



National Association of Insurance Commissioners

**The
2019
Spring
National
Meeting**

Synopsis

Orlando, FL
April 6 - 9, 2019





National Association of
Insurance Commissioners

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**Synopsis of the NAIC Committee, Subcommittee and Task Force Meetings
2019 Spring National Meeting
April 6–9, 2019**

To: Members of the NAIC and Interested Parties
From: The Staff of the NAIC

Committee Action

NAIC staff have reviewed the committee, subcommittee and task force reports and highlighted the actions taken by the committee groups during the Spring National Meeting in Orlando, FL. The purpose of this report is to provide NAIC members, state insurance regulators and interested parties with a summary of these meeting reports.

EXECUTIVE (EX) COMMITTEE AND PLENARY (Joint Session)

April 9, 2019

1. Adopted the report of the Executive (EX) Committee meeting, which met April 7 and took the following action:
 - a. Adopted the report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee.
 - b. Adopted its Feb. 1 and Jan. 11 interim meeting report.
 - c. Adopted the reports of its task forces: Financial Stability (EX) Task Force; Government Relations (EX) Leadership Council; and Innovation and Technology (EX) Task Force.
 - d. Received a status report on the NAIC *State Ahead* strategic plan implementation.
 - e. Received the 2018 Annual Report of the NAIC Designation Program Advisory Board.
 - f. Received a status report on the actuarial credentialing project.
 - g. Received a status report of model law development efforts.
 - h. Heard reports from the National Insurance Producer Registry (NIPR) and the Interstate Insurance Product Regulation Commission (Compact).
2. Appointed the Long-Term Care Insurance (EX) Task Force and adopted its charge.
3. Adopted by consent the committee, subcommittee and task force minutes of the 2018 Fall National Meeting.
4. Adopted the bulletin regarding Filing Requirements for Outlines of Coverage Forms updated to comply with the federal Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).
5. Adopted its Feb. 3 minutes, which included the following action:
 - a. Elected Commissioner David Altmaier (FL) as NAIC vice president to serve from Feb. 3 to Dec. 31.
6. Received the following committee reports: Life Insurance and Annuities (A) Committee; Health Insurance and Managed Care (B) Committee; Property and Casualty Insurance (C) Committee; Market Regulation and Consumer Affairs (D) Committee; Financial Condition (E) Committee; Financial Regulation Standards and Accreditation (F) Committee; and International Insurance Relations (G) Committee.
7. Adopted amendments to the *Accident and Sickness Insurance Minimum Standards Model Act* (#170), including changing the title to the *Supplementary and Short-Term Health Insurance Minimum Standards Model Act*.
8. Adopted revisions to the *Health and Welfare Plans Under the Employee Retirement Income Security Act: Guidelines for State and Federal Regulation* (ERISA Handbook).
9. Adopted revisions to the *NAIC Medicare Supplement Insurance Model Regulation Compliance Manual*.
10. Adopted revisions to the *Shopper's Guide to Long-Term Care Insurance*.
11. Adopted the Guideline on Nonadmitted Accident and Health Coverages.
12. Received an update on the states' implementation of NAIC-adopted model laws and regulations.

EXECUTIVE (EX) COMMITTEE

April 7, 2019

1. Adopted the report of the joint meeting of the Executive (EX) Committee and the Internal Administration (EX1) Subcommittee, which met April 6 and took the following action:
 - a. Adopted its 2018 Fall National Meeting minutes.
 - b. Adopted the Executive (EX) Committee's Feb. 1 and Jan. 11 minutes.
 - c. Adopted the report of the Internal Administration (EX1) Subcommittee, which met Feb. 14 and took the following action:
 1. Received an update on the defined benefit plan portfolio as of Dec. 31, 2018.
 2. Received an update on the NAIC long-term investment plan portfolio as of Dec. 31, 2018.
 3. Adopted the long-term investment portfolio asset class mix recommendation and fund manager selection.

- d. Adopted the report of the Audit Committee, which met April 5 and took the following action:
 1. Received an overview of the Dec. 31, 2018, financial statements and the Feb. 28, 2019, summary financials.
 2. Received the 2018 audit report from RSM.
 - e. Adopted the report of the Information Systems (EX1) Task Force, which met April 5 and took following action:
 1. Adopted its 2018 Fall National Meeting minutes.
 2. Received an operational report on the NAIC's information technology (IT) activities.
 - f. Approved relocating the NAIC 2021 Fall National Meeting from San Francisco, CA, to San Diego, CA.
 - g. Approved the NAIC providing technical assistance, including tools and training for state insurance regulators, in the area of predictive modeling.
 - h. Approved the NAIC filing an amicus brief in *Guardian Flight v. Godfread*.
 - i. Received the joint chief executive officer (CEO)/chief operating officer (COO) report.
 - j. Received a cybersecurity update.
2. Adopted its Feb. 1 and Jan. 11 interim meeting report, which included the following action:
 - a. Appointed Alaska, Illinois, Missouri, Nevada, New Mexico and North Carolina to serve on the 2019 NAIC System for Electronic Rate and Form Filing (SERFF) Advisory Board. Commissioner Barbara D. Richardson (NV) will serve as chair of the 2019 SERFF Advisory Board.
 - b. Appointed Commissioner David Altmaier (FL) and Commissioner Gary Anderson (MA) to serve on the International Association of Insurance Supervisors' (IAIS) Executive Committee and appointed Director Raymond G. Farmer (SC) as the standing member of the IAIS Executive Committee.
 - c. Approved a recommendation to the Property and Casualty Insurance (C) Committee to: 1) change the name of the Climate Change and Global Warming (C) Working Group to the Climate Risk and Resilience (C) Working Group; and b) consider adoption of charges that reflect the expanded scope.
 - d. Appointed Commissioner Nancy G. Atkins (KY) to serve on the NIPR Board of Directors beginning in January 2019.
 - e. The NAIC officers and the Government Relations (EX) Leadership Council recommended Commissioner Jon Godfread (ND) for the U.S. Department of Transportation's (DOT) advisory committee on air ambulance and patient billing. This advisory committee will provide recommendations to the secretary of the DOT and the secretary of the U.S. Department of Health and Human Services (HHS). There is a requirement that the advisory committee include a state insurance regulator, although there was no specific request that the NAIC make a recommendation.
 - f. Appointed Florida, Idaho, Kentucky, Massachusetts, Missouri, Ohio, Oklahoma and Wyoming as members of the 2019 Audit Committee.
 3. Adopted the reports of its task forces: Financial Stability (EX) Task Force; Government Relations (EX) Leadership Council; and Innovation and Technology (EX) Task Force.
 4. Received a status report on the NAIC *State Ahead* strategic plan implementation.
 5. Received the 2018 annual report of the NAIC Designation Program Advisory Board.
 6. Received a status report on the actuarial credentialing project.
 7. Received a status report of model law development efforts for amendments to: Model #170 and the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171); *Annuity Disclosure Model Regulation* (#245); *Suitability in Annuity Transactions Model Regulation* (#275); *Life Insurance Disclosure Model Regulation* (#580) and *Life Insurance Illustrations Model Regulation* (#582) policy overview document; *Mortgage Guaranty Insurance Model Act* (#630); *Credit for Reinsurance Model Law* (#785) and *Credit for Reinsurance Model Regulation* (#786); and new model: Real Property Lender-Placed Insurance Model Act.
 8. Heard reports from the NIPR and the Compact.

Financial Stability (EX) Task Force

April 8, 2019

1. Adopted its Feb. 8, 2019, and 2018 Fall National Meeting minutes. During its Feb. 8 meeting, the Task Force took the following action:
 - a. Reappointed the Liquidity Assessment (EX) Subgroup and adopted its charges.
 - b. Adopted its revised workplan.
 - c. Adopted the scope criteria for the liquidity stress test.
 - d. Adopted the Excel template for the May 31 data call.
2. Heard an update on the Financial Stability Oversight Council (FSOC) developments.
3. Received an update from the Liquidity Assessment (EX) Subgroup on its progress toward achieving its deliverables related to liquidity stress testing. The Subgroup met March 26 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.
4. Received an update from the Receivership and Insolvency (E) Task Force on its work to address the Task Force's referral letter to undertake analysis relevant to the Macroprudential Surveillance Initiative.
5. Discussed the FSOC proposed interpretative guidance regarding nonbank financial company designations.

6. Heard an update on the data and filing instructions for the May 31 data call and clarified the data received would be for regulator use only.

Government Relations (EX) Leadership Council

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

Innovation and Technology (EX) Task Force

April 8, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Adopted the report of the Big Data (EX) Working Group, which met April 6 and took the following action:
 - a. Adopted its Feb. 25 minutes, which included the following action:
 1. Adopted its 2018 Fall National Meeting minutes.
 2. Discussed its 2018 workstream and 2019 charges.
 - b. Heard a recommendation from NAIC management to: a) hire a technical staff resource to provide technical support for state insurance regulators in the review of actuarial models; b) develop a tool for state insurance departments to share information on model reviews; and c) develop a training and education program.
 - c. Heard an update on the Casualty Actuarial and Statistical (C) Task Force's draft white paper regarding best practices for the review of predictive models and analytics filed by insurers to justify rates, as well as the development of state guidance for rate filings that are based on complex predictive models.
 - d. Adopted a motion to request the Life Insurance and Annuities (A) Committee—through an existing working group or by appointment of a new working group, and in collaboration with the ongoing work of the Experience Reporting (A) Subgroup—study the use of external data and data analytics in accelerated life underwriting, and then draft and propose appropriate state guidance or best practices.
 - e. Agreed to consider the use of big data in insurer claim practices such as claim valuation and antifraud efforts.
3. Heard a report from Director Raymond G. Farmer (SC) on cybersecurity initiatives, including enactment of the *Insurance Data Security Model Law* (#668) in South Carolina and a legislative update. Director Farmer also provided a report on a cybersecurity tabletop exercise the South Carolina Department of Insurance hosted in collaboration with the U.S. Department of the Treasury (Treasury Department) to aid regional insurers in preparing for, responding to and recovering from a cyberattack.
4. Heard an update on Task Force activities to date, on blockchain and anti-rebating, cancellation/renewal and e-signature issues. Commissioner Godfread said the Task Force plans to meet June 4 at the NAIC/NIPR Insurance Summit in Kansas City, MO, to hear presentations from regulators and interested parties regarding the need for an anti-rebating law. He instructed those wanting to present to send written comments to Denise Matthews (NAIC) by April 30.
5. Heard a presentation from Plug and Play Tech Center on its survey related to InsurTech startups' thoughts on insurance regulation; specifically, areas they consider to be challenging. Activities planned in coordination with the NAIC were also discussed, along with the associated benefits of promoting a better dialogue and understanding of insurance regulation.
6. Heard presentations from guest speakers on innovation in the insurance space. This included a presentation on innovation and technology from Markel Digital and its partnership with Verifly on its episodic general liability product, and a presentation from the American Association of Insurance Services (AAIS) on blockchain, smart contracts and its open Insurance Data Link (openIDL) product.
7. Heard an update on the innovation and technology events planned for 2019.

INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE

See the Executive (EX) Committee listing for details.

Information Systems (EX1) Task Force

April 5, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Received an information technology (IT) operational report on the NAIC's IT activities, including: a) product highlights; b) innovation and technology; c) service and support; d) data collection metrics; e) team; f) project portfolio summary; and g) technology adoption and system usage. The report provides updates for upcoming improvements, impacts to new state technology offerings from the NAIC, and general updates on the activities of the NAIC technology team.
3. Received project status reports for 29 active technical projects.
4. Adjourned into regulator-to-regulator session pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member) of the NAIC Policy Statement on Open Meetings.

