

The logo for the National Association of Insurance Commissioners (NAIIC) is displayed in orange. It consists of the letters "NAIIC" in a bold, sans-serif font, followed by a stylized "C" symbol composed of three overlapping curved lines.

**NATIONAL
MEETING**

SUMMER 2022

A large, abstract graphic consisting of two overlapping circles. The outer circle is a bright yellow, and the inner circle is a darker orange. The circles overlap on the left side, creating a gradient effect. The word "SYNOPSIS" is centered within the orange circle in white, bold, uppercase letters.

SYNOPSIS

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

The NAIC is the authoritative source for insurance industry information. Our expert solutions support the efforts of regulators, insurers and researchers by providing detailed and comprehensive insurance information. The NAIC offers a wide range of publications in the following categories:

Accounting & Reporting

Information about statutory accounting principles and the procedures necessary for filing financial annual statements and conducting risk-based capital calculations.

Consumer Information

Important answers to common questions about auto, home, health and life insurance — as well as buyer's guides on annuities, long-term care insurance and Medicare supplement plans.

Financial Regulation

Useful handbooks, compliance guides and reports on financial analysis, company licensing, state audit requirements and receiverships.

Legal

Comprehensive collection of NAIC model laws, regulations and guidelines; state laws on insurance topics; and other regulatory guidance on antifraud and consumer privacy.

Market Regulation

Regulatory and industry guidance on market-related issues, including antifraud, product filing requirements, producer licensing and market analysis.

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NAIC member directories, in-depth reporting of state regulatory activities and official historical records of NAIC national meetings and other activities.

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Valuable and in-demand insurance industry-wide statistical data for various lines of business, including auto, home, health and life insurance.

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Guidance manuals, handbooks, surveys and research on a wide variety of issues.

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Information regarding portfolio values and procedures for complying with NAIC reporting requirements.

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Relevant studies, guidance and NAIC policy positions on a variety of insurance topics.

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**Synopsis of the NAIC Committee, Subcommittee, and Task Force Meetings
2022 Summer National Meeting
August 9–13, 2022**

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 2022 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. 13, 2022

1. Received the Aug. 11 report of the Executive (EX) Committee. See the Committee listing for details.
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. See the Committee listing for details.
4. Received the report of the Health Insurance and Managed Care (B) Committee. See the Committee listing for details.
5. Received the report of the Property and Casualty Insurance (C) Committee. See the Committee listing for details.
6. Received the report of the Market Regulation and Consumer Affairs (D) Committee. See the Committee listing for details.
7. Received the report of the Financial Condition (E) Committee. See the Committee listing for details.
8. Received the report of the Financial Regulation Standards and Accreditation (F) Committee. See the Committee listing for details.
9. Received the report of the International Insurance Relations (G) Committee. See the Committee listing for details.
10. Received the report of the Innovation, Cybersecurity, and Technology (H) Committee. See the Committee listing for details.
11. Adopted the amendments to the *Valuation Manual*.
12. Adopted *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53).
13. Adopted the Pet Insurance Model Act.
14. Adopted several Market Conduct Annual Statement (MCAS) items: 1) the “other health” MCAS data call and definitions; 2) revised Homeowners MCAS Addition of Digital Claims Interrogatories and revised lawsuit definition; 3) revised Private Passenger Auto (PPA) MCAS Addition of Digital Claims Interrogatories and revised lawsuit definition; and 4) Life MCAS Addition of Accelerated Underwriting (AU) Data, Definitions, and Interrogatories.
15. Adopted the *Regulatory Considerations Applicable to (But Not Exclusive to) Private Equity (PE) Insurers*.
16. Adopted the *NAIC List of Jurisdictions that Recognize and Accept the Group Capital Calculation*.
17. Received a status report on the state implementation of NAIC-adopted model laws and regulations.

EXECUTIVE (EX) COMMITTEE

Aug. 11, 2022

1. Adopted the report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee, which met Aug. 10 and took the following action:
 - A. Adopted its June 21 and Spring National Meeting minutes.
 - B. Received a May year-to-date (YTD) financial update and overview of the preliminary 2023 budget.
 - C. Discussed the use of NAIC designations by foreign jurisdictions.
 - D. Approved the Catastrophe Modeling Center of Excellence (COE) fiscal.
 - E. Approved the Variable Annuity (VA) Model Office fiscal.
 - F. Approved moving forward with the Robert Wood Johnson Foundation (RWJF) discovery phase request.
 - G. Heard an update on the enterprise resource planning (ERP) project.
 - H. Adopted the Committee's April 13 minutes.
 - I. Adopted the report of the Audit Committee, including its Aug. 3 and May 16 minutes. During these meetings, the Committee took the following action:
 - i. Discussed potential revenue changes for the 2023 budget.
 - ii. Received the June 30 financial update.
 - iii. Selected a new financial audit firm.
 - iv. Discussed grant and zone financials, including potential changes for 2023 member grant and zone funding.
 - v. Heard an update on the ERP project.
 - vi. Affirmed the 2023 Audit Committee charter.
 - vii. Heard an update on the 2023 budget calendar.
 - viii. Received the 2021/2022 Service Organization Control (SOC) 1 and SOC 2 Audit reports.
 - ix. Approved the Target Reserve Policy.
 - J. Adopted the report of the Internal Administration (EX1) Subcommittee, including its July 7 minutes. 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.
 - K. Approved the Member Services Staffing fiscal.
 - L. Approved the ERP fiscal.
 - M. Heard the Chief Executive Officer/Chief Operating Officer (CEO/COO) report.
 - N. Heard an update on the *State Connected* strategic plan.
 - O. Received an update on the proposed 2023 NAIC budget.
 - P. Heard an update on the use of NAIC designations by foreign jurisdictions.
 - Q. Heard a cybersecurity report.
 - R. Heard a diversity, equity, and inclusion (DE&I) report.
2. Adopted the report of the Executive (EX) Committee, which met June 21 and took the following action:
 - A. Received an update on the NAIC's 2022 financials and an overview of preliminary work on the 2023 budget.
 - B. Approved the Catastrophe Modeling COE fiscal.
 - C. Approved the VA Model Office fiscal.
 - D. Received an update on the ERP project.
3. Adopted the report of the Climate and Resiliency (EX) Task Force. See the Task Force listing for details.
4. Adopted the report of the Government Relations (EX) Leadership Council. See the Task Force listing for details.
5. Adopted the report of the Long-Term Care Insurance (EX) Task Force. See the Task Force listing for details.
6. Adopted the report of the Special (EX) Committee on Race and Insurance. See the Committee listing for details.
7. Adopted a Request for NAIC Model Law Development to amend the *Property and Casualty Insurance Guaranty Association Model Act* (#540).
8. Adopted a Request for NAIC Model Law Development to draft the new Insurance Consumer Privacy Protection Model Law.

9. Adopted the revisions to the NAIC Consumer Participation Plan of Operation.
10. Received a status report on the NAIC *State Ahead* strategic plan implementation.
11. 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 *Mortgage Guaranty Insurance Model Act* (#630); 3) the *Nonadmitted Insurance Model Act* (#870); and 4) the new Pet Insurance Model Act.
12. Heard reports from the National Insurance Producer Registry (NIPR) and the Interstate Insurance Product Regulation Commission (Compact).

Climate and Resiliency (EX) Task Force

Aug. 11, 2022

1. Adopted its Spring National Meeting minutes.
2. Received reports from its workstreams: Climate Risk Disclosure; Solvency; Innovation; Technology; and Pre-Disaster Mitigation.
3. Heard a presentation on wildfire mitigation from the California Department of Insurance (CDI), United Policyholders (UP), the Insurance Institute for Business and Home Safety (IBHS), and the American Property Casualty Insurance Association (APCIA).
4. Heard a presentation from Ceres on its work to assist insurers required to report a Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures (TCFD)-aligned climate risk disclosure in 2022.
5. Heard a federal update.

Government Relations (EX) Leadership Council

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

Long-Term Care Insurance (EX) Task Force

Aug. 12, 2022

1. Adopted its Spring National Meeting minutes.
2. Received a report on the implementation plans for the Long-Term Care Insurance Multistate Rate Review Framework (LTCI MSA Framework). The LTCI MSA Framework is on track to be implemented as anticipated. An NAIC web page with instructions and contacts will be available in September.
3. Received an update on industry trends that could have an impact on the solvency of long-term care insurance (LTCI) companies and reserves. The Task Force will continue to monitor the impacts of cost-of-care inflation and other factors.
4. Received an update on the development of the Multistate Actuarial (MSA) Associate Program. The program has several state insurance department regulator volunteers who have discussed analyzing reserves and risks. Future meetings will be scheduled. State insurance actuaries or other staff who are interested in joining may contact NAIC support staff.
5. Heard a presentation on a Center for Insurance Policy and Research (CIPR) project on LTCI reduced benefit options (RBO). The project involved collecting feedback from financial planners on consumers' experiences with notices of rate increases and RBOs. The Task Force encourages states to use the adopted guidance and checklists in their RBO and consumer notice reviews. The Task Force discussed additional related research that the CIPR may consider in the future.

Special (EX) Committee on Race and Insurance

Aug. 11, 2022

1. Adopted its Spring National Meeting minutes.
2. Received a status report from the following workstreams:
 - A. Workstream One: Research/analyze the level of diversity and inclusion within the insurance industry.

- B. Workstream Two: Research/analyze the level of diversity and inclusion within the NAIC and state insurance regulator community.
 - C. Workstream Three: Examine and determine which practices or barriers exist in the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups in the property/casualty (P/C) line of business.
 - D. Workstream Four: Examine and determine which practices or barriers exist in the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups in the life insurance and annuities line of business.
 - E. Workstream Five: Examine and determine which practices or barriers exist in the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups in the health insurance line of business.
3. Heard an update on the State Diversity Leaders Forum.
 4. Heard a presentation on diversity initiatives from the District of Columbia Department of Insurance, Securities, and Banking (DISB).

INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE

See the Executive (EX) Committee listing for details.

