

Draft date: 8/1/23

*2023 Summer National Meeting
Seattle, Washington*

CAPTIAL ADEQUACY (E) TASK FORCE

Monday, August 14, 2023

12:30 – 1:30 p.m.

Hyatt Seattle Regency—Regency Ballroom B—Level 7

ROLL CALL

Judith L. French, Chair	Ohio	Sharon P. Clark	Kentucky
Grace Arnold, Vice Chair	Minnesota	Kathleen A. Birrane	Maryland
Mark Fowler	Alabama	Chlora Lindley-Myers	Missouri
Lori K. Wing-Heier	Alaska	Troy Downing	Montana
Peni Itula Sapini Teo	American Samoa	Eric Dunning	Nebraska
Ricardo Lara	California	D.J. Bettencourt	New Hampshire
Michael Conway	Colorado	Justin Zimmerman	New Jersey
Andrew N. Mais	Connecticut	Mike Causey	North Carolina
Karima M. Woods	District of Columbia	Jon Godfread	North Dakota
Michael Yaworsky	Florida	Glen Mulready	Oklahoma
Dana Popish Severinghaus	Illinois	Michael Wise	South Carolina
Amy L. Beard	Indiana	Cassie Brown	Texas
Doug Ommen	Iowa	Mike Kreidler	Washington
Vicki Schmidt	Kansas	Nathan Houdek	Wisconsin

NAIC Support Staff: Eva Yeung

AGENDA

1. Consider Adoption of its June 30, and April 28 Minutes—*Tom Botsko (OH)* Attachment One
2. Consider Adoption of its Working Group Reports Attachment Two
 - A. Health Risk-Based Capital (E) Working Group—*Steve Drutz (WA)*
 - B. Risk-Based Capital (RBC) Investment Risk and Evaluation (E) Working Group—*Philip Barlow (DC)*
 - C. Life Risk-Based Capital (E) Working Group—*Philip Barlow (DC)*
 - D. Property and Casualty Risk-Based Capital (E) Working Group—*Tom Botsko (OH)*
3. Consider Adoption of its Working Agenda—*Tom Botsko (OH)* Attachment Three
4. Consider Exposure of its 2024 Proposed Charges—*Tom Botsko (OH)* Attachment Four



5. Consider Exposure of the Revised Procedures Document
—*Tom Botsko (OH)*
 6. Receive an Update from its Risk Evaluation Ad Hoc Group
—*Tom Botsko (OH)*
 7. Discuss the Implications of the Recent Market Turmoil and Their Impact on Insurer Investments—*Ed Toy (Risk & Regulatory Consulting—RRC)*
 8. Discuss Any Other Matters Brought Before the Task Force
—*Tom Botsko (OH)*
 9. Adjournment
- Attachment Five

Draft: 7/14/23

Capital Adequacy (E) Task Force
Virtual Meeting
June 30, 2022

The Capital Adequacy (E) Task Force met June 30, 2023. The following Task Force members participated: Judith L. French, Chair, and Tom Botsko (OH); Grace Arnold, Vice Chair, represented by David Nelson (MN); Mark Fowler represented by Charles Hale (AL); Ricardo Lara represented by Thomas Reedy (CA); Michael Conway represented by Keith Warburton (CO); Andrew N. Mais represented by Wanchin Chou (CT); Karima M. Woods represented by Philip Barlow (DC); Michael Yaworsky represented by Virginia Christy (FL); Doug Ommen represented by Mike Yanacheak (IA); Dana Popish Severinghaus represented by Vincent Tsang (IL); Amy L. Beard represented by Roy Eft (IN); Vicki Schmidt represented by Tish Becker (KS); Sharon P. Clark (KY); Kathleen A. Birrane represented by Lynn Beckner (MD); Chlora Lindley-Myers (MO); Mike Causey represented by Jessica Price (NC); Jon Godfread represented by Matt Fischer (ND); Eric Dunning represented by Lindsay Crawford (NE); Glen Mulready represented by Andrew Schallhorn (OK); Cassie Brown represented by Jamie Walker (TX); Mike Kreidler represented by Steve Drutz (WA); and Nathan Houdek (WI).

1. Adopted Proposal 2023-02-P(MOD)

Botsko said proposal 2023-02-P(MOD) (Underwriting Risk Line 1 Factors) provides a routine annual update to the Line 1 premium and reserve industry underwriting factors in the property/casualty (P/C) risk-based capital (RBC) formula, which was adopted during the Task Force's April 28 meeting. He also stated that the purpose of this modification is to update the H/F, WC, and CMP reserve factors due to an incorrect calculation. The Property and Casualty Risk-Based Capital (E) Working Group and the Catastrophe Risk (E) Subgroup conducted an e-vote to adopt this proposal on June 16.

Chou made a motion, seconded by Drutz, to adopt proposal 2023-02-P(MOD) (Attachment XX). The motion passed unanimously.

2. Adopted Proposals 2023-09-IRE and 2023-10-IRE

Barlow said the purpose of proposals 2023-09-IRE (Residual Factor for Life) and 2023-04-IRE (Residual Sensitivity Test Factor for Life) is to apply RBC factors for residual tranches and sensitivity tests in the life RBC formula. He stated that during the RBC Investment Risk and Evaluation (E) Working Group's June 14 meeting, the Working Group adopted: 1) the residual tranches factor of 30% for year-end 2023 and then 45% for year-end 2024 with consideration of positive or negative adjustment based on additional information; and 2) the sensitivity factor of 15% for year-end 2023. He also indicated that both proposals passed unanimously in the Working Group's last meeting. Lastly, Botsko stated that these two proposals will only apply to the life formula. The Working Group will evaluate the P/C and health formulas in the near future.

Barlow made a motion, seconded by Hemphill, to adopt proposals 2023-9-IRE (Attachment XX) and 2023-10-IRE (Attachment XX). The motion passed unanimously.

3. Adopted the Generator of Economic Scenarios (E/A) Subgroup Charges

Barlow said the Life Risk-Based Capital (E) Working Group adopted the Generator of Economic Scenarios (E/A) Subgroup charges during its June 22 meeting. He asked the Task Force to consider adoption of the proposed charges.

Barlow made a motion, seconded by Yanacheak, to adopt the Generator of Economic Scenarios (E/A) Subgroup's proposed charges (Attachment XX). The motion passed unanimously.

4. Adopted Proposal 2022-09-CA(MOD)

Botsko said the purpose of proposal 2022-09-CA(MOD) (Revised Affiliated Investments Structure and Instructions) is to provide editorial changes to: 1) clarify the examples provided in the indirectly owned alien insurance affiliates/subsidiaries section; and 2) add a footnote to the "% owned" column in the blank.