LIFE INSURANCE AND ANNUITIES (A) COMMITTEE

April 7, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Adopted the report of the Annuity Disclosure (A) Working Group, including its March 7 minutes and its request to extend the Request for NAIC Model Law Development for Model #245. During its March 7 meeting, the Working Group took the following action:
 - a. Exposed the Feb. 9 draft revisions to Model #245 to allow for the illustration of indices that have been in existence for at least 20 years, which is a change from previous drafts that allowed the illustration of indices that had been in existence for at least 10 years, for a public comment period ending April 26.
3. Adopted the report of the joint meeting of the Life Insurance and Annuities (A) Committee and the Annuity Suitability (A) Working Group, which met April 6 and took the following action:
 - a. Adopted the Working Group's 2018 Fall National Meeting minutes.
 - b. Heard a presentation on the U.S. Securities and Exchange Commission's (SEC) proposed Regulation Best Interest rule and the draft of proposed revisions to Model #275.
 - c. Adopted a motion to have the Working Group continue its work to revise Model #275. As part of its discussions, the Working Group is to consider the presentation; the comments received on the current draft of revisions by the Feb. 15 public comment deadline; and comments from Working Group members, interested state insurance regulators and interested parties received during its discussions. The Working Group is to complete its work as soon as possible, with the Working Group holding an in-person interim meeting sometime in May or June.
4. Adopted the report of the Life Insurance Illustration Issues (A) Working Group, including its Dec. 18, 2018, minutes and extension of the Request for NAIC Model Law Development for Model #580. During its Dec. 18 meeting, the Working Group took the following action:
 - a. Discussed comments received on the Oct. 9, 2018, draft revisions to Model #580 that include the requirement of a policy overview document to accompany all life insurance policies along with the *Life Insurance Buyer's Guide*.
 - b. Agreed to revise the Oct. 9, 2018, draft revisions to Model #580 based on the Dec. 18, 2018, conference call
5. Adopted the report of the Life Insurance Online Guide (A) Working Group, which met March 18 and took the following action:
 - a. Discussed its charge to "develop an online resource on life insurance, including the evaluation of existing content on the NAIC website, to be published digitally for the benefit of the public."
 - b. Agreed to plan to finish the online guide by November.
 - c. Agreed to focus on content and wording before the graphic design of the online guide.
 - d. Discussed a list of topics to include in the online guide, and volunteers agreed to draft language on certain topics for the Working Group's review by April 4.
6. Adopted the report of the Life Actuarial (A) Task Force. See the Task Force listing for details.
7. Discussed the Committee's charge on retirement security and asked for volunteers for a working group to develop a work plan to promote and engage consumers on the topic of retirement readiness.

Life Actuarial (A) Task Force

April 4–5, 2019

1. Adopted its March 14, 2019; March 7, 2019; March 6, 2019; Feb. 28, 2019; Feb. 21, 2019; Feb. 14, 2019; Feb. 7, 2019; Jan. 31, 2019; Jan. 24, 2019; and Dec. 13, 2018, minutes, which included the following action:
 - a. Adopted its 2018 Fall National Meeting minutes.
 - b. Adopted an amendment to clarify details of stochastic exclusion test (SET).
 - c. Adopted an amendment to clarify net premium reserve (NPR) term lapse rate rules.
 - d. Adopted an amendment to revise the index credited rate for the deterministic reserve (DR) scenario for indexed universal life (IUL) policies.
 - e. Adopted amendments to address the recommendations from the Valuation Analysis (E) Working Group memorandum titled, "Principle-Based Reserves (PBR) Recommendations and Referrals to LATF," including amendments to:
 1. Clarify the requirements for credibility calculations in VM-31, PBR Actuarial Report Requirements for Business Subject to a Principle-Based Reserve Valuation.
 2. Revise VM-31 to properly reflect the degree of rigor in the model validation process.
 - f. Exposed revisions to the following requirements in response to the Variable Annuities Issues (E) Working Group charge to implement the Variable Annuities (VA) Framework:
 1. *Actuarial Guideline XLIII—CARVM for Variable Annuities* (AG 43).
 2. VM-01, Definitions for Terms in Requirements.
 3. VM-21, Requirements for Principle-Based Reserves for Variable Annuities.
 4. VM-31.

- g. Exposed proposed amendments to the 2019 edition of the *Valuation Manual* for 2020 implementation, including amendments to:
 1. Require companies to provide a statement that expenses are fully allocated and clarify whether acquisition costs are included in the expense assumptions.
 2. Require companies to provide state insurance regulators with information regarding the companies' handling of substandard business and adjustments to mortality for policyholder behavior.
 3. Require companies to report the mortality improvement parameters (e.g., start date and end date) and the annual mortality improvement percentages.
 4. Set a consistent standard for the reporting of the net asset earned rates (NAERs).
 5. Clarify that the results of the stochastic exclusion ratio test (SERT) must be reported on both a pre- and post-reinsurance basis.
2. Exposed amendment proposal 2019-38, which replaces the implementation of the 2017 Commissioners Standard Guaranteed Issue Mortality Table (2017 CSGI) with the 2001 Commissioners Standard Ordinary (CSO) ultimate mortality table as the valuation standard for guaranteed issue business issued after Dec. 31, 2019.
3. Adopted the report of the Variable Annuities Capital and Reserve (E/A) Subgroup, which met March 13, March 6, March 4, Feb. 28, Feb. 27, Feb. 25, Feb. 20, Feb. 13, Feb. 6, Jan. 30 and Jan. 23, 2018; and Dec. 19, Dec. 12, Dec. 5 and Nov. 28, 2018. During these meetings, the Subgroup took the following action:
 - a. Discussed changes needed to implement the Variable Annuities Framework.
 - b. Exposed and finalized its proposed changes to VM-21, Requirements for Principle-Based Reserves for Variable Annuities, for recommendation to the Life Actuarial (A) Task Force.
 - c. Exposed and finalized its proposed changes to *Actuarial Guideline XLIII—CARVM for Variable Annuities* (AG 43) for recommendation to the Life Actuarial (A) Task Force.
 - d. Exposed and finalized its proposed changes to VM-01, Definitions for Terms in Requirements, for recommendation to the Life Actuarial (A) Task Force.
 - e. Exposed and finalized its proposed changes to the life RBC instructions for recommendation to the Life Risk-Based Capital (E) Working Group.
4. Heard an update from the American Academy of Actuaries (Academy) Annuity Reserves Work Group on the proposed timeline and approach for the development of a modeled reserve and an exclusion test for non-variable deferred annuities.
5. Heard an update from the Academy SVL Interest Rate Modernization Work Group on the development of valuation interest rates for payout annuities with non-level payments.
6. Adopted the report of the VM-22 (A) Subgroup, including its Jan. 23 minutes. During this meeting, the Subgroup took the following action:
 - a. Discussed the proposal for revisions to VM-22, Maximum Valuation Interest Rates for Income Annuities, and the creation of VM-23.
7. Heard an update from the Academy PBR Strategy Subgroup on its concerns about perceived over-prescription in recently proposed amendments to VM-20, Requirements for Principle-Based Reserves for Life Products and VM-31.
8. Heard an update from the American Council of Life Insurers (ACLI) on its concern about perceived excess of documentation requirements within the PBR Actuarial Reports.
9. Exposed amendment proposal 2019-32, which provides best efforts to avoid allocation of a DR or stochastic reserve (SR) in excess of the NPR to policies that did not generate such excess.
10. Exposed amendment proposal 2019-35, which clarifies whether a reinsurance agreement involves a captive.
11. Re-exposed amendment proposal 2019-07, which addresses recommendation #11 and recommendation #17 from the Valuation Analysis (E) Working Group memorandum titled, "Principle-Based Reserves (PBR) Recommendations and Referrals to LATF."
12. Re-exposed amendment proposal 2018-53, which requires that the duration of investments used within an alternative investment strategy be of similar durations to the investments of the actual investment strategy.
13. Exposed amendment proposal 2019-11, which clarifies the requirements for documentation of actual to expected ratios and the tests for the sufficiency of lapse margins.
14. Exposed amendment proposal 2019-31, which removes the condition for a non-qualified actuarial opinion from the life PBR exemption and provides greater domiciliary commissioner discretion in granting the exemption.
15. Exposed amendment proposal 2019-36, which clarifies Section II, Reserve Requirements, for deposit type contracts.
16. Adopted amendment proposal 2018-66, which deletes VM-20, Section 2.D to clarify that a group of policies that pass the DR exclusion test and the SR exclusion test are considered subject to PBR.
17. Heard a report from the ACLI that it withdrew amendment proposal 2019-03.
18. Exposed amendment proposal 2019-37, which clarifies the VM-G, Appendix G – Corporate Governance Guidance for Principle-Based Reserves, requirements for products passing both the deterministic exclusion test (DET) and the SET.
19. Adopted amendment proposal 2019-10, which addresses recommendation #28 from the Valuation Analysis (E) Working Group memorandum titled, "Principle-Based Reserves (PBR) Recommendations and Referrals to LATF" and clarifies VM-20 Section 8.D.2.

20. Adopted amendment proposal 2019-13, which provides a guidance note to clarify how the numerator of the SERT is determined.
21. Adopted amendment proposal 2019-09, which addresses recommendation #22 from the Valuation Analysis (E) Working Group memorandum titled, “Principle-Based Reserves (PBR) Recommendations and Referrals to LATF.”
22. Adopted amendment proposal 2019-08, which addresses recommendation #14 from the Valuation Analysis (E) Working Group memorandum titled, “Principle-Based Reserves (PBR) Recommendations and Referrals to LATF”
23. Adopted amendment proposal 2019-15 which addresses recommendation #18, recommendation #29, recommendation #30 and the third consideration in recommendation #5 from the Valuation Analysis (E) Working Group memorandum titled, “Principle-Based Reserves (PBR) Recommendations and Referrals to LATF.”
24. Adopted amendment proposal 2019-12, which revises the language describing the allocation of the pre-tax interest maintenance reserve (PIMR).
25. Adopted amendment proposal 2018-43, which provides a definition of “insurance department” for VM-01.
26. Adopted amendment proposal 2019-04, which clarifies the expense allowance formulas for universal life with secondary guarantees (ULSG) policies.
27. Adopted amendment proposal 2018-64, which clarifies that the requirements of VM-A, Appendix A – Requirements, and VM-C, Appendix C – Actuarial Guidelines, are not limited to reserves.
28. Exposed amendment proposal 2018-45, which defines adjustments to company experience mortality rates required when company experience is higher than the industry table used for grading.
29. Exposed amendment proposal 2019-29, which allows groups of policies to be eligible for exclusion from SR requirements if a clearly defined hedging strategy (CDHS) supports a feature of the product that has such low utilization that it is not modeled due to immateriality.
30. Discussed amendment proposal 2019-33, which adds language to clarify the definition of individually underwritten life insurance and the applicability of PBR requirements for group insurance contracts with individual risk selection issued under insurance certificates.
31. Heard an update from the Compact.
32. Adopted the minutes and report of the Experience Reporting (A) Subgroup, including its March 4 minutes. During this meeting, the Subgroup took the following action:
 - a. Discussed amendment proposal 2018-59 to revise VM-51, Experience Reporting Formats, to realign aspects of certain products, especially those that are newer and more complex, with their associated mortality risks.
33. Adopted the report of the IUL Illustration (A) Subgroup, including its March 12 and Feb. 12 minutes. During this meeting, the Subgroup took the following action:
 - a. Discussed considerations related to further development of *Actuarial Guideline XLIX—The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest* (AG 49) to address IUL policies with interest rate multipliers.
34. Adopted the report of the Longevity Risk (A/E) Subgroup, which met March 5 and Feb. 19. During these meetings, the Subgroup took the following action:
 - a. Exposed the Academy’s Longevity Risk Task Force report, along with a list of questions on which it would like comment, for a 60-day public comment period
35. Heard an update from the Academy Council on Professionalism.
36. Heard an update from the Society of Actuaries (SOA) on life mortality improvement factors.
37. Heard an update from the SOA on research and education.
38. Heard an update from the Academy PBR Governance Work Group.

HEALTH INSURANCE AND MANAGED CARE (B) COMMITTEE

April 7, 2019

1. Adopted its revised 2019 charges, which deleted the charges for the Health Care Reform Regulatory Alternatives (B) Working and the CO-OP Solvency and Receivership (B) Subgroup and adopted the charges for the Health Innovations (B) Working Group. The revised charges reflect the Committee’s action taken during its Feb. 14 conference call.
2. Adopted its Feb. 14 minutes, which included the following action:
 - a. Adopted revisions to the *NAIC Medicare Supplement Insurance Model Regulation Compliance Manual* related to MACRA.
 - b. Adopted revisions to the ERISA Handbook. The revisions include updates to case law, as well as new sections related to the federal Affordable Care Act (ACA) and the recently finalized federal regulations on association health plans (AHPs).
 - c. Adopted revisions to Model #170. The revisions remove provisions on the types of health benefit plans subject to the ACA’s requirements and leave remaining those types of plans not subject to the ACA’s requirements.
 - d. Adopted revisions to the *Shopper’s Guide to Long-Term Care Insurance*. The revisions delete obsolete language, update out-of-date language and make other updates to streamline language, shortening its length.