LIFE INSURANCE AND ANNUITIES (A) COMMITTEE

Aug. 11, 2022

1. Adopted its July 20 minutes, which included the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Adopted nine *Valuation Manual* amendments.
 - C. Adopted *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53).
 - D. Heard a presentation on life insurance updates to the NAIC website.
 - E. Received an update on the survey into the use of artificial intelligence (AI) and machine learning (ML) in life insurance that the Big Data and Artificial Intelligence (H) Working Group is developing.
2. Received an update from the Accelerated Underwriting (A) Working Group. The Working Group continues to collaborate with other NAIC groups as it works on developing regulatory guidance for state insurance regulators related to accelerated underwriting (AU) in life insurance, and it plans to meet in October to continue work on its goals.
3. Adopted the report of the Annuity Suitability (A) Working Group, including its July 25 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its May 26 minutes, which included the following action:
 - i. Discussed comments received on the draft frequently asked questions (FAQ) on the safe harbor/comparable standards provision in the revised *Suitability in Annuity Transactions Model Regulation* (#275), which added a best interest standard of conduct for insurers and producers.
 - B. Adopted its May 3 minutes, which included the following action:
 - i. Agreed to draft new FAQ on the safe harbor/comparable standards provision in the revised Model #275.
 - C. Discussed the draft FAQ on the safe harbor/comparable standards provision in the revised Model #275.
4. Adopted the report of the Life Actuarial (A) Task Force. See the Task Force listing for details.
5. Discussed and agreed to have the Life Insurance Online Guide (A) Working Group focus on updating life insurance information on the NAIC website. State insurance regulators interested in participating in the Working Group should contact Jennifer Cook (NAIC).
6. Received an update from Workstream Four of the Special (EX) Committee on Race and Insurance. The Workstream plans to schedule future presentations to hear about marketing and distribution in underserved communities from the agent perspective.

Life Actuarial (A) Task Force

Aug. 9, 2022

1. Adopted its July 21, July 7, June 30, June 23, June 16, June 9, June 2, May 26, May 19, May 12, May 5, and April 14 minutes. During these meetings, the Task Force took the following action:
 - A. Exposed economic scenario generator (ESG) files for field testing.
 - B. Exposed an NAIC staff recommendation for transitioning from the London Interbank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR) for the remainder of 2022.
 - C. Exposed the joint American Academy of Actuaries (Academy) Life Experience Committee and Society of Actuaries (SOA) Preferred Mortality Project Oversight Group (POG) recommendation for historical mortality improvement (HMI) and future mortality improvement (FMI).
 - D. Adopted its Spring National Meeting minutes.
 - E. Adopted amendment proposal 2020-12.
 - F. Adopted amendment proposal 2022-04.
 - G. Adopted amendment proposal 2022-05.
 - H. Adopted *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53).
2. Adopted the report of the Experience Reporting (A) Subgroup, which has not met since the Spring National Meeting.
3. Adopted the report of the Index-Linked Variable Annuity (A) Subgroup, including its July 13, May 18, and May 17 minutes. During these meetings, the Subgroup took the following action:
 - A. Discussed comments on the proposed index-linked variable annuity (ILVA) actuarial guideline.
 - B. Heard a presentation on interim nonforfeiture values.
4. Adopted the report of the Indexed Universal Life (IUL) Illustration (A) Subgroup, including its July 18 minutes. During this meeting, the Subgroup took the following action:
 - A. Exposed options for revising *Actuarial Guideline XLIX-A—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest to Policies Sold on or After December 14, 2020* (AG 49-A) for an eight-day public comment period ending July 26.
5. Adopted the report of the Valuation Manual (VM)-22 (A) Subgroup, including its July 19, July 13, June 29, June 14, June 1, May 11, April 27, and April 13 minutes. During these meetings, the Subgroup took the following action:
 - A. Reviewed the VM-22 project timeline. The target effective date is January 2025.
 - B. Discussed tier three comments on the proposed VM-22 framework.
 - C. Reviewed the updated VM-22 documents.
 - D. Discussed the allocation of excess reserves.
 - E. Discussed working reserve for contracts with no cash surrender value.
 - F. Discussed reserve categorization upon depletion of fund value.
 - G. Exposed the Longevity Reinsurance Proposal for a 60-day public comment period ending Aug. 14.
 - H. Discussed the stochastic exclusion ratio test.
 - I. Discussed tier two comments on the proposed VM-22 framework.
 - J. Discussed tier one comments on the proposed VM-22 framework.
 - K. Heard an update on revisions to VM-22.
6. Adopted the report of the Variable Annuities Capital and Reserve (E/A) Subgroup, which has not met since the Spring National Meeting.
7. Discussed AG 53 asset adequacy testing (AAT) templates that were previously exposed for a public comment period ending Aug. 19.
8. Discussed the Academy framework for developing, evaluating, and implementing ESGs.
9. Discussed the status of the current ESG field test initiated in June.
10. Exposed the Generally Recognized Expense Tables (GRETs) for a 21-day public comment period ending Aug. 29.
11. Heard an update from the SOA on research and education.

12. Heard an update from the joint Academy and SOA POG on the recommendation for HMI and FMI.
13. Heard an update on the SOA and Life Insurance Marketing and Research Association (LIMRA) experience studies partnership.
14. Heard an update on the activities of the Academy Life Practice Council.
15. Heard from the Academy on ESG stylized facts for the equity model.
16. Heard an update from the Academy Council on Professionalism and Education.

HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE

Aug. 11, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted the report of the Consumer Information (B) Subgroup, which has not met as a group since March 22. However, the Subgroup chair and a few Subgroup members:
 - A. In June, decided to conduct focus groups with a small number of states to gather information on consumer engagement strategies they have used and which ones they find effective. The first focus group completed its work June 13, and the second focus group completed its work July 8.
 - B. Are working to prepare summaries of the focus groups. They expect to identify themes from the focus groups and share them with the full Subgroup and interested parties within the next few months.
3. Adopted the report of the Health Innovations (B) Working Group, which met Aug. 10 and took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Heard a presentation on the Colorado Option Section 1332 waiver.
 - C. Heard presentations from health plans on programs to improve access for historically underserved communities as part of its charge from the Special (EX) Committee on Race and Insurance to evaluate mechanisms to resolve disparities through improving access to care.
 - D. Heard a presentation from the federal Centers for Medicare & Medicaid Services (CMS) on programs to improve access.
 - E. Discussed a draft memorandum to the Special (EX) Committee on Race and Insurance related to the work the Working Group has completed to date for two of the charges received from the Special Committee.
4. Adopted the report of the Health Actuarial (B) Task Force. See the Task Force listing for details.
5. Adopted the report of the Regulatory Framework (B) Task Force. See the Task Force listing for details.
6. Adopted the report of the Senior Issues (B) Task Force. See the Task Force listing for details.
7. Heard a panel presentation on efforts to create state-based health insurance exchanges and why states should establish them.
8. Heard a discussion on Medicaid redeterminations following the end of the COVID-19 public health emergency (PHE). The presentation provided an overview of the PHE, including the authorities at play in the COVID-19 pandemic at the federal and state level. The presentation also highlighted important dates state insurance regulators need to keep in mind related to the end of the PHE. The presentation discussed 10 fundamental actions for states to prepare for the unwinding at the end of the PHE, including creating a comprehensive state unwinding operational plan and coordinating with partners, including state, tribal, and state and federal government partners.
9. Heard an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO) on recent activities of interest to the Committee. The update focused on what the CCIIO is doing to prepare for the eventual end of the COVID-19 PHE and the Medicaid redetermination process.
10. Heard a federal legislative and regulatory update, including an update on federal No Surprises Act (NSA) implementation.
11. Received an update on the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup's work.
12. Received an update on the work of Special (EX) Committee on Race and Insurance Workstream Five.

Health Actuarial (B) Task Force

Aug. 1, 2022 (in lieu of the Summer National Meeting)

1. Adopted its June 30 and May 16 minutes, which included the following action:
 - A. Heard a Society of Actuaries (SOA) Research Institute 2022 Individual Life Waiver of Premium (ILWOP) Experience Study presentation.
 - B. Heard an update on the American Academy of Actuaries (Academy) and SOA Research Institute Group Life Waiver of Premium Valuation Table (GLWPVT) Work Group efforts towards developing valuation tables to replace the 2005 Group Term Life Waiver Mortality and Recovery Tables in *Actuarial Guideline XLIV—Group Term Life Waiver of Premium Disabled Life Reserves* (AG 44).
2. Adopted the report of the Long-Term Care Actuarial (B) Working Group, including its June 24 minutes. During this meeting, the Working Group took the following action:
 - A. Discussed the Academy and SOA Research Institute’s final *Long-Term Care Insurance Mortality and Lapse Study*.
3. Heard an update on the SOA Research Institute/Life Insurance Marketing and Research Association (LIMRA) experience studies partnership.
4. Heard an update from the Academy Health Practice Council.
5. Heard an Academy update on professionalism.
6. Discussed an Academy and SOA Research Institute GLWPVT Work Group Valuation Tables proposal that is exposed for a public comment period ending Aug. 11.

Regulatory Framework (B) Task Force

Aug. 10, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted the report of the Accident and Sickness Insurance Minimum Standards (B) Subgroup, including its July 11, June 13, June 6, May 9, and April 18 minutes. During these meetings, the Subgroup took the following action:
 - A. Discussed the comments received on Section 8B—Hospital Indemnity or Other Fixed Indemnity Coverage of the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171) and its drafting note to clarify what is and is not “fixed indemnity coverage.”
 - B. Developed a chair draft of proposed revisions to Section 8B based on the comments received and discussion.
 - C. Discussed the chair draft of proposed revisions to Section 8B and agreed on preliminary revisions to Section 8B for inclusion in the draft of revisions to Model #171.
 - D. Discussed the comments received on the NAIC consumer representatives’ initial comments on Section 8C—Disability Income Protection Coverage and agreed on preliminary revisions to Section 8C for inclusion in the draft of revisions to Model #171.
3. Adopted the report of the Employee Retirement Income Security Act (ERISA) (B) Working Group, which met Aug. 10 and took the following action:
 - A. Adopted its May 24 minutes, which included the following action:
 - i. Adopted a summary of the *Rutledge v. Pharmaceutical Care Management Association (PCMA)* case for inclusion in the *Health and Welfare Plans Under the Employee Retirement Income Security Act: Guidelines for State and Federal Regulation* (ERISA Handbook).
 - B. Heard an update from the U.S. Department of Labor (DOL).
 - C. Discussed updating the NAIC Chart on Multiple Employer Welfare Arrangement (MEWA)/Multiple Employer Trust (MET) and Association Plans.
 - D. Discussed whether the ERISA Handbook needs to be reviewed for outdated information.
 - E. Adjourned into regulator-to-regulator session, pursuant to paragraph 2 (pending investigations), paragraph 3 (specific companies, entities, or individuals) and paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings.

