

NAIC Bulletin

Highlights of the National Association
of Insurance Commissioners meeting

Fall 2025 update

In this issue:

Requirements for principle-based reserving	5
Macroprudential activities	6
Innovation, Cybersecurity, and Technology	8
Executive Committee	9
Life Insurance Annuities	10
Health Insurance and Managed Care	11
Property and Casualty Insurance	11
Market Regulation and Consumer Affairs	12
Financial Condition	13
Financial Regulation Standards and Accreditation	15
International Insurance Relations	16
Appendix A – Statutory Accounting Principles Working Group	17
Appendix B – Blanks Working Group	21
Appendix C – RBC developments	23

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

What you need to know

- ▶ The NAIC Plenary adopted the *Long-Term Care Insurance Multistate Rate Review Framework*, including recent amendments to transition from two actuarial rate review methodologies to a single methodology, revise the cost-sharing formula, and move the governance of the framework and related processes to the Health Actuarial (B) Task Force.
- ▶ The NAIC Plenary also adopted the *Homeowners Market Data Call Template and Definitions* for insurers to provide information on different types of policies and data elements addressing premium, coverage, and deductible information for policies in force, claims and losses, cancellations and nonrenewals, and deductible information for policies in force.
- ▶ The Financial Condition (E) Committee and NAIC Plenary adopted revisions to statutory accounting guidance to clarify the accounting requirements for risk transfer on combination reinsurance contracts with interdependent contract features for life reinsurance.
- ▶ The NAIC elected its 2026 executive officers: Scott A. White (Virginia) as president, Elizabeth Kelleher Dwyer (Rhode Island) as president-elect, John Pike (Utah) as vice president and Michael Wise (South Carolina) as secretary-treasurer.

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 Summer 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 Summer National Meeting. It also includes the effective dates of adopted items and the deadlines for comments on exposed items.

Statutory accounting principles

SAPWG adopted revisions to SSAP No. 37, *Mortgage Loans*, and SSAP No. 40, *Real Estate Investments*, to expand statutory accounting guidance and allow residential mortgage loans held in a qualifying statutory trust to be captured in the scope of SSAP No. 37 and reported on Schedule B (Ref #2025-13). The revisions are effective 1 January 2027, with early adoption permitted. A corresponding blanks proposal to report mortgages held in a qualifying statutory trust in Schedule B has also been exposed for reporting in the year-end 2026 annual statement blank (Ref #2025-28BWG).

SAPWG adopted revisions to various SSAPs and the annual statement blanks to clarify guidance, improve the use of existing disclosures and incorporate consistent instructions for the frequency of debt security disclosures (Ref #2025-20). Specifically, the disclosures for residuals will identify the insurer's measurement method, whether the insurer is transitioning to the allowable earned yield (AEY) method from the practical expedient and, for those insurers following the AEY method, information comparable to SSAP No. 43, *Asset Backed Securities*, for impaired securities. The revisions also remove references that imply quarterly reporting when the disclosure is audited on an annual basis. A corresponding blanks proposal to incorporate the clarified requirements in the annual statement blank has also been exposed (Ref #2025-17BWG).

SAPWG adopted revisions to clarify the guidance in SSAP No. 92, *Postretirement Benefits Other Than Pensions*, and SSAP No. 102, *Pensions*, that retirement plan assets can be held at net asset value (NAV) and are required to be included in the fair value disclosure (Ref #2025-21). A corresponding blanks proposal to clarify the reporting of retirement plan assets held at NAV in the annual statement blank has also been exposed (Ref #2025-30BWG).

SAPWG adopted revisions to SSAP No. 101, *Income Taxes*, to incorporate certain revisions applicable to the US GAAP guidance in ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, with modification, that were previously incorporated by reference into statutory accounting guidance and to fully incorporate the US GAAP guidance in paragraphs 19 and 20 of APB 28, *Interim Financial Reporting*, which addresses the recognition of the effective tax rate for each interim period and the timing of recognition of the effects of new tax legislation, SSAP No. 101 (Ref #2025-18).

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. With respect to this project, SAPWG exposed proposed concepts and templates to address IMR proof of reinvestment (Ref #2025-23). The proposal would require reporting entities to complete and pass both a reinvestment test and a weighted-average yield test to support the admittance or increase of a net negative IMR balance. Reporting entities that fail the proof would be limited to recognizing realized losses in IMR only to the extent of current year realized gains, with excess losses recognized as a direct surplus impact. The proof would be performed for both general and separate accounts when a net negative IMR position is established or increased.

Separately, SAPWG exposed revisions to SSAP No. 61, *Life, Deposit-Type and Accident and Health Reinsurance*, to clarify the treatment of IMR derecognized as part of a reinsurance transaction and its effect on reinsurance collateral required to receive reinsurance credit (Ref #2025-22). The proposed revisions suggest an asymmetrical approach, under which derecognized positive IMR would increase collateral requirements, while derecognized negative IMR would not decrease collateral requirements. Feedback has been requested on whether the use of an asymmetrical or symmetrical approach to the treatment of IMR should be considered (Ref #2025-22).