- e. Adopted the Regulatory Framework (B) Task Force’s recommendation to open the *Health Maintenance Organization Model Act* (#430) to address identified conflicts and redundancies between the model and the *Life and Health Insurance Guaranty Association Model Act* (#520).
- f. Disbanded the Health Care Reform Regulatory Alternatives (B) Working Group and appointed the Health Innovations (B) Working Group.
- g. Disbanded the CO-OP Solvency and Receivership (B) Subgroup.
3. Adopted the report of the Regulatory Framework (B) Task Force’s and its Request for NAIC Model Law Development to develop a new NAIC model to establish a licensing or registration process for pharmacy benefit managers (PBMs).
4. Adopted its 2018 Fall National Meeting minutes.
5. Adopted report of the Consumer Information (B) Subgroup, including its March 29, March 15 and Feb. 11 minutes. During these meetings, the Subgroup took the following action:
 - a. Developed a work plan for 2019. The Subgroup intends to create four documents during the year. The first will be a consumer alert consisting of questions consumers should ask when shopping for health coverage or when they receive a telemarketing call related to health coverage. The other documents will be consumer guides. They will provide information to help consumers: Shop for coverage, use their coverage, and get bills paid.
 - b. Began drafting the consumer alert. The Subgroup considered a first draft of the consumer alert and gathered suggested edits. It plans to continue refining the alert after the Spring National Meeting.
6. Adopted the report of the Health Actuarial (B) Task Force. See the Task Force listing for details.
7. Adopted the report of the Senior Issues (B) Task Force See the Task Force listing for details.
8. Heard a panel presentation on health care cost data. Representatives from the Blue Cross and Blue Shield Association (BCBSA), the Health Care Cost Institute (HCCI) and the New Hampshire Insurance Department provided information on what the data collected from their respective organizations indicated concerning health care costs, spending trends, major health care cost drivers and potential policy options to help control health care costs.
9. Heard an update on legal actions related to the ACA, including: a case challenging the constitutionality of the individual mandate and its potential impact on other key ACA provisions; a case challenging the legality of the recent federal AHP regulation; and a case challenging the legality of the recent federal short-term, limited-duration (STLD) plan regulation.
10. Heard a presentation describing the results of consumer testing trying to assess consumer understanding of an STLD plan, particularly as related to the coverage and limitations of that coverage provided under such a plan.
11. Heard a federal legislative update on congressional legislation and administrative actions of interest to the Committee.
12. Discussed the federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) and the Committee’s next steps for future discussions of the MHPAEA.
13. Adopted the report of the Health Innovations (B) Working Group, which met April 6 and took the following action:
 - a. Heard a presentation from the National Governors Association regarding governors’ initiatives on health innovations, including ACA Section 1332 waivers, value-based purchasing, prescription drug pricing and surprise billing.
 - b. Discussed a reinsurance proposal from Colorado, with remarks from Commissioner Michael Conway (CO) and Mike Brown (Lewis & Ellis). Mr. Brown shared the results of actuarial modeling of Colorado’s original plan to reprice high claims based on Medicare rates. Commissioner Conway explained that repricing will be removed from the plan due to concerns about federal approval of the waiver, but he expects to move ahead with state funding coming from an assessment on hospitals.
 - c. Discussed state approaches to ACA Section 1332 waivers. Working Group members with waivers approved or in development shared their experiences, challenges and lessons for other states.
 - d. Reviewed the process for updating essential health benefits (EHBs), with Jennifer Reif (IL). Ms. Reif explained the steps Illinois took to meet the short timeline for submitting a request to update EHBs by the federal deadline. Working Group members discussed their states’ plans for submitting their own requests.
 - e. Discussed innovative initiatives from Working Group member states and future directions for the Working Group. Working Group members discussed state individual mandates, Medicaid buy-in, state single payer and cost trend targets.

Health Actuarial (B) Task Force

April 5, 2019

1. Adopted the report of the Health Care Reform Actuarial (B) Working Group, which included the following action:
 - a. Heard an update from the federal Center for Consumer Information and Insurance Oversight (CCIIO).
2. Adopted its March 5, 2019; Jan. 10, 2019; and Dec. 21, 2018, minutes, which included the following action:
 - a. Adopted draft changes to the *Medicare Supplement Insurance Model Regulation Compliance Manual* (Manual) necessitated by MACRA.
 - b. Adopted a request for the Academy and the SOA to update the 2005 Group Term Life Waiver Mortality and Recovery Table (2005 Table).
3. Adopted the report of the Long-Term Care Actuarial (B) Working Group, which met April 5 and took the following action:
 - a. Adopted its 2018 Fall National Meeting minutes.

- b. Adopted the report of the Long-Term Care Valuation (B) Subgroup.
- c. Adopted the report of the Long-Term Care Pricing (B) Subgroup
- 4. Adopted the Long-Term Care Pricing (B) Subgroup’s Feb. 14, 2019; Jan. 24, 2019; Jan. 10, 2019; and Nov. 29, 2018, minutes. During these meetings, the Subgroup took following action:
 - a. Discussed an all-state long-term care insurance (LTCI) rate increase review survey.
 - b. Discussed company solvency considerations used in LTCI rate reviews.
 - c. Discussed potential cross-state policyholder rate subsidization.
- 5. Heard an update from the Academy Council on Professionalism.
- 6. Heard an update from the SOA on health insurance research.
- 7. Heard an update from the SOA on work related to the 2005 Table.
- 8. Heard an update from the Academy Health Practice Council.

Long-Term Care Insurance (B/E) Task Force

See the Task Force listing under Financial Condition (E) Committee for details.

Regulatory Framework (B) Task Force

April 6, 2019

- 1. Adopted its Feb. 26, 2019, and 2018 Fall National Meeting minutes. During its Feb. 26 meeting, the Task Force took the following action:
 - a. Discussed its 2019 proposed activities and its subgroup and working group 2019 proposed activities.
- 2. Adopted the report of the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup, including its March 22 minutes. During this meeting, the Subgroup took the following action:
 - a. Discussed and adopted a Request for NAIC Model Law Development to develop a new NAIC model establishing a registration or licensing process for PBMs.
- 3. Adopted the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup’s Request for NAIC Model Law Development to develop a new NAIC model establishing a registration or licensing process for PBMs.
- 4. Heard a presentation on Montana’s use of transparent pricing/contracting to address costs in the State of Montana Benefit Plan.
- 5. Heard presentations on the opioid epidemic and the potential role of state insurance regulators in fighting it.
- 6. Heard a presentation on the ClearHealth Quality Institute’s (CHQI) Mental Health Substance Use Disorder (MH/SUD) Parity Accreditation Program standards and its online parity tool.
- 7. Adopted the report of the Accident and Sickness Insurance Minimum Standards (B) Subgroup, which has not met since July 2018. As soon as the Subgroup finalizes a chair, it plans to begin meeting again sometime after the Spring National Meeting to continue its discussion of revisions to Model #171.
- 8. Adopted the report of the HMO Issues (B) Subgroup. The HMO Issues (B) Subgroup completed its initial work with the Regulatory Framework (B) Task Force’s adoption at the 2018 Fall National Meeting of its recommendation to open Model #430 for revision due to changes to Model #520. The Health Insurance and Managed Care (B) Committee adopted the recommendation during its Feb. 14 conference call. Virginia has volunteered to chair the Subgroup in 2019. It is anticipated the Subgroup will meet soon after the Spring National Meeting to first adopt a charge for 2019 and then begin work on revising Model #430.
- 9. Adopted the report of the ERISA (B) Working Group, which met April 6 and took the following action:
 - a. Adopted its 2018 Fall National Meeting minutes.
 - b. Discussed AHPs, including the potential impact of the federal district court ruling in *State of New York v. United States Department of Labor* concerning the U.S. Department of Labor’s (DOL) final rule on AHPs.
 - c. Adjourned into regulator-to-regulator session pursuant to paragraph 2 (pending investigations which may involve either the NAIC or any member in any capacity), paragraph 3 (specific companies, entities or individuals) and paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings.

Senior Issues (B) Task Force

April 6, 2019

- 1. Heard a discussion about entities that are conducting genetic testing and DNA swabs in nursing homes, senior homes and other entities. The Task Force discussed reports of entities going into nursing homes, assisted living facilities and senior centers to “swab” individuals purportedly to look for genetic markers for cancer and further discussed that while genetic testing is allowed in certain circumstances by Medicare, it is unclear if those limitations are being followed by these entities. The Task Force also discussed how some individuals may be billed in the event that Medicare or the Advantage plan did not pay for the testing, and how the method of how consent to test is obtained and what is done with the genetic material after the test is completed is unclear.

2. Heard a discussion from the National Association of Health Underwriters (NAHU) about the how it is educating and informing its agents and brokers about the upcoming changes to Medicare supplement (Medigap) Plan C and Plan F as a result of the changes mandated by MACRA.
3. Heard an update on federal legislative matters. The update included a report on the status of the federal appropriations process as it relates to the funding for the State Health Insurance Program (SHIP).
4. Heard an update on the progress by states on the implementation of the changes mandated by MACRA. The update included the results of a survey of states that the NAIC conducted on where states are in their implementation process of the Medigap changes mandated by MACRA and two new alert bulletins aimed at consumers and producers to dispel the lies and myths about the upcoming MACRA changes.
5. Heard a discussion about Medicare and the issues related to the federal Consolidated Omnibus Budget Reconciliation Act (COBRA). The number of people working past age 65 today is the highest it has been in 55 years, and it is projected that 36% of people between the ages of 65 and 69 will be in the labor force by 2024. As a result, a significant number of people are likely to experience being eligible for COBRA and Medicare at the same time in the future, and more and more consumers are experiencing being billed for expenses that should have been billed to Medicare. The Task Force agreed to draft a letter to the DOL and the federal Centers for Medicare and Medicaid Services (CMS) about this matter.
6. Adopted its March 7, 2019, and 2018 Fall National Meeting minutes. During its March 7 meeting, the Task Force took the following action:
 - a. Discussed its 2019 activities.
 - b. Disbanded the Short Duration Long-Term Care Policies (B) Subgroup and the Long-Term Care Shopper's Guide (B) Working Group.

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE

April 8, 2019

1. Adopted its March 28 minutes, which included the following action:
 - a. Adopted its 2018 Fall National Meeting minutes.
 - b. Adopted *A Regulator's Guide to Pet Insurance*.
 - c. Appointed the Pet Insurance (C) Working Group.
 - d. Heard an update on the status of the private passenger auto report.
 - e. Heard a preview of the Spring National Meeting.
2. Adopted the report of the Casualty Actuarial and Statistical (C) Task Force. See the Task Force listing for details.
3. Adopted the report of the Surplus Lines (C) Task Force. See the Task Force listing for details.
4. Adopted the report of the Title Insurance (C) Task Force. See the Task Force listing for details.
5. Adopted the report of the Workers' Compensation (C) Task Force. See the Task Force listing for details.
6. Adopted the report of the Advisory Organization Examination Oversight (C) Working Group.
7. Adopted the report of the Cannabis Insurance (C) Working Group, which continues to work on the drafting of its white paper via its informal drafting subgroup.
8. Adopted the report of the Catastrophe Insurance (C) Working Group, which met April 6 and took the following action:
 - a. Adopted its 2018 Fall National Meeting minutes.
 - b. Heard an update regarding federal legislation and the NFIP. FEMA recently announced that its new underwriting system, Risk Rating 2.0, would go into effect in 2020. This system overlays the mapping system and provides more precise underwriting of flood risks. The federal banking regulators have finalized their rule, which will take effect July 1, 2019. The final rule will require insurers to certify that their private flood insurance policies meet requirements set forth in the federal Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters) for banks to be required to accept such policies. It also provides banks the option to accept private flood insurance policies that did not meet the mandatory acceptance requirements set forth in Biggert-Waters for banks to be required to accept such policies. The latest NFIP extension expires May 31, 2019, and the U.S. House of Representatives has proposed a further extension through Sept. 30, 2019.
 - c. Adopted the reports of the State Disaster Response Plan drafting group and the Private Flood Best Practices drafting group, which included the following action:
 1. Received a status of the NAIC *State Disaster Response Plan*.
 2. Received a status of the Private Flood Best Practices document.
 - d. Received an update regarding the Transparency and Readability of Consumer Information (C) Working Group's catastrophe claims document.
 - e. Heard from the Reinsurance Association of America (RAA), the National Association of Mutual Insurance Companies (NAMIC) and the Wholesale and Specialty Insurance Association (WSIA) regarding steps state insurance regulators can take now to enhance the acceptance of private flood insurance.
9. Adopted the report of the Climate Change and Global Warming (C) Working Group, which will host a webinar April 12 to hear the results of the U.S. government's Fourth National Climate Assessment (NCA).