4. Adopted the report of the Mental Health Parity and Addiction Equity Act (MHPAEA) (B) Working Group. The Working Group met Aug. 11 and took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Heard an expert presentation on parity issues.
 - C. Heard presentations from providers on parity issues.
 - D. Adjourned into regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings.
5. Adopted the report of the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup, which met Aug. 9 and took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Adopted its July 29, June 15, and April 25 minutes. During these meetings, the Subgroup took the following action:
 - i. Heard presentations from various stakeholders on issues from their perspective on the Subgroup’s 2022 charge to develop a white paper to: 1) analyze and assess the role pharmacy benefit managers (PBMs), pharmacy services administrative organizations (PSAOs), and other supply chain entities play in the provision of prescription drug benefits; 2) identify, examine, and describe current and emerging state regulatory approaches to PBM business practices, such as price transparency and reporting requirements; rebating; and spread pricing, including the implications of the *Rutledge vs. PCMA* decision on such business practices; and 3) discuss any challenges, if any, the states have encountered in implementing such laws and/or regulations.
 - C. Heard a presentation from the PCMA.
 - D. Heard a presentation from the Pharmaceutical Research and Manufacturers of America (PhRMA).
 - E. Heard a presentation from the Oregon Primary Care Association (OPCA).
6. Heard an update from the Center on Health Insurance Reforms (CHIR) on its work on various projects of interest to the Task Force. The CHIR is researching public option plans and recently published an in-depth analysis of Colorado’s federal Affordable Care Act (ACA) Section 1332 waiver for a public option-style plan. The CHIR recently published a brief on the efforts California’s state-based insurance marketplace is trying to reduce the number of uninsured and underinsured. The CHIR also recently published a brief on actions state insurance regulators can take to prepare for the post-public health emergency (PHE) Medicaid unwinding. Another issue the CHIR is analyzing is abortion and contraceptive coverage after the recent U.S. Supreme Court ruling in *Dobbs v. Jackson Women’s Health Organization*. The CHIR is continuing to monitor and analyze state action related to health equity. It recently published a report titled, “Improving Race and Ethnicity Data Collection: A First Step to Furthering Health Equity Through SBMs.” The CHIR is also continuing its work related to the implementation of the federal No Surprises Act (NSA). The CHIR plans to release a study on state laws related to surprise billing enacted since the enactment of the NSA. The CHIR recently completed a study comparing the federal and state network adequacy standards governing Medicaid and ACA marketplace plans in six states. The CHIR’s future work includes: 1) publishing an issue brief on state efforts to enforce the MHPAEA; and 2) a 50-state research project on medical debt consumer protections.
7. Heard a presentation from the Association for Accessible Medicines (AAM) on the usage of the term “interchangeable biosimilar product” in the *Health Carrier Prescription Drug Benefit Management Model Act* (#22) and its effect on prescription drug substitutions. The Task Force decided to form an ad hoc group consisting of a few Task Force members to study this issue and report back to the Task Force at or prior to the Fall National Meeting regarding next steps.
8. Heard an update on the implementation of the federal network adequacy standards for qualified health plans (QHPs) in the federally facilitated health insurance exchanges.

Senior Issues (B) Task Force

Aug. 10, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted its June 7 and May 11 minutes. During these meetings, the Task Force took the following action:
 - A. Adopted a letter asking the federal Centers for Medicare & Medicaid Services (CMS) to: 1) ensure there will be coordination between the CMS and the U.S. Social Security Administration (SSA) should the proposed rule to simplify Medicare enrollment and expand access be made final and implemented; and 2) work with state insurance regulators to minimize any possible gaps in coverage for beneficiaries.
 - B. Discussed the CMS' proposed rule on Medicare enrollment.
3. Discussed Medicare Part D beneficiaries being "crosswalked" from one Medicare Prescription Drug Plan (PDP) to another. The Task Force agreed to reach out to the CMS.
4. Discussed a conflict between Medicare and the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) rules that has led to some confusion about which set of rules governs eligibility for coverage, and how the responsibility for payment of health care benefits for eligible individuals is determined. The Task Force agreed to hold a meeting solely on this issue with invited stakeholders.
5. Discussed the status and future of the Long-Term Care Insurance Model Update (B) Subgroup, and the Task Force agreed to disband the Subgroup.
6. Heard an update from the Task Force chair that she had received a response the previous night from the CMS to the Task Force regarding a letter sent on March 17 regarding durable medical equipment (DME) suppliers. She informed the Task Force that the CMS response has been posted on the Task Force web page and sent to Task Force members, interested state insurance regulators, and interested parties.

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE

Aug. 12, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted its Aug. 1 minutes. During this meeting, the Committee took the following action:
 - A. Adopted the Pet Insurance Model Act.
3. Adopted the report of the Casualty Actuarial and Statistical (C) Task Force. See the Task Force listing for details.
4. Adopted the report of the Surplus Lines (C) Task Force. See the Task Force listing for details.
5. Adopted the report of the Title Insurance (C) Task Force. See the Task Force listing for details.
6. Adopted the report of the Workers' Compensation (C) Task Force. See the Task Force listing for details.
7. Adopted the report of the Cannabis Insurance (C) Working Group, including its July 12 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Received a status report on the drafting of the *Understanding the Market for Cannabis Insurance 2.0* white paper.
 - C. Heard a presentation on how insurers are dealing with state legalization of minor cannabinoids.
8. Adopted the report of the Catastrophe Insurance (C) Working Group, which met Aug. 9 in joint session with the NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group and took the following action:
 - A. Adopted the Working Group's and Advisory Group's Spring National Meeting Minutes.
 - B. Heard an update on federal legislation.
 - C. Discussed updates to the *Catastrophe Computer Modeling Handbook*. The drafting group decided to make the *Catastrophe Computer Modeling Handbook* into a primer, which will focus on providing departments of insurance (DOIs) with the information needed to address the basics of catastrophe modeling and serve as a resource available to inform new and non-expert staff about the basics of catastrophe modeling. The Center for Insurance Policy and Research (CIPR) Catastrophe Modeling Center of Excellence (COE) has been approved by the NAIC membership, and the primer will serve as a transition to the COE, which will provide more technical training beyond the scope of this primer.
 - D. Heard an update from the Alabama Department of Insurance regarding its private flood insurance initiatives.

- E. Heard an update from NAIC staff on private flood insurance data.
 - F. Heard an update from the New Mexico Office of the Superintendent of Insurance on recent wildfires.
 - G. Heard an update from the Northeast Zone on its catastrophe team.
 - H. Heard an update from the Washington Office of the Commissioner of Insurance on the Cascadia Subduction Zone Earthquake Exercise (Cascadia Rising 2022).
 - I. Heard an update on the NAIC/FEMA Region 6 event. Five states from FEMA Region 6 met with FEMA headquarters and FEMA Region 6 colleagues in a hybrid event that the Oklahoma Insurance Department hosted. In addition to hearing an overview of recent catastrophic events in the region, the following items were discussed: 1) information regarding FEMA Region 6 stakeholder roundtables; 2) how states are organized and plan for disaster; 3) NAIC capabilities to assist states; 4) FEMA headquarters operations, including the flood response playbook; 5) claims information; 6) communication and messaging; and 7) how states interact with FEMA at disaster recovery centers (DRCs).
9. Adopted the report of the Pet Insurance (C) Working Group, including its Aug. 4 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted is July 21 minutes. During this meeting the Working Group took the following action:
 - i. Adopted its June 7 minutes. During this meeting the Working Group took the following action:
 - a. Discussed proposed changes to the Pet Insurance Model Act.
 - ii. Adopted the Pet Insurance Model Act.
 10. Adopted the report of the Terrorism Insurance Implementation (C) Working Group, which has not met since the Spring National Meeting.
 11. Adopted the report of the Transparency and Readability of Consumer Information (C) Working Group, including its Aug. 2 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its June 9 minutes. During this meeting, the Working Group took the following action:
 - i. Discussed and exposed its draft *Best Practices for Insurance Rate Disclosures* for a 14-day public comment period ending June 24.
 12. Heard a report on cyber insurance data contained within the Cybersecurity and Identity Theft Supplement. The Committee will release a written report that contains alien surplus lines data later this year.
 13. Heard a federal update.
 14. Received an update on the NAIC Collaboration Forum on algorithmic bias.
 15. Heard an overview of the member visit to the Insurance Institute for Business and Home Safety (IBHS). IBHS research and messaging materials are available for use by state insurance regulators.
 16. Discussed its charge related to parametric insurance. The Committee will hear future presentations and begin to gather research to create an outline for a white paper.

Casualty Actuarial and Statistical (C) Task Force

Aug. 10, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted its July 12 and June 14 minutes. During these meetings, the Task Force took the following action:
 - A. Adopted the report of the Statistical Data (C) Working Group.
 - B. Discussed the NAIC's loss cost multiplier (LCM) form. The drafting group will produce an instructions document to be considered for adoption as a package with the proposed LCM form.
 - C. Exposed draft guidance on the regulatory review of tree-based models for a 25-day public comment period ending Aug. 5.
 - D. Adopted the report of the Actuarial Opinion (C) Working Group, which met in regulator-to-regulator session to discuss individual Statements of Actuarial Opinion (SAOs). It also received a referral from the Financial Analysis (E) Working Group.
 - E. Heard comments on the draft LCM form, which had been exposed for a 40-day public comment period ending June 7.
 - F. Discussed the creation of a *Rate Review Support Services Handbook*.

