

Draft 3/31/10

2010 Amended CHARGES

Amendments to 2010 Charges adopted during the Jt. Executive (EX) Committee/Plenary on March 28, 2010

EXECUTIVE (EX) COMMITTEE

The mission of the Executive (EX) Committee is to manage the affairs of the NAIC in a manner consistent with the Articles of Incorporation and Bylaws.

Ongoing Support of NAIC Programs, Products, or Services:

1. Based on input of the membership, identify goals and priorities of the organization and make recommendations to achieve such goals and priorities. Make recommendations by 2010 Commissioners' Conference—*Essential*
2. Create/terminate task force(s) and/or executive working groups to address special issues and monitor the work of these groups. Create necessary task forces and/or executive working groups throughout 2010 as necessary—*Essential*
3. Submit reports and recommendations to NAIC members concerning the activities of its subcommittee and the standing committees. Submit report at each national meeting—*Essential*
4. Consider requests from NAIC members for friend-of-the-court briefs—*Essential*
5. Establish and allocate functions and responsibilities to be performed by each zone—*Essential*
6. Pursuant to the Bylaws, oversee the NAIC offices to assist the organization and the individual members in achieving the goals of the organization—*Essential*
7. Conduct strategic planning on an ongoing basis—*Essential*
8. Plan, implement and coordinate communications and activities with other state, federal, local, and international government organizations to advance the goals of the NAIC and promote understanding of state insurance regulation—*Essential*
9. Review all requests for development of model laws and give approval of those requests if it is determined the mandated criteria has been satisfied. Reporting at each national meeting is required on model laws approved for development—*Essential*

New Objectives and Goals (*representing new NAIC programs, services, or initiatives*):

10. Appoint a **Market Regulation Accreditation (EX) Task Force** to review the current market regulation accreditation proposals being developed by the Special Accreditation Standards (D) Working Group; receive input from working group members and recommend whether the standards should be further refined; and provide a final recommendation regarding the appropriate market regulation accreditation standards, which would set forth the minimum standards for market regulation that all states should follow.

2010 AMENDED CHARGES

EXECUTIVE (EX) COMMITTEE *(Continued)*

11. Appoint a **Multi-State Enforcement (EX) Task Force** consisting of the NAIC officers or their designees and two NAIC Members from each zone for purpose of negotiating and executing multi-state settlement agreements and coordinating multi-state enforcement actions. The Market Actions (D) Working Group (MAWG) would retain responsibility for analysis, multi-state examinations and investigations and all compliance examinations for multi-state settlements. The Task Force is to establish policies and procedures to ensure the coordination of activities with MAWG.

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Kevin M. McCarty
Florida

Susan E. Voss
Iowa

Roger A. Sevigny
New Hampshire

Jane L. Cline
West Virginia

Staff Support: Therese M. Vaughan/Andrew J. Beal/Kay Noonan

2010 AMENDED CHARGES

AIG MANAGING (EX) TASK FORCE

The mission of the AIG Managing (EX) Task Force is to oversee the regulatory activities related to the AIG insurance subsidiaries and coordinating interaction among state regulators, federal government officials, company representatives, and international regulatory interests.

Ongoing Support of NAIC Programs, Products, or Services:

1. This Task Force is charged with managing the NAIC and state regulatory activities related to the AIG insurance subsidiaries—*Essential*
2. The Task Force will utilize the **AIG Special Working Group** (name change from the existing all-member AIG Special Task Force) to coordinate interaction among state regulators, federal government officials, company representatives, and international regulatory interests—*Essential*
3. The Task Force will utilize a **Form A Subgroup** to manage the communication of information and coordination of activities related to the change in ownership approval process for insurers proposed to be sold by AIG holding company—*Essential*
4. The Task Force will utilize an **AIG Life Working Group** to ensure the specific regulatory concerns regarding the 17 life insurers in the AIG group are adequately addressed in the overall AIG plan and its implementation—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Joel Ario
Pennsylvania

James J. Wrynn
New York

Mike Geeslin
Texas

Staff Support: Todd Sells

2010 AMENDED CHARGES

CLIMATE CHANGE AND GLOBAL WARMING (EX) TASK FORCE

The mission of the Climate Change and Global Warming (EX) Task Force is to serve as coordinator of the NAIC analysis of the impact of climate change on insurance consumers, insurance providers and insurance regulators. The Task Force shall examine the implications of climate change on insurer solvency, the availability of affordable insurance coverage for the nation's insurance consumers and its impact on insurance regulation. The Task Force shall coordinate its efforts with other NAIC standing committees and task forces so that no duplication of effort occurs.

Ongoing Support of NAIC Programs, Products, or Services:

1. Address recommendations and conclusions cited in the 2008 Task Force white paper *The Potential Impact of Climate Change on Insurance Regulation*. Identify steps regulators need to take to assure that they are adequately monitoring insurers' activities with regard to managing the financial condition of insurers and the performance of insurance markets to the benefit of the nation's insurance consumers.

This includes addressing implementation issues related to the Task Force's Insurance Company Climate Risk Disclosure Survey, which was adopted in March 2009. The goal is for the first survey data to be submitted to regulators in May 2010, for the 2009 reporting year. The Task Force will evaluate the need to develop a prototype that illustrates the policies and procedures on how regulators and the public would request access to the survey data once companies have filed their information. The Task Force will review voluntary prototype responses from insurers to facilitate its deliberations. The Task Force will continue to discuss preliminary plans to collect, compile and display the insurers' responses.

2. Work with industry and climate-change experts, insurers and consumer advocates to identify and discuss best practices related to climate change in the areas of consumer protection; increasing consumer confidence; solvency; identifying and addressing climate-related risks; and promoting a functioning, competitive insurance market in regard to climate-related risks. This includes the investigation of innovative "green" products.

Sponsors for 2010 Charges *(Except as noted, I support all charges)*

Jim L. Ridling
Alabama

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Ramón Cruz-Colón
Puerto Rico

Mike Kreidler
Washington

Staff Support: Eric C. Nordman

2010 AMENDED CHARGES

GOVERNMENT RELATIONS (EX) LEADERSHIP COUNCIL

The mission of the Government Relations Leadership Council (GRLC) is to develop, coordinate, and implement the NAIC's legislative, regulatory, and grassroots initiatives. The Leadership Council will devise strategies for NAIC action and promote the participation of all NAIC members in the NAIC's government relations initiatives.

Ongoing Support of NAIC Programs, Products, or Services:

1. Monitor and analyze federal and state legislative/regulatory actions regarding financial services and other issues of importance to the NAIC membership—*Essential*
2. Work with other standing committees, task forces, and working groups to help develop and communicate NAIC's policy views to federal and state officials on pending legislation and regulatory issues by personal involvement of NAIC members through testimony, correspondence, and attendance at hearings—*Essential*
3. Develop a strategy and program for directly engaging NAIC members with Congress to advocate the benefits and efficiencies of state regulation—*Essential*
4. Oversee the development of the NAIC's grassroots program—*Essential*
5. Secure broader participation from NAIC membership on all government affairs advocacy initiatives—*Essential*
6. Report to the Executive (EX) Committee on all activities and matters relating to the annual charges of the Government Relations Leadership Council—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Susan E. Voss
Iowa

Kevin McCarty
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Jane L. Cline
West Virginia

Staff Support: Ethan Sonnichsen

2010 AMENDED CHARGES

INTERNATIONAL INSURANCE RELATIONS (EX) LEADERSHIP GROUP

The mission of the International Insurance Relations (EX) Leadership Group (IIRLG) is to develop, coordinate, and implement the NAIC's international initiatives, and to coordinate between NAIC standing committees, including the International Insurance Relations (G) Committee and the Executive (EX) Committee. The Leadership Group will devise strategies for NAIC action and promote the participation of all NAIC members in the NAIC's international relations initiatives.

Ongoing Support of NAIC Programs, Products, or Services:

1. Monitor and analyze federal legislative/regulatory actions with international implications regarding financial services and other issues of importance to the NAIC membership—*Essential*
2. Work with other standing committees, task forces, and working groups to help develop and communicate NAIC's policy views to the IAIS during regulator-to-regulator dialogues, and in other international organizations on pending standard-setting issues by personal involvement of NAIC members through leadership roles, presentations, correspondence, and attendance at meetings—*Essential*
3. Develop a strategy and program for directly engaging NAIC members with non-U.S. insurance supervisors and international organizations in coordination with other NAIC standing committees and groups, where appropriate—*Essential*
4. Promote the benefits of the U.S. insurance regulatory system and importance of being active internationally—*Essential*
5. Report to the Executive (EX) Committee on all activities and matters relating to the annual charges of the International Insurance Relations Leadership Group—*Essential*
6. Oversee the NAIC coordination of the review of the U.S. insurance sector in the Financial Sector Assessment Program (FSAP)—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Kevin M. McCarty
Florida

Roger A. Sevigny
New Hampshire

Jane L. Cline
West Virginia

Staff Support: George M. Brady

2010 AMENDED CHARGES

LONG-TERM CARE (EX) TASK FORCE

The mission of the Long-Term Care (EX) Task Force is to identify and analyze issues, and make recommendations, relating to long-term care insurance; specifically with regard to open and/or closed blocks of long-term care business.

Ongoing Support of NAIC Programs, Products, or Services:

1. Whether there is anything the NAIC can or should do to address possible reserve deficiencies and rating issues, such as mitigation against rate increases and death spirals—*Essential*
2. In line with the NAIC's current model law, explore options where appropriate, and monitor efforts, to ensure the fair or equal treatment of policyholders, including those in situations where policyholders live in multiple states—*Essential*
3. How regulators should treat the spin-off or transfer of closed blocks of business to another entity, including process issues related thereto—*Essential*

Sponsors for 2010 Charges *(Except as noted, I support all charges)*

Christina Urias
Arizona

Kevin M. McCarty
Florida

Scott J. Kipper
Nevada

Staff Support: George M. Brady

2010 AMENDED CHARGES

PRODUCER LICENSING (EX) TASK FORCE

The mission of the Producer Licensing (EX) Task Force is to: 1) develop and implement uniform standards, interpretations and treatment of producer and adjuster licensees and licensing terminology; 2) monitor and respond to developments related to licensing reciprocity; 3) coordinate with industry and consumer groups regarding priorities for licensing reforms; and 4) coordinate and consult with the National Insurance Producer Registry (NIPR) Board of Directors to develop and implement uniform producer licensing initiatives, with a primary emphasis on encouraging the use of electronic technology.

1. Monitor progress on recommendations to NIPR, which include the following: 1) work closely with the NAIC Market Regulation Division and the Producer Licensing Working Group to identify areas in the states' electronic business rules that do not appear to comply with reciprocity or uniformity standards; 2) develop a uniform set of electronic processing standards (business rules) to facilitate "true" uniformity vs. "virtual" uniformity; 3) create a central location for the submission of company contract information (i.e., appointments/contracts database); 4) coordinate and/or track multi-state insurance examinations; 5) create a central location for the submission of national criminal background-check status information; and 6) create a central location for the submission of continuing-education and pre-licensing course information—*Essential*
2. In conjunction with the Producer Licensing Coalition, work closely with the NIPR to encourage full utilization by all states and producers of NIPR products and services, including individual and business entity resident and nonresident licensing, address change requests, Attachments Warehouse and reporting of administrative actions—*Essential*
3. Finalize the evaluation of the key findings and issues regarding disparate business entity licensing laws, regulations and practices identified in the state producer licensing assessments by comparing the administrative burdens with the consumer protections arising from the licensing of business entities, and provide policymaking recommendations for simplifying and standardizing the business entity licensing process, considering all options ranging from elimination of the licensing of business entities to elimination of components of the process, such as licensing by line of authority or by each branch location—*Essential*
4. Finalize a strategy plan to implement fingerprinting in all states, the suggested deadline for implementation and identify what additional resources from state insurance regulators, the industry and consumer groups could be committed to this effort—*Essential*
5. Facilitate roundtable discussions at each national meeting with the state producer licensing directors for the exchange of views, opinions and ideas on producer-licensing activities in the states and at the NAIC—*Essential*
6. Appoint the **NARAB Working Group** to complete state reciprocity recertification based on the Working Group's 2009 reciprocity report and adopt a final report for recertification of the states' compliance with the reciprocity mandates of the Gramm-Leach-Bliley Act.
7. Appoint the **Producer Licensing Working Group** to:
 - Review the process for examination development and develop uniform standards for the delivery of examinations, updating of examinations and passage rate for examinations—*Essential*
 - Finalize the review of limited-line licensing issues, with particular focus on the following: (1) the establishment of a limited line that encompasses several insurance products where the business of insurance is ancillary to the business of the person offering the product; (2) the licensing requirements of individuals selling limited-line insurance products; and (3) the fingerprinting of individuals selling limited-line insurance products—*Essential*

2010 AMENDED CHARGES

PRODUCER LICENSING (EX) TASK FORCE *(Continued)*

- Continue to provide oversight and ongoing updates, as needed, to the *State Licensing Handbook—Essential*
 - In response to inquiries about the states’ adoption and interpretation of the Producer Licensing Model Act (#205) and uniform licensing standards (ULS), provide updates to the frequently asked questions document regarding the model act and guidance on practices to implement all of the ULS—*Important*
 - Provide ongoing maintenance and review of reciprocity guidelines and uniform application forms for continuing-education providers and state review and approval of courses—*Important*
 - Provide input and feedback to NAIC/NIPR staff regarding the development of electronic-licensing applications, such as a centralized filing point for notification of administrative/criminal actions and Personalized Information Capture System (PICS) alerts for state insurance regulators—*Essential*
 - Serve as an informal focus group with NAIC staff for the development and delivery of a *State Licensing Handbook* training class for state insurance departments—*Essential*
8. Receive updates from the NAIC/Industry Producer Licensing Coalition on its work to:
- Continue to serve as the forum for the NAIC membership and industry to exchange views, opinions and ideas on producer-licensing priorities, such as professional standards of producers, state licensing laws, state administrative procedures and federal legislation—*Essential*
 - Continue discussions on ways to further improve processes the industry believes are administratively burdensome to producers, including the appointment process, the examination/testing process and ways to encourage state and local industry organizations to actively support full adoption of the major lines of authority and elimination of non-core limited lines of authority—*Essential*
 - Continue to track state legislative initiatives to implement uniform and reciprocal licensing standards and coordinate regulator and industry support for such initiatives—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Linda S. Hall
Alaska

William W. Deal
Idaho

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Leslie A. Newman
Tennessee

Kent Michie
Utah

Staff Support: Timothy B. Mullen/Brady R. Kelley

2010 AMENDED CHARGES

REGULATORY MODERNIZATION (EX) TASK FORCE

The mission of the Regulatory Modernization (EX) Task Force is to develop a plan for building member consensus and necessary constituency support for national uniformity in areas that will enhance the existing strengths of state insurance regulation, and that are consistent with NAIC guiding principles on regulatory modernization.

