

NAIC Bulletin

Highlights of the National Association
of Insurance Commissioners meeting

Spring 2025 update

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The National Association of Insurance Commissioners (NAIC) recently held its 2025 Spring National Meeting in a hybrid format from Indianapolis. Our publication highlights key issues that NAIC groups have addressed since the 2024 Fall National Meeting. We hope you find it informative, and we welcome your comments. Please contact your local EY professional for more information.

What you need to know

- ▶ The NAIC published an electronic version of the *Accounting Practices and Procedures Manual* with content current as of March 2025. It is available for free on the NAIC website.
- ▶ The Life Actuarial (A) Task Force exposed revisions to the 1 January 2025 version of the *Valuation Manual* to update various requirements for the reserve and capital valuations for life and annuity products that will be affected by the implementation of the generator of economic scenarios (APF 2025-04).
- ▶ The NAIC formed the Risk-Based Capital (RBC) Model Governance (EX) Task Force to address matters related to the RBC framework, including developing a set of guiding principles for the RBC framework to ensure a consistent approach to future RBC adjustments.

This section summarizes the actions taken by various NAIC groups affecting statutory accounting, annual statement reporting and risk-based capital (RBC) requirements since the 2024 Fall National Meeting.

Statutory Accounting Principles (E) Working Group

Appendix A summarizes the actions taken by the Statutory Accounting Principles (E) Working Group (SAPWG) to revise the statutory accounting and reporting guidance in the *Accounting Practices and Procedures Manual* (AP&P Manual) since the 2024 Fall National Meeting. It also includes the effective dates of adopted items and the deadlines for comments on exposed items.

Statutory accounting principles

SAPWG adopted revisions to SSAP No. 1, *Accounting Policies, Risks & Uncertainties, and Other Disclosures*, to clarify the reporting of assets held by the ceding company under modified coinsurance or funds withheld reinsurance arrangements within the restricted asset disclosure (i.e., Note 5L) in the



financial statements (Ref #2024-20). The revisions enhance the disclosure to fully identify the extent of restricted assets reported on the balance sheet within a single disclosure and require reporting entities to reconcile the amount of restricted assets reported in the notes to financial statements to the restricted assets reported in the general interrogatories. A corresponding blanks proposal to clarify the reporting of assets held by the ceding company under modified coinsurance or funds withheld reinsurance arrangements within Note 5L has also been exposed (Ref #2025-06BWG).

SAPWG adopted revisions to SSAP No. 16, *Electronic Data Processing Equipment and Software*, to clarify the references to the US GAAP Accounting Standards Codification (ASC) in this SSAP by including references to the relevant Accounting Standards Update (ASU) (Ref #2024-25).

SAPWG adopted revisions to SSAP No. 41, *Surplus Notes*, to clarify the statutory accounting guidance for holders of capital notes (Ref #2024-28). The revisions delete paragraph 9a of SSAP No. 41 and incorporate a new footnote to address the definition of capital notes via a reference to INT 24-01: *Principles-Based Bond Definition Implementation Questions and Answers*, indicate that the admissibility of capital notes is subject to state investment limitations, and update the impairment and NAIC designation guidance to refer to capital notes. A corresponding blanks revision to clarify the reporting of surplus notes and capital notes on Schedule BA has also been adopted (Ref #2024-22BWG).

SAPWG adopted revisions to SSAP No. 56, *Separate Accounts*, to provide measurement method guidance and specify the process to transfer assets between the general account and book value separate accounts (Ref #2024-10). The revisions also require asset transfers that do not represent sales for cash between the general account and separate account to be subject to approval by the domiciliary state and recorded at fair value with gains and losses offset to the interest maintenance reserve (IMR), with disclosure of the transaction in both the general account and separate account financial statements. These revisions are effective 1 January 2026 to allow reporting entities to update their separate account plans of operations with their domiciliary state as necessary before the revisions are effective, with early adoption permitted.

SAPWG adopted revisions to clarify the guidance for derivative financing premium in SSAP No. 86, *Derivatives*, and align the terminology used for derivative financing premium with the annual statement instructions (Ref #2024-23). The proposed revisions to SSAP No. 86 to clarify that derivative premium costs are not considered an "underlying" in a derivative contract and should not be included in realized gains or losses offset to the IMR will be considered as part of SAPWG Ref #2024-15.

SAPWG also adopted revisions to SSAP No. 104, *Share-Based Payments*, to incorporate the US GAAP guidance in ASU 2024-01, *Compensation – Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards*, with modification to clarify the application of the guidance to profit interests and similar awards for statutory accounting (Ref #2024-22).

SAPWG previously established a long-term project to incorporate accounting guidance for the asset valuation reserve (AVR) and IMR from the annual statement instructions into SSAP No. 7, *Asset Valuation Reserve and Interest Maintenance Reserve*. SAPWG took the following actions with respect to this project:

- Exposed a proposal to remove the concept of hypothetical IMR for reinsurance transactions from the statutory accounting guidance to be included in SSAP No. 7 (Ref #2023-14).
- Exposed the proposed definition of IMR as a valuation adjustment to maintain consistency between insurance liabilities and the assets needed to support them (Ref #2025-03).

Interpretations of statutory accounting principles

SAPWG adopted INT 24-02: ***Medicare Part D Prescription Payment Plan*** to provide statutory accounting and reporting guidance for the Medicare Part D prescription payment plan (MP3) program that is effective on 1 January 2025 (Ref #2024-24). The interpretation addresses the accounting and reporting of MP3 recoverables, including aging, admissibility and impairment considerations; the recognition of out-of-pocket MP3 pharmacy payments; the recognition of the costs of implementing and administering the MP3 program and program collections; and the difference in treatment of uncollectible (i.e., impaired) MP3 recoverables in the medical loss ratio compared to the program guidance provided by the Centers for Medicare & Medicaid Services (CMS).

Corresponding revisions to INT 05-05: *Accounting for Revenues Under Medicare Part D Coverage* to reference INT 24-02 were also adopted.

Other matters

SAPWG adopted Issue Paper No. 170, *Tax Credits Project*, detailing the historical discussions and decisions reached on the guidance developed for the tax credits project, which broadened the scope of the existing statutory accounting for tax credits as adopted in SSAP No. 93, *Investments in Tax Credit Structures*, and SSAP No. 94, *State and Federal Tax Credits* (Ref #2022-14).

SAPWG adopted revisions to the AP&P Manual to classify issue papers in Level 5 in the statutory hierarchy, placing issue papers on the same level as non-authoritative GAAP accounting guidance and literature (Ref #2024-27).

SAPWG adopted revisions to the annual statement blanks and related instructions to provide more granular reporting lines on Schedule BA for collateral loans and add a new category within the AVR reporting schedule to capture collateral loans (Ref #2023-28). A corresponding blanks proposal to modify Schedule BA and the AVR reporting schedule in the annual and quarterly statement blanks has also been exposed (Ref #2024-19BWG MOD).

SAPWG also adopted revisions to the annual statement instructions for Schedule D, Parts 4 and 5, to clarify the reporting requirements for bonds that are sold and reacquired from a special purpose vehicle with derivative wrappers or other components (Ref #2024-16).

SAPWG directed the NAIC staff to send a referral to the Life RBC (E) Working Group to clarify the guidance for when an RBC reduction can be taken by the ceding company for modified coinsurance and funds withheld reinsurance arrangements on pages LR045, LR046, LR047 and LR048 of the Life RBC formula (Ref #2024-20). The proposed revisions in the referral would clarify that the ceding company is not permitted to take an RBC reduction if the assets held under these types of reinsurance arrangements at year-end were used as a pledged asset for the benefit of the ceding company at any time during the year. However, in situations where the economic benefit received from pledging the assets inure to the reinsurer throughout the duration of the reinsurance treaty, the ceding company would be allowed to take an RBC reduction for those assets.

The NAIC published [an electronic version of the AP&P Manual](#) as of March 2025 that includes the statutory accounting and reporting guidance applicable for 2025 year-end reporting. This publication is available for free on the NAIC website.

Blanks (E) Working Group

The Blanks (E) Working Group (BWG) has posted two [SAPWG memos](#) on the NAIC website to address how collateral loans backed by mortgage loans and debt securities (i.e., bonds) issued by funds representing operating entities should be reported for 2025 quarterly reporting. These memos have been provided as some insurance companies have previously captured collateral loans backed by mortgage loans in the “non-registered private fund” category, which has been deleted with the principles-based bond definition (PBBD) project revisions, and to clarify that debt securities issued by funds should be assessed based on the reason for why issuance and registration of the fund with the Securities and Exchange Commission (SEC) is no longer a requirement for classification.

Appendix B summarizes the actions taken by BWG since the 2024 Fall National Meeting.

Capital Adequacy (E) Task Force

The Capital Adequacy (E) Task Force (CATF) exposed a referral from the Life RBC (E) Working Group on a comment letter received from the American Council of Life Insurers (ACLI) inquiring about potential referrals to the Health RBC (E) Working Group and Property & Casualty (P&C) RBC Working Group regarding the need for modifications to those RBC formulas and related instructions that are in response to the PBBD project guidance (Ref #2024-24-L MOD) and the tax credits project (Ref #2024-21-L MOD), if deemed appropriate.

Appendix C summarizes the developments affecting RBC requirements for each insurance sector based on actions taken by CATF and the various NAIC groups that report to it since the 2024 Fall National Meeting.

Life RBC (E) Working Group

The Life RBC (E) Working Group exposed a referral from the Generator of Economic Scenarios (E/A) Subgroup on the implementation of the generator of economic scenarios (GOES) in the reserve and capital valuations for life and annuity products. The referral requests that the Working Group amend the

Life RBC formula and related instructions to facilitate the implementation of GOES, coordinate with the Variable Annuities Capital and Reserve (E/A) Subgroup to revise the interest rate and market risk (i.e., C3) Phase 2 component of the Life RBC formula, and consider revisions to the required number of scenarios and the capital metric for the C3 Phase 1 component of the Life RBC formula, if necessary.