SAPWG exposed revisions to SSAP No. 56, *Separate Accounts*, to address nonadmittance for assets held under the "general account basis" in the separate account (Ref #2025-25). The proposed revisions would require the reporting of nonadmitted assets for all insulated and non-insulated separate account filings. A corresponding blanks proposal to address the reporting of nonadmitted assets in the Separate Accounts annual statement blank has also been exposed (Ref #2025-23BWG).

SAPWG also exposed revisions to SSAP No. 103, *Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, to allow certain long-term repurchase agreements to be admitted (Ref #2025-28). The proposed revisions clarify that only reverse repurchase agreements with maturity dates in excess of one year are nonadmitted, with the reporting of long-term reverse repurchase agreements as "Any Other Asset" on Schedule BA, which could be admitted in the last year to maturity.

Interpretations of statutory accounting principles

SAPWG exposed revisions to INT 05-05: *Accounting for Revenues Under Medicare Part D Coverage* to indicate the end of the Coverage Gap Discount Program as of 31 December 2024, and to add references to the new CMS Manufacturer's Discount Program that began on 1 January 2025 (Ref #2025-31). The proposed new program would follow the guidance in SSAP No. 47, *Uninsured Plans*.

Other matters

SAPWG adopted revisions that would eliminate the investment subsidiary concept from the instructions to the annual statement blank, because this concept does not exist in statutory accounting guidance (i.e., 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 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. A corresponding blanks proposal to remove the reporting components for investment subsidiaries from the annual statement blank has also been exposed (Ref #2025-20BWG).

SAPWG also adopted revisions to the annual statement blank to add an electronic reporting column that will identify private placement securities in the investment schedules on a quarterly and annual basis and incorporate an aggregate disclosure that details key investment information by type of security (public and private placement) on an annual basis (Ref #2025-19). A corresponding blanks proposal to incorporate the new disclosure requirements in the annual statement blank has also been exposed (Ref #2025-22BWG).

SAPWG directed the NAIC staff to develop an issue paper and concurrent SSAP to provide statutory accounting guidance for interest-rate hedging derivatives used for asset-liability management (ALM) purposes following an amortized cost method (Ref #2024-15).

SAPWG adopted editorial revisions to the Preamble within the AP&P Manual to clarify the treatment of issue papers in Level 5 of the statutory hierarchy (Ref #2025-12EP). The revisions also reference Securities and Exchange Commission (SEC) rules and interpretations as authoritative US GAAP guidance for SEC registrants.

Blanks (E) Working Group

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

Capital Adequacy (E) Task Force

Appendix C summarizes the developments affecting RBC requirements for each insurance sector based on actions taken by the Capital Adequacy (E) Task Force (CATF) and the various NAIC groups that report to it since the 2025 Summer 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 risk and market risk (i.e., C3) component of the Life RBC formula, which is being performed as part of the development of the principle-based reserving (PBR) framework for non-variable annuity products.

The Academy's presentation outlined current recommendations and identified decisions requiring further analysis. The discussion points included aligning the C3 Phase I with the C3 Phase II methodology, defining scope and determining adoption and phase-in timing. The Working Group agreed to proceed with an asset-based metric consistent with C-3 Phase II and include stochastic equity. Default cost considerations will be explored through sensitivity testing using model office resources, leveraging the VM-22 framework where feasible. In 2026, the NAIC aims to have resources for model office support, while the Academy will work through stress or sensitivity testing to qualify the scope. Adoption of revised calculation is targeted for year-end 2027.

The Working Group previously exposed revisions to modify the C3 Phase I and C3 Phase II calculations in the Life RBC formula for the new generator of economic scenarios (GOES). Revisions to the C3 Phase I calculation would determine the RBC amount using stochastic modeling before the additional standard projection amount (SPA), voluntary reserves or asset adequacy reserves, and consider changes to the required number of scenarios and the capital metric. After considering the feedback received, the

Working Group re-exposed the revisions requesting feedback on considerations for the CTE (95) level with a 25% scalar as well as the CTE (98) level with a 25% scalar, sensitivity of the metrics that are not going to be selected for the C3 Phase II calculation (i.e., CTE (90) without a scalar; CTE (95) with a 25% scalar; CTE (98) with a 25% scalar), alternative methodologies to capture voluntary reserves and additional suggestions to calibrate the minimum required capital while addressing the target capital (Ref #2025-14-L).

The Working Group also exposed revisions to the Life RBC instructions to clarify that reserves for payout annuities resulting from variable annuities under VM-21: *Requirements for Principle-Based Reserves for Variable Annuities* that have been approved by the domiciliary state commissioner should be excluded from the C3 component calculations (Ref #2025-17-L).