Ongoing Support of NAIC Programs, Products, or Services:

1. Work with members, other committees and task forces to establish work plans and communication channels for discussion and identification of those areas where uniformity is needed; establish goals and develop strategies for achieving uniformity; and establish benchmarks to measure results.
2. Develop strategies to identify and address areas essential to U.S./International insurance relations that are consistent with NAIC guiding principles on regulatory modernization.
3. Seek input and communicate with federal and state officials, industry and consumer representatives, and other appropriate persons and organizations regarding regulatory modernization issues and membership plans, initiatives, and priorities on such issues.
4. Develop and maintain ongoing working relationships on regulatory modernization issues with federal and state regulatory agencies, industry representatives, and other appropriate persons and organizations in order to develop broad support for specific regulatory modernization initiatives.
5. Continue to seek input, revise and refine the National Insurance Supervisory Commission discussion draft as a viable strategy for a national system of state-based regulation.
6. Assist the Government Relations (EX) Leadership Group in monitoring and analyzing federal legislative and regulatory proposals concerning financial services modernization and insurance sector oversight.

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Kim Holland
Oklahoma

Jane Cline
West Virginia

Staff Support: Kay Noonan/John Bauer

2010 AMENDED CHARGES

SOLVENCY MODERNIZATION INITIATIVE (EX) TASK FORCE

The mission of the Solvency Modernization Initiative (EX) Task Force is to coordinate all NAIC efforts to successfully accomplish the Solvency Modernization Initiative. The Task Force will utilize the technical expertise of other NAIC groups, particularly for the five focus areas of the Solvency Modernization Initiative:

- Capital Requirements, which will be coordinated with the Capital Adequacy (E) Task Force;
- International Accounting, which will be coordinated with the Statutory Accounting Principles (E) Working Group as well as the International Accounting Standards (EX) Working Group;
- Group Supervision, which will be addressed by the Group Solvency Issues (EX) Working Group;
- Valuation Issues in Insurance, which will be coordinated with the Principles-Based Reserving (EX) Working Group; and
- Reinsurance, which will be coordinated with the Reinsurance (E) Task Force.

Ongoing Support of NAIC Programs, Products, or Services:

1. Appoint and provide oversight to the **International Solvency Working Group** and its charges to:
 - Assist the Task Force with all focus areas in the Solvency Modernization Initiative—*Essential*
 - Critically review and provide input and drafting to the International Association of Insurance Supervisors (IAIS) Solvency and Actuarial Issues Subcommittee, and on other IAIS papers as assigned by the parent Task Force. From this work, identify future initiatives to improve our regulatory solvency system—*Essential*
 - Analyze other financial supervisory modernization initiatives, to the extent appropriate. Analysis should include—*Essential*:
 - The Basel II international capital framework for banks and implementation in the U.S.;
 - Solvency work by the International Association of Insurance Supervisors (IAIS);
 - Solvency proposals in place or under development in other jurisdictions, including Australia, Canada, Switzerland and the EU; and
 - Solvency improvements in place or under development in U.S.
 - Complete the analysis of the U.S. solvency system compared to the EU Solvency II proposed system upon final action by the EU, and identify areas for U.S. regulators to consider including in the current NAIC programs—*Essential*
2. Appoint and provide oversight to the **International Accounting Standards Working Group** and its charges to:
 - Assist the Task Force with the international accounting focus area in the Solvency Modernization Initiative—*Essential*
 - Critically review and provide input and drafting to the IAIS Insurance Contracts Subcommittee, and on other IAIS papers as assigned by the parent Task Force. From this work, identify future initiatives to improve our regulatory solvency system—*Essential*
 - Analyze other financial supervisory modernization initiatives, to the extent appropriate. Analysis should include accounting standards being developed by the International Accounting Standards Board (IASB)—*Essential*
 - Monitor and provide comments directly to the IAIS on the developments of the IASB and on the IASB and Financial Accounting Standards Board (FASB) joint convergence projects related to insurance accounting issues. Coordinate with the Statutory Accounting Principles (E) Working Group to provide responses to the FASB on joint projects—*Essential*
 - Report findings relative to these developing issues to the Accounting Practices and Procedures (E) Task Force—*Essential*

2010 AMENDED CHARGES

SOLVENCY MODERNIZATION INITIATIVE (EX) TASK FORCE *(Continued)*

3. Appoint and provide oversight to the **Group Solvency Issues Working Group** and its charges to:
 - Assist the Task Force with the group focus area in the Solvency Modernization Initiative—*Essential*
 - Study the need to modify the Holding Company Model Act by gathering input from all states regarding the use of the existing model and its effectiveness in addressing the issues that exist within insurer groups, particularly considering issues identified during this most recent economic downturn. At the conclusion of such study, provide a recommendation to the Financial Condition (E) Committee, including a request for model law development/change if the recommendation is for the NAIC to devote its resources to such an effort—*Essential*
 - Study the international solvency issues related to groups and the need to modify the Holding Company Model Act for any proposed changes in this area. This study should include consideration of the interaction between federal and state financial regulators and any changes that would be necessary to improve regulatory oversight provided by the Holding Company Model Act. At the conclusion of such study, provide a recommendation to the Financial Condition (E) Committee—*Essential*
 - Study the need to develop group-wide supervision, which may include group-wide capital requirements. The study should consider possible approaches to such capital requirements, including how capital for financial conglomerates and non-regulated entities is calculated—*Essential*
 - Recommend courses of action regarding supervisory colleges and/or other methods of communication and coordination among cross-border (including cross-state) and cross-sectoral supervisors—*Essential*
 - Critically review and provide input and drafting to the IAIS Insurance Groups and Cross-Sectoral Issues Subcommittee or on other IAIS papers as assigned by the parent Task Force. From this work, identify future initiatives to improve our regulatory solvency system—*Essential*

4. Appoint and provide oversight to the **Principles-Based Reserving Working Group** and its charges to:
 - Serve as a coordinating body with all NAIC technical groups involved with projects related to a principle-based approach to regulation and assist the Task Force with the “insurance valuation” focus area in the Solvency Modernization Initiative—*Essential*
 - Consider policy and practice issues related to principle-based regulation for life insurance and thereafter property and casualty insurance, including but not limited to the impact on areas such as corporate governance, examination and analysis, as well as staff resources and other insurance department administrative concerns—*Essential*
 - Focus on balancing theoretical approaches with effective regulatory practices to achieve desired end-results in solvency monitoring efforts, and further coordinate with NAIC leadership to provide direction to NAIC technical groups, including whether and to what degree principle-based approaches should be pursued, setting timelines for such pursuit, and ensuring other issues are addressed prior to or concurrently with implementation of principle-based approaches by the technical groups—*Essential*
 - Report the status of its work to, and seek guidance from, the parent committee no less frequently than at each national meeting—*Essential*
 - Evaluate necessary changes to existing state insurance laws, regulations or administrative policies to effectuate a principle-based regulatory framework—*Essential*
 - Critically review and provide input and drafting on the IAIS papers, as assigned by the parent Task Force. From this work, identify future initiatives to improve our regulatory solvency system—*Essential*

5. Monitor solvency-related work products of the IAIS. Assign papers to working groups to submit comments to the IAIS. Additionally, the working groups should review the papers and recommend whether and/or how the ideas in those papers should be implemented in the U.S. regulatory solvency system—*Essential*

2010 AMENDED CHARGES

SOLVENCY MODERNIZATION INITIATIVE (EX) TASK FORCE *(Continued)*

6. Communicate and coordinate with the International Insurance Relations (G) Committee and provide technical support to the Committee as needed—*Essential*
7. Report the status of its work to the Executive (EX) Committee no less frequently than at each national meeting—*Essential*

New Objectives and Goals *(representing new NAIC programs, services or initiatives):*

8. Appoint the **Corporate Governance Working Group** to:
 - Outline high-level corporate governance principles. Determine the appropriate methodology to evaluate adherence with such principles, giving due consideration to development of a model law—*Essential*
 - Analyze the requirements, regulatory initiatives and best practices of the states, other countries and regulators, and the insurance industry, to assist in principle development.
 - Develop additional regulatory guidance including detailed best practices for the corporate governance of insurers.
 - Review the current IAIS principles and standards related to corporate governance. Critically review and provide input and drafting to the IAIS Governance and Compliance Subcommittee, and on other IAIS papers as assigned by the parent Task Force. From this work, identify future initiatives to improve our regulatory solvency system—*Essential*
 - Consider the development of insurance regulatory education for members of insurers' Boards of Directors—*Essential*
9. Appoint a **Statutory Accounting and Financial Reporting Subgroup**, with insurance commissioner level participation, to recommend the future of U.S. statutory accounting and financial reporting—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Ann Frohman
Nebraska

Mary Jo Hudson
Ohio

Alfred W. Gross
Virginia

Staff Support: Kris DeFrain/George Brady/Todd Sells

2010 AMENDED CHARGES

SPEED TO MARKET (EX) TASK FORCE

The mission of the Speed to Market (EX) Task Force is to serve as the NAIC focal point for modernization of the insurance product filing and review processes. The Task Force will monitor the development and implementation of speed to market operational efficiencies and will support the development of national standards in conjunction with the Interstate Insurance Product Regulation Commission (IIPRC). The Task Force will also support IIPRC initiatives that require uniformity and policy changes within the states.

Ongoing Support of NAIC Programs, Products, or Services:

1. Appoint a **National Standards Working Group** to coordinate with/work jointly with the IIPRC Interstate Compact National Standards Working Group in accelerating the drafting of national standards for insurance products that are eligible for inclusion in the IIPRC, with the emphasis on group life, individual annuity, group annuity, disability income and long-term care product standards. Report the results of this ongoing charge at each national meeting—*Essential*
2. Appoint an **Operational Efficiencies Working Group** to oversee the implementation and ongoing maintenance/enhancement of speed to market operational efficiencies that have been adopted. Report the results of this ongoing charge at each national meeting—*Essential*

Update the speed to market assessment tool that includes a nationwide summary and individual state summaries of speed to market compliance; report at each national meeting.

- a. Monitor, assist with, and report on state implementation of the uniform Product Coding Matrices (PCM), Uniform Transmittal Document (UTD), Electronic Funds Transfer (EFT), standardized filing types and elimination of paper filing requirements when filing via SERFF. Achieve full implementation in all states by December 31, 2010—*Essential*
- b. Facilitate proposed changes to the PCM on an annual basis, including the review, approval, and notification of changes. Monitor, assist with, and report on state implementation of any PCM changes—*Essential*
- c. Facilitate proposed changes to the UTD on an annual basis, including the review, approval, and notification of changes. Collaborate with the SERFF Board to ensure incorporation of UTD changes in SERFF—*Essential*
- d. Monitor, assist with, and report on the full and complete implementation of SERFF in all states—*Essential*
- e. Use SERFF data to develop, refine, implement, collect and distribute common filing metrics that provide a tool to measure the success of the speed to market modernization efforts with emphasis on data that monitors both state regulatory and insurer responsibilities for speed to market for insurance products and ensure full and complete communication of any change in filing requirements—*Essential*
- f. In collaboration with the **National Treatment and Coordination (E) Working Group**, evaluate synergies between corporate changes/amendments and rate and form filing review and approval to improve efficiency—*Important*
- g. Serve as the clearing house for input from the SERFF Board regarding the SERFF electronic filing speed to market tool—*Essential*

2010 AMENDED CHARGES

SPEED TO MARKET (EX) TASK FORCE *(Continued)*

- h. Provide oversight in evaluating filing efficiency issues for both regulators and industry—*Important*
 - Continue work on the development of uniform rate and form terminology for dispositions, filing objections, filing statuses and deemer provisions designed to further advance speed to market for rate and form filing and review.
 - Survey the states and industry to gather information regarding common filing issues and develop recommendations for resolution.
3. Appoint a **Product Filing Review Handbook Subgroup** of the Operational Efficiencies Working Group to review and issue a 2010 update to the *Product Filing Review Handbook* that contains all of the operational efficiency tools and describes best practices for industry filers and state reviewers with regard to the rate and form filing and review process. Publish revised handbook by December 31, 2010—*Essential*
4. As desired by the IIPRC, encourage state participation in the IIPRC and receive reports, at each national meeting, of legislative activity for non-compacting states—*Essential*
5. As desired by the IIPRC, assist with marketing efforts promoting industry use of the IIPRC speed to market tool—*Essential*
6. As desired by the IIPRC, participate in dialogue with active supporters of the IIPRC—such as National Conference of State Legislators, National Conference of Insurance Legislators, state executive branch organizations, National Governors Association and National Association of Attorneys General—to provide background information and reasons in favor of all states joining the IIPRC—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Wayne Goodwin
North Carolina

Mary Jo Hudson
Ohio

Kim Holland
Oklahoma

Staff Support: Julienne L. Fritz/Joe Bieniek

2010 AMENDED CHARGES

INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE

The mission of the Internal Administration (EX1) Subcommittee is to monitor the operations of the NAIC, including preparing a budget for Executive (EX) Committee review, providing direction on personnel issues, approving emergency expenditures, evaluating the Chief Executive Officer and assisting the Chief Executive Officer in resolving competing demands for staff resources.