3. Adopted the report of the Actuarial Opinion (C) Working Group, including its Aug. 2 minutes. During this meeting, the Working Group took the following action:
 - A. Reported that it met June 3 and May 26 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss the individual companies' SAOs.
 - B. Discussed a Financial Analysis (E) Working Group referral on predictive analytics in a reserve setting.
 - C. Discussed potential changes to the qualification documentation requirements and disclosures.
 - D. Discussed potential changes to the Regulatory Guidance and Annual Statement Instructions.
4. Adopted the report of the Statistical Data (C) Working Group, including its Aug. 4 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its July 20 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its June 15 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its May 18 minutes. During this meeting, the Working Group took the following action:
 1. Adopted its April 14 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Discussed the timeline of data collection for the *Auto Insurance Database Report* (Auto Report).
 - C. Discussed updating the *Statistical Handbook of Data Available to Insurance Regulators*.
 2. Heard a presentation from the Center for Economic Justice (CEJ) on statistical data collection—specifically, modernizing statistical data reporting for personal lines insurance.
 - b. Adopted an accelerated timeline for auto premium and exposure data collection. The Working Group agreed to move up the reporting timeline for auto premium and exposure data to Dec. 1 following the end of the data year.
 - c. Discussed proposed changes to the *Competition Database Report* (Competition Report) and the *Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative United Owners Insurance* (Homeowners Report).
 - ii. Discussed proposed changes to the Auto Report and the *Report on Profitability by Line by State* (Profitability Report).
5. Exposed the draft LCM form and associated memorandum for a 45-day public comment period ending Sept. 23.
6. Adopted guidance on the regulatory review of all tree-based models to replace previous guidance applicable to only random forest models.
7. Heard a presentation on the openIDL initiative.
8. Heard presentations from professional actuarial associations.

Surplus Lines (C) Task Force

The Surplus Lines (C) Task Force did not meet at the Summer National Meeting

Title Insurance (C) Task Force

Aug. 11, 2022

1. Held an educational roundtable discussion on the various approaches states use to regulate rates. Ohio and Louisiana require prior approval of title insurers' rates and forms and use statistical agents. The Ohio Title Insurance Rating Bureau (OTIRB) is the statistical agent for Ohio. The Louisiana Title Statistical Services Organization is the statistical agent for Louisiana. Texas employs an extensive body of rules, forms, and a promulgated rate that is set at a hearing approximately every five years. Title insurance rates in Texas include costs associated with the title search and transaction, but not the escrow fees. Kansas uses a file-and-approve system. While the Kansas Insurance Department reviews filings for compliance, it does not regulate title insurance rates.

2. Heard a presentation on new title insurance-like alternatives that use attorney opinion letters backed by an errors and omissions policy through the surplus lines market. These products protect the lender, but there are limited closing protections for the consumer.

Workers' Compensation (C) Task Force

Aug. 2, 2022 (in lieu of the Summer National Meeting)

1. Discussed presumptions and whether they are creating inequity in the workers' compensation system. Most states have let their COVID-19 presumptions expire. There are, however, a handful of states that have extended the presumptions. There has been activity for presumptions regarding post-traumatic stress disorder, as well as in the areas of hazardous waste exposure.
2. Discussed the future of work and how the hybrid work force is affecting claims frequency. Items affecting the future workforce include remote work arrangements, job shifting, gig work, and automation. Twenty-five percent of the workforce works remotely on a full- or part-time basis. Thirty-one percent of gig workers hold gig work as their main job.
3. Discussed how the states are recruiting and training with the departments of insurance (DOIs). Several DOIs allow remote work, which has helped them to hire and retain employees. The DOIs are also having good results with recruiting new employees from local colleges and universities.

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE

Aug. 12, 2022

1. Adopted its July 15 minutes. During this meeting, the Committee took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Adopted a revised charge to delete a reference to the System for Electronic Rates & Forms Filing (SERFF) Advisory Board (SAB) since the SAB was disbanded at the Spring National Meeting.
 - C. Adopted a revised charge of the Producer Licensing (D) Task Force to appoint a new Adjuster Licensing (D) Working Group to review adjuster licensing reciprocity and uniformity issues rather than the Producer Licensing (D) Task Force.
 - D. Adopted a new "other health" Market Conduct Annual Statement (MCAS) data call and definitions.
 - E. Adopted revisions to the homeowners MCAS to add digital claim interrogatories and lawsuit data elements and definitions.
 - F. Adopted revisions to the auto MCAS to add digital claim interrogatories and lawsuit data elements and definitions.
 - G. Adopted revisions to the life MCAS to add accelerated underwriting (AU) data elements, interrogatories, and definitions.
2. Adopted revisions to the *Market Regulation Handbook*. These edits included: 1) revisions to Chapter 1 to encourage market regulators to coordinate with a company's domestic financial regulator to obtain information related to the company's group capital calculations (GCCs), liquidity stress test (LST) results, corporate governance, and Own Risk and Solvency Assessment (ORSA); 2) revisions to Exam Standard 1 of marketing and sales in Chapter 20 to add the *Insurance Holding Company System Regulatory Act (#440)* to the list of NAIC models to reference for guidance; and 3) revisions to Chapter 21 to include references to the *Real Property Lender-Placed Insurance Model Act (#631)*.
3. Adopted a new Mental Health Parity chapter to the *Market Regulation Handbook*. This chapter will provide updated examination guidelines in response to the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) compliance analysis requirements for non-quantitative treatment limitations (NQTLs), which were amended at the federal level in 2021.
4. Adopted the "Recommendations for the Incorporation of Artificial Intelligence in the NAIC Market Information Systems." The report recommends that artificial intelligence (AI) should be contemplated in the context of a long-range plan, beginning with repairing known issues with existing data and employing more rigorous traditional statistical techniques to assess predictive accuracy of analytical tools. Subsequently, state insurance regulators can consider the potential collection of data appropriate to AI.

5. Adopted the “Guidelines for Amending the NAIC Uniform Applications.” These guidelines will be used for the review and adoption of substantive changes to the NAIC’s uniform licensing applications in support of the NAIC and National Insurance Producer Registry (NIPR) mission of maintaining stable and consistent NAIC uniform applications for producer licensing.
6. Adopted the Antifraud Plan Repository Workflow. This workflow will serve as the template for the creation of a centralized filing system for insurers to report their antifraud plans to state insurance departments and eliminate the need for multiple state filings of the same plan.
7. Adopted the report of the Antifraud (D) Task Force. See the Task Force listing for details.
8. Adopted the report of the Market Information Systems (D) Task Force. See the Task Force listing for details.
9. Adopted the report of the Producer Licensing (D) Task Force. See the Task Force listing for details.
10. Adopted the report of the Market Analysis Procedures (D) Working Group, including its July 13 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its June 8 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its Spring National Meeting minutes.
 - ii. Adopted standard ratios for the travel and short-term, limited-duration (STLD) MCAS lines of business.
 - iii. Discussed the addition of outstanding MCAS lines of business in the Market Analysis Review System (MARS). Comments were requested by July 11.
 - iv. Discussed adding new lines of business to the MCAS. Comments were requested by July 11.
 - B. Discussed adding new lines of business to the MCAS—specifically, pet insurance, title insurance, and business owners’ insurance. Comments were requested by Aug. 12.
 - C. Discussed the addition of outstanding MCAS lines of business in the MARS. The Working Group agreed to revise its Uniform System Enhancement Request (USER) form to forward to the Market Information Systems Research and Development (D) Working Group requesting an expansion of the lines of business options in the MARS and adding the outstanding MCAS data lines.
 - D. Discussed adding the travel insurance loss ratio to the standard MCAS ratios for travel insurance. Comments were requested by Aug. 12.
11. Adopted the report of the Market Conduct Annual Statement Blanks (D) Working Group, including its July 21 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its May 26 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its April 28 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Spring National Meeting minutes.
 - b. Received an update on the life MCAS draft edits for AU.
 - c. Received an update on the Other Health Drafting Group.
 - d. Discussed possible edits to the lawsuit definition for all MCAS lines of business that contain lawsuit reporting.
 - e. Adopted the proposed lawsuit definition and placement of the lawsuit data elements for the homeowners and auto MCAS.
 - ii. Adopted the life MCAS edits for AU.
 - iii. Adopted the “other health” MCAS data call and definitions.
 - iv. Adopted edits to the lawsuit definition for the homeowners and auto MCAS.
 - v. Reviewed its charges and process for submitting requests for edits to the MCAS data call and definitions.
 - B. Heard a presentation from America’s Health Insurance Plans (AHIP) and the Blue Cross Blue Shield Association (BCBSA) on a filing deadline proposal for the health MCAS. The organizations requested an extended deadline of June 30 to submit health MCAS filings. The proposal was exposed for a public comment period ending Aug. 19.
 - C. Reviewed the travel data element addition proposed by the Market Analysis Procedures (D) Working Group. Specifically, the Working Group requested to have the “policies in force during the reporting period” added to the travel underwriting activity section of reporting within the travel MCAS blank. The proposal was exposed for a public comment period ending Aug. 19.

- D. Reviewed the STLD data element addition that the Market Analysis Procedures (D) Working Group proposed. Specifically, the Working Group requested the addition of a data element for “dollar amount of claims paid during the reporting period” within the claims section of the STLD MCAS blank. The proposal was exposed for a public comment period ending Aug. 19.
12. Adopted the report of the Market Conduct Examination Guidelines (D) Working Group, including its July 14 minutes. During this meeting, the Working Group took the following action:
- A. Adopted its June 9 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its April 21 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted revisions to the April 19 draft Chapter 21—Conducting the Property and Casualty Examination of the *Market Regulation Handbook* (Handbook).
 - b. Discussed proposed revisions to Chapter 24B—Conducting the Mental Health Parity and Addiction Equity Act (MHPAEA)-Related Examination of the Handbook to update the chapter to align more closely with federal guidance on compliance analysis requirements for NQTLs.
 - c. Discussed proposed revisions to Chapter 23—Conducting the Life and Annuity Examination of the Handbook, which correspond with the February 2020 revisions to the *Suitability in Annuity Transactions Model Regulation* (#275) that the NAIC adopted.
 - d. Discussed proposed revisions to Chapter 20—General Examination Standards of the Handbook regarding Model #440.
 - ii. Discussed proposed new Chapter 24B of the Handbook. The Working Group received numerous comments from state insurance regulators and interested parties.
 - iii. Discussed proposed revisions to Chapter 23 of the Handbook. The Working Group received numerous comments from state insurance regulators and interested parties.
 - iv. Discussed proposed revisions to Chapter 20 of the Handbook.
 - B. Adopted revisions to the July 6 draft Chapter 20 of the Handbook.
 - C. Adopted revisions to the July 6 draft Chapter 1 of the Handbook.
 - D. Adopted an updated Chapter 24B, July 11 draft, of the Handbook.
13. Adopted the report of the Market Regulation Certification (D) Working Group, including its July 13 minutes. During this meeting, the Working Group took the following action:
- A. Adopted its June 1 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its Spring National Meeting minutes.
 - ii. Adopted the Voluntary Market Regulation Certification Program scoring matrix.
 - iii. Reviewed the certification program implementation plan. Comments were requested by June 30.
 - iv. Reviewed the pilot state suggestions to the certification program. Comments were requested by June 30.
 - B. Reviewed the certification program implementation plan. Comments were requested by July 29.
 - C. Reviewed the pilot state suggestions to the certification program. An ad hoc group was formed to review the recommendations on each requirement and report back to the Working Group.
14. Adopted the report of the Speed to Market (D) Working Group, including its July 12 minutes. During this meeting, the Working Group took the following action:
- A. Adopted its April 20 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its 2021 Fall National Meeting minutes.
 - ii. Received an update on the SERFF Modernization Project by NAIC staff. Attendees on the call were invited to join and attend SERFF Product Steering Committee (PSC) meetings if interested.

