

NAIC Bulletin

Highlights of the National Association
of Insurance Commissioners meeting

Summer 2025 update



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The National Association of Insurance Commissioners (NAIC) recently held its 2025 Summer National Meeting in a hybrid format from Minneapolis. Our publication highlights key issues that NAIC groups have addressed since the 2025 Spring National Meeting. Contact your local EY professional for more information.

What you need to know

- ▶ The Financial Condition (E) Committee elected to defer adoption of the revisions to statutory accounting guidance that address combination reinsurance contracts with interdependent contract features for life insurance to allow regulators to further analyze the contracts that would be subject to the revised risk transfer evaluation.
- ▶ The NAIC Plenary adopted an amendment to the 1 January 2025 version of the *Valuation Manual* that introduces a new principles-based reserving framework for non-variable annuity products in VM-22 (APF 2025-11), which will be effective on 1 January 2026 with a three-year implementation period.
- ▶ The NAIC Plenary adopted *Actuarial Guideline LV – Application of the Valuation Manual for Testing the Adequacy of Reserves Related to Certain Life Reinsurance Treaties* to enhance reserve adequacy requirements for life insurance companies under moderately adverse conditions.

The following section summarizes the actions taken by various NAIC groups affecting statutory accounting, annual statement reporting and risk-based capital (RBC) requirements since the 2025 Spring 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 2025 Spring National Meeting. It also includes the effective dates of adopted items and the deadlines for comments on exposed items.



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Statutory accounting principles

SAPWG previously established a long-term project to incorporate accounting guidance for the asset valuation reserve (AVR) and interest maintenance reserve (IMR) from the annual statement instructions into SSAP No. 7, *Asset Valuation Reserve and Interest Maintenance Reserve*. Any revisions from the annual statement instructions identified as part of this project will be captured as a new SAP concept, with a corresponding issue paper to detail the revisions. SAPWG directed the NAIC staff to proceed with the following actions:

- ▶ Remove the concept of hypothetical IMR for reinsurance transactions (Ref #2023-14)
- ▶ Include 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)

SAPWG also exposed a presentation from the American Council of Life Insurers (ACLI) with proposed approaches to the statutory accounting for derivatives that are used for asset-liability matching (ALM) purposes, along with drafts of potential statutory accounting guidance following an amortized cost method or a fair value and spread method (Ref #2024-15). Feedback has been requested on whether guidance for ALM derivatives should be further considered as these derivatives do not qualify as effective hedges under SSAP No. 86, *Derivatives*, and, if so, which of the methods is preferred.

SAPWG adopted revisions to expand the disclosures for restricted assets under SSAP No. 1, *Accounting Policies, Risks & Uncertainties and Other Disclosures*, by requiring the full restricted asset disclosure to be included in both the annual and quarterly statement blanks (Ref #2025-05). The revisions include an illustration to capture information, by investment schedule, for assets held under modified coinsurance and funds withheld reinsurance arrangements that are affiliated to the reinsurer. A corresponding blanks revision to modify Note 5L – Restricted Assets has also been adopted (Ref #2025-10BWG MOD).

SAPWG adopted revisions to SSAP No. 15, *Debt and Holding Company Obligations*, to incorporate the US GAAP guidance in ASU 2024-04, *Debt – Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, with modification to clarify the statutory accounting guidance for induced conversions, including when the inducement would be recognized as an expense by the issuer and the fair value measurement of that expense (Ref #2025-02).

SAPWG adopted revisions to SSAP No. 51, *Life Contracts*, to (1) align the existing guidance with the updates made to the *Valuation Manual* (VM) for the new principles-based reserving (PBR) requirements for non-variable annuities in VM-22 and (2) clarify the application of the guidance between different reserving methodologies (Ref #2025-09).

SAPWG adopted revisions to SSAP No. 61, *Life, Deposit-Type and Accident and Health Reinsurance*, to address combination reinsurance contracts with interdependent contract features (Ref #2024-06). The revisions would require risk transfer to be evaluated independently and in the aggregate for reinsurance contracts that contemplate reinsurance on both a yearly renewable term (YRT) and coinsurance basis, where there are interdependent features, such as a combined experience refund or an inability to independently recapture each of the components.

When evaluated in their entirety, such contracts cannot (1) potentially deprive the ceding insurer of surplus at the reinsurer's option or automatically upon the occurrence of some event, (2) potentially require payments to the reinsurer for amounts other than the income realized from the reinsured policies or (3) contain any of the other conditions prohibited by Appendix A-791, *Life and Health Reinsurance Agreements*, related to risk transfer.

The revisions also update the first Q&A in Appendix A-791 to address this guidance, including a statement that the YRT premium being at or below the valuation net premium does not ensure that payments from surplus are not possible. The revisions would be effective immediately for new or newly amended contracts, with an effective date of 31 December 2026 for existing contracts. However, the revisions are not effective until adopted by the Financial Condition (E) Committee (E Committee).

The E Committee elected to defer the adoption of these revisions so regulators can perform further analysis to determine which contracts would be subject to the revised risk transfer evaluation. Further discussion is planned on an interim call to be scheduled by the E Committee.

SAPWG also adopted revisions to Appendix A-791 to remove the first sentence in the Q&A of paragraph 2c that addresses group term life insurance. Regulators have indicated that this sentence is being misinterpreted as supporting the use of Commissioner's Standard Ordinary (CSO) rates as a safe harbor at or below which YRT rates would be automatically considered not to be excessive (Ref #2024-05).

SAPWG adopted revisions to 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 (Ref #2024-07). The revisions reference what is currently included in the RBC instructions when there is a lag in information provided by the ceding insurer, which directs the assuming insurer to update the appropriate asset categories. The allocated assets should support the portion of the funds held by or deposited with reinsured companies that represent investment risk (i.e., amounts in excess of the reserve should be excluded), and the estimated investment risk assumed should not be greater than the assets reported on the assets page. A corresponding blanks revision has also been adopted (Ref #2025-05BWG MOD).

SAPWG adopted revisions to SSAP No. 84, *Health Care and Government Insured Plan Receivables*, to include a new disclosure requirement for recoverables recorded under the Medicare Part D Prescription Payment Plan (MP3) program, including aging, admissibility and impairment of the recoverables, in the annual statement blank (Ref #2025-08). A corresponding blanks revision has also been adopted (Ref #2025-04BWG MOD).

Interpretations of statutory accounting principles

SAPWG adopted an extension of INT 23-01: *Net Negative (Disallowed) Interest Maintenance Reserve* to 31 December 2026, with additional requirements for the admittance of net negative IMR and clarifications for the reporting of the related amount (Ref # 2022-19). INT 23-01 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.

A reporting entity will be required to limit the admittance of net negative IMR to no more than 10% of unadjusted statutory capital and surplus without consideration of the amount of admitted net negative IMR as of year-end to safeguard from situations in which it has experienced a decline in statutory capital and surplus or has had significant increases in admitted net negative IMR in the current period. The interpretive guidance will be automatically nullified on 1 January 2027.

Other matters

SAPWG adopted Issue Paper No. 171, *Current Expected Credit Losses*, detailing the historical discussions and decisions reached on the US GAAP impairment guidance that existed before the implementation of ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which has been retained in existing statutory accounting guidance (Ref #2023-24).

SAPWG exposed revisions that would eliminate the investment subsidiary concept from the instructions to the annual statement blank, because this concept does not exist in SSAP No. 97, *Investment in Subsidiary, Controlled and Affiliated Entities* (Ref #2024-21). Investment subsidiaries have no significant ongoing operations, aside from holding assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates. Entities previously reported as investment subsidiaries are expected to be subject to the guidance in paragraphs 8.b.ii or 8.b.iii of SSAP No. 97, depending on whether the investment meets the activity test in 8.b.ii.

