

**NAI** 

**NATIONAL  
MEETING**

**FALL 2023**

**ORLANDO**

**SYNOPSIS**

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**Synopsis of the NAIC Committee, Subcommittee, and Task Force Meetings  
2023 Fall National Meeting  
November 30–December 4, 2023**

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 2023 Fall 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)**

Dec. 4, 2023

1. Received the Dec. 2 report of the Executive (EX) Committee.
2. Adopted by consent the committee, subcommittee, and task force minutes of the Summer National Meeting.
3. Adopted the NAIC 2024 proposed budget.
4. Adopted the NAIC 2024 proposed committee charges.
5. Received the report of the Life Insurance and Annuities (A) Committee. See the Committee listing for details.
6. Received the report of the Health Insurance and Managed Care (B) Committee. See the Committee listing for details.
7. Received the report of the Property and Casualty Insurance (C) Committee. See the Committee listing for details.
8. Received the report of the Market Regulation and Consumer Affairs (D) Committee. See the Committee listing for details.
9. Received the report of the Financial Condition (E) Committee. See the Committee listing for details.
10. Received the report of the Financial Regulation Standards and Accreditation (F) Committee. See the Committee listing for details.
11. Received the report of the International Insurance Relations (G) Committee. See the Committee listing for details.
12. Received the report of the Innovation, Cybersecurity, and Technology (H) Committee. See the Committee listing for details.
13. Adopted the 2024 Generally Recognized Expense Table (GRET).
14. Adopted the Voluntary Market Regulation Certification Program self-assessment guidelines and checklist tool, implementation plan, and certification scoring definitions.
15. Adopted the pet insurance Market Conduct Annual Statement (MCAS) data call and definitions.
16. Adopted the amendments to the *Property and Casualty Insurance Guaranty Association Model Act* (#540).
17. Adopted revisions to the Part A insurance holding company systems accreditation standard.
18. Adopted the *Model Bulletin on the Use of Algorithms, Predictive Models, and Artificial Intelligence (AI) Systems by Insurers*.
  19. Received a status report on the state implementation of NAIC-adopted model laws and regulations.
19. Received the results of the 2024 zone officer elections. Midwest Zone: Director Anita G. Fox, Chair (MI); Commissioner Vicki Schmidt, Vice Chair (KS); and Director Eric Dunning, Secretary (NE). Northeast Zone: Commissioner Trinidad Navarro, Chair (DE); Commissioner Kevin Gaffney, Vice Chair (VT); and Commissioner Gary D. Anderson, Secretary (MA). Southeast Zone: Commissioner Carter Lawrence, Chair (TN); Commissioner Sharon P. Clark, Vice Chair (KY); and Commissioner Alan McClain, Secretary (AR). Western Zone: Commissioner Michael Conway, Chair (CO); Commissioner Andrew R. Stolfi, Vice Chair (OR); and Cassie Brown, Secretary (TX).

20. Elected the 2024 NAIC officers: Commissioner Andrew N. Mais, President (CT); Commissioner Jon Godfread, President-Elect (ND); Commissioner Scott A. White, Vice President (VA); and Director Elizabeth Kelleher Dwyer, Secretary-Treasurer (RI).

## **EXECUTIVE (EX) COMMITTEE**

### Dec. 2, 2023

1. Adopted the report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee, which met Dec. 1 in regulator-to-regulator session, pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member). During this meeting, the Committee and Subcommittee took the following action:
  - A. Adopted their Summer National Meeting minutes.
  - B. Adopted their Nov. 28, Oct. 26, Sept. 28, and Aug. 24 minutes, which included the following action:
    - i. Approved the NAIC 2024 proposed budget and recommended that it be considered by the full Membership during the joint meeting of the Executive (EX) Committee and Plenary at the Fall National Meeting.
    - ii. Held a public hearing on the NAIC 2024 proposed budget with interested parties.
    - iii. Approved the exposure of the NAIC 2024 proposed budget for a 21-day public comment period ending Nov. 17.
    - iv. Reviewed senior management's proposed prioritization of the *State Connected* strategic plan initiatives and their impact on the 2024 budget.
  - C. Adopted the Executive (EX) Committee's Oct. 13 minutes, which included the following action:
    - i. Approved the filing of an amicus brief in *Delaware Department of Insurance v. United States of America (IRS)*.
  - D. Adopted the report of the Audit Committee, including its Nov. 21 minutes. During this meeting, the Committee took the following action:
    - i. Received the Oct. 31 financial update.
    - ii. Received an update on the 2023 year-end financial audit.
    - iii. Received an update on the upcoming Service Organization Control (SOC) 1 and SOC 2 reviews.
    - iv. Heard an update on the enterprise resource planning (ERP) project.
    - v. Reviewed the status of zone financials and zone technical training funds.
      - a. Approved a carryover of \$20,000 in grant funds from 2023 to 2024.
  - E. Adopted the report of the Internal Administration (EX1) Subcommittee, which met Nov. 20. During this meeting, the Subcommittee took the following action:
    - i. Received the Sept. 30 long-term investment portfolio report.
    - ii. Received the Sept. 30 defined benefit portfolio report.
    - iii. Updated and affirmed the investment policy statement (IPS) for the defined benefit and defined contribution plans.
    - iv. Reaffirmed the IPS for the long-term funds portfolio.
    - v. Received a status update on the termination of the defined benefit pension plan.
  - F. Adopted the fiscal for variable annuity and life insurance model office testing.
  - G. Approved the formation of a Center for Insurance Policy and Research (CIPR) Steering Committee.
  - H. Received the Acting Chief Executive Officer (CEO) report.
  - I. Heard a cybersecurity report.
  - J. Received an update from the NAIC general counsel.
2. Adopted the report of the Executive (EX) Committee, which met Oct. 13 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. During this meeting, the Committee took the following action:
  - A. Approved the NAIC to file an amicus brief in *Delaware Department of Insurance v. United States of America (IRS)*.
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 Leadership Council 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 Special Committee listing for details.
7. Adopted its 2024 proposed charges.
8. Received a status report on the *State Connected* strategic plan.
9. 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 *Property and Casualty Insurance Guaranty Association Model Act* (#540); 3) the *Unfair Trade Practices Act* (#880); and 4) the new *Insurance Consumer Privacy Protections Model Law* (#674).
10. Received reports from the National Insurance Producer Registry (NIPR) and the Interstate Insurance Product Regulation Commission (Compact).

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

Dec. 3, 2023

1. Adopted its Oct. 12 minutes, which included the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Heard a presentation from the Canadian Council of Insurance Regulators (CCIR) and Public Safety Canada (PSC) on Canadian flood risks.
  - C. Heard a presentation on the private flood insurance market.
2. Heard a presentation from Carbox on carbon capture technology.
3. Heard a presentation from Aon on parametric insurance solutions.
4. Adopted the *National Climate Resilience Strategy*, a document that shows how insurance regulators collaborate to strengthen climate resilience. The Task Force agreed to receive additional comments related to the document before consideration of adoption by the Membership.
5. Received an update from its Solvency Workstream.

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

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

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

Nov. 16, 2023 (in lieu of the Summer National Meeting)

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 5 minutes. During this e-vote, the Task Force took the following action:
  - A. Adopted its 2024 proposed charges.

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

Dec. 2, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted its 2024 proposed charges.
3. Received a status report from the Property/Casualty (P/C) Workstream, the Life Workstream, and the Health Workstream.
4. Received an update on the Member Diversity Leadership Forum.
5. Heard a presentation from the Insured Retirement Institute (IRI) on the NAIC's recommended diversity, equity, and inclusion (DE&I) actions at work in the insured retirement industry.
6. Received an update on the New Avenues to Insurance Careers (N.A.I.C.) Foundation.

## INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE

See the Executive (EX) Committee listing for details.

## LIFE INSURANCE AND ANNUITIES (A) COMMITTEE

Dec. 3, 2023

1. Adopted its Nov. 21 minutes. During this meeting, the Committee took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Adopted the 2024 Generally Recognized Expense Table (GRET).
  - C. Adopted the 2024 proposed charges of the Life Actuarial (A) Task Force.
  - D. Adopted its 2024 proposed charges.
2. Adopted the report of the Life Actuarial (A) Task Force.
3. Heard a federal update on the proposed “Retirement Security Rule: Definition of an Investment Advice Fiduciary.”
4. Heard a presentation from the University of Georgia and the Center for Economic Justice (CEJ) on consumer financial literacy versus life insurance and annuities illustrations.