Health RBC (E) Working Group

The Health RBC (E) Working group exposed revisions to the structure of the Health RBC formula based on the recommendations in the H2 Underwriting Risk report from the Academy (Ref #2025-15-CA). The proposed revisions would align the underwriting risk pages with the lines of business presented in the Analysis of Operations of the Health annual statement. The proposed revisions also would implement a new alternative risk charge based on the recommendation that the multiple of maximum individual risk be eliminated. The report advised changing the implementation in the Life RBC and Property and Casualty (P&C) RBC formulas to mirror the lines of business changes in the Health RBC formula. Accordingly, this proposal was also exposed by the Life RBC Working Group and the P&C RBC Working Group to solicit feedback for implementation in the respective formulas.

The Health RBC (E) Working Group discussed the feedback received on the Academy's report on the H2 Underwriting Risk Component and Managed Care Credit Calculation in the Health RBC formula. The Working Group exposed a conceptual draft of revisions to Exhibit 7 of the annual statement instructions for the managed care credit calculation that would require disclosure of claim payments by type of managed care arrangement but would not affect the RBC calculation.

P&C RBC (E) Working Group

The P&C RBC (E) Working Group received the report from the Academy regarding their work to address the premium and loss concentration factors in the P&C RBC formula, which have not been revised since the inception of the RBC formula. The report recommends updating the methodology for determining concentration factors for total reserves and net written premium to better align modeled and observed risk and maintain consistency with other recent updates to P&C RBC underwriting factors. The Academy's report was exposed by the Working Group.

RBC Investment Risk and Evaluation (E) Working Group

The RBC Investment Risk and Evaluation (E) Working Group (RBCIRE) received an update from the Academy regarding its work to analyze and address the risk charge for structured securities in the RBC formulas, specifically as it relates to the asset risk (i.e., C1) factors for collateralized loan obligations (CLOs). The Working Group exposed a presentation from the Academy detailing CLO C1 factor modeling. The presentation indicated that the Academy has finalized key assumptions in the CLO modeling framework and identified CLO deals that would be subject to the modeling. The Academy will work to determine the appropriate risk factors for each NAIC designation and expects to provide its proposed attributes to RBCIRE for consideration in the second quarter of 2026.

RBCIRE exposed revisions to the Life RBC formula to incorporate more granular reporting of long-term bonds into the following categories: CLOs and all other long-term bonds (Ref #2025-22-IRE). The proposed revisions would not make any changes to the RBC factors for bonds or structural changes to the Life RBC formula for residual tranches.

RBCIRE previously exposed revisions to the Life RBC formula that would align the RBC treatment of NAIC Securities Valuation Office (SVO)-identified bond funds (Ref #2025-12-IRE). These revisions were subsequently referred to the Health RBC and P&C RBC Working Groups to solicit feedback on the proposed treatment and the potential implementation in the Health RBC and P&C RBC formulas.

Requirements for principle-based reserving

The Life Actuarial (A) Task Force (LATF) continued its work to update the *Valuation Manual* (VM) and address issues related to the implementation of the PBR framework for life and annuity products. The actions taken by LATF include revisions to the guidance in VM-20: *Requirements for Principle-Based Reserves for Life Products*, VM-21: *Requirements for Principle-Based Reserves for Variable Annuities*, and VM-22: *Requirements for Principle-Based Reserves for Non-Variable Annuities*, which are summarized below.

Life and variable annuity products

LATF adopted the following amendments to the 1 January 2026 version of the VM, which will be effective for 2027 reserve valuations:

- Revisions to VM-20 to clarify the documentation requirements for companies seeking approval of non-US valuation mortality tables (APF 2025-13)
- Revisions to VM-20 and VM-21 to provide clearer definitions and examples of what constitutes “contractually guaranteed” revenue-sharing income (APF 2025-05)

LATF also exposed (or re-exposed) the following amendments to the VM:

- Revisions to VM-20 to allow an aggregation benefit in the stochastic reserve calculation, with comments due by 6 February 2026 (APF 2025-17)
- Revisions to VM-20 to align PBR credit ratings with the NAIC designation category for assets not covered by Section 9.F.3.b through 9.F.3.d and clarify that current and historical versions of the tables used for calculating asset default costs an asset spreads (Tables A, F, G, H, I and J) are published on the NAIC website with tables that document interim steps calculating these factors (Tables B, C, D and E) are available upon request (APF 2025-15)
- Revisions to VM-20 that would use a net asset earned rate methodology on additional assets for discounting in the stochastic reserve calculation, while also allowing for the direct iteration method as an alternative approach (APF 2023-10)

Separately, the Variable Annuities Capital and Reserve (E/A) Subgroup (VACR) adopted proposed changes to the VM-21 supplement and instructions for reporting of variable annuities. The VACR also discussed the feedback received on the recommendations for the C3 Phase I and C-3 Phase II instructions in the Life RBC formula (Ref #2025-14-L). The Academy has proposed C3 methodology field testing and is reviewing feedback from prospective field test participants. Further discussion is planned at a future meeting to be scheduled by VACR.