The Working Group also received an update from the American Academy of Actuaries (Academy) on its work to review the C3 component of the Life RBC formula, which is being performed as part of the development of the principles-based reserving (PBR) framework for non-variable annuity products. The Academy presented its proposal to align the methodology for C3 Phase 1, which applies to single premium life and non-variable annuities (excluding fixed index annuities), and C3 Phase 2, which applies to variable annuities, including registered index-linked annuities, that would result in revisions to page LR027 of the Life RBC formula and related instructions. The proposal includes potential revisions to the C3 Phase 1 component (e.g., economic scenarios, product scope, discounting, assumptions and models, and aggregation) to align it with the C3 Phase 2 component that is currently incorporated in the Life RBC formula. It also includes the implementation of GOES, which will be the prescribed economic scenario generator for the C3 Phase 2 component and PBR. The Academy's proposed timeline for this work includes an anticipated goal to perform field testing during the second half of 2025 with adoption by year-end 2026.

Health RBC (E) Working Group

The Health RBC (E) Working Group exposed the following referrals received from SAPWG:

- ▶ Referral with information on INT 24-01 that provides application guidance to certain investments in accordance with the adopted bond definition that is effective on 1 January 2025. The referral requests that the Working Group consider more granular RBC reporting for capital notes that are reported on Schedule BA with credit-rating provider (CRP) ratings and non-bond debt securities that are reported on Schedule BA based on their Securities Valuation Office (SVO)-assigned designation by health insurers for consistency with the current RBC reporting for life insurers.
- ▶ Referral with information on INT 24-02 that provides statutory accounting and reporting guidance for the MP3 program that is effective on 1 January 2025. This interpretation was adopted by SAPWG during the 2025 Spring National Meeting (Ref #2024-24).

The Working Group also received an update from the Academy on its work to review the underwriting risk (i.e., H2) component and managed care credit calculation in the Health RBC formula. The Academy presented its findings on the three work tracks that were created to support five of the six areas of focus for its work on this project: (1) the redesign of pages XR013 and XR014 of the Health RBC formula for experience fluctuation risk, (2) the development of tiered RBC factors, and (3) the redesign of pages XR018 and XR019 of the Health RBC formula for the managed care credit calculation. The Academy expects to provide its report at a future meeting to be scheduled by the Working Group.

Property and Casualty RBC (E) Working Group

The P&C RBC (E) Working Group received an update from the Academy on its underwriting risk projects that will be prioritized during 2025, which include the following projects:

- ▶ Review of the loss and premium concentration factors by line of business for underwriting risks related to reserves (i.e., R4) and net written premium (i.e., R5) in the P&C RBC formula
- ▶ Review of the methodology for the Line 1 (industry average) factors for premium and reserve risks on pages PR017 and PR018 in the P&C RBC formula
- ▶ Recalibration of Line 4 risk factors for the premium and reserve risk charges in the P&C RBC formula to capture more recent experience, including:
 - ▶ Update of the pool map and review of the pooling approach
 - ▶ Update of payment patterns used in investment income adjustment factors
 - ▶ Update of the catastrophe overlap adjustment for Line 4 on page PR018 to mitigate the potential for double counting of catastrophe and non-catastrophe elements, capture more recent catastrophe experience and include perils, such as wildfire and severe convective storms
 - ▶ Determine the indicated risk factors for the premium and reserve risk charges based on the results of this work

- ▶ Analyze the history of US P&C insurer insolvencies and the extent to which RBC provided an early warning
- ▶ Improve the Academy's approach to gather data necessary for its work and organize the data obtained

The Academy indicated that its work on the first two projects is currently underway and in various stages of completion.

Catastrophe Risk (E) Subgroup

The Catastrophe Risk (E) Subgroup discussed the new climate scenario disclosures adopted during the 2024 Summer National Meeting that will provide information to address the quantitative impact of climate-related risks on the modeled losses for the hurricane and wildfire risk perils. The Subgroup referenced the resources at the NAIC Climate Scenario Resource Center (e.g., an FAQ document) that are available to assist insurers with the disclosure requirements in the P&C RBC blank. The Subgroup also reiterated that the disclosures are required for year-end 2024, 2025 and 2026 reporting and exposed revisions to the instructions for the disclosures to clarify that they should reflect the reporting entity's annual losses for the given reporting year (Ref #2025-06-CR).

RBC Investment Risk and Evaluation (E) Working Group

The RBC Investment Risk and Evaluation (E) Working Group (RBCIRE) received an update from the Academy regarding its work to analyze and address the risk charge for structured securities in the RBC formulas, specifically as it relates to the asset (i.e., C1) risk factors for asset-backed securities. The Academy is continuing its work to identify comparable attributes for collateralized loan obligations (CLOs) to determine whether C1 risk factors can be determined by a set of easily identifiable attributes or whether modeling of CLOs is necessary. The Academy has obtained CLO data at the securities level (from Moody's) and has made progress in three areas: (1) modeling credit losses on the collateral pool of bank loans, (2) identifying the distribution of collateral losses through the CLO waterfall structure and (3) understanding how to use CLO cash flows to determine the C1 risk factor requirements.

RBCIRE also discussed the status of its project to perform a holistic review of funds and their related RBC treatment in response to referrals from SAPWG and the Valuation of Securities (E) Task Force (VOSTF) that were received in 2018 and 2019 related to a comprehensive fund proposal, the NAIC designations for SEC-registered funds and the reporting of the 10 largest equity interests in the Supplemental Investment Risk Interrogatories. RBCIRE discussed the feedback received on a previously exposed ACLI presentation detailing RBC principles for bond funds meeting SVO criteria in three categories: bond exchange-traded funds, SEC-registered bond mutual funds and private bond funds. RBCIRE directed the NAIC staff to develop a proposal for the RBC treatment among these types of funds, with emphasis on the Life RBC formula.

Requirements for principle-based reserving

The Valuation Analysis (E) Working Group (VAWG) recently completed a review of the reserve supplements and PBR actuarial reports, covering life insurance and variable annuities, that were filed by insurers for calendar year-end 2023. VAWG summarized its findings in its [2023 PBR Review Report](#), available on the NAIC website, to provide general feedback that will assist insurers with future PBR valuations and filings and aid state insurance regulators in their PBR reviews.

The Life Actuarial (A) Task Force (LATF) continued its work to update the *Valuation Manual* (VM) and address issues related to the implementation of the PBR framework for life and annuity products. The actions taken by LATF include revisions to the guidance in VM-20: *Requirements for Principle-Based Reserves for Life Products* and VM-21: *Requirements for Principle-Based Reserves for Variable Annuities*, along with the development of the reserving requirements for non-variable annuities, which are summarized below.

Life and variable annuity products

LATF adopted the following amendments to the 1 January 2025 version of the VM:

- ▶ Revisions to VM-20 to clarify that the mortality assumption used in the net premium reserve (NPR) or basic reserve calculation for policies that are not subject to full underwriting would be the anticipated experience plus an appropriate margin when company mortality is higher than prescribed mortality rates (APF 2025-01)

- ▶ Revisions to VM-20 to indicate that the required industry table is a guardrail rather than a prescribed assumption for the universal life with secondary guarantee lapse assumption for policies with minimal cash surrender value (APF 2025-03)

LATF exposed the following amendments to the 1 January 2025 version of the VM:

- ▶ Revisions to clarify the guidance in VM-02: *Minimum Nonforfeiture Mortality and Interest* for the rounding of nonforfeiture rates that are used in the NPR calculation under VM-20 (APF 2025-02)
- ▶ Revisions to VM-20, VM-21 and VM-31: *PBR Actuarial Report Requirements for Business Subject to a Principle-Based Reserve Valuation* to update various requirements for the reserve and capital valuations for life and annuity products that will be affected by the implementation of GOES (APF 2025-04)
- ▶ Revisions to VM-20 and VM-21 to modify the guidance notes to provide clearer definitions and examples of what constitutes “contractually guaranteed” revenue sharing income (APF 2025-05)
- ▶ Revisions to remove references to the Company Specific Market Path from VM-21 and VM-31, which is no longer an option for calculating the additional standard projection amount under VM-21 (APF 2025-07)

Separately, the Variable Annuities Capital and Reserve (E/A) Subgroup (VACR) discussed the feedback received and drafted revisions to the variable annuities supplement to the annual statement blank. A revised draft of the proposed revisions was exposed. VACR also received a referral from the GOES (E/A) Subgroup to consider changes to the capital metric for the C3 Phase 2 calculation, if necessary, and related changes to the Life RBC blanks and instructions.

Non-variable annuity products

The VM-22 (A) Subgroup has been reviewing the results of field testing of the draft VM-22 framework to inform its decisions on the requirements of the framework. The Subgroup continues to target 1 January 2026 as the date of adoption for the final VM-22 framework, accompanied by a three-year implementation period that ends 1 January 2029, after which PBR for non-variable annuity products will be mandatory on a prospective basis.

The Subgroup adopted the standard projection amount (SPA) as a disclosure-only requirement under VM-22 and not as a binding component of statutory reserves; a longevity reinsurance transaction flooring methodology of 2% of annual longevity benefits floor at the scenario reserve level; a reinvestment guardrail mix of 5% Treasuries, 15% AA-rated and 80% A-rated bonds; and a 6% threshold for passing the stochastic exclusion ratio test (SERT) under VM-22, along with a 1% mortality improvement sensitivity.

The Subgroup exposed revised policyholder behavior assumptions for the SPA, along with a request for other items (e.g., aggregation criteria) to revisit prior to finalizing the VM-22 framework. The Subgroup is also targeting a fatal flow exposure of all associated documents in May 2025, after which a recommendation on the final VM-22 framework would be made for consideration of adoption by LATF.

Macroprudential activities

Various NAIC groups continued their work to improve the ability of state insurance regulators to monitor and respond to financial and economic risks affecting the US insurance industry as well as individual insurance reporting entities.