Ongoing Support of NAIC Programs, Products or Services:

1. The Subcommittee will review and approve all expenditures of funds not included in the final 2010 budget by considering any fiscal impact statements of unbudgeted resource requests and reporting its actions to the Executive Committee—*Essential*
2. The Subcommittee will annually work with the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer to review the business operations plan, which will incorporate the Executive Committee's strategic management initiatives, and will report its actions to the Executive Committee—*Essential*
3. The Subcommittee will oversee a review of any management areas of the NAIC that should be designated for formal operational reviews by working through the Chief Executive Officer—*Essential*
4. The Subcommittee will oversee the development, revision, and delivery of all NAIC education programs, or the addition of new programs, by coordinating with other committees as appropriate and providing direction to the Chief Executive Officer and Chief Operating Officer—*Essential*
5. The Subcommittee will receive a report at each national meeting from the NAIC Audit Committee, which will be chaired by the Secretary-Treasurer. The Audit Committee will meet with NAIC management at each national meeting, or more frequently as necessary, to review the NAIC financial statements and to hear reports from the NAIC management on emerging financial issues for the NAIC, and will report such information to the Subcommittee. The Audit Committee shall also carry out the following activities pursuant to its charter:
 - Engage the NAIC's independent accountants with respect to the annual audit. This will include the appointment of an independent audit firm, a review of the results of the annual audit, and discussions with the independent auditors and NAIC management to ensure that all audit comments or suggestions are addressed in a timely manner;
 - Serve as the primary liaison between the NAIC membership and the NAIC investment advisor, including the receipt of reports on the performance of the NAIC's investment portfolio and, from time to time, meet directly with investment firm representatives to hear periodic reports and recommendations—*Essential*
6. Select NAIC national meeting sites five to six years in advance of the meeting date to ensure efficient and economical locations and facilities—*Essential*
7. Review and revise, as necessary and appropriate, the procedures for selection of NAIC national and interim meeting sites—*Essential*
8. Review and revise, as necessary and appropriate, the criteria and categories for registrants at NAIC national meetings—*Essential*

2010 AMENDED CHARGES

INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE *(Continued)*

9. Appoint the Information Systems Task Force to provide regulator-based technology expertise—*Essential*

Sponsors for 2010 Charges
(Except as noted, I support all charges)

Roger A. Sevigny
New Hampshire

Jane L. Cline
West Virginia

Susan E. Voss
Iowa

Staff Support: Therese M. Vaughan/Andrew J. Beal/Brady R. Kelley

2010 AMENDED CHARGES

INFORMATION SYSTEMS (EX1) TASK FORCE

The mission of the Information Systems (EX1) Task Force is to provide regulator-based technology expertise to the Internal Administration (EX1) Subcommittee, and to support committee activities and objectives. This includes ensuring that the technology resources of the NAIC are deployed in such a manner to support the core values of service, results, value and communication by:

- Being an innovator that provides State Insurance Department staff with quality products, programs and services that focus on streamlining the regulatory process and decreasing the overall cost of regulatory compliance to regulators, the regulated, and consumers.
- Providing products and services to facilitate and promote the communication of regulatory information and knowledge among insurance entities, with a minimum technology investment needed to integrate into legacy systems. These products and services will be driven by the business needs of the states as expressed through the various committees of the NAIC, and will be prioritized by the Executive (EX) Committee.
- Embracing the technology direction established by the National Technical Architecture, and promulgated through the Task Force.

Ongoing Support of NAIC Programs, Products, or Services:

1. Serve as the Internal Administration (EX1) Subcommittee's project independent technology monitor and consultant. This involves monitoring the development, deployment, and operation of information technology by and for the NAIC, based on this effort providing reports and recommendations to the Subcommittee as appropriate. To achieve this, the Task Force will receive regular reports from the technology staff of each project—*Essential*
2. Maintain and monitor the use of National Technical Architecture standards for State-Based Insurance Regulation—*Essential*
3. Monitor the technical implementation of the MyNAIC.org production releases and continue to work with the business committees that might be exploring a new role. Monitor the utilization of the roles and analyze associated issues. Coordinate with the respective business areas regarding oversight, education, and promotion of these roles. In addition, oversee improvements to the search function and presentation—*Essential*
4. Review, with technical recommendations for the Subcommittee, Business and Fiscal Impact Statements that involve technology being submitted to the Internal Administration (EX1) Subcommittee to ensure proposals meet the expectations for IT regulator review, to include placing special emphasis on promoting overall efficiencies of cost and operation and promoting interoperability among different systems; providing technology reports and recommendations as appropriate during NAIC Business and Fiscal Impact Statement approval process; and, if approved, thereafter monitoring implementation and ongoing effectiveness—*Essential*
5. Provide consultation to the NAIC technology staff, and provide interpretation of intent and specific technology approach, such as a proposal to drop support for a particular version of software. The Task Force will provide direction in such matters, either directly or through a working group—*Essential*
6. The Task Force will only serve as a regulator sponsor for projects involving technology that supports the business areas of more than one other standing committee—*Important*

2010 AMENDED CHARGES

INFORMATION SYSTEMS (EX1) TASK FORCE *(Continued)*

7. Maintain a methodology for cost justification and prioritization of NAIC information technology projects, subject to approval by the Internal Administration (EX1) Subcommittee—*Important*

Sponsors for 2010 Charges
(Except as noted, I support all charges)

Carol Cutter
Indiana

Sandy Praeger
Kansas

Roger A. Sevigny
New Hampshire

Staff Support: Denise Matthews

2010 AMENDED CHARGES

LIFE INSURANCE AND ANNUITIES (A) COMMITTEE

The mission of the Life Insurance and Annuities (A) Committee is to consider issues relating to life insurance and annuities, review new life insurance products and establish priorities of the Life and Health Actuarial Task Force.

Ongoing Maintenance of NAIC Programs, Products or Services

1. Review model laws adopted in 2005 and not revised since that time—*Essential*
2. Oversee development of the principle-based reserving system—*Essential*
3. Review and revise, as necessary, the Buyer's Guides to Fixed Deferred Annuities in conjunction with Appendix A of the *Annuity Disclosure Model Regulation* (#245) and the Life Insurance Buyer's Guide in conjunction with Appendix A of the *Life Insurance Disclosure Model Regulation* (#580)—*Important*
4. Oversee changes and provide technical assistance as appropriate for the production of the *Market Share Reports for the Top 125 Life and Fraternal Insurance Groups and Companies by State*—*Essential*
5. Appoint the **Suitability of Annuity Sales Working Group** to review and consider changes to the *Suitability in Annuity Transactions Model Regulation* (#275) to improve the regulation of annuity sales and to provide insurers uniform guidance in developing agent training, supervision and monitoring standards in order to better protect annuity consumers from unsuitable sales and abusive sales and marketing practices—*Important*
6. Appoint the **Annuity Disclosure Working Group** to review and consider changes to the *Annuity Disclosure Model Regulation* (#245) to improve the disclosure of information provided for annuity products, both generally and specifically, and to provide insurers uniform guidance in developing disclosure information and documents and monitoring distribution thereof in order to better inform annuity consumers about the annuity product purchased and how it works—*Important*

New Objectives and Goals (*representing new NAIC programs, services, or initiatives*):

1. The Executive (EX) Committee directs the Life Insurance and Annuities (A) Committee and the Market Regulation and Consumer Affairs (D) Committee to establish a joint working group to review the use of Retained Asset Accounts (RAAs) by insurance companies and make recommendations as may be necessary, including whether there is appropriate consumer disclosure (*Charge adopted at the 2010 Summer National Meeting during the Jt. Executive (EX) Committee/Plenary meeting of August 17*)—*Essential*

Sponsors for 2010 Charges

(*Except as noted, I support all charges*)

Thomas R. Sullivan
Connecticut

Susan E. Voss
Iowa

Ann Frohman
Nebraska

Adam Hamm
North Dakota

Sean Dilweg
Wisconsin

Staff Support: Jolie H. Matthews/Jennifer R. Cook

2010 AMENDED CHARGES

HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE

The mission of the Health Insurance and Managed Care (B) Committee is to consider issues relating to all aspects of health insurance.

Ongoing Maintenance of NAIC Programs, Products and Services

1. Respond to inquiries from Congress, the White House and federal agencies; analyze policy implications and effect on states of proposed legislation; communicate NAIC's position through letters and testimony when requested—*Essential*
2. Develop appropriate regulatory standards and revisions to the NAIC models, consumer guides and training material, as necessary, Medicare supplement insurance, senior counseling programs and other insurance issues which affect older Americans. Report annually (Delegated to SITF)—*Essential*
3. Develop appropriate regulatory standards and revisions to the NAIC models, consumer guides and training material, as necessary, on long term care insurance. Work with federal agencies as appropriate. Report annually (Delegated to SITF)—*Essential*
4. Review and monitor state and federal relations with respect to senior health care initiatives, and other impacts on the states. Work with federal agencies as appropriate. Report annually (Delegated to SITF)—*Essential*
5. Coordinate and develop the provision of technical assistance to the states regarding state level implementation issues raised by federal health legislation; report at each national meeting. (Delegated to RFTF)—*Essential*
6. Monitor, report, and analyze developments related to ERISA, and make recommendations regarding NAIC strategy and policy with respect to those developments. Report at each national meeting (Delegated to RFTF)—*Essential*
7. Review model laws adopted in 2004 and recommend whether they be retained, revised or deleted. Report by 2010 Fall National Meeting—*Essential*
8. Review the NAIC's *ERISA Handbook* and modify as necessary to reflect developments related to ERISA. Report annually (Delegated to RFTF)—*Essential*
9. Oversee changes and provide technical assistance as appropriate to the production of the Accident and Health Statistical Compilation and Market Share Report. Periodically evaluate the demand, utility and income derived from these reports versus their cost—*Essential*
10. Review issues surrounding the uninsured/underinsured and strategies for achieving universal coverage; determine what contributions state insurance regulators, from their unique perspective, can make to the debate; and develop appropriate vehicles to convey any positions or principles the committee develops to a multiplicity of audiences. Report by 2010 Fall National Meeting—*Essential*
11. Review managed health care reforms, their delivery systems occurring in the marketplace, and other forms of health care delivery; recommend appropriate revisions to regulatory jurisdiction, authority and structures. Report annually (Delegated to RFTF)—*Important*

2010 AMENDED CHARGES

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

12. Serve as the official liaison between NAIC and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the National Committee on Quality Assurance (NCQA), and URAC (Utilization Review Accreditation Committee)—*Important*
13. Review issues surrounding internal appeals and external review with respect to regulatory modernization and determine whether national standards are appropriate. If so, recommend an appropriate vehicle to achieve goals. Report by 2010 Fall National Meeting (Delegated to RFTF)—*Important*
14. Review issues surrounding evidence-based medicine and determine whether rigorous and consistent reporting should be required. If so, develop a model law on the topic or recommend another appropriate vehicle to achieve goals. Report by 2010 Fall National Meeting.—*Important*
15. Continue to study and evaluate evolving long-term care insurance product design, rating, suitability and other related factors, and review the existing *Long-Term Care Model Act and Regulation* to determine their flexibility to remain compatible with the evolving delivery of long-term care services and remain compatible with the evolving long-term care insurance marketplace. Report at each national meeting (Delegated to SITF)—*Essential*
16. Monitor and provide assistance to the states on the implementation of the 2000 rating practices amendments to the *Long-Term Care Insurance Model Regulation* (#641). Report annually (Delegated to SITF)—*Important*
17. Examine issues and, as necessary, state laws and/or regulations regarding appropriate underwriting questions on applications for health insurance coverage, particularly with respect to ensuring that underwriting practices and HIV testing procedures are nondiscriminatory; and, if appropriate, develop a model law or model bulletin to reflect state law and/or regulations on the subject—*Important*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Kevin M. McCarty
Florida

Sandy Praeger
Kansas

Joel Ario
Pennsylvania

Kent Michie
Utah

Staff Support: Jolie H. Matthews/Brian R. Webb/Jennifer R. Cook

2010 AMENDED CHARGES

REGULATORY FRAMEWORK (B) TASK FORCE

The mission of the Regulatory Framework (B) Task Force is to develop NAIC model acts and regulations for state health care initiatives, and with considering policy issues affecting state health insurance regulation.

Ongoing Maintenance of NAIC Programs, Products and Services

1. Review model laws adopted in 2005 and recommend whether they be retained, revised or deleted. Report by 2010 Fall National Meeting—*Essential*
2. Review and revise, as necessary, NAIC model laws and regulations identified as in need of review and revision as a result of the NAIC model law review initiative. Report annually—*Important*
3. Consider the revision of NAIC model laws and regulations affected by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and final federal regulations promulgated pursuant to HIPAA to comport with the requirements of HIPAA and final federal regulations. Report at each national meeting.—*Important*
4. Develop a Model Regulation to Implement the Small Employer and Individual Health Insurance Availability Model Act (Prospective Reinsurance With or Without an Opt-Out), once final federal regulations are issued. Report by 2010 Fall National Meeting—*Important*
5. Revise the *Model Regulation to Implement the Small Employer Health Insurance Availability Model Act (Prospective Reinsurance With or Without an Opt-Out)* (#119) and the *Model Regulation to Implement the Individual Health Insurance Portability Model Act* (#38) to comport with revisions to the model acts once final federal regulations are issued. Report by 2010 Fall National Meeting—*Important*
6. Consider the revision of NAIC model laws and regulations affected by the Genetic Information Nondiscrimination Act of 2008 (GINA) and any final federal regulations promulgated pursuant to GINA. Report by 2010 Fall National Meeting—*Important*
7. Study proposals for developing a process for the independent review of policy rescission decisions for individually underwritten health insurance and preexisting condition exclusion decisions. Consider the different approaches that could be used to establish this independent review process and identify and evaluate the issues associated with such a process. Report by 2010 Fall National Meeting—*Important*

New Objectives and Goals (*representing new NAIC programs, services, or initiatives*):

1. Review issues concerning the standardization of forms practices and procedures in health insurance underwriting with respect to regulatory modernization that promotes administrative efficiency and the reduction of associated costs. Report by 2010 Fall National Meeting—*Important*

Sponsors for 2010 Charges

(*Except as noted, I support all charges*)

Kevin M. McCarty
Florida

Scott J. Kipper
Nevada

Joel Ario
Pennsylvania

Staff Support: Jolie H. Matthews/Jennifer R. Cook

2010 AMENDED CHARGES

SENIOR ISSUES (B) TASK FORCE

The mission of the Senior Issues (B) Task Force is to consider policy issues, develop appropriate regulatory standards and revise the NAIC models, consumer guides and training material, as necessary, on Medicare supplement insurance, senior counseling programs and other insurance issues which affect older Americans.