Non-variable annuity products

The VM-22 (A) Subgroup continued its work to update the requirements of VM-22. The Subgroup adopted an amendment to specify the requirements for the additional SPA disclosures and credibility, as insurers need to use credible assumptions in the calculation of stochastic reserves to demonstrate their reserves are sufficient when an additional SPA is indicated. The amendment would also specify that the additional SPA is not a safe harbor, with an attribution analysis on the additional SPA being required every three years after the end of the implementation period (APF 2025-12). The amendment will not be effective until the 1 January 2027 version of the VM is issued.

The Subgroup exposed the following amendments to VM-22, with comments due by 17 March 2026:

- Revisions to clarify that the VM-22 requirements would apply to all applicable non-variable annuity contracts and deposit-type contracts under the scope of VM-22 Section 2.A (APF 2025-18)
- Revisions to clarify the treatment of valuations of settlements/annuitizations that occur after VM-22 is effective on contracts issued prior to VM-22 becoming effective, whereby the company can elect to use the valuation treatment of the originally issued contracts in these situations with approval from the domiciliary state commissioner, as long as the valuation treatment is used consistently for all products in scope and the company does not revert back to using VM-22 in the future (APF 2025-19)
- Revisions to (1) not allow aggregation when the company does not realize the benefit of aggregation in the future or when the assets supporting one block would not be available to support the other block and (2) add a requirement consistent with VM-31: *PBR Actuarial Report Requirements for Business Subject to a Principle-Based Reserve Valuation* to disclose the aggregated results compared to the seriatim results (APF 2025-20)

The Subgroup also exposed requests for feedback on whether:

- ▶ VM-22 requirements should apply to guaranteed investment contracts (GICs), synthetic GICs, funding agreements and other stable value contracts (comments due by 17 March 2026)
- ▶ The application of VM-22 should apply to in-force contracts, and what period should VM-22 apply (comments due by 2 March 2026)

LATF received an update on the uniqueness of pension risk transfer (PRT) products, whether revisions to modify reinvestment guardrails specifically for PRT products should be prescribed and whether additional disclosure requirements should be added in VM-31. LATF exposed a PRT reinvestment guardrail proposal to solicit feedback on these items.

LATF also exposed a proposal to change the reinvestment guardrails for VM-22 to 5% Treasury, 15% PBR credit rating 3 (Aa2/AA), 40% PBR credit rating 6 (A2/A) and 40% PBR credit rating 9 (Baa2/BBB), and align the reinvestment guardrails in VM-20 and VM-21 with VM-22 (APF 2025-16). The American Council of Life Insurers (ACLI) is performing field testing with the assistance of the NAIC model office to provide feedback to LATF for consideration at a future meeting. Comments are due by 9 February 2026.

LATF adopted the report of the Longevity Risk (E/A) Subgroup, which included discussion of the feedback received regarding a framework for the development of C2 factors for longevity reinsurance in the Life RBC formula. The Subgroup exposed three alternative approaches with questions to consider on the following topics, as well as any other merits or concerns about the structural changes proposed:

- ▶ Two approaches include breakpoints adopted by the Academy in 2020. Are these breakpoints appropriate for longevity reinsurance contracts, and should they be adjusted given the relatively small reserve associated with these contracts?
- ▶ What is the appropriate number of stress scenarios (i.e., calibrating shocks)? The Academy recommends two, but others recommend one.

Comments on the alternative approaches are due by 2 February 2026.

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 Financial Stability (E) Task Force received an update from the Macroprudential (E) Working Group (MWG) related to its work on the 2024 liquidity stress testing (LST) filings. The primary macroprudential objective of the LST is to assess the amount of potential asset sales the life insurance industry would generate under various stress scenarios. Summarized results indicated the largest projected sales were in investment-grade corporate bonds and US Treasury and Agency securities, which is consistent with the prior year. The comparison to market data shows these potential sales would not be expected to have a material impact on the capital markets. Separately, MWG exposed the proposed 2025 LST framework, which is consistent with the 2024 LST framework.

MWG updated the Macroprudential Risk Assessment with refreshed key indicators supporting the Macroprudential Risk Dashboard and will have a call with regulators to update the risk assessment levels for the updated risk indicator data. The final macroprudential report is expected to be completed in the first quarter of 2026.

Private equity and other matters

MWG is reviewing the feedback received on potential disclosures for funding agreements that support funding agreement-backed notes to improve data transparency and regulatory oversight. The proposed disclosures include adding a footnote to Exhibit 7 of the annual statement blank to require insurers to report aggregate funding agreement data. MWG extended the exposure period to give industry stakeholders additional time to provide feedback on the scope of the proposal. Further discussion on this topic is planned at a future meeting to be scheduled by MWG, with implementation of the reporting requirements targeted for year-end 2026.

MWG provided a status update on the work being performed to address the 13 items in the *Regulatory Considerations Applicable (But Not Exclusive) to Private Equity (PE) Owned Insurers* document.

