

Draft date: 2/29/24

2024 Spring National Meeting
Phoenix, Arizona

RECEIVERSHIP AND INSOLVENCY (E) TASK FORCE

Sunday, March 17, 2024

11:00 a.m. – 12:00 p.m.

Sheraton—Phoenix Ballroom AB—Level 3

ROLL CALL

Dana Popish Severinghaus, Chair	Illinois	Eric Dunning	Nebraska
Glen Mulready, Vice Chair	Oklahoma	Scott Kipper	Nevada
Mark Fowler	Alabama	Justin Zimmerman	New Jersey
Lori K. Wing-Heier	Alaska	Mike Causey	North Carolina
Alan McClain	Arkansas	Jon Godfread	North Dakota
Michael Conway	Colorado	Judith L. French	Ohio
Andrew N. Mais	Connecticut	Andrew R. Stolfi	Oregon
Karima M. Woods	District of Columbia	Michael Humphreys	Pennsylvania
Gordon I. Ito	Hawaii	Elizabeth Kelleher Dwyer	Rhode Island
Doug Ommen	Iowa	Michael Wise	South Carolina
Vicki Schmidt	Kansas	Carter Lawrence	Tennessee
Sharon P. Clark	Kentucky	Cassie Brown	Texas
Timothy J. Temple	Louisiana	Scott A. White	Virginia
Robert L. Carey	Maine	Mike Kreidler	Washington
Gary D. Anderson	Massachusetts	Nathan Houdek	Wisconsin
Chlora Lindley-Myers	Missouri		

NAIC Support Staff: Jane Koenigsman

AGENDA

1. Consider Adoption of its Feb. 29, 2024, and 2023 Fall National Meeting Minutes—*Jacob Stuckey (IL)* Attachment One
Attachment Two
2. Consider Adoption of the Receivership Financial Analysis (E) Working Group Report—*Donna Wilson (OK)*
3. Hear a Report on International Resolution Activities—*Robert Wake (ME)*
and William Arfanis (CT)



4. Discuss Model Amendments, Guidelines, and Provisions of Receivership Laws Critical to a Multi-Jurisdiction Receivership—*Jacob Stuckey (IL) and Donna Wilson (OK)*
5. Discuss States Updating the Global Receivership Information Database (GRID)—*Donna Wilson (OK) and Jane Koenigsman (NAIC)*
6. Discuss States’ Adoption of Federal Home Loan Bank (FHLB) Legislation Regarding Stays in Receivership—*Jacob Stuckey (IL)*
7. Hear a Presentation from the National Conference of Insurance Guaranty Funds (NCIGF) on Pre-Liquidation Enhancements—*Roger Schmelzer (NCIGF) and Ashley Rosenberger (NCIGF)*
8. Discuss Any Other Matters Brought Before the Task Force—*Jacob Stuckey (IL)*
9. Adjournment

Attachment Three

Attachment Four

Draft: 3/1/24

Receivership and Insolvency (E) Task Force
E-Vote
February 29, 2024

The Receivership and Insolvency (E) Task Force conducted an e-vote that concluded Feb. 29, 2024. The following Task Force members participated: Dana Popish Severinghaus, Chair, represented by Jacob Stuckey (IL); Glen Mulready, Vice Chair, represented by Donna Wilson (OK); Vicki Schmidt represented by Tish Becker (KS); Sharon P. Clark represented by Russell Coy (KY); Timothy J. Temple (LA); Gary D. Anderson represented by Christopher Joyce (MA); Timothy N. Schott represented by Robert Wake (ME); Chlora Lindley-Myers represented by John Rehagen (MO); Mike Causey represented by Jackie Obusek (NC); Jon Godfread represented by Matt Fischer (ND); Eric Dunning represented by Lindsay Crawford (NE); Scott Kipper represented by Alexia Emmermann (NV); Judith L. French represented by Sean Sheridan (OH); Michael Humphreys represented by Laura Lyon Slaymaker (PA); Elizabeth Kelleher Dwyer represented by Matthew Gendron (RI); Michael Wise (SC); Carter Lawrence represented by Trey Hancock (TN); Cassie Brown represented by Jessica Barta (TX); Scott A. White represented by Dan Bumpus (VA); Mike Kreidler represented by Charles Malone (WA); and Nathan Houdek represented by Amy Malm (WI).