## Life Actuarial (A) Task Force

Nov. 29–30, 2023

1. Adopted its Nov. 2, Oct. 11, Oct. 5, Sept. 28, Sept. 14, and Aug. 31 minutes, which included the following action:
  - A. Adopted its Summer National Meeting Minutes.
  - B. Reported that it met Oct. 26 and Sept. 7 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to continue work on its goals.
  - C. Exposed amendment proposal form (APF) 2023-11, which removes references to risk-based capital (RBC) from the *Valuation Manual* that are inconsistent with the purpose, scope, and intended use of RBC, for a 21-day public comment period that ended Nov. 22.
  - D. Exposed APF 2023-12, which clarifies expectations for the reflection of equity return volatility in asset adequacy testing (AAT), for a 21-day public comment period that ended Nov. 22.
  - E. Adopted a memorandum directed to the Society of Actuaries (SOA) regarding the changes to the SOA’s educational pathway.
  - F. Adopted APF 2023-09, which requires the use of historical mortality improvement (HMI) for company mortality experience in *Valuation Manual* (VM)-20, Requirements for Principle-Based Reserves for Life Products.
  - G. Adopted its 2024 proposed charges.
  - H. Exposed acceptance criteria and stylized facts for the generator of economic scenarios (GOES) for a 36-day public comment period that ended Nov. 10.
  - I. Adopted the 2024 Generally Recognized Expense Table (GRET).
  - J. Exposed APF 2023-10, which would change the discount rate for the stochastic reserve in VM-20 to be the net asset earned rate (NAER), for a 47-day public comment period that ended Nov. 13.
  - K. Adopted the *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53) templates for year-end 2023.
  - L. Adopted the 2023 VM-20 HMI and future mortality improvement (FMI) rates.
  - M. Heard a presentation from the American Academy of Actuaries (Academy) on the GOES interim interest rate acceptance criteria.
  - N. Adopted APF 2023-08, which clarifies the treatment of interest maintenance reserves (IMR) in the *Valuation Manual* along with an IMR template and temporary guidance.
2. Adopted the report of the Indexed Universal Life (IUL) Illustration (A) Subgroup, which has not met since the adoption of its main work product, revisions to *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)*, by the Task Force on Dec. 11, 2022.

3. Adopted the report of the Longevity Risk (E/A) Subgroup, which has not met since the Summer National Meeting. The Subgroup plans to resume meeting once the currently exposed VM-22, Requirements for Principle-Based Reserves for Non-Variable Annuities, principle-based reserving (PBR) methodology is finalized and adopted to develop and recommend longevity risk factor(s) for the product(s) that were excluded from the application of the current longevity risk factors.
4. Adopted the report of the Variable Annuities Capital and Reserve (E/A) Subgroup, which has not met since the Summer National Meeting. At the request of the Task Force, the Subgroup chair has made a request to the SOA to expand the work it is carrying out for the VM-22 Standard Projection Amount Mortality Drafting Group to develop mortality rates to be used as prescribed assumptions within the VM-21 standard projection amount (SPA). Work continues on this project, and a report and recommendations are expected after the Fall National Meeting.
5. Adopted the report of the VM-22 (A) Subgroup, which met Nov. 15 and Nov. 8. During these meetings, the Subgroup took the following action:
  - A. Exposed draft revisions to VM-31, PBR Actuarial Report Requirements for Business Subject to a Principle-Based Valuation; VM-G, Appendix G – Corporate Governance Guidance for Principle-Based Reserves; and the annual statement blank for a 90-day public comment period ending Feb. 14, 2024.
  - B. Discussed comments received on the VM-22 SPA draft.
6. Received an update from the VM-22 Policyholder Behavior Drafting Group.
7. Heard a presentation on the mortality experience data collection and adopted the report of the Experience Reporting (A) Subgroup.
8. Discussed comments received on the GOES corporate model decision.
9. Discussed comments received on the GOES acceptance criteria and stylized facts.
10. Heard a presentation on AG 53.
11. Heard a presentation on the results of a new calibration of the GOES.
12. Heard an update on the GOES project timeline and adopted the report of the GOES (E/A) Subgroup.
13. Heard an update from the Academy Economic Scenario Generator Subcommittee on equity acceptance criteria.
14. Discussed comments received on APF 2023-10.
15. Re-exposed APF 2023-12 for a 60-day public comment period ending Jan. 29, 2024.
16. Exposed APF 2023-13, which modifies VM-M, Appendix M – Mortality Tables, to allow for the use of international mortality tables for relevant business and also adds the 1994 Group Annuity Reserving (GAR) and 1983 Table mortality tables for use in the future VM-22 for a 60-day public comment period ending Jan. 29, 2024.
17. Heard an update from the SOA on research and education.
18. Heard an update from the Academy Council on Professionalism and Education.
19. Heard an update from the Academy Life Practice Council.
20. Discussed revisions to the VM-20 FMI rates and appropriate application.
21. Adopted a request to the Academy for life knowledge statements pertaining to the work of U.S.-appointed actuaries, illustration actuaries, and qualified actuaries.
22. Received an update on the work of the Product Standards Committee of the Interstate Insurance Product Regulation Commission (Compact).
23. Received an update that the Task Force had become aware that some companies may be requesting exceptions to the requirements in the *Valuation Manual* that could affect reserve and/or capital calculations and that this issue would be discussed in regulator-to-regulator sessions of the Valuation Analysis (E) Working Group and/or the Task Force.

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

Dec. 2, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted its Nov. 2 minutes. During this meeting, the Committee took the following action:
  - A. Adopted its task forces' 2024 proposed charges.
  - B. Adopted its 2024 proposed charges.
  - C. Adopted the white paper *A Guide to Understanding Pharmacy Benefit Manager and Associated Stakeholder Regulation* (PBM white paper).
2. Adopted the report of the Consumer Information (B) Subgroup, which met Nov. 21, Oct. 25, Oct. 17, and Sept. 18. During these meetings, the Subgroup took the following action:
  - A. Discussed and adopted the documents titled *Filing Health Insurance Claims, Explanation of Benefits, Understanding Medical Necessity, and How to Appeal a Denied Claim*.
  - B. Discussed and adopted revisions to the *Frequently Asked Questions About Health Reform* document, which is a resource for department of insurance (DOI) staff when responding to consumer questions about the federal Affordable Care Act (ACA) and related topics.
3. Adopted the report of the Health Innovations (B) Working Group, which met Dec. 1. During this meeting, the Working Group took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Heard a presentation from the federal Centers for Medicare & Medicaid Services (CMS) Innovation Center on the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model. The presenter explained the model's goals and how state insurance regulators can help facilitate state participation.
  - C. Heard a presentation from America's Health Insurance Plans (AHIP) on value-based care. The presenter described progress in moving to value-based arrangements, best practices in data sharing, and recommendations from the organization for improving value-based care.
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. Received an update on the Consumer Information (B) Subgroup's work to educate consumers on their claim denial appeal rights.
8. Heard a discussion on the Georgia and Virginia state-based marketplaces (SBMs). The presenters discussed the rationale behind the creation of their SBMs, including reducing the number of uninsureds by designing an SBM that is more consumer-friendly with respect to shopping for a plan and plan enrollment and enhancing the ability, through an SBM, to coordinate more closely with other state agencies.
9. Heard a federal update on pharmacy benefit managers (PBMs), Medicare Advantage marketing, federal regulations, and federal court cases.
10. Heard an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO) on recent activities of interest to the Committee, including activities related to the Medicaid unwinding and redetermination process as a result of the ending of the COVID-19 public health emergency (PHE), and the Notice of Benefit and Payment Parameters 2025 proposed rule.
11. Heard a discussion of the Committee's 2023 activities related to the priorities it identified for the year.

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

Nov. 30, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted its Sept. 26 minutes. During this meeting, the Task Force took the following action:
  - A. Adopted its 2024 proposed charges.
  - B. Discussed a referral from the Health Insurance and Managed Care (B) Committee.
  - C. Heard a presentation from the Blue Cross Blue Shield Association (BCBSA) on risk adjustment in the individual federal Affordable Care Act (ACA) market.



3. Adopted the report of the Long-Term Care Actuarial (B) Working Group, which met Nov. 30. During this meeting, the Working Group took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Adopted its Oct. 2 minutes. During this meeting the Working Group took the following action:
    - i. Discussed a referral from the Health Risk-Based Capital (E) Working Group to add language to *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51) that clarifies that regardless of which annual statement blank an insurer files, it must make an AG 51 filing if the AG 51 filing requirement criteria are met.
    - ii. Discussed the development of a single Long-Term Care Insurance (LTCI) Multistate Rate Review Approach.
  - C. Adopted a proposal to add language to AG 51 that clarifies that regardless of which annual statement blank an insurer files, it must make an AG 51 filing if the AG 51 filing criteria are met.
  - D. Heard an update on the development of a single LTCI Multistate Rate Review Approach.
4. Heard an update on Society of Actuaries (SOA) Research Institute activities.
5. Heard an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO).
6. Heard an update from the American Academy of Actuaries (Academy) Health Practice Council.
7. Heard an update on Academy professionalism.
8. Discussed a referral from the Health Insurance and Managed Care (B) Committee.
9. Discussed creating a set of knowledge statements for life insurance actuarial work.

