

To: Michael Moriarty, Chair of the Valuation of Securities (E) Task Force
Members of the Valuation of Securities (E) Task Force
Persons Interested in the Work of the Valuation of Securities (E) Task Force
From: Bob Carcano, Senior Counsel, SVO
Re: Revised Prototype Draft of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office*
Date: August 25, 2009

1. During the Summer National Meeting held July 14, 2009, the Valuation of Securities (E) Task Force received a prototype draft of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office* developed by the staff and released it for a 60-day comment period. The comment period has ended and the SVO has incorporated comments received from NASVA to create a revised draft.
2. We request an interim meeting of the Task Force for the purpose of receiving and releasing the revised draft for a short comment period beginning the day of the interim meeting and ending prior to the Fall National meeting of the Valuation of Securities (E) Task Force. This request is calculated to permit the Task Force to vote at the Fall National Meeting to adopt the revised prototype of the Manual for publication beginning with December 12, 2009. An early adoption would permit us to work with the NAIC Publications Department to explore possible formatting and other useful related considerations and also permit the industry to become familiar with the new layout and format of the Manual.
3. The staff also recommends that the NAIC publish the December 31, 2009 Manual in both the existing format and the new format. This will prevent any confusion among the industry in the application of instructions for the year-end process but at the same time prepare us to transition to the new format.
4. As previously discussed, the revised Manual no longer includes former Section 13 of the Appendix, whose subject is Asset Valuation Reserve and Interest Valuation Reserve. This text does not relate to SVO duties or functions and therefore does not correspond to any existing text in the Manual itself. We have discussed this with NAIC Financial Reporting Services staff and they propose that the text of this Section be placed on the NAIC webpage so it is available to users.