Liquidity assessment and capital stress testing framework

The NAIC staff, in coordination with industry stakeholders, consolidated the liquidity stress testing (LST) reporting templates to make it easier for both insurers and the NAIC to report and aggregate the data. The templates and related guidance for the 2025 LST framework will be available on the NAIC website.

Recovery and resolution

The Receivership & Insolvency (E) Task Force received an update on various receivership matters. The Task Force indicated that the *Directory of Receivership and Runoff Resources* has been published and is available on the NAIC website and that the NAIC staff will track state adoption of recent amendments to the Property and Casualty Insurance Guaranty Association Model Act (Model #540), which will be posted to the NAIC website.

Private equity and other matters

The Financial Stability (E) Task Force received an update from the Macprudential (E) Working Group (MWG) related to its work plan for the year. The MWG work plan includes an educational program for state insurance regulators on cross-border reinsurance in the life insurance sector covering traditional, modified coinsurance and funds withheld reinsurance transactions, and Schedule S reporting. The program will address the accounting treatment of these transactions, including the solvency framework under US GAAP, statutory and other jurisdictions as deemed relevant. It will also provide an overview of how RBC capital charges are derived from annual statement reporting for cross-border reinsurance transactions.

The MWG also plans to review the use of sidecars in the life insurance sector, create a reinsurance dashboard, and examine retrocessions and reinsurance recapture provisions. Further discussion is expected at future meetings to be scheduled by the Task Force.

Innovation, Cybersecurity, and Technology

The Innovation, Cybersecurity, and Technology (H) Committee (H Committee) converted the Third-Party Data and Models (H) Task Force to a Working Group.

The actions taken by various NAIC groups that report to the H Committee since the 2024 Fall National Meeting are summarized below.

Big Data and AI (H) Working Group

The Big Data and AI (H) Working Group received an update on the health insurance artificial intelligence (AI)/machine learning (ML) survey, which will be made available to the public on the NAIC website once the results are finalized. The survey focused on major medical and student health plans. Preliminary results indicate that 83% of respondents actively use AI, with another 9% planning implementation.

The Working Group also received an update on potential revisions to the regulatory framework for the responsible use of AI systems. State insurance regulators, consumer representatives and industry stakeholders all provided input, which the Working Group will consider in drafting a standardized self-assessment questionnaire as a tool that can benefit regulators during exams and that insurance companies may also use to help with their risk-benefit analysis as they integrate AI into their processes.

Cybersecurity (H) Working Group

The Cybersecurity (H) Working Group is studying the feasibility of developing a portal to allow regulators to centrally receive cybersecurity event incident notifications submitted by regulated entities. The Working Group believes a notification portal will help to streamline the reporting process and effectively solve the problems the industry has in reporting cybersecurity events to regulators.

The Working Group also plans to identify key data elements related to cybersecurity and cyber insurance. Cyber coverage is currently reported in several places in the annual and quarterly statements and in the cybersecurity and identity theft insurance coverage supplement. If additional information is needed to meet regulatory needs, the potential for future updates to the information reported will be discussed at a meeting to be scheduled by the Working Group.

Executive Committee

The NAIC Plenary adopted:

- ▶ Amendments to the Public Adjuster Licensing Model Act (Model #228) to enhance regulatory standards governing the conduct of public adjusters by addressing the following matters: individuals acting as unlicensed public adjusters, contractors who are also acting as public adjusters on the same claim, inappropriate assignment of benefit rights and excessive fees charged by public adjusters. With the adoption of the amendments to Model #228, the Public Adjuster Licensing (D) Working Group will not be reappointed as a subgroup of the Producer Licensing (D) Task Force. These amendments were adopted by the Market Regulation and Consumer Affairs (D) Committee (D Committee) at the 2024 Fall National Meeting.

- ▶ The revised *Premium Increase Transparency Guidance* document developed by the Transparency and Readability of Consumer Information (C) Working Group. The revised document provides guidance to state insurance regulators that want to implement a disclosure notice process for insurers to provide information to policyholders on the drivers of significant premium increases for the renewal of personal auto, homeowners and dwelling insurance policies. It includes a requirement for insurers to notify policyholders of their right to request an explanation for their rate increase, along with a requirement for insurers to provide a disclosure notice for any policies with an annual premium increase of \$100 or more upon the policyholder's written request. The list of factors driving the premium increase included in the guidance is not exhaustive, and state insurance regulators may choose not to require insurers to specify each factor's dollar impact for the increase in premium. The revised document was adopted by the Property and Casualty Insurance (C) Committee (C Committee) at the 2024 Fall National Meeting.

The Executive (EX) Committee (EX Committee) received an update on the model law development efforts relating to proposed revisions to the Privacy of Consumer Financial and Health Information Regulation (Model #672). The Privacy Protections (H) Working Group received feedback on Article IV of its previously exposed chair draft of amendments. The Working Group will continue to receive feedback on various sections of Model #672.

The EX Committee disbanded the Special (EX) Committee on Race and Insurance (SCRI), with its responsibilities to be assumed by the Life Insurance and Annuities (A) Committee (A Committee), Health Insurance and Managed Care (B) Committee (B Committee) and the C Committee. These committees will review the status of the work performed by SCRI's Life, Health and P&C workstreams and adopt the workstreams' charges, as appropriate, to continue this work in support of the NAIC's mission to ensure fair, sound and stable insurance markets for all.

The actions taken by various NAIC groups that report to the EX Committee since the 2024 Fall National Meeting are summarized below.

Climate and Resiliency (EX) Task Force

The Climate and Resiliency (EX) Task Force heard a discussion from the Hawaii, South Carolina, Colorado and Washington regulators on their experiences with disasters (e.g., wildfire, hurricane) that affected each of these states and the respective lessons learned from these experiences as the Task Force plans to develop a disaster recovery handbook. The discussion included these states' pre-disaster preparations, responses to the disasters, public communications, bulletins to insurers, underinsurance concerns, consumer workshops and meetings with survivors at disaster relief centers. Further discussion is planned at a future meeting to be scheduled by the Task Force.

RBC Model Governance (EX) Task Force

The RBC Model Governance (EX) Task Force adopted the following charges:

- ▶ Develop a set of guiding principles for the RBC framework to ensure a consistent approach to future RBC adjustments.
- ▶ Complete a comprehensive gap analysis and consistency assessment to identify and inventory gaps that exist in the RBC framework and develop a plan to address identified gaps and potential inconsistencies that improve the RBC framework.
- ▶ Oversee the development of an education and public messaging campaign to highlight the benefits and strengths of the RBC framework.
- ▶ Facilitate and oversee the coordination and alignment of all NAIC committees, task forces and working groups related to the implementation of the guiding principles for the RBC framework.
- ▶ Create a process to analyze retrospective and future adjustments to RBC, incorporate regular reviews of RBC outcomes and ensure future adjustments to RBC are aligned with the guiding principles for the RBC framework.

The Task Force received feedback on its goals for 2025 and indicated that it intends to focus its work on the first three charges over the course of 2025.

Life Insurance and Annuities

The actions taken by various NAIC groups that report to the A Committee since the 2024 Fall National Meeting are summarized below.

Life Actuarial (A) Task Force

LATF exposed revisions to the draft actuarial guideline detailing the proposed requirements for the asset adequacy testing (AAT) of ceded reinsurance. The actuarial guideline is intended to address regulators' concerns about the sufficiency of assets backing reserves associated with ceded reinsurance, specifically when the assuming entity is not subject to direct oversight by US state insurance regulators, and transparency over reserve adequacy beyond just collectibility risk related to the reinsurer.

LATF discussed the tentative decisions reached on the proposed requirements, including that the reporting of the reasons for reserve decreases will be a disclosure-only requirement for 2025 reporting, the narrow scope of application and the focus on asset-intensive reinsurance. LATF also exposed a request for feedback on the following items:

- ▶ Considerations for requiring the performance of a projection on interest rate scenarios, such as the New York 7, that allow for easy-to-review impact of reinvestment and disintermediation risks with explanations for how key risks are analyzed to be documented
- ▶ Considerations for how best to differentiate between affiliated and non-affiliated treaties for purposes of the actuarial guideline
- ▶ Considerations for the scope of treaties to be included in required cash flow testing
- ▶ Considerations for the items to be addressed by the disclosure
- ▶ Considerations for the amount of starting assets that would be used in cash flow testing to test the post-reinsurance reserve for adequacy
- ▶ Considerations for modeling actual assets supporting the reserve or the use of conservative asset returns in cash flow testing to demonstrate reserve adequacy
- ▶ Considerations for the submittal of a similar memorandum as an alternative to cash flow testing based on the risks and analysis related to the scope of the actuarial guideline
- ▶ Considerations for various terms (e.g., Primary Security) used throughout the actuarial guideline and their respective definitions

The feedback received will be discussed at a future meeting to be scheduled by LATF. LATF continues to target 1 January 2026 as the date of adoption, with the first reports due 1 April 2026.

LATF received an update on the review of *Actuarial Guideline LIII – Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53) filings that addressed the responses provided for internally determined fair values of investments in AG 53 filings for year-end 2023. Regulators considered the risks associated with situations when assets need to be sold and the application of an incorrect fair value determination.

LATF also received an update from the GOES (E/A) Subgroup on its work to develop scenario sets and acceptance criteria for the GOES that will be used in the reserve and capital valuations for life and annuity products. The Subgroup provided an analysis of the 2024 field testing and model office testing results and the actions that have been taken or are being considered in the following areas: revising the Treasury calibration to consider an alternative initial yield curve fitting methodology and the dynamic generalized fractional floor and revising the equity calibration for better alignment to the acceptance criteria in the lower-tail accumulated returns.

The Subgroup discussed the feedback received on the previously exposed draft of the GOES model governance framework. Topics included the level of technical detail provided on the scenario generation and SERT scenarios and whether proposed revisions to the actuarial certification for the SERT are appropriate. The feedback received will continue to be discussed at future meetings to be scheduled by the Subgroup.