10. Adopted the report of the Lender-Placed Insurance Model Act (C) Working Group, which is working on revisions to the proposed Real Property Lender-Placed Insurance Model Act. The Working Group hopes to wrap up its work in the near future.
11. Adopted the report of the Terrorism Insurance Implementation (C) Working Group, which met April 7 and took the following action:
 - a. Heard updates on congressional activity related to the federal Terrorism Risk Insurance Act (TRIA), which expires Dec. 31, 2020, including:
 1. A report from the NAIC on its support of a long-term reauthorization of TRIA of seven to 10 years, as state insurance regulators have not seen evidence to suggest that the insurance marketplace is capable of voluntarily taking on a substantial portion of the risk of terrorist attacks.
 2. Reports from the American Property Casualty Insurance Association (APCIA), NAMIC and the RAA on their support of a long-term reauthorization of TRIA and a desire to limit the changes made to deductibles, co-pays and triggers.
 - b. Heard an overview of the workers' compensation terrorism risk insurance market, including state-level data on average premiums from 2011 through 2016.
 - c. Heard an update on the joint state insurance regulator/Treasury Department terrorism risk insurance data call, with data due to both entities by May 15. The Working Group also heard a report that decisions on the 2019 state supplement, which collects ZIP code-level data, will be made soon.
12. Adopted the report of the Transparency and Readability of Consumer Information (C) Working Group, which is working to respond to a referral from the Catastrophe Insurance (C) Working Group to draft a document for consumers to use following a catastrophic event.
13. Adopted revisions to its 2019 charges, which included:
 - a. Changed the name of the Climate Change and Global Warming (C) Working Group to the Climate Risk and Resilience (C) Working Group with the following charges:
 1. Engage with the industry and stakeholders in the U.S. and abroad on climate related risk and resiliency issues.
 2. Investigate and r-and other financial mechanisms to protect infrastructure and reduce exposure to the public.
 3. Identify sustainability, resilience and mitigation issues and solutions related to the insurance industry.
 4. Evaluate private-public partnerships to improve insurance market capacity related to catastrophe perils.
 5. Investigate and receive information regarding the use of modeling by carriers and their reinsurers concerning climate risk.
 6. Review the impact of climate change on insurers through presentations by interested parties.
 7. Review innovative insurer solutions to climate risk, including new insurance products through presentations by interested parties.
 - b. Added charges for the Pet Insurance (C) Working Group:
 1. Review *A Regulator's Guide to Pet Insurance* and consider whether a model law or guideline is needed to establish appropriate regulatory standards for the pet insurance industry.
 - c. Moved reporting of the Advisory Organization Examination Oversight (C) Working Group and its charges to the Market Regulation and Consumer Affairs (D) Committee.
14. Adopted an extension for revisions to the proposed Real Property Lender-Placed Insurance Model Act.
15. Heard a presentation from FEMA on its efforts to improve flood insurance uptake rates and mitigation efforts.
16. Heard a presentation from the NAIC Communications Division regarding its communications toolkit related to communicating flood risks and information to consumers.
17. Received a written report on 2018 private flood insurance data and decided to discuss additional data collection related to private flood insurance at a later date.
18. Heard an update from the Global Alliance for Vehicle Data Access (GAVDA) on its members' efforts to ensure that vehicle owners control data access.
19. Heard an update on congressional activities related to autonomous vehicles.

Casualty Actuarial and Statistical (C) Task Force

April 6, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Adopted its March 22, 2019; March 12, 2019; Feb. 12, 2019; Jan. 29, 2019; Jan. 8, 2019; Dec. 18, 2018, minutes. During these meetings, the Task Force took the following action:
 - a. Adopted its statistical reports.
 - b. Adopted a comment letter to the Executive (EX) Committee's ad hoc group regarding the Statement of Actuarial Opinion instructions and the definition of "qualified actuary."
3. Adopted the report of the Actuarial Opinion (C) Working Group. The Working Group received a referral from the Financial Examiners Handbook (E) Technical Group to review the property and casualty (P/C) reserves and claims handling exam repository and will respond by the May 31 deadline.

4. Adopted the report of the Statistical Data (C) Working Group. The Working Group is reviewing the calculations for the *Report on Profitability by Line by State*.
5. Discussed changes to its Statement of Actuarial Opinion instructions proposal in light of the March 22 hearing. The Task Force will meet subsequent to the Spring National Meeting to consider adoption of its changes to combine with the Executive (EX) Committee's ad hoc group's changes for 2019 implementation.
6. Discussed its white paper on best practices for regulatory review of predictive analytics. The volunteer drafters will continue discussion of submitted comments to propose changes to the white paper for future public exposure.
7. Heard reports from the Academy regarding the activities of its Committee on Property and Liability Financial Reporting (COPLFR) and its Casualty Practice Council.
8. Heard reports on actuarial professionalism from the Academy, the Actuarial Board for Counseling and Discipline (ABCD) and the Actuarial Standards Board (ASB).
9. Heard reports from the Casualty Actuarial Society (CAS) and the SOA on P/C actuarial research.

Surplus Lines (C) Task Force

April 6, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Adopted the report of the Surplus Lines (C) Working Group, which met March 27, 2019; Dec. 18, 2018; and Dec. 12, 2018, in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.
3. Heard an update on a referral to the Producer Licensing (D) Task Force including proposed revisions to Standard 37 and Standard 38 of the *State Licensing Handbook*.
4. Heard an update on federal flood insurance, which included details on the finalization of rules by federal banking agencies regarding the acceptance of flood coverage from private insurers in lieu of a policy issued under the NFIP.
5. Heard a summary of the current U.S. private flood market.

Title Insurance (C) Task Force

April 6, 2019

1. Adopted its 2018 Fall National Meeting minutes
2. Reviewed the results of the *Survey of State Insurance Laws Regarding Title Data and Title Matters*.
3. Heard a presentation from CertifID regarding wire transfer fraudulent events.
4. Discussed the possibility of disbanding the Title Insurance Financial Reporting (C) Working Group.

Workers' Compensation (C) Task Force

April 8, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Heard a presentation from the National Council on Compensation Insurance (NCCI) regarding workers' compensation rate decreases. During 2017, workers' compensation rates continued to decrease in most states due to lower frequency and moderate severity. Indemnity losses and medical losses are moving in line with wage inflation.
3. Heard a presentation from Premonition regarding what litigation can reveal about a claim. Premonition collects legal information and uses the analytics in predicting the outcome of a litigated claim.

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE

April 8, 2019

1. Adopted its Feb. 8 minutes, which included the following action:
 - a. Adopted its 2018 Fall National Meeting minutes.
 - b. Adopted a motion to move the filing deadline for the 2019 health Market Conduct Annual Statement (MCAS) data from May 31 to June 30.
 - c. Adopted June 30, 2020, as the filing deadline for the disability income MCAS.
 - d. Discussed its 2019 charges and working groups.
2. Adopted the Mental Health Parity Guidance and Data-Collection Tool for Mental Health Parity Analysis to be incorporated into the *Market Regulation Handbook* to provide guidance to examiners for the examination of mental health parity issues.
3. Adopted revised 2019 charges, which included:
 - a. Adopted a new charge to review the *Best Practices and Guidelines for Consumer Information Disclosures* was added in response to a request from the NAIC consumer representatives to consider guidelines for consumer information disclosures.
 - b. Moved the Advisory Organization Examination Oversight (C) Working Group and its charges to the Market Regulation and Consumer Affairs (D) Committee.
4. Adopted the report of the Antifraud (D) Task Force. See the Task Force listing for details.
5. Adopted the report of the Market Information Systems (D) Task Force. See the Task Force listing for details.

6. Adopted the report of the Producer Licensing (D) Task Force. See the Task Force listing for details.
7. Adopted the report of the Market Actions (D) Working Group, which met April 6 in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.
8. Adopted the report of the Market Analysis Procedures (D) Working Group, which met April 7 and took the following action:
 - a. Adopted its March 14 minutes, which included the following action:
 1. Adopted its 2018 Fall National Meeting minutes.
 2. Received an update on the automated MCAS analysis techniques.
 3. Discussed the STLD medical data call template. This template can be used by states to obtain data on STLD plans and AHPs being marketed and sold in their jurisdictions.
 4. Discussed the disability income MCAS proposed scorecards. There are nine proposed scorecard ratios to be adopted in time for the June 30, 2020, due date of the disability income MCAS.
 - b. Discussed comments received about the STLD medical data call template and the possibility of centralizing the collection of the data through the NAIC.
 - c. Discussed the disability income MCAS proposed scorecards. The Working Group asked that comments be received by April 26. There are nine proposed scorecard ratios to be adopted in time for the June 30, 2020, due date of the disability income MCAS.
9. Adopted the report of the Market Conduct Annual Statement Blanks (D) Working Group, including its March 28 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Jan. 23-24, 2019, and Dec. 20, 2018, Minutes. During these meetings, the Working Group took the following action:
 1. Discussed the health MCAS data call and definitions.
 2. Adopted its May 30, 2018, May 16, 2018, and May 10, 2018, minutes.
 3. Approved the deadline for the first filing year of the disability income MCAS.
 4. Received an update on the private flood MCAS.
 5. Received an update on the life and annuity MCAS review project.
 - b. Discussed items from the Jan. 23-24 meeting.
 - c. Exposed the private flood MCAS data call and definitions for a public comment period ending April 18.
 - d. Received an update on the life and annuity MCAS review project.
 - e. Discussed reviewing the homeowners, private passenger auto and long-term care MCAS data call and definitions.
10. Adopted the report of the Market Conduct Examination Standards (D) Working Group, including its March 13 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Dec. 19, 2018, minutes, which included the following action
 1. Adopted its Nov. 29, 2018, minutes.
 2. Adopted a new mental health parity guidance document and a new data collection tool for mental health parity analysis, for inclusion in the *Market Regulation Handbook*.
 3. Discussed new insurance data security pre- and post-breach checklists.
 4. Discussed new standardized data requests for private passenger auto in-force policies, private passenger auto claims and personal lines declinations
 - b. Discussed its 2019 tasks. The Working Group plans to develop new state insurance regulator guidance in 2019 regarding: 1) updated standardized data requests; 2) Model #668; and 3) the recently adopted *Travel Insurance Model Act* (#632), *Limited Long-Term Care Insurance Model Act* (#642) and *Limited Long-Term Care Insurance Model Regulation* (#643).
 - c. Reviewed insurance data security pre- and post-breach checklists, Dec. 17, 2018, draft.
 - d. Reviewed new standardized data requests for inclusion in the reference documents of the *Market Regulation Handbook*.
11. Discussed next steps to update the *Best Practices and Guidelines for Consumer Information Disclosures* document, which was originally adopted in October 2012. The document is exposed for a public comment period ending July 1.

Antifraud (D) Task Force

April 7, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Adopted a recommendation concerning the Task Force charge to: “Coordinate with NAIC committees, task forces and working groups (e.g., Financial Condition (E) Committee, etc.) and provide recommendations for the development of a database to be created and maintained by the NAIC Securities Valuation Office (SVO) specific to tracking the fraudulent financial reporting for chief executive officers (CEO), directors and corporate officers.” The Task Force recommendation is that the development of this database is not necessary at this time.
3. Discussed the Antifraud Technology (D) Working Group status for 2019. The Task Force agreed that the Working Group will be tasked with the review of creating an antifraud plan state repository.

4. Adopted the report of the Antifraud Education Enhancement (D) Working Group. The Working Group has worked with NAIC staff to complete a full review and update to the NAIC “Basic Fraud Investigators” education course. The Working Group also conducted a fraud investigator safety webinar on Jan. 25. The Working Group plans to schedule additional webinars throughout the year, including one on the topic of how General Motors can assist law enforcement and state fraud bureaus with investigations.
5. Heard reports on antifraud activity from NAIC staff and the following organizations: National Insurance Crime Bureau (NICB); and Coalition Against Insurance Fraud (CAIF).