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

Dec. 1, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted its Sept. 29 minutes. During this meeting, the Task Force took the following action:
  - A. Adopted its 2024 proposed charges.
  - B. Adopted the white paper *A Guide to Understanding Pharmacy Benefit Manager and Associated Stakeholder Regulation* (PBM white paper).
3. Adopted the report of the Accident and Sickness Insurance Minimum Standards (B) Subgroup, which met Oct. 2, Sept. 18, and Aug. 21. During these meetings, the Subgroup took the following action:
  - A. Completed its discussions of the comments received on the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171).
  - B. Exposed a revised draft of Model #171 for a public comment period that ended Dec. 1.
4. Adopted the report of the Employee Retirement Income Security Act (ERISA) (B) Working Group, which has not met since the Summer National Meeting.
5. Adopted the report of the Mental Health Parity and Addiction Equity Act (MHPAEA) (B) Working Group, which met Aug. 14. During this meeting, the Working Group took the following action:
  - A. Heard presentations from the Council of Autism Service Providers (CASP) and the Autism Legal Resource Center on autism treatment standards.
6. Adopted the report of the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup, which has not met since July 27.
7. Heard a presentation from the HIV+Hepatitis Policy Institute on the results and impact of the copay accumulator adjustment programs lawsuit, which challenged a federal rule that allows health insurers to avoid counting the value of drug manufacturer copay assistance toward patients' out-of-pocket cost obligations. The presentation included a detailed analysis of the opinion overturning the federal rule.
8. Heard a presentation from the National Association of Benefits and Insurance Professionals (NABIP) on "Cost: The Greatest Barrier to Access," the major issue keeping health insurance brokers up at night. The presentation highlighted how health care costs are adversely affecting access to health care services. The presentation also offered a few suggestions to address the issues, such as identifying the true cost drivers, giving attention to the plight of the underinsured, and focusing on social determinants of health.

## Senior Issues (B) Task Force

Dec. 1, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 30 minutes. During this meeting, the Task Force took the following action:
  - A. Adopted its 2024 proposed charges.
3. Asked representatives from the federal Centers for Medicare & Medicaid Services (CMS) questions on Medicare Advantage marketing and better communication between the states and CMS.
4. Received an update from the Long-Term Care Insurance (EX) Task Force on its work on reduced benefit options (RBOs) and any potential impact on the *Long-Term Care Insurance Model Act* (#640) and the *Long-Term Care Insurance Model Regulation* (#641).
5. Heard a presentation from FTI Consulting on Minnesota's "Own Your Future" initiative.
6. Received an inquiry from North Dakota about how other states are handling an issue it is facing regarding the federal Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) and eligibility to purchase Plan G.
7. Received a request for the Task Force to look at a proposal to give Medicare Part D drug plan enrollees the same opportunity to switch plans as Medicare Advantage enrollees.

## PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE

Dec. 3, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted the report of the Casualty Actuarial and Statistical (C) Task Force. See the Task Force listing for details.
3. Adopted the report of the Surplus Lines (C) Task Force. See the Task Force listing for details.
4. Adopted the report of the Title Insurance (C) Task Force. See the Task Force listing for details.
5. Adopted the report of the Workers' Compensation (C) Task Force. See the Task Force listing for details.
6. Adopted the report of the Cannabis Insurance (C) Working Group, which met Nov. 14. During this e-vote, the Working Group took the following action:
  - A. Adopted its July 18 minutes.
7. Adopted the report of the Catastrophe Insurance (C) Working Group, which met Dec. 1 in joint session with the NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group. During this meeting, the Working Group and Advisory Group took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Heard an update on federal legislation. The White House released the *Fifth National Climate Assessment* and announced more than \$6 billion to strengthen climate resilience nationwide.
  - C. Heard a presentation from FEMA on reauthorizing the National Flood Insurance Program (NFIP), underserved communities, and the penetration rate of NFIP policies. FEMA has submitted a document to Congress addressing 17 legislative proposals addressing reforms to the NFIP. There have been 27 short-term extensions since its expiration in September 2017. These reforms address the need to make NFIP policies more affordable and provide Americans with tools to manage their flood risk.
  - D. Heard a presentation from NAIC staff on FEMA Individual Assistance (IA) documentation requirements from insurers. FEMA requires verification of any settlement made by an insurer before providing individual assistance to a consumer. In cases where an insurer denies a claim, FEMA needs confirmation of the denial from the insurer for someone to receive individual assistance.
  - E. Heard a presentation from the American Property Casualty Insurance Association (APCIA) on mitigation being a shared priority. Insurance losses are high and are rising due to the frequency and severity of weather events, more people and property in vulnerable areas, inflation, and other contributing factors making it expensive to policyholders. Insurers and state insurance regulators are becoming increasingly engaged in communication and actions on mitigation.
  - F. Heard an update on the 2023 Central U.S. Quake Summit held Nov. 13–14 in St. Louis, MO. The NAIC, the Central U.S. Earthquake Consortium (CUSEQ), and the Missouri Department of Commerce and Insurance (DCI) sponsored the meeting.

- G. Discussed state mitigation plans and risk mitigation programs that some states have developed. States agree that educating the public about the importance of mitigation is crucial.
8. Adopted the report of the Terrorism Insurance Implementation (C) Working Group, which has not met this year.
9. Adopted the report of the Transparency and Readability of Consumer Information (C) Working Group, which met Nov. 20 and Sept. 29. During its Nov. 20 e-vote, the Working Group adopted its Sept. 29 minutes, which included the following action:
  - A. Heard a presentation from Washington on its recently adopted premium change transparency rule, which requires insurers to disclose to insureds the reasons for their premium change using consumer-friendly language.
  - B. Heard from Indiana on H.B. 1329, which makes a material change to an insured's personal automobile or homeowners policy to provide a written notice explaining the principal factors for the change.
10. Adopted its 2024 proposed charges.
11. Heard a presentation from the National Association of Mutual Insurance Companies (NAMIC), APCA, and Cambridge Mobile Telematics (CMT) on the growing challenges with private passenger automobile (PPA) accidents and how the industry uses telematics to assess, underwrite, and rate risk.
12. Heard a presentation from RiverStone about third-party funding of litigation.
13. Heard an update on the state insurance regulator data call that seeks to collect insurer data to better assess homeowners insurance markets.

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

Dec. 1, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 24, Oct. 10, Sept. 5, and Aug. 30 minutes. During these meetings, the Task Force took the following action:
  - A. Adopted the *Auto Insurance Database Average Premium Supplement and the 2021 Dwelling, Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance Report* (Homeowners Report).
  - B. Adopted its 2024 proposed charges.
  - C. Adopted a blanks proposal to require insurers to report 10 years of data for all lines of business in Schedule P.
3. Adopted the report of the Actuarial Opinion (C) Working Group, which met Sept. 27 and Aug. 23. During these meetings, the Working Group took the following action:
  - A. Adopted the *Regulatory Guidance on Property and Casualty Statutory Statements of Actuarial Opinion, Actuarial Opinion Summaries, and Actuarial Reports for the Year 2023* (2023 Regulatory Guidance).
  - B. Exposed the draft 2024 Statement of Actuarial Opinion (SAO) instructions for property and title for a 30-day public comment period that ended Oct. 27.
4. Adopted the report of the Statistical Data (C) Working Group, which met Oct. 30 and Sept. 29. During these meetings, the Working Group took the following action:
  - A. Discussed the statistical reports.
  - B. Adopted the 2021 Homeowners Report.
5. Received a report on its 2024 Schedule P proposal to the Blanks (E) Working Group.
6. Received a report on the homeowners insurance data call.
7. Received a report on the Speed to Market (D) Working Group.
8. Received a report on the System for Electronic Rates & Forms Filing (SERFF) modernization project.
9. Received a report on the Capital Adequacy (E) Task Force and the Property and Casualty Risk-Based Capital (E) Working Group.
10. Received a report on the Innovation, Cybersecurity, and Technology (H) Committee.
11. Received a report on the Cybersecurity Insurance Supplement.
12. Received a report on the Special (EX) Committee on Race and Insurance.

13. Received an update from the NAIC Rate Model Review Team on its current activities. The Task Force received the first draft of a potential list of rate filing documentation needed before submitting a rate model review request to the NAIC.
14. Heard reports from the American Academy of Actuaries (Academy), the Actuarial Board for Counseling and Discipline (ABCD), the Actuarial Standards Board (ASB), the Casualty Actuarial Society (CAS), and the Society of Actuaries (SOA) on current activities and research.

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

#### Dec. 1, 2023

1. Adopted its Summer National Meeting minutes.
2. Discussed an issue regarding the lack of uniformity with respect to the filing of Uniform Consent to Service of Process forms. The Task Force chair directed NAIC staff to form a drafting group to investigate further and report back at the 2024 Spring National Meeting.

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

#### Dec. 2, 2023

1. Adopted its Oct. 20 minutes. During this meeting, the Task Force took the following action:
  - A. Adopted its 2024 proposed charges.
2. Heard an update on the administration of the *Survey of State Insurance Laws Regarding Title Data and Title Matters*. Microsoft Forms will be used for the survey. An email was sent to the NAIC general counsel distribution list on Nov. 27, asking them to coordinate the completion and final submission of the survey by Dec. 22.
3. Heard a presentation from AM Best on its updated *Market Segment Outlook: U.S. Title Insurance*. AM Best revised its outlook for the sector to negative, owing to the significant decline in home sales and refinancing activity, as well as other factors. However, the sector posted solid operating results despite lower financial indicators in 2023. The sector is expected to continue facing macroeconomic headwinds into 2024 but remain profitable.
4. Heard a presentation from First American Corporation on the impact of monetary policy and housing cyclicity on the title industry. Title policy demand is driven by the housing and mortgage market cycles. The housing market remains in a cyclical downturn, pressuring premium growth.