LATF exposed an amendment to the *Valuation Manual* that would update the definitions of qualified actuary and appointed actuary to add a reference to the knowledge statements developed by the Academy (APF 2025-06). LATF also received feedback on the draft knowledge statements for the appointed actuary and illustration actuary and will provide a revised draft of the knowledge statements for consideration of adoption at a future meeting.

LATF received an update on the Historical Mortality Improvement (HMI) and Future Mortality Improvement (FMI) factors and the related scales that the Academy and the Society of Actuaries (SOA) are developing for use in 2025 reserve valuations. The HMI recommendation for individual life fully underwritten business is to consider whether the use of insured mortality data or data from general population sources is most appropriate, with additional considerations for addressing the impact of COVID-19 and the performance of model office testing to be completed. The FMI work is beginning with a focus on reviewing the long-term mortality improvement rates assumption with additional considerations for addressing COVID-19 and the opioid epidemic. Further discussion is planned at a future meeting to be scheduled by LATF.

LATF also received an update from the Life and Annuity Illustration (A) Subgroup on its work to revise *Actuarial Guideline XLIX-A - The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest Sold on or After December 14, 2020* (AG 49-A). The Subgroup identified where some illustrations for policies with indexed accounts contained historical average index returns that exceeded the maximum illustrated rate, which raised a concern for regulators that these disclosures limit the effectiveness of the maximum illustrated rate requirements under AG 49-A. The Subgroup exposed revisions to AG 49-A to clarify that neither the basic illustration nor supplemental illustration may include historical returns not required by AG 49-A, or tables or disclosures that explicitly or implicitly compare historical returns and maximum illustrated rates. Comments are due by 30 June 2025.

Health Insurance and Managed Care

The B Committee renamed the Pharmaceutical Benefit Management Regulatory Issues (B) Working Group to the Prescription Drug Coverage (B) Working Group and removed from its charges pharmacy benefit manager (PBM) enforcement. The B Committee then formed the Pharmacy Benefit Management Working Group, which will report to the D Committee. The Prescription Drug Coverage (B) Working Group will focus on issues related to prescription drug coverage regulation.

The actions taken by various NAIC groups that report to the B Committee since the 2024 Fall National Meeting are summarized below.

Health Actuarial (B) Task Force

The Health Actuarial (B) Task Force (HATF) discussed the previously exposed draft of the Academy's *Knowledge Statements for Appointed Actuary for Health Blank* document. The Academy provided a response letter to HATF's comments, which will be discussed at a future meeting. HATF is also reviewing the SOA's draft educational syllabus used to become a Fellow of the SOA (FSA). One of HATF's key goals is to align the requirements to become an FSA and with the knowledge statements.

The knowledge statements recommend the level of knowledge necessary for health actuaries signing statements of actuarial opinion. The document highlights the scope of an actuarial opinion and the knowledge that an appointed actuary should have related to the following areas:

- ▶ Principles of insurance and underwriting
- ▶ Principles of ratemaking
- ▶ Statutory insurance accounting and expense analysis
- ▶ Premium, loss, expense and contingency reserves (and actuarial assets)
- ▶ Social insurance, including Medicare, Medicaid and the Children's Health Insurance Program, disability insurance, and social security
- ▶ Professionalism and business skills to perform actuarial services in an ethical manner and adhere to the Code of Professional Conduct, relevant Actuarial Standards of Practice (i.e., ASOPs) and the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*
- ▶ Regulations and manuals applicable to health reserves, applicable provisions of the Health Insurance Portability and Accountability Act, applicable SSAPs, and other applicable laws and regulations

Fulfillment of the knowledge statements does not imply that an actuary is qualified to provide an opinion; rather, additional knowledge may be required depending on the topics covered under the actuarial opinion.

Long-Term Care Actuarial (B) Working Group

The Long-Term Care Actuarial (B) Working Group continues to discuss revisions to the cost-sharing formula included in the multistate actuarial rate review framework. The Working Group exposed the following proposals on this topic:

- ▶ The Missouri approach includes no haircut for the first 100% of a rate increase, a 35% haircut for the portion of cumulative rate increase between 100% and 400%, a 70% haircut for the portion between 400% and 800%, an 85% haircut for the portion between 800% and 1,000%, and a 95% haircut for the portion that exceeds 1,000%.
- ▶ The alternative approach includes a 5% haircut for the first 100% of a rate increase, a 35% haircut for the portion of cumulative rate increase between 100% and 400%, a 70% haircut for the portion between 400% and 800%, and an 85% haircut for the portion that exceeds 800%.
- ▶ The Pennsylvania approach does not recommend a rate increase for any state higher than 100% of the current rates in that state. In subsequent filings (or if arrangements are worked out) with a state, long-term care insurance companies could file to recoup what was justified.

Comments are due by 12 May 2025.

Property and Casualty Insurance

The C Committee formed the Homeowners Market Data Call (C) Task Force to oversee the data call that states conducted in 2024 to gather data that will allow regulators to better understand changes in the homeowners insurance market in their respective states. The Task Force is also responsible for the development of a framework for future annual market information data calls and oversight of the continued development of data and tools needed to make informed decisions related to the data call.

The C Committee converted the Title Insurance (C) Task Force and Workers' Compensation (C) Task Force to Working Groups. The C Committee also disbanded the NAIC/International Association of Industrial Accident Boards and Commissions Joint Working Group, with its responsibilities to be assumed by the Workers Compensation (C) Working Group.

The actions taken by various NAIC groups that report to the C Committee since the 2024 Fall National Meeting are summarized below.

Casualty Actuarial and Statistical (C) Task Force

The Casualty Actuarial and Statistical (C) Task Force (CASTF) adopted various editorial revisions to the instructions for Schedule P of the P&C annual statement blank, including removing content that applies to business before 2000 and reorganizing the instructions to improve their readability. A corresponding blanks proposal has also been exposed (Ref #2025-07BWG).

CASTF discussed a draft of the *NAIC Model Review Manual* that is intended to provide guidance to the NAIC Rate Model Review team on its work to perform full-scope rate model reviews. The proposed manual would promote uniformity and consistency of the review process across all states and include guidance that would assist the review team with efforts such as prioritization of model type, insurer and state, and allocation of review team resources. CASTF members will collaborate with the review team to continue drafting the *NAIC Model Review Manual*, with further discussion planned at a future meeting to be scheduled by CASTF.

Actuarial Opinion (C) Working Group

The Actuarial Opinion (C) Working Group continued to discuss revisions to the *2025 P&C Statement of Actuarial Opinion Instructions* that will incorporate the SOA's educational plan effective for 2026 year-end reporting. The topics discussed include consideration to align the categories of information and amounts that are required to be disclosed in the *P&C Statement of Actuarial Opinion* with amounts reported in the annual statement. Further discussion is planned at a future meeting to be scheduled by the Working Group.

Surplus Lines (C) Task Force

The Surplus Lines (C) Task Force adopted the surplus lines service of process form that includes new language regarding the location of parties for potential lawsuits that is aligned with the language of the Nonadmitted Insurance Model Act (Model #870). The adopted form incorporates actionable feedback that was received from industry stakeholders.

Catastrophe Insurance (C) Working Group

The Catastrophe Insurance (C) Working Group adopted revisions to the *Catastrophe Modeling Primer* document that addresses the basics of the catastrophe modeling process. The primer document provides state insurance regulators with information on the fundamental concepts of probabilistic catastrophe models without taking a position as to the ultimate soundness of the models or the interpretation of the results derived from their use. It also serves as a bridge to the available training on catastrophe modeling offered by the NAIC's Center for Insurance Policy and Research's Catastrophe Modeling Center of Excellence.

Market Regulation and Consumer Affairs

The D Committee adopted the charges for the Pharmacy Benefit Management (D) Working Group, which include the development of examination standards for PBMs and related regulated entities for inclusion in the *Market Regulation Handbook*, along with licensing and registration standards for PBMs in alignment with state and federal requirements, and the establishment of protocols for the collection and analysis of data related to PBM examinations.

The D Committee also announced that it will be cooperating with the Innovation, Cybersecurity, and Technology (H) Committee on the development of new regulatory standards and tools to monitor the insurance industry's use of AI.

Financial Condition

The Financial Condition (E) Committee (E Committee) received an update on the NAIC SVO's review of private letter rating rationale report filings for 2024 and the removal of privately rated securities that do not have a corresponding rating rationale report from the filing exemption process. The SVO removed 346 privately rated securities from the filing exemption process as of 3 March 2025 and clarified that these securities can be reinstated when the insurer files the required rating rationale report.

The actions taken by various NAIC groups that report to the E Committee since the 2024 Fall National Meeting are summarized below.

Financial Examiners Handbook (E) Technical Group

The Financial Examiners Handbook (E) Technical Group adopted revisions to the *Financial Condition Examiners Handbook* (FCEH) developed by the Risk-Focused Surveillance (E) Working Group to clarify the expectations related to the regulatory oversight of contracted resources for financial analysis and financial examinations.

The Technical Group also exposed the following revisions to the FCEH:

- ▶ Revisions to Section 1, Part I (D): Coordination of Holding Company Group Exams to clarify the timing of when an informal and formal notification of an upcoming coordinated examination should be issued by the lead state or exam facilitator, with formal notifications issued using the Financial Exam Electronic Tracking System
- ▶ Revisions to Section 1, Part II (E): General Salary Guidelines to clarify the examiner-in-charge's responsibilities related to the assessment and monitoring of the current financial condition and prospective financial solvency of insurance companies

Risk-Focused Surveillance (E) Working Group

The Risk-Focused Surveillance (E) Working Group discussed a referral received from the Chief Financial Regulator Forum to consider the development of guidance for the review of service agreements between a reciprocal exchange and its attorney-in-fact. A drafting group has been formed to analyze issues related to reciprocal exchanges and consider the applicability of the Insurance Holding Company System Regulatory Act (Model #440) to attorneys-in-fact for reciprocal exchanges. The drafting group will also develop guidance related to the following topics for the Working Group's consideration:

- ▶ Services provided to reciprocal exchanges by the attorney-in-fact
- ▶ Broader issues related to all service agreements that include fees based on premium volume and include some level of management or oversight of underwriting decision-making

Reinsurance (E) Task Force

The Reinsurance (E) Task Force received an update from the Reinsurance Financial Analysis (E) Working Group on its review of foreign reinsurers for passporting. The Working Group has approved 97 reciprocal jurisdiction reinsurers and 47 certified reinsurers for passporting as of December 2024. The [list of passported reinsurers](#) is available on the NAIC website.