Ongoing Maintenance of NAIC Programs, Products and Services

1. Review model laws adopted in 2004 and recommend whether they be retained, revised or deleted. Report by 2010 Fall National Meeting—*Essential*
2. Continue to monitor and work with federal agencies to advance appropriate regulatory standards for Medicare Supplement and other forms of health insurance applicable to older Americans. Report at each national meeting—*Essential*
3. Review the *Medicare Supplement Insurance Minimum Standards Model Act* (#650) and *Regulation* (#651) to determine if amendments are required based on changes to federal law and revise if necessary. Report by 2010 Fall National Meeting—*Essential*
4. Monitor the Medicare Advantage and Medicare Part D marketplace, assist the states as necessary with regulatory issues, and maintain a dialogue and coordinate with CMS on regulatory issues, including solvency oversight of waived plans and agent misconduct. Report at each national meeting—*Essential*
5. Monitor and assist states in the implementation of changes to the Model Regulation to *Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act* (#651) to modernize the Medicare supplement market, as approved by the NAIC in March 2007 as required by the Medicare Improvement for Patients and Providers Act of 2008 and the Genetic Information Nondiscrimination Act of 2008. Report at each national meeting—*Essential*
6. Continue to monitor the changes in the Medicare Supplement insurance market and assist states with implementation of Medicare Supplement Model amendments due to federal statutory changes. Report at each national meeting—*Essential*
7. Provide the perspective of state insurance commissioners to the U.S. Congress, as appropriate, and the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services on insurance issues, including concerning the effect and result of federal activity on the senior citizen health insurance marketplace and regulatory scheme—*Essential*
8. Work with the Centers for Medicare and Medicaid Services to revise the annual joint publication, *Guide to Health Insurance for People with Medicare*—*Essential*
9. Monitor information on legislation impacting the funding of State Health Insurance Assistance Programs (SHIP). Report at each national meeting—*Important*
10. Assist the states and serve as clearinghouse for information on Medicare Advantage plan activity. Report at each national meeting—*Important*
11. In accordance with changes to the Model Regulation to *Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act* (#651) approved by the NAIC in March 2007, monitor and maintain a record of state approvals of all Medicare supplement insurance new or innovative benefits for use by regulators and others—*Important*

2010 AMENDED CHARGES

SENIOR ISSUES (B) TASK FORCE *(Continued)*

12. In accordance with changes to the Model Regulation to Implement the NAIC *Medicare Supplement Insurance Minimum Standards Model Act* (#651) approved by the NAIC in March 2007, periodically review state-approved new or innovative benefits and consider whether to recommend that they be made part of standard benefit plan designs in the model regulation—*Important*
13. Review preferred provider arrangements with Medicare supplement policies and determine their legality and their effect on Medicare supplement standardization. Take appropriate action, as necessary—*Important*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Kevin M. McCarty
Florida

Carol Cutter
Indiana

Merle D. Scheiber
South Dakota

Staff Support: Jane Sung/Brian R. Webb

2010 AMENDED CHARGES

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE

The mission of the Property and Casualty Insurance (C) Committee is to monitor and respond to problems associated with the products, delivery and cost in the property/casualty insurance market and the surplus lines market as they operate with respect to individual persons and businesses. The Committee also is to monitor and respond to problems associated with financial reporting matters for property/casualty insurers that are of interest to regulatory actuaries and analysts and to monitor and respond to problems associated with the financial aspects of the surplus lines market.

Ongoing Support of NAIC Programs, Products or Services:

1. Discuss issues arising and make recommendations with respect to advisory organization and insurer filings for personal and commercial lines, as needed. Report yearly—*Ongoing*
2. Appoint a **Catastrophe Insurance Working Group** to report progress at each national meeting on the following catastrophe insurance issues:
 - Monitor and recommend measures to improve the availability and affordability of insurance and reinsurance related to catastrophe perils for personal and commercial lines—*Ongoing*
 - Evaluate potential state, regional and national programs to increase capacity for insurance and reinsurance related to catastrophe perils—*Ongoing*
 - Monitor and assess proposals that address disaster insurance issues at the federal and state levels; assess concentration-of-risk issues and whether a regulatory solution is needed—*Ongoing*
 - Provide a forum for discussing issues and recommending solutions related to insuring for catastrophic risk, including terrorism, war and natural disasters—*Ongoing*
 - Update the *State Disaster Response Plan*, as needed, so that it provides a blueprint for action by the states to respond to catastrophic events—*Ongoing*
 - Investigate the regulatory, financial and economic impacts of defects reported in Chinese drywall imported between 2004 and 2007. Examine property damage and bodily injury claims related to exposure to defective Chinese drywall—*Ongoing*
3. Appoint a **Risk Retention Working Group** to:
 - Review developments in case law and rehabilitation proceedings and the findings contained in the U.S. Government Accountability Office's report on risk-retention groups; if warranted, make appropriate changes to the *Risk Retention and Purchasing Group Handbook*; report at each national meeting—*Ongoing*
 - Review the recommendations from the Risk Retention Group (E) Task Force related to corporate governance standards and advise whether to pursue a model law to implement the corporate governance standards; report at each national meeting—*Ongoing*
4. Appoint a **Crop Insurance Working Group** to:
 - Monitor the activities of the Federal Crop Insurance Corporation (FCIC) that affect state insurance regulators—*Ongoing*
 - Serve as a forum for discussing issues related to the interaction of federal crop insurance programs with state regulation—*Ongoing*
 - Review law changes and court decisions and, if warranted, make appropriate changes to the *Crop Insurance Handbook: A Guide for Insurance Regulators*—*Ongoing*
 - Monitor the regulatory information exchanges between the FCIC and state regulators, as well as the FCIC and the NAIC, and make recommendations for improvement or revisions, as needed. Report at each national meeting—*Ongoing*

2010 AMENDED CHARGES

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE *(Continued)*

- Facilitate regulators' concerns and assist the states, as necessary, in enacting regulatory changes to avoid the preemption given the inevitable preemption of crop insurance adjuster licensing by the U.S. Congress, through the federal Risk Management Agency (RMA), on a state-by-state basis, beginning as early as July 1, 2011—*Ongoing*
5. Coordinate with the Federal Insurance Administrator on the regulation of flood insurance to:
 - Continue developing a handbook or white paper to assist state insurance regulators in understanding the federal flood insurance program and how it interacts with state insurance regulation—*Important*
 - Complete work on a handbook or white paper by the 2010 Fall National Meeting. Report progress on the handbook or white paper, and any other activities; report at each national meeting—*Important*
 6. Monitor the activities of the Workers' Compensation Task Force—*Essential*
 7. Monitor the activities of the Casualty Actuarial and Statistical Task Force—*Essential*
 8. Monitor the activities of the Surplus Lines Task Force—*Essential*
 9. Monitor the activities of the Title Insurance Task Force—*Essential*
 10. Appoint an **Advisory Organizations Examination Oversight Working Group** to:
 - Revise the protocols, as necessary, for the examination of national or multi-state rating organizations to be more comprehensive, efficient and possibly less frequent than the current system of single-state exams. Solicit input and collaboration from other interested and affected task forces and committees—*Essential*
 - Monitor data reporting of rating and/or advisory organization data-collection processes to determine if rating and/or advisory organizations implement appropriate measures to ensure data quality. Report the results of this ongoing charge as needed—*Essential*
 - Actively assist with and coordinate multi-state examinations of advisory organizations and statistical agents—*Essential*
 11. Appoint a **Terrorism Insurance Implementation Working Group** to coordinate the NAIC efforts to address insurance coverage for acts of terrorism. Work with the U.S. Department of the Treasury's Terrorism Risk Insurance Program Office on matters of mutual concern. Discuss long-term solutions to address the risk of loss from acts of terrorism.—*Essential*
 12. Appoint a **Consumer Guides Working Group** to review and make modifications to the NAIC Consumer's Guide to Auto Insurance and recommend revisions by the 2010 Summer National Meeting. Develop best practices for the design and implementation of consumer premium comparison guides for personal auto and homeowners insurance by the 2010 Fall National Meeting.—*Essential*
 13. Appoint a **Catastrophe Reserve Working Group** to review the current NAIC catastrophe reserve proposal and make a recommendation whether to move the proposal forward, even if the IRS tax code is not amended to allow insurers to establish a tax-deferred catastrophe reserve. The Working Group will make a formal recommendation on whether to proceed with a catastrophe reserve requirement regardless of its tax-deferred status prior to the 2010 Spring National Meeting—*Essential*
 14. Appoint an **Earthquake Study Group** to study, in coordination with other NAIC working groups and task forces, earthquake matters of concern to insurance regulators; report at each national meeting—*Essential*

2010 AMENDED CHARGES

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE *(Continued)*

- Review and update *The Final Report of the Earthquake Study Group (February 2000)* so that it provides a basis for understanding and outline for action to be taken by states to respond to earthquake events and risks;
- Work with seismic and actuarial experts to develop recommendations for measures designed to mitigate losses caused by earthquakes;
- Study earthquake modeling assumptions and meet with catastrophe modeling vendors to determine if models adequately handle regional differences in loss exposure;
- Explore multi-state risk-sharing, mitigation and coordination strategies. This includes meeting, as needed, with officials from the Central United States Earthquake Consortium (CUSEC), Western States Seismic Policy Council (WSSPC) and the California Earthquake Authority (CEA);
- Assist state insurance regulators in determining the availability and affordability of earthquake coverage in their states and assist in dealing with market dislocations and effects on rate level caused by exposure to the earthquake peril. This includes developing, distributing and evaluating a survey to all NAIC members designed to access availability and affordability; and
- Identify strategies to communicate earthquake risk awareness, preparation, loss mitigation and recovery measures to insurers, producers and consumers. This includes developing a consumer brochure to be finalized in December 2010 and exploring the feasibility of developing a consumer-awareness video.

New Objectives and Goals *(representing new NAIC programs, services or initiatives):*

1. Appoint a **Catastrophe Insurance Working Group** to provide a forum for discussing various issues related to catastrophe modeling, make recommendations for the appropriate regulatory framework for catastrophe modelers and monitor issues that will result in changes to the *Catastrophe Computer Simulation Modeling Handbook—Essential*
2. Work collaboratively with the Market Regulation and Consumer Affairs (D) Committee to continue public discourse on credit-based insurance scores to:
 - Define what constitutes a credit-based insurance score—*Essential*
 - Evaluate how insurers use credit-based insurance scores—*Essential*
 - Determine how current economic conditions have affected policyholder premiums related to credit-based insurance scores—*Essential*
 - Provide a report documenting findings and including recommendations for regulatory or legislative action, if warranted. Complete the report by the 2010 Fall National Meeting—*Essential*
3. Following a catastrophe, diverse regulatory mandates increase insurer uncertainty and might divert insurer resources that are needed to respond to claims. To provide added certainty for insurers and regulators in advance of a major disaster, procedures need to be in place so that regulators and insurers know what to expect and insurers are prepared to comply. To address these concerns, develop a model law, regulation or guideline to standardize insurer premium collection procedures, underwriting limitations, claims handling processes, and claims data reporting requirements that a state could adopt in advance of a catastrophe and activate after a catastrophe—*Important*
4. Discuss and evaluate the use of new and innovative risk classifications and risk evaluation tools used by the insurance industry to classify personal lines risks for rating and underwriting purposes. Provide a report documenting findings and including recommendations for regulatory or legislative action, if warranted. Complete the report by the 2010 Fall National Meeting—*Important*

2010 AMENDED CHARGES

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE *(Continued)*

Sponsors for 2010 Charges
(Except as noted, I support all charges)

Thomas R. Sullivan
Connecticut

Michael T. McRaith
Illinois

James J. Donelon
Louisiana

Staff Support: Eric C. Nordman

2010 AMENDED CHARGES

CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE

The mission of the Casualty Actuarial and Statistical (C) Task Force is to identify, investigate and develop solutions to actuarial problems and statistical issues in the property/casualty insurance industry. The Task Force's goals are to maintain the financial health of property/casualty insurers and to ensure that appropriate data regarding property/casualty insurance markets are available.