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

#### Nov. 6, 2023 (in lieu of the Fall National Meeting)

1. Heard a presentation from Quintairos, Prieto, Wood & Boyer, P.A. (QPWB) on the unintended consequences of cannabis legalization on workers' compensation. Cannabis fits into workers' compensation in the following ways: 1) it can be the cause of an accident; 2) intoxication can be used as a defense to an accident; 3) intoxication of any kind can make a difference in an accident; 4) it can be used to treat a workers' compensation injury; and 5) it can be a long-term alternative for workers' compensation injuries. Additionally, the legalization of cannabis brings about changes for employers, changes in the investigation of a claim, and changes for insurers.

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

#### Dec. 3, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted its 2024 proposed charges.
3. Adopted revisions to the *Unfair Trade Practices Act* (#880) to provide state insurance departments the means to regulate lead generators and gain a level of consumer protection that is not currently in place. The model revisions include a new definition of health insurance lead generator and clarify that health insurance lead generators are prohibited from engaging in unfair trade practices set forth in the model.

4. Adopted updates to the Market Conduct Annual Statement (MCAS) revision process. To provide sufficient time for the Working Group to review, discuss, and consider MCAS reporting data calls and definitions for new lines of business, substantial additions, and/or changes to existing lines of business, drafts will be provided to the Working Group by April 1 of each year.
5. Adopted revisions to the *Market Regulation Handbook* Chapter 23—Conducting the Life and Annuity Examination to support state insurance regulators’ assessment of compliance with the standards of the revised *Suitability in Annuity Transactions Model Regulation* (#275), which the NAIC Membership adopted in 2020.
6. Adopted the report of the Antifraud (D) Task Force. See the Task Force listing for details.
7. Adopted the report of the Market Information Systems (D) Task Force. See the Task Force listing for details.
8. Adopted the report of the Producer Licensing (D) Task Force. See the Task Force listing for details.
9. Adopted the report of the Market Analysis Procedures (D) Working Group, which met Nov. 20 in lieu of the Fall National Meeting. During this meeting, the Working Group took the following action:
  - A. Adopted its Oct. 16 minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its Sept. 18 minutes. During this meeting, the Working Group took the following action:
      - a. Adopted its Summer National Meeting minutes.
      - b. Discussed plans for a series of Lunch and Learn webinars to instruct new market analysts about market analysis tools and processes.
      - c. Discussed the inclusion of fraternal insurance companies in the MCAS.
      - d. Discussed Market Information Systems (MIS) data.
      - e. Discussed the draft of the pet insurance MCAS ratios.
    - ii. Discussed the Sept. 25 Lunch and Learn, which covered the Market Analysis Prioritization Tool (MAPT), and scheduled the next Lunch and Learn for Oct. 26 to cover the MCAS-MAPT.
    - iii. Reported preliminary results of interviews with 12 jurisdictions about their use of the MAPT in their baseline analyses.
    - iv. Received an update from the Pet Insurance MCAS Ratio Drafting Group.
    - v. Discussed the current premium reporting threshold for the MCAS. The Working Group reviewed data on the number of companies on a national level that would be required to file at different thresholds. The Working Group agreed to provide each jurisdiction with the threshold data on a per-jurisdiction basis.
  - B. Discussed the Oct. 26 Lunch and Learn and agreed to have the next Lunch and Learn in January 2024 after the Fall National Meeting and holiday season.
  - C. Reported on the continuing interviews with jurisdictions regarding use of the MAPT in their baseline analysis.
  - D. Received an update from the Pet Insurance MCAS Ratio Drafting Group.
  - E. Agreed to keep the MCAS premium reporting threshold at \$50,000.
10. Adopted the report of the Market Conduct Annual Statement Blanks (D) Working Group, which met Oct. 10. During this meeting, the Working Group took the following action:
  - A. Adopted its Sept. 18 minutes. During this e-vote, the Working Group took the following action:
    - i. Adopted a motion to remove data element #54 from the MCAS other health blank.
    - ii. Adopted a motion to remove data element #58 from the MCAS other health blank.
  - B. Adopted its Aug. 24 minutes. During this meeting, the Working Group took the following action:
    - i. Adopted its Summer National Meeting minutes.
    - ii. Considered the reporting of closed claims for the private passenger auto (PPA) and homeowners lines of business.
    - iii. Considered possible edits to the MCAS data element revision process timeline.
    - iv. Adopted a May 31 filing deadline for other health and short-term, limited-duration (STLD) MCAS submissions.
  - C. Adopted the reporting of closed claims for the property/casualty (P/C) and casualty annual statement lines of business.

- D. Adopted the MCAS data element revisions.
- 11. Adopted the report of the Market Conduct Examination Guidelines (D) Working Group, which met Nov. 8. During this meeting, the Working Group took the following action:
  - A. Adopted the Oct. 4 draft of Chapter 23—Conducting the Life and Annuity Examination of the *Market Regulation Handbook*.
  - B. Adopted the Oct. 25 exposure drafts of the new travel insurance in-force standardized data request (SDR) and the new travel insurance claims SDR.
- 12. Adopted the report of the Speed to Market (D) Working Group, which met Nov. 17 in lieu of the Fall National Meeting. During this meeting, the Working Group took the following action:
  - A. Received a report on the status of the System for Electronic Rates & Forms Filing (SERFF) modernization project and the SERFF Product Steering Committee (PSC).
  - B. Received an update from the Interstate Insurance Product Regulation Commission (Compact). The Compact welcomed North Dakota to its membership and now has 47 member jurisdictions.
  - C. Discussed revisions to the *Product Filing Review Handbook*. The Working Group plans to consider adoption of the revisions in February 2024. A process will also be implemented for the Working Group to annually review and update the handbook.
- 13. Adopted a new travel insurance in-force SDR and travel insurance claims SDR revisions. The SDRs will become incorporated into the *Market Regulation Handbook* for states to voluntarily use during market conduct examinations.
- 14. Heard a presentation from the Center for Economic Justice (CEJ) on public access to MCAS data and improving data collection and related tools for market analysis.

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

Dec. 2, 2023

- 1. Adopted its Oct. 20 minutes. During this meeting, the Task Force took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Discussed the *Unfair Trade Practices Act* (#880).
- 2. Adopted amendments to Model #880, including revisions to Section 2— Definitions: (E) “Health Insurance Lead Generator.” The term “entity” will be replaced with “person,” which is defined in Section 2. Additionally, Section 4—Unfair Trade Practices Defined (C) will be included, which states, “Failure to Maintain Marketing and Performance Records. Failure of a health insurance lead generator to maintain its books, records, documents, and other business records in such an order that data regarding complaints and marketing are accessible and retrievable for examination by the insurance commissioner. Data for at least the current calendar year and the two (2) preceding years shall be maintained. Failure to do so shall constitute a violation of (INSERT STATE STATUTE).”
- 3. Adopted the report of the Improper Marketing of Health Insurance (D) Working Group, which met Dec. 2. During this meeting, the Working Group took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Heard a presentation from the federal Centers for Medicare & Medicaid Services (CMS) on the 2025 Medicare Advantage and Part D proposed rule. The Working Group discussed the new proposed rule and was notified that the comment period for this new proposed rule would end Jan. 5, 2024.
  - C. Heard a presentation from Insurance Care Direct on an agent transfer issue that all jurisdictions are experiencing. The Working Group discussed with industry representatives and CMS the current issues that consumers are experiencing with continued agent transfers of policy. It discussed the importance of conducting regulator-to-regulator meetings with CMS concerning this issue, as well as a public forum to discuss with industry representatives, in order to protect consumers.
- 4. Received an update from the Antifraud Technology (D) Working Group. The Working Group chair advised that NAIC staff are finalizing the new web service for the redesign of the NAIC’s Online Fraud Reporting System (OFRS). The Working Group plans to meet in 2024 upon completion of the OFRS new web service to review potential enhancements and coordinate with the National Insurance Crime Bureau (NICB) on the fraud referral

fields provided to state insurance regulators. The Working Group chair advised the Task Force on the 2023 Global Insurance Summit that took place in October. The chair also advised that the Working Group's completion of the Antifraud Plan Repository is currently in queue with the NAIC information systems staff.

5. Heard reports from the NICB and the Coalition Against Insurance Fraud (CAIF) on antifraud activity.
6. Announced a resolution honoring the retirement of Matthew Smith (CAIF).