Valuation of Securities (E) Task Force

VOSTF continued its work to amend the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) to clarify the instructions, modify various administrative procedures and improve the compilation function of the NAIC SVO.

VOSTF exposed the following amendments to Part Three of the P&P Manual:

- ▶ Revisions to require insurers to file private rating letter rationale reports with the NAIC SVO within 90 days of any annual or midyear rating affirmation, update or change to be eligible for the filing exemption process
- ▶ Revisions to clarify that private letter rationale reports should possess sufficient analytical content to enable an independent party to form an opinion on the CRP's assessment of investment risk

VOSTF also discussed the status of the CLO modeling methodology project that is based on the results of the annual CLO stress tests performed by the NAIC Structured Securities Group, with assumptions over the mechanics of the modeling process and cash flow. The CLO Ad Hoc Working Group has completed its analysis of the CLO modeling methodology using the credit quality assumption for reinvestment assets and has made its [preliminary results](#) available on the NAIC website.

Financial Regulation Standards and Accreditation

The Financial Regulation Standards and Accreditation (F) Committee (F Committee) adopted the revisions made to various NAIC publications (i.e., AP&P Manual; P&P Manual; annual statement blanks and instructions; RBC formulas and the related instructions for health, life and P&C insurers; FCEH; and *Valuation Manual*) in 2024 that are required for accreditation purposes. All revisions were deemed insignificant.

The F Committee exposed revisions to the Review Team Guidelines in Part B1: Financial Analysis and Part B2: Financial Examinations of the accreditation standards developed by the Risk-Focused Surveillance (E) Working Group in response to a referral from the F Committee. The proposed revisions include guidance on the use and supervision of independent contractors in conducting financial analysis and financial examinations that accreditation review teams can use when conducting accreditation reviews. They clarify that an additional level of review by a qualified department employee is required when a contractor performs the primary supervisory review of financial analysis or the supervisory review of an examination. They also include a requirement for the timely completion of the qualified department employee's oversight review and a requirement for the Chief Examiner or a designee to complete a general review exhibit to evidence that an appropriate depth of review was performed upon the conclusion of examination fieldwork.

International Insurance Relations

The International Insurance Relations (G) Committee (G Committee) discussed its priorities for the year, which include monitoring the implementation of the insurance capital standard (ICS). The International Association of Insurance Supervisors (IAIS) finalized the ICS and the comparability assessment for the Aggregation Method (AM) as a basis of implementation of the ICS for internationally active insurance groups (IAIGs) at the end of 2024. The G Committee formed the Aggregation Method Implementation (G) Working Group to facilitate the domestic implementation of the ICS via the AM, with the AM being implemented via the group capital calculation. The Working Group intends to address the sensitivity to changes in interest rates and their impact on the solvency of US life insurance groups and the timing of supervisory intervention of US insurance groups on group capital grounds to help ensure convergence.

The G Committee also discussed other international projects and activities for 2025. It was reported that the four core objectives of the IAIS' new strategic plan are to monitor and respond to key risks and trends in the global insurance sector; set and maintain globally recognized standards for supervision; support supervisory practices, understanding of supervisory issues and facilitating capacity building; and assess implementation of global standards. The G Committee will be focused on contributing to the various IAIS workstreams this year that fall under each of these objectives.

The G Committee received an update on the following activities of the IAIS:

- ▶ The IAIS is developing high-level principles for use in an ICS implementation assessment framework. The goal is to have a full assessment methodology agreed upon in time for members to complete a self-assessment in 2026, with a more intensive jurisdictional assessment of ICS implementation to begin in 2027. Concurrently, the IAIS is developing reporting and disclosure requirements for the ICS under the Common Framework for the Supervision of IAIGs (i.e., ComFrame), which will be subject to public consultation in the fourth quarter of 2025 and finalized in 2026.
- ▶ The IAIS is preparing to launch its next peer review process, which will focus on Insurance Core Principle (ICP) 13, *Reinsurance*, and other forms of risk transfer.

The G Committee approved the comments that the NAIC submitted to the IAIS on the following item:

- ▶ Public consultation on ancillary risk indicators for inclusion in the Global Monitoring Exercise (GME), which sought feedback on a set of proposed ancillary indicators concerning credit risk, derivatives, reinsurance, mark-to-model assets and revisions to the liquidity metrics, with the input received to be considered in the context of the regular review of the GME assessment methodology for 2025

Any new documents released by the IAIS for public consultation will be reviewed by the NAIC staff and discussed by the G Committee at future meetings before the respective deadlines for submission.

Stay tuned

The NAIC's 2025 Summer National Meeting is scheduled for 10-13 August in Minneapolis. A [schedule of interim NAIC group meetings](#) is available on the NAIC website.

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Appendix A – Statutory Accounting Principles Working Group

This chart summarizes actions taken by SAPWG since the 2024 Fall National Meeting. Comments on exposed items are due by 6 June 2025, unless otherwise noted. [More information on SAPWG exposed items](#) is available on the NAIC website.

Topic/issue	Status	Discussion	Effective date
New SSAP or New SAP Concepts in an Existing SSAP¹			
Tax Credits Project (Ref #2022-14)	Adopted	Adopted Issue Paper No. 170 detailing the historical discussions and decisions reached on the guidance developed for the tax credits project, which revised the scope of the existing statutory accounting for tax credits as adopted in SSAP Nos. 93 and 94.	1 January 2025
SSAP No. 7 – Interest Maintenance Reserve (Ref #2022-19)	Deferred*	<p>Previously directed the NAIC staff to consider the following topics as part of a long-term project to develop statutory accounting guidance for the recognition of net negative IMR as an admitted asset:</p> <ul style="list-style-type: none"> Recommendation for a referral to be sent to LATF for further consideration regarding the implications of negative IMR on asset adequacy testing Recommendation for a referral to be sent to CATF to consider eliminating any admitted net negative IMR from total adjusted capital in the RBC calculation and incorporating sensitivity testing with and without negative IMR Development of guidance for the admission of net negative IMR using the type of limitation calculation similar to that used for goodwill admittance, with a provision for a downward adjustment if the reporting entity's RBC ratio is less than 300% Review and update any annual statement instructions for excess withdrawals, related bond gains and losses, and noneffective hedge gains and losses to clarify that those gains and losses would be recognized through the AVR Development of accounting and reporting guidance to require the use of a special surplus account or reporting line for net negative IMR Development of governance-related documentation to address the reinvestment of proceeds from sales of bonds in other bonds Development of a disclosure requirement for quarterly and annual reporting <p>The adoption of INT 23-01: <i>Net Negative (Disallowed) Interest Maintenance Reserve</i> in August 2023 prescribes a limited-time, optional exception to the statutory accounting guidance in SSAP No. 7 and the annual statement instructions for the disallowance of net negative IMR. The interpretive guidance will be automatically nullified on 1 January 2026.</p>	TBD
SSAP No. 7 – AVR and IMR (Ref #2023-14)	Deferred* Exposed	<p>Previously directed the NAIC staff to establish a long-term project to incorporate accounting guidance for the AVR and IMR from the annual statement instructions into SSAP No. 7, with any revisions from the annual statement instructions identified as part of this project to be captured as a new SAP concept with a corresponding issue paper to detail the revisions.</p> <p>Exposed a proposal to remove the concept of hypothetical IMR for reinsurance transactions from the statutory accounting guidance to be included in SSAP No. 7.</p>	TBD
ALM Derivatives (Ref #2024-15)	Further analysis needed	Directed the NAIC staff to work with industry stakeholders to develop statutory accounting guidance for derivatives hedging interest rate risk that do not qualify as effective hedges under SSAP No. 86 and are not captured within the specific variable annuity hedging guidance of SSAP No. 108, <i>Derivatives Hedging Variable Annuity Guarantees</i> , (i.e., macro-derivative hedges) but are used for asset-liability matching (i.e., ALM) purposes.	TBD
Repacks and Derivative Wrapper Investments (Ref #2024-16)	Adopted	Adopted revisions to the annual statement instructions for Schedule D, Parts 4 and 5, to clarify the reporting requirements for bonds that are sold and reacquired from a special purpose vehicle with derivative wrappers or other components.	Immediately
Investment Subsidiary Classification (Ref #2024-21)	Deferred	Directed the NAIC staff to defer the agenda item to address the concept of investments in noninsurance subsidiary, controlled and affiliated entities that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates (i.e., an investment subsidiary). Deferral would allow the NAIC staff to consider whether specific statutory accounting guidance should be established for Delaware Statutory Trusts structured to hold assets such as residential mortgage loans that allow for direct reporting on Schedule B.	TBD
IMR Definition (Ref #2025-03)	Exposed	Exposed the proposed definition of IMR as a valuation adjustment to maintain consistency between insurance liabilities and the assets needed to support them. The proposed definition would be included in the version of SSAP No. 7 that will incorporate the statutory accounting guidance for IMR from the annual statement instructions (SAPWG Ref #2023-14).	TBD

¹ The terms "New SSAP or New SAP Concepts in an Existing SSAP" and "SAP Clarification" reference the different types of revisions to statutory accounting guidance. The terms used in previously adopted SSAPs, issue papers and agenda items (i.e., "substantive" and "nonsubstantive") have been retained, with the new terms to be used prospectively when considering future revisions to statutory accounting guidance.