Chou made a motion, seconded by Warburton, to adopt proposal 2022-09-CA(MOD) (Attachment XX). The motion passed unanimously.

5. Adopted Proposal 2022-16-CA

Drutz said the purpose of proposal 2022-16-CA (Underwriting Risk Factors – Investment Income Adjustment) is to update the underwriting risk factors for the annual investment income adjustment to the comprehensive medical, Medicare supplement, and dental and vision factors. He also stated that the Task Force received no comments during a 30-day public comment period.

Drutz made a motion, seconded by Chou, to adopt proposal 2022-16-CA (Attachment XX). The motion passed unanimously.

6. Adopted Proposal 2023-01-CA

Drutz said the purpose of proposal 2023-01-CA (Stop Loss Premiums) is to clarify the instructions for the stop loss business in the health RBC formula and align the life and P/C RBC formulas with these changes. He also stated that the Task Force received no comments during a 30-day public comment period.

Drutz made a motion, seconded by Chou, to adopt proposal 2023-01-CA (Attachment XX). The motion passed unanimously.

7. Discussed the Current Turmoil in the Banking Sector

Ed Toy (Risk & Regulatory Consulting LLC—RRC) said the Democrats in the U.S. House of Representatives (House) have proposed a raft of bills to deal with recent banking problems. He stated that four items focus on reforms or improvements to banking regulation: 1) closing the Enhanced Prudential Standards Loophole Act; 2) closing the Chief Risk Officer Enforcement and Accountability Act; 3) closing the Effective Bank Regulation Act; and 4) closing the Secure and Fair Enforcement (SAFE) Banking Act. He said he believes the SAFE Banking Act may have the most immediate impact if the bills pass as proposed since the affected banks will need to market investments that have heretofore been exempted. Botsko said the Task Force welcomes Toy to provide constant updates regarding this issue.

Botsko said the Task Force is open to hearing thoughts or information that affects RBC. He encouraged parties to contact him or NAIC staff if they are interested in presenting any topics during a Task Force meeting.

8. Received an Update from its Risk Evaluation Ad Hoc Group

Botsko said the Risk Evaluation Ad Hoc Group met June 14 and May 22. During these two meetings, the Ad Hoc Group discussed: 1) the purpose of the RBC; and 2) the possibility of developing a process or guidelines for

reviewing, adding, or deleting factors to the RBC formulas. Botsko also stated that the Ad Hoc Group agreed that it should focus on reviewing items such as risk factors in different RBC components, company size, geographic concentration, reinsurance, purpose of RBC, deferred tax asset, covariance, and benchmark. He said this Ad Hoc Group will meet once every other week before the Summer National Meeting. The next meeting is scheduled for July 12. Botsko welcomed all interested parties to actively participate in the Ad Hoc Group discussion during the upcoming meeting.

Having no further business, the Capital Adequacy (E) Task Force adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/E CMTE/CADTF/2023-2-Summer/June 30 CADTF minutes.docx

Draft: 5/15/23

Capital Adequacy (E) Task Force
Virtual Meeting
April 28, 2022

The Capital Adequacy (E) Task Force met April 28, 2023. The following Task Force members participated: Judith L. French, Chair, represented by Tom Botsko (OH); Grace Arnold, Vice Chair, represented by Fred Andersen (MN); Lori K. Wing-Heier represented by David Phifer (AK); Mark Fowler represented by Charles Hale (AL); Ricardo Lara represented by Thomas Reedy (CA); Michael Conway represented by Rolf Kaumann and Mitchell Bronson (CO); Andrew N. Mais represented by Wanchin Chou and Jack Broccoli (CT); Karima M. Woods represented by Philip Barlow (DC); Michael Yaworsky represented by Champa Whitaker Burns (FL); Doug Ommen represented by Carrie Mears, Kevin Clark, Mike Yanacheak, and Kim Cross (IA); Dana Popish Severinghaus represented by Vincent Tsang (IL); Amy L. Beard represented by Roy Eft (IN); Vicki Schmidt represented by Chut Tee (KS); Sharon P. Clark represented by Russell Coy (KY); Kathleen A. Birrane represented by Lynn Beckner (MD); Chlora Lindley-Myers and Julie Lederer (MO); Mike Causey represented by Jackie Obusek (NC); Jon Godfread represented by Matt Fischer (ND); Eric Dunning represented by Andrea Johnson and Lindsay Crawford (NE); Marlene Caride represented by David Wolf (NJ); Glen Mulready represented by Diane Carter (OK); Michael Wise represented by Thomas Baldwin, Ryan Basnett, and Daniel Morris (SC); Cassie Brown represented by Amy Garcia, Miriam Fisk, Ludi Skinner, Dan Paschal, Jamie Walker, and Rachel Hemphill (TX); Mike Kreidler represented by Steve Drutz (WA); and Nathan Houdek, Michael Erdman, Adrian Jaramillo, and Amy Malm (WI).

1. Adopted its Spring National Meeting Minutes

Chou made a motion, seconded by Eft, to adopt the Task Force's March 23 (*see NAIC Proceedings – Spring 2023, Capital Adequacy (E) Task Force*) and Feb. 3 (Attachment **One**) minutes. The motion passed unanimously.

2. Discussed the Current Turmoil in the Banking Sector

Ed Toy (Risk & Regulatory Consulting—RRC) provided an update on the problems in the banking sector. He noted that there has not been any major negative news since the Spring National Meeting. While this provides a respite to be able to assess what happened and why, the strong consensus among analysts is that there are fundamental issues and that those issues still exist.

There is also a building consensus on where there are probable contagion concerns. Topping the list is the commercial real estate market. There is concern about potential defaults in the bank mortgage portfolios given several overlapping factors 1) more conservative lending practices by banks given the current turmoil; 2) continuing softening of commercial real estate values; 3) higher officer vacancy rates; 4) higher interest rates, which drive up cap rates for valuing properties; and 5) expiring commercial office leases. The continuing concerns in the banking sector put downward pressure on equity values and bond valuations. This will have a near-term impact on the valuations of insurer portfolios that have significant exposure to financial institutions. Typical bond portfolios can range anywhere from 15%–40% exposure to financial institutions.

However, it is not all bad news, as some mitigating factors have developed. The Federal Home Loan Banks (FHLBs) have stepped up and provided some funding for banks that need liquidity. There has been a modest downtick in interest rates (of about 50 basis points) since the end of 2022, slightly offsetting the significant increase in interest rates in 2022. This should help a little with asset valuations. Botsko said the Task Force appreciates Toy continuing to provide updates in upcoming meetings.