SAPWG adopted revisions to the 2026 AP&P Manual to streamline the status section of each SSAP by no longer referencing issue papers and changing references from “substantively revised” to “conceptually revised” to be consistent with previously adopted policy statement language (Ref #2025-16).

SAPWG adopted revisions to eliminate the “capital structure code” reporting column from Schedule D, Part 1, Sections 1 and 2 in the annual statement blanks (Ref #2025-04). A corresponding blanks revision has also been adopted (Ref #2025-11BWG).

SAPWG also adopted revisions to eliminate the reporting line 8 “Unrated Multi-Class Securities Acquired by Conversion” from the AVR reporting schedule in the Life annual statement blank (Ref #2025-06). A corresponding blanks revision has also been adopted (Ref #2025-12BWG).

In addition, SAPWG adopted revisions to eliminate 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 (Ref #2025-07). A corresponding blanks revision to modify General Interrogatory 14 has also been adopted (Ref #2025-08BWG).

Blanks (E) Working Group

Appendix B summarizes the actions taken by the Blanks (E) Working Group (BWG) since the 2025 Spring National Meeting.

Capital Adequacy (E) Task Force

The Capital Adequacy (E) Task Force (CATF) exposed a referral from SAPWG requesting consideration for updating AVR (for life companies) and RBC factors (for all companies) for collateral loans. SAPWG identified some reporting entities that were using collateral loans to access certain types of investment structures while obtaining more favorable RBC treatment than if the underlying collateral was held directly.

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 2025 Spring National Meeting.

Life RBC (E) Working Group

The Life RBC (E) Working Group received an update from the American Academy of Actuaries (Academy) on its review of the interest rate and market risk (i.e., C3) component of the Life RBC formula, which is being performed as part of the development of the PBR framework for non-variable annuity products.

The Academy previously presented its proposal for the methodology for C3 Phase I, which applies to single premium life and non-variable annuities (excluding fixed index annuities), and C3 Phase II, which applies to variable annuities (including registered index-linked annuities). The proposal would revise the C3 Phase I component of the Life RBC formula (e.g., economic scenarios, product scope, discounting, assumptions and models, and aggregation) to align it with the C3 Phase II component that is currently incorporated in the Life RBC formula. The Academy has proposed expanding the scope of its work to include fixed indexed annuities under C3 Phase I, with discounting methodologies aligned to C3 Phase II, specifically using the net assets earned rate (NAER) or a direct iteration of the NAER. The expanded scope would result in field testing being performed in 2026 with adoption targeted for year-end 2027 RBC filings.

The Working Group received an update from the Academy on its review of the covariance methodology in the Life RBC formula to determine consistency in the treatment of risk across its different components. The Working Group determined that the Life RBC formula should be revised to correlate its structure to risk factors through a modification of the covariance formula. However, additional feedback will be requested to address conceptual changes in the correlation approach before a proposal is made. The Working Group exposed a presentation from the Academy detailing guiding principles and recommendations for how correlation should exist in the Life RBC formula. Comments are due by 10 November 2025.

The Working Group also exposed revisions to the Life RBC instructions that would make technical changes to the C3 Phase I and C3 Phase II calculations for the new generator of economic scenarios (GOES) that were adopted by the Life Actuarial (A) Task Force (Ref #2025-14-L). The proposed revisions to the C3 Phase I calculation would determine the RBC amount using stochastic modeling before considering the additional standard projection amount (ASPA), voluntary reserves or asset adequacy reserves, and consider changes to the required number of scenarios and the capital metric. The proposed revisions to the C3 Phase II calculation would remove reliance on the deep tail conditional tail exception (CTE)(98) metric with a change from 25% * CTE(98) to 100% * CTE(90).

Health RBC (E) Working Group

The Health RBC (E) Working Group exposed the final report of the Academy detailing its comprehensive review of the underwriting risk (i.e., H2) component and managed care credit (MCC) calculation in the Health RBC formula. The report includes proposed enhancements to the calculation of experience fluctuation risk, tiered RBC risk factors and the MCC. The report also indicated that the NAIC is responsible for deciding whether to adopt any of the Academy's recommendations, after considering the extent to which the results are aligned with the NAIC's philosophy on health risk and solvency. Further discussion is planned at a future meeting to be scheduled by the Working Group.

RBC Investment Risk and Evaluation (E) Working Group

The RBC Investment Risk and Evaluation Working Group (RBCIRE) received an update from the ACLI regarding its work to address and analyze the RBC principles for bond funds that meet the criteria of the NAIC Securities Valuation Office (SVO) in the following categories: bond and preferred stock exchange-traded funds (ETFs), SEC-registered fixed income-like funds, and private bond funds.

The presentation highlighted the inconsistent treatment of these bond funds in the RBC calculation based on their economic risk, with principles to be leveraged by regulators to achieve a more consistent treatment for similar investment types. RBCIRE exposed revisions that would align the RBC treatment of these bond funds in the Life RBC formula (Ref #2025-12-IRE).

Requirements for principle-based reserving

LATF continued its work to update the 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

The NAIC Plenary adopted 14 amendments to the VM, including the following amendments to the 1 January 2025 version of the VM pertaining to life and variable annuity products that were adopted by LATF since the 2025 Spring National Meeting:

- ▶ Revisions to the guidance note at the end of Section 3 in VM-02: *Minimum Nonforfeiture Mortality and Interest* to clarify that for universal life policies where the cash surrender value is based on multiple sets of guaranteed interest rates, expense charges or mortality, each set of guarantees must comply with nonforfeiture requirements when the Universal Life Insurance Model Regulation (Model #585) is applied (APF 2024-16)
- ▶ Revisions to clarify the guidance in VM-02 for the rounding of nonforfeiture rates that are used in the net premium reserve (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 update the definitions of qualified actuary and appointed actuary to add a reference to the knowledge statements developed by the Academy (APF 2025-06)
- ▶ 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)
- ▶ Revisions to the Identification Section of the Life Actuarial Opinion to address appointed actuaries who are employed by one insurer within an insurance group and sign opinions on behalf of other insurers within the insurance group (APF 2025-08)
- ▶ Revisions to clarify the requirements used to determine that expense risk in reinsurance is adequately reserved (APF 2025-09)
- ▶ Revisions to clarify the requirements for the reinvestment guardrail to have a minimum quality rather than a prescribed quality in the alternative investment strategy (APF 2025-10)

LATF re-exposed the following amendments, which would not be effective until the 1 January 2027 version of the VM:

- ▶ Revisions to VM-20 and VM-21 to provide clearer definitions and examples of what constitutes "contractually guaranteed" revenue-sharing income (APF 2025-05)

The proposed revisions address provisions in a revenue-sharing agreement that would prevent the revenue-sharing income from being considered contractually guaranteed. New examples highlight provisions where revenue-sharing payments depend on the status or balance of a particular plan or fund, making the income non-guaranteed.

Separately, the Variable Annuities Capital and Reserve (E/A) Subgroup (VACR) discussed the feedback received on the proposed revisions to the variable annuities supplement to the annual statement blank. A revised draft of the proposed revisions was exposed, with alternate language options for determining accumulation and withdrawal phases in a guidance note. VACR also discussed the feedback received on the recommendations for the C-3 Phase I and C-3 Phase II capital metrics, along with proposed revisions to the Life RBC instructions for the C-3 Phase I and C-3 Phase II calculations that were developed by the GOES (E/A) Subgroup (Ref #2025-14-L). Further discussion is planned for a future meeting to be scheduled by VACR.