² Ibid.

* No action was taken on this topic/issue since the 2024 Fall National Meeting.

Topic/issue	Status	Discussion	Effective date
SAP Clarification²			
Review Annual Statement Instructions for Accounting Guidance (Ref #2023-01)	Deferred*	Previously directed the NAIC staff to review the annual statement instructions to determine whether accounting guidance is properly incorporated within the SSAPs (e.g., measurement, valuation, admittance or nonadmittance, and when assets and liabilities should be recognized or derecognized within the statutory financial statements).	TBD
Current Expected Credit Loss (CECL) (Ref #2023-24)	Exposed to 2 May 2025	Exposed a draft issue paper documenting the US GAAP impairment guidance that existed prior to the adoption of ASU 2016-13, <i>Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments</i> , which has been retained in existing statutory accounting guidance.	TBD
Collateral Loan Reporting (Ref #2023-28)	Adopted	Adopted revisions to the annual statement blanks and related instructions to provide more granular reporting lines on Schedule BA for collateral loans and add a new category within the AVR reporting schedule to capture collateral loans. A corresponding blanks proposal to modify Schedule BA and the AVR reporting schedule in the annual and quarterly statement blanks has also been exposed (Ref #2024-19BWG MOD).	1 January 2026
Model 630 – Mortgage Guaranty Insurance (Ref #2023-31)	Deferred*	Previously directed the NAIC staff to work with state insurance regulators on the development of revisions to SSAP No. 58, <i>Mortgage Guaranty Insurance</i> , and Appendix A-630, <i>Mortgage Guaranty Insurance</i> , to incorporate the 2023 revisions to the Mortgage Guaranty Insurance Model Act (Model #630).	TBD
Conforming Repurchase Agreements (Ref #2024-04)	Further analysis needed	Directed the NAIC staff to draft revisions to SSAP No. 103, <i>Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i> , to clarify the statutory accounting guidance for securities lending and repurchase agreement transactions. The proposed revisions would address the following elements: <ul style="list-style-type: none"> ▶ Clarify the existing “conforming” provisions for securities lending transactions, including the mechanisms in place to confirm compliance, and verify the regulatory intent as to their application ▶ Clarify the existing guidance on the admissibility of collateral received based on ongoing comparisons to fair value ▶ Review and potentially enhance the guidance and disclosures for collateral received in repurchase agreement transactions that result in the collateral being used for other business purposes and not retained by the reporting entity ▶ Review the existing disclosures of collateral held by the reporting entity for securities lending and repurchase agreement transactions, with a goal to simplify and consolidate to the extent possible ▶ Review the restricted asset coding for securities lending and repurchase agreement transactions, including a review of the current short-term admittance provisions for repurchase agreement transactions 	TBD
A-791 Paragraph 2c (Ref #2024-05)	Further analysis needed	Previously exposed revisions to Appendix A-791, <i>Life and Health Reinsurance Agreements</i> , to remove the first sentence in the Q&A of paragraph 2c that discusses group term life insurance and clarify that this section within Appendix A-791 does not provide a safe harbor based on the use of Commissioner’s Standard Ordinary rates for yearly renewable term (YRT) rates.	TBD
Risk Transfer Analysis on Combination Reinsurance Contracts (Ref #2024-06)	Further analysis needed	Previously exposed revisions to SSAP No. 61, <i>Life, Deposit-Type and Accident and Health Reinsurance</i> , to incorporate existing risk transfer guidance that is in Exhibit A, <i>Implementation Questions and Answers</i> , of SSAP No. 62, <i>Property and Casualty Reinsurance</i> . The proposed revisions would require risk transfer to be evaluated in aggregate for reinsurance contracts with interrelated contract features, such as experience rating refunds or recapture provisions. The proposed revisions would also update the YRT guidance in SSAP No. 61 to reference the guidance in paragraph 6 of Appendix A-791 regarding the entire reinsurance contract and the effective date of the contract. Feedback received is being evaluated on the extent that the risk transfer conclusion for existing reinsurance contracts would be affected by the proposed revisions and specific language regarding the concept that interdependent contract features should be analyzed in aggregate to support the risk transfer determination.	TBD
Reporting of Funds Withheld and Modco Assets (Ref #2024-07)	Exposed to 2 May 2025	Exposed a revised proposal that would add a new part to Schedule S – Reinsurance in the Life annual statement blank to identify aggregated data for assets held by the ceding company under modified coinsurance or a funds withheld reinsurance arrangement consistent with AVR reporting. The revised proposal excludes the previously exposed inclusion of a new part to Schedule S - Reinsurance in the Health annual statement blank and Schedule F – Reinsurance in the P&C and Title annual statement blanks. A corresponding blanks proposal to modify Schedule S - Reinsurance in the Life annual statement blank has also been exposed (Ref #2025-05BWG).	TBD

Topic/issue	Status	Discussion	Effective date
SSAP No. 56 – Book Value Separate Accounts (Ref #2024-10)	Adopted	Adopted revisions to SSAP No. 56 to provide measurement method guidance and specify the process to transfer assets between the general account and book value separate accounts. The revisions also require asset transfers that do not represent sales for cash between the general account and separate account to be subject to approval by the domiciliary state and recorded at fair value with gains and losses offset to IMR, with disclosure of the transaction in both the general account and separate account financial statements.	1 January 2026
Updates to SSAP No. 27 (Ref #2024-12)	Deferred*	Previously exposed revisions to SSAP No. 27, <i>Off-Balance-Sheet and Credit Risk Disclosures</i> , to remove the references to FASB Statement No. 105, <i>Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk</i> , and specifically identify the financial instruments that are excluded from its scope. The proposed revisions would also update the annual statement blank to add an “Other” derivatives category, disclosure examples and instructions for non-derivative financial instruments with off-balance sheet credit risks.	TBD
Restricted Asset Clarifications (Ref #2024-20)	Adopted	Adopted revisions to SSAP No. 1 to clarify the reporting of assets held by the ceding company under modified coinsurance or funds withheld reinsurance arrangements within the restricted asset disclosure (i.e., Note 5L) in the financial statements. The revisions enhance the disclosure to fully identify the extent of restricted assets reported on the balance sheet within a single disclosure and require reporting entities to reconcile the amount of restricted assets reported in the notes to financial statements to the restricted assets reported in the general interrogatories. A corresponding blanks proposal to clarify the reporting of assets held by the ceding company under modified coinsurance or funds withheld reinsurance arrangements within Note 5L has also been exposed (Ref #2025-06BWG).	31 December 2025
ASU 2024-01, Scope Application of Profits Interest and Similar Awards (Ref #2024-22)	Adopted	Adopted revisions to SSAP No. 104 to incorporate the US GAAP guidance in ASU 2024-01 with modification to clarify the application of the guidance to profit interests and similar awards for statutory accounting.	Immediately
Derivative Premium Clarification (Ref #2024-23)	Adopted Further analysis needed	Adopted revisions to clarify the guidance for derivative financing premium in SSAP No. 86 and align the terminology used for derivative financing premium with the annual statement instructions. Directed the NAIC staff to include the previously exposed revisions to SSAP No. 86 to clarify that derivative premium costs are not considered an “underlying” in a derivative contract and should not be included in realized gains or losses offset to the IMR in Ref #2024-15 for further consideration.	Immediately TBD
Medicare Part D – Prescription Payment Plan (Ref #2024-24)	Adopted	Adopted INT 24-02 to provide statutory accounting and reporting guidance for the MP3 program that is effective on 1 January 2025. The interpretation addresses the accounting and reporting of MP3 recoverables, including aging, admissibility and impairment considerations; the recognition of out-of-pocket MP3 pharmacy payments; the recognition of the costs of implementing and administering the MP3 program and program collections; and the difference in treatment of uncollectible (i.e., impaired) MP3 recoverables in the medical loss ratio compared to the program guidance provided by CMS. Corresponding revisions to INT 05-05 to reference INT 24-02 were also adopted.	30 March 2025
SSAP No. 16 – ASU Clarification (Ref #2024-25)	Adopted	Adopted revisions to SSAP No. 16 to clarify the references to the US GAAP ASC in this SSAP by including references to the relevant ASUs.	Immediately
Issue Papers in Statutory Hierarchy (Ref #2024-27)	Adopted	Adopted revisions to the AP&P Manual to classify issue papers in Level 5 in the statutory hierarchy, placing issue papers on the same level as non-authoritative GAAP accounting guidance and literature.	Immediately
Holder of Capital Notes (Ref #2024-28)	Adopted	Adopted revisions to SSAP No. 41 to clarify the statutory accounting guidance for holders of capital notes. The revisions delete paragraph 9a of SSAP No. 41 and incorporate a new footnote to address the definition of capital notes via a reference to INT 24-01, indicate that the admissibility of capital notes is subject to state investment limitations and update the impairment and NAIC designation guidance to refer to capital notes. A corresponding blanks revision to clarify the reporting of surplus notes and capital notes on Schedule BA has also been adopted (Ref #2024-22BWG).	Immediately
Sale Leaseback Clarification (Ref #2025-01)	Exposed	Exposed revisions to SSAP No. 22, <i>Leases</i> , to clarify that sale leaseback transactions with restrictions on the selling insurer’s ability to readily access the sales proceeds do not qualify for sale leaseback accounting and should be accounted for by the selling insurer as a financing arrangement.	TBD