Ongoing Maintenance of NAIC Programs, Products, or Services

1. Provide reserving, pricing, ratemaking, statistical and other actuarial support to NAIC committees, task forces and working groups. Propose changes to the appropriate work products (with the most common work products noted below) and present comments on proposals submitted by others relating to casualty actuarial and statistical matters. Monitor the activities, including the development of financial services regulations and statistical (including disaster) reporting, relating to casualty actuarial issues—*Essential*
 - Blanks (E) Working Group (property/casualty annual statement, including Schedule P; property/casualty quarterly statement; property/casualty quarterly and annual statement instructions, including Statement of Actuarial Opinion)
 - Statutory Accounting Principles (E) Working Group and Emerging Accounting Issues (E) Working Group (*Accounting Practices and Procedures Manual*)
 - Capital Adequacy (E) Task Force (property/casualty risk-based capital report)
 - Financial Analysis Handbook (E) Working Group (property/casualty actuarial sections of the *Financial Analysis Handbook*)
 - Financial Examiners Handbook (E) Technical Group (property/casualty actuarial sections of the *Financial Condition Examiners Handbook*)
 - Operational Efficiencies (EX) Working Group (property/casualty actuarial sections of the *Product Filing Examiners Handbook*)
 - Disaster Reporting (E) Working Group (disaster reporting framework)
2. Identify the types of data that are necessary to properly evaluate the medical liability insurance market—including the frequency, severity and causes of loss—in order to evaluate regulatory and legislative proposals. Identify the sources of this data and the steps necessary to capture it, including changes needed in the *Statistical Handbook of Data Available to Insurance Regulators*, and the need to develop claims databases or other appropriate means of capturing the necessary information—*Essential*
3. Consider updates and developments, provide technical assistance and oversee the production of the following reports and databases. Also, periodically evaluate the demand, utility and income derived vs. the costs of production of each product—*Essential*
 - a. *Report on Profitability by Line by State* (Charge the Profitability Working Group with producing this report on an annual basis.)
 - b. Homeowners Average Premium Report
 - c. *Auto Insurance Database*
 - d. *Market Share Reports for Groups and Companies – Property/Casualty*
 - e. *Property and Casualty Competition Database Report*
4. Monitor activities related to establishing life insurance principle-based reserving and provide guidance based on experiences with establishing property/casualty principle-based reserving—*Important*

2010 AMENDED CHARGES

CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE *(Continued)*

5. Monitor national casualty actuarial developments and consider regulatory implications—*Important*
 - Casualty Actuarial Society (Statements of Principles and *Syllabus of Basic Education*)
 - American Academy of Actuaries (Standards of Practices)
 - Federal legislation
6. Provide property/casualty actuarial advice and assistance to the International Solvency (EX) Working Group, including providing commentary as needed on relevant draft reports of the International Actuarial Association and other international bodies—*Important*
7. Consider updates and changes to the *Statistical Handbook of Data Available to Insurance Regulators*—*Important*

Sponsors for 2010 Charges *(Except as noted, I support all charges)*

Thomas R. Sullivan
Connecticut

Mary Jo Hudson
Ohio

Mike Kreidler
Washington

Staff Support: Kris DeFrain

2010 AMENDED CHARGES

SURPLUS LINES (C) TASK FORCE

The mission of the Surplus Lines (C) Task Force is to monitor the surplus lines market and its operation and regulation, including the activity and financial condition of U.S. and non-U.S. surplus lines insurers by providing a forum for discussion of issues and to develop or amend model regulation.

Ongoing Support of NAIC Programs, Products, or Services:

1. Maintain the IID Plan of Operation and its requirements relating to standards for inclusion on the NAIC *Quarterly Listing of Alien Insurers* (“Quarterly Listing”) concerning capital and/or surplus funds, U.S. trust accounts and fitness of management among other criteria. This charge is ongoing and will be assumed by the **IID Plan of Operation Review Group**—*Essential*
2. Provide NAIC/IID financial staff guidance and expertise relative to regulatory policy and practices with respect to individual companies and Lloyd’s syndicates that are either listed on or seeking admission to the Quarterly Listing. This charge is ongoing and will be assumed by the **Surplus Lines Financial Analysis Working Group**. The authority of the Working Group is limited to that of an advisory body, with a goal of formulating recommendations to the Chairs of the Task Force and Property and Casualty Insurance (C) Committee for the appropriate regulatory response. Issues upon which the Surplus Lines Financial Analysis Working Group may formulate a recommendation might include, but are not limited to, approval or disapproval of applicants to the Quarterly Listing, delisting of listed insurers, changes to trust fund requirements, or placement of limitations or restrictions on a listed insurer's business activity in the United States—*Essential*
3. Perform financial analysis of surplus lines market utilizing the NAIC Financial Data Repository and other sources in order to prepare a regulator report—*Important*
4. Consider a uniform method of allocating and/or reporting surplus lines and independently procured insurance premium tax on multi-state risks and any other surplus lines issues. This charge is assumed by the **Multi-State Surplus Lines Premium Tax Working Group**—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Linda S. Hall
Alaska

James J. Donelon
Louisiana

Merle D. Scheiber
South Dakota

Staff Support: Robert Schump/David Vacca

2010 AMENDED CHARGES

TITLE INSURANCE (C) TASK FORCE

The mission of the Title Insurance (C) Task Force is to study issues related to title insurers and title insurance producers.

1. Appoint a **Title Statistical Plan Working Group** to develop a nationwide title statistical plan that would include, if feasible, title agent data. Report the results by the 2010 Summer National Meeting—*Essential*
2. Explore ways to promote effective consumer shopping for title agents and insurers without delaying real estate closing schedules. Develop best practices for the design and implementation of title cost comparison guides for consumers. Report the results by the 2010 Fall National Meeting—*Essential*
3. Modernize the regulation of title insurance through the following initiatives. Report the results by the 2010 Fall National Meeting—*Important*
 - a. Appoint a **Title Annual Statement Instructions Subgroup** to update and revise the title insurer annual and quarterly instructions to the NAIC accounting statements and to prepare a proposal for the Blanks (E) Working Group if requested by the Task Force. Assess the need for NAIC to provide statistical compilations of Title Annual Statements.
 - b. Coordinate with the Financial Condition (E) Committee to consider the development of risk-based capital requirements, early warning tools, and risk-focused financial examination guidelines for title insurers. Reconsider existing title insurance accounting standards such as quality of assets (title plants, affiliates, etc.) and reserving standards.
 - c. Evaluate the original purposes and current effectiveness of monoline title insurance laws, including their impact on the competitiveness of the title insurance market and creditors' rights.
 - d. Coordinate with the Financial Condition (E) Committee to determine the attributes of recent title company financial failures. Examine ways to mitigate the impact of title insurer insolvencies on policyholders, including whether to revive work on the *Title Insurance Guaranty Fund Model Act* and whether to promote the use of blanket lender's policies and individual owner's policies to replace policies issued by insolvent insurers.
4. Assist various regulatory bodies in combating fraudulent or unfair real estate settlement activities through the following initiatives. Coordinate with the Market Regulation and Consumer Affairs (D) Committee and report the results by the 2010 Fall National Meeting—*Important*
 - a. Continue to monitor and support member states' participation in the HUD Collaborative Enforcement Group.
 - b. Coordinate with the Antifraud (D) Task Force to determine whether to assist with efforts to combat mortgage fraud.
 - c. Consider ways to assist in mitigating title agent defalcations through the promotion of Closing Protection Letters and other remedies.
5. Determine an appropriate format for communicating the various findings of the Task Force—such as writing a white paper, crafting best practice guidelines, or revising the *Title Insurers Model Act* (#628) and *Title Insurance Agent Model Act* (#230)—by the 2010 Fall National Meeting. Begin production of a draft document in the chosen format by the 2010 Fall National Meeting—*Important*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Thomas R. Sullivan
Connecticut

Michael T. McRaith
Illinois

James J. Donelon
Louisiana

Staff Support: Joe Bieniek\Aaron Brandenburg

2010 AMENDED CHARGES

WORKERS' COMPENSATION (C) TASK FORCE

The mission of the Workers' Compensation (C) Task Force is to study the nature and effectiveness of state approaches to workers' compensation and related issues, including but not limited to, assigned risk plans, safety in the workplace, treatment of investment income in rating, occupational disease, cost containment, and the relevance of adopted NAIC model laws pertaining to workers' compensation.

Ongoing Support of NAIC Programs, Products, or Services:

1. Discuss issues arising with respect to advisory organization and insurer filings for workers' compensation—*Essential*
2. Appoint a **Large Deductible Study Implementation Working Group** to ensure that the NAIC charges presented in the Findings and Recommendations of the NAIC *Workers' Compensation Large Deductible Study* are properly completed. The Working Group is to report the results of their ongoing charge at each national meeting—*Important*
3. Appoint a **NAIC/IAIABC Joint Working Group** as it studies issues of mutual concern to insurance regulators and workers' compensation administrators. Review relevant model laws and papers and consider possible charges in light of the joint working group recommendations. The Working Group is to report the results of their ongoing charge at each national meeting—*Important*
4. Appoint a **Professional Employer Organization Model Law Working Group** to complete development of a paper to be of assistance to states in the implementation of the NAIC *Guidelines for Regulations and Legislation on Workers' Compensation Coverage for Professional Employer Organization Arrangements* (#1950); to coordinate with other NAIC groups on issues relating to professional employer organizations; and to follow changes in the professional employer organization marketplace. The Working Group is to report the results of their ongoing charge at each national meeting—*Important*

New Objectives and Goals (*representing new NAIC programs, services, or initiatives*):

1. Appoint a **Model Law Review Working Group** to review older workers' compensation model laws and regulations for relevance, in accordance with NAIC Standards for Model Law Review. Make recommendations regarding whether the particular model law or regulation should be deleted, amended or kept in its current form. The Working Group is to report the results of their ongoing charge at each national meeting—*Deferrable*
2. Provide assistance to participating states in conducting a 2010 multi-state examination of the National Council on Compensation Insurance—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Kevin M. McCarty
Florida

William W. Deal
Idaho

Kim Holland
Oklahoma

Merle D. Scheiber
South Dakota

Staff Support: Robert H. Card

2010 AMENDED CHARGES

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE

The mission of the Market Regulation and Consumer Affairs (D) Committee is to monitor all aspects of the market regulatory process for continuous improvement. This includes market analysis, regulatory interventions with companies, and multi-jurisdictional collaboration. The Committee will also review and make recommendations regarding the underwriting and market practices of insurers and producers as those practices affect insurance consumers, including availability and affordability of insurance.

Ongoing Support of NAIC Programs, Products, or Services:

1. Provide policy recommendations regarding centralized collection and storage of market conduct data, national analysis and reporting at the NAIC, and monitor implementation, with a specific focus on confidentiality and public availability of data—*Essential*
2. Appoint a **Market Actions Working Group** of 13 individuals to facilitate interstate communication and coordinate collaborative state regulatory actions—*Essential*
3. Appoint a **Market Conduct Examination Standards Working Group** to develop market conduct examination standards—*Essential*
4. Appoint a **Consumer Connections Working Group** to: 1) provide a forum for dialogue among the state consumer service representatives to share best practices and enhance consumer advocacy efforts; 2) provide a forum for dialogue among state consumer service representatives, consumer groups, regulators, and industry regarding current marketplace issues; 3) advance recommendations to the D Committee for further interaction with appropriate technical working groups and receive tasks as assigned by the D Committee—*Essential*
5. Monitor activities of the Antifraud (D) Task Force—*Essential*
6. Monitor the underwriting and market practices of insurers and producers, and conditions of insurance marketplaces, including urban markets, to identify specific market conduct issues of importance and concern and hold a public hearing on these issues at the NAIC National Meetings, as appropriate—*Important*
7. In collaboration with other technical working groups, discuss and share best practices through public forums to address broad consumer concerns regarding personal insurance products—*Essential*

New Objectives and Goals (*representing new NAIC programs, services, or initiatives*):

2. Monitor the activities of the Market Information Systems (D) Task Force—*Essential*
3. Assess the current process for multi-jurisdictional activities, including how to increase the emphasis on market analysis over examinations and the scope of domestic state responsibility—*Essential*
3. Coordinate with the International Insurance Relations (EX) Leadership Group to develop input and comments to the International Association of Insurance Supervisors (IAIS) or other related groups on issues regarding market regulation concepts—*Important*
4. Appoint a **Consumer Disclosures Working Group** to: 1) Develop a work product outlining best practices and guidelines for use by state insurance regulators in developing information disclosures for insurance consumers. The product would include a discussion of situations in which consumer disclosures are appropriate and can reasonably be expected to address a market problem and/or empower consumers. The best practices and guidelines would address effective ways to create and deliver information disclosures and would be applicable across product lines; and 2) Provide general information regarding the background and

2010 AMENDED CHARGES

intent of the Final Model Privacy Form (Privacy Form) developed by eight federal agencies pursuant to the Regulatory Relief Act of 2006. Determine the most efficient and legally feasible way for insurers to use the Privacy Form so that they will be deemed in compliance with the state privacy notice requirements, and obtain a safe harbor as to compliance with state requirements that is consistent with the federal safe harbor. Determine whether insurers should continue to obtain any safe harbor a state currently grants to insurance companies for use of the sample clauses in Appendix A of the NAIC *Privacy of Consumer Financial and Health Information Regulation* (#672) and, if so, the most efficient and legally feasible way to accomplish this—*Essential*

5. Appoint a **Complaint Issues Working Group** to: 1) develop and implement a complaint coding reconciliation process; and 2) provide direction regarding state implementation of the revised coding scheme for the NAIC Complaints Database System (CDS)—*Essential*
6. The Executive (EX) Committee directs the Life Insurance and Annuities (A) Committee and the Market Regulation and Consumer Affairs (D) Committee to establish a joint working group to review the use of Retained Asset Accounts (RAAs) by insurance companies and make recommendations as may be necessary, including whether there is appropriate consumer disclosure (*Charge adopted at the 2010 Summer National Meeting during the Jt. Executive (EX) Committee/Plenary meeting of August 17*)—*Essential*

Sponsors for 2010 Charges
(*Except as noted, I support all charges*)

Ralph S. Tyler, III
Maryland

Neil N. Jasey
New Jersey

Kim Holland
Oklahoma

Staff Support: Timothy B. Mullen/Craig L. Leonard

2010 AMENDED CHARGES

ANTIFRAUD (D) TASK FORCE

The mission of the Antifraud (D) Task Force is to serve the public interest by assisting the state insurance supervisory officials, individually and collectively to promote the public interest through the detection, monitoring and appropriate referral for investigation of insurance crime, both by and against consumers. The Task Force will assist the insurance regulatory community through the maintenance and improvement of electronic databases regarding fraudulent insurance activities. Disseminate the results of research and analysis of insurance fraud trends as well as case-specific analysis to the insurance regulatory community. Provide a liaison function between insurance regulators, federal, state, local, and international law enforcement and other specific antifraud organizations. Coordinate between state and federal regulators regarding the USA PATRIOT Act anti-money laundering amendments to the Bank Secrecy Act. The Task Force will also serve as a liaison with the NAIC Information Systems Division and other NAIC committees to develop technological solutions for data collection, and information sharing. The Task Force will monitor all aspects of antifraud activities by its working groups and subgroups on the following charges.

Ongoing Support of NAIC Programs, Products, or Services:

1. Appoint the **Antifraud Training and Seminar Working Group** to evaluate alternative training sessions and online courses regarding insurance fraud issues of importance for insurance regulators, the industry and interested parties; develop and present the Advanced Antifraud Seminar; develop the agenda for the 2011 Basic Insurance Fraud Investigation Training for Regulators; and develop educational course targeting investigations of enforcement actions—*Essential*
2. Appoint the **Information Sharing and Technology Working Group** to evaluate sources of antifraud data and propose methods for enhancing the utilization and exchange of information among insurance regulators, fraud investigative divisions, law enforcement officials, insurers and antifraud organizations; recommend secure systems for the dissemination of confidential information between insurance fraud agencies; and develop or address any other projects related to technology or information-sharing that develop over the following year—*Essential*
3. Appoint the **Antifraud Liaison Working Group** to explore alternatives to enhance relationships with the industry's special investigation units (SIUs), external private sector antifraud entities and antifraud organizations; update the *Survey on State Insurance Department Antifraud Resources Report*; develop an antifraud plan guideline; review participation in or provide support for "National Insurance Fraud Prevention Week/Day" or similar project supported by outside organizations; provide advisory role to the Coalition Against Insurance Fraud (CAIF), International Association of Special Investigation Units (IASIU), National Insurance Crime Bureau (NICB), National Healthcare Antifraud Association (NHCAA) and other antifraud associations as necessary or requested; and track national insurance fraud trends and provide information—*Essential*
4. Appoint the **Federal and International Enforcement Coordination Working Group** to coordinate with state, federal and international law enforcement agencies in addressing antifraud issues relating to the insurance industry; support insurance regulator efforts to gain access to the FBI Fingerprint Identification Record System/Criminal History Record Identification System; monitor and recommend appropriate guidance on state issues arising from the application of 18 U.S.C. 1033, 1034; complete revision of existing 18 USC 1033, 1034 guidelines; and develop recommendations to increase mandatory coordination between federal government and state insurance regulators regarding health care fraud and abuse program—*Essential*

2010 AMENDED CHARGES

ANTIFRAUD (D) TASK FORCE *(Continued)*

5. Appoint the **Agent and Unlawful Activities Working Group** to develop methods to enhance the investigation and prosecution of agent fraud; identify and develop recommendation for coordination and cooperation between state insurance department and law enforcement authorities on insider insurance fraud; develop recommendations to enhance and increase mutual data-sharing between state insurance regulators and the U.S. Centers for Medicare and Medicaid Services (CMS); develop recommendations to increase collaboration regarding fraud investigations with CMS; and in conjunction with the Antifraud Training and Seminar Working Group, develop educational programs regarding investigations in enforcement actions—*Essential*
6. Appoint the **Securities Enforcement Coordination Working Group** to develop an education and training seminar in cooperation with representatives from securities regulation; and identify and develop recommendations for cooperation and communication between insurance and securities regulators—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Susan E. Voss
Iowa

Sandy Praeger
Kansas

Kim Holland
Oklahoma

Staff Support: Keri Kish

2010 AMENDED CHARGES

MARKET INFORMATION SYSTEMS (D) TASK FORCE

The mission of the Market Information Systems (D) Task Force is to provide business expertise regarding the desired functionality of the NAIC Market Information Systems and the prioritization of regulatory requests for the development and enhancements to the NAIC Market Information Systems.

New Objectives and Goals (*representing new NAIC programs, services, or initiatives*):

1. Assess the efficacy of existing NAIC Market Information Systems with respect to the primary objectives of market regulation and make recommendations for ways the data systems can be enhanced, consolidated, or eliminated. Market Information Systems include: 1) Market Analysis Prioritization Tool (MAPT); 2) Market Analysis Review System (MARS); Complaint Database System (CDS); Examination Tracking System (ETS); Regulatory Information Retrieval System (RIRS); and market Initiatives Tracking System (MITS)—*Essential*
2. Appoint a **Market Analysis Procedures Working Group** to: 1) define scope of a “formal and rigorous market analysis program”; 2) evaluate established market analysis procedures and make recommendations for enhancement and/or improvement; 3) determine the minimum required skills necessary for market analysis professionals and make recommendations regarding essential education; 4) develop, prioritize and coordinate data collection and analysis techniques including recommendations regarding the expansion of the data elements for Market Conduct Annual Statement; and 5) develop analysis techniques to ensure that (a) states expand their focus on company-specific issues to general market problems, (b) market analysis is completed at the company and group level, and (c) market analysis is completed on a state, regional and national basis—*Essential*
3. Develop data reporting standards and data editing protocols to ensure consistent collection and storage of market regulation data that are accurate, complete, and conform to all NAIC standards—*Essential*
4. Serve as the business partner to receive reports from the internal NAIC Advisory Committee overseeing the development of a system for the automation and collection of the Market Conduct Annual Statement and provide direction to the Advisory Committee to ensure business objectives are being met—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Ralph S. Tyler, III
Maryland

John M. Huff
Missouri

Neil N. Jasey
New Jersey

Kim Holland
Oklahoma

Staff Support: Timothy B. Mullen/Craig L. Leonard

2010 AMENDED CHARGES

FINANCIAL CONDITION (E) COMMITTEE

The mission of the Financial Condition (E) Committee is to be the central forum and coordinator of solvency-related considerations of the NAIC relating to accounting practices and procedures, blanks, valuation of securities, the Insurance Regulatory Information System (IRIS), financial analysis and solvency, zone examinations and examiner training, and issues concerning insurer insolvencies and insolvency guarantees. In addition, the Committee interacts with the technical task forces.

Ongoing Maintenance of NAIC Programs, Products or Services

1. The Financial Condition (E) Committee will monitor all of the changes to the *Annual/Quarterly Statement Instructions*, risk-based capital formulas, *Financial Condition Examiners Handbook*, *Accounting Practices and Procedures Manual*, *Financial Analysis Handbook*, *Purposes and Procedures Manual of the NAIC Securities Valuation Office*, NAIC model laws, NAIC accreditation standards and other NAIC publications. This charge is ongoing—*Essential*

2. The **Capital and Surplus Relief Working Group** will consider an implementation schedule for the Working Group recommendations—*Important*

As assigned, consider any process changes or other related issues brought to light when developing the Capital and Surplus Relief Working Group recommendations—*Important*

3. The **Credit Default Swap Working Group** will assist the membership with any policy issues related to credit default swaps, if a holistic approach is not taken by the U.S. Congress to address the issues previously identified by the NAIC—*Essential*

Consider, as necessary, the recommended courses of action suggested by the technical committees in addressing the potential areas where financial regulation can be fortified; assist with summarizing this information to the membership on a periodic basis—*Important*

4. The **Financial Analysis Working Group** will analyze nationally significant insurers and groups that exhibit characteristics of trending toward or being financially troubled; determine if appropriate action is being taken—*Essential*

Interact with domiciliary regulators and lead states to assist and advise as to what might be the most appropriate regulatory strategies, methods and action(s)—*Essential*

Support, encourage, promote, and coordinate multi-state efforts in addressing solvency problems, including identifying adverse industry trends—*Essential*

Review and make appropriate updates and enhancements to the *Troubled Insurance Company Handbook*—*Essential*

Upon notice a security has been placed under regulatory review, the Chair of Financial Analysis Working Group, or his or her representative, will be deemed a member of the Invested Asset Working Group of the Valuation of Securities Task Force. The Chair, or his or her representative, is charged with contributing the perspective and expertise of the regulatory group to the development of NAIC regulatory guidance for the security under review—*Essential*

2010 AMENDED CHARGES

FINANCIAL CONDITION (E) COMMITTEE *(Continued)*

5. The **Financial Guaranty Insurance Guideline Working Group** will, after action is taken by the New York State Insurance Department or other states, consider the need to modify the *Financial Guaranty Insurance Guideline* (#1626)—*Essential*

Provide a recommendation to the Committee on what, if any, changes should be made to this NAIC guideline—*Essential*

6. The **Investment of Insurers Model Act Revisions Working Group** will study the need to modify the *Investments of Insurers Model Act* (#280 and #283) by gathering input from all states regarding the use of the existing models and their effectiveness in addressing the issues that exist within insurers' portfolios, particularly during this most recent economic downturn. At the conclusion of such study, provide a recommendation to the Committee, including a request for model law development/change, if the recommendation is for the NAIC to devote its resources to such an effort—*Essential*

7. The **NAIC/AICPA Working Group** will continually review the *Annual Financial Reporting Model Regulation* (#205) and its corresponding implementation guide; revise as appropriate—*Essential*

Address financial solvency issues by working with the AICPA and responding to the AICPA exposure drafts. This charge is ongoing—*Essential*

Monitor the federal Sarbanes-Oxley Act, as well as rules and regulations promulgated by the U.S. Securities and Exchange Commission, the Public Company Accounting Oversight Board, and other financial services regulatory entities—*Essential*

Review annually the premium threshold amount included in Section 16 of the *Annual Financial Reporting Model Regulation* (#205) with the general intent that those insurers subject to the Section 16 requirements would capture at least approximately 90% of industry premium and/or in response to any future regulatory or market developments—*Essential*

8. The **National Treatment and Coordination Working Group** will increase utilization and implementation of the *Company Licensing Best Practices Handbook* by regulators—*Essential*

Continue to reduce state-specific requirements, including the need for hardcopies, for the forms and supplemental information involved in Uniform Certificate of Authority Application (UCAA) and to streamline the application process—*Essential*

Continue to enhance all electronic tools relating to UCAA to increase user-friendliness, accuracy and utility, and to increase its usage by the industry and regulators—*Essential*

Address the future work items identified in the completion of the *Company Licensing Best Practices Handbook* project. In collaboration with the Speed to Market (EX) Task Force, encourage synergies between corporate changes/amendments and rate and form filing review and approval to improve efficiency—*Important*

9. The **Rating Agency Working Group** will conduct a comprehensive evaluation of the reliance on nationally recognized statistical rating organization (NRSRO) ratings by the NAIC, the insurance industry and the insurance marketplace. The Working Group will assess and gather information on: (a) the problems inherent

2010 AMENDED CHARGES

FINANCIAL CONDITION (E) COMMITTEE *(Continued)*

in reliance on ratings, including the filing exempt process and RBC; (b) the reasons for recent rating shortcomings, including, but not limited to, structured security and municipal ratings; (c) the current and potential future impact of ratings on state insurance financial solvency regulation; and (d) the effect of the use of NRSRO ratings on public confidence and public perception of the quality of insurance regulatory oversight. The Working Group will draft and present a final report documenting the findings and any recommendations for corrective action available to the NAIC and its members, as well as possible regulatory recommendations to the federal government—*Important*

10. The **Restructuring Mechanisms for Troubled Companies Subgroup** will undertake a study of solvent schemes of arrangement (solvent run-offs) and Part VII portfolio transfers (a transfer leaving no recourse to original contractual obligor/insurer) and any other similar alternative mechanisms to handle troubled insurers (other than receivership proceedings) to gain an understanding of (a) how these mechanisms are utilized and implemented; (b) the potential affect on claims of domestic companies, including the consideration of preferential treatment within current laws; (c) how alien insurers (including off-shore reinsurers) who have utilized these mechanisms might affect the solvency of domestic companies; and (d) best practices for state insurance departments to consider if utilizing similar mechanisms in the United States and/or interacting with aliens who have implemented these mechanisms—*Important*

New Objectives and Goals (representing new NAIC programs and initiatives)

11. The **Separate Accounting Risk Charge Working Group** will study the need to develop new regulatory guidance requiring the establishment of risk charges for the risk assumed by the general account in support of individual separate account products guaranteed by the general account. At the conclusion of such study, provide a recommendation to the Financial Condition (E) Committee, including a request for Model Law Development/Change if the recommendation is for the NAIC to devote its resources to such an effort—*Important*
12. The Executive (EX) Committee directs the Financial Condition (E) Committee to explore the need for enhanced financial reporting by insurance companies to collect information on Retained Asset Accounts (RAAs) including information on the extent of use and length of time the accounts remain open. *(Charge adopted at the 2010 Summer National Meeting during the Jt. Executive (EX) Committee/Plenary meeting of August 17)—Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Susan E. Voss
Iowa

Joseph Torti, III
Rhode Island

Alfred W. Gross
Virginia

Staff Support: Todd Sells/Dan Daveline

2010 AMENDED CHARGES

ACCOUNTING PRACTICES AND PROCEDURES (E) TASK FORCE

The mission of the Accounting Practices and Procedures (E) Task Force is to identify, investigate and develop solutions to accounting problems with the ultimate goal of guiding insurers in properly accounting for various aspects of their operations and to modify the *Accounting Practices and Procedures Manual* to reflect changes necessitated by task force action and to study innovative insurer accounting practices which affect the ability of regulators to determine the true financial condition of insurers.

Ongoing Support of NAIC Programs, Products, or Services:

1. Appoint the **Emerging Accounting Issues Working Group** to provide authoritative guidance on current statutory accounting issues, generally relating to application, interpretation, and clarification of existing statutory accounting principles, by conducting meetings at NAIC national meeting sites when necessary. Evaluate individual statutory accounting issues based on its established two-meeting timeline and report its findings to the Accounting Practices and Procedures Task Force—*Essential*
2. Appoint the **Statutory Accounting Working Group** to maintain codified statutory accounting principles by providing periodic updates to the guidance that address new statutory issues and new GAAP pronouncements as they develop—*Essential*

At the discretion of the Chair, comment on exposed GAAP pronouncements affecting financial accounting and reporting. Report its findings relative to these developing issues to the Task Force—*Essential*

Accumulate and summarize information from regulators, the industry, auditors and others, on implementation issues related to transitioning to International Financial Reporting Standards (IFRS) for statutory reporting, as well as some of the more significant issues that would need to be considered in implementing such a change—*Important*

Upon notice a security has been placed under regulatory review, the Chair of Statutory Accounting Principles (E) Working Group, or his or her representative, will be deemed a member of the Invested Asset (E) Working Group of the Valuation of Securities (E) Task Force. The Chair, or his or her representative, is charged with contributing the perspective and expertise of the regulatory group to the development of NAIC regulatory guidance for the security under review—*Essential*

3. Appoint the **Blanks Working Group** to consider improvements and revisions to the various annual/quarterly statement blanks and to conform these blanks to changes made in other areas of the NAIC to promote uniformity in reporting of financial information by insurers; to develop reporting formats for other entities subject to the jurisdiction of state insurance departments; to conform the various NAIC blanks and instructions to adopted NAIC policy; and to oversee the development of additional reporting formats within the existing annual statements as needs are identified—*Essential*

Continue to monitor state filing checklists to maintain current filing requirements—*Essential*

Continue to monitor the quality of financial data filed by insurance companies and recommend improved or additional languages for the *Annual Statement Instructions* to improve the quality of these filings—*Essential*

Continue to monitor and review all proposals necessary for the implementation of statutory accounting guidance to ensure proper implementation of any action taken by the Task Force affecting annual statements and/or instructions—*Essential*

2010 AMENDED CHARGES

ACCOUNTING PRACTICES AND PROCEDURES (E) TASK FORCE *(Continued)*

Continue to coordinate with other task forces of the NAIC to ensure proper implementation of reporting and instructions changes as proposed by these task forces—*Essential*

Upon notice that a security has been placed under regulatory review, the Chair of the Blanks (E) Working Group, or his or her representative, will be deemed a member of the Invested Asset Working Group of the Valuation of Securities (E) Task Force. The Chair, or his or her representative, is charged with contributing the perspective and expertise of the regulatory group to the development of NAIC regulatory guidance for the security under review—*Essential*

4. The **Property and Casualty Reinsurance Study Group** will evaluate, on an ongoing basis, all issues and questions related to the accounting for or annual statement reporting of reinsurance transactions that might affect SSAP No. 62, SSAP No. 75 or other portions of the *Accounting Practices and Procedures Manual*, and make appropriate recommendations to the Task Force—*Essential*

Monitor, on an ongoing basis, the development of “alternative risk transfer mechanisms” and consider whether broader annual statement disclosure might be appropriate—*Essential*

Sponsors for 2010 Charges *(Except as noted, I support all charges)*

Ann Frohman
Nebraska

Roger A. Sevigny
New Hampshire

Joseph Torti, III
Rhode Island

Kent Michie
Utah

Mike Kreidler
Washington

Staff Support: Robin Marcotte/Dan Daveline

2010 AMENDED 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. Evaluate refinements to the existing NAIC risk-based capital formulas implemented in 2009. Forward final version of the structure of the 2010 life, property and casualty, and health risk-based capital (RBC) formulas to Financial Condition (E) Committee by June 2010—*Essential*
2. Consider proposals for structural changes to the RBC formulas (including proposals related to a principle-based RBC approach) submitted by the working groups/subgroups. Proposed structural changes to the 2011 formulas received by the 2010 Fall National Meeting will be considered for adoption by the Task Force, and adopted changes will be forwarded to the Committee by March 2011—*Essential*
3. 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 between the RBC formulas. Report on data quality problems in the 2009 RBC filings at the summer and fall national meetings—*Essential*
4. Monitor changes in accounting and reporting requirements resulting from the adoption and continuing maintenance of the revised *Accounting Practices and Procedures Manual* to ensure model laws, publications, formulas, analysis tools, etc., supported by the Task Force continue to meet regulatory objectives—*Essential*
5. Evaluate emerging "risk" issues for referral to the risk-based capital 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—*Essential*
6. Conduct a regulatory review of the 2007, 2008, and 2009 RBC filings and associated company records in order to assess the impact resulting from implementation of the principle-based changes to the life RBC formula. Monitor implementation and impact of the adopted changes, as well as provide responses to the Principles-Based Reserving (EX) Working Group, regarding how the proposed expansion to the principle-based approach affects all of the RBC formulas. Also develop and review disclosure-documentation and governance protocols to be used by regulators and companies—*Essential*
7. Upon notice that a security has been placed under regulatory review, the Chair of the Task Force, or his or her representative, will be deemed a member of the Invested Asset Working Group of the Valuation of Securities (E) Task Force. The Chair, or his or her representative, is charged with contributing the perspective and expertise of the regulatory group to the development of NAIC regulatory guidance for the security under review— *Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Gennet Purcell
District of Columbia

James J. Wrynn
New York

Alfred W. Gross
Virginia

Staff Support: Dan Swanson

2010 AMENDED CHARGES

EXAMINATION OVERSIGHT (E) TASK FORCE

The mission of the Examination Oversight (E) Task Force is to monitor all aspects of the financial examination process and to identify, investigate, and develop solutions to problems related to financial examinations; to monitor and refine the IRIS ratios and the Financial Analysis Solvency Tools, including Company Profiles, FAST ratio scoring system, and the *Financial Analysis Handbook*; to oversee the Analyst Team Project; to review details of examination surveillance process; to monitor the development of tests for determining when a financial examination of an insurer is necessary; to establish procedures for flow of information between states on troubled companies; to enhance the quality and timeliness of financial examinations and monitor additions to the *Financial Condition Examiners Handbook* covering this area; and to monitor the examination schedules in various states and assist the states in developing methods to maintain current schedules.

Ongoing Support of NAIC Programs, Products, or Services:

1. Provide ongoing maintenance and enhancements to the Form A Database, monitor the usage and encourage state participation—*Essential*
2. Provide input and comments to the International Association of Insurance Supervisors (IAIS) or other related groups on issues regarding international risk-management concepts; coordinate such comments with the International Solvency (EX) Working Group—*Important*
3. Recommend salary rate adjustments for examiners—*Essential*
4. Provide ongoing maintenance and enhancements to the NAIC Lead State Summary Report tool and encourage coordination with solvency matters—*Essential*
5. Appoint the **Analyst Team System Oversight Working Group** to monitor the work performed by the Analyst Team and the progress of any changes made to the Analyst Team Project—*Essential*
6. Appoint the **Financial Analysis Research and Development Working Group** to provide ongoing maintenance and enhancements to the automated financial solvency tools developed to assist in monitoring the financial condition of insurance companies. Prioritize analysis and examination efforts to ensure the tools remain reliable and accurate—*Essential*

Review current financial analysis solvency tools for life insurance companies for consideration of risk with reserve liabilities as affected by principles-based reserving standards; make appropriate enhancements as necessary—*Important*

7. The **Financial Analysis Handbook Working Group** will provide ongoing maintenance and enhancements to the NAIC *Financial Analysis Handbook* and related applications for changes to the NAIC annual/quarterly statement blanks, as well as coordinate and analyze input received from other state regulators—*Essential*

Continue incorporating the assessment of risk and risk management into the financial analysis oversight role—*Essential*

Review current guidance in the NAIC *Financial Analysis Handbook* regarding the analysis of reserve liabilities for life insurance companies and make appropriate revisions based on the finalized principles-based reserving standards—*Important*

Develop enhancements to the financial analysis process that encourage coordination of analysis activities between states with regard to holding company groups—*Essential*

2010 AMENDED CHARGES

EXAMINATION OVERSIGHT (E) TASK FORCE *(Continued)*

8. The **Financial Examiners Coordination Working Group** will develop enhancements to the financial examination process that encourage coordination of examination activities with regard to holding company groups—*Essential*

Provide ongoing maintenance and enhancements to the Examination Tracking System (ETS). The Working Group also will provide reports to the Task Force regarding usage of ETS, including examination and coordination statistics—*Essential*

9. The **Financial Examiners Handbook Technical Group** will continue incorporating the assessment of risk and risk management into the financial solvency oversight role—*Essential*

Continually review the NAIC *Financial Condition Examiners Handbook* and revise, as appropriate—*Essential*

Review annually the examination procedures included within the NAIC *Financial Condition Examiners Handbook* for updates in response to revisions to the NAIC *Accounting Practices and Procedures Manual*—*Essential*

Continually review the *Annual Financial Reporting Model Regulation* (#205) and revise the NAIC *Financial Condition Examiners Handbook*, as appropriate—*Essential*

Monitor the implementation of the revised risk-assessment process by receiving feedback, conducting training courses and performing ongoing maintenance—as well as developing additional guidance and exhibits within the NAIC *Financial Condition Examiners Handbook* as needed to assist examiners in completing financial condition examinations—*Important*

Review current guidance in the NAIC *Financial Condition Examiners Handbook* regarding the examination of reserve liabilities for life insurance companies and recommend appropriate revisions based on the finalized principles-based reserving standards—*Important*

10. Appoint the **IT Examination Working Group** to monitor state usage of automated examination tools (ACL and TeamMate), technology changes and emerging issues in order to re-evaluate examination processes and keep states abreast of the latest tools, techniques and training—*Essential*

Enhance current training opportunities for auditing tools and techniques: IT Examination, Introductory ACL, Advanced ACL and TeamMate. Continue offering on-site training programs that are available to states upon request—*Essential*

Continually review and revise, as needed, the “Examination of Computer-Based Operations” and “Exhibit C—Evaluation of Controls in Information Systems” sections of the NAIC *Financial Condition Examiners Handbook*—*Essential*

Develop and maintain tools that will be part of a more complete IT examination process—*Important*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Susan E. Voss
Iowa

Ken Ross
Michigan

Mary Jo Hudson
Ohio

Staff Support: Bruce Jenson/David Vacca

2010 AMENDED CHARGES

RECEIVERSHIP AND INSOLVENCY (E) TASK FORCE

The mission of the Receivership and Insolvency (E) Task Force shall be administrative and substantive as they relate to issues concerning insurer insolvencies and insolvency guarantees. Such duties include, without limitation, monitoring the effectiveness and performance of state administration of receiverships and the state guaranty fund system; coordinating cooperation and communication among regulators, receivers and guaranty funds; monitoring ongoing receiverships and reporting on such receiverships to NAIC members; developing and providing educational and training programs in the area of insurer insolvencies and insolvency guarantees to regulators, professionals and consumers; developing and monitoring relevant model laws, guidelines and products; and providing resources for regulators and professionals to promote efficient operations of receiverships and guaranty funds.

Ongoing Support of NAIC Programs, Products, or Services:

1. Monitor progress of *Insurer Receivership Model Act* (#555); *Property and Casualty Guaranty Association Model Act* (#540); *Life and Health Insurance Guaranty Association Model Act* (#520); adoption by the states (and/or components of the model); provide assistance with the model as requested; and perform additional work as directed by the Financial Condition (E) Committee—*Essential*
2. Promote receivership best practices through: (a) technical assistance with NAIC training programs, accreditation standards and the judicial training project; (b) updates to the *Receivers Handbook for Insurance Company Insolvencies* and the uniform data standards, when needed; (c) maintenance and enhancement of existing receivership technology applications, including the Global Receivership Information Database (GRID) and ClaimNet; and (d) coordination with stakeholders—*Essential*
3. Identify and recommend possible solutions to address timing and collection concerns with reinsurance recoverables held by insurers in receivership—*Essential*

Sponsors for 2009 Charges (Except as noted, I support all charges)

Karen Weldin Stewart
Delaware

Susan E. Voss
Iowa

Mike Geeslin
Texas

Staff Support: David Vacca

2010 AMENDED CHARGES

REINSURANCE (E) TASK FORCE

The mission of the Reinsurance (E) Task Force is to monitor and coordinate activities and areas of interest, which overlap to some extent the charges of other working groups, specifically the International Insurance Relations (G) Committee.

Ongoing Support of NAIC Programs, Products, or Services:

1. Monitor and coordinate activities and areas of interest that overlap to some extent with the charges of other NAIC groups, specifically the International Insurance Relations (G) Committee—*Essential*
2. Provide a forum for the consideration of reinsurance-related issues of public policy—*Essential*
3. Promote and facilitate the implementation of the adopted reinsurance regulatory modernization framework—*Essential*
4. Monitor the activities of the Property and Casualty Reinsurance (E) Study Group for matters that should be considered by the Task Force—*Important*
5. Monitor the development of international reinsurance standards—*Important*

Sponsors for 2010 Charges *(Except as noted, I support all charges)*

Christina Urias
Arizona

John Huff
Missouri

Scott H. Richardson
South Carolina

Staff Support: Rob Esson

2010 AMENDED CHARGES

RISK RETENTION GROUP (E) TASK FORCE

The mission of the Risk Retention Group (E) Task Force is as follows:

1. Monitor and evaluate the work of other NAIC committees, task forces and working groups related to risk-retention groups and other types of captive insurers. Specifically, if any of these changes affect the NAIC Financial Regulation and Accreditation Standards program, assess whether and/or how the changes should apply to risk-retention groups—*Important*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Susan E. Voss
Iowa

Joseph Torti, III
Rhode Island

Alfred W. Gross
Virginia

Staff Support: Julie L. Glaszczak

2010 AMENDED CHARGES

VALUATION OF SECURITIES (E) TASK FORCE

The mission of the Valuation of Securities (E) Task Force is to provide regulatory leadership and expertise on investment risk. The Task Force formulates policy recommendations and administrative instructions to regulate investments and investment risk. The Task Force also formulates NAIC policy that governs how analytical tools—for example, credit assessment, valuation and classification of insurer-owned securities—is employed and how analytical insight into investment risk is applied for regulation. The Task Force is supported by the NAIC Securities Valuation Office, which functions in accordance with instructions adopted by the Task Force and contained in the *Purposes and Procedures Manual of the NAIC Securities Valuation Office* (the *Purposes and Procedures Manual*).