Non-variable annuity products

The NAIC Plenary adopted an amendment to the VM that introduces a new PBR framework for non-variable annuity products in VM-22 (APF 2025-11), which was developed by the VM-22 (A) Subgroup. The new VM-22 requirements will be effective on 1 January 2026, with optional adoption by reporting entities during a three-year implementation period that ends on 1 January 2029, after which PBR for non-variable annuity products will be mandatory on a prospective basis.

LATF exposed the following amendments, which would not be effective until the 1 January 2027 version of the VM is issued:

- ▶ Revisions to specify the VM-22 requirements for the ASPA disclosures and credibility, as insurers need to use credible assumptions in the calculation of the stochastic reserves to demonstrate their reserves are sufficient when the ASPA is indicated and to specify that the ASPA is not a safe harbor, with an attribution analysis on the ASPA being required every three years after the end of the implementation period (APF 2025-12)

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 Macroprudential (E) Working Group (MWG) reported that the NAIC has received the 2024 liquidity stress testing (LST) filings that were due on 30 June 2025. The NAIC staff is still in process of analyzing and aggregating the filings due to a couple of late filers, and it expects to provide a report to MWG in late September 2025, with subsequent reporting to the Financial Stability (E) Task Force at the 2025 Fall National Meeting.

MWG also intends to review the LST guidance manual and the required stress scenarios and assumptions to determine whether updates are needed as a result of the 2024 LST filings. Further discussion on this topic is planned at a future meeting to be scheduled by MWG.

Private equity and other matters

MWG heard a presentation from NAIC staff and ACLI on funding agreement-backed notes. These transactions are structured by a life insurance company that issues (and recognizes a liability for) a funding agreement to a special purpose vehicle that will then issue notes backed by the funding agreement to external investors for cash proceeds. The cash proceeds are sent to the insurance company to buy securities. NAIC staff indicated their belief that this activity does not present any outsized risk for individual insurers or the industry in the aggregate at this time, but limitations on available data used to perform this analysis could influence their risk assessment. Further discussion on this topic is planned at a future meeting to be scheduled by MWG.

Innovation, Cybersecurity, and Technology

The actions taken by various NAIC groups that report to the Innovation, Cybersecurity, and Technology (H) Committee since the 2025 Spring National Meeting are summarized below.

Big Data and AI (H) Working Group

The Big Data and AI (H) Working Group discussed the results of [the artificial intelligence \(AI\)/machine learning \(ML\) survey](#), which is available on the NAIC website.

The Working Group discussed the feedback received from industry stakeholders related to the development of a possible AI model law. The feedback received allowed the Working Group to better understand industry perspectives, concerns and rationales, as well as identify key information and decision points for consideration. The Working Group will use these insights to determine the next steps.

The Working Group also discussed the next steps for the development of an AI systems evaluation tool. An initial version of this tool consists of four exhibits to allow regulators to progressively investigate a regulated entity's AI governance, testing protocols, high-risk models, data sources and financial implications, while simultaneously serving as a checklist for insurers. The tool and each exhibit are optional, and regulators may tailor the questions as needed. Further discussion on this topic is planned at a future meeting to be scheduled by the Working Group.

Cybersecurity (H) Working Group

The Cybersecurity (H) Working Group discussed the feedback received on the Insurance Data Security Model Law (Model #668) (IDSM) compliance and enforcement guide. Based on the feedback received, the Working Group re-exposed the Chief Financial Regulator Forum referral response and the IDSM. Further discussion on this topic is planned at a future meeting to be scheduled by the Working Group.

The Working Group also discussed the next steps in the development of a portal that would allow regulators to centrally receive cybersecurity event incident notifications submitted by regulated entities. The fragmented nature of current reporting methods has caused inefficiencies, delayed responses and regulatory burdens for licensees. This results from the complexities of state-level implementations of the IDSM. Substantial legal research will be required to make sure the portal accommodates each state's requirements while maintaining confidentiality and security.

Third-Party Data and Models (H) Working Group

The Third-Party Data and Models (H) Working Group discussed a draft definition of "third-party data and models vendor" and the key decisions that need to be made to agree on a working definition, including the scope of the types of organizations that should be considered as third parties, the definitions of a data or model vendor, and the potential to limit the focus of third-party work to specific insurer operations. The Working Group intends to compile wording for each discussion topic to create a full definition and then expose a draft of the working definition.

Executive Committee

The NAIC Plenary adopted:

- ▶ Various amendments to the VM (15 in total) that will be effective on 1 January 2026, including the addition of a new PBR framework for non-variable annuities in VM-22 (APF 2025-11).
- ▶ *Actuarial Guideline LV – Application of the Valuation Manual for Testing the Adequacy of Reserves Related to Certain Life Reinsurance Treaties* (AG 55), which is intended to enhance reserve adequacy requirements for life insurance companies under moderately adverse conditions. When performing an asset adequacy analysis, these entities are required to use a cash flow testing methodology that evaluates ceded reinsurance as an integral component of asset-intensive business for specific life reinsurance contracts.
- ▶ The *NAIC Catastrophe Modeling Primer*, which covers the basics of the modeling process for catastrophe insurance or events. The primer document provides state insurance regulators with information on the fundamental concepts of probabilistic catastrophe models without taking a position on 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.

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 V of its previously exposed amendments. The Working Group will continue to receive feedback on various sections of Model #672.

The actions taken by various NAIC groups that report to the EX Committee since the 2025 Spring National Meeting are summarized below.

Climate and Resiliency (EX) Task Force

The Climate and Resiliency (EX) Task Force received an update on the development of a *Disaster Recovery Handbook*. The publication will provide an overview of disaster preparedness, information on pre-disaster education, information on the state insurance regulatory response post-disaster, useful after-action reports for future preparedness, common questions from the public and local officials, and state-specific case studies. It is anticipated to be completed by the 2025 Fall National Meeting.

The Task Force received an update on the natural catastrophe risk dashboard, which captures national metrics meant to understand catastrophes and protection gaps. Further discussion on this topic is planned at a future meeting to be scheduled by the Task Force.

The Task Force also received an update on the property and casualty (P&C) roundtable held by the NAIC with 40 state insurance departments specific to catastrophe modeling and reinsurance. The roundtable identified several key objectives to be led by the Reinsurance (E) Task Force. These objectives include expanding regulator training through partnerships with industry leaders, enhancing cross-state collaboration and data sharing, and promoting resilience through innovation, retrofit programs and integration of mitigation strategies into regulatory processes.

RBC Model Governance (EX) Task Force

The RBC Model Governance (EX) Task Force received an update from its third-party consultant engaged to review and analyze the comments received on the proposed modifications to the RBC guiding principles. The consultant outlined key themes, which included an emphasis by most parties that the core purpose of RBC is to identify undercapitalized insurers. The Task Force will further discuss the feedback received as it revises the RBC guiding principles.

Life Insurance Annuities

The actions taken by various NAIC groups that report to the Life Insurance and Annuities (A) Committee since the 2025 Spring National Meeting are summarized below.

Life Actuarial (A) Task Force

The NAIC Plenary adopted AG 55, which was developed by LATF, which requires the performance of an asset adequacy analysis using a cash flow testing methodology that evaluates ceded reinsurance as an integral component of asset-intensive business for specific life reinsurance treaties. It is intended to provide regulators with the information they need to review the reserves and solvency of US life insurers, avoid conflict with reciprocal jurisdictions and covered agreements, and prevent work by US ceding companies with immaterial risk associated with their reinsurance transactions.