Topic/issue	Status	Discussion	Effective date
ASU 2024-04, Induced Conversions of Convertible Debt Instruments (Ref #2025-02)	Exposed	Exposed revisions to SSAP No. 15, <i>Debt and Holding Company Obligations</i> , to incorporate the US GAAP guidance in ASU 2024-04, <i>Debt – Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments</i> , with modification to clarify the statutory accounting guidance for convertible debt instruments subject to an inducement offer.	TBD
Capital Structure Code (Ref #2025-04)	Exposed to 2 May 2025	Exposed revisions to remove the “capital structure code” reporting column in Schedule D, Part 1, Sections 1 and 2. Feedback has been requested from regulators on the use of these reporting codes and whether there is a preference to retain the codes and instead expand, clarify or limit application to specific reporting lines to improve consistency in reporting and usefulness.	TBD
Reinsurer Affiliated Assets (Ref #2025-05)	Exposed to 2 May 2025	Exposed revisions to expand the disclosure requirements for restricted assets in SSAP No. 1 to require inclusion of the full restricted asset disclosure in both the annual and quarterly statement blanks. The proposed revisions would also capture information, by investment schedule, of assets held under modified coinsurance and funds withheld reinsurance arrangements that are affiliated to the reinsurer.	TBD
AVR Line: Unrated Multi-Class Securities Acquired by Conversion (Ref #2025-06)	Exposed to 2 May 2025	Exposed revisions to remove reporting line 8, “Unrated Multi-Class Securities Acquired by Conversion,” from the AVR reporting schedule in the Life annual statement blank.	TBD
Dividend General Interrogatory Update (Ref #2025-07)	Exposed to 2 May 2025	Exposed revisions to remove the disclosure requirements for dividends paid to stockholders since organization of the reporting entity in Part 2 of the General Interrogatories in the Life annual statement blank for consistency across all annual statement blanks.	TBD
Medicare Part D Prescription Payment Plan Disclosures (Ref #2025-08)	Exposed to 2 May 2025	Exposed revisions to SSAP No. 84, <i>Health Care and Government Insured Plan Receivables</i> , to include a new disclosure requirement for MP3 recoverables, including aging, admissibility and impairment of the recoverables, in the annual statement blank. A corresponding blanks proposal for the reporting of the MP3 program has also been exposed (Ref #2025-04BWG).	TBD
VM-22 Update Coordination (Ref #2025-09)	Exposed	Exposed revisions to SSAP No. 51, <i>Life Contracts</i> , to align the existing guidance with updates that have been made to the VM for the new PBR requirements for non-variable annuities in VM-22 and clarify the application of the guidance between different reserving methodologies.	TBD
Spring 2025 Editorial Revisions (Ref #2025-12EP)	Exposed	Exposed editorial revisions to the Preamble within the AP&P Manual to clarify the treatment of issue papers in Level 5 of the statutory hierarchy. The proposed revisions would also reference the SEC rules and interpretations as authoritative US GAAP guidance for SEC registrants.	TBD

US GAAP guidance exposed for rejection

Exposed to reject as not applicable to statutory accounting:

- ▶ ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (Ref #2025-10)
- ▶ ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, and ASU 2025-01, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* (Ref #2025-11)

SAPWG agenda items from prior years with an extended period of no action taken

Substantive listing:

- ▶ SSAP No. 41 – Amortization and Accretion Surplus Notes (Ref #2017-12)
- ▶ Derivatives Hedging Fixed Indexed Products (Ref #2020-36)

Nonsubstantive listing:

- ▶ SSAP No. 26 and SSAP No. 43 – Measurement Method for NAIC 5 Designations (Ref #2015-17)
- ▶ Aging and Revenue Recognition of Multi-Peril Crop Policies (Ref #2015-33)
- ▶ Appendix C Introduction (Ref #2016-42)
- ▶ SSAP No. 61 – Reinsurance Credit (Ref #2017-28)
- ▶ SSAP No. 41 – Surplus Note Accounting (Ref #2018-07)
- ▶ SSAP No. 68 and SSAP No. 97 – ASU 2014-17, *Business Combinations – Pushdown Accounting* (Ref #2019-12)
- ▶ SSAP No. 68 and SSAP No. 97 – Attribution of Goodwill (Ref #2019-14)
- ▶ SSAP No. 51, SSAP No. 53, SSAP No. 54 and SSAP No. 59 – Expanded MGA and TPA Disclosures (Ref #2019-36)
- ▶ SSAP No. 62 – Retroactive Reinsurance Exception (Ref #2019-49)
- ▶ SSAP No. 53, SSAP No. 54 and SSAP No. 66 – Premium Refunds and Other Adjustments (Ref #2020-30)
- ▶ SSAP No. 107 – State ACA Reinsurance Programs (Ref #2021-09)

Appendix B – Blanks Working Group

This chart summarizes actions taken by BWG since the 2024 Fall National Meeting. [More information on BWG exposed items](#) is available on the NAIC website.

Adopted items	Statement type(s) ¹	Filing(s)	Effective date
2024-13BWG MOD: Modifies the annual investment schedules (e.g., Schedule D Verification; Schedule D, Part 1A; Schedule D, Parts 3 and 4; Schedule DL, Parts 1 and 2; and Schedule E, Parts 1 and 2) and the general instructions to the investment schedules for editorial items related to the PBBB project.	L/F, P/C, H, SA, T	Annual	Annual 2025
2024-14BWG MOD: Modifies the reporting lines on various annual and quarterly investment schedules to update the issuer credit obligation line category from “Bonds Issued from SEC-Registered Business Development Corps, Closed End Funds & REITS” to “Bonds Issued by Funds Representing Operating Entities,” with corresponding updates to the general instructions to the investment schedules to define “Bonds Issued by Funds Representing Operating Entities,” in response to actions taken by SAPWG (SAPWG Ref #2024-01).	L/F, P/C, H, SA, T	Annual and Quarterly	Annual 2025
2024-15BWG: Modifies the Supplemental Health Care Exhibit in the annual statement blank and the related instructions to remove the disclosures for the transitional reinsurance program and the temporary risk corridors program of the ACA in response to actions taken by SAPWG (SAPWG Ref #2024-13).	L/F, P/C, H	Annual	Annual 2025
2024-16BWG: Removes Line 13 of the General Interrogatories for the quarterly reporting of the amount of real estate and mortgages held in short-term investments and renumbers the remaining interrogatory lines in response to BWG’s clarification of investments that are permitted to be reported in the Other Short-Term Investments or Other Cash Equivalent categories and those that should be reported on Schedule BA (Ref #2024-02BWG MOD).	L/F, P/C, H, T	Quarterly	First quarter 2026
2024-17BWG: Adds a new line for the reporting of pet insurance in the Market Conduct Annual Statement Premium Exhibit.	L/F, P/C, H	Annual	Annual 2025
2024-18BWG: Adds a footnote to Part 2 of the Supplemental Health Care Exhibit for the reporting of the amount of premium deficiency reserves that are included in different lines of the exhibit.	L/F, P/C, H	Annual	Annual 2025
2024-20BWG MOD: Modifies the Jurat Page to add an assessment contact for Guaranty Association operations (i.e., Class A assessments) and for specific insolvencies (i.e., Class B assessments).	L/F, P/C, H	Annual and Quarterly	Annual 2025
2024-21BWG: Modifies the instructions for Schedule D, Parts 4 and 5, to clarify the reporting of bonds that are sold and reacquired from a special purpose vehicle with derivative wrappers or other components (i.e., to be reported as a disposal on Part 4 and an acquisition on Part 5) in response to actions taken by SAPWG (SAPWG Ref #2024-16).	L/F, P/C, H, SA, T	Annual and Quarterly	Annual 2025 First Quarter 2026
2024-22BWG: Modifies the instructions for Schedule BA to update the definitions for surplus notes and capital notes and clarify the reporting of these investments on Schedule BA in response to actions taken by SAPWG (SAPWG Ref #2024-28).	L/F, P/C, H, SA, T	Annual and Quarterly	Annual 2025 First Quarter 2026
Exposed items	Statement type(s) ¹	Filing(s)	Proposed effective date
2025-01BWG: Modifies Note 8 - Derivatives to add disclosure of the accounting policy for where cash flows associated with derivative instruments and their related gains and losses are presented in the statement of cash flow, and modifies Note 11 - Debt to add disclosure to address unused commitments and lines of credit disaggregated by short-term and long-term, in response to actions taken by SAPWG (SAPWG Ref #2023-06).	L/F, P/C, H, T	Annual	Annual 2025
2025-02BWG: Modifies Note 9 - Income Taxes to remove the disclosure of the cumulative amount of each type of temporary difference in response to actions taken by SAPWG (SAPWG Ref #2024-11).	L/F, P/C, H, T	Annual	Annual 2025
2025-03BWG: Modifies the Life Insurance (State Page) in the annual statement blank and life supplement to include accident and health data for direct premium earned and direct losses incurred.	L/F, H	Annual	Annual 2025
2025-04BWG: Adds new instructions and an illustration to Note 28 - Health Care Receivables to require disclosure of amounts included in other health care receivables that are recoverable from participants in Medicare Part D prescription payment plans in response to actions taken by SAPWG (SAPWG Ref #2025-08).	L/F, P/C, H	Annual	Annual 2025
2025-05BWG: Adds a new Part 8 to Schedule S to report data for modified coinsurance or other reinsurance transactions with funds withheld in response to actions taken by SAPWG (SAPWG Ref #2024-07).	L/F	Annual and Quarterly	Annual 2025

¹ L/F = Life and Fraternal; P/C = Property and Casualty; H = Health; T = Title; SA = Separate Accounts, PC = Protected Cell.