Market Information Systems (D) Task Force

April 6, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Adopted the report of the Market Information Systems Research and Development (D) Working Group. In 2019, the Working Group plans to:
 - a. Review the Market Information Systems (MIS) data analysis metrics for 2018. These metrics are designed to identify potential data-quality issues related to completeness, timeliness and accuracy.
 - b. Review the updated *Insurance Department Resources Report* (IDRR) instructions for the Market Conduct Examinations and Market Conduct Actions sections.
 - c. Review the outstanding Uniform System Enhancement Request (USER) forms. This includes a new request to include all MCAS data in the MCAS Market Analyst Prioritization Tool (MAPT).
3. Received a report on the status of outstanding USER forms.
4. Received a presentation on the redesigned Consumer Information Source (CIS). The redesigned CIS was put in production March 15.
5. Received a status report on the MCAS system redesign. The redesigned MCAS was put in production March 18.
6. Discussed its 2019 charge to develop a plan for making publicly available data more accessible and meaningful. The Task Force requested comments on this charge by July 1.

Producer Licensing (D) Task Force

April 6, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Discussed the Surplus Lines (C) Task Force request to consider whether the requirement of a resident producer to hold underlying P/C licenses before a surplus lines license is issued should be expanded to permit an accident and health license to fulfill this requirement. The Task Force will seek feedback on the expansion and draft proposal. The Task Force will make a final decision prior to the Summer National Meeting.
3. Discussed its 2019 priorities:
 - a. The Task Force was presented with a new charge to: “Draft a white paper on the role of chatbots and artificial intelligence in the distribution of insurance and the regulatory supervision of these technologies.” The Task Force will work with NAIC staff to create a formal outline and work plan for this charge.
 - b. The Task Force discussed the review of Business Entity Licensing Standards. The Task Force will not be continuing the movement at this time, pending further additional outreach to the states and interested parties on appropriate standards.
 - c. The Task Force discussed raised issues related to 1033 waivers and the states potentially using two different waiver forms. The Task Force will have the Producer Licensing Uniformity (D) Working Group review this issue and report back.
 - d. The Task Force has asked the Producer Licensing Uniformity (D) Working Group to review issues raised concerning FBI background checks and whether the FBI may prohibit a state from reusing a criminal history report of a producer applicant.
4. Discussed a request from the Securities Insurance Licensing Association (SILA) to reappoint the Independent Adjuster Licensing (D) Working Group, which was disbanded in 2018. The Task Force will maintain its existing charge to monitor state implementation of adjuster licensing reciprocity but not reappoint the Working Group
5. Adopted the report of the Producer Licensing Uniformity (D) Working Group. The Working Group will be drafting revisions to the NAIC *State Licensing Handbook*. It plans to meet in late April or early May via conference call to discuss any comments received from Working Group members on Chapter 1 through Chapter 5. The Working Group plans to finalize its review of the handbook and provide any recommended updates to the Task Force by the Fall National Meeting.
6. Adopted the report of the Uniform Education (D) Working Group, including its Dec. 20, 2018, minutes. During this meeting, the Working Group took the following action:
 - a. Discussed its 2019 charges.

- b. Discussed its review of the Continuing Education Reciprocity Agreement (CER Agreement). On March 29, a draft CER Agreement was distributed to the Working Group for review. The Working Group plans to meet April 16 via conference call to begin the review process. The Working Group will continue to meet via conference call, as necessary, to finalize its review of the CER Agreement. It plans to present a final adopted version to the Task Force for consideration at the Fall National Meeting.
7. Heard a report from the NIPR Board of Directors. The Board heard a report from the NIPR Audit Committee regarding NIPR's financials through year-end 2018 and the 2018 financial audit. Revenues were 7.2% over budget and 8.6% above revenues for the prior year. The Board heard a report from the NIPR Investment Committee regarding 2018 year-end investments and approved a new asset allocation mix for NIPR's investments. The Board heard an update on the NAIC and NIPR's progress on cloud migration, which is a strategic priority for NIPR. Finally, the Board heard a report on the NAIC and NIPR's ongoing cybersecurity initiatives.

FINANCIAL CONDITION (E) COMMITTEE

April 8, 2019

1. Adopted its Feb. 19, 2019, and 2018 Fall National Meeting minutes. During its Feb. 19 meeting, the Committee took the following action:
 - a. Adopted proposed recommendations from the Reinsurance Leadership Group regarding modifying Model #785 and Model #786.
 - b. Adopted proposed charges for the newly appointed Restructuring Mechanisms (E) Working Group and the Restructuring Mechanisms (E) Subgroup.
2. Adopted the report of the Accounting Practices and Procedures (E) Task Force. See the Task Force listing for details.
3. Adopted the report of the Capital Adequacy (E) Task Force. See the Task Force listing for details.
4. Adopted the report of the Examination Oversight (E) Task Force. See the Task Force listing for details.
5. Adopted the report of the Long-Term Care Insurance (B/E) Task Force. See the Task Force listing for details.
6. Adopted the report of the Receivership and Insolvency (E) Task Force. See the Task Force listing for details.
7. Adopted the report of the Reinsurance (E) Task Force. See the Task Force listing for details.
8. Adopted the report of the Risk Retention (E) Task Force. See the Task Force listing for details.
9. Adopted the report of the Valuation of Securities (E) Task Force. See the Task Force listing for details.
10. Adopted the report of the National Treatment and Coordination (E) Working Group, including its Feb. 14 minutes. During this meeting, the Working Group took the following action:
 - a. Adopted its Dec. 5, 2018, minutes, which included the following action:
 1. Discussed business address information.
 2. Adopted Form 14 contact/ mailing address changes.
 3. Adopted the Biographical Affidavit instructions.
 4. Adopted the Biographical Affidavit frequently asked questions (FAQs).
 5. Exposed updates to the biographical affidavit and the *Company Licensing Best Practices Handbook* for a public comment period ending Jan. 22.
 - b. Adopted the Biographical Third-Party Review (E) Subgroup's Nov. 26, 2018, Minutes. During this meeting, the Subgroup took the following action:
 1. Discussed Question 15 and the Best Practices for Reviewing a Holding Company Officer or Director on the Biographical Affidavit (Form 12).
 - c. Referred the Business Address Memorandum to State Based Systems (SBS) staff.
 - d. Referred the amended Accreditation Part D standards to the Financial Regulation Standards and Accreditation (F) Committee.
 - e. Adopted Holding Company Information Proposal 2018-09.
 - f. Adopted changes to the Corporate Amendment Instructions proposal.
 - g. Adopted Changes to the Change of Address/Contact Notification proposal.
11. Adopted the report of the Variable Annuities Issues (E) Working Group, including its March 8 minutes. During this meeting, the Working Group took the following action:
 - a. Discussed a proposal from the ACLI regarding the cash surrender value (CSV) floor. The Working Group adopted a motion to keep the Variable Annuities Framework the same and reject the proposal from the ACLI.
12. Adopted the report of the Group Capital Calculation (E) Working Group, which met April 6 and took the following action:
 - a. Adopted its March 21, 2019; March 12, 2019; March 7, 2019; and 2018 Fall National Meeting minutes. During its March 21, March 12 and March 7 meetings, the Working Group took the following action:
 1. Discussed the group capital calculation (GCC) testing process.
 2. Discussed the revised GCC testing template and instructions, which were intended to address as many of the industry comments received Jan. 30 that were consistent with previous direction given to NAIC staff.
 3. Discussed more substantive issues to determine if further changes are needed to the GCC template and instructions prior to field-testing.

- b. Finalized discussions on its previously exposed GCC testing template and instructions related to those things that need to be decided before field-testing. At this point, the Working Group envisions that it may be possible to start field-testing by May 1, with only two remaining items to be modified in the GCC testing template and instructions before testing begins: 1) adding an additional line to the XXX/AXXX Test 3 to capture, for informational only purposes, the difference between statutory accounting principle (SAP) assets used in the calculation and primary security as defined in *Actuarial Guideline XLVIII—Actuarial Opinion and Memorandum Requirements for the Reinsurance of Policies Required to be Valued under Sections 6 and 7 of the NAIC Valuation of Life Insurance Policies Model Regulation* (AG 48); and 2) a separate test of grouping entities being developed by Cigna.
13. Adopted the report of the Restructuring Mechanisms (E) Working Group, which met April 6 and took the following action:
- a. Adopted its March 11 minutes, which included the following action:
 - 1. Solicited presentations for the Spring National Meeting.
 - c. Solicited new members.
 - b. Heard presentations from: 1) ACLI; 2) Swiss Re; 3) ProTucket Insurance Company; and 4) a joint presentation from the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) and the National Conference of Insurance Guaranty Funds (NCIGF).
14. Adopted the report of the Risk-Focused Surveillance (E) Working Group, which met April 6 and took the following action:
- 1. Adopted a referral to the Financial Regulation Standards and Accreditation (F) Committee related to financial regulator compensation. The referral encourages the Committee to consider revisions to accreditation guidelines to reference new salary recommendations and supporting guidance that have been developed for the *Financial Analysis Handbook* and the *Financial Condition Examiners Handbook*.
 - 2. Discussed a referral received from the Operational Risk (E) Subgroup encouraging the Working Group to study issues and develop regulator knowledge related to operational risks.
 - 3. Discussed the results of 2018 sessions of the NAIC Peer Review Project and plans for 2019 sessions. During 2018, four sessions of the project were held, resulting in the development of new best practice guidance and referral of issues to various NAIC groups. For 2019, five additional sessions are planned, with three planned for risk-focused analysis, one planned for risk-focused exams and one planned for Own Risk and Solvency Assessment (ORSA) implementation.

Accounting Practices and Procedures (E) Task Force

April 7, 2019

- 1. Adopted its 2018 Fall National Meeting minutes.
- 2. Adopted the report of the Statutory Accounting Principles (E) Working Group, which met April 6 and took the following action:
 - a. Adopted its Feb. 6, 2019; Jan. 17, 2019; Dec. 12, 2018; and 2018 Fall National Meeting minutes. The minutes detail exposure actions, with no final adoptions occurring in the interim.
 - b. Adopted *Issue Paper No. 160—Structured Settlements Acquired as Investments*.
 - c. Adopted the following nonsubstantive revisions to statutory accounting guidance:
 - 1. Revisions, effective Dec. 31, 2019, that require structured notes, for which the contractual principal amount to be paid at maturity is at risk for other than failure of the borrower to pay the contractual amount due, to be reported as derivatives under *Statement of Statutory Accounting Principles (SSAP) No. 86—Derivatives*. The revisions provide an exception for mortgage-referenced securities reported under *SSAP No. 43R—Loan-Backed and Structured Securities*. With the adoption action, the Working Group directed referrals to the Blanks (E) Working Group, the Valuation of Securities (E) Task Force and the Capital Adequacy (E) Task Force to update the definitions for structured notes, as well as consider asset valuation reserve (AVR) and risk-based capital (RBC) revisions to reflect the adopted statutory accounting revisions. The Working Group also directed a new agenda item proposing revisions to SSAP No. 86 to specify the valuation of “other” derivatives when state investment law permits admittance.
 - 2. Revisions adopt with modification *Accounting Standards Update (ASU) 2018-15, Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*, to allow capitalization of implementation costs of cloud hosting service contracts as nonoperating system software with amortization not to exceed five years.
 - 3. Revisions clarify that assets pledged to a Federal Home Loan Bank (FHLB) on behalf of an affiliate shall be nonadmitted, and clarify that transactions entered into on behalf of an affiliate, but that are structured to exclude the affiliate shall be considered a related party transaction.