1. Adopted a Memorandum to the Financial Regulation Standards and Accreditation (F) Committee

On Feb. 1, the Task Force released a memorandum to the Financial Regulation Standards and Accreditation (F) Committee for a 20-day public comment period ending Feb. 21. The memorandum outlines a recommendation to the Committee regarding Part A accreditation standards for the 2023 amendments to the *Property and Casualty Insurance Guaranty Association Model Act* (#540). One comment was received from Maine as follows:

This is consistent with our longstanding approach to receivership and guaranty fund protection for accreditation purposes. While there is merit to reconsidering that approach and exploring whether more prescriptive minimum standards should be adopted, that would be a fundamental change to our paradigm, and I agree that it would be premature to make piecemeal changes at this time.

The Task Force conducted an e-vote that concluded Feb. 29 to consider adopting the memorandum. A majority of the Task Force members voted in favor of adopting the memorandum and sending it to the Committee (Attachment One-A). The motion passed.

Having no further business, the Receivership and Insolvency (E) Task Force adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/E CMTE/RITF/2024 Spring NM/RITF 022924 E-vote Minutes.docx

Draft Pending Adoption

Draft: 12/7/23

Receivership and Insolvency (E) Task Force
Orlando, Florida
December 2, 2023

The Receivership and Insolvency (E) Task Force met Dec. 2, 2023. The following Task Force members participated: James J. Donelon, Chair (LA); Glen Mulready, Vice Chair, represented by Donna Wilson and Jamin Dawes (OK); Mark Fowler represented by Ryan Donaldson (AL); Michael Conway represented by Rolf Kaumann (CO); Andrew N. Mais represented by Jane Callahan and William Arfanis (CT); Doug Ommen represented by Daniel Mathis (IA); Dana Popish Severinghaus represented by Jacob Stuckey (IL); Vicki Schmidt represented by Philip Michael (KS); Sharon P. Clark represented by Vicki Lloyd (KY); Gary D. Anderson represented by Christopher Joyce (MA); Timothy N. Schott represented by Robert Wake (ME); Chlora Lindley-Myers represented by Shelley Forrest (MO); Troy Downing represented by Kari Leonard (MT); Mike Causey represented by Jackie Obusek (NC); Jon Godfread represented by Matt Fischer (ND); Eric Dunning represented by Andrea Johnson (NE); Justin Zimmerman represented by David Wolf (NJ); Judith L. French represented by Matt Walsh (OH); Andrew R. Stolfi represented by Brian Fjeldheim (OR); Michael Humphreys represented by Laura Lyon Slaymaker and Crystal McDonald (PA); Elizabeth Kelleher Dwyer represented by Matt Gendron (RI); Michael Wise (SC); Cassie Brown represented by Brian Riewe (TX); Mike Kreidler represented by Charles Malone and John Haworth (WA); and Nathan Houdek represented by Mark McNabb (WI). Also participating was: Miriam Victorian (FL).

1. Adopted its Oct. 2 Meeting Minutes

The Task Force met Oct. 2 and took the following actions: 1) adopted its Summer National Meeting minutes; 2) adopted its 2024 proposed charges; 3) adopted a U.S. Resolution Template into the *Receiver's Handbook for Insurance Company Insolvencies* (Receiver's Handbook) and a referral to the Financial Analysis (E) Working Group to include the template in the *Troubled Insurance Company Handbook* (regulator-only publication); 4) discussed comments received and adopted amendments to the *Property and Casualty Insurance Guaranty Association Model Act* (#540) that address guaranty fund coverage of policies subject to restructuring mechanisms, specifically, insurance business transfers (IBTs) and corporate divisions (CDs), as well as revisions related to clarifying guaranty fund coverage for cybersecurity insurance; and 5) heard an update on the receivership tabletop scheduled for Nov. 29, in Orlando, FL.

Gendron made a motion, seconded by Joyce, to adopt the Task Force's Oct. 2 minutes (Attachment One). The motion passed unanimously.

2. Adopted the Report of the Receivership Financial Analysis (E) Working Group

Wilson said the Receivership Financial Analysis (E) Working Group will meet Dec. 2 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.