The six items below have been completed, with no further actions planned to address these items:

- Holding company structures
- Ownership and control
- Investment management agreements
- Definition of private equity
- Identifying related party-originated investments (including structured securities)
- Asset manager affiliates and disclaimers of affiliation

Recent developments in the work performed by various NAIC groups to address the remaining seven items are summarized below:

Owners of insurers with short-term focus and/or unwilling to support a troubled insurer

LATF's review of *Actuarial Guideline LIII – Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53) filings will continue to focus on high net yield assumptions, attribution analysis of net yield assumptions, investment expense assumptions, reinsurance collectability, projected portfolio allocations, structured assets by tranche, payment-in-kind that may impact availability of future cash flows to support claims payments, and internally determined fair values to determine whether reserve adequacy associated with long-term liabilities is achieved.

Operational, governance and market conduct practices

No new actions have been taken on this item, as regulators have been focused on the *Offshore/complex reinsurance* item below.

Identifying underlying affiliated/related party investments and/or collateral in structured securities

LATF's review of AG 53 filings include information related to affiliated investments.

Privately structured securities

The RBCIRE's work with the Academy on its structured securities RBC project will contribute to addressing this item. Refer to the [RBC Investment Risk and Evaluation \(E\) Working Group](#) section for further discussion.

The Valuation of Securities (E) Task Force (VOSTF) works to identify privately structured securities with material differences in assessment between credit-rating providers (CRPs), and the NAIC SVO addressed in the *Reliance on rating agencies* item below will also contribute to addressing this item.

Reliance on rating agencies

The amendment to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) adopted by the NAIC Plenary in 2024, which was developed by VOSTF to authorize the procedures for the SVO and state insurance regulators to have discretion over NAIC designations assigned through the filing exemption (FE) process, is effective 1 January 2026. The amendment is intended to address the NAIC's level of reliance on credit ratings in the FE process and complement the Framework for Regulation of Insurer Investments – A Holistic Review developed by the Financial Condition (E) Committee (E Committee), which includes the implementation of a CRP due diligence framework to enable the NAIC to better assess and evaluate credit-rating agencies for acceptance as NAIC CRPs.

Pension risk transfer business supported by complex investments

The VM-22 (A) Subgroup's development of the initial VM-22 reserving methodology framework, along with the work of the Longevity Risk (E/A) Subgroup to evaluate the potential for retroactive applicability of the VM-22 framework and determine the applicable requirements for longevity reinsurance contracts in the insurance risk (i.e., C2) component of the Life RBC formula, will contribute to addressing this item. Refer to the [Non-variable annuity products](#) subsection for further discussion.

Offshore/complex reinsurance

LATF's development of *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, will give state insurance regulators greater transparency into approximately 100 asset-intensive reinsurance transactions.

There have also been multiple items related to modified coinsurance (Modco) and offshore reinsurance that are effective 31 December 2025 and will contribute to addressing this item. The items include SAPWG's work on Reporting of Funds Withheld and Modco Assets (Ref #2024-07), Reinsurer Affiliated Assets (Ref #2025-05), and Restricted Asset Clarifications (Ref #2024-20).

Innovation, Cybersecurity, and Technology

The Innovation, Cybersecurity and Technology (H) Committee (H Committee) granted an extension for the completion of model law development to amend the Privacy of Consumer Financial and Health Information Regulation (Model #672) to 31 December 2026.

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

Big Data and AI (H) Working Group

The Big Data and Artificial Intelligence (AI) (H) Working Group discussed the next steps related to the potential development of an AI model law. The feedback received has suggested focusing on the development of the AI systems evaluation tool before progressing on an AI model law. Further discussion on this topic is planned at a future meeting to be scheduled by the Working Group.

The Working Group also discussed the feedback received on the AI systems evaluation tool. Revisions to the tool have primarily been focused on the background, intent, scope and Exhibit A, which is the quantification of AI models that are new, updated and retired by the regulated entity. Other revisions include the ability to facilitate group submissions and to allow tailoring to specific companies. Broader topics to address include administration during examinations, confidentiality, coordination with local regulators, scoping of high-risk models, and how insurer AI usage should be measured.

Exhibit B is designed to support a regulator's inquiries and understanding of the company's governance practices, Exhibit C is designed to guide regulator's inquiries of high-risk models, and Exhibit D focuses on the collection and review of data. The tool and each exhibit are optional, and regulators may tailor the questions as needed. The Working Group plans to pilot the next version of the tool with several state insurance departments in 2026.

Cybersecurity (H) Working Group

The Cybersecurity (H) Working Group adopted the Insurance Data Security Model Law (Model #668) (IDSM) compliance and enforcement guide, which was designed to help state departments of insurance enforce compliance with Model #668 more effectively. Suggested revisions to content were made to address clarity and operational utility, updates related to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) exemption, and examination authority.

The Working Group discussed the next steps in the development of its *Cybersecurity Event Notification Portal* project intake form. The goal is to provide convergence in the implementation and operation of the IDSM, aiming to reduce marginal compliance costs for insurers and streamline regulatory processes. Substantial legal research will be required to determine whether the portal accommodates each state's requirements while maintaining confidentiality and security. Under one proposal, the portal would be limited to only those states that have adopted IDSM.