- iii. Received an update on edits to the *Product Filing Review Handbook*. The nonsubstantive edits—such as formatting edits, corrections to the names of working groups or task forces, eliminating outdated or obsolete information or references, incorporating a plain writing approach, and updating current uniform resource locators (URLs)—will not be brought before the Working Group, but any substantive changes will be brought to the Working Group for review and consideration.
 - iv. Discussed the annual review of the product coding matrix (PCM) and uniform transmittal document (UTD). Suggestions were requested by May 31 to be able to discuss during the next Working Group meeting and allow time for adopted changes to be implemented in January 2023.
- B. Discussed and considered all suggestions received on the PCM and UTD. No changes to the PCM were adopted. One suggestion to the UTD was adopted; i.e., to amend the life and health UTD to include an option for “withdrawn” as a status option. This change will be effective Jan. 1, 2023.
15. Heard a presentation on dark patterns on websites, which are website designs that are designed to intentionally mislead consumers into making unintended choices.

Antifraud (D) Task Force

June 30, 2022 (in lieu of the Summer National Meeting)

1. Adopted the Antifraud Plan Repository Workflow.

Market Information Systems (D) Task Force

June 16, 2022 (in lieu of the Summer National Meeting)

1. Adopted its 2021 Fall National Meeting minutes.
2. Adopted its Dec. 3, 2021, minutes, which included the following action:
 - A. Revised its 2022 proposed charges to continue work on developing recommendations for the incorporation of artificial intelligence (AI) abilities in the NAIC Market Information Systems (MIS).
3. Considered the Market Information Systems Research and Development (D) Working Group recommendations regarding the incorporation of AI in the NAIC MIS.
4. Adopted the report of the Market Information Systems Research and Development (D) Working Group, which met March 16 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) and paragraph 6 (consultations with NAIC staff members related to NAIC technical guidance) of the NAIC Policy Statement on Open Meetings, and took the following action:
 - A. Accepted a request to create or enhance a Market Conduct Annual Statement (MCAS) Personalized Information Capture System (PICS) event to notify subscribers on a recurring basis of outstanding waiver and extension requests.
 - B. Accepted a request to add a new Complaints Database System (CDS) coverage type code for telehealth.
 - C. Completed its review of the 2020 MIS data analysis metrics results.
5. Heard a report on outstanding Uniform System Enhancement Request (USER) forms.
6. Adopted the Market Information Systems Research and Development (D) Working Group’s MIS data analysis metrics and recommendations. Detailed reports were sent to each jurisdiction’s market analysis chief (MAC).

Producer Licensing (D) Task Force

May 5, 2022 (in lieu of the Summer National Meeting)

1. Adopted its 2021 Fall National Meeting minutes.
2. Appointed the Adjuster Licensing (D) Working Group.
3. Adopted the *Guidelines for Amending the Uniform Licensing Applications*.
4. Received a report from the NIPR Board of Directors.
5. Discussed the status of the draft Pet Insurance Model Act.
6. Discussed the industry’s request and potential next steps regarding simplification of the 1033 waiver process.

FINANCIAL CONDITION (E) COMMITTEE

Aug. 12, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted its July 21 and May 20 minutes. During these meetings, the Committee took the following action:
 - A. Adopted a Request for NAIC Model Law Development to amend the *Property and Casualty Insurance Guaranty Association Model Act (#540)*.
 - B. Adopted the *Regulatory Considerations Applicable (But Not Exclusive) to Private Equity (PE) Owned Insurers*.
 - C. Adopted the *NAIC List of Jurisdictions that Recognize and Accept the Group Capital Calculation*.
 - D. Received an update on related party disclosures. The Statutory Accounting Principles (E) Working Group and the Blanks (E) Working Group recently unanimously adopted new disclosures for related party reporting on the detail investment schedules.
 - E. Received an update on the bond proposal project. State insurance regulators and key industry representatives have been working on this project as a top priority to improve accounting and reporting and ensure that regulators have transparency to the investment risks held by insurers.
 - F. Adopted a memorandum of support for certain work performed related to various workstreams created because of the low interest rate environment and ongoing pressure from certain assets.
3. Adopted the report of the Accounting Practices and Procedures (E) Task Force. See the Task Force listing for details.
4. Adopted the report of the Capital Adequacy (E) Task Force. See the Task Force listing for details.
5. Adopted the report of the Examination Oversight (E) Task Force. See the Task Force listing for details.
6. Adopted the report of the Financial Stability (E) Task Force. See the Task Force listing for details.
7. Adopted the report of the Receivership and Insolvency (E) Task Force. See the Task Force listing for details.
8. Adopted the report of the Reinsurance (E) Task Force. See the Task Force listing for details.
9. Adopted the report of the Risk Retention Group (E) Task Force. See the Task Force listing for details.
10. Adopted the report of the Valuation of Securities (E) Task Force. See the Task Force listing for details.
11. Adopted the report of the Group Capital Calculation (E) Working Group, including its May 2 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted the 2022 group capital calculation (GCC) template and instructions.
12. Adopted the report of the Group Solvency Issues (E) Working Group, including its Aug. 11 minutes. 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. Discussed proposed revisions to the *Financial Condition Examiners Handbook*.
 - ii. Discussed proposed revisions to the *NAIC Own Risk and Solvency Assessment (ORSA) Guidance Manual* (ORSA Guidance Manual). The proposed revisions were exposed for a 30-day public comment period ending July 8.
 - iii. Received an update on International Association of Insurance Supervisors (IAIS) activities.
 - B. Adopted proposed revisions to the ORSA Guidance Manual.
 - C. Discussed comments received on proposed revisions to the *Financial Condition Examiners Handbook*. The proposed revisions, including a friendly amendment proposed by Ohio, were referred to the Financial Examiners Handbook (E) Technical Group for consideration of adoption.
 - D. Discussed comments received on proposed revisions to the *Financial Analysis Handbook*. The proposed revisions were referred to the Financial Analysis Solvency Tools (E) Working Group for consideration of adoption.
 - E. Discussed a referral from the from the Macroprudential (E) Working Group on private equity (PE) issues. The Working Group plans to schedule meetings as needed in the coming months to address the issues raised in the referral.

13. Adopted the report of the Mutual Recognition of Jurisdictions (E) Working Group, including its June 29 minutes. During this meeting, the Working Group took the following action:
 - A. Reported that the Working Group met May 19 in regulator-to-regulator session, pursuant to paragraph 6 (consultations with NAIC staff members) and paragraph 8 (considerations of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to discuss the draft *NAIC List of Jurisdictions that Recognize and Accept the Group Capital Calculation*. The draft document was exposed for a 30-day public comment period, and no comments were received.
 - B. Adopted the *NAIC List of Jurisdictions that Recognize and Accept the Group Capital Calculation*.
14. Adopted the report of the National Treatment and Coordination (E) Working Group, including its June 13 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted proposal 2022-1 (Biographical Affidavit Addendum Pages).
 - B. Adopted a motion to request that the Form A Ad Hoc Group incorporate the requests of a referral from the Chief Financial Regulator Forum.
 - C. Adopted a motion to keep a referral from the Financial Analysis (E) Working Group at the National Treatment and Coordination (E) Working Group level for further development.
 - D. Exposed proposal 2022-02 (Primary and Redomestication Form Revisions) for a 45-day public comment period ending July 29.
 - E. Discussed letters of good standing.
15. Adopted agenda item 2021-21: Related Party Reporting, with an effective date of Dec. 31. This agenda item incorporates new reporting requirements for investment transactions with related parties and includes clarifications to *Statement of Statutory Accounting Principles (SSAP) No. 25—Affiliates and Other Related Parties* and *SSAP No. 43R—Loan-Backed and Structured Securities* to make clear that the existing affiliate definition applies to all types of entities, including securitizations.
16. Adopted agenda item 2021-22BWG with an effective date of Dec. 31. These revisions add a new reporting requirement in the investment schedules for investment transactions with related parties. For all investments, except those on Schedule A—Real Estate, reporting entities will report a code to identify the type of related party involvement. Investments that do not have any related party involvement will also be identified with a specific code.
17. Heard a presentation from the Federal Reserve Board (FRB) on its supervisory framework

Accounting Practices and Procedures (E) Task Force

Aug. 11, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted its 2023 proposed charges, which are unchanged from the prior year.
3. Adopted the report of the Statutory Accounting Principles (E) Working Group, which met Aug. 10 and took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Adopted its July 18 and May 24 minutes. During these meetings, the Working Group took the following action:
 - i. During its July 18 meeting, the Working Group exposed agenda item 2019-21: Bond Proposal Reporting Revisions, which included proposed reporting changes to Schedule D, Part 1; a proposal for a new schedule to separate issuer obligations and asset-backed securities (ABS); and revised reporting lines and instructions for investment classification for a public comment period ending Oct. 7.