4. Revisions explicitly capture foreign open-end fund investments in scope of *SSAP No. 30R—Unaffiliated Common Stock* with a Jan. 1, 2019, effective date. The Working Group directed a blanks proposal to identify foreign open-end funds on the investment reporting schedule, to incorporate revisions to the Supplemental Investment Reporting Interrogatory (SIRI) to clarify what should be captured in line 2 (top 10 issuers) and to add a new disclosure for investments with fund managers. The Working Group also directed NAIC staff to draft a new agenda item to consider revisions to line 13 of SIRI (10 largest equity interests).
5. Revisions clarify the reporting of interest on accident and health claims as other claims adjustment expense unless paid as part of a regulatory fine. The revisions are effective Jan. 1, 2020, with early adoption permitted.
6. Revisions add the Securities Industry and Financial Markets (SIFMA) Municipal Swap Rate and the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as U.S. benchmark rates.
7. Revisions adopt with modification the disclosure amendments reflected in *ASU 2018-14, Changes to the Disclosure Requirements for Defined Benefit Plans*.
8. Revisions adopt with modification *ASU 2018-07, Improvements to Nonemployee Share-Based Payment Accounting*, eliminating the section for nonemployee awards and including guidance for nonemployees with the guidance for employees.
9. Revisions adopt with modification the disclosure amendments reflected in *ASU 2018-13, Changes to the Disclosure Requirements for Fair Value Measurement*.
10. Revisions reject the following ASUs as not applicable to statutory accounting:
 - a. *ASU 2017-13, Amendments to SEC Paragraphs*.
 - b. *ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*.
 - c. *ASU 2018-04, Debt Securities and Regulated Operations, Amendments to SEC Paragraphs*.
 - d. *ASU 2018-05, Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118*.
 - e. *ASU 2018-06, Financial Services—Depository and Lending*.
- d. Adopted the following Interpretations of statutory accounting principles:
 1. *INT 19-01—Extension of Ninety-Day Rule for the Impact of California Camp Fire, Hill Fire and Woolsey Fire*, to provide a temporary extension to the 90-day rule under *SSAP No. 6—Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due from Agents and Brokers*. INT 19-01 will be automatically nullified April 24, 2019.
 2. Adopted *INT 19-02—Single Security Initiative*, to incorporate a limited-scope exception to *SSAP No. 26R—Bonds* and prescribe guidance for *SSAP No. 43R* securities exchanged under the Freddie Mac Single Security Initiative.
- e. Adopted editorial revisions to clarify that investments in scope of *SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* are not required to complete disclosures required by *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* unless directed by *SSAP No. 48*.
- f. Exposed the following substantive revisions to statutory accounting guidance:
 1. *SSAP No. 22—Leases* and corresponding *Issue Paper No. 16X—Leases* to incorporate guidance from *ASU 2016-02, Leases*, but maintain the operating lease concept.
 2. *Issue Paper 16X—Property and Casualty Reinsurance Credit*.
- g. Exposed the following nonsubstantive revisions to statutory accounting guidance:
 1. Revisions to reject *ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts* for statutory accounting. Also requested comments on new disclosure reconciliations of liabilities.
 2. Revisions clarify the application of an “affiliated” classification, when a transaction is in substance a related party transaction, even if the transaction is conducted through a non-related intermediary.
 3. Revisions clarify that a security in scope of *SSAP No. 26R* is not reclassified as a “collateral loan” because it is also secured with collateral.
 4. Revisions provide guidance for determining prepayment penalties when consideration received is less than par.
 5. Revisions direct the initial reported value for a bond received as a property dividend or as a capital contribution.
 6. Revisions clarify the structure of mortgage loans acquired through a participation agreement.
 7. Revisions require *SSAP No. 43R* securities with differing NAIC designations by lot to be reported in overall aggregate at the lowest NAIC designation or with separate aggregations by NAIC designation.
 8. Requested comments on the current annual statement reporting of guaranteed investment contracts, or other deposit-type contracts, and directed a referral to Life Actuarial (A) Task Force.
 9. Revisions provide guidance clarifying reporting of prepayments to providers of claims and adjusting services.
 10. Revisions clarify that Nov. 2018 updates to *SSAP No. 62R—Property and Casualty Reinsurance* apply to contracts in effect as of Jan. 1, 2019.
 11. Revisions reject *ASU 2014-17, Business Combinations – Pushdown Accounting* for statutory accounting and prohibits pushdown accounting for affiliated or subsidiary investments reported under audited U.S. generally accepted accounting principles (GAAP).
 12. Revisions clarify that the acquisition of a holding company requires the purchase price and goodwill to be attributed to the downstream entities that the holding company directly owns.

13. Revisions to the requirements for when a reporting entity has a negative equity value in an SCA investment.
14. Revisions clarify application of look-through guidance specifying that goodwill value must be supported by an audit report and that the look-through provision only applies to the downstream level directly below the noninsurance holding company. The exposure requests information on multiple-level shell holding companies.
15. Revisions to the *SSAP No. 101—Income Taxes* Implementation Questions and Answers (Q&A) provide updates in response to the federal Tax Cuts and Jobs Act of 2017 (TCJA).
16. Revisions to the *SSAP No. 101 Implementation Q&A* clarify the application of the deferred tax admittance calculation regarding offsetting deferred tax liabilities.
17. Revisions reduce the disclosure requirements for repurchase and reverse repurchase transactions.
18. Exposed editorial revisions to statutory accounting.
19. Revisions reject as not applicable *ASU 2015-08, Pushdown Accounting – Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115*.
20. Revisions reject as not applicable *ASU 2019-02, Entertainment, Improvements to Accounting for Costs of Films and License Agreements for Program Materials (a consensus of the FASB Emerging Issues Task Force)*
21. Disposed Ref #2018-06: Regulatory Transactions without statutory accounting revisions and sent a referral to add identifying codes to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office*.
22. Disposed Ref #2015-03: Sales-Leasebacks with Nonadmitted Assets without statutory accounting revisions.
- h. Directed NAIC staff to draft revisions preferred stock guidance for subsequent exposure.
- i. Received updates on the following:
 1. A proposal has been submitted to the Blanks (E) Working Group to capture a new derivative schedule and disclosures in accordance with the guidance adopted in 2018.
 2. NAIC staff are collecting information on reporting entities that have linked surplus notes for regulator-to-regulator discussion. This item will be on the public hearing agenda subsequent to that discussion.
 3. The Financial Accounting Standards Board (FASB) has undertaken projects to clarify the guidance and improve the transition of *ASU 2016-13, Credit Losses*. Working Group action is deferred until after the FASB updates.
 4. The Informal Life and Health Reinsurance Drafting Group has met four times via conference call since the last Working Group meeting and continues to make progress on its projects.
 5. The Valuation of Securities (E) Task Force has been discussing working capital finance investments (WCFls). A referral to the Working Group is expected after the Spring National Meeting.
 6. A new electronic version of the *Accounting Practices and Procedures Manual* (AP&P Manual) became available March 18. Limited printed copies of the AP&P Manual are available.
 7. No comments on current U.S. GAAP exposures are planned by the Working Group.
- j. Comment deadline is May 10 for: 2018-32: Prepayment Penalties; 2019-05: Repurchase Disclosures; and 2019-07: Bonds Received as Property Dividends or Capital Contributions, which will be considered on a May 29 conference call. The comment deadline for all other exposed and new items is June 12.
3. Adopted the report of the Blanks (E) Working Group, which met April 6 and took the following action:
 - a. Adopted its 2018 Fall National Meeting minutes.
 - b. Adopted eight proposals previously exposed:
 1. 2018-23BWG – Add questions 34.1 and 34.2 to the General Interrogatories, Part 2 for fraternal benefit societies only, along with instructions regarding 34.2.
 2. 2018-24BWG – Adjust AVR factors in the life, accident and health/fraternal blank for those related RBC factors have changed due to the TCJA.
 3. 2018-25BWG – Modify the reinsurance ceded code list in the health and life, accident and health/fraternal quarterly Schedule S to match the list used for annual statement reporting. Add an additional column and associated instructions for type of business ceded.
 4. 2018-27BWG – Add reference to reporting separate account or protected cell to the instructions for Note 5L(4). Modify the illustrations to include additional lines for separate accounts or protected cells in addition to the general account, with a notation indicating which lines apply to the general account and which lines apply to separate accounts or protected cells.
 5. 2018-28BWG – Add instructions to Note 9 – Income Taxes for new disclosures; Repatriation Transition Tax (RTT); and, Alternative Minimum Tax (AMT) Credit. An illustration will be added and will be data-captured.
 6. 2018-29BWG – In the separate accounts blank, remove line 5, Contract Loans, from the separate accounts asset page and renumber the remaining lines.
 7. 2018-30BWG – Modify instructions and illustration Note 10.O – Subsidiary, Controlled or Affiliated (SCA) Loss Tracking to include references to SSAP No. 48 and SSAP No. 48 entities.

8. 2018-31BWG – Add to new categories (unit investment trusts and closed-end funds) to the common stock categories on Schedule D. Add the new categories to the Summary Investment Schedule. Add definition of “unit investment trusts” and “closed-end funds” to the Investment Schedules General Instructions and modify the definition of “mutual fund.” Add categories for “unit investment trusts” and “closed-end funds” to Schedule DL, Part 1 and Part 2.
- c. Exposed 17 new proposals with a comment deadline of May 21.
- d. Adopted the editorial listing.

Capital Adequacy (E) Task Force

April 7, 2019

1. Adopted its Feb. 19 minutes, which included the following action:
 - a. Adopted its 2018 Fall National Meeting minutes.
 - b. Adopted its working agenda.
 - c. Received a referral from the Statutory Accounting Principles (E) Working Group to review if exchange-traded funds (ETFs) should be captured in the general interrogatory and excluded from the asset concentration factor RBC purposes.
2. Adopted its Jan. 31 minutes, which included adopting the 2018 Catastrophe Event List.
3. Exposed the RBC Preamble for a 30-day public comment period ending May 7.
4. Adopted the report of the Health Risk-Based Capital (E) Working Group, which met April 7 and took the following action:
 - a. Adopted its March 6, 2019; Feb. 1, 2019; and Dec. 3, 2018, minutes, which included the following action:
 1. Discussed the rounding functions in the capitation tables.
 2. Referred proposal 2018-17-CA and 2018-14-CA to the Capital Adequacy (E) Task Force for exposure.
 3. Discussed the health care receivables factors.
 4. Discussed the managed care credit (MCC) calculation.
 5. Received an update from the Operational Risk (E) Subgroup on the excessive growth charge in the health RBC formula. Disbanded the Subgroup.
 6. Received an update on the annual financial statement health test.
 7. Exposed and voted to refer the credit risk/reinsurance memorandum to the Capital Adequacy (E) Task Force.
 8. Adopted its working agenda.
 - b. Received a referral letter from the Operational Risk (E) Subgroup to review the excessive growth charge in the health RBC formula. The Working Group formed an ad hoc group to review and explore reasons to change the existing excessive growth methodology.
 - c. Discussed proposal 2019-04-H, which will apply an additional charge for health care receivable amounts accrued in the prior year but not recovered in the current year. The proposal was exposed for a 30-day public comment period.
 - d. Adopted updates to its 2019 working agenda.
 - e. Received an update from the Annual Statement Health Test Ad Hoc Group and its plan to move forward with a two-phase approach to: 1) revise the current health test language; and 2) consider adding health annual financial statement schedules into the life and P/C annual financial statements as supplemental schedules.
5. Adopted the report of the Life Risk-Based Capital (E) Working Group, which met April 7 and took the following action:
 - a. Adopted its Feb. 22, 2019, Dec. 19, 2018, and Dec. 13, 2018, minutes, which included the following action:
 1. Adopted the tax guidance document.
 2. Exposed the combined life and fraternal RBC formula proposal for comment.
 3. Discussed the treatment of unaffiliated common stock supporting long-horizon contractual commitments.
 4. Discussed the treatment of fixed-indexed annuities.
 - b. Heard an update from the Academy Longevity Risk Task Force.
 - c. Adopted the report of the Longevity Risk (A/E) Subgroup, including its March 5 and Feb. 19 minutes. During these meetings, the Subgroup took the following action:
 1. Exposed the Academy’s Longevity Risk Task Force report, along with a list of questions on which it would like comment, for a 60-day public comment period.
 - d. Received an update from the Variable Annuities Capital and Reserve (E/A) Subgroup, highlighting its March 13, March 6, March 4, Feb. 28, Feb. 27, Feb. 25, Feb. 20, Feb. 13, Feb. 6, Jan. 30 and Jan. 23, 2018; and Dec. 19, Dec. 12, Dec. 5 and Nov. 28, 2018, meetings. During these meetings, the Subgroup took the following action:
 1. Discussed changes needed to implement the Variable Annuities Framework.
 2. Exposed and finalized its proposed changes to VM-21, Requirements for Principle-Based Reserves for Variable Annuities, for recommendation to the Life Actuarial (A) Task Force.
 3. Exposed and finalized its proposed changes to *Actuarial Guideline XLIII—CARVM for Variable Annuities* (AG 43) for recommendation to the Life Actuarial (A) Task Force.
 4. Exposed and finalized its proposed changes to VM-01, Definitions for Terms in Requirements, for recommendation to the Life Actuarial (A) Task Force.