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

Nov. 22, 2023 (in lieu of the Fall National Meeting)

1. Adopted its Oct. 20 minutes. During this e-vote, the Task Force took the following action:
  - A. Adopted its 2024 proposed charges.
2. Adopted the report of the Market Information Systems Research and Development (D) Working Group, which met Oct. 30 and Sept. 18. During these meetings, the Working Group took the following action:
  - A. Reviewed the status of submitted Uniform System Enhancement Request (USER) forms and received an update on current NAIC Information Technology Group (ITG) projects.
  - B. Heard a report from NAIC staff support on iSite+ tools and reports to consider for sunset in light of other tools and data that are now available. This includes Tableau dashboards, ThoughtSpot, and the NAIC Enterprise Data Warehouse.
  - C. Approved for preliminary analysis a USER form to add "General Balanced Billing" as a complaint reason code under "Claims Handling" to the Complaint Database System (CDS).
  - D. Approved for preliminary analysis a USER form to add "Insurance Company" to the drop-down description of complainant in the CDS.
  - E. Discussed the Market Information Systems (MIS) data analysis metrics reports. Due to resource demands to create monthly and quarterly reports, the reports will be produced annually going forward. The 2022 and 2023 data analysis metrics will be completed during the first quarter of 2024.
3. Received a report from the Market Analysis Procedures (D) Working Group on its work on the second recommendation in *The Market Information Systems Research and Development (D) Working Group Review of Artificial Intelligence Techniques in Market Analysis*. The Working Group has surveyed and interviewed 27 jurisdictions about their use of the Market Analysis Prioritization Tool (MAPT), its effectiveness, and suggestions for improvement. The Working Group is also conducting regularly scheduled Lunch and Learn sessions to discuss the use of MIS tools.
4. Received a status report on USER form projects and *State Connected* strategic plan projects affecting the MIS. The NAIC Information Technology Group (ITG):
  - A. Began work on preparing the Market Conduct Annual Statement (MCAS) for the 2023 data year collection.
  - B. Has nearly completed the initiative to grant NAIC Member jurisdictions with ad hoc access to NAIC data.
  - C. Has paused work on separating the MCAS from the Financial Data Repository (FDR) while the NAIC considers a replacement for the FDR.
  - D. Began the detailed design work on Regulatory Information Retrieval System (RIRS) enhancements.

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

Nov. 30, 2023 (in lieu of the Fall National Meeting)

1. During this e-vote, the Task Force adopted its Oct. 23 and Summer National Meeting minutes. During its Oct. 23 e-vote, the Task Force took the following action:
  - A. Adopted its 2024 proposed charges.

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

Dec. 3, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted its Oct. 25 minutes. During this meeting, the Committee took the following action:
  - A. Adopted its 2024 proposed charges.

- B. Adopted proposed changes to the *Property and Casualty Insurance Guaranty Association Model Act* (#540).
  - C. Received comments regarding its previously exposed *Framework for Regulation of Insurer Investments—A Holistic Review*.
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 NAIC/American Institute of Certified Public Accountants (AICPA) (E) Working Group, which met Sept. 28. During this meeting, the Working Group took the following action:
    - A. Discussed the premium threshold.
    - B. Heard an update from Ernst & Young LLP on recent auditing pronouncements.
  12. Adopted the report of the National Treatment and Coordination (E) Working Group, which met Aug. 22. During this meeting, the Working Group took the following action:
    - A. Adopted proposal 2023-01 (Uniform Consent to Service of Process).
    - B. Adopted proposal 2023-02 (Holding Company Questionnaire).
  13. Adopted the report of the Risk-Focused Surveillance (E) Working Group, which met Nov. 6. During this meeting, the Working Group took the following action:
    - A. Adopted updated salary guidelines for analysts and examiners.
    - B. Received an update on the work of the Affiliated Investment Management Agreement Drafting Group.
  14. Reported that the Financial Analysis (E) Working Group met Nov. 30, Nov. 8, and Oct. 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 letter responses and financial results.
  15. Reported that the Valuation Analysis (E) Working Group met Nov. 30 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss valuation items related to specific companies.
  16. Reported that the Group Solvency Issues (E) Working Group met Oct. 8 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, to continue work on its goals.
  17. Adopted the listing of qualified jurisdictions and reciprocal jurisdictions.
  18. Received an oral summary of general comments on its previously exposed *Framework for Regulation of Insurer Investments—A Holistic Review*.

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

#### Dec. 2, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted the report of the Statutory Accounting Principles (E) Working Group, which met Dec. 1. During this meeting, the Working Group took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Adopted its Oct. 31, Oct. 24, Oct. 23, and Sept. 21 minutes. During these meetings, the Working Group took the following action:
    - i. Exposed revisions to *Statement of Statutory Accounting Principles (SSAP) No. 30R—Unaffiliated Common Stock* and *SSAP No. 32R—Preferred Stock* to clarify that investments that are in substance residual interests are to be reported on Schedule BA on the dedicated reporting line for residuals for a public comment period that ended Nov. 15. (Ref #2023-23)



- ii. Exposed *Interpretation (INT) 23-04T: Life Reinsurance Liquidation Questions*, which provides accounting and reporting guidance for ceding entities with a life reinsurance counterparty in liquidation, for a public comment period that ended Nov. 15.
- iii. Adopted with modification in several SSAPs certain aspects of *Accounting Standards Update (ASU) 2016-19—Technical Corrections and Improvements* and revisions to *SSAP No. 92—Postretirement Benefits Other Than Pensions* to change the term “insurance contracts” to “insurance annuities” consistent with *SSAP No. 102—Pensions*. (Ref #2023-18)
- iv. Adopted revisions to *SSAP No. 20—Nonadmitted Assets* and *SSAP No. 21R—Other Admitted Assets* that clarify that pledged collateral must qualify as an admitted invested asset for a collateral loan to be admitted. The revisions require audits and the use of fair value for valuation assessments when the pledged collateral is in the form of partnerships, limited liability companies (LLCs), or joint ventures. (Ref #2022-11)
- v. Adopted revisions to *SSAP No. 92* and *SSAP No. 102* to remove the transition guidance, as the 10-year applicable transition period has ended. (Ref #2023-21)
- vi. Rejected *ASU 2018-09—Codification Improvements* (Ref #2023-19) and *ASU 2020-10—Codification Improvements* (Ref #2023-20) through Appendix D as not applicable for statutory accounting.
- vii. Adopted revisions to *SSAP No. 43R—Loan-Backed and Structured Securities* to clarify the scope and reporting for investment structures that represent residual interests. (Ref #2023-12)
- viii. Adopted *INT 23-02: Third Quarter 2023 Inflation Reduction Act – Corporate Alternative Minimum Tax*, which recommends for third-quarter 2023 that reporting entities should disclose whatever information is available regarding their applicable reporting entity status.
- ix. Adopted *INT 23-03: Corporate Alternative Minimum Tax Guidance*, which provides guidance effective beginning year-end 2023 reporting of the corporate alternative minimum tax, which applies *SSAP No. 101—Income Taxes* with modification and provides disclosures. (Ref #2023-04)
- C. Adopted the following clarifications and new concepts to statutory accounting guidance:
  - i. Adopted new statutory accounting principle (SAP) concept revisions to further restrict the investments permitted for cash equivalent and short-term reporting, with an effective date of Jan. 1, 2025. The revisions exclude all Schedule BA: Other Long-Term Investments and mortgage loans. (Ref #2023-17)
  - ii. Adopted revisions clarifying that investments in substance residual interests shall be reported on Schedule BA on the dedicated reporting line for residuals, effective year-end 2023. (Ref #2023-23)
  - iii. Adopted revisions clarify that gross premium valuation (under *A-010, Minimum Reserve Standards for Individual and Group Health*) and cash-flow testing (under *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves [AG 51]*) are both required if indicated. (Ref #2023-22)
  - iv. Adopted *Annual Statement Instructions* revisions to update and remove guidance that has permitted allocation of non-interest-related losses to the interest maintenance reserve (IMR) with an effective date of Jan. 1, 2024. The revisions address mortgage loans with valuation allowances and debt securities with known credit events. (Ref #2023-15)
- D. Exposed the following SAP concepts and clarifications to statutory accounting guidance for a public comment period ending Feb. 9, 2024, except for agenda items 2019-21, 2023-16, and 2023-28, which have a public comment deadline of Jan. 22, 2024, and INT 23-04, which has a public comment deadline of Dec. 29, 2023:
  - i. Exposed revisions to *SSAP No. 21R* to incorporate a new measurement method for residual interests. The revisions incorporate industry’s proposal of an “effective yield with a cap” method, as well as a practical expedient to allow the “cost recovery” method. (Ref #2019-21)
  - ii. Exposed revisions to expand the transparency of reporting for collateral loans on Schedule BA to enable state insurance regulators to quickly identify the type of collateral that supports admittance of collateral loans. (Ref #2023-28)

