Reinsurance Financial Analysis (E) Working Group, which met June 27, May 13, and March 28 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings. During these meetings, the Working Group completed the reviews of certified reinsurers and reciprocal jurisdiction reinsurers.
4. Received a status report on the reinsurance activities of the Mutual Recognition of Jurisdictions (E) Working Group, which last met Nov. 1, 2023, in regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings. During this meeting, the Working Group reapproved the status of Bermuda, France, Germany, Ireland, Japan, Switzerland, and the United Kingdom (UK) as qualified jurisdictions and Bermuda, Japan, and Switzerland as reciprocal jurisdictions.
5. Discussed ongoing projects at the NAIC that affect reinsurance.

### **Risk Retention Group (E) Task Force**

July 24, 2024 (*in lieu of the Summer National Meeting*)

1. Discussed a referral to the National Treatment and Coordination (E) Working Group to consider the integration of the Uniform Risk Retention Group Registration Form into the electronic Uniform Certificate of Authority Application (UCAA) system.
2. Adopted its 2025 proposed charges, which include edits to: 1) clarify the need for the Task Force to monitor other NAIC workstreams to ensure that risk retention groups (RRGs) remain in compliance with filing requirements; and 2) enhance the language regarding the potential need to provide guidance to domiciliary and non-domiciliary states regarding RRGs.

3. Discussed updates on the *Privacy of Consumer Financial and Health Information Regulation* (#672) and its impact on RRGs.
4. Received updates on referrals.

### **Valuation of Securities (E) Task Force**

Aug. 13, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted its June 18 and May 2 minutes. During these meetings, the Task Force took the following action:
  - A. Adopted an amendment to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) to permit NAIC designations for short-term, asset-backed securities (ABS). The Task Force previously exposed the amendment for a 30-day public comment period ending June 2.
  - B. Adopted a P&P Manual amendment to add Spain to the list of jurisdictions eligible for counterparty close-out netting. The Task Force previously exposed the amendment for a 30-day public comment period that ended June 2.
  - C. Adopted a P&P Manual amendment to change the effective date for the implementation of collateralized loan obligation (CLO) modeling to Dec. 31, 2025. The Task Force previously exposed the amendment for a 30-day public comment period that ended June 2.
  - D. Adopted a P&P Manual amendment to clarify permitting insurers to self-assign an NAIC designation 6\*. The Task Force previously exposed the amendment for a 30-day public comment period that ended June 2.
  - E. Adopted a P&P Manual amendment to make current the list of Securities of Valuation Office (SVO) processes. The Task Force previously exposed the amendment for a 30-day public comment period that ended June 2.
  - F. Adopted a P&P Manual amendment to update U.S. government agency and other U.S. government obligation abbreviations.
  - G. Adopted a P&P Manual amendment to update references in the Statement of Statutory Accounting Principle (SSAPs) that address guidance for subsidiary, controlled, and affiliated (SCA), related party bond, or preferred stock investments.
  - H. Exposed a revised P&P Manual amendment to update the definition of an NAIC designation for a 28-day public comment period that ended July 18.
  - I. Exposed a revised P&P Manual amendment authorizing the procedures for the SVO's discretion over NAIC designations assigned through the filing exempt (FE) process.
  - J. Received an update on the proposed CLO modeling methodology and CLO Ad Hoc Group.
3. Adopted its 2025 proposed charges.
4. Adopted a revised proposed amendment to the P&P Manual to update the definition of an NAIC designation. The Task Force previously exposed the amendment for a 28-day public comment period that ended July 18.
5. Adopted a revised proposed amendment to the P&P Manual authorizing the procedures for the NAIC's discretion over NAIC designations assigned through the FE process. The Task Force previously exposed the amendment for a 38-day public comment period that ended July 26.
6. Exposed a proposed amendment to the P&P Manual to require annual reviews of regulatory transactions for a 30-day public comment period ending Sept. 13.
7. Exposed a proposed P&P Manual amendment to update the list of NAIC credit rating providers (CRPs) for a 30-day public comment period ending Sept. 13.
8. Received a report on the projects of the Statutory Accounting Principles (E) Working Group.
9. Received a report from the SVO on filing investments moving to Schedule BA in 2025 due to changes to *Statement of Statutory Accounting Principles (SSAP) No. 26—Bonds* and *SSAP No. 43R—Loan-Backed and Structured Securities*.
10. Received a staff report on the proposed CLO modeling methodology and the CLO Ad Hoc Working Group.

## **FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE**

Aug. 13, 2024

1. Reported that it met Aug. 12 in regulator-to-regulator session, pursuant to paragraph 7 (consideration of individual state insurance department's compliance with NAIC financial regulation standards) of the NAIC Policy Statement on Open Meetings, to: 1) discuss state-specific accreditation issues; and 2) vote to award continued accreditation to the insurance departments of Florida, Georgia, Montana, Pennsylvania, and Utah.
2. Adopted its Spring National Meeting minutes.
3. Adopted a clarification that the significant elements of the holding company accreditation standard, which have an effective date of Jan. 1, 2026, apply differently for risk retention groups (RRGs). Specifically, RRGs are not subject to the liquidity stress test (LST) element.
4. Adopted a recommendation from the Receivership and Insolvency (E) Task Force that the 2023 revisions to the *Property and Casualty Insurance Guaranty Association Model Act* (#540) be acceptable for accreditation but not required. The revisions update provisions to: 1) preserve guaranty fund coverage for policyholders subject to restructuring mechanisms; and 2) clarify guaranty fund coverage of cybersecurity insurance.

## **INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE**

Aug. 13, 2024

1. Adopted its Spring National Meeting minutes.
2. Adopted its June 11 minutes. During this meeting, the Committee took the following action:
  - A. Approved NAIC comments on the following International Association of Insurance Supervisors (IAIS) public consultations: 1) draft revisions to supervisory material related to the Holistic Framework; 2) proposed changes to reflect climate risk in selected Insurance Core Principle (ICP) guidance and supporting material; and 3) a draft application paper on supervising diversity, equity, and inclusion (DE&I)—the governance, risk management, and culture perspective.
2. Heard an update on international activities related to resolution and recovery, which included remarks from the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA).
3. Heard an update on the IAIS' recent activities, including its recent committee meetings and publications, as well as the status of the comparability assessment of the insurance capital standard and the aggregation method.
4. Heard an update on international activities, including: 1) recent meetings, events, and speaking engagements with international insurance regulators; 2) bilateral meetings with certain jurisdictions; and 3) ongoing developments at the Organisation for Economic Co-operation and Development (OECD) and the Sustainable Insurance Forum (SIF).

## **INNOVATION, CYBERSECURITY, AND TECHNOLOGY (H) COMMITTEE**

Aug. 15, 2024

1. Adopted its June 28 minutes. During this meeting, the Committee took the following action:
  - A. Adopted its Spring National Meeting minutes.
  - B. Received an update on the work of the Artificial Intelligence (AI) Evaluation and Training Collaboration Forum, Third-Party Data and Models (H) Task Force, Big Data and Artificial Intelligence (H) Working Group, and Privacy Protections (H) Working Group.
  - C. Heard presentations from consumer representatives on consumer protection proposals and privacy protections.
2. Adopted the report of the Third-Party Data and Models (H) Task Force. Refer to the Task Force report for details.
3. Adopted the report of the Big Data and Artificial Intelligence (H) Working Group, which met July 29. During this meeting, the Working Group took the following action:
  - A. Adopted its Spring National Meeting minutes.
  - B. Received an update on its health insurance artificial intelligence (AI)/machine learning (ML) survey work.

- C. Heard a presentation on the Society of Actuaries' (SOA's) research on inference methods.
- 4. Adopted the report of the Cybersecurity (H) Working Group, which met Aug. 14. During this meeting, the Working Group took the following action:
  - A. Adopted its July 9 minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its Spring National Meeting minutes.
    - ii. Adopted its May 20 and March 27 minutes. During these meetings, the Working Group took the following action:
      - a. Received an update on the Cybersecurity Event Response Plan (CERP).
      - b. Heard a presentation from CyberCube on cyber risk.
      - c. Heard an update on the White House Office of the National Cyber Director (ONCD) activities related to cybersecurity and cyber insurance.
    - iii. Heard a presentation from the Federal Bureau of Investigation (FBI) and 10-8 LLC on their approach to cybersecurity incidents.
  - B. Heard a panel discussion on the state of the cyber insurance market. The discussion covered underwriting innovations, risk mitigation, coverages, and regulatory support. The panelists provided insights on the dynamic nature of cyber and how it differs from typical insurance products.
- 5. Adopted the report of the E-Commerce (H) Working Group, which met July 18. During this meeting, the Working Group took the following action:
  - A. Adopted its April 4 minutes. During this meeting, the Working Group took the following action:
    - i. Discussed its 2024 work plan.
    - ii. Adopted the *E-Commerce Modernization Guide*.
    - iii. Discussed its next steps.
  - B. Heard a presentation from Canopy Connect on open insurance.
- 6. Adopted the report of the Privacy Protections (H) Working Group, which met Aug. 14. During this meeting, the Working Group took the following action:
  - A. Adopted its July 10 minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its June 12 minutes. During this meeting, the Working Group took the following action:
      - a. Adopted its May 15 minutes. During this meeting, the Working Group took the following action:
        - 1. Adopted its 2023 Fall National Meeting minutes.
        - 2. Heard a presentation from Husch Blackwell on federal and state privacy legislative efforts.
      - b. Discussed comments received from interested parties on the Working Group's path forward.
    - ii. Adopted a plan to move forward with the existing *Privacy of Consumer Financial and Health Information Regulation* (#672).
    - iii. Heard an update on federal privacy legislation.
    - iv. Discussed an approach for revising Model #672.
  - B. Heard an update on federal privacy legislation.
  - C. Heard a presentation from Consumers' Checkbook on legacy systems and the protection of consumers' privacy. This presentation highlighted the vulnerability and substantial risk of privacy attacks in certain areas.
  - D. Discussed its next steps, which include: 1) public exposure of the Working Group chair draft of revisions to Model #672 for a 30-day public comment period; and 2) distribution of the guidelines required for volunteers who want to be on the drafting group, with an invitation to those who want to volunteer from industry, consumer representatives, and regulators.
- 7. Adopted the report of the Technology, Innovation, and InsurTech (H) Working Group, which met Aug. 13. During this meeting, the Working Group took the following action:
  - A. Adopted its Aug. 29, 2023, minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its April 27, 2023, minutes. During this meeting, the Working Group took the following action:
      - a. Discussed its 2023 work plan.
      - b. Discussed the development of a SupTech forum.

- c. Discussed the development of an InsurTech forum.
- d. Heard a presentation on ChatGPT and its uses in the insurance industry.
- ii. Heard updates from the Global Insurance Accelerator (GIA) and InsurTech NY.
- B. Heard a presentation from McKinsey & Company on InsurTech trends and developments. The presentation provided insights on: 1) the state of the U.S. insurance markets, including the challenges in the marketplace; 2) the challenges that the InsurTech community may be able to assist with; and 3) how InsurTechs may be able to assist with product innovation, customer experiences, and streamlining manual process in the insurance value chain.
- C. Heard a presentation from Clearcover, Lemonade, and NEXT Insurance, which are all part of the InsurTech Coalition. The InsurTech Coalition supports public policy that enables innovation, including fostering an environment in which innovation can thrive responsibly.
- D. Heard an update on Insurtech on the Silicon Prairie (ISP), which takes place Oct. 28–29 in Omaha, NE.
- 8. Heard a presentation from Locke Lord on federal regulatory actions related to the use of AI.
- 9. Heard a presentation from the SOA on the National Institute of Standard and Technology (NIST) AI Safety Institute Consortium (ASIC) efforts to develop a framework for governing AI.
- 10. Heard a presentation on International Actuarial Association (IAA) efforts to survey global AI governance frameworks.