Key provisions of AG 55 include:

- ▶ Establishing criteria that will limit its application to asset-intensive reinsurance agreements (i.e., agreements that transfer significant investment risk) ceded to reinsurers that are not regulated by a US state insurance department (i.e., offshore reinsurers) and were established on 1 January 2016 or later, subject to certain materiality thresholds, and asset-intensive reinsurance agreements with significant reinsurance collectability risk determined at the judgment of the appointed actuary for the ceding company, regardless of when the agreement was established
- ▶ Establishing criteria for when an exemption from cash flow testing may be granted by the domestic regulator of the ceding company, such as for non-affiliate transactions that were established from 1 January 2016 through 31 December 2019
- ▶ Allowing aggregation to be performed between treaties for a single counterparty subject to certain considerations
- ▶ For business valued under PBR, considering documentation of the pre-reinsurance PBR reserve determined for the ceded block that considers both the liabilities and supporting assets under moderately adverse conditions to be appropriate in lieu of separate cash flow testing
- ▶ Allowing the submission of a similar memorandum as an alternative to cash flow testing in certain instances (i.e., if the documentation is easily readable for review of the risks and analysis related to the scope of AG 55 and the domestic regulator is able to determine whether the assets are adequate to support the liabilities under moderately adverse conditions)

- ▶ Allowing additional cash flow testing using an alternative run of projections at the option of the insurer, using a starting asset amount that includes guideline excluded assets

AG 55 submissions will be considered for disclosure-only for 2025, with a filing date of 1 April 2026. LATF exposed a presentation containing information to be provided by the ceding company that illustrates an attribution analysis of any reserve decrease and the margins inherent in the assumptions. Further discussion of this topic is planned at a future meeting to be scheduled by LATF.

LATF adopted the life insured mortality improvement recommendation from the Academy and the Society of Actuaries (SOA) for the Historical Mortality Improvement (HMI) and Future Mortality Improvement (FMI) factors and the related HMI and FMI scales to be used in 2025 reserve valuations. The factors should only be used for fully underwritten business, with a 0% improvement used for all other business.

The historical and future averaging periods used to develop the HMI factors continue to be 10 years and 20 years, respectively. The development of these factors is consistent with the approach that was applied in 2024, but the source data for HMI was updated to use only insured population data instead of general population data. No adjustment has been made to the historical data to account for the effects of COVID-19. For the FMI scale, a linear grade was applied to the long-term mortality improvement rate (LTMIR) at projection year 10, which remains level at the LTMIR for the next five years and grades to zero through projection year 20, along with a margin to reduce the base FMI rates by 25%.

LATF also received an update from the GOES (E/A) Subgroup on its work to implement GOES in the VM starting on 1 January 2026 (APF 2025-04). Insurance companies can elect a 36-month optional phase-in period, which applies only to VM-20 and VM-21 reserve calculations, because VM-22 was not active at the time. The Subgroup has also held joint meetings with the Life RBC (E) Working Group and VACR to address potential modifications to the capital metrics for this purpose. Further discussion of this topic is planned at future meetings to be scheduled by these NAIC groups.

The Subgroup discussed the feedback received on the exposed draft of the GOES model governance framework. The Subgroup addressed the governance roles where Conning (i.e., the third-party vendor that developed the prescribed economic scenario generator) is responsible for developing and maintaining the scenario selection tool. It was determined that NAIC staff will independently produce and review statistics before signing off and publishing the tool. However, the Subgroup will be responsible for change requests with input from industry stakeholders.

The Subgroup also elected to remove the Robust Data Set, API and all other non-prescribed Conning product offerings from the scope of the model governance framework. This allows the NAIC staff to focus on the prescribed scenarios and removes potential confusion in allowing the use of non-prescribed generators. The fallback plan for when errors occur was also established.

LATF adopted the report of the Longevity Risk (E/A) Subgroup, which included the exposure of a proposed request for approaches to develop longevity risk factors for longevity reinsurance business in the Life RBC formula. The Subgroup is not seeking development of specific factor values with deep technical analysis. However, proposals should include descriptions of methodologies for factor development, with explanations and justifications for the proposed approach.

LATF discussed the feedback received on the exposed revisions to *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). As a result of this discussion, LATF re-exposed the revisions to AG 49-A to capture the following:

- ▶ Clarifications to the definitions for historical period, inception date and index
- ▶ Clarifications to the basic illustration for policies sold before 1 April 2026
- ▶ Clarifications to the basic illustration for policies sold after 1 April 2026 to update the historical period from at least five years to at least five or 10 years, with the final period to be determined based on the feedback received

LATF also adopted the 2026 Generally Recognized Expense Tables (GRETs) that were developed by the SOA Research Institute for use in individual life insurance sales illustrations. The methodology for calculating the recommended GRET factors for 2026 is consistent with the one applied in prior years.

LATF indicated it did not approve any non-US mortality tables for use by insurers in their VM-20 reserve valuations for 2025, given the constrained timeline for review and additional supporting materials needed by LATF members. Accordingly, insurers will follow the existing VM requirements for when no non-US mortality table is approved, including the requirement to use US mortality tables, increased as necessary for when the non-US mortality is anticipated to exceed US mortality.

Annuity Suitability (A) Working Group

The Annuity Suitability (A) Working Group exposed a revised draft of the NAIC's *Annuity Best Interest Regulatory Guidance and Considerations*, which emphasizes that active monitoring of adherence to the best interest requirements in the Suitability in Annuity Transactions Model Regulation (Model #275) must occur for insurers to issue annuities pursuant to the safe harbor.

Health Insurance and Managed Care

The Health Insurance and Managed Care (B) Committee (B Committee) adopted a recommendation from the Health Actuarial (B) Task Force (HATF) for the single cost-sharing formula following the alternative approach that will be included in the multistate actuarial review framework. The adopted formula is as follows:

- ▶ A 5% haircut for the first 100% of a rate increase, a 35% haircut for the portion of the 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%

This single cost-sharing formula was developed by the Long-Term Care Actuarial (B) Working Group.

The actions taken by various NAIC groups that report to the B Committee since the 2025 Spring National Meeting are summarized below.

Health Actuarial (B) Task Force

HATF discussed the Academy's letter in response to HATF's comments on the *Knowledge Statements for Appointed Actuary for Health Blank* document that was developed by the Academy. The drafted knowledge statements are intended to illustrate a baseline level of knowledge that the actuary should have for a designated role. However, meeting this baseline does not imply that an actuary is qualified to issue the specified actuarial opinion, because the *Qualification Standards for Actuaries Issuing Statement of Actuarial Opinion in the United States* has many components of qualification beyond the baseline level of knowledge. HATF exposed the response letter and the knowledge statements to solicit feedback from regulators and industry stakeholders. Comments are due by 31 October 2025.

Regulatory Framework (B) Task Force

The Regulatory Framework (B) Task Force discussed the development of the NAIC's *Prior Authorization White Paper*. The draft white paper explains that prior authorization is a mechanism used to check that a service, treatment or medication is medically necessary and covered by a health plan, and that it has been used for a broad swath of treatments, although not all services require prior authorization. It also addresses how the information covered by the document can help regulators. It will not elaborate on the use of AI in the prior authorization space, because that topic would be more appropriately addressed by the H Committee. Further discussion on this topic is planned at a future meeting to be scheduled by the Task Force.