5. Exposed and finalized its proposed changes to the life RBC instructions for recommendation to the Life Risk-Based Capital (E) Working Group.
- e. Exposed proposed changes to the life RBC instructions, as recommended by the Variable Annuities Capital and Reserve (E/A) Subgroup, for a 30-day public comment period.
- f. Heard an update from the Academy's C2 Work Group.
- g. Discussed pending items to be considered by the Working Group.
6. Adopted the report of the Property and Casualty Risk-Based Capital (E) Working Group, which met April 7 and took the following action:
 - a. Adopted its Feb. 20, minutes, which included the following action:
 1. Adopted its 2018 Fall National Meeting minutes.
 2. Re-exposed proposal 2018-16-P (2019 Underwriting Risk Line 4 Factors).
 3. Exposed proposal 2018-20-P (Asset Concentration PS and Hybrid Labels).
 4. Exposed proposal 2019-02-P (Modify RBC Average Growth Risk Calculations).
 5. Received an update from the Academy.
 6. Discussed the possible changes of the R3 related to the "Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance" (Bilateral Agreement).
 7. Discussed the factor of using aggregate exceedance probability (AEP) basis versus occurrence exceedance probability (OEP) basis.
 - b. Adopted the report of the Catastrophe Risk (E) Subgroup, which met April 5 and took the following action:
 1. Adopted its Feb. 20, minutes, which included the following action:
 - a. Adopted its 2018 Fall National Meeting minutes.
 - b. Re-exposed proposal 2018-16-P (2019 Underwriting Risk Line 4 Factors).
 - c. Exposed proposal 2018-20-P (Asset Concentration PS and Hybrid Labels).
 - d. Exposed proposal 2019-02-P (Modify RBC Average Growth Risk Calculations).
 - e. Received an update from the Academy.
 - f. Discussed the possible changes of the R3 related to the Bilateral Agreement.
 - g. Discussed the factor of using AEP basis versus OEP basis.
 2. Heard a presentation from AIR Worldwide (AIR) regarding its U.S. wildfire model. The presentation included a model overview on historical losses, model assumptions and mitigation features, and model losses.
 3. Heard a presentation from A.M. Best regarding comments on wildfire risk. The presentation included topics on catastrophe analysis in A.M. Best ratings; assessing wildfire risk within rating analysis; and market implications.
 - c. Adopted proposal 2018-16-P (2019 Underwriting Line 4 Factors).
 - d. Adopted proposal 2018-20-P (Asset Concentration PS and Hybrid Labels).
 - e. Adopted proposal 2019-02_P (Modify RBC Average Growth Risk Calculations).
 - f. Exposed proposal 2019-05-P (Underwriting Risk Line 1 Factors) for a 30-day public comment period ending May 7, 2019. The purpose of this proposal is to adopt a new set of annual updates of the industry underwriting risk line 1 factors in the P/C RBC formula.
 - g. Received an update from the Academy regarding its work to enhance the calibration of factors used to calculate underwriting risk.
 - h. Discussed the possible changes of the R3 related to the Bilateral Agreement.
7. Adopted the Operational Risk (E) Subgroup's March 27 minutes. During this meeting, the Subgroup took the following action:
 - a. Adopted its Feb. 26 minutes, which included the following action:
 1. Adopted its Jan. 24, 2019, and Dec. 20, 2018, minutes. During these meetings, the Subgroup took the following action:
 - a. Exposed a proposal to remove the "informational only" growth risk from the health, life and fraternal RBC formulas in 2019.
 - b. Discussed a potential referral to the Health Risk-Based Capital (E) Working Group for continued review of growth risk.
 - c. Discussed a potential referral for collecting longer-term information on operational risk.
 - d. Discussed comment letters on the exposed document regarding growth risk in health RBC.
 - e. Discussed comment letters on the exposed document regarding collecting longer-term information on operational risk.
 - f. Discussed growth risk for life RBC.
 2. Adopted a proposal to remove the "informational only" growth risk from the health, life and fraternal RBC formulas in 2019.
 3. Adopted a referral to the Health Risk-Based Capital (E) Working Group.

- b. Adopted a referral for collecting longer-term information on operational risk.
- c. Adopted a “hand-off” memorandum on growth risk to the Life Risk-Based Capital (E) Working Group.
- 8. Adopted proposal 2019-06-CA (RBC Procedures).
- 9. Adopted proposal 2018-14-CR (Stop Loss Interrogatories and Instructions).
- 10. Adopted proposal 2018-12-H (Asset Concentration).
- 11. Received the credit risk/reinsurance memorandum from the Health Risk-Based Capital (E) Working Group.
- 12. Exposed Proposal 2018-17-CA (Capitation Tables).
- 13. Adopted Proposal 2018-16-P (2019 Underwriting Risk Line 4 Factors).
- 14. Adopted Proposal 2018-20-P (Asset Concentration PS and Hybrid Labels).
- 15. Adopted Proposal 2019-02-P (Modify RBC Average Growth Calculations).
- 16. Received a status update on the affiliated investment ad hoc project.
- 17. Discussed comprehensive fund referral.

Examination Oversight (E) Task Force

April 7, 2019

- 1. Adopted its 2018 Fall National Meeting minutes.
- 2. Adopted the report of the Electronic Workpaper (E) Working Group, which met March 25 in regulator-to-regulator session pursuant to paragraph 4 (internal or administrative matters of the NAIC) of the NAIC Policy Statement on Open Meetings.
- 3. Adopted the report of the Financial Analysis Solvency Tools (E) Working Group, which met Feb. 28 in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings. The Working Group also met March 19 in regulator-to-regulator session jointly with the Group Solvency Issues (E) Working Group pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meeting.
- 4. Adopted the report of the Financial Examiners Coordination (E) Working Group, which met Nov. 12, 2018, in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.
- 5. Adopted the report of the Financial Examiners Handbook (E) Technical Group, including its March 18 minutes. During this meeting, the Technical Group took the following action:
 - a. Exposed revisions to the *Financial Condition Examiners Handbook* on the following topics for a 30-day public comment period ending April 17:
 - 1. Salary range guidelines for financial examiners.
 - 2. Guidance on C-level interviews.
 - 3. Updates to the format of Exhibit V – Prospective Risk Assessment.
 - b. Formed a drafting group to address a referral from the Chief Financial Regulator Forum on issues regarding the management letters issued at the conclusion of examinations.
 - c. Received a referral from the Financial Analysis (E) Working Group on troubled insurance companies and directed NAIC staff to develop guidance revisions to address the issues raised within the referral.
 - d. Formed a drafting group to begin developing suggested revisions for the reserves/claims handling repositories.
- 6. Heard an update from NAIC staff on two regulator-only workstreams. The first related to work being performed to update the regulator-only Jumpstart reports used during both the financial examinations and financial analysis processes. NAIC staff also provided an update on the drafting group that the IT Examination (E) Working Group formed. The drafting group is working to develop guidance revisions on the topics of information technology (IT) review conclusions, use of third-party work and cybersecurity assessment tools. The Working Group anticipates receipt of proposed guidance revisions before the Summer National Meeting.

Long-Term Care Insurance (B/E) Task Force

April 8, 2019

- 1. Discussed work already completed on product innovation.
- 2. Received an oral presentation on LTCI trends and regulatory pressure from the Financial Analysis (E) Working Group.
- 3. Discussed work already completed by the Long-Term Care Pricing (B) Subgroup.
- 4. Discussed work already completed by the Long-Term Care Valuation (B) Subgroup.

Receivership and Insolvency (E) Task Force

April 7, 2019

- 1. Adopted its 2018 Fall National Meeting minutes.
- 2. Adopted the report of the Receivership Financial Analysis (E) Working Group, which met April 7 in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings. During this meeting, the Working Group discussed the status of individual receiverships.

3. Adopted the report of the Receivership Large Deductible Workers' Compensation (E) Working Group, including its Feb. 25 minutes. During this meeting, the Working Group took the following action:
 - a. Discussed its 2019 charges.
 - b. Developed a plan for addressing two tasks:
 1. Conducting further discussions on the outstanding issue of ownership of the deductible recoveries and collateral.
 2. Drafting best practices and guidance for how to address issues in large deductible workers' compensation receiverships for the *Receiver's Handbook for Insurance Company Insolvencies*. Working Group members volunteered to begin drafting specific topics for the handbook. The Working Group plans to submit its proposed handbook revisions to the Task Force for consideration at the Fall National Meeting.
4. Received an update on the progress of the drafting group to address the Macroprudential Initiative (MPI) referral on recovery and resolution from the Financial Stability (EX) Task Force. Within the three topics from the referral, the drafting group has identified topics for further discussion, referral or proposal.
 - a. Evaluate recovery and resolution laws, guidance and tools, and determine whether they incorporate best practices with respect to financial stability, including:
 1. Further discussion on guidance for establishing a bridge institution.
 2. Further discussion on remedies for addressing continuity of essential services and functions.
 3. Further discussion regarding a few key provisions that are contained in *Insurer Receivership Model Act (#555)* but are not explicitly addressed in previous receivership models.
 - b. Evaluate recovery and resolution planning tools for systemically important cross-border U.S. groups, including:
 1. Consider possible referrals to other group(s) within Financial Condition (E) Committee on the topic of recovery and resolution planning.
 - c. Evaluate whether there are misalignments between federal and state laws that could be an obstacle to effective and orderly recovery and resolutions for U.S. insurance groups, including:
 1. Propose amendments to the *Guideline for Stay on Termination of Netting Agreements and Qualified Financial Contracts (#1556)*.
 2. Draft guidance on taxes in receivership and federal releases.
 - d. Exposed, for a 30-day public comment period ending May 7, draft revisions to Guideline #1556. The revisions to the drafting note highlight the issue that rules on master netting agreements of the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC) do not recognize state receivership stays and advise any state considering adoption of Guideline #1556 to first determine whether the rules of the Federal Reserve, the FDIC and the OCC have been amended to recognize state receivership stays.
 - e. Heard an international resolution update from New Jersey and Texas that highlighted activities of the IAIS. The IAIS Resolution Working Group met in January and April to:
 1. Finalize Insurance Core Principle (ICPs) 12, Exit from the Market and Resolution, and the Common Framework for the supervision of Internationally Active Insurance Groups (ComFrame) material integrated into ICP 12.
 2. Revise the *Application Paper on Recovery Planning*.
 3. Discuss the planning and scope of the *Application Paper on Resolution*.

Reinsurance (E) Task Force

April 8, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Adopted the report of the Qualified Jurisdiction (E) Working Group. The Working Group has not met since the 2018 Fall National Meeting. The Working Group has discussed a charge that was received from the Financial Condition (E) Committee to consider changes to the *Process for Developing and Maintaining the NAIC List of Qualified Jurisdictions* as a result of the "Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance" (Covered Agreement).
3. Adopted the report of the Reinsurance Financial Analysis (E) Working Group. The Working Group met Dec. 13, 2018, in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to discuss actions taken with respect to the passporting of certified reinsurers by the states. The Working Group has discussed a charge from the Financial Condition (E) Committee to consider changes in its current methods of monitoring certified reinsurers domiciled in qualified jurisdictions to incorporate changes to state reinsurance collateral requirements caused by the Bilateral Agreement and any changes to Model #785 and Model #786 to provide similar treatment to reinsurers domiciled in qualified jurisdictions.
4. Discussed the proposed revisions to Model #785 and Model #786 to incorporate the Covered Agreement.

Risk Retention Group (E) Task Force

The Risk Retention Group (E) Task Force did not meet at the Spring National Meeting.