Third-Party Data and Models (H) Working Group

The Third-Party Data and Models (H) Working Group adopted the definition of a third party as any organization, operating independently of any government entity and not otherwise defined as a licensee, that engages with an insurer to provide data, models or model outputs to the insurer for pricing, underwriting, claims, marketing or fraud detection functions. It also adopted the definition of a licensee as any insurer, producer, advisory or rating organization, third-party administrator, or other similar organization engaged in the business of insurance that is required to be licensed or otherwise authorized to perform insurance-related functions under applicable state law and is subject to examination by the respective department of insurance.

The Working Group exposed a draft risk-based regulatory framework for third-party data and model vendors across the P&C, health and life insurance industries. The framework is meant to (1) provide regulators with timely access to third-party data and models used in insurance functions with direct consumer impact, including pricing, underwriting, claims, utilization reviews, marketing and fraud detection, and (2) establish governance standards for model and data integrity, consumer protection, and ongoing monitoring. Under the framework, insurers would remain fully responsible for all data and models, even when using a third party. Comments are due by 6 February 2026.

Executive Committee

The NAIC Plenary adopted the following items:

- ▶ The 2026 Generally Recognized Expense Tables (GRETs) that were developed by the Society of Actuaries (SOA) Research Institute and adopted by LATF 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.
- ▶ Amendments 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) that were developed by LATF. These revisions add clarifications to the definitions for historical period, inception date and index; clarifications to the basic illustration for policies sold before 1 April 2026; and clarifications to the basic illustration for policies sold after 1 April 2026 to update the historical period to at least 10 years since index inception, which is consistent with the provisions of the Annuity Disclosure Model Regulation (Model #245).
- ▶ The *Long-Term Care Insurance Multistate Rate Review Framework* (LTCI MSA Framework) that was developed by the Long-Term Care Actuarial (B) Working Group. Recent amendments that have been adopted to the LTCI MSA Framework include the transition from two actuarial rate review methodologies to a single methodology, a revised cost-sharing formula and moving the governance of the LTCI MSA Framework and related processes to the Health Actuarial (B) Task Force, with other work on items such as reduced benefit options assigned to the Senior Issues (B) Task Force. These amendments were developed following the pilot project and stakeholder feedback to streamline processes and address concerns with the prior cost-sharing approach.
- ▶ The *Homeowners Market Data Call Template and Definitions* that were developed by the Homeowners Market Data Call (C) Task Force. The template and related definitions are intended to provide information to state insurance regulators on different types of policies and data elements addressing premium, coverage and deductible information for policies in force; claims and losses; cancellations and nonrenewals; and mitigation discounts for policies in force.

The Executive (EX) Committee (EX Committee) approved a request for model law development to amend the Insurance Holding Company System Regulatory Act (Model #440) to clarify that states have the authority to review fees charged by reciprocal exchange attorneys-in-fact to determine whether those fees are fair and reasonable.

The actions taken by various NAIC groups that report to the EX Committee since the 2025 Summer 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 the NAIC's *Disaster Preparedness Guide*. The publication will provide an overview of disaster preparedness, information on pre-disaster education, information on state insurance regulatory response, post-disaster after-action reports for future preparedness, common questions from the public and local officials, and state-specific case studies. The full document is still under development, and the drafting group has pivoted to an executive summary document that insurance commissioners could use as a high-level overview of the most important pieces of disaster preparedness and response. These documents are anticipated to be completed in 2026.

The Task Force also received an update on the development of the Natural Catastrophe Risk Dashboard, which is a regulator tool that captures data on national metrics meant to understand matters related to the effect of catastrophes and protection gaps. A public report summarizing trends captured in the dashboard and insights into how regulators would use the tool was released to solicit feedback from industry stakeholders. The Task Force also discussed ways to refine data, including bifurcating excess and surplus lines data from residual market information.

The Task Force discussed the development of a flood insurance blueprint in 2026 to align with the deliverables in the NAIC National Climate Resilience Strategy for Insurance. The major actions for flood insurance in the strategy include the launch of a national initiative to increase awareness of flood risk and risk mitigation recommendations, closing protection gaps by growing private flood insurance options, creating new partnerships to conduct local risk assessment and develop a more robust toolbox of risk mitigation strategies, supporting more effective risk awareness and expanding advocacy for state and federal funding to reduce flood risks. It will be important for the blueprint to consider the knowledge and expertise of all states, as well as the types of flood risks faced in each jurisdiction.

RBC Model Governance (EX) Task Force

The RBC Model Governance (EX) Task Force adopted the RBC guiding principles, which are proposed for inclusion in Section F of the RBC Preamble. Key revisions to the adopted principles include clarifying language around the purpose and use of RBC and refining the principle of equal capital for equal risk. The Task Force had previously worked with CATF to develop a recommendation to revise the definition for the use of RBC in the RBC Preamble. Based on industry feedback, the Task Force will discuss the direction of potential changes to the RBC Preamble and CATF should delay any further action on this topic.