Property and Casualty Insurance

The Property and Casualty Insurance (C) Committee (C Committee) received an update on the NAIC's *Affordability and Availability Playbook*, a key initiative aimed at supporting state insurance regulators, legislators and policymakers in addressing homeowners' insurance challenges. It will include details on broad market factors, cross-peril strategies, emerging risks and implementation tools related to this line of business. The drafting group will continue refining the playbook based on feedback on the recently exposed draft.

The actions taken by various NAIC groups that report to the C Committee since the 2025 Spring National Meeting are summarized below.

Casualty Actuarial and Statistical (C) Task Force

CASTF discussed the feedback received on *NAIC Model Review Manual*, which is intended to provide guidance to the NAIC Rate Model review team on performing 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 in such efforts as prioritization of model type, insurer and state, and allocation of resources. Further discussion is 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 regulatory guidance and related instructions for the *2025 P&C Statement of Actuarial Opinion* that will incorporate the SOA's educational materials effective for 2026 year-end reporting. The topics discussed include aligning terminology with SSAP No. 65, *Property and Casualty Contracts*, clarifying instructions for when qualifying documents need to be shared with the board of directors, and what constitutes and defines the accepted actuarial designation. Further discussion is planned at a future meeting to be scheduled by the Working Group.

Homeowners Market Data Call (C) Task Force

The Homeowners Market Data Call (C) Task Force exposed its recommended revisions to both the homeowners market data call template and definitions, based on a review of data received in 2024 from the Property and Casualty Market Intelligence (PCMI) data call and discussions with regulators and industry stakeholders.

The Task Force believes the recommendations will lead to better quality and more useful data to regulators in terms of how coverages, deductibles and discounts affect homeowners' insurance affordability and availability. The current template suggests that insurance companies would report data for the years 2018 through 2024. However, the 2025 reporting year may be included depending on the timing of issuing the data call.

The Task Force is also soliciting feedback on the availability of square footage of dwelling data and how this data could be requested from insurance companies for future iterations of the data call. This information is not included in the exposed version of the data call template and definitions.

Market Regulation and Consumer Affairs

The Market Regulation and Consumer Affairs (D) Committee (D Committee) adopted revisions to various Market Conduct Annual Statement (MCAS) blanks and related instructions (such as other health, private passenger auto, homeowners, lender-place home and auto, pet insurance), including updates to the data call and definitions for certain lines of business.

The D Committee also discussed a draft cybersecurity incident response framework, which is intended to help regulators assess the significance of cybersecurity events and develop protocols for multistate coordination after an event occurs.

Financial Condition

The E Committee adopted a proposal to restructure the Valuation of Securities (E) Task Force (VOSTF), effective 1 January 2026. VOSTF would be renamed the Invested Assets (E) Task Force (IATF), a commissioner-led group with charges that include understanding new or evolving investment products that may possess characteristics that pose unique risks to insurers and the insurance industry, and coordinating with different NAIC groups, as necessary, to develop, implement or advise on investment-related solvency policy changes or procedures within their analysis and examination of insurers subject to such risks. The IATF would have oversight responsibility of the following new subsidiary groups:

- ▶ Investment Analysis (E) Working Group, which would be the primary NAIC group under which modernized investment services for the US system would be achieved. Most, if not all, of its meetings would be held in a regulator-to-regulator session.
- ▶ SVO and Structured Securities (E) Working Group, which would (1) make recommendations to the IATF about the scope of securities that are required to be filed with the SVO, (2) make recommendations about the scope of securities that are required to be modeled or filed with the NAIC Structured Securities Group (SSG), (3) oversee private letter rating submissions and review processes, and (4) monitor the technology and resources available to implement current and future initiatives efficiently and effectively. The Working Group's structure would be similar to that of VOSTF.

- ▶ Credit Rating Provider (CRP) (E) Working Group, which would implement the due diligence framework once it is developed and approved by regulators and the discretion policy adopted in 2024.

The E Committee received an update on the CRP due diligence project. NAIC staff has met with the NAIC's external consultant to develop a template for a data call to be issued to the CRPs. The data call was issued on 8 August 2025.

The E Committee formed the Reciprocal Exchanges (E) Working Group, which was recommended by the Risk-Focused Surveillance (E) Working Group to address the recent increase in the number of reciprocal exchanges being formed and challenges in assessing the fairness and reasonableness of attorney-in-fact fees being charged to the newly formed reciprocals. The E Committee also approved a request for development of model law that would modify the Insurance Holding Company System Regulatory Act (Model #440) and related regulation (Model #450) to clarify that regardless of the definitions of control and affiliation, fees charged to insurers from the attorney-in-fact are subject to fair and reasonable standards and approval by the commissioner, and should not exceed the cost of such services plus a modest profit under any circumstances.

The E Committee also adopted a proposal to reorganize the Risk Retention Group (E) Task Force to the Risk Retention Group (E) Working Group effective 1 January 2026. The Working Group would include no more than 12 members represented by the key states where risk retention groups are domiciled or are writing business. Most meetings would be held in a regulator-to-regulator session, since discussions will primarily focus on individual companies and best practices used by domestic states in similar situations.

The actions taken by various NAIC groups that report to the E Committee since the 2025 Spring National Meeting are summarized below.

Financial Examiners Handbook (E) Technical Group

The Financial Examiners Handbook (E) Technical Group adopted the following revisions to the *Financial Condition Examiners Handbook* (FCEH):

- ▶ Revisions to Section 1, Part I (D): Coordination of Holding Company Group Exams to clarify the timing of when an informal notification of an upcoming coordinated examination should be issued by the lead state or exam facilitator, with an emphasis on the guidance to provide such an informal notification at least six months before the as-of date of the examination. Formal notifications would occur 90 days before the anticipated start date 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.

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

- ▶ Simplifying and consolidating steps in Exhibit A: Examination Planning Procedures Checklist that typically happen concurrently, and deleting step five and the corresponding narrative guidance that instructs the examiner to update the Insurer Profile Summary, because peer reviewers felt significant findings are commonly represented through the status updates, of which the financial analyst is often a recipient.
- ▶ Modifying the reinsurance ceding repository to include the new catastrophe reinsurance program interrogatory as a source of information for catastrophic reinsurance coverage and other potential revisions when reviewing catastrophic reinsurance coverage for reasonableness. These revisions would be consistent with the information on the interrogatory already included in the *Financial Analysis Handbook*.
- ▶ Modifying Exhibit Q: Review and Approval Summary Updates to clarify that there should be a meeting at the end of the examination to communicate exam results to the financial analyst.

Information Technology (IT) Examination (E) Working Group

The IT Examination (E) Working Group exposed a document outlining a streamlined approach for modernizing the IT examination process to better address cybersecurity risks while maintaining an efficient evaluation of IT general controls (ITGCs). The objectives of the streamlined approach include:

- ▶ Separating the ITGC reliability assessment (completed by the end of Phase 2) from the prospective cyber risk evaluation and focusing on areas likely to be in scope for the financial examination

- ▶ Continuing to use the COBIT framework (updated to COBIT 2019) for ITGCs while incorporating Cybersecurity Framework 2.0 of the National Institute of Standards and Technology for cybersecurity
- ▶ Creating distinct deliverables with clear objectives for each assessment
- ▶ Optimizing the overall IT review without significantly expanding examination time

This effort should allow the IT examiner to provide more effective conclusions and assessments to financial examiners and financial analysts for an amount of time and effort comparable to the current approach. A new drafting group is expected to be formed to develop proposed revisions to Exhibit C and related sections of the FCEH. Due to the nature and scope of such revisions, the revised guidance is expected to be incorporated into the 2027 version of the FCEH.

Group Solvency Issues (E) Working Group

The Group Solvency Issues (E) Working Group adopted a revised draft of the *NAIC Own Risk and Solvency Assessment (ORSA) Guidance Manual*, which will be effective on 1 January 2026. The revisions address the following requirements:

- ▶ The lead state may request and review information on international premium volume to assess the applicability of the insurance group exemption outlined in the Risk Management and Own Risk and Solvency Assessment Model Act (Model #505).
- ▶ Captives should be included in the scope of the ORSA Summary Report.
- ▶ Insurers or insurance groups should file their first ORSA Summary Report no later than two years after the end of the year in which they first exceed the premium threshold.
- ▶ The ability of the insurance group to service existing debt should be considered when assessing group-wide capital adequacy.

The Working Group also agreed to conduct a survey to identify additional questions or topics to be addressed in the ORSA Guidance Manual in future years.

NAIC/American Institute of Certified Public Accountants (E) Working Group

The NAIC/American Institute of Certified Public Accountants (E) Working Group discussed a referral received from the Chief Financial Regulator Forum on issues related to access to external audit workpapers. The issues include the timing of workpaper availability, workpaper security restrictions and access to audit programs. The Working Group agreed to form a drafting group of state insurance regulators and audit firm representatives to update the existing best practices in this area.

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 101 reciprocal jurisdiction reinsurers and 42 certified reinsurers for passporting as of August 2025. The [list of passported reinsurers](#) is available on the NAIC website.

The Task Force also discussed a proposal to allow ceded unearned premium reserve surety bonds to be used for the limited purpose of providing unearned premium reinsurance collateral as an alternative to a bank-issued letter of credit. The Task Force determined that no action is needed at this time because these instruments do not meet any of the definitions of collateral included in Section 3 of the Credit for Reinsurance Model Law (Model #785). If these surety bonds were to be allowed as collateral, they would have to be considered as "any other form of security acceptable to the commissioner" under Section 3D of Model #785. It was noted that certain states would not find these instruments to be acceptable forms of collateral for credit for reinsurance purposes, but each state can make that determination for itself.

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 adopted the following amendments to the P&P Manual:

- ▶ Revisions to require insurers to file private rating letter rationale reports with the NAIC SVO within 90 days of an annual update or rating change to be eligible for the filing exemption process

- ▶ Revisions to clarify that private rating letter rationale reports should possess sufficient analytical substance to enable an independent party to form an opinion on the CRP's assessment of investment risk

VOSTF also adopted a technical amendment to the P&P Manual to place a cap on NAIC designations of CRP-rated securities. Further analysis will be performed to determine whether additional revisions to the guidance are needed.

VOSTF exposed a proposed amendment to the P&P Manual that would provide a 30-day grace period to submit the annual update of private rating letters to the SVO.

VOSTF also exposed a memorandum outlining a proposed update to the annual statement blanks for security identifiers (IDs), which would consolidate the CUSIP and ISIN fields into a single security ID field, accompanied by a new field to indicate the type of identifier. The proposal also would include a reporting field to flag unvalidated IDs, aimed at enhancing data accuracy and validation.

VOSTF discussed the status of the modeling methodology project for collateralized loan obligations (CLOs) that is based on the results of the annual CLO stress tests performed by the NAIC SSG, with assumptions over the mechanics of the modeling process and cash flow. VOSTF recommended deferring the implementation of CLO modeling by the SSG and directed the NAIC staff to prepare and expose an amendment to the P&P Manual that would change the effective date to 2026.

VOSTF directed the NAIC staff to prepare amendments to the P&P Manual that would capture any necessary changes as a result of the restructuring of VOSTF that was adopted by the E Committee.

Financial Regulation Standards and Accreditation

The Financial Regulation Standards and Accreditation (F) Committee (F Committee) adopted the report of the Accreditation Scope and Alignment (F) Working Group, which met in regulator-to-regulator sessions at the 2025 Summer National Meeting to develop and distribute an all-states survey to collect information to help the Working Group understand each state's domestic industry.

The F Committee adopted 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 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.

The F Committee also exposed revisions to the Review Team Guidelines and Self-Evaluation Guide resulting from industry feedback received on the proposed revisions to the Review Team Guidelines Part B1 and Part B2. The proposed revisions would expand and clarify the guidance on conflicts of interest and confidentiality when contracted resources are used. They would also modify Part B1 and the Self-Evaluation Guide in Part C: Organizational and Personnel Practices of the accreditation standards to add items to be reported by states when submitting interim annual reviews, including a revision to Part B1 to add additional criteria to the financial analysis submission pertaining to domestic multi-state insurance companies and revisions to Part C to include a detailed attachment on personal changes.

International Insurance Relations

The International Insurance Relations (G) Committee (G Committee) adopted the report of the Aggregation Method Implementation (G) Working Group, which included a recommendation for the use of excess relative ratio (ERR) scalars in the Aggregation Method (AM). The goal for the final AM is to select a scaling methodology that is meaningful from a prudential point of view and relevant for the monitoring of financial soundness, and that provides for comparable outcomes to the insurance capital standard (ICS). The Working Group determined that the ERR approach could address the two issues (i.e., sensitivity to changes in interest rates for US life insurers and timing of supervisory intervention for all entities that are AM filers) highlighted during the comparability assessment of the provisional AM at a calibration of 200% of authorized control level RBC, which is the same scaling methodology used in the NAIC group capital calculation.

The G Committee received an update on the following activities of the International Association of Insurance Supervisors (IAIS):

- ▶ The IAIS published high-level principles for the development of 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.
- ▶ The NAIC participated in progress monitoring for the targeted jurisdictional assessment (TJA) of the Holistic Framework performed by the IAIS. This is a follow-up to the first round of progress monitoring performed in 2023, which followed the conclusion of the first TJA in 2022. While the US is not being assessed as part of the second phase of the TJA, which is in its final stages, regulators noted that two state insurance regulators are serving on the assessment team.

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

- ▶ Public consultation on the review of the IAIS Global Monitoring Exercise (GME) with a focus on the individual insurer monitoring (IIM) assessment methodology, which is reviewed every three years to capture changes in the insurance sector, insurers' activities, market growth and advances in measuring systemic importance
- ▶ Public consultation on its draft issues paper on structural shifts in the life insurance sector identified through the GME, which explores emerging trends and provides a framework for understanding macroprudential and financial stability implications, while identifying potential areas for enhancement in the IAIS supervisory model

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 Fall National Meeting is scheduled for 8-11 December in Hollywood, Fla. A [schedule of interim NAIC group meetings](#) is available on the NAIC website.

Appendix A – Statutory Accounting Principles Working Group

This chart summarizes actions taken by SAPWG since the 2025 Spring National Meeting. Comments on exposed items are due by 17 October 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 SSAP ¹			
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>Adopted an extension of INT 23-01 to 31 December 2026, with additional requirements for the admittance of net negative IMR and clarifications for the reporting of the related amount. INT 23-01 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 2027.</p>	TBD
	Adopted	Adopted an extension of INT 23-01 to 31 December 2026, with additional requirements for the admittance of net negative IMR and clarifications for the reporting of the related amount. INT 23-01 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 2027.	Immediately
SSAP No. 7 – AVR and IMR (Ref #2023-14)	Deferred*	<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>	TBD
	Further analysis needed	Directed the NAIC staff to proceed with the removal of the concept of hypothetical IMR for reinsurance transactions from the forthcoming issue paper detailing revisions to the statutory accounting guidance to be included in SSAP No. 7.	
ALM Derivatives (Ref #2024-15)	Exposed to 31 October 2025	Exposed a presentation from the ACLI with proposed approaches to the statutory accounting for derivatives that are used for ALM purposes, along with drafts of potential statutory accounting guidance following an amortized cost method or a fair value and spread method. Feedback has been requested on whether guidance for ALM derivatives should be further considered as these derivatives do not qualify as effective hedges under SSAP No. 86, and, if so, which of the methods is preferred.	TBD
Investment Subsidiary Classification (Ref #2024-21)	Exposed	Exposed revisions that would eliminate the investment subsidiary concept from the instructions to the annual statement blank, because this concept does not exist in SSAP No. 97.	TBD
IMR Definition (Ref #2025-03)	Further analysis needed	Directed the NAIC staff to proceed with 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 will be included in the forthcoming issue paper detailing revisions to 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 2025 Spring National Meeting.