- iii. Exposed revisions to update the proposed guidance for investments in tax credits, as well as acquired tax credits in response to the comments received. The exposure also requests comments on updated annual statement reporting categories for tax credit investment risk-based capital (RBC). (Ref #2022-14)
  - iv. Exposed revisions to *SSAP No. 48—Joint Ventures, Partnerships, and Limited Liability Companies* to further define for consistency purposes that the investments captured as non-registered private funds, joint ventures, partnerships or LLCs, or residual interests be reported based on the underlying characteristics of assets. (Ref #2023-16)
  - v. Exposed intent to review the revisions to the *Mortgage Guaranty Insurance Model Act (#630)* for incorporation as applicable. The exposure requests input on an effective date. (Ref #2023-31)
  - vi. Exposed consistency revisions to *SSAP No. 97—Investments in Subsidiary, Controlled, and Affiliated Entities* to update the language in paragraph 24 on audits and admissibility to better align with guidance in paragraphs 26 and 27 on the look-through methodology. (Ref #2023-30)
  - vii. Exposed revisions to reject current expected credit loss *ASU 2016-13 Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments and Other Related ASUs (CECL)* within *INT 06-07: Definition of Phrase “Other Than Temporary”* and 15 applicable SSAPs. (Ref #2023-24)
  - viii. Exposed *Annual Statement Instructions* revisions to clarify that realized gains and losses on perpetual preferred stock shall not be added to the IMR, regardless of NAIC designation, and shall follow the same concepts that exist for common stock in reporting realized gains/losses to the asset valuation reserve (AVR). (Ref #2023-29)
  - ix. *INT 23-04T: Life Reinsurance Liquidation Questions*: Exposed revisions provide accounting and reporting guidance for ceding entities with the life reinsurance counterparty, Scottish Re, in liquidation. This requires following existing life reinsurance guidance and requires nonadmission of unpaid claims and other amounts that are either in dispute or not collateralized by an A-785 compliant trust. It allows admission of undisputed claims incurred before contract cancellation and paid before the reporting period, and undisputed amounts secured by an A-785-compliant trust.
  - x. The following U.S. generally accepted accounting principles (GAAP) standards were exposed with revisions to reject, as they are not applicable to statutory accounting:
    - a. *ASU 2023-03, Amendments to SEC Paragraphs* (Ref #2023-25)
    - b. *ASU 2023-04, Amendments to SEC Paragraphs—Cryptocurrency* (Ref #2023-27)
- E. Moved the following items to the disposed listing without statutory revisions:
- i. Agenda item 2023-03: *C-2 Mortality Risk Note*, was moved to disposed, noting a replacement general interrogatory blanks proposal was exposed.
  - ii. Agenda item 2016-20: *ASU 2026-20 – Credit Losses*, which originally started to address CECL, was moved to disposed, noting a replacement agenda item 2023-24 was exposed.
- F. Directed NAIC staff on the following items:
- i. The Working Group established a long-term project to incorporate accounting guidance for AVR and IMR. (Ref #2023-14)
  - ii. *INT 03-02: Modification to an Existing Intercompany Pooling Arrangement*: The Working Group deferred action and directed NAIC staff to continue working with interested parties on the proposal. (Ref #2022-12)
  - iii. *ASU 2023-06, Codification Amendments in Response to the SEC’s Disclosure Update*: The Working Group deferred action on pending agenda item 2023-26.
- G. Received updates on the following:
- i. U.S. GAAP exposures, noting that pending items will be addressed during the normal maintenance process.
  - ii. A Life Actuarial (A) Task Force coordination memorandum noting that no Working Group action is required.

- iii. NAIC staff monitoring of International Association of Insurance Supervisors (IAIS) Audit and Accounting Working Group activities.
3. Adopted the report of the Blanks (E) Working Group, which met Nov. 7. During this meeting, the Working Group took the following action:
    - A. Adopted its July 27 minutes. During this meeting, the Working Group took the following action:
      - i. Adopted its May 31 minutes.
      - ii. Re-exposed proposal 2023-06BWG for a 75-day public comment period that ended Oct. 12.
      - iii. Deferred proposals 2023-05BWG, 2023-07BWG, and 2023-09BWG.
      - iv. Adopted its editorial listing.
    - B. Re-exposed the following proposals for an additional public comment period:
      - i. 2023-05BWG Modified – Changes to the cybersecurity supplement to remove the reference to identity theft insurance from the General Instructions; remove the interrogatory questions from Part 1 that pertain to identity theft insurance; and remove the column for identity theft insurance from Part 2 and Part 3. Remove claims-made and occurrence breakdown from data collection, and remove the question in the interrogatories regarding tail policies.
      - ii. 2023-12BWG Modified – Categorize debt securities on Schedule BA that do not qualify as bonds under SSAP No. 26R—*Bonds* or SSAP No. 43R and are captured in the scope of SSAP No. 21R.
    - C. Adopted the following proposals:
      - i. 2023-06BWG – Split the Schedule D, Part 1, into two sections: one for issuer credit obligations and the other for asset-backed securities (ABS). Update the other parts of the annual statement that reference the bond lines of business.
      - ii. 2023-07BWG – Update the code column and delete the legal entity identifier (LEI) column for the following investment schedules: Schedules A, B, BA, D Part 2, D Part 6, and E Part 1.
    - D. Withdrew proposal 2023-09BWG.
    - E. Exposed proposals 2023-13BWG, 2023-14BWG, and 2023-15BWG for a 75-day public comment period ending Jan. 22, 2024.
    - F. Received two memorandums from the Statutory Accounting Principles (E) Working Group:
      - i. SAPWG INT 23-01: Net Negative (Disallowed) Interest Maintenance Reserve (IMR).
      - ii. Statutory Accounting Principles (E) Working Group year-end updates:
        - a. Ref #2023-13: (Payment in Kind) PIK Interest Disclosure Clarification.
        - b. INT 23-02: Third Quarter 2023 Inflation Reduction Act – Corporate Alternative Minimum Tax (effective the third quarter of 2023 only).
        - c. Ref #2023-04; INT 23-03: Inflation Reduction Act – Corporate Alternative Minimum Tax (effective for year-end 2023 reporting and thereafter).
        - d. Ref # 2023-12: Residuals in SSAP No. 48.
        - e. Ref #2023-2: Removal of transition guidance from SSAP No. 92 and SSAP No. 102.
    - F. Adopted its editorial listing.
    - G. Reviewed its 2024 charges, which remain unchanged from its 2023 charges.
    - H. Approved the state filing checklist templates.

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

#### Dec. 2, 2023

1. Adopted its Oct. 11 and Sept. 18 minutes. During these meetings, the Task Force took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Adopted its 2024 proposed charges, which the Task Force exposed for a 30-day public comment period that ended Sept. 13.
  - C. Adopted its revised procedures document, which the Task Force exposed for a 30-day public comment period that ended Sept. 13.
  - D. Adopted the 2023 health, life, and property/casualty (P/C) newsletters.

- E. Received updates from its RBC Purposes & Guidelines Ad Hoc Subgroup, Asset Concentration Ad Hoc Subgroup, and Geographic Concentration Ad Hoc Subgroup.
  - F. Discussed a referral from the Statutory Accounting Principles (E) Working Group regarding the Schedule BA proposal for non-bond debt securities.
  - G. Exposed proposal 2023-12-CA for a 33-day public comment period that ended Nov. 13.
  - H. Discussed the risk-based capital (RBC) charge for companies reported as blank affiliate types in the Details for Affiliated Stock page.
  - I. Discussed editorial changes in the affiliated investments.
2. Adopted the report of the Health Risk-Based Capital (E) Working Group, which met Nov. 8. During this meeting, the Working Group took the following action:
    - A. Adopted its July 25 minutes and reported that the Working Group met Oct. 2 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to continue work on its goals.
    - B. Adopted proposal 2023-11-H for page XR014, Fee for Service and Other Risk Revenue for Medicare and Medicaid.
    - C. Exposed the American Academy of Actuaries' (Academy's) "Health Care Receivables (HCR) Current and Proposed H3 Factors" presentation for a 61-day public comment period ending Jan. 8, 2024.
    - D. Heard an update from the Academy on the H2 underwriting risk factors.
    - E. Discussed pandemic risk and received a presentation from the Texas Department of Insurance (TDI) on "Pandemic Risk and Insurer Solvency – A Review of Personal Consumption Expenditures (PCE) on Healthcare Before, During, and After the COVID-19 Pandemic."
    - F. Received an overview of the Risk Evaluation Ad Hoc group.
    - G. Discussed questions on the 2022 health RBC statistics.
  3. Adopted the report of the Risk-Based Capital Investment Risk and Evaluation (E) Working Group, which met Dec. 2. During this meeting, the Working Group took the following action:
    - A. Adopted its Summer National Meeting minutes.
    - B. Adopted its Oct. 17 minutes. During this meeting, the Working Group took the following action:
      - i. Discussed the Academy candidate principles for structured securities RBC.
    - C. Received updates from the Valuation of Securities (E) Task Force and the Statutory Accounting Principles (E) Working Group.
    - D. Discussed changes made to the presentation from the Academy on its candidate principles for structured securities RBC. The Working Group agreed for the Academy to use these principles for the development of an RBC methodology for collateralized loan obligations (CLOs).
    - E. Discussed the process for revisions to the residual tranches factor.
  4. Adopted the report of the Life Risk-Based Capital (E) Working Group, which met Dec. 2. During this meeting, the Working Group took the following action:
    - A. Adopted its Summer National Meeting minutes.
    - B. Adopted its Oct. 4 minutes. During this meeting, the Working Group took the following action:
      - i. Discussed C-2 mortality risk.
    - C. Discussed repurchase agreements.
    - D. Exposed a C-2 mortality risk memorandum for a 10-day public comment period ending Dec. 15.
    - E. Discussed its subgroups, working agenda, and 2024 priorities.
  5. Adopted the report of the Property and Casualty Risk-Based Capital (E) Working Group and Catastrophe Risk (E) Subgroup, which met in joint session Dec. 2. During this meeting, the Working Group and Subgroup took the following action:
    - A. Adopted their Nov. 16 minutes. During this meeting, the Working Group and Subgroup took the following action:
      - i. Exposed proposal 2023-16-CR (2023 Cat Event List) for a seven-day public comment period that ended Nov. 23.