The Task Force received an update on the next steps for the development of a governance framework, including potential edits to the RBC Preamble, the process for analyzing retrospective and future RBC adjustments, and a gap analysis initially focused on investment categorization and model applications for the Life RBC formula. The 2026 efforts include coordination with the Academy and development of model risk management standards. The Task Force also discussed an education and messaging campaign, supported by presentations designed to simplify complex RBC concepts for regulators and industry stakeholders.

Life Insurance Annuities

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

Life Actuarial (A) Task Force

LATF adopted reporting templates for use in AG 55 filings for 2026. These templates will provide regulators with information on counterparty assets that is required if cash flow testing is performed by the ceding insurer for AG 55 and the assets are significantly different than provided in the AG 53 filing, reinvestment return assumptions, which can be replicated from the information reported in the AG 53 filing, and an attribute analysis of any reserve decrease. The AG 55 filing deadline is 1 April 2026.

LATF received an update on the review of AG 53 filings and the responses provided for internally determined fair values of investments. The initial focus of AG 53 reviews was on outlier net yield assumptions at specific companies, but the current focus intends to capture companies using what may still be aggressive assumptions. Regulators expect to initiate conversations with these targeted companies (i.e., those with high exposures and fairly aggressive net yield assumptions without robust default or underperformance modeling) to seek commentary and metrics regarding policyholder behavior assumptions, such as:

- ▶ Commentary on the value assumed to be given up for policyholders not optimally utilizing guarantees in different interest rate scenarios or policyholders lapsing annuity guarantees in down interest rate scenarios
- ▶ Commentary on the assumption for the percentage of multi-year guaranteed annuities that are assumed to renew versus lapse at the end of the guaranteed period
- ▶ Commentary on the level of confidence in the base assumption and sensitivity testing for uncertainty about relevant assumptions

LATF also received an update from the GOES (E/A) Subgroup, which included the adoption of revisions to the corporate model to better align it with acceptance criteria determined by state insurance regulators and the GOES Model Governance Framework.

The Subgroup discussed the feedback received on the exposed draft of the GOES Model Governance Framework. After considering the feedback, the Subgroup updated the framework to include:

- ▶ Revisions that address an annual exposure for comments and revisions
- ▶ Revisions to incident documentation and remediation requiring a root cause report to be written to identify remediation actions
- ▶ Revisions recommending review of the framework by independent auditors

LATF adopted the revised draft of the GOES Model Governance Framework.

Annuity Suitability (A) Working Group

The Annuity Suitability (A) Working Group adopted the revised draft of the NAIC's *Annuity Best Interest Regulatory Guidance and Considerations* document, which emphasizes that active monitoring of adherence to the best interest requirements in the Suitability in Annuity Transactions Model Regulation (Model #275) or a comparable standard, even if it does not directly apply to the annuity product or recommendation, 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 the NAIC's *Prior Authorization White Paper* that was developed by the Regulatory Framework (B) Task Force. The white paper provides a comprehensive overview of prior authorization in healthcare detailing its purpose; its processes; consumer, provider and insurer perspectives on prior authorization; state prior authorization reform efforts; and prior authorization regulatory frameworks. It is intended to serve as an information resource for regulators, policymakers and industry stakeholders, aiming to understand and improve prior authorization systems. It does not elaborate on the use of AI in the prior authorization space, because that topic would be more appropriately addressed by the H Committee. Revisions to the previously exposed white paper were made to add content addressing continuity concerns.

The B Committee also received the report of the Consumer Information (B) Working Group, which adopted the following documents:

- ▶ *Consumer Guide on Selecting a Health Plan and Avoiding Improper Marketing Practices*
- ▶ *A Consumer's Guide to Buying Your Own Health Insurance*
- ▶ *Revised Frequently Asked Questions About Health Care Reform*

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

Health Innovations (B) Working Group

The Health Innovations (B) Working Group exposed the NAIC's *State Flexibility White Paper*, which explains the state and federal roles in regulating health insurance where the passage of the Affordable Care Act (ACA) introduced extensive new federal regulations for individual health markets. However, mechanisms exist to alter how the ACA functions on a state-by-state basis. The white paper addresses Section 1331 of the ACA, which covers states contracting directly with health plans to cover eligible individuals; Section 1332 of the ACA, which includes broad authority to waive portions of the ACA when affordable and comprehensive coverage is available to eligible individuals; and Section 1333 of the ACA, which provides a process for states to enter into multistate compacts to allow the sale of individual insurance products in multiple states. Further discussion on this topic is planned at a future meeting to be scheduled by the Working Group.

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 affordability and availability factors, cross-peril strategies for specific risks, emerging risks (e.g., extreme heat and atmospheric rivers) and recommendations and best practices related to this line of business. The drafting group developing the content has incorporated various suggestions based on feedback received, with a new draft expected to be exposed in early 2026.