Topic/issue	Status	Discussion	Effective date
SAP Clarification ²			
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)	Adopted	Adopted Issue Paper No. 171 detailing the historical discussions and decisions reached on the US GAAP impairment guidance that existed prior to the implementation of ASU 2016-13, which has been retained in existing statutory accounting guidance.	Immediately
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)	Deferred*	<p>Previously 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:</p> <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)	Adopted	Adopted revisions to Appendix A-791 to remove the first sentence in the Q&A of paragraph 2c that addresses group term life insurance. Regulators have indicated that this sentence is being misinterpreted as supporting the use of CSO rates as a safe harbor at or below which YRT rates would be automatically considered not to be excessive.	Immediately
Risk Transfer Analysis on Combination Reinsurance Contracts (Ref #2024-06)	Further analysis needed (by E Committee)	<p>Adopted revisions to SSAP No. 61 to address combination reinsurance contracts with interdependent contract features. The revisions would require risk transfer to be evaluated independently and in the aggregate for reinsurance contracts that contemplate reinsurance on both a YRT and coinsurance basis, where there are interdependent features, such as a combined experience refund or an inability to independently recapture each of the components. When evaluated in their entirety, such contracts cannot (1) potentially deprive the ceding insurer of surplus at the reinsurer's option or automatically upon the occurrence of some event, (2) potentially require payments to the reinsurer for amounts other than the income realized from the reinsured policies or (3) contain any of the other conditions prohibited by Appendix A-791 related to risk transfer. The revisions also update the first Q&A in Appendix A-791 to address this guidance, including a statement that the YRT premium being at or below the valuation net premium does not ensure that payments from surplus are not possible.</p> <p>The revisions would be effective immediately for new or newly amended contracts, with an effective date of 31 December 2026 for existing contracts. However, the revisions are not effective until adopted by the Financial Condition (E) Committee (E Committee). The E Committee elected to defer adoption of the revisions to allow regulators to perform further analysis to determine the appropriate period for contracts that would be subject to the revised risk transfer evaluation. Further discussion is planned on an interim call to be scheduled by the E Committee.</p>	TBD
Reporting of Funds Withheld and Modco Assets (Ref #2024-07)	Adopted	Adopted revisions to 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. A corresponding blanks revision to modify Schedule S – Reinsurance in the Life annual statement blank has also been adopted (Ref #2025-05BWG MOD).	31 December 2025
Derivative Premium Clarification (Ref #2024-23)	Deferred*	Previously directed the NAIC staff to include the previously exposed revisions to SSAP No. 86 in SAPWG Ref #2024-15 for further consideration 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.	TBD

Topic/issue	Status	Discussion	Effective date
Sale Leaseback Clarification (Ref #2025-01)	Re-Exposed	Re-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 proceeds (i.e., cash) received from the sale do not qualify for sale leaseback accounting and should be accounted for by the selling insurer as a financing arrangement.	TBD
ASU 2024-04, Induced Conversions of Convertible Debt Instruments (Ref #2025-02)	Adopted	Adopted revisions to SSAP No. 15 to incorporate the US GAAP guidance in ASU 2024-04, with modification to clarify the statutory accounting guidance for induced conversions, including when the inducement would be recognized as an expense by the issuer and the fair value measurement of that expense.	Immediately
Capital Structure Code (Ref #2025-04)	Adopted	Adopted revisions to eliminate the "capital structure code" reporting column from Schedule D, Part 1, Sections 1 and 2 in the annual statement blanks. A corresponding blanks revision to modify Schedule D, Part 1, Sections 1 and 2 has also been adopted (Ref #2025-11BWG).	31 December 2025
Reinsurer Affiliated Assets (Ref #2025-05)	Adopted	Adopted revisions to expand the disclosure requirements for restricted assets under SSAP No. 1 by requiring the full restricted asset disclosure to be included in both the annual and quarterly statement blanks. The revisions include an illustration to capture information, by investment schedule, for assets held under modified coinsurance and funds withheld reinsurance arrangements that are affiliated to the reinsurer. A corresponding blanks revision to modify Note 5L – Restricted Assets has also been adopted (Ref #2025-10BWG MOD).	31 December 2025
AVR Line: Unrated Multi-Class Securities Acquired by Conversion (Ref #2025-06)	Adopted	Adopted revisions to eliminate reporting line 8, "Unrated Multi-Class Securities Acquired by Conversion" from the AVR reporting schedule in the Life annual statement blank. A corresponding blanks revision to modify the AVR Reporting Schedule has also been adopted (Ref #2025-12BWG).	31 December 2025
Dividend General Interrogatory Update (Ref #2025-07)	Adopted	Adopted revisions to eliminate 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. A corresponding blanks revision to modify General Interrogatory 14 has also been adopted (Ref #2025-08BWG).	31 December 2025
Medicare Part D Prescription Payment Plan Disclosures (Ref #2025-08)	Adopted	Adopted revisions to SSAP No. 84 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 revision for the reporting of receivables related to the MP3 program has also been adopted (Ref #2025-04BWG MOD).	31 December 2025
VM-22 Update Coordination (Ref #2025-09)	Adopted	Adopted revisions to SSAP No. 51 to (1) align the existing guidance with the updates that have been made to the VM for the new PBR requirements for non-variable annuities in VM-22 and (2) clarify the application of the guidance between different reserving methodologies.	Immediately
Spring 2025 Editorial Revisions (Ref #2025-12EP)	Deferred*	Previously 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
Residential Mortgage Loans Held in Statutory Trusts (Ref #2025-13)	Re-exposed	Re-exposed revisions to SSAP No. 37, <i>Mortgage Loans</i> , to expand statutory accounting guidance to allow residential mortgage loans held in a qualifying statutory trust to be reported on Schedule B in response to feedback received from industry stakeholders.	TBD
Various SSAPs – Status Section Updates (Ref #2025-16)	Adopted	Adopted revisions to the 2026 AP&P Manual to streamline the status section of each SSAP by no longer referencing issue papers and changing references from "substantively revised" to "conceptually revised" to be consistent with previously adopted policy statement language.	Immediately
Various SSAPs – Editorial Revisions (Ref #2025-17EP)	Adopted	Adopted various editorial revisions to the SSAPs and INTs that include updates to the disclosures in SSAP No. 26, <i>Bonds</i> , and SSAP No. 56, <i>Separate Accounts</i> , the removal of a remaining CRP designation in SSAP No. 41, <i>Surplus Notes</i> , and the removal of superseded terminology.	Immediately
ASU 2019-12, Simplifying the Accounting for Income Taxes (Ref #2025-18)	Exposed	Expose revisions to SSAP No. 101 to incorporate certain revisions from the US GAAP guidance in ASU 2019-12, <i>Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes</i> , with modification, and to fully incorporate other US GAAP guidance that was previously incorporated by reference into statutory accounting guidance.	TBD
Private Securities (Ref #2025-19)	Exposed to 19 September 2025	Exposed revisions to the annual statement instructions to add an electronic reporting column that will identify private placement securities in the investment schedules and incorporate an aggregate disclosure that details key investment information by type of security (public and private placement type).	TBD