3. Adopted Proposal 2023-02-P (Underwriting Risk Line 1 Factors)

Botsko said proposal 2023-02-P provides a routine annual update to the Line 1 premium and reserve industry underwriting factors in the property/casualty (P/C) risk-based capital (RBC) formula. He also stated that the Working Group did not receive any comments during the exposure period.

Chou made a motion, seconded by Malm, to adopt proposal 2023-02-P (Attachment XX). The motion passed unanimously.

4. Adopted Proposal 2023-03-IRE (Revised Residual Structure for Life)

Barlow said the purpose of proposal 2023-03-IRE is to add a line to isolate residual tranches reported on Annual Statement, Schedule BA and the Asset Valuation Reserve (AVR). He stated that this is just a structure proposal: The factors proposal is currently exposed and will be considered in the Investment Risk and Evaluation (E) Working Group and brought back to the Task Force meeting in June. Walker commented that Texas is supportive of the structural change and encourages the Working Group to continue to be transparent on the data-driven process.

Barlow made a motion, seconded by Tsang, to adopt proposal 2023-03-IRE (Attachment XX). The motion passed unanimously.

5. Adopted Proposal 2023-04-IRE (Residual Sensitivity Test for Life)

Barlow said the purpose of this proposal is to add additional lines in the sensitivity testing exhibits for residual tranches. He also stated that the updated sensitivity testing could be an additional tool to help state insurance regulators in reviewing companies and their investments in residual tranches. He said that this is also just a structure proposal; therefore, the factors proposal is currently exposed and will be considered in the Investment Risk and Evaluation (E) Working Group and brought back to the Task Force meeting in June. Barlow also indicated that this proposal has been revised since the initial exposure in January, and no further comments have been received regarding the proposal. Botsko said the Task Force will revisit this item and make adjustments to the proposal if necessary.

Barlow made a motion, seconded by Tsang, to adopt proposal 2023-04-IRE (Attachment XX). The motion passed unanimously.

6. Adopted Proposal 2023-05-L (Remove Dual Trend Test)

Barlow said the current dual presentation of the Life Risk-Based Capital trend test was implemented as an interim approach while member jurisdictions transitioned to the higher 300% threshold. He stated that the dual approach is no longer needed as the transition process is now completed.

Barlow made a motion, seconded by Eft, to adopt proposal 2023-04-IRE (Attachment XX). The motion passed unanimously.

7. Adopted Proposal 2023-06-L (C-2 Mortality Risk Structure Changes)

Barlow said this proposal provides the following proposed life C-2 updates for consideration for 2023 year-end financial statements: 1) structural updates where it pertains to the treatment of group permanent life and miscellaneous other instructions updates. The proposal assigns the same factors to group permanent life as individual permanent life for categories stating with and without pricing flexibility; and 2) a new financial

statement note to provide the development of net amounts at risk for the life C-2 categories to create a direct link to a financial statement source, and accompanying life C-2 structural and instruction updates. The proposed second update includes the updates specified in the first update. He also stated that the second update was adopted by the Life Risk-Based Capital (E) Working Group with the caveat that the adoption of the new financial statement note by the Blanks (E) Working Group. Otherwise, company records will be used instead of a direct link to a financial statement source.

Barlow made a motion, seconded by Kaumann, to adopt proposal 2023-06-L (Attachment XX). The motion passed unanimously.

8. Adopted Proposal 2023-07-L (CM6 & CM7 Mortgages Structures Changes)

Barlow said this proposal serves the following purposes: 1) aligns the CM6 and CM7 life RBC factors for nonperforming commercial and farm mortgages with the RBC factors for the Annual Statement, Schedule A and Schedule BA investments in real estate, as those factors were adjusted in 2021; and 2) adopts the same formula for calculating RBC amounts for nonperforming and performing residential, commercial, and farm mortgages.

Barlow made a motion, seconded by Kaumann, to adopt proposal 2023-07-L (Attachment XX). The motion passed unanimously.

9. Exposed Proposal 2022-16-CA (Underwriting Risk Factors Investment Income Adjustment)

Drutz said the purpose of this proposal is to update the underwriting risk factors for the annual investment income adjustment to the comprehensive medical, Medicare supplement, and dental and vision factors. This proposal was originally exposed to the Health Risk-Based Capital (E) Working Group for a 30-day comment period ending March 9. No comments were received. The Working Group requests that the Task Force exposes this proposal for another 30-day comment period to address the factor changes for all three lines of business. Botsko said the Task Force and the Health Risk-Based Capital (E) Working Group welcome any comments during the exposure period.

The Task Force agreed to expose proposal 2022-16-CA for a 30-day public comment period ending May 27.

10. Exposed Proposal 2023-01-CA (Stop Loss Premiums)

Drutz said the purpose of this proposal is to clarify the instructions for the stop-loss business in the health RBC formula and align the life and P/C RBC formulas with these changes. The Health Risk-Based Capital (E) Working Group previously exposed this proposal for a 20-day comment period and only received minor editorial change suggestions. He stated that the Working Group requests that the Task Force exposes the proposal for a 30-day comment period to address the changes for all three lines of business.

The Task Force agreed to expose proposal 2023-01-CA for a 30-day public comment period ending May 27.

11. Discussed a Referral from the Valuation of Securities (E) Task Force

Botsko said the Valuation of Securities (E) Task Force and the Risk-Based Capital Investment Risk and Evaluation (E) Working Group exposed a referral jointly regarding additional market and analytical information for bond investments and requested comments from interested parties by March 31. He pointed out that the Task Force and Working Group did not receive any comments during the exposure period. Also, Botsko said the Task Force is not planning to send a response to the Valuation of Securities (E) Task Force at this time, as the information that is being proposed in the referral is not needed by the Task Force on a consistent basis. Barlow commented that

the Working Group will likely follow the same path as the Task Force. Mears said she appreciates that the Task Force and Working Group exposed the referral. She urged all interested parties to provide any further comments directly to the Valuation of Securities (E) Task Force.

12. Received an Update from its Risk Evaluation Ad Hoc Group

Botsko said the Capital Adequacy (E) Task Force established the Risk Evaluation Ad Hoc Group during the Spring National Meeting to: 1) re-evaluate some of the missing risks to determine if it should now include them in the RBC calculation or if it appropriately handles those risks utilizing other regulatory methods; and 2) review those factors and instructions that have not been reviewed since development to determine if modifications should be made. He stated that NAIC staff received more than 80 industry requests to be involved in the ad hoc group. Botsko commented that being a member of the group will require active participation in the group discussions and that status updates will be provided in every Task Force meeting. Botsko asked all interested parties to contact Eva Yeung (NAIC) if they do not plan on participating in the group discussion. Lastly, he said the ad hoc group plans to schedule its first meeting in May.