### **Third-Party Data and Models (H) Task Force**

#### Aug. 13, 2024

- 1. Adopted its Spring National Meeting minutes.
- 2. Adopted its July 30, July 19, and July 10 minutes. During these meetings, the Task Force took the following action:
  - A. Adopted its 2024–2025 work plan.
  - B. Heard presentations on the following U.S. risk-based regulatory approaches: 1) the risk-focused surveillance approach; 2) the NAIC/state-specific market conduct approach; and 3) Colorado’s “Trust but Verify” approach.
- 3. Heard the following presentations on regulatory decision-making and the use of experts:
  - A. Financial: multistate exams, group exams, and audits.
  - B. Financial: property/casualty (P/C) risk-based capital (RBC) catastrophe (CAT) approvals.
  - C. Financial: life and P/C Statements of Actuarial Opinion (SAOs).
  - D. Market conduct: advisory organizations and multistate exams.

### **NAIC/CONSUMER LIAISON COMMITTEE**

#### Aug. 12, 2024

- 1. Observed a minute of silence to honor the memory of Karrol Kitt, a long-time NAIC consumer representative.
- 2. Adopted its Spring National Meeting minutes.
- 3. Received a report on the activities of the NAIC/Consumer Participation Board of Trustees. The Liaison Committee heard feedback from testers on the automated consumer representative application; discussed additional comments from consumer representatives; adopted new revisions to its plan of operation for the Consumer Participation Program; and discussed two requests for NAIC action on: 1) readability for all NAIC models and committees; and 2) state legislative surveys and enforcement tracking of prior authorizations.
- 4. Heard a presentation from the National Alliance on Mental Illness (NAMI), the Legal Action Center (LAC), and an individual consumer advocate on insurance obstacles to mental health and substance use disorder care. This is important due to the alarming rise in mental illness and substance abuse in the U.S., as access to affordable care with in-network clinicians is difficult to obtain.
- 5. Heard a presentation from the Center for Budget and Policy Priorities (CBPP) and Georgians for a Healthy Future (GHF) on the impact of the enhanced premium tax credit (PTC) on uninsurance, premiums, and state innovation. The expiration of the enhanced PTCs brings a host of new health concerns to those who rely on PTCs to maintain access to needed health care.



6. Heard a presentation from the National Health Law Program (NHLP) and the Colorado Consumer Health Initiative (CCHI) on important changes to the essential health benefits (EHBs) in the U.S. Department of Health and Human Services (HHS) Notice of Benefit and Payment Parameters for 2025. This is important to states, as the final rule clarifies that the 10 EHBs listed are minimum requirements that states can add to and build upon with benefits such as oral and dental care, which are tied to physical and mental health.
7. Heard a presentation from the Life Insurance Consumer Advocacy Center (LICAC) about the misuse of indexed life and annuity policy illustrations. It is important for consumers and states to realize that illustrations currently are not required to indicate zero or negative impacts of interest and investments on disclosures to consumers during the purchase process.
8. Heard a presentation from the University of Georgia on readability standards in state insurance laws. Included was a consumer representative request for NAIC action to incorporate readability standards into existing models and those in development going forward.
9. Heard a presentation from the California Western School of Law on whether plaintiff’s attorneys are the cause of rising premiums. With skewed data from the industry, it is evident that there is misbehavior at the claims level even if the number of cases or the amount of the settlements are virtually unchanged over time.
10. Heard a presentation from United Policyholders (UP) and the Coalition Against Insurance Fraud (CAIF) on combatting post-disaster fraud but preserving coverage. Highlighted was the fact that consumers are often harmed several times—by the disaster, by the insurer, and by the fraudster turning the consumer into a fraudster with misleading advice on claims filing.
11. Heard a presentation from Ceres on the progress and challenges in U.S. insurance sector disclosures in navigating climate risks. International Task Force on Climate-Related Financial Disclosures (TCFD) reporting by the NAIC indicated four core principle pillars with 11 recommendations regarding financial risk disclosures, which shows that the insurance industry needs to be proactive—not reactive.

#### **NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE**

Aug. 14, 2024

1. Adopted its Spring National Meeting minutes.
2. Heard a presentation from Leavitt Partners on the American Indian Medical Education Strategies (AIMES) Alliance, which aims to address physician shortages in tribal communities. The organization is singularly focused on advancing and advocating for federal policies that bring graduate medical education (GME) partnerships to more urban and rural tribal medical facilities.
3. Heard state updates on native community outreach in Alaska, Arizona, Oklahoma, and Washington.







**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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