- ii. During its May 24 meeting, the Working Group adopted the following statutory accounting principles (SAP) clarifications to statutory accounting guidance:
 - a. Blanks Proposal: Adoption expressed support for a blanks proposal (2022-10BWG) that included instructional changes to Schedule T, the State Page, and the Accident and Health Policy Experience Exhibit (AHPEE) to clarify guidance for premium adjustments. The instructions clarify that all premium adjustments shall be allocated as premium in the respective jurisdiction. This agenda item did not result in statutory revisions. (Ref #2022-03)
 - b. *Interpretation (INT) 22-01: Freddie Mac When-Issued K-Deal (WI Trust) Certificates*: The interpretation clarified that an investment in a Freddie Mac “When Issued K-Deal” (WI) Program is in scope of *Statement of Statutory Accounting Principles (SSAP) No. 43R—Loan-Backed and Structured Securities* from acquisition. (Ref #2022-08)
- C. Adopted the following new SAP concepts for statutory accounting guidance:
 - i. *SSAP No. 86—Derivatives*: Revisions adopt elements from Financial Accounting Standards Board (FASB) *Accounting Standards Update (ASU) 2017-12, Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities* for determining hedge effectiveness. The revisions also incorporate statutory-specific measurement methods for excluded components in hedging instruments with a Jan. 1, 2023, effective date and early adoption permitted. A blanks proposal will incorporate new electronic-only reporting fields for Schedule DB and note disclosures. (Ref #2021-20)
- D. Adopted the following clarifications to statutory accounting guidance:
 - i. Revisions incorporate chapter references to the Preamble of the *Accounting Practices and Procedures Manual* (AP&P Manual) and updates from FASB Concepts Statement No. 8, *Conceptual Framework for Financial Reporting—Chapter 7, Presentation* and FASB Concepts Statement No. 8, *Conceptual Framework for Financial Reporting—Chapter 4, Elements of Financial Statements*. Adopted *Issue Paper No. 166 – Definition of Assets* to document the SAP clarifications to the definition of an asset in *SSAP No. 4—Assets and Nonadmitted Assets*. (Ref #2022-01)
 - ii. Revisions rejecting:
 - a. *ASU 2021-09, Leases (Topic 842), Discount Rate for Lessees That Are Not Public Business Entities* for statutory accounting. (Ref #2022-05)
 - b. *ASU 2021-08, Business Combinations, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* for statutory accounting. (Ref #2022-07)
 - iii. Revisions incorporate disclosures from *ASU 2021-10, Government Assistance, Disclosures by Business Entities about Government Assistance* into *SSAP No. 24—Discontinued Operations and Unusual or Infrequent Items*. (Ref #2022-04)
 - iv. Revisions clarify that the U.S. tax basis equity audit permitted in *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* shall occur at the investee level. (Ref #2022-02)
 - v. Revisions add a practical expedient in *SSAP No. 104R—Share-Based Payments* for the current price from *ASU 2021-07, Compensation – Stock Compensation (Topic 718), Determining the Current Price of an Underlying Share for Equity-Classified Share-Based Awards*. (Ref #2022-06)
- E. Exposed the following new SAP concepts to statutory accounting guidance:
 - i. Revisions incorporate concepts to principally define what is eligible for reporting as a bond on Schedule D, Part 1: Long-Term Bonds. Proposed revisions to *SSAP No. 26R—Bonds* and *SSAP No. 43R*, with an updated bond definition and issue paper. (Ref #2019-21)
- F. Exposed the following SAP clarifications to statutory accounting guidance until Oct. 7:
 - i. Revisions incorporate *FASB Concepts Statement No. 8, Conceptual Framework for Financial Reporting—Chapter 4, Elements of Financial Statements* to revise the definition of a liability in *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets* and expose a related draft issue paper to detail these SAP clarifications. (Ref #2022-01)
 - ii. Revisions clarify that leasehold improvements shall be immediately expensed upon lease termination unless limited exclusions in *SSAP No. 73—Health Care Delivery Assets and Leasehold Improvements in Health Care Facilities* are met. (Ref #2021-25)

- iii. Revisions clarify that an asset pledged as collateral must qualify as an admitted invested asset before the collateral loan is admitted. (Ref #2022-11)
 - iv. Revisions identify foreign open-end investment funds as a fund in which ownership percentage is not deemed to reflect control unless the entity actually controls with the power to direct the underlying company. (Ref #2022-13)
 - v. Revisions propose to reject *ASU 2022-02, Troubled Debt Restructurings and Vintage Disclosures* for statutory accounting. (Ref #2022-10)
 - vi. Revisions incorporate derivative guidance from ASU 2017-12 and *ASU 2022-01, Fair Value Hedging – Portfolio Layer* to include guidance for the portfolio layer method and partial-term hedges. (Ref #2022-09)
 - vii. Exposure proposes to nullify *INT 03-02: Modification to an Existing Intercompany Pooling Arrangement*, as it is inconsistent with *SSAP No. 25—Affiliates and Other Related Parties*. (Ref #2022-12)
- G. Received an update on the following items:
- i. Received an update on U.S. generally accepted accounting principles (GAAP) exposures, noting that pending items will be addressed during the normal maintenance process. In addition, NAIC staff are monitoring developments regarding the federal Inflation Reduction Act of 2022 for any items that may affect insurers.
 - ii. Received an update regarding amendments made to the *Valuation Manual* by the Life Actuarial (A) Task Force since the 2021 Summer National Meeting.
 - iii. Received a referral from the Macprudential (E) Working Group.
4. Adopted the report of the Blanks (E) Working Group, including an e-vote that concluded June 8 to adopt proposal 2022-13BWG, which modifies life blank five-year historical data question 68 and question 69 to reference group comprehensive and question 70 and question 71 to reflect the inclusion of all health lines of business other than group comprehensive. The crosschecks for these questions are being modified accordingly. Interested parties requested an annual 2022 effective date. The Working Group also met May 25. During this meeting, the Working Group took the following action:
- A. Adopted its Spring National Meeting minutes.
- B. Adopted its editorial listing and the following proposals:
- i. 2022-01BWG – Add new questions to General Interrogatories Part 1 asking if the reporting entity accepts cryptocurrency for payment of premiums, which cryptocurrencies are accepted, and whether they are held for investment or immediately converted to U.S. dollars (2021-24 SAPWG).
 - ii. 2022-02BWG – Add four new electronic-only columns to Schedule D, Part 6, Section 1, for Prior Year Book/Adjusted Carrying Value (BACV) (Column 16), Prior Year Nonadmitted Amount (Column 17), Prior Year Sub-2 Verified Value (Column 18), and Prior Year VISION Filing Number (Column 19) (2021-22 SAPWG).
 - iii. 2022-03BWG – Split Line 5 of the Quarterly Part 1 – Loss Experience and Part 2 – Direct Premiums Written into Line 5.1 – Commercial multiple peril (non-liability portion) and Line 5.2 – Commercial multiple peril (liability portion).
 - iv. 2022-04BWG – Add a new supplement to capture premium and loss data for Annual Statement Line 17.1, 17.2, and 17.3 of the Exhibit of Premiums and Losses (State Page) – Other Liability by more granular lines of business.
 - v. 2022-05BWG – Add line numbers to the status data points in the Life/Fraternal, Health, and Property/Casualty Schedule T footnote.
 - vi. 2022-06BWG – Revise the Health Annual Statement Test language in the annual statement instructions.

- vii. 2022-07BWG – Modify the Health Actuarial Opinion Instructions. Add definitions of “actuarial asset” and “actuarial liability.” Modify Section 4—Identification, Section 5—Scope, and Section 7—Opinion to clarify that the actuary’s opinion covers actuarial assets, as well as actuarial liabilities. Modify Section 9 to clarify that the guidance related to the type of opinion rendered by an appointed actuary covers both actuarial assets and actuarial liabilities.
 - viii. 2022-08BWG – Modify the instructions in Section 1, Section 3, and Section 8 of the Property/Casualty Actuarial Opinion Instructions to reflect the changes adopted by the Actuarial Opinion (C) Working Group.
 - ix. 2022-09BWG – Changes to the Life/Fraternal VM-20, Requirements for Principle-Based Reserves for Life Products, Reserves Supplement blank.
 - x. 2022-10BWG – Add instructions to Schedule T, the State pages, and the AHPEE to clarify guidance for reporting premium adjustments by jurisdiction.
 - xi. 2022-11BWG Modified – Update the life/fraternal blank asset valuation reserve (AVR) factors to correspond with the adopted risk-based capital (RBC) factors for the expanded bond designation categories.
- C. Deferred proposal 2021-18BWG – Modify the Life Insurance (State Page) to include the line of business detail reported on the Analysis of Operations by Lines of Business pages.
 - D. Exposed two new proposals for a public comment period ending Oct. 25.
 - E. Received a memorandum from the Property and Casualty Risk-Based Capital (E) Working Group regarding reinsurer designation equivalent rating factors.
5. Adopted the following accounting and reporting revisions from the working group reports regarding related parties by separate votes:
- A. SSAP No. 25 and SSAP No. 43R: Revisions clarify application guidance for the existing affiliate definition and incorporate reporting codes within the investment schedules to identify investments that involve related parties. (Ref #2021-21) The Statutory Accounting Principles (E) Working Group adopted this item during its May 24 meeting.
 - B. 2021-22BWG – Add a new reporting requirement in the investment schedules for investment transactions with related parties. In addition to capturing direct loans in related parties, it will also capture information involving securitizations, or other similar investments, where the related party is a sponsor/originator, along with whether the underlying investment is in a related party. The Blanks (E) Working Group adopted this item during its May 25 meeting.

Capital Adequacy (E) Task Force

Aug. 11, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted its June 30 and April 28 minutes. During these meetings, the Task Force took the following action:
 - A. Adopted the following proposals: 1) 2022-02-P; 2) 2022-05-L; 3) 2022-06-L; 4) 2021-17-CR MOD; 5) 2022-01-P; 6) 2022-03-L; 7) 2021-18-H-MOD; 8) 2021-15-CR; and 9) 2021-14-P.
 - B. Discussed affiliated investments blanks and instructions.
3. Adopted the report of the Health Risk-Based Capital (E) Working Group, including its July 21 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its May 11, May 4, and April 20 minutes. During these meetings, the Working Group took the following action:
 - i. Adopted its Spring National Meeting minutes.
 - ii. Heard presentations from the American Academy of Actuaries (Academy) on the methodologies considered in the H2 – Underwriting Risk component and AM Best on Best’s Capital Adequacy Ratio (BCAR).
 - iii. Exposed the health affiliated investment instructions and blank for a 61-day public comment period ending July 5.
 - iv. Received an update on the Health Test Ad Hoc Group and the Excessive Growth Charge Ad Hoc Group.

- B. Adopted its working agenda.
 - C. Adopted its 2022 newsletter.
 - D. Adopted its 2021 risk-based capital (RBC) statistics.
 - E. Referred the health affiliated investment instructions and blanks to the Task Force for discussion.
 - F. Exposed the Academy's response letter on its recommendation and timeline for the H2 – Underwriting Risk review for a 31-day public comment period ending Aug. 22.
4. Adopted the report of the Life Risk-Based Capital (E) Working Group, including its July 27 minutes. During this meeting, the Working Group took the following action:
- A. Adopted its Spring National Meeting minutes.
 - B. Adopted its June 17, June 3, April 22, and April 7 minutes. During these meetings, the Working Group took the following action:
 - i. Adopted the structure and instructions for the Academy C2 Work Group recommendation on mortality.
 - ii. Adopted the instructional change for residual tranches.
 - C. Adopted its 2022 newsletter.
 - D. Discussed the life affiliated investments.
 - E. Adopted its working agenda.
5. Adopted the report of the Property and Casualty Risk-Based Capital (E) Working Group, which met Aug. 9 and took the following action:
- A. Adopted the Catastrophe Risk (E) Subgroup's June 14 and April 19 minutes. During these meetings, the Subgroup took the following action:
 - i. Adopted its Spring National Meeting minutes.
 - ii. Exposed proposal 2022-04-CR for a 30-day public comment period ending July 13.
 - iii. Adopted proposal 2021-17-CR MOD.
 - iv. Discussed the independent model review instructions in the Rcat component.
 - v. Evaluated other catastrophe risk for possible inclusion in the Rcat component.
 - vi. Heard a presentation from the International Society of Catastrophe Managers (ISCM) on different programs to elevate the catastrophe risk profession that the ISCM offers.
 - B. Adopted its June 24, June 7, and April 26 minutes. During these meetings, the Working Group took the following action:
 - i. Adopted its Spring National Meeting minutes.
 - ii. Adopted the following proposals: 1) 2021-17-CR MOD; 2) 2022-01-P; and 3) 2022-02-P.
 - iii. Exposed the property/casualty (P/C) affiliated investment instructions and blank for a 60-day public comment period ending June 25.
 - iv. Forwarded the referral regarding the reinsurer designation equivalent rating factors to the Blanks (E) Working Group.
 - v. Heard updates on current P/C RBC projects from the Academy.
 - C. Referred the P/C affiliated investment instructions and blanks to the Task Force for discussion.
 - D. Adopted proposal 2022-04-CR, which includes the U.S. and non-U.S. lists of wildfire events between 2013 and 2021.
 - E. Adopted its 2022 newsletter for adopted proposals and editorial changes to the 2022 P/C RBC formula.
 - F. Exposed proposal 2022-07-P, which modified the PR035 lines of business categories to be consistent with the Annual Statement, Underwriting and Investment Exhibit, Part 1B categories for a 30-day public comment period ending Sept. 8.
 - G. Exposed proposal 2022-08-CR, which provides further clarification on the independent model review instructions for a 30-day public comment period ending Sept. 8.
 - H. Heard updates from the Academy regarding current P/C RBC projects.
 - I. Adopted the 2021 P/C RBC statistics.
 - J. Adopted its working agenda.
 - K. Discussed other catastrophe risks for possible inclusion in the Rcat component.

- L. Heard a presentation from the National Oceanic and Atmospheric Administration (NOAA) on the forecasting and resilience of severe thunderstorms.
- 6. Adopted the report of the Risk-Based Capital Investment Risk and Evaluation (E) Working Group, which met Aug. 11 and took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Adopted its working agenda.
 - C. Received updates from the Valuation of Securities (E) Task Force and the Statutory Accounting Principles (E) Working Group.
 - D. Discussed its next steps.
 - E. Received a referral from the Macroprudential (E) Working Group.
- 6. Adopted proposal 2022-04-CR.
- 7. Discussed the affiliated investment instructions and blanks.
- 8. Adopted its working agenda.

Examination Oversight (E) Task Force

Aug. 11, 2022

- 1. Adopted its 2021 Fall National Meeting minutes.
- 2. Adopted the report of the Financial Examiners Coordination (E) Working Group, which met April 14 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.
- 3. Adopted the report of the Financial Analysis Solvency Tools (E) Working Group, which met Aug. 1 and June 13 in regulator-to-regulator session, pursuant to paragraph 6 (consultations with NAIC staff members related to NAIC technical guidance) of the NAIC Policy Statement on Open Meetings.
- 4. Adopted the report of the Electronic Workpaper (E) Working Group, which met July 20, May 23, April 18, Feb. 24, and Jan. 24 in regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meetings.
- 5. Received an update on the status of the Solvency Workpaper Software Modernization project that the Electronic Workpaper (E) Working Group is leading.
- 6. Adopted the report of the Financial Examiners Handbook (E) Technical Group, including its April 18 minutes. During this meeting, the Working Group took the following action:
 - A. Discussed its 2022 project listing.
 - B. Received an update on related NAIC working group activities that will affect examination guidance.
- 7. Adopted the report of the Information Technology (IT) Examination (E) Working Group, including its May 2 minutes. During this meeting, the Working Group took the following action:
 - A. Discussed its 2022 project listing.

Financial Stability (E) Task Force

Aug. 12, 2022 (joint session with the Macroprudential (E) Working Group)

- 1. Adopted its Summer National Meeting minutes.
- 2. Adopted its June 27 minutes. During this meeting, the Task Force took the following action:
 - A. Received comments on the proposed state insurance regulator responses to the list of the Working Group's considerations.
 - B. Adopted the proposed state insurance regulator responses to the list of the Working Group's considerations.
 - C. Received an update on key initiatives.
- 3. Heard an update on Financial Stability Oversight Council (FSOC) developments.
- 4. Received an update from the Working Group. On June 27, the Task Force adopted a document detailing:
 - 1) a list of the Working Group's considerations, private equity (PE)-related and other;
 - 2) summaries of state insurance regulator discussions and interested party comments; and
 - 3) a recommended disposition for each consideration.

5. Heard an international update, which included an update on the International Association of Insurance Supervisors' (IAIS') global monitoring exercise.

Receivership and Insolvency (E) Task Force

Aug. 11, 2022

1. Adopted its June 2 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Adopted a Request for NAIC Model Law Development to amend the *Property and Casualty Insurance Guaranty Association Model Act (#540)*.
2. Adopted the report of the Receiver's Handbook (E) Subgroup, including its July 19 minutes. During this meeting, the Subgroup took the following action:
 - A. Adopted its Nov. 18, 2021, minutes.
 - B. Adopted revisions to Chapter 1 and Chapter 2 of the *Receiver's Handbook for Insurance Company Insolvencies* (Receiver's Handbook).
 - C. Exposed Chapter 3, Chapter 4, and Chapter 5 of the Receiver's Handbook for a 30-day public comment period ending Aug. 19. The Subgroup's drafting groups continue to make progress on the remaining chapters of the Receiver's Handbook.
3. Adopted the report of the Receivership Law (E) Working Group, including its July 18 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its June 10 and May 12 minutes. During these meetings, the Working Group took the following action:
 - i. Discussed a draft memorandum of understanding between state insurance departments, receivers, and guaranty funds the states could consider using in the event of an unexpected liquidation to enhance preliquidation coordination and communication.
 - ii. Discussed proposals and options for enhancing preliquidation coordination and communication from the National Conference of Insurance Guaranty Funds (NCIGF)
 - B. Discussed options for improving pre-receivership communication and information sharing between receivers and guaranty funds, including possible amendments to NAIC model laws, a draft memorandum of understanding, and improved guidance for receivers. The Working Group agreed to pursue the memorandum and improved guidance.
 - C. Exposed a draft memorandum for a 45-day public comment period ending Sept. 1.
4. Adopted the report of the Receivership Financial Analysis (E) Working Group, which met Aug. 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 companies in receivership and related topics.
5. Adopted 2023 proposed charges for the Task Force and its working groups and subgroup.
6. Heard an update on international resolution activities. The International Association of Insurance Supervisors (IAIS) is developing an application paper on policyholder protection schemes. The U.S. recently completed its IAIS-targeted jurisdictional assessments regarding the holistic framework, which included an assessment of insurance resolution.

Reinsurance (E) Task Force

July 25, 2022 (in lieu of the Summer National Meeting)

1. Adopted its Spring National Meeting minutes.
2. Adopted its May 16 minutes. During this meeting, the Task Force took the following action:
 - A. Adopted revisions to the *Uniform Checklist for Reciprocal Jurisdiction Reinsurers*.
3. Adopted its 2023 proposed charges.
4. Adopted the report of the Reinsurance Financial Analysis (E) Working Group, which met May 18 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings. During this meeting, the Working Group completed the reviews of certified reinsurers and reciprocal jurisdiction reinsurers.

5. Received a status report on the reinsurance activities of the Mutual Recognition of Jurisdictions (E) Working Group.
6. Received a status report on the states' implementation of the 2019 revisions to the *Credit for Reinsurance Model Law* (#785), the *Credit for Reinsurance Model Regulation* (#786), and the implementation of the *Term and Universal Life Insurance Reserve Financing Model Regulation* (#787).

Risk Retention Group (E) Task Force

The Risk Retention Group (E) Task Force did not meet at the Summer National Meeting.

Valuation of Securities (E) Task Force

Aug. 11, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted its June 9 minutes. During this meeting, the Task Force took the following action:
 - A. Received and discussed a memorandum of support from the Financial Condition (E) Committee for several interrelated initiatives focused on asset risk that the Task Force, as well as other NAIC groups, are working on.
 - B. Received and discussed comments on a proposed referral to the Blanks (E) Working Group to add fixed income analytical risk measures to investments reported on Schedule D, Part One. The proposal referral was exposed for a 45-day public comment period ending May 20.
 - C. Received a proposed amendment to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) to update the role of the Securities Valuation Office (SVO) regarding interpreting accounting and reporting. The proposed amendment was exposed for 30-day public comment period ending July 9.
 - D. Received a proposed amendment to the P&P Manual to update Part Four for NAIC designation category and additional price points. The proposed amendment was exposed for 30-day public comment period ending July 9.
 - E. Exposed an Investment Analysis Office (IAO) issue paper on the risk assessment of structured securities – collateralized loan obligations (CLOs) for a 36-day public comment period ending July 15.
 - F. Received a report from the Structured Securities Group (SSG) on modeling and scenarios for residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS).
 - G. Received an update from the credit rating provider (CRP) ad hoc group.
3. Adopted an amendment to the P&P Manual clarifying the role of the SVO regarding interpreting accounting and reporting. The amendment was exposed for a 30-day public comment period ending July 9.
4. Adopted an amendment to the P&P Manual updating Part Four for NAIC designation categories and additional price points. The amendment was exposed for a 30-day public comment period ending July 9.
5. Adopted an amendment to the P&P Manual to update the definition of principal protected securities (PPS). The amendment was exposed for a 30-day public comment period ending July 28.
6. Received and discussed a referral from the Statutory Accounting Principles (E) Working Group on the adoption of its related party reporting agenda item.
7. Received and discussed a referral from the Macroprudential (E) Working Group on its plan for the list of Macroprudential (E) Working Group considerations affecting the Task Force and supported by the Financial Condition (E) Committee.
8. Exposed its 2023 proposed charges for a 30-day public comment period ending Sept. 12.
9. Exposed an SVO memorandum on alternatives to add fixed income analytical risk measures to investments reported on Schedule D, Part One, for a 30-day public comment period ending Sept. 12.
10. Exposed a revised proposed amendment to the P&P Manual to update the definition of other non-payment risk assigned a subscript “S” for a 30-day public comment period ending Sept. 12.