Topic/issue	Status	Discussion	Effective date
Debt Security & Residual Interest Disclosures (Ref #2025-20)	Exposed	Exposed revisions to various SSAPs and the annual statement blanks to clarify guidance, improve the utilization of existing disclosures and incorporate consistent instructions specific to debt security disclosures. Specifically, the proposed disclosures for residuals would identify the insurer's measurement method, whether the insurer is transitioning from the practical expedient to the allowable earned yield (AEY) method and, for those insurers following the AEY method, information comparable to SSAP No. 43 for impaired securities. The proposed revisions also would remove references that imply quarterly reporting when the disclosure is audited on an annual basis.	TBD
Retirement Plans Held at Net Asset Value (NAV) (Ref #2025-21)	Exposed	Exposed revisions to clarify the guidance in SSAP No. 92, <i>Postretirement Benefits Other Than Pensions</i> , and SSAP No. 102, <i>Pensions</i> , that retirement plan assets can be held at NAV and are required to be included in the fair value disclosure.	TBD

US GAAP guidance rejected

Rejected 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)
- ASU 2017-05, *Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20), Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets* (Ref #2025-14)
- ASU 2025-02, *Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122* (Ref #2025-15)

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)
- SSAP No. 27 – Updates to SSAP No. 27 (Ref #2024-12)

Appendix B – Blanks Working Group

This chart summarizes actions taken by BWG since the 2025 Spring National Meeting. [More information on BWG exposed items](#) is available on the NAIC website.

Adopted items	Statement type(s) ¹	Filing(s)	Effective date
2024-19BWG 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
2025-01BWG MOD: 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 #2023-26).	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 MOD: 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 MOD: 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 MOD: 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	Annual 2025
2025-06BWG MOD: 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 and Quarterly	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 renames 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 MOD: 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, H, P/C, T	Annual and Quarterly	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 MOD: 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, T	Annual and Quarterly	Annual 2025
2025-14BWG: Adds new instructions to the annual and quarterly statement blanks and the 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, T	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.

Adopted items	Statement type(s) ¹	Filing(s)	Effective date
2025-15BWG MOD: 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
2025-16BWG MOD: Modifies the Health annual statement instructions for the Prescribed Language for Statement of Actuarial Opinion, Section 4 (Identification Section) in attempt to update the “revised wording” option for current practice and improve consistency in reporting. It also modifies the Statement of Actuarial Opinion, Section 7 (Opinion Section), Item C, to be consistent with the Life annual statement instructions and VM-30.	H	Annual	Annual 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 2025 Spring 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	Further Analysis Needed	Previously exposed revisions to the RBC Preamble to clarify and emphasize the purpose and intent for the use of the RBC calculation. Feedback has been received from industry stakeholders on the use of the five-year historical data page in the annual statement blanks and how RBC ratios are used other than for the intended purpose of identifying potentially weakly capitalized insurance companies. Further discussion is planned by CATF on a call scheduled for 15 October 2025.	TBD
Principle-Based Bond Project for P&C and Health (Ref #2024-25-CA)	Capital Adequacy Task Force	Adopted	Adopted 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 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	Adopted	Adopted 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 revisions do not address potential changes to the RBC factors resulting from the new accounting guidance. The revisions also add a new line item for non-admitted collateral loans to page XR008 of the Health RBC formula for consistency with the P&C RBC formula (Ref #2024-25-CA).	2025
Underwriting Risk Factors – Investment Income Adjustment (Ref #2025-03-CA)	Capital Adequacy Task Force	Adopted	Adopted 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 MOD)	Capital Adequacy Task Force	Adopted	Adopted 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 revisions also align the labeling of company action levels and the 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
Tax Credit Investments (Ref #2024-21-L MOD)	Capital Adequacy Task Force	Adopted	Adopted 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 revisions do not address potential changes to the RBC and AVR factors resulting from the new accounting guidance.	2025
Principle-Based Bond Project (Ref #2024-24-L MOD)	Capital Adequacy Task Force	Adopted	Adopted 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 PBBD project that is effective as of 1 January 2025, along with certain editorial changes to clarify items that are not necessarily related to the PBBD project. Certain revisions were adjusted for changes resulting from the deferred adoption of Ref #2024-19BWG MOD, which will not be effective until the first quarter of 2026.	2025

* No action was taken on this topic/issue since the 2025 Spring National Meeting.

Topic/issue	NAIC group	Status	Discussion	Effective date
C-2 Mortality Risk (Ref #2025-01-L)	Capital Adequacy Task Force	Adopted	Adopted 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 MOD)	Capital Adequacy Task Force	Adopted	Adopted modified 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 revisions include corresponding updates to pages LR030 and LR031 of the Life RBC formula and related instructions.	2025
Asset Concentration (Ref #2025-05-L)	Capital Adequacy Task Force	Adopted	Adopted 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 PBBD guidance (i.e., SVO-designated non-bond debt securities) that are reported on Schedule BA. The revisions 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
Asset Credit for Modified Coinsurance and Funds Withheld (Ref #2025-10-L)	Capital Adequacy Task Force	Adopted	Adopted revisions to the Life RBC formula and related instructions for pages LR045, LR046, LR047 and LR048 to specify that if any portion of a modified coinsurance or funds withheld asset has been concurrently used as a pledged asset for purposes specific to the ceding insurer at any time of the year, the RBC for the ceding insurer would not be reduced.	2025
SVO Funds Alignment Project (Ref #2025-12-IRE)	RBCIRE Working Group	Exposed	Exposed revisions to page LR005 of the Life RBC formula and related instructions to align the RBC treatment of the following funds identified by the SVO: bond and preferred stock ETFs, SEC-registered fixed income-like funds, and private bond funds. The proposed revisions would also modify the instructions to page LR010 and LR011 to clarify asset concentration treatment.	TBD
C-3 GOES Implementation (Ref #2025-14-L)	Life RBC Working Group	Exposed to 19 September 2025	Exposed revisions to modify page LR027 of the Life RBC formula and related instructions to implement technical changes to the C3 Phase I and C3 Phase II calculations. The proposed revisions to the C3 Phase I calculation would determine the RBC amount using stochastic modeling before considering the additional standard projection amount, voluntary reserves or asset adequacy reserves, and consider changes to the required number of scenarios and the capital metric. The proposed revisions to the C3 Phase II calculation would remove reliance on the deep tail CTE(98) metric with a change from 25% * CTE(98) to 100% * CTE(90).	2026
P&C RBC				
Disclosure Climate Condition Cat Exposure Instruction (Ref #2025-06-CR)	Capital Adequacy Task Force	Adopted	Adopted 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
Underwriting Risk Line 1 Factors (Ref #2025-09-P)	Capital Adequacy Task Force	Adopted	Adopted the annual update of the industry underwriting factors for premium and reserves in PR017 and PR018 of the P&C RBC formula.	2025
Catastrophe Modeling Attestation (Ref #2025-11-CR)	Capital Adequacy Task Force	Adopted	Adopted revisions to the attestation on page PR002 of the P&C RBC formula to incorporate wildfire and severe convective storm perils for informational purposes only from page PR027.	2025