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

Casualty Actuarial and Statistical (C) Task Force

The Casualty Actuarial and Statistical (C) Task Force (CASTF) adopted the *NAIC Model Review Manual*, which provides guidance to the NAIC rate model review team on performing full-scope rate model reviews. The manual promotes uniformity and consistency of the review process across all states and includes guidance that would assist the review team in efforts such as prioritization of model type, insurer and state, and allocation of resources. Separately, it was emphasized that, while the review team is a valuable resource for states to assist regulators in doing their job effectively, it does not accept, approve or endorse rate models and regulators do not cede any regulatory authority to the NAIC.

Actuarial Opinion (C) Working Group

The Actuarial Opinion (C) Working Group adopted the *2025 Regulatory Guidance* document and related instructions for the *2026 P&C Statement of Actuarial Opinion* that incorporates the SOA's educational materials effective for year-end 2026 reporting. Revisions were made to various topics that 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. A corresponding blanks proposal to modify the P&C actuarial opinion instructions has also been exposed (Ref #2025-21BWG).

Homeowners Market Data Call (C) Task Force

The Homeowners Market Data Call (C) Task Force discussed the proposal to establish a \$50,000 threshold in written homeowners' insurance premium for data call reporting. Under the proposal, any company that wrote \$50,000 or more in homeowners' insurance premiums in any year from 2018-2025 in a participating state would be required to report the requested data for all years included in the data call. The same threshold would apply to a single requested year on a going-forward basis. The Task Force agreed to the proposed threshold.

The Task Force received an update on next steps for the data call, including finalization of state sharing agreements after which a data call letter will be drafted that addresses state authority under which data is being collected, participating states, market threshold and instructions, and due dates for the data call. The NAIC would like states to issue the data call letter by February, with data submissions likely due in June 2026. A webinar will be scheduled to guide insurers through the process and answer questions to assist in timely, accurate reporting.

Title Insurance (C) Working Group

The Title Insurance (C) Working Group adopted the *Title Insurance Shopping Tool* template that includes revisions to add a definition of title insurance to the glossary, include a consumer call-out box to identify costs and available discounts and use the cost chart to compare options, and clarify that state insurance departments regulate title insurance but not the contents, form or pricing of attorney opinion letters.

Market Regulation and Consumer Affairs

The Market Regulation and Consumer Affairs (D) Committee (D Committee) received an update from the Pharmacy Benefit Management (D) Working Group on the NAIC's *Pharmacy Benefit Manager (PBM) Licensure and Regulation Guidelines for Regulators* document. The document is a framework addressing what states have already done in licensing PBMs and is intended to assist regulators in determining the standards and criteria for the licensure and regulation of PBMs providing claim processing services or other prescription drug or device services for health benefit plans. Further discussion is planned to occur by the 2026 Spring National Meeting.

The D Committee also discussed the development of a draft PBM examination chapter. Feedback has been requested and will be discussed at a future meeting to be scheduled by the PBM Working Group.

The D Committee received an update from the Market Conduct Examination Guidelines (D) Working Group on the development of a cybersecurity incident response framework, which is intended to assist regulators in assessing the significance of cybersecurity events and develop protocols for multistate coordination after an event occurs. An initial draft of the framework is expected to be exposed in the first quarter of 2026.

Financial Condition

The E Committee and the NAIC Plenary adopted the revisions to SSAP No. 61 that were previously adopted by SAPWG at the 2025 Summer National Meeting (Ref #2024-06). The revisions clarify the accounting requirements for risk transfer on combination reinsurance contracts with interdependent contract features. For reinsurance contracts that contemplate reinsurance on both a yearly renewable term (YRT) and coinsurance basis, when there are interdependent features such as a combined experience refund or an inability to independently recapture each of the components, satisfying risk transfer requirements on their respective bases is necessary but not sufficient for the contract as a whole to satisfy risk transfer. When evaluated in their entirety, such contracts cannot potentially deprive the ceding insurer of surplus at the reinsurer's option or automatically upon the occurrence of some event; potentially require payments to the reinsurer for amounts other than the income realized from the reinsured policies; or contain any of the other conditions prohibited by Appendix A-791, *Life and Health Reinsurance Agreements*, related to risk transfer.

The first Q&A in Appendix A-791 was also updated to indicate that the YRT premium simply being at or below the valuation net premium does not ensure that payments from surplus are not possible.

The revisions are effective immediately for new or newly amended contracts, with an effective date for existing contracts of 31 December 2026. Any change from historical practice for existing contracts would be accounted for as a change in accounting principle in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*.

The E Committee adopted the following recommendations from the Mutual Recognition of Jurisdictions (E) Working Group:

- For Bermuda, France, Germany, Ireland, Japan, Switzerland and the United Kingdom (UK) to retain their status on the NAIC List of Qualified Jurisdictions, and for Bermuda, Japan and Switzerland to retain their status on the NAIC List of Reciprocