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Mr. Damion Hughes, Chair  
Director of Market Regulation  
Department of Regulatory Agencies  
Division of Insurance  
1560 Broadway, Suite 850  
Denver, Colorado, 80202

*Sent via email to Petra Wallace, Senior Market Regulation Specialist*

**Re: NAIC Market Conduct Examinations Guidelines (D) Working Group Chapter 20  
Proposed Changes**

Dear Mr. Hughes:

The American Council of Life Insurers (ACLI) appreciates the opportunity to submit the comments below, concerning the exposed draft revisions to Chapter 20 of the General Examination Standards in regard to the *Insurance Holding Company System Regulatory Model Act* (Model #440).

On the March 10, 2022 *Market Conduct Examination Guidelines (D) Working Group* call, regulators and industry stakeholders discussed the Working Groups proposed inclusion of the GCC and LST. It was discussed that if an exam is showing a problem that is ORSA, LST, GCC, etc related they will review what was filed with the financial division and then ask questions to the financial analyst/domestic assigned. We agree with the Working Group's need for including GCC and LST into the examination guidelines, but we propose language changes to the below review criteria:

- Determine if the NAIC Liquidity Stress Test Framework needs to be utilized for a specified data year.
- Determine if there is a holding company system in place. And if so, whether there should be a group capital calculation request from the U.S. Federal Reserve or whether a lead state commissioner should require a group capital calculation for US operations of any non-U.S. based insurance holding company system.

- Determine if the confidentiality of any group capital contribution or group capital ratio is maintained and if the confidentiality of the liquid stress test results and supporting disclosure are maintained which includes any Federal Reserve Board filings and information.

The ACLI recommends the Working Group change “determine” and other language around the criteria to read/incorporate “*review or discuss with domestic should there be issue with ORSA, LST or GCC related information.*”

We also recommend that direct reference to the GCC and LST be removed from the Marketing and Sales Standards on page 48 or, in the very least these could be made generic to apply to all prohibited marketing activity for any of the NAIC Model References listed on page 46.

Thank you again for the opportunity to submit comments.

Sincerely,



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