11. Received comments and heard an SSG report on the IAO issue paper on the risk assessment of structured securities (i.e., CLOs) that was exposed for a 36-day public comment period ending July 15. Exposed a staff presentation answering questions received on comments for a 30-day public comments period ending Sept. 12.
12. Received staff reports on projects of the Statutory Accounting Principles (E) Working Group, an update on the Ad Hoc CRP Study Group, and an update from the SSG on modeling scenarios.

FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE

Aug. 10, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted an update to the examination coordination guidelines that the Financial Examiners Handbook (E) Technical Group recommended. The update ensures consistency between the *Financial Condition Examiners Handbook* and the accreditation guidelines, which clarifies coordination for examinations that are part of a holding company group with insurers domiciled in multiple states.
3. Adopted the recommendation that the 2021 revisions to the *Insurance Holding Company System Regulatory Act* (#440) and the *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions* (#450) are acceptable for accreditation but not required. The revisions address the continuation of essential services through affiliated intercompany agreements with an insurer that is placed into receivership.
4. Adopted updates to the Preamble of the *Accreditation Program Manual* to reference VM-21, Requirements for Principle-Based Reserves for Variable Annuities. The revisions serve as a reference to how captives that reinsure variable annuity (VA) business are addressed in the accreditation standards.
5. Reported that it met Aug. 9 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 Alaska, Iowa, Minnesota, and Ohio.

INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE

Aug. 10, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted its July 21 minutes. During this meeting, the Committee took the following action:
 - i. Discussed the International Association of Insurance Supervisors' (IAIS') public consultation on the draft criteria that will be used to assess whether the aggregation method (AM) provides comparable outcomes to the insurance capital standard (ICS).
3. Heard a presentation on the Federal Reserve Board (FRB) Insurance Policy Advisory Committee (IPAC) paper on the ICS. The presentation described the analysis undertaken by the IPAC, the potential impact of the ICS and the IPAC's recommended revisions to the ICS, and its conclusions.
4. Heard an update on recent activities and priorities of the IAIS, including: 1) a review of recent committee meetings and the annual Global Seminar; 2) an update on the targeted jurisdictional assessments (TJAs) as part of the implementation of the holistic framework; 3) the comparability assessment process for the AM; and 4) upcoming activities underway related to climate; diversity, equity, and inclusion (DE&I); operational resilience; cyber; and liquidity metrics.
5. Heard an update on international activities, including: 1) recent and upcoming meetings, events, and speaking engagements with international regulators; 2) the upcoming Fall 2022 International Fellows Program; 3) upcoming meetings and participation in workstreams at the Organisation for Economic Co-operation and Development (OECD) Insurance and Private Pensions Committee; and 4) a review of recent working group meetings of the Sustainable Insurance Forum (SIF).

INNOVATION, CYBERSECURITY, AND TECHNOLOGY (H) COMMITTEE

Aug. 10, 2022

1. Adopted its Spring National Meeting minutes.
2. Adopted a Request for NAIC Model Law Development from the Privacy Protections (H) Working Group to replace the *NAIC Insurance Information and Privacy Protection Model Act* (#670) and the *Privacy of Consumer Financial and Health Information Regulation* (#672) into a new model.
3. Adopted the report of the Big Data and Artificial Intelligence (H) Working Group, which met Aug. 10 and took the following action:
 - A. Adopted its July 14 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its Spring National Meeting minutes.
 - ii. Received a report from Workstream One, which is focusing on artificial intelligence (AI)/machine learning (ML) surveys.
 - iii. Received a report from Workstream Two, which is focusing on determining the appropriate regulatory evaluation of third-party data and model vendors.
 - iv. Received a report from Workstream Three, which is focusing on evaluating the tools and resources for monitoring the insurance industry's use of data and AI.
 - v. Received a report from Workstream Four, which is focusing on the regulatory framework and how best to implement the expectations outlined in the *NAIC Principles on Artificial Intelligence*, which include regulatory guidance such as model governance.
 - B. Heard a presentation from Faegre Drinker Biddle & Reath LLP on different perspectives on AI risk management and governance.
 - C. Heard a presentation Milliman on bias detection methods and tools.
 - D. Received a report from Workstream One.
 - E. Received a report from Workstream Two.
4. Adopted the report of the Cybersecurity (H) Working Group, including its July 14 minutes. During this meeting, the Working Group took the following action:
 - A. Received an update on its revised work plan, which includes: 1) developing a state insurance regulator cybersecurity survey; 2) considering the development of a cybersecurity response plan to aid state insurance regulators in situations where cybersecurity events take place within the insurance industry; 3) determining training that would be beneficial to state insurance regulators; and 4) monitoring state, federal, and international cybersecurity efforts.
 - B. Received an update on the implementation of the *Insurance Data Security Model Law* (#668). Model #668 has now been adopted by 21 states, representing more than 80% of the market by gross written premiums.
 - C. Received an update on federal activity related to cybersecurity.
 - D. Received an update on the NAIC's cybersecurity tabletop exercises.
 - E. Received an update on state insurance regulator cybersecurity tools. NAIC staff prepared a memorandum summarizing cybersecurity tools available to state insurance regulators as a resource for regulators.
5. Adopted the report of the E-Commerce (H) Working Group, which met May 26 and May 5 in regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meetings.
6. Adopted the report of the Innovation in Technology and Regulation (H) Working Group, including its May 25 minutes. During this meeting, the Working Group took the following action:
 - A. Reviewed and discussed its charges.
 - B. Discussed different approaches insurance departments are taking related to encouraging innovation through technology in their states. It plans to hold another meeting on industry perspectives related to those approaches after the Summer National Meeting.

7. Adopted the report of the Privacy Protections (H) Working Group, which met Aug. 9 and took the following action:
 - A. Adopted its Aug. 2 minutes. During this meeting, the Working Group took the following action:
 - i. Adopted its June 15 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Spring National Meeting minutes.
 - b. Heard updates on state and federal privacy legislation.
 - c. Discussed comments received on the exposure draft of its revisions to Section 1 through Section 3 of Model #670.
 - ii. Adopted a Request for NAIC Model Law Development to replace Model #670 and Model #672 with one new model.
 - iii. Discussed its revised work plan.
 - B. Heard updates on state and federal privacy legislation.
 - C. Discussed next steps on the *Consumer Data Ownership and Use* white paper.
 - D. Discussed next steps for the drafting of the new privacy model and the Working Group’s final work plan.
8. Received an update on its projects, including the proposed ICT-Hub and the NAIC Collaboration Forum on algorithmic bias.
9. Heard presentations on the following topic: “Approaches Companies Are or Can Implement to Manage and Mitigate the Risk of Unintended Bias and Illegal Discrimination When Developing and Using AI/ML.”

NAIC/CONSUMER LIAISON COMMITTEE

Aug. 12, 2022

1. Adopted its Spring National Meeting minutes.
2. Discussed recommendations for the enhancement of Liaison Committee and consumer liaison engagement in NAIC activities.
3. Heard an update on Section 1557 to help state insurance regulators prepare for helping companies comply with the new updates from the Disability Rights Education and Defense Fund (DREDF), the Whitman-Walker Institute, and Georgians for a Healthy Future (GHF).
4. Heard a presentation on the impact of recent federal court decisions on consumers from the National Women’s Law Center (NWLC), Out2Enroll, and Dialysis Patient Citizens (DPC).
5. Heard a presentation on social inflation from the California Western School of Law.
6. Heard a short update on the new rules for disaster claims in California, Colorado, and Oklahoma from United Policyholders (UP). The new rules are helping consumers cope with the increase in disasters.

NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE

Aug. 11, 2022

1. Adopted its June 28 minutes, which included the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Heard a presentation on consumer outreach and education regarding fraud. This is valuable to industry, state insurance regulators, and consumers as fraud is increasing. Therefore, outreach and educational opportunities to each of these groups is invaluable.
 - C. Heard a presentation on “Maximizing Collaboration Between Health Insurers and Tribal Communities – What Blue Cross and Blue Shield of New Mexico and Blue Cross and Blue Shield of Oklahoma are Doing to Build Partnerships.” This is important because it allows industry success stories to be shared and used by state insurance regulators and consumers.
 - D. Heard a presentation on “New Mexico’s Health Insurance Exchange – American Indian Program.” This is an important presentation because it helps consumers, state insurance regulators, and industry to understand best practices found to be useful by this exchange.

2. Heard a presentation on the Sovereign Nations Health Consortium (SNHC) and Sovereign Nations Insurance (SNI). The SNHC is a consortium of three federally recognized Utah-based tribes: the Kanosh Band of Paiutes; the Confederated Tribes of the Goshute Reservation; and the Shivwits Band of Paiutes. The SNI operates under tribal code; is regulated under the SNHC tribal regulatory authority; is about one-year old; and is currently offering insurance products to both Indian and non-Indian members.
3. Discussed survey results of growing insurance markets by tribal nations and the SNI and its business model, which is important so state insurance regulators can think of ways they might be able to work with such entities going forward. The survey inquired on whether tribal insurance programs were operating in state jurisdictions as admitted carriers and whether there was knowledge of state-licensed agents selling tribal insurance products.
4. Received an update from its ad hoc drafting groups. Ad Hoc Group 1 will focus on cultural awareness and communication between tribal and non-tribal members. Ad Hoc Group 2 will produce a report on access to the federal Affordable Care Act (ACA), ACA navigation, and non-Individual Health Coverage (IHC) insurance products. This group will also report on “lessons learned” in Indian Country through the COVID-19 pandemic. There was also a solicitation for additional volunteers to join the ad hoc groups.



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