- ii. Heard a presentation from the Academy on the report *Update to Property and Casualty Risk-Based Capital Underwriting Factors and Investment Income Adjustment Factors*.
- B. Adopted the Property and Casualty Risk-Based Capital (E) Working Group's Summer National Meeting minutes.
- C. Adopted the Catastrophe Risk (E) Subgroup's Summer National Meeting minutes.
- D. Adopted proposal 2023-16-CR (2023 Cat Event List).
- E. Adopted the Working Group and Subgroup working agenda.
- F. Exposed proposal 2023-14-P (Pet Insurance) for a 60-day public comment period ending Jan. 30, 2024.
- G. Exposed proposal 2023-15-CR (Convective Storm for Informational Purposes Only Structure) for a 60-day public comment period ending Jan. 30, 2024.
- H. Discussed the wildfire peril impact analysis.
- I. Exposed proposal 2023-13-CR (Disclosures for Catastrophe Reinsurance Program) for a 60-day public comment period ending Jan. 30, 2024.
- J. Received updates from the Convective Storm Model Review Ad Hoc Group on the convective storm technical review.
- K. Discussed the report from the Academy on an *Update to Property and Casualty Risk-Based Capital Underwriting Factors and Investment Income Adjustment Factors*.
- L. Heard a presentation on the Florida Commission on Hurricane Loss Projection Methodology (FCHLPM).
- 6. Received updates from its RBC Purposes & Guidelines Ad Hoc Subgroup, Asset Concentration Ad Hoc Subgroup, and Geographic Concentration Ad Hoc Subgroup.
- 7. Adopted proposal 2023-11-H (Line 4 & 10 XR014 Medicare & Medicaid).
- 8. Adopted proposal 2023-12-CA (Market Value Excess Affiliated Stock).
- 9. Adopted proposal 2023-16-CR (2023 Cat Event List).
- 10. Adopted its working agenda.
- 11. Discussed a referral from the Statutory Accounting Principles (E) Working Group regarding the Schedule BA proposal for non-bond debt securities. The Task Force agreed to forward a comment letter from the American Council of Life Insurers (ACLI) to the Risk-Based Capital Investment Risk and Evaluation (E) Working Group.
- 12. Discussed the possible structure changes in the Bond page to reflect the split of the Annual Statement, Schedule D, Part 1 into two sections.
- 13. Discussed the RBC charge for blank affiliates reported in the Details for Affiliated Stock page.
- 14. Discussed the *Framework for Regulation of Insurer Investments—A Holistic Review* document.
- 15. Discussed a referral from the Statutory Accounting Principles (E) Working Group regarding negative interest maintenance reserve (IMR).

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

#### Nov. 15, 2023 (in lieu of the Fall National Meeting)

- 1. Adopted its Summer National Meeting minutes.
- 2. Adopted its Sept. 22 minutes. During this e-vote, the Task Force took the following action:
  - A. Adopted its 2024 proposed charges.
- 3. Adopted the report of the Electronic Workpaper (E) Working Group, which has not met in open session this year.
- 4. Adopted the report of the Financial Analysis Solvency Tools (E) Working Group, which met Oct. 2 and Aug. 9. During these meetings, the Working Group took the following action:
  - A. Adopted the following revisions to the *Financial Analysis Handbook*:
    - i. Revisions in response to a referral from the Climate and Resiliency (EX) Task Force to address invested asset exposure to climate change and energy transition risk within the credit, market, and liquidity branded risk categories for all three statement types (property/casualty [P/C], life, and health).
    - ii. Revisions in response to a referral from the Risk Retention Group (E) Task Force to expand upon existing guidance for exempting groups from the group capital calculation to include special considerations for risk retention groups (RRGs).

- iii. Revisions in response to a referral received from the Ad Hoc (E/F) Group to generate efficiencies in quarterly and annual risk assessment documentation by allowing existing analysis documentation available in other areas of the analysis file to be cross-referenced as opposed to requiring it to be duplicated in the risk assessment worksheet.
  - iv. Revisions in response to a referral from the Risk-Focused Surveillance (E) Working Group to clarify the role and expectations of the department analyst during the exam process.
  - v. Revisions in response to a referral from the Receivership Law (E) Working Group to add a reference to the memorandum of understanding, an optional tool for sharing information with guaranty funds in pre-receivership situations for a P/C insurer.
  - vi. Revisions to add a footnote reference and a placeholder to the *Receiver's Handbook for Insurance Company Insolvencies* and the *Troubled Insurance Company Handbook* (regulator-only publication) that refers to the guidance that aims to provide states with a template that describes the U.S. receivership system and then allows consistent messaging to international regulators. These revisions were subject to adoption by the Receivership and Insolvency (E) Task Force.
  - vii. Revisions to change two life Insurance Regulatory Information System (IRIS) ratios in response to changes made to the life annual 2023 blank.
5. Adopted the report of the Financial Examiners Coordination (E) Working Group, which met Aug. 13 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 took the following action:
    - A. Discussed reports on group coordination.
  6. Adopted the report of the Financial Examiners Handbook (E) Technical Group, which met Nov. 13 and Aug. 24. During these meetings, the Technical Group took the following action:
    - A. Adopted the following revisions to the *Financial Condition Examiners Handbook*:
      - i. Revisions to Exhibit G – The Consideration of Fraud and corresponding guidance throughout the handbook to align the guidance with the risk-focused exam approach.
      - ii. Revisions to Section 1-3 in response to a referral from the Receivership Law (E) Working Group to add a reference to a memorandum of understanding, which is an optional tool for regulators that can be used to facilitate transitional planning and preparation, communication, and information sharing in a preliquidation situation.
      - iii. Revisions to various sections of the handbook to provide further guidance to regulators on reviewing affiliated service agreements in response to a referral received from the Risk-Focused Surveillance (E) Working Group.
      - iv. Revisions to Exhibit D and Section 1-10 of the handbook to incorporate takeaways from the examination peer review.
      - v. Revisions to various areas of the handbook in response to a referral from the Climate and Resiliency (EX) Task Force to integrate climate-related risks into the examination process.
      - vi. Revisions to the Capital and Surplus Repository, Underwriting Repository, and Exhibit V related to strategic and operational risks faced by health insurers in response to a referral from the Financial Analysis (E) Working Group.

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

#### Dec. 1, 2023 (joint session with the Macroprudential (E) Working Group)

1. Adopted its Summer National Meeting minutes.
2. Heard an update on Financial Stability Oversight Council (FSOC) developments.
3. Adopted the proposed 2023 Liquidity Stress Testing Framework (LST Framework).
4. Received an update from the Macroprudential (E) Working Group.
5. Received an update from the Valuation Analysis (E) Working Group.
6. Heard an international update, which included an update on the International Association of Insurance Supervisors (IAIS) Global Monitoring Exercise (GME). The GME includes the individual insurers monitoring

exercise and the sector-wide monitoring exercise with three more additional topics of interest: 1) credit risk; 2) interest rate risk; and 3) structural changes in life insurance, including reinsurance.

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

Dec. 2, 2023

1. Adopted its Oct. 2 minutes, which included the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Adopted its 2024 proposed charges.
  - C. 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).
  - D. 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.
  - E. Received an update on the receivership tabletop exercise scheduled for Nov. 29 in Orlando, FL.
2. Adopted the report of the Receivership Financial Analysis (E) Working Group. The Working Group plans to 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.
3. Adopted the report of the Receiver's Handbook (E) Subgroup, which met Nov. 9, Oct. 5, and Aug. 18. During these meetings, the Subgroup took the following action:
  - A. Exposed Chapter 9, Chapter 10, Chapter 11, and certain exhibits of the Receiver's Handbook for a 30-day public comment period that ended Nov. 6.
  - B. Re-exposed Chapter 6 and exposed Chapter 8 of the Receiver's Handbook for a 30-day public comment period that ended Sept. 19.
  - C. Adopted Chapters 6–11 and appendices of the Receiver's Handbook.
4. Adopted revisions to all chapters and certain exhibits of the Receiver's Handbook.
5. Heard an update on international resolution activities. The International Association of Insurance Supervisors (IAIS) Resolution Working Group has nearly completed edits to the application paper on policyholder protection schemes. The Resolution Working Group is also beginning a review of Insurance Core Principles (ICPs) related to recovery and resolution.
6. Heard an update on the Uniform Data Standards (UDS) project. Version 3.0 of UDS will be rolled out at the UDS technical support group's meeting on Dec. 12.
7. Received feedback on the receivership tabletop exercise, which was held Nov. 29. More than 100 state insurance department regulators and guaranty fund representatives attended the session.
8. Received an update on states' adoption of the 2021 amendments related to receivership in the *Insurance Holding Company System Regulatory Act* (#440). To date, 15 states have adopted the receivership amendments to Model #440. States are encouraged to consider the amendments in upcoming legislative sessions.

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

Nov. 16, 2023 (*in lieu of the Fall National Meeting*)

1. Adopted its Summer National Meeting minutes.
2. Adopted the report of the Reinsurance Financial Analysis (E) Working Group, which met Oct. 26 and Sept. 20 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings. During these meetings, the Working Group completed the reviews of certified reinsurers and reciprocal jurisdiction reinsurers.

3. Received a status report on the reinsurance activities of the Mutual Recognition of Jurisdictions (E) Working Group, which met Nov. 1, Oct. 11, and Sept. 21 in regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings. During its Nov. 1 meeting, the Working Group took the following action:
  - A. Reapproved the status of Bermuda, France, Germany, Ireland, Japan, Switzerland, and the United Kingdom (UK) as qualified jurisdictions.
  - B. Reapproved the status of Bermuda, Japan, and Switzerland as reciprocal jurisdictions.
4. Adopted the draft revisions to the *Uniform Checklist for Reciprocal Jurisdiction Reinsurers*.
5. Adopted a referral to the Property and Casualty Risk-Based Capital (E) Working Group for the proposal to add new disclosures for catastrophe reinsurance programs for property/casualty (P/C) risk-based capital (RBC).
6. Discussed ongoing projects at the NAIC that affect reinsurance.
7. Received a status report on the states' implementation of the *Term and Universal Life Insurance Reserve Financing Model Regulation (#787)*. As of Nov. 1, 34 jurisdictions have adopted Model #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**

Dec. 2, 2023

1. Adopted its Summer National Meeting minutes.
2. Received a staff report on the history of filing exemption (FE).
3. Received a referral from the Statutory Accounting Principles (E) Working Group on its proposal to report debt securities that do not qualify as bonds on Schedule BA. The Task Force agreed with the Securities Valuation Office's (SVO's) staff recommendation to maintain the existing treatment for risk-based capital (RBC) purposes and will communicate that recommendation to the Capital Adequacy (E) Task Force.
4. Exposed an updated *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) amendment to update the definition of an NAIC designation for a 53-day public comment period ending Jan. 26, 2024. The Task Force had previously exposed the amendment for a 45-day public comment period that ended June 30, 2023.
5. Exposed an updated P&P Manual amendment authorizing the procedures for the SVO's discretion over NAIC designations assigned through the FE process for a 53-day public comment period ending Jan. 26, 2024. The Task Force had previously exposed the amendment for a 60-day public comment period that ended July 14, 2023.
6. Exposed a proposed P&P Manual amendment to add a practical expedient to determine the issue date for private letter (PL) rating filings for a 53-day public comment period ending Jan. 26, 2024.
7. Received a staff report on the proposed collateralized loan obligation (CLO) modeling methodology and the CLO Ad Hoc Working Group.
8. Received a staff report on the projects of the Statutory Accounting Principles (E) Working Group.
9. Received notification from the SVO that it will defer the deactivation of PL ratings that missed a required PL rating rationale report until year-end 2024 and requested insurers to submit those reports.

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

Nov. 30, 2023

The Committee met 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 continue work on its goals.



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

### Dec. 1, 2023

1. Adopted its Summer National Meeting minutes.
2. Adopted its Sept. 14 minutes. During this meeting, the Committee took the following action:
  - A. Discussed NAIC comments on the International Association of Insurance Supervisors (IAIS) public consultations on the revised Insurance Core Principle (ICP) 14 (Valuation) and ICP 17 (Capital Adequacy).
3. Adopted its 2024 proposed charges.
4. Heard an update on the evolution of group capital and supervisory recognition, including: 1) a background overview of the financial crisis, improving group supervision, and addressing reinsurance collateral; 2) a review of the *Credit for Reinsurance Model Law* (#785) and *Credit for Reinsurance Model Regulation* (#786), reciprocal and qualified jurisdictions, and the “Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance” (EU Covered Agreement) and the “Bilateral Agreement Between the United States of America and the United Kingdom on Prudential Measures Regarding Insurance and Reinsurance” (UK Covered Agreement); and 3) an update on the NAIC group capital calculation (GCC) and the Federal Reserve Building Block Approach (BBA).
5. Heard an update on the activities of the IAIS, focusing on its recent Annual Conference in Tokyo, Japan.
6. Heard an update on international activities, including: 1) bilateral meetings held on the sidelines of the IAIS meetings in Tokyo; 2) recent meetings, events, and speaking engagements with international insurance regulators; and 3) the NAIC Fall 2023 International Fellows Program.

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

### Dec. 1, 2023

1. Adopted its Nov. 16 minutes. During this meeting, the Committee took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Adopted the Privacy Protections (H) Working Group’s request to extend the deadline for completion of its model law until Dec. 31, 2024.
  - C. Adopted its 2024 proposed charges.
  - D. Discussed comments received from interested parties on the second exposure draft of the *Model Bulletin on the Use of Algorithms, Predictive Models, and Artificial Intelligence Systems by Insurers*.
2. Adopted the report of the Big Data and Artificial Intelligence (H) Working Group, which met Dec. 1. During this meeting, the Working Group took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Received a report on the life artificial intelligence (AI)/machine learning (ML) survey. The survey was conducted under the market examination authorities of 14 requesting states (Colorado, Connecticut, Illinois, Iowa, Louisiana, Minnesota, Nebraska, North Dakota, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, and Wisconsin). It was completed by active insurers either having at least \$250 million in national life insurance premium for 2021 and having covered at least 10,000 lives by issuing term in 2021 or that are an identified InsurTech company.
  - C. Heard an update on the federal and international insurance regulation of AI.
3. Adopted the report of the Cybersecurity (H) Working Group, which met Nov. 16. During this meeting, the Working Group took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Discussed the comments received and heard an update on the Cybersecurity Event Response Plan (CERP) Drafting Group.
  - C. Heard a presentation from the National Institute of Science and Technology (NIST) on its cybersecurity framework.
  - D. Heard an update on federal activities related to cybersecurity.
4. Adopted the report of the E-Commerce (H) Working Group, which met Nov. 20 and Sept. 7. During its Nov. 20 meeting, the Working Group took the following action:
  - A. Adopted its Sept. 7 minutes. During this meeting, the Working Group took the following action:

- i. Discussed the updated framework.
- B. Discussed the draft *E-Commerce Modernization Guide*, which it plans to consider for adoption in early 2024.
- 5. Adopted the report of the Innovation in Technology and Regulation (H) Working Group, which met Aug. 29. During this meeting, the Working Group took the following action:
  - A. Adopted its April 27 minutes.
  - B. Heard updates from the Global Insurance Accelerator (GIA) and InsurTech NY (ITNY).
- 6. Adopted the report of the Privacy Protections (H) Working Group, which met Dec. 1. During this meeting, the Working Group took the following action:
  - A. Adopted its Summer National Meeting minutes.
  - B. Heard an update from NAIC staff on state privacy legislation and federal privacy activities.
  - C. Discussed its steps for moving forward with the drafting of the new *Insurance Consumer Privacy Protections Model Law* (#674).
  - D. Discussed a referral from the Risk Retention Group (E) Task Force about risk retention groups (RRGs) and privacy requirements.
  - E. Heard part of a presentation from Consumers’ Checkbook on access to data, costs, and inherent privacy risks in legacy systems versus non-legacy systems. The Working Group will continue the presentation in its entirety during a future meeting.
- 7. Adopted the *Model Bulletin on the Use of Algorithms, Predictive Models, and Artificial Intelligence Systems by Insurers* as amended during the meeting, which resulted in a technical clarification of the language in Section 4.3.
- 8. Heard a presentation from the University of Nebraska–Omaha on generative AI.

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

Nov. 30, 2023

1. Observed a presentation of the Bonnie Burns Consumer Representatives’ Excellence in Consumer Advocacy Award to Commissioner Andrew R. Stolfi (OR).
2. Adopted its Summer National Meeting minutes.
3. Received a summary of the Consumer Participation Board of Trustees meeting during which Board members selected consumer representatives who will serve for the 2024 calendar year.
4. Announced the reaffirmation of its mission statement.
5. Heard a presentation from the HIV+Hepatitis Policy Institute, the National Health Law Program (NHLP), and the Leukemia & Lymphoma Society (LLS) on how recent and upcoming federal actions affect state regulation of the Health Insurance Marketplace. The presenters described newly proposed legislation that warranted observation and input from interested parties.
6. Heard a presentation from the National Women’s Law Center (NWLC) on ways to continue expanding access to maternal health care through health plan networks and essential health benefits (EHBs).
7. Heard a presentation from United Policyholders (UP) and the Center for Economic Justice (CEJ) on addressing property insurance market failures with a federal catastrophe reinsurance program.
8. Heard a presentation from the Center for Insurance Research (CIR) on the rapid growth of pet insurance and on consumer issues and concerns.
9. Heard a presentation on how much of the life insurance purchased in the U.S. winds up as a death claim. The presenter described ways most life insurance policies lapsed or were surrendered prior to a death claim being paid.
10. Heard a presentation from the American Heart Association (AHA) and Health Care for All (HCFA) on the drivers of medical debt, current state protections, and recent federal actions.

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

Dec. 1, 2023

1. Adopted its Summer National Meeting minutes.
2. Announced the reaffirmation of its mission statement.
3. Heard a presentation from the Muscogee Nation Department of Health on the creation, development, and future goals of the Muscogee Nation health care system and how state insurance regulators can help facilitate state participation.
4. Heard an update from the Washington State Office of the Insurance Commissioner on Sovereign Nations Insurance (SNI). The presenters described the situation, steps taken in educating tribal leadership, and getting them on the same page to progress in protecting the vulnerable from health insurance benefit plans that were not compliant with federal Affordable Care Act (ACA) requirements or minimum requirements.







**NATIONAL ASSOCIATION OF  
INSURANCE COMMISSIONERS**

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

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