Having no further business, the Capital Adequacy (E) Task Force adjourned.

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*Virtual Meeting***HEALTH RISK-BASED CAPITAL (E) WORKING GROUP**

July 25, 2023

Summary Report

The Health Risk-Based Capital (E) Working Group met July 25, 2023. During this meeting, the Working Group:

1. Adopted its May 17 and April 17 minutes, which included the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Referred proposal 2023-01-CA to the Capital Adequacy (E) Task Force for exposure.
 - C. Received an update from the American Academy of Actuaries (Academy) on the health care receivables and H2-underwriting risk review projects.
 - D. Discussed pandemic risk.
 - E. Exposed the proposal on the health test language for a 45-day public comment period ending June 30.
2. Adopted its 2023 health risk-based capital (RBC) newsletter.
3. Adopted its 2022 health RBC statistics report.
4. Exposed proposal 2023-11-H (XR014 Fee-for-Service & Other Risk Revenue-Medicare & Medicaid) for a 30-day public comment period ending Aug. 24. The proposal was drafted to include Medicare and Medicaid fee-for-service and other risk revenue amounts in Column (1), Lines (4) and (10) on pages XR014 and XR013.
5. Received comments from the New York Department of Financial Services on the health test language proposal. The Working Group referred the proposal to the Blanks (E) Working Group.
6. Received an update from the Academy on the health care receivables and H2-underwriting risk review projects. The Working Group agreed to reach out to companies where there are questions related to the reporting of health care receivables. The Working Group agreed to expose the Academy's update letter on the H2-underwriting risk review and work with the Academy to address the questions provided in its letter.
7. Adopted its 2023 working agenda.
8. Received an update on the work being performed by the Excessive Growth Charge Ad Hoc group.
9. Discussed a way forward on evaluating pandemic risk in the health RBC formula.

*2023 Summer National Meeting
Seattle, Washington*

RISK-BASED CAPITAL INVESTMENT RISK AND EVALUATION (E) WORKING GROUP

Sunday, August 13, 2023

2:00 – 3:00 p.m.

Meeting Summary Report

The Risk-Based Capital Investment Risk and Evaluation (E) Working Group met Aug. 13, 2023. During this meeting, the Working Group:

1. Adopted its June 14, May 17, April 20, and Spring National Meeting minutes, which included the following action:
 - A. Discussed comments received on proposed structural and factor changes for residual tranches.
 - B. Adopted structural changes and factors for the base factor and a sensitivity test for residual tranches.
2. Received updates from the Valuation of Securities (E) Task Force and the Statutory Accounting Principles (E) Working Group.
3. Heard a presentation from the American Academy of Actuaries (Academy) on Principles for Structured Securities RBC.

*2023 Summer National Meeting
Seattle, Washington*

LIFE RISK-BASED CAPITAL (E) WORKING GROUP

Sunday, August 13, 2023

8:00 – 9:00 a.m.

Meeting Summary Report

The Life Risk-Based Capital (E) Working Group met Aug. 13, 2023. During this meeting, the Working Group:

1. Adopted its June 22, April 14, and Spring National Meeting minutes, which included the following action:
 - A. Adopted the proposed charges of the Generator of Economic Scenarios (GOES) (E/A) Subgroup.
 - B. Adopted proposal 2023-05-L (Removal of Dual Trend Test).
 - C. Adopted proposal 2023-06-L (C-2 Mortality Structure and Instruction Changes).
 - D. Adopted proposal 2023-07-L (CM6 & CM7 Mortgage Structure Change).
2. Adopted the 2023 life risk-based capital (RBC) newsletter.
3. Adopted the 2022 life RBC statistics.
4. Adopted its working agenda.
5. Heard a presentation from the American Council of Life Insurers (ACLI) on repurchase agreements and exposed it for a public-comment period of 45 days.

*Virtual Meeting***PROPERTY AND CASUALTY RISK-BASED CAPITAL (E) WORKING GROUP**

July 27, 2023

Summary Report

The Property and Casualty Risk-Based Capital (E) Working Group met July 27, 2023. During this meeting, the Subgroup:

1. Adopted its June 16 and April 24 minutes, which included the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Adopted proposal 2023-02-P, which provided a routine annual update to the Line 1 premium and reserve industry underwriting factors in the property/casualty (P/C) risk-based capital (RBC) formula.
 - C. Adopted proposal 2023-02-P-MOD, which updated the H/F, WC, and CMP reserve factors due to an incorrect calculation.
2. Adopted the report of the Catastrophe Risk (E) Subgroup. During its July 18 meeting, the Subgroup took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Discussed its working agenda.
 - C. Received an update from its Catastrophe Model Technical Review Ad Hoc Group.
 - D. Discussed wildfire peril impact analysis.
 - E. Heard a presentation from Verisk on a severe convective storms model update and technical review.
 - F. Discussed the flood insurance market.
3. Adopted its 2023 newsletter for adopted proposals to the 2023 P/C RBC formula.
4. Discussed 2022 RBC statistics.
5. Discussed its working agenda.
6. Discussed the possibility of reviewing or analyzing the P/C RBC charges that have not been reviewed since developed.
7. Heard an update on current P/C RBC projects from the American Academy of Actuaries (Academy).

Priority 1 – High Priority
 Priority 2 – Medium Priority
 Priority 3 – Low Priority

**CAPITAL ADEQUACY (E) TASK FORCE
 WORKING AGENDA ITEMS FOR CALENDAR YEAR 2023**

2023 #	Owner	2023 Priority	Expected Completion Date	Working Agenda Item	Source	Comments	Date Added to Agenda
Ongoing Items – Life RBC							
L1	Life RBC WG	Ongoing	Ongoing	Make technical corrections to Life RBC instructions, blank and /or methods to provide for consistent treatment among asset types and among the various components of the RBC calculations for a single asset type.			
L2	Life RBC WG	1	2023 or later	1. Monitor the impact of the changes to the variable annuities reserve framework and risk-based capital (RBC) calculation and determine if additional revisions need to be made. 2. Develop and recommend appropriate changes including those to improve accuracy and clarity of variable annuity (VA) capital and reserve requirements.	CADTF	Being addressed by the Variable Annuities Capital and Reserve (E/A) Subgroup	
L3	Life RBC WG	1	2023 or later	Provide recommendations for the appropriate treatment of longevity risk transfers by the new <u>updated</u> longevity factors <u>and consider expanding the scope to include all payout annuities.</u>	New Jersey	Being addressed by the Longevity (E/A) Subgroup	
<u>L4</u>	<u>Life RBC WG</u>	<u>1</u>	<u>2023 or later</u>	<u>Monitor the economic scenario governance framework, review material economic scenario generator updates, key economic conditions and metrics, support the implementation of an economic scenario generator for use in statutory reserve and capital calculations and develop and maintain acceptance criteria</u>		<u>Being addressed by the Generator of Economic Scenarios (GOES) (E/A) Subgroup</u>	
Carryover Items Currently being Addressed – Life RBC							
L4	Life RBC WG	1	2023 or later	Update the current C-3 Phase I or C-3 Phase II methodology to include indexed annuities with consideration of contingent deferred annuities as well	AAA		
L5	Life RBC WG	1	2023 or later	Work with the Life Actuarial (A) Task Force and Conning to develop the economic scenario generator for implementation.			
L6 <u>L5</u>	Life RBC WG	1	2023 or later	Review companies at action levels, including previous years, to determine what drivers of the events are and consider whether changes to the RBC statistics are warranted.			
L7 <u>L6</u>	Life RBC WG	1	2023 or later	Work with the Academy on creating guidance for the adopted C-2 mortality treatment for 2022-2023 and next steps for 2023 .			
2023 #	Owner	2023 Priority	Expected Completion Date	Working Agenda Item	Source	Comments	Date Added to Agenda
Ongoing Items – RBC IR & E							
Carryover Items Currently being Addressed – RBC IR & E							
IR1	RBC IRE	2	2023 or later	Supplementary Investment Risks Interrogatories (SIRI)	Referred from CADTF	The Task Force received the referral on Oct. 27. This referral will be tabled until the bond	1/12/2022 11/19/2020

					Referral from Blackrock and IL DOI	factors have been adopted and the TF will conduct a holistic review all investment referrals.	
IR2	RBC IRE	2	2023 or later	NAIC Designation for Schedule D, Part 2 Section 2 - Common Stocks Equity investments that have an underlying bond characteristic should have a lower RBC charge. Similar to existing guidance for SVO-identified ETFs reported on Schedule D-1, are treated as bonds.	Referred from CADTF Referral from SAPWG 8/13/2018	10/8/19 - Exposed for a 30-day Comment period ending 11/8/2019 3-22-20 - Tabled discussion pending adoption of the bond structure and factors.	1/12/2022 10/11/2018
IR3	RBC IRE	2	2023 or later	Structured Notes - defined as an investment that is structured to resemble a debt instrument, where the contractual amount of the instrument to be paid at maturity is at risk for other than the failure of the borrower to pay the contractual amount due. Structured notes reflect derivative instruments (i.e. put option or forward contract) that are wrapped by a debt structure.	Referred from CADTF Referral from SAPWG April 16, 2019	10/8/19 - Exposed for a 30-day Comment period ending 11/8/2019 3-22-20 - Tabled discussion pending adoption of the bond structure and factors.	1/12/2022 8/4/2019
IR4	RBC IRE	2	2023 or later	Comprehensive Fund Review for investments reported on Schedule D Pt 2 Sn2	Referred from CADTF Referral from VOSTF 9/21/2018	Discussed during Spring Mtg. NAIC staff to do analysis. 10/8/19 - Exposed for a 30-day comment period ending 11/8/19 3-22-20 - Tabled discussion pending adoption of the bond structure and factors.	1/12/2022 11/16/2018
New Items – RBC IR & E							
IR5			2023 or later	Evaluate the appropriate RBC treatment of Asset-Backed Securities (ABS), including Collateralized Loan Obligations (CLO), collateralized fund obligations (CFOs), or other similar securities carrying similar types of tail risk (Complex Assets).	Request from E Committee, SAPWG, VOSTF	Per the request of E Committee comments were solicited asking if these types of assets should be considered a part of the RBC framework.	1/12/2022
IR6			2023 or later	Evaluate the appropriate RBC treatment of Residual Tranches.	Request from E Committee, SAPWG, VOSTF	Per the request of E Committee comments were solicited asking if these types of assets should be considered a part of the RBC framework.	1/12/2022
IR7			2025 or later	Phase 2 Bond analysis - evaluate and develop an approach to map other ABS to current bond factors following the established principles from Phase I where the collateral has an assigned RBC. This project will likely require an outside consultant and the timeline could exceed 2-3 years.	Request from E Committee	Per the request of E Committee comments were solicited requesting the need for outside review.	1/12/2022
IR8	RBC IRE		2023 or later	Address the tail risk concerns no captured by reserves for privately structured securities.	Referral from the Macroprudential (E) Working Group		8/11/2022

2023 #	Owner	2023 Priority	Expected Completion Date	Working Agenda Item	Source	Comments	Date Added to Agenda
Ongoing Items – P&C RBC							
P1	Cat Risk SG	1		Continue development of RBC formula revisions to include a risk charge based on catastrophe model output:			
			Year-end 2023 or later	a) Evaluate other catastrophe risks for possible inclusion in the charge - determine whether to recommend developing charges for any additional perils, and which perils or perils those should be.	Referral from the Climate and Resiliency Task Force. March 2021	4/26/21 - The SG exposed the referral for a 30-day period. 6/1/21 - The SG forwarded the response to the Climate and Resiliency Task Force. 2/22/22 - The SG adopted proposal 2021-17-CR (adding the wildfire peril for informational purposes only). The SG continues reviewing other perils for possible inclusion in the Rcat. 8/11/22 – The TF adopted Proposal 2022-04-CR (2013-2021 Wildfire Event Lists) 9/26/22 – The SG formed an ad hoc group to conduct review on different-severe convective storm models. <u>7/18/23-The SG is finishing reviewing the following SCS vendor models: RMS, Verisk, KCC, and Corelogic.</u>	4/26/2021
Carryover Items Currently being Addressed – P&C RBC							
P2	P&C RBC WG	1	Year-end 2020 or later	Evaluate a) the current growth risk methodology whether it is adequately reflects both operational risk and underwriting risk; b) the premium and reserve based growth risk factors either as a stand-alone task or in conjunction with the ongoing underwriting risk factor review with consideration of the operational risk component of excessive growth; c) whether the application of the growth factors to NET proxies adequately accounts for growth risk that is ceded to reinsures that do not trigger growth risk in their own right.	Refer from Operational Risk Subgroup	1) Sent a referral to the Academy on 6/14/18 conference call.	1/25/2018
P3	P&C RBC WG	1	2023 Summer Meeting or later	Continue working with the Academy to review the methodology and revise the underwriting (Investment Income Adjustment, Loss Concentration, LOB UW risk) charges in the PRBC formula as appropriate.			6/10/2019
P4	P&C RBC WG	1	2023 Summer	Evaluate the Underwriting Risk Line 1 Factors in the P/C formula.			7/30/2020

			Meeting or later				
P7	PCRBCWG	1	2023 Spring Meeting	Changing the RBC PR035 Line of Business categories to match the Lines of Business categories in the Annual Statement, Underwriting and Investment Exhibit, Part 1B.	-	8/9/22 – The WG exposed proposal 2022-07-P for a 30-day comment period.	7/7/2022
P5	PCRBCWG	1	Ongoing	Review and analyze the P/C RBC charges that have not been reviewed since developed.			3/23/2023
P6	Cat Risk SG	1	2024 Spring Meeting	Quantify the R5 Ex-cat Factors for wildfire peril (for informational purposes only) Evaluate the possibility of adding PR018A to determine the R5 including the wildfire peril			3/21/2023
P7	Cat Risk SG	2	2025 Spring Meeting	Evaluate the impact of flood peril to the insurance market			3/21/2023
New Items – P&C RBC							
<u>P8</u>	<u>PCRBCWG</u>	<u>1</u>	<u>2024 Spring Meeting</u>	<u>Adding pet insurance line in the RBC PR017, 018, 035 and RBC Schedule P, parts due to the adoption of the Annual Statement Blanks proposal 2023-01BWG.</u>			<u>7/27/2023</u>
2023 #	Owner	2023 Priority	Expected Completion Date	Working Agenda Item	Source	Comments	Date Added to Agenda
Ongoing Items – Health RBC							
X1	Health RBC WG	Yearly	Yearly	Evaluate the yield of the 6-month U.S. Treasury Bond as of Jan. 1 each year to determine if further modification to the Comprehensive Medical, Medicare Supplement and Dental and Vision underwriting risk factors is required. Any adjustments will be rounded up to the nearest 0.5%.	HRBCWG	<u>Adopted 2022-16-CA (YE-2023)</u>	11/4/2021
X2	Health RBC WG	3	Ongoing	Continue to monitor the Federal Health Care Law or any other development of federal level programs and actions (e.g., state reinsurance programs, association health plans, mandated benefits, and cross-border) for future changes that may have an impact on the Health RBC Formula.	4/13/2010 CATF Call	Adopted 2014-01H Adopted 2014-02H Adopted 2014-05H Adopted 2014-06H Adopted 2014-24H Adopted 2014-25H Adopted 2016-01-H Adopted 2017-09-CA Adopted 2017-10-H The Working Group will continually evaluate any changes to the health formula because of ongoing federal discussions and legislation. Discuss and monitor the development of federal level programs and the potential impact on the HRBC formula.	11/11/2018
Carryover Items Currently being Addressed – Health RBC							

X3	Health RBC WG	2	Year-End 2024 RBC or Later	Consider changes for stop-loss insurance or reinsurance.	AAA Report at Dec. 2006 Meeting	(Based on Academy report expected to be received at YE-2016) 2016-17-CA Adopted proposal 2023-01-CA	
X4	Health RBC WG	2	Year-end 2024 RBC or later	Review the individual factors for each health care receivables line within the Credit Risk H3 component of the RBC formula. Work with the American Academy of Actuaries (Academy) to inquire through the NAIC on the reporting of the health care receivables to better understand why these receivables are being reported as such. With the intention to produce recommendations to improve instruction clarity or provide additional guidance.	HRBC WG	Adopted 2016-06-H Rejected 2019-04-H Annual Statement Guidance (Year-End 2020) and Annual Statement Blanks Proposal (Year-End 2021) referred to the Blanks (E) Working Group	
X5	Health RBC WG	1	Year end 2023 or later	Continue to review the premium and reserve ratio in the Health Test Ad Hoc Group in the Health Test.	HRBCWG	Evaluate the applicability of the current Health Test in the Annual Statement instructions in today's health insurance market. Discuss ways to gather additional information for health business reported in other blanks. Referred Proposal 2022-06BWG to Blanks Working Group for exposure and consideration.	8/4/2018 2/25/2022
X65	Health RBC WG	1	Year-end 2024 RBC or later	Work with the Academy to perform a comprehensive review of the H2 - Underwriting Risk component of the health RBC formula including the Managed Care Credit review (Item 18 above) Review the Managed Care Credit calculation in the health RBC formula - specifically Category 2a and 2b. Review Managed Care Credit across formulas. As part of the H2 - Underwriting Risk review, determine if other lines of business should include investment income and how investment income would be incorporated into the existing lines if there are changes to the structure.	HRBCWG	Review the Managed Care Category and the credit calculated, more specifically the credit calculated when moving from Category 0 & 1 to 2a and 2b.	4/23/2021 12/3/2018
X67	Health RBC WG	1	Year-end 2024 or later	Review referral letter from the Operational Risk (E) Subgroup on the excessive growth charge and the development of an Ad Hoc group to charge.	HRBCWG	Review if changes are required to the Health RBC Formula	4/7/2019
X78	Health RBC WG	2	Year-End 2024 or later	Consider the impact of COVID-19 and pandemic risk in the health RBC formula.	HRBCWG		7/30/2020
X89	Health RBC WG	3	Year-End 2025 or later	Discuss and determine the re-evaluation of the bond factors for the 20 designations.	Referral from Investment RBC July/2020	Working Group will use two- and five-year time horizon factors in 2020 impact analysis. Proposal	9/11/2020

						2021-09-H - Adopted 5/25/21 by the WG	
X10	Health RBC WG	1	Year End 2023 or later	Review and respond to the request from the Capital Adequacy (E) Task Force on the referral from the Restructuring Mechanisms (E) Subgroup for input regarding health runoff companies.	Capital Adequacy (E) Task Force		8/11/2022
New Items – Health RBC							
2023 #	Owner	2023 Priority	Expected Completion Date	Working Agenda Item	Source	Comments	Date Added to Agenda
Ongoing Items – Task Force							
CA1	CADTF	2	2023	Affiliated Investment Subsidiaries Referral Ad Hoc group formed Sept. 2016	Ad Hoc Group	Structural and instructions changes will be exposed by each individual working group for comment in 2022 with an anticipated effective date of 2023. Proposal 2022-09-CA was adopted at the 2022 Summer Meeting. Proposal 2022-09-CA MOD was adopted at the 2023 Spring Meeting.	
Carryover Items Currently being Addressed – Task Force							
CA2			Ongoing	All investment related items referred to the RBC Investment Risk & Evaluation (E) Working Group			1/12/2022
CA3	CADTF	3	2024 Ongoing	Receivable for Securities factor		Consider evaluating the factor every 3 years. (2021, 2024, 2027, etc.) Factors are exposed for comment. Comments due May 28, 2021 for consideration on June 30th. Factors Adopted for 2021.	
New Items –Task Force							
CA4	CADTF	1	2023	Evaluate if changes should be made to RBC formulas to better assess companies in runoff	PCRBCWG	TF shared the referral to the Life and Health RBC WGs at the summer meeting. TF forwarded the responses to the RMSG at the Spring meeting.	8/11/2022
CA5	CADTF	1	2023	Update the Health Premiums and Underwriting Risk Premium References to match the Annual Statement Schedule H, Part 1, and Part 5 references	2021-14-BWG	TF adopted the proposal 2022-13-CA at the Spring meeting.	11/30/2022

<u>CA6</u>	<u>CADTF</u>	<u>1</u>	<u>2026 or later</u>	<u>Established the Risk Evaluation Ad Hoc Group to:</u> <u>a) Evaluate the RBC factors;</u> <u>b) Potentially develop an evaluating process;</u> <u>c) Prioritize those factors that require reviewing.</u>		<u>7/26/23 – the Risk Evaluation Ad Hoc Group established 3 Ad Hoc Subgroup to focus on different issues: 1) RBC Purposes & Guidelines Ad Hoc Subgroup; 2) Asset Concentration Ad Hoc Subgroup; and 3) Geographic Concentration Ad Hoc Subgroup.</u>	<u>03/23/2023</u>
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Draft: ~~98/1312/2223~~

Adopted by the Executive (EX) Committee and Plenary, Dec. xx, ~~2022~~2023

Adopted by the Financial Condition (E) Committee, Dec. xx, ~~2022~~2023

Adopted by the Capital Adequacy (E) Task Force, **TBD**

~~2023-2024~~ Proposed Charges

CAPITAL ADEQUACY (E) TASK FORCE

The mission of the Capital Adequacy (E) Task Force is to evaluate and recommend appropriate refinements to capital requirements for all types of insurers.

Ongoing Support of NAIC Programs, Products, or Services

1. The **Capital Adequacy (E) Task Force** will:
 - A. Evaluate emerging “risk” issues for referral to the risk-based capital (RBC) working groups/subgroups for certain issues involving more than one RBC formula. Monitor emerging and existing risks relative to their consistent or divergent treatment in the three RBC formulas.
 - B. Review and evaluate company submissions for the schedule and corresponding adjustment to total adjusted capital (TAC).
 - C. Evaluate relevant historical data and apply defined statistical safety levels over appropriate time horizons in developing recommendations for revisions to the current asset risk structure and factors in each of the RBC formulas.
2. The **Health Risk-Based Capital (E) Working Group, Life Risk-Based Capital (E) Working Group, and Property and Casualty Risk-Based Capital (E) Working Group** will:
 - A. Evaluate refinements to the existing NAIC RBC formulas implemented in [the](#) prior year. Forward the final version of the structure of the current year life and fraternal, property/casualty (P/C), and health RBC formulas to the Financial Condition (E) Committee by June.
 - B. Consider improvements and revisions to the various RBC blanks to: 1) conform the RBC blanks to changes made in other areas of the NAIC to promote uniformity; and 2) oversee the development of additional reporting formats within the existing RBC blanks as needs are identified. Any proposal that affects the RBC structure must be adopted no later than April 30 of the reporting year, and any proposal that affects the RBC factors and/or instructions must be adopted no later than June 30 of the reporting year. Adopted changes will be forwarded to the Financial Condition (E) Committee by the next scheduled meeting or conference call. Any adoptions made to the annual financial statement blanks or statutory accounting principles that affect an RBC change adopted by June 30 and result in an amended change may be considered and adopted by July 30, where the Capital Adequacy (E) Task Force votes to pursue by super-majority (two-thirds) consent of members.
 - C. Monitor changes in accounting and reporting requirements resulting from the adoption and continuing maintenance of the revised *Accounting Practices and Procedures Manual* (AP&P Manual) to ensure that model laws, publications, formulas, analysis tools, etc. supported by the Task Force continue to meet regulatory objectives.
 - D. Review the effectiveness of the NAIC’s RBC policies and procedures as they affect the accuracy, audit ability, timeliness of reporting access to RBC results, and comparability among the RBC formulas. Report on data quality problems in the prior year RBC filings at the summer and fall national meetings.
3. The **Variable Annuities Capital and Reserve (E/A) Subgroup** of the Life Risk-Based Capital (E) Working Group and the Life Actuarial (A) Task Force will:
 - A. Monitor the impact of the changes to the variable annuities (VA) reserve framework and RBC calculation

and determine if additional revisions need to be made.

- B. Develop and recommend appropriate changes, including those to improve the accuracy and clarity of VA capital and reserve requirements.
4. The **Longevity Risk (E/A) Subgroup** of the Life Risk-Based Capital (E) Working Group and the Life Actuarial (A) Task Force will:
 - A. Provide recommendations for the appropriate treatment of longevity risk transfers by the new longevity factors.
 5. The **Catastrophe Risk (E) Subgroup** of the Property and Casualty Risk-Based Capital (E) Working Group will:
 - A. Recalculate the premium risk factors on an ex-catastrophe basis, if needed.
 - B. Continue to update the U.S. and non-U.S. catastrophe event list.
 - C. Continue to evaluate the need for exemption criteria for insurers with minimal risk.
 - D. Evaluate the RBC results inclusive of a catastrophe risk charge.
 - E. Refine instructions for the catastrophe risk charge.
 - F. Continue to evaluate any necessary refinements to the catastrophe risk formula.
 - G. Evaluate other catastrophe risks for possible inclusion in the charge.
 6. The **RBC Investment Risk and Evaluation (E) Working Group** will:
 - A. Perform a comprehensive review of the RBC investment framework for all business types, which could include:
 - i. Identifying and acknowledging uses that extend beyond the purpose of the *Risk-Based Capital (RBC) for Insurers Model Act* (#312).
 - ii. Assessing the impact and effectiveness of potential changes in contributing to the identification of weakly capitalized companies; i.e., those companies at action levels.
 - iii. Documenting the modifications made over time to the formulas, including, but not limited to, an analysis of the costs in study and development, implementation (internal and external), assimilation, verification, analysis, and review of the desired change to the RBC formulas and facilitating the appropriate allocation of resources.
 7. The **Generator of Economic Scenarios (GOES) (E/A) Subgroup** of the Life Risk-Based Capital (E) Working Group and the Life Actuarial (A) Task Force will:
 - A. Monitor that the economic scenario governance framework is being appropriately followed by all relevant stakeholders involved in scenario delivery.
 - B. Review material economic scenario generator updates, either driven by periodic model maintenance or changes to the economic environment and provide recommendations.
 - C. Regularly review key economic conditions and metrics to evaluate the need for off-cycle or significant economic scenario generator updates and maintain a public timeline for economic scenario generator updates.
 - D. Support the implementation of an economic scenario generator for use in statutory reserve and capital calculations.
 - E. Develop and maintain acceptance criteria that reflect history as well as plausibly more extreme scenarios.