Exposed items	Statement type(s) ¹	Filing(s)	Proposed effective date
2025-06BWG: Adds new instructions and an illustration to Note 5L - Restricted Assets to clarify how assets held under modified coinsurance or funds withheld reinsurance agreements should be captured within the restricted asset disclosure in paragraph 23 of SSAP No. 1 in response to actions taken by SAPWG (Ref #2024-20).	L/F, P/C, H, T	Annual	Annual 2025
2025-07BWG: Modifies the Schedule P instructions for editorial items developed by CASTF.	P/C	Annual	Annual 2025
2025-08BWG: Modifies the annual statement blank and the related instructions to remove General Interrogatory 14 that reports total dividends paid to stockholders since organization of the reporting entity and renumbers the remaining interrogatory lines in response to actions taken by SAPWG (SAPWG Ref #2025-07).	L/F	Annual	Annual 2025
2025-09BWG: Modifies Note 35 - Separate Accounts to identify separate account products where the general account provides an inherent or ultimate guarantee, with identification of whether risk charges have been provided to the general account and affirmation of the separate account products in asset adequacy testing. It also incorporates disclosure on repurchase and reverse repurchase transactions within the separate account and asset transfers that were not sales for cash between the separate account and general account in response to actions taken by SAPWG (SAPWG Ref #2024-10).	L/F, SA	Annual	Annual 2025
2025-10BWG: Modifies Note 5L - Restricted Assets to identify assets held under modified coinsurance or funds withheld reinsurance agreements that are affiliated with the reinsurer and updates the list of required quarterly disclosures to include Note 5L, in response to actions taken by SAPWG (SAPWG Ref #2025-05).	L/F, SA	Annual	Annual 2025
2025-11BWG: Modifies Schedule D, Part 1, Sections 1 and 2 to remove the capital structure code reporting column in response to actions taken by SAPWG (SAPWG Ref #2025-04).	L/F, P/C, H, SA, T	Annual	Annual 2025
2025-12BWG: Modifies the AVR reporting schedule to remove Line 8 for unrated multi-class securities acquired by conversion and relabel the line with "intentionally left blank" to prevent renumbering in response to actions taken by SAPWG (SAPWG Ref #2025-06).	L/F, SA	Annual	Annual 2025
2025-13BWG: Modifies Note 13K - Surplus Notes to clarify the guidance for reporting certain debt securities as capital notes in the scope of SSAP No. 41 in response to actions taken by SAPWG (SAPWG Ref #2024-28).	L/F, P/C, H, SA, T	Annual and Quarterly	Annual 2025
2025-14BWG: Adds new instructions to the annual and quarterly statement blanks and health supplement to clarify where Medicare Part D prescription payment plan information should be reported in response to actions taken by SAPWG (SAPWG Ref #2024-24).	L/F, P/C, H	Annual and Quarterly	Annual 2025
2025-15BWG: Modifies Note 8 - Derivatives and Schedule DB to clarify the terminology used for derivative financing premium for consistency in response to actions taken by SAPWG (SAPWG Ref #2024-23).	L/F, P/C, H, SA, T	Annual and Quarterly	Annual 2025
Re-exposed items	Statement type(s) ¹	Filing(s)	Proposed effective date
2024-19BWG MOD: Modifies Schedule BA and the AVR reporting schedule in the annual and quarterly statement blanks and the related instructions to expand the reporting for collateral loans, and adds new columns for the reporting of the fair value of collateral backing the collateral loan and the current overcollateralization percentage to the collateral loan on Schedule BA, Part 1, in response to action taken by SAPWG (SAPWG Ref #2023-28).	L/F, P/C, H, SA, T	Annual and Quarterly	First quarter 2026

Appendix C – Risk-based capital developments

This chart summarizes developments that affect RBC requirements for each of the insurance sectors based on actions taken by CATF and the various NAIC groups that report to it since the 2024 Fall National Meeting.

Topic/issue	NAIC group	Status	Discussion	Effective date
All RBC				
Repurchase Agreements for P&C and Health (Ref #2024-06-CA)	Capital Adequacy Task Force	Deferred*	Previously exposed a proposal to modify the treatment of repurchase agreements in the Health RBC and P&C RBC formulas for consistency with the ACLI proposal exposed by the Life RBC Working Group (Ref #2024-03-L).	TBD
Revised Preamble (Ref #2024-16-CA)	Capital Adequacy Task Force	Re-exposed to 9 May 2025	Re-exposed the proposed revisions to the RBC Preamble to clarify and emphasize the purpose and intent for the use of the RBC calculation. Feedback has been requested to determine whether there are any objections to adopting the proposed edits as they are, specifically with respect to the five-year Historical Data page in the annual statement blanks, and to provide examples of the ways in which RBC ratios are used other than for the intended purpose of identifying potentially weakly capitalized insurance companies.	2025
Principle-Based Bond Project for P&C and Health (Ref #2024-25-CA)	Capital Adequacy Task Force	Re-exposed	Re-exposed the proposed revisions to the Health RBC and P&C RBC formulas and related instructions to incorporate changes to the Health and P&C annual statement blanks that were adopted by BWG in response to the PBBD project that are effective as of 1 January 2025. The proposed revisions also update page PR009 of the P&C RBC formula to reference Note 5S of the annual statement blank as the source of information for non-admitted collateral loans for consistency with revisions to the P&C annual statement blank that were adopted by BWG.	2025
Tax Credit Investments for P&C and Health (Ref #2024-26-CA)	Capital Adequacy Task Force	Re-exposed	Re-exposed the proposed revisions to the Health RBC and P&C RBC formulas and related instructions for the calculation of the RBC charge for tax credit investments in response to actions taken by SAPWG and BWG relating to the tax credits project. The proposed revisions do not address potential changes to the RBC factors resulting from the new accounting guidance. The proposed revisions also add a new line item for non-admitted collateral loans to page XR008 of the Health RBC formula for consistency with the exposed revisions to the P&C RBC formula (Ref #2024-25-CA).	2025
Underwriting Risk Factors – Investment Income Adjustment (Ref #2025-03-CA)	Health RBC Working Group	Exposed	Exposed revised underwriting factors for Comprehensive Medical, Medicare Supplement and Dental & Vision on pages XR013, LR019, LR020, PR019 and PR020 resulting from the change in the investment income adjustment from 5.5% to 4.5% for 2025 reporting purposes.	2025
Trend Test (Ref #2025-07-CA)	Capital Adequacy Task Force	Exposed	Exposed revisions to align the labeling of various company action levels across lines of business in the instructions for pages LR034, LR035, PR033, PR034 and XR027. The proposed revisions also align the labeling of company action levels and trend test on pages LR034 and LR035 of the Life RBC formula with the related instructions.	2025
Life RBC				
Comfort Trusts (Ref #2023-08-L)	Life RBC Working Group	Deferred*	Previously discussed the feedback received on proposed revisions to the instructions for page LR016 of the Life RBC formula that would allow a reporting entity to avoid an overstatement of credit risk on a reinsurance transaction that provides collateral in the form of a custody control account (i.e., custodied collateral).	TBD
Repurchase Agreements (Ref #2024-03-L)	Life RBC Working Group	Deferred*	Previously exposed the ACLI proposal to modify the treatment of repurchase agreements on page LR017 of the Life RBC formula and related instructions, which would establish a “conforming program criteria” option for repurchase agreements through the general interrogatories of the annual statement and align the current charge of 1.26% for conforming repurchase agreements with the charge for conforming securities lending programs of 0.2%. The ability to use the lower charge would only apply to counterparties rated BBB or higher. Repurchase agreements that do not meet the criteria or a counterparty rated BB or lower would continue to be subject to the 1.26% charge.	TBD
Other Long-Term Assets (Ref #2024-07-L)	Life RBC Working Group	Disposed	Disposed of the proposed revisions to page LR008 of the Life RBC formula to appropriately capture modified coinsurance adjustments for residual tranches and reorganize the presentation of items with asset (i.e., C1 and C1cs) risks. A replacement proposal to reorganize page LR008 of the Life RBC formula has been exposed (Ref #2025-04-L).	N/A
Tax Credit Investments (Ref #2024-21-L MOD)	Life RBC Working Group	Exposed	Exposed modified revisions to the Life RBC formula and related instructions for pages LR007, LR010, LR030 and LR031 for the calculation of the RBC charge for tax credit investments in response to actions taken by SAPWG and BWG relating to the tax credits project. The proposed revisions do not address potential changes to the RBC and AVR factors resulting from the new accounting guidance.	2025

* No action was taken on this topic/issue since the 2024 Fall National Meeting.

Topic/issue	NAIC group	Status	Discussion	Effective date
Principle-Based Bond Project (Ref #2024-24-L MOD)	Life RBC Working Group	Exposed	Exposed modified revisions to the Life RBC formula and related instructions to incorporate changes to the Life annual statement blank that were adopted by BWG in response to the PBBB project that is effective as of 1 January 2025, along with certain editorial changes to clarify items that are not necessarily related to the PBBB project.	2025
C-2 Mortality Risk (Ref #2025-01-L)	Life RBC Working Group	Exposed	Exposed revisions to the Life RBC formula and related instructions for page LR025 to allow for information to be directly included in the RBC calculation from the new general interrogatory in the Life annual statement blank that was adopted by BWG (Ref #2023-15BWG MOD).	2025
Other Long-Term Assets (Ref #2025-04-L)	Life RBC Working Group	Exposed	Exposed revisions to page LR008 of the Life RBC formula and related instructions to reorganize the presentation of Schedule BA assets with the same risk components (i.e., C1o and C1cs) to facilitate the appropriate capture of adjustments related to assets held under modified coinsurance or funds withheld reinsurance agreements. The proposed revisions include corresponding updates to pages LR030 and LR031 of the Life RBC formula and related instructions.	2025
Asset Concentration (Ref #2025-05-L)	Life RBC Working Group	Exposed	Exposed revisions to the instructions for page LR010 of the Life RBC formula to clarify the asset concentration factor for debt securities with NAIC designations assigned by the SVO that do not qualify as bonds under the PBBB guidance (i.e., SVO-designated non-bond debt securities) that are reported on Schedule BA. The proposed revisions would allow SVO-designated non-bond debt securities to receive an asset concentration factor treatment similar to bonds reported on page LR002 of the Life RBC formula.	2025
P&C RBC				
Disclosure Climate Condition Cat Exposure Instruction (Ref #2025-06-CR)	Catastrophe Risk Subgroup	Exposed	Exposed revisions to the instructions for page PR027 of the P&C RBC formula to clarify that the disclosures to provide information to address the quantitative impact of climate-related risks on the modeled losses for the hurricane and wildfire risk perils should reflect the reporting entity's annual losses for the given reporting year.	2025