Ongoing Support of NAIC Programs, Products, or Services:

1. Consider and determine proposals to amend the *Purposes and Procedures Manual—Essential*
2. Provide interpretations of the instructions contained in the *Purposes and Procedures Manual*, as the Task Force deems necessary and appropriate—*Essential*
3. Provide assistance to state insurance regulators on issues involving investments made by the insurance industry—*Essential*
4. Review insurers' existing and/or anticipated investments and determine the appropriate credit assessment, valuation or other procedures that should be applied in such analysis. Coordinate the process by which statutory accounting, annual statement instructions, blanks reporting, asset and interest maintenance reserving, risk-based capital and other applicable guidance is formulated—*Essential*
5. As necessary, consider improvements to the process by which risks in invested assets are evaluated, communicated and monitored, and how the annual statement investment schedules could be made to better reflect risks embedded in securities—*Essential*
6. Monitor changes in accounting and reporting requirements resulting from continuing maintenance of the *Accounting Practices and Procedures Manual* to ensure that the *Purposes and Procedures Manual* continues to reflect regulatory objectives—*Essential*
7. Review and monitor ongoing operations of the Securities Valuation Office. From time to time, the Task Force may review any instruction, procedure or methodology in the *Purposes and Procedures Manual* to ensure it continues to reflect regulatory objectives. In this review and monitoring function, the Task Force shall coordinate administrative issues with the Internal Administration (EX1) Subcommittee and other issues with the appropriate NAIC committee—*Essential*
8. Develop, adopt, monitor and revise, as necessary, an annual agenda for the SVO Research Unit—*Essential*
9. Conclude the study begun in 2006 of the derivatives marketplace, to determine whether any changes to the current regulatory regime is appropriate—*Essential*
10. From time to time, the Task Force may determine that the technical nature of some matter before it would be best advanced by convening the Invested Asset Working Group and transferring to it a specific regulatory assignment or assignments. The assignment or assignments thus transferred to the Invested Asset Working Group by the Valuation of Securities Task Force shall be within that charge of the Task Force related to development of a regulatory framework for new or evolving investments or the consideration of refinements for an exiting regulatory framework applicable to an existing class of securities. The phrase “regulatory

2010 AMENDED CHARGES

VALUATION OF SECURITIES (E) TASK FORCE *(Continued)*

framework” refers collectively to and means the following regulatory mechanisms or processes: statutory accounting guidance; annual statement instructions; blanks reporting instructions; asset valuation reserves; interest maintenance reserves; risk-based capital charges; valuation procedures for invested assets; credit assessment procedures for invested assets; or any other aspect of the NAIC financial solvency framework within the scope of the charge of the Task Force. The Invested Asset Working Group is charged with the review of matters in the priority established by the Task Force—*Essential*

The **Invested Asset Working Group** is charged with considering improvements to the process by which risks in new invested assets are evaluated, communicated and monitored, and how the annual statement investment schedules could be made more transparent to better reflect non-credit risks, such as various structural risks embedded in new and existing securities—*Essential*

Sponsors for 2010 Charges *(Except as noted, I support all charges)*

Thomas R. Sullivan
Connecticut

Alfred W. Gross
Virginia

James J. Wrynn
New York

Staff Support: Chris Evangel/Robert Carcano/Richard P. Newman

2010 AMENDED CHARGES

FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE

The mission of the Financial Regulation Standards and Accreditation (F) Committee shall be both administrative and substantive as they relate to administration and enforcement of the NAIC Accreditation Program, including without limitation, consideration of standards and revisions of standards for accreditation; interpretation of standards; evaluating and interpretation of states' laws and regulations, and departments' practices, procedures and organizations as they relate to compliance with standards; examining of members for compliance with standards; developing and overseeing procedures for examining members for compliance with standards; selecting qualified individuals to examine members for compliance with standards; and making decisions regarding whether to accredit members.

Ongoing Support of NAIC Programs, Products, or Services:

1. Maintain and strengthen the Financial Regulation Standards and Accreditation Program—*Essential*
2. Assist states, as requested and as appropriate, in implementing laws, practices and procedures, and obtaining personnel required for compliance with the standards—*Essential*
3. Conduct a yearly review of accredited states—*Essential*
4. Consider new model laws; new practices and procedures and amendments to existing model laws; and practices and procedures required for accreditation and determine timing and appropriateness of addition of such new model laws, new practices and procedures and amendments—*Essential*
5. Render advisory opinions and interpretations of model laws required for accreditation and on substantial similarity of state laws—*Essential*
6. Review existing standards for effectiveness and relevancy and make recommendations for change, if appropriate—*Essential*
7. Produce, maintain and update the NAIC *Administrative Policies Manual of the Financial Regulation Standards and Accreditation Program* to provide guidance to state regulators regarding the official standards, policies and procedures of the program—*Essential*
8. Maintain and update the NAIC *Financial Regulation Standards and Accreditation Program* pamphlet—*Essential*
9. Perform enhanced pre-accreditation review services including, but not limited to, additional staff support, increased participation and enhanced report recommendations and informal feedback—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Mary Jo Hudson
Ohio

Kim Holland
Oklahoma

Joseph Torti, III
Rhode Island

Leslie A. Newman
Tennessee

Staff Support: Julie L. Glaszczak/Jeff Loomis

2010 AMENDED CHARGES

INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE

The mission of the International Insurance Relations (G) Committee is to strengthen the international insurance regulatory system and provide a forum for cooperative efforts between the NAIC, international regulators, and multinational associations of regulators on issues of mutual interest. The Committee also provides support to the federal government in insurance related international trade issues.

Ongoing Support of NAIC Programs, Products, or Services:

1. Appoint the Trade Task Force to monitor discussions with trading partners by United States Trade Representative (USTR) officials regarding multilateral trade agreements through the World Trade Organization (WTO), including the General Agreement on Trade in Services (GATS), and bilateral trade negotiations by attending meetings with appropriate federal representatives and reviewing and commenting on documents generated through the trade discussions. Continue to work with USTR on the GATS by coordinating and facilitating the compilation of offers and requests and participating in the dialogues and information exchange that accompany these WTO trade talks. Timetable is dependent on federal government, but the Task Force will report status at each national meeting. Also assist USTR, Department of Commerce, Treasury Department and other U.S. officials as requested by responding to requests for information, and engage in implementation efforts under existing trade agreements. Review the remaining GATS reservations in light of regulatory modernization efforts to assist USTR with fruitful negotiations—*Essential*
2. Participate in the Joint Forum and the Financial Stability Board and G20 by coordinating with U.S. financial regulators and by attending meetings to insert the views of U.S. insurance regulators in discussions of issues of significance to insurance commissioners, and by developing NAIC policy and commenting on guidance and principles papers of common interest—*Essential*
3. Appoint the **NAFTA Working Group** to continue to monitor the insurance aspects associated with the North American Free Trade Agreement (NAFTA) and the Security and Prosperity Partnership (SPP). Work to enhance the availability and affordability of cross-border motor carrier insurance, including trucking, personal auto and bus, and the associated topics of health and workers' compensation insurance, and related legal developments. Coordinate state efforts to meeting U.S. trade objectives through coordination with the Trilateral Insurance Working Group and the NAFTA Financial Services Committee; and through insurance training programs and ongoing research of the laws and regulations of Canada, Mexico, and the U.S. to work toward increased harmonization and uniformity and the creation of a seamless market—*Essential*
4. Participate in the Organization for Economic Cooperation and Development (OECD) Insurance and Private Pensions Committee and subcommittee meetings, held in summer and winter at the invitation of the U.S. government, by attending meetings, drafting and commenting on insurance related papers, acting as a coordinating body in the completion of statistical questionnaires, and presenting the U.S. system of insurance regulation—*Essential*
5. Develop NAIC policy and participate in the work of the International Association of Insurance Supervisors (IAIS) by attending Executive, Technical, Solvency and Actuarial Issues, Budget, Reinsurance and Other Forms of Risk Transfer, Insurance Contracts (Accounting), Governance and Compliance, Microinsurance, Market Conduct and other relevant committee, subcommittee and task force meetings. Enhance transparency at the IAIS and facilitate the drafting and commenting on papers that hold a common topical interest including solvency, accounting, reinsurance, group supervision and other aspects of regulation of the business of insurance. Also, attend the IAIS annual conference and interim meetings, present relevant topics at regional training programs, and provide efficient and effective technical assistance—*Essential*

2010 AMENDED CHARGES

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

6. Appoint the **International Regulatory Cooperation Working Group** to strengthen international regulatory systems by interacting with international regulators; reviewing proposed laws and regulations for insurance supervisors in countries changing their regulatory structure and those with emerging economics; conducting an International Intern Program and educational (technical assistance) seminars to provide an understanding of the U.S. system of regulation; and establishing internship opportunities between U.S. and foreign insurance regulatory bodies. In furtherance of this objective, regularly consult with insurance supervisors from other jurisdictions. Communicate regularly and establish working relationships with the U.S. government, the private sector, and international organizations to coordinate efforts whenever possible to provide more efficient and effective technical assistance—*Essential*

Sponsors for 2010 Charges

(Except as noted, I support all charges)

Sandy Praeger
Kansas

Alfred W. Gross
Virginia

Jane L. Cline
West Virginia

Staff Support: George M. Brady

2010 AMENDED CHARGES

LIFE AND HEALTH ACTUARIAL TASK FORCE

The mission of the Life and Health Actuarial Task Force is to identify, investigate and develop solutions to actuarial problems in the life and health insurance industry.

Ongoing Maintenance of NAIC Programs, Products, or Services

1. The Life and Health Actuarial Task Force will study the feasibility of a new nonforfeiture law for life insurance and annuities to replace the existing nonforfeiture standards. Provide status reports on this project at each national meeting—*Important*
2. The Task Force will work with the American Academy of Actuaries and the Society of Actuaries to develop a new mortality table for the valuation of payout annuities. Provide status reports on this project at each national meeting—*Important*
3. The **Accident and Health Working Group** will work with the Society of Actuaries to develop a replacement for the 1985 NAIC Cancer Claim Cost Tables as the basis for the valuation of individual cancer policies. Provide status reports on this project at each national meeting—*Important*
4. The Task Force will consider changes to Blanks to include the reporting of channels of distribution information needed to better establish GRET factors—*Important*
5. The Task Force will work with other NAIC committees to recommend any changes required to implement the new reserve requirements for variable annuities. Consider a practice note or white paper for guidance on the credit for hedging in these new requirements—*Important*
6. The Task Force will review AG XXV relative to IRC 7702 and recommend changes, if needed, to address issues with the current levels of preneed insurance—*Important*
7. The Working Group will revise model rules for appropriate long-term care rates, rating practices, and rate changes including a review of closed block of business—*Important*
8. The Working Group will review the Medicare supplement refund formula and revise the Appendix A in the Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act (#651), as necessary—*Important*
9. The Task Force will review certain aspects of the Standard Nonforfeiture Law for Individual Deferred Annuities (#805)—*Important*
10. The Working Group will review and update the Guidelines for filing of Rates for Individual Health Insurance Forms (#134)—*Important*
11. The Working Group will work with the Society of Actuaries and the American Academy of Actuaries to develop a replacement for the 1987 Commissioners Group Disability Income Table—*Important*
12. The Task Force will work on implementation of tables necessary for use in current valuation requirements—*Important*
13. The Task Force and Working Group will provide assistance and commentary to other NAIC committees relative to their work on actuarial matters—*Important*

2010 AMENDED CHARGES

LIFE AND HEALTH ACTUARIAL TASK FORCE *(Continued)*

New Objectives and Goals *(representing new NAIC programs or initiatives)*

1. The Life and Health Actuarial Task Force will develop and submit proposals to facilitate the implementation of a principles-based approach to valuation. Monitor international developments regarding life and health insurance reserving. Provide reports on this project at each national meeting—*Essential*
2. The Task Force will work with the American Academy of Actuaries and the Society of Actuaries to develop new valuation and nonforfeiture mortality tables for life insurance. Provide reports on this project at each national meeting—*Essential*
3. The Working Group will study the minimum standards applicable to statutory reserves for long-term care insurance. Begin developing a principles-based framework for a set of minimum standards—*Important*
4. The Task Force will review and make recommendations on rules for appropriate reserve mortality tables for simplified issue and guaranteed issue forms of life insurance. Review a revised structure for regulating these forms of life insurance to establish it as a class distinct from industrial and ordinary lines—*Important*

Sponsors for 2010 Charges *(Except as noted, I support all charges)*

Sandy Praeger
Kansas

Scott H. Richardson
South Carolina

Kent Michie
Utah

Staff Support: John Engelhardt

2010 AMENDED CHARGES

NAIC/CONSUMER LIAISON COMMITTEE

The mission of the NAIC/Consumer Liaison Committee is to assist the NAIC in its mission to support state insurance regulation by providing consumer views on insurance regulatory issues.

Staff Support: Timothy B. Mullen

NAIC/INDUSTRY LIAISON COMMITTEE

The mission of the NAIC/Industry Liaison Committee is to meet at least twice a year to discuss issues of common interest to regulators and insurance industry representatives.

Staff Support: Moira Campion

NAIC/STATE GOVERNMENT LIAISON COMMITTEE

The mission of the NAIC/State Government Liaison Committee is to discuss issues of common interest to regulators and state officials.

Staff Support: Amanda Yanek