NAIC Support Staff: Eva Yeung

SharePoint/FRS-RBC/CADTF/Charges/2023/2023 Proposed Charges.docx

**PROCEDURES OF THE FINANCIAL CONDITION (E) COMMITTEE'S
CAPITAL ADEQUACY TASK FORCE IN CONNECTION WITH PROPOSED AMENDMENTS TO RISK-BASED CAPITAL
BLANKS AND INSTRUCTIONS**

The following establishes procedures and rules of the Financial Condition (E) Committee's Capital Adequacy Task Force (Task Force) and its Working Groups with respect to proposed amendments to the NAIC RBC Forecasting (blanks) and Instructions.

1. The Task Force may consider relevant proposals to change the RBC blanks and instructions at the national meeting or designated interim meeting as scheduled by the Task Force.
2. All proposals for suggested changes and amendments shall use NAIC Proposal Forms and shall be stated in a concise and complete manner and include the appropriate blank and instruction modifications. The Proposal Form and its instructions are available online under related documents and resources at https://content.naic.org/cmte_e_capad.htm, <http://www.naic.org/committees-e-capad.htm> and All interested party proposals should be emailed to the appropriate NAIC staff support with a completed proposal form and mocked-up changes.

The following guidelines apply:

- Any proposal that affects an RBC blank must be exposed by the Task Force or its Working Groups by January 31 of the effective year of the change. In only rare instances, where the structure change is urgent, may the exposure deadline be extended to March 15 for either the Task Force or Working Groups. The proposal must be adopted by the Task Force no later than April 30 of the effective year of the change.
- Any proposal that only affects the instructions or factors must be exposed by the Task Force / Working Group by April 30 and adopted by the Task Force by June 30 of the current year.
- Only if the Task Force may extend the June 30th adoption deadline for previously considered proposals regarding instructions or factors upon a super majority (two-thirds) consent of the Task Force members present where such extension can be no later than July 30th of the current year. This would be considered only in rare circumstances where urgency of such adoption is high. The super majority consent applies only in the instance of a Task Force vote that is outside of the standard RBC adoption deadlines (April 30 and June 30).

An illustration of the proposed change to the RBC blank or instructions should accompany the Proposal Form. In addition, an impact analysis will be required for any factor change. If another NAIC Committee, Task Force or Working Group is known to have considered this proposal, that Committee, Task Force or Working Group should provide any relevant information.

The Task Force/Working Groups will review the proposal and determine whether to receive the proposal and expose for public comment (initial exposure of at least 30-days to ensure adequate time to provide comment on any structural change), unless a shorter exposure is approved by the Task Force or Working Groups) or ~~whether~~ to reject the proposal. The comment period ends at least 10-3 business days prior to the next designated national or interim meeting of the Task Force/ Working Group. The Task Force/Working Group will consider comments received on each proposal at its next meeting. Proposals under consideration may be deferred by the Task Force/Working Group if there is general consensus among members that the proposal has merit but warrants additional work or input. However, the Task Force will limit the number of deferrals to two. The proposal must be acted upon upon by the third meeting after the second deferral, and-or absent action, the proposal is deemed to have been rejected and will be removed from the agenda. The Task Force may also refer proposals to other NAIC groups due to their technical expertise or for additional review. If a proposal has been referred to another NAIC group, the proposal will be reprioritized on the working agenda and will be considered again in the form of a modified or new proposal after comments/recommendations are received. The Task Force will review and adopt the working agenda at each National Meeting, if necessary, to ensure all items designated as a priority 1 are being addressed, to add or delete items that have been addressed or to reprioritize the remaining items on the working agenda.

3. Interested Party Proposals filed with the appropriate NAIC staff support shall be considered at the next regularly scheduled meeting of the Task Force/Working Group if the proposal is filed at least twentyten days prior to the meeting. ~~Items filed less than twenty days prior to a regularly scheduled meeting will be considered at the following regularly scheduled meeting.~~
4. The NAIC staff support shall prepare the meeting an materials including agenda of all suggested proposals. Interim meeting materials will ~~The agenda will~~ be posted no later than one weekthree business days prior to the scheduled meeting on the NAIC website. Initial national meeting materials will be posted ten business days before the first day of each National Meeting on the NAIC website.

5. At each meeting, the Task Force/Working Group will review comments that were received by the comment exposure due date for suggested proposals.
6. NAIC staff support will ~~present to the Task Force/ Working Group a list of necessary~~incorporate any non-substantive changes discovered in the ~~annual updates of the RBC formulas~~ ~~process of implementing proposals~~, e.g., reference changes due to new SSAPs or ~~required changes discovered in the process of implementing proposals~~annual statement references. ~~These changes will be reflected in RBC newsletters that will be presented to T~~he Task Force/ Working Group will review these changes and may adopt the appropriate items at any regularly scheduled meeting. Such actions will be documented in the minutes of the Task Force/Working Group for adoption at the Summer National Meeting. -NAIC staff support may also request that the Task Force/Working Group reconsider items adopted, if these items contain substantial errors.
7. The Task Force/Working Group may, when deemed necessary, appoint an Ad Hoc Group to study proposals and/or certain issues.
- ~~8. The NAIC will publish each agenda approximately one week prior to each interim or national meeting (including proposals received for comment and comments received) on the NAIC Web site.~~
- ~~9. The NAIC will retain all current and subsequent adopted proposals on the Task Force website up to the publication date of November 1 for current and subsequent years.~~
8. The NAIC will publish the RBC Forecasting and Instructions for the next subsequent year on, or about November 1 each year. The following documentation will NAIC staff support will be posted to the NAIC Web site:
 - ~~• any subsequent corrections to these publications.~~
 - RBC Proposals adopted by the Task Force (after each interim and National Meeting)
 - Annual RBC Newsletters (after Summer National Meeting)
 - Annual RBC Statistics (after Summer National Meeting)
 - Working Agenda (after each National Meeting)
 - Any subsequent corrections to these publications (as needed)