Kaumann made a motion, seconded by Slaymaker, to adopt the report of the Receivership Financial Analysis (E) Working Group. The motion passed unanimously.

3. Adopted the Report of the Receiver's Handbook (E) Subgroup

Victorian said the Receiver's Handbook (E) Subgroup met in open session Nov. 9, Oct. 5, and Aug. 18, during which the Subgroup exposed revisions for public comment, discussed comments received, and adopted Chapters 6, 7, 8, 9, 10, 11, and certain exhibits of the Receiver's Handbook. She said each chapter of the Receiver's Handbook

Draft Pending Adoption

was updated to make it more user-friendly and concise without losing the value it provides to both seasoned and new receivers. Each chapter was sent from the drafting groups to the Subgroup for public exposure and comment. She said the Subgroup has completed its charge and can be disbanded upon the Task Force's adoption of the Handbook revisions.

Donaldson made a motion, seconded by Stuckey, to adopt the report of the Receiver's Handbook (E) Subgroup (Attachment Two). The motion passed unanimously.

4. Adopted Revisions to the Receiver's Handbook for Insurance Company Insolvencies

Commissioner Donelon said the Receiver's Handbook (E) Subgroup has completed the review and adopted updates to the Receiver's Handbook. All of the revisions have been through a public exposure period. The cover page of Attachment Three details which chapters were revised and when the Subgroup adopted those revisions. Upon adoption, the Receiver's Handbook will be published on the NAIC's publications web page, and certain exhibits will be made available in Word format on the Task Force web page for easier use.

Lloyd made a motion, seconded by Fischer, to adopt the revisions to all chapters and certain exhibits of the Receiver's Handbook (Attachment Three). The motion passed unanimously.

5. Heard an Update on International Resolution Activities

Wake said the International Association of Insurance Supervisors (IAIS) Resolution Working Group has completed edits to the issues paper on policyholder protection schemes, which will be sent to its IAIS parent committee for consideration. The Resolution Working Group is beginning a review and rewrite of Insurance Core Principles (ICPs) related to recovery and resolution. There have been some drafting issues. For example, the term "planning" is viewed by some reviewers as confusing, as it may refer to a formal resolution plan. He said the Resolution Working Group is also working on reorganizing the resolution powers in the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) to be more coherent and easier to understand when evaluating jurisdictions' observance without lowering the bar. He said the U.S. completed responses to the Financial Stability Board's (FSB's) questionnaire on resolution powers and resolution planning.

6. Heard an Update on the UDS Project

Slymaker said the new Uniform Data Standards (UDS) version 3.0 will use a new language and format that will be more user-friendly and flexible than the current 2.0 version. For example, certain data fields will have no restrictions on what data can be input, such as long names, email addresses, and phone numbers. The new system can convert from the prior system with no required immediate upgrades. She said the new 3.0 version will be rolled out at the UDS technical support group meeting Dec. 12.

7. Heard Feedback on the Receivership Tabletop Exercise

Commissioner Donelon said a receivership tabletop exercise, facilitated by the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) and the National Conference of Insurance Guaranty Funds (NCIGF), was held Nov. 29. There were over 100 attendees from 34 state insurance departments, including 11 state insurance commissioners and guaranty fund representatives.

Roger Schmelzer (NCIGF) said he feels a lot of progress was made at the tabletop, but there is also a lot to do. He said all seem to agree that guaranty funds should be involved earlier in the insolvency process at the right time and place. The right time and place are unknown, and NCIGF is excited to work with state insurance regulators to figure it out. He said this is a real change in state insurance regulation and is going to protect consumers at a

Draft Pending Adoption

higher level. He said NCIGF is committed to being a resource to state insurance regulators and receivers. He said he plans to follow up on the tabletop and looks forward to working with the Task Force on what they can do next. He also said the Receiver's Handbook that was adopted is important, and NCIGF looks forward to implementing it.

Katherine Wade (NOLHGA) said she appreciated all of the participation in the tabletop. She said it was valuable for the administrators at both NOLHGA and NCIGF, and they want feedback on how they can do the next iteration of the tabletop. She said she looks forward to continued collaboration.