Valuation of Securities (E) Task Force

April 7, 2019

1. Adopted its March 4, 2019, and 2018 Fall National Meeting minutes. During its March 4 meeting, the Task Force took the following action:
 - a. Exposed revised document to improve disclosure on securities not eligible for filing exemptions and a proposed amendment to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) to modify guidance for regulatory transactions.
 - b. Discussed a proposed amendment to the P&P Manual to provide comprehensive instructions for fund investments.
 - c. Directed SVO staff to draw up a referral memo on WCFIs.
 - d. Received and exposed a document on filing exempt (FE) logic.
 - e. Received a referral on foreign mutual funds.
2. Adopted an amendment to the P&P Manual to clarify the “stand-alone” status of the investment security component of a regulatory transaction. The P&P Manual describes “Regulatory Transaction” as a transaction structured by an insurer to resolve some regulatory issue that is presented to the domiciliary state for approval. A regulatory transaction could include an investment security eligible for an NAIC designation through the FE process when considered on a stand-alone basis. The amendment clarifies that such a stand-alone investment security is not excluded from being designated because it has been included as a component of a regulatory transaction.
3. Adopted an amendment to the P&P Manual to identify types of investment securities and transactions that are not eligible for filing exemption. The P&P Manual already identifies investment securities and transactions that are excluded from filing exemption, but the guidance is scattered in different parts of the manual. The proposal would place the guidance at the beginning of the FE instructions, where it would provide the best disclosure. The industry identified several related changes. The Task Force directed the SVO to prepare a separate amendment considering these related changes and continue working with the industry on lease-based transactions that were identified as a concern by the industry.
4. Adopted an amendment to the P&P Manual to provide a comprehensive and uniform approach to the risk assessment of shares of funds that holds a portfolio of bonds. The Task Force has had a policy in the P&P Manual for almost 30 years providing that shares of bond funds should be accorded more appropriate treatment than equity if an SVO analysis—conducted before any insurance company could own or claim more appropriate treatment—concluded that shares of the fund would perform much better than equity. The amendment expands the existing framework to funds issued by U.S. Securities and Exchange Commission (SEC)-regulated investment companies organized as closed-end management companies and unit investments trusts. This expansion recognizes that such funds may be structurally identical to those issued by SEC-regulated open-end management companies and aligns the credit assessment framework with SSAP No. 30R, which was amended to bring closed-end management companies and unit investments trusts in scope as common stock reported on Schedule D, Part 2, Section 2. Investments in SVO-verified money market funds would continue to be reported as cash equivalents under SSAP No. 2R—*Cash, Cash Equivalents, Drafts and Short-Term Investments*, without a designation. SVO-identified bond exchange-traded funds (ETFs) would still be reported as bonds under SSAP No. 26R with an SVO-assigned NAIC designation, as has been the case since 2006. Investments in ETFs not captured on an SVO listing would continue to be reported as common stock under SSAP No. 30R, without an NAIC designation. Private funds would still be reported as joint ventures under SSAP No. 48, captured on Schedule BA, but would no longer be permitted the assignment of an NAIC designation through the FE process, and the annual financial statement instructions will continue to permit life and fraternal companies to report an NAIC designation for fixed-income investments.
5. Heard an SVO report on a referral from the Statutory Accounting Principles (E) Working Group, which is deliberating whether registered foreign mutual funds are in scope of SSAP No. 30R. The SVO reported that a U.S. insurer can only purchase a foreign fund if the fund sponsor has registered the fund in the U.S. *or* if the insurer is domiciled in the foreign country and purchases the fund in that country. The first situation is addressed in the SSAP. With respect to the second situation, the SVO recommended that the Working Group consider whether that asset would be available to state insurance regulators to meet obligations of the insurer in the U.S and whether the SSAP addresses the status of that asset. The SVO also recommended that the Working Group clarify the status of a foreign fund that is registered in the U.S. Although that situation is addressed in the SSAP (as it involves the purchase of a U.S.-registered fund by a U.S. citizen), such offerings would be comparatively rare, which may lead to interpretational issues and create confusion. The SVO also noted that the SSAP should address foreign exposure obtained by investments in global, international and other named funds registered in the U.S., because a reference to them would make the SSAP more comprehensive and alert state insurance regulators that such funds offer their insurers exposure to foreign investments.

6. Adopted the proposed draft of the 2019 P&P Manual for year-end 2019, subject to such further amendments as the Task Force may adopt in 2019 and such further editorial modifications as the SVO may recommend. The Task Force previously adopted the recommended format and reorganization in November 2018. At that time, SVO staff were directed to create and release for public comment a draft 2019 P&P Manual that would reflect the content of the year-end 2018 P&P Manual in the adopted format and reorganization. A comment letter was received that identified editorial modifications, but nothing that suggested that the contents of the 2018 P&P Manual were not successfully reflected in the 2019 draft. The SVO recommended that the new format be formally adopted with the editorial modifications, because adoption would not preclude further changes to the new P&P Manual to reflect amendments or further agreed-upon modifications, but would facilitate the transition to the new document to and permit SVO staff to create and implement documentation and instructions, as well as changes to electronic platforms necessary to the plan of simplification.
7. Heard a report from NAIC Financial Regulatory Services (FRS) Division staff on projects and activities of the Statutory Accounting Principles (E) Working Group.
8. Heard a report from SVO staff on a project to modernize an existing internal electronic administrative procedure used in the administration of filing exemption—referred to as FE logic—and released the corresponding spreadsheet with the detail credit rating provider (CRP) ratings symbols. The SVO spreadsheet identifies each distinct symbol for each CRP credit rating scale and grade, which is consistent with the FE process because they address security-specific probability of default on a global basis. SVO staff reported on the project to the Task Force to help ensure that filers—particularly the North American Securities Valuation Association (NASVA) and its members—understand how this administrative process is evolving, can evaluate the impact and make necessary adjustments to their internal procedures and systems.
9. Heard a report from SVO staff on WCFIs and adopted its referral recommendation and made a referral to the Statutory Accounting Principles (E) Working Group. In March, the SVO was asked to prepare a referral to transmit material prepared by ACLI representatives to the Working Group. The referral seeks modifications of *SSAP No. 105—Working Capital Finance Investments* to remove what the industry has termed technical requirements that impede the wider utilization of this investment vehicle.
10. Heard a series of SVO administrative reports pertaining to: a) the status of the application of the Japan Credit Rating Agency, Ltd. to be added to the NAIC CRP List; b) the status of efforts to implement the carry-over procedure in 2019; c) the project to integrate BECRS/GICRS securities identifiers in the FE process; and d) the implementation of CRP data feeds for securities subject to private rating letters.
11. Heard a report from NAIC Structured Securities Group (SSG) staff on the year-end process for modeled residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS) and heard an update on SSG staff's research regarding the modeling of non-U.S. RMBS and CMBS in the future.

FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE

April 5–6, 2019

The Financial Regulation Standards and Accreditation (F) Committee met April 5. The meeting was held in regulator-to-regulator session pursuant to paragraph 7 (consideration of individual state insurance department's compliance with NAIC financial regulation standards) of the NAIC Policy Statement on Open Meetings. During this meeting, the Committee discussed state-specific accreditation issues and voted to award continued accreditation to the insurance departments of Arizona, California and Florida. The Committee also met April 6. During this meeting, the Committee took the following action:

1. Adopted its 2018 Fall National Meeting minutes.
2. Adopted, immediately by reference, revisions made during 2018 to NAIC publications that are required for accreditation purposes (e.g., the *Accounting Practices and Procedures Manual*) that were deemed insignificant.
3. Exposed the proposed revisions to the Part A: Laws and Regulations Preamble for a 30-day public comment period ending May 8. The proposed revisions include fraternal benefit societies in regard to principle-based reserving (PBR) specific to the Liabilities and Reserves standard.
4. Exposed the proposed revisions to Part D: Organization, Licensing and Change of Control of Domestic Insurers for a 30-day public comment period ending May 8. The proposed revisions consist of updates to reflect current practices, expansion of the standards to include redomestications and inclusion of Part D in the review team's recommendation, with the result that the outcome can affect a state's accredited status.

INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE

April 6, 2019

1. Adopted its Jan. 24, 2019; Jan. 3, 2019; Dec. 13, 2018; and 2018 Fall National Meeting minutes. During its Jan. 24, 2019, Jan. 3, 2019, and Dec. 13, 2018, meetings, the Committee took the following action:
 - a. Approved submission of NAIC comments on the IAIS draft holistic framework to assess and mitigate systemic risk in the insurance sector.
 - b. Approved submission of NAIC comments on the IAIS draft *Application Paper on Recovery Planning*.
 - c. Approved submission of NAIC comments on the IAIS draft *Application Paper on Proactive Supervision of Corporate Governance*.

2. Reported that it met March 22 and Feb. 12 in regulator-to-regulator session pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings.
3. Adopted the report of the ComFrame Development and Analysis (G) Working Group. The Working Group met April 6 in regulator-to-regulator session pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to discuss and provide input on issues related to implementation of the IAIS Common Framework for Supervision of Internationally Active Insurance Groups (ComFrame) and the international capital standard (ICS) monitoring process.
4. Discussed with interested parties key 2019 projects of the IAIS, focusing on the ICS and the holistic framework on systemic risk. Committee members and interested parties discussed various aspects of these projects, including concerns on design elements, potential impacts and views on ongoing development.

NAIC/CONSUMER LIAISON COMMITTEE

April 8, 2019

1. Heard a report from Commissioner Stephen C. Taylor (DC) that the Consumer Board of Trustees met April 7 to discuss and adopt final revisions to the Plan of Operation for the NAIC Consumer Participation Program. The revised document will go to the Executive (EX) Committee for its consideration at the next meeting.
2. Adopted its 2018 Fall National Meeting minutes.
3. Heard a presentation from United Policyholders and California Western School of Law on the persistent problem of unintended underinsurance. The presentation indicated that many homeowners fall victim to unintended underinsurance when they realize after a catastrophic event occurs that their coverage is not adequate for the replacement of existing structures and belongings.
4. Heard a presentation from the Automotive Education & Policy Institute (AEPI) on insurance company interference with the performance of automobile repairs following an accident. The presentation urged state insurance regulators to investigate this trend to ensure safe repair methods are being supported by insurers.
5. Heard a presentation from the Center for Economic Justice (CEJ) on insurers' use of criminal history databases and scores to underwrite insurance policies without consumers' knowledge.
6. Heard a presentation from the Georgetown University Center on Health Insurance Reform, the Center on Budget and Policy Priorities, Consumers Checkbook/Center for the Study of Services and the American Cancer Society Cancer Action Network on a "deeper dive" into short-term health plans. This is important to consumers as many of them do not realize that STLD plans are not ACA-compliant.
7. Heard an update from the National Alliance of State and Territorial AIDS Directors and the National Center for Transgender Equality on the latest recommendations from the U.S. Preventive Services Task Force. The presentation highlighted the new prescription drugs and exclusions that are being expanded to include those medications.

NAIC/AMERICAN INDIAN AND ALASKA NATIVE LIAISON COMMITTEE

April 7, 2019

1. Adopted its 2018 Fall National Meeting minutes.
2. Discussed the rising epidemic of youth suicide in American Indians and Alaska Natives.
3. Discussed the removal of tribal health resources from the HHS website.

NAIC/INDUSTRY LIAISON COMMITTEE

April 8, 2019

1. Adopted its 2018 Summer National Meeting minutes.
2. Heard a presentation on the private flood insurance market and new federal banking regulatory rules. The Association of Bermuda Insurers and Reinsurers (ABIR) and the RAA discussed how unprecedented flooding this spring has put some 200 million Americans at risk. They discussed how the number of in-force NFIP policies has decreased since 2008, noting that the private market can assist with providing flood coverage. They discussed how the private market is growing, how the private market can lower costs for consumers and how conditions are favorable for a private market.
3. Heard a presentation on litigation and liability developments. The APCIA gave a presentation outlining developments in liability and litigation that he said are increasing insurance costs and creating uncertainty. He discussed statute of limitation developments and litigation financing, as well as the cost effects of liability and litigation on certain lines of insurance.
4. Heard a presentation on domestic and international reinsurance regulation improvements. Transatlantic Reinsurance Company and the APCIA discussed suggestions for improving the regulation of U.S. reinsurers, such as establishing a uniform, simple and expedited licensing system for pure reinsurance companies domiciled in accredited states. They also discussed the growing barriers in other countries being encountered by international reinsurers and what can be done to address them.

5. Heard a presentation on dental network leasing restrictions and provider network legislation. The ACLI and the National Association of Dental Plans (NADP) discussed how the industry is seeing legislation in a number of states that would restrict or prohibit the leasing of dental networks. They said these laws typically consist of prohibitions and/or increased notice requirements, noting that with network leasing, employers and consumers receive the benefits of broader provider networks, including increased access to care and choice of provider. They said that if dental network leasing is prohibited or impeded in a state, carriers may face challenges meeting network adequacy requirements and employer expectations in terms of access.

NAIC/STATE GOVERNMENT LIAISON COMMITTEE

The NAIC/State Government Liaison Committee did not meet at the Spring National Meeting.

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National Association of Insurance Commissioners

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

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