Commissioner Donelon said it was valuable beyond what he had hoped for and will be valuable if continued on an ongoing basis. He said exposing the state insurance department regulators in attendance to how the receivership process works and what best practices could be implemented to improve the process, as well as introducing each other to face-to-face relationships, is invaluable.

Haworth said what he enjoyed about the session was that everyone was brainstorming and collectively trying to figure out the underlying issues of the scenario exercise and what steps to take to mitigate those issues. He said he thought it was invaluable and hopes there will be more training and more people can participate.

8. Discussed Adoption of Model Amendments

Wilson said 15 states have adopted the 2021 amendments related to receivership in the *Insurance Holding Company System Model Act (#440)*. She encouraged states to consider the amendments in upcoming legislative sessions.

Having no further business, the Receivership and Insolvency (E) Task Force adjourned.

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Date: November 30, 2021
 To: State Insurance Departments
 From: Receivership and Insolvency (E) Task Force
 Re: Recently Adopted Model Amendments and Guidelines; and Provisions of Receivership Laws Critical to a Multi-Jurisdiction Receivership

In 2020, the Task Force concluded its Macroprudential Initiative (MPI) to evaluate receivership and guaranty fund laws. Through this process the Task Force highlighted several topics that it identified as being critical for states laws with respect to a multi-jurisdictional receivership and which may require a state's attention.

The Task Force encourages state insurance departments to review their receivership and guaranty fund laws to ensure it addresses the following topics.

Insurer Receivership Model Act (#555, "IRMA")

- Conflicts of Law (IRMA §102) was added as a new section in IRMA. It provides that the state's receivership act and insurance guaranty association acts constitute the state's insurer receivership laws, and these laws shall be construed together in a manner that is consistent. In the event of a conflict between the insurer receivership laws and the provisions of any other law, the insurer receivership laws shall prevail. The benefit of having this provision is that it prevents potential legal delays in the administration of a receivership.
- Continuation of Coverage (IRMA §502) provides that all insurance policies, excluding life, disability, long term care, health, or annuities, are cancelled at a specified time unless the Liquidator, with the consent of the receivership court, extends the period. This provision was re-written and improved in IRMA.

The Task Force conducted a survey in 2019 that showed that states' laws differ with respect to IRMA §502 from having provisions substantially similar to IRMA §502B, or to a prior version of Model #555, or a state has no continuation of coverage provision, or no exclusions for life and health lines of business. This provision has been the subject of litigation in receivership. For these reasons, states are encouraged to review their law against IRMA and consider amendments.

- Priority of Distribution (IRMA §801) of estate assets is a provision that was rewritten in IRMA. It outlines the priority scheme for payment of claims, which places policyholder claims above that of unsecured creditors or shareholders. The benefit of having this provision is that it furthers state insurance department goals to protect policyholders in the administration of a receivership.

Reciprocal State; Full Faith and Credit on Stays and Injunctions

An effective stay provision promotes judicial economy and predictability, which benefits all participants in the receivership process. However, the significant improvements in IRMA regarding stays have not been widely adopted.

Washington, DC 444 North Capitol Street NW, Suite 700, Washington, DC 20001-1509 p | 202 471 3990 f | 816 460 7493

Kansas City 1100 Walnut Street, Suite 1500, Kansas City, MO 64106-2197 p | 816 842 3600 f | 816 783 8175

New York One New York Plaza, Suite 4210, New York, NY 10004 p | 212 398 9000 f | 212 382 4207

Further background on the topic is available in the 2017 Financial Condition (E) Committee memorandum posted to the NAIC website.¹ States are encouraged to review their receivership laws, and consider the following:

- 1) States with no stay provisions, or provisions based on older NAIC models, should compare their laws to the more recent NAIC Models, and evaluate the benefits of a more comprehensive stay (IRMA §108).
- 2) States with no reciprocity provisions, or provisions based on older NAIC models, should consider adopting a provision similar to *Insurers Rehabilitation and Liquidation Model Act* (IRLMA) § 5(C)(2) or IRMA § 1002(A). In the alternative, a state could update its definition of a “reciprocal state.” In 2021, the NAIC adopted the *Guideline for Definition of Reciprocal State in Receivership Laws* (GDL #1985) that defines reciprocal state as any state that has enacted a law setting forth a scheme for receivership.²

Ancillary Conservation of Foreign Insurers (IRMA §1001) provides for ancillary conservation of an insurer writing in the state but domiciled in another state, in limited circumstances. Ancillary conservation is relevant to insurers conducting business in multiple jurisdictions, should be coordinated with the domiciliary state, and may require consideration of whether the involved states are reciprocal.

2021 Revisions to the Insurance Holding Company System Model Act and Regulation (#440 & #450)

In 2021, the NAIC adopted receivership revisions to the NAIC *Insurance Holding Company System Regulatory Act* (#440) and *Insurance Holding Company System Model Regulation with Reporting Forms and Instructions* (#450). The revisions address the continuation of essential services through affiliated agreements with an insurer that is placed into receivership by bringing affiliate service providers deemed “integral” or “essential” to an insurer’s operations under the jurisdiction of the receiver; clarify the ownership of data and records and premiums of the insurer that are held by the affiliate; and, outline provisions that should be included in affiliated management services and cost sharing agreements in the event the insurer is placed into receivership.

The Task Force encourages state insurance departments to consider these Model amendments based on the benefits these revisions add to state regulation, and to the goal of improving efficiencies in receivership and reducing costs to a receivership estate.

Treatment of Workers Compensation Large Deductible Policies

In 2021, the NAIC adopted the *Guideline for Administration of Large Deductible Policies in Receivership* (GDL #1980) to address the treatment of large deductible policies in receivership. The Guideline makes significant improvements over IRMA §712 Administration of Loss Reimbursement Policies, and the National Conference of Insurance Guaranty Funds (NCIGF) Model Large Deductible Legislation, Administration of Large Deductible Policies and Insured Large Deductible Collateral. The Guideline provides that the guaranty associations, on behalf of the claimants, are entitled to any deductible reimbursements from the policyholder and the right to draw on the collateral. While some states already have existing laws on this topic, states that do not or that wish to update their existing laws, are encouraged to consider GDL #1980.³

2017 Revisions to the Life and Health Insurance Guaranty Association Model Act (#520)

The 2017 amendments to Model #520 aimed to address issues arising in connection with guaranty fund coverage in insolvencies of insurers writing long-term care insurance. While states have made good progress adopting these

¹ https://content.naic.org/sites/default/files/inline-files/cmte_e_receivership_related_170717_committee_recommendation.pdf

² <https://content.naic.org/sites/default/files/GL1985.pdf>

³ <https://content.naic.org/sites/default/files/GL1980.pdf>

amendments with 34 states adopting to date, remaining states are encouraged to consider adoption. Further guidance is available in the Task Force’s 2018 memorandum, which is posted to the NAIC website.⁴

For further resources or information about these Model Laws and Guidelines, states may contact NAIC staff, jkoenigsman@naic.org.

⁴ https://content.naic.org/sites/default/files/inline-files/committees_e_receivership_related_rev_memo_520.pdf



National Conference
of Insurance Guaranty Funds

Protecting Insurance Consumers: New Solutions for Troubled Company Claims Data

Modern Insolvencies:

Fewer but More Complex

Regulator detection tools work

When an insolvency does occur, it's often due to uncontrollable events:

- Natural Catastrophes
- Reinsurance Conditions
- Economic Conditions
- Social Inflation
- Increased Litigation

Companies already under regulatory supervision may be more likely to be impacted.



#1 Threat to Protecting Consumers in a Modern Insolvency: Managing Digital Claims Data Effectively & Efficiently



- **Claims Data Concerns**
 - Claim operations delegated to multiple TPAs and/or multiple systems, including outdated legacy systems
 - High volume of imaged claims
 - No two claim data issues are the same
 - Limited expertise in specialized insolvency data management
- New or complex coverage programs such as cyber, large deductible, or policyholder hardships.

It takes time: Planning is required for effective data transfer & is essential for post-liquidation claim payments to commence.



Concerned insurance consumers start calling Day 1 after an insolvency order.

Regulators and guaranty associations working together to assure continuity of services will result in fewer calls to Commissioners, Receivers and State Legislators.



The Modern Standard in Insolvency Data Management

- **Consistent and timely transfer** of usable claims data via the NAIC standard “UDS” to guaranty funds and receivers **by the time of insolvency**
 - UDS is **not** an insurance industry standard
 - **Conversion is typically necessary** for GFs to execute their statutory duties
- Achieved through **narrow, targeted and confidential**** communication between Insurance Regulators and the State P&C Guaranty Funds

**State guaranty funds routinely enter into confidential agreements with receivers. It's a standard for every rehabilitation/liquidation.*

**Guaranty funds have a huge incentive to maintain confidentiality.*

NOTE: Information received under these agreements will NOT be shared with state board members *until authorized* or there is a *public court proceeding*.



Our Shared Goals and Mutual Objectives

- Uninterrupted coverage keeps the insurance promise intact
 - ✓ **[WC & Pharmacy]** Uninterrupted medical and pharmacy benefits.
 - ✓ **[HO]** Replacement coverage – unearned premium to obtain new coverage. Addressing emergency hardships.
 - ✓ **[Auto]** Vehicles needed for work related or personal needs.
 - ✓ **[Cyber]** Readiness as a requirement-- the insurance company **IS** the firehouse!
- Reduced cost of insolvencies
- Strengthen state insurance regulation



In an ideal world, data would be located and tested so it is available to be transitioned on or before the date of liquidation.

NAIC Receiver's Handbook is Written For A Seamless Transition. Our Goal: A Minimum "75-Day Runway" to Start Paying Claims



Step 1

Where is the data (spread across different systems?)

- TPA vs In-house
- Commercial system vs. "Homegrown"
- Legacy or modern (SQL) database(s)?

Locate or Evaluate



Step 2

Factors to Consider:

- Administered by a TPA?
- Technical UDS training?
- Co-Mingled Data?
- Insufficient Staff

Data does not have to be put into UDS format by Liquidator if using the UDS Data Mapper.

Extract Data



Step 3

UDS Data Mapper:

- Requires CSV input
- Maps fields in source data into UDS format, the NAIC standard.

Plan ahead. This can take many weeks to complete.

Map Data To UDS Format



Step 4

After the data is ingested by the UDS Data Mapper, it may then be reviewed and edited within the application and then sent to the relevant guaranty associations.

- GA's will accept TEST data and will work to resolve any issues proactively.

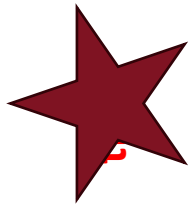
Transmit Data

The Value Proposition of Early Guaranty Fund Involvement

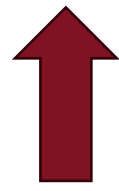
NCIGF

NCIGF and state guaranty funds have the specialized technical expertise to evaluate the condition of company data. For example:

- *How long it will take to adapt to UDS format for transfer*
- *ID missing data still on paper files that needs to be scanned*
- *When the data can be transferred to guaranty funds to pay claims*



This analysis will create A NEW DATA POINT for a regulator: When can claims be paid? This might be useful in deciding when a liquidation order should be signed.



It can also inform a regulator on steps a carrier should take to repair its data if it's not liquidated.



Solutions for Regulators Endorsed by the NAIC

- **The NAIC has approved two important tools for State Regulators specifically for this purpose:**
 - IT Examination Guidelines
 - Provides guidance on best practices for IT review, transferring data, and UDS compliance
 - Holding Company Act Changes (enacted in 15 states, so far)
 - Provides the Commissioner with additional authority over third parties in the event the insurer is in hazardous financial condition or placed in receivership;
 - Clarifies that books and records of the insurer (including data) are the insurer's property and requires that data and records be identifiable and capable of segregation.
- **The MOU: narrow, targeted & confidential early communication, prior to public proceeding**
 - Address confidentiality early through the NAIC endorsed Memorandum of Understanding (MOU).
 - MOU allows for advanced and orderly data transfer to prepare and maintain benefits.
 - Proactively facilitate and plan processes to transition claims to avoid disruption.
 - Employ additional strategies with guaranty funds as required to maintain confidentiality.
- **New NAIC model laws available for enactment**
 - Restructuring and cyber security coverage can be statutorily addressed.

Implementing The Pre-Liquidation Framework



INITIATIVE	SUMMARY	OBJECTIVE	STATUS OR OUTREACH
MHC Law Amendments RE: Pre-Liquidation Planning	Addresses the rights and obligations related to troubled company data and the continuation of services by affiliates in receivership. Adopted by NAIC 2021	LEGISLATIVE TRACKING AND TARGETED ENACTMENT IN ADDITIONAL STATES	Enacted in 15 states AZ,CT,DE,GA,LA,ME,MA,NH,N C,OH,OK,PA,TN,UT,VA
Changes to P&C Guaranty Association Model – Restructuring Mechanisms	Incorporation of NCIGF’s position that guaranty fund coverage is not changed due to an IBT/CD transaction. Adopted by NAIC Dec 2023	EDUCATION/INFO FOR MEMBERS ON LEGISLATIVE INITIATIVES-SUPPORT STATE DOIS	Enacted in 4 states IL,CA,NH, OK
Changes to P&C Guaranty Association Model – Cybersecurity Coverage	Incorporation of NCIGF’s position on coverage of cyber claims. Adopted by NAIC Dec 2023	AFFECTING CULTURAL CHANGE VIA CONTINUED STAKEHOLDER ENGAGEMENT	Enacted in 3 states KY, IL, CA
Tabletop Exercise	Interactive educational session simulating a troubled company insolvency. Initial NAIC Receivership Tabletop- Nov. 2023 Follow up @ NAIC Commissioner’s Conference Feb 10, 2024	EDUCATION/INFO FOR MEMBERS & APPLICATION IN LIQUIDATION	Targeting NAIC Zone Meetings, SOFE, etc.
Receivers Handbook Changes	Re-write of Receivers Handbook. Includes cyber and pre-planning. NCIGF cited as resource 67 times. Adopted by NAIC Dec 2023	REGULATOR IMPLEMENTATION and/or “Data Planning or Early Engagement” LEGISLATION	Educational Session at IAIR and NCIGF Annual
Memorandum of Understanding (MOU)	Assures confidentiality of sensitive information amongst regulators, receivers, and guaranty funds pre-liquidation. Adopted by NAIC 2022 Incorporate reference to MOU into Financial Examiners Handbook, Financial Analysis Handbook, and Troubled Company Handbook. Adopted by NAIC Dec 2023	EXAMINER IMPLEMENTATION	Include messaging on the benefits of MOU, in educational events and tabletops Enacted in 2 states IL, LA
Troubled Company Handbook Changes	Confidential Revisions related to pre-liquidation planning. Adopted by NAIC 2018	Increase Guaranty	Association awareness of the changes to encourage implementation discussions with examiners.
IT Examination Working Group	Examiner handbook changes incorporating data readiness into exams of troubled companies. Adopted by NAIC 2021		

Next Steps for Stakeholders

Guaranty Fund and Regulator/Receiver dialogue when a company is in supervision

- Address Confidentiality Concerns
 - Will a *Memorandum of Understanding* or a *Common Interest Agreement* work or is modification to current state law needed?

Dialogue with examiners

- Are new exam guidelines relating to troubled company data being implemented?

Are the receivership-related Holding Company Act amendments in place?

- Currently enacted in 15 states and pending in others.

Simulated exercises

- Preview potential problems and solutions **before** a troubled company situation arises.
- Apply the new NAIC tools in a test setting.

NCIGF Believes in this Partnership and is Putting Ideas into Action

- **NCIGF Coordinating Committees**
- **Investment in specialized Insolvency Data Management Services**
- **Public Policy Engagement**
 - ✓ GAs and NCIGF support enactment of NAIC-endorsed Model Acts to pro-actively address issues.
 - Restructuring mechanisms enacted in 4 states
 - Cybersecurity coverage enacted in 3 states
- **Stakeholder Engagement & Education**
 - ✓ Member education to promote partnership with Regulators
 - ✓ Conducting simulated exercises at NAIC events
 - ✓ Regulator & department tabletops
 - ✓ Increase awareness of available NAIC tools facilitating policyholder protection by targeting:
 - International Association of Insurance Receivers (IAIR)
 - Society of Financial Examiners (SOFE)
 - NAIC Zone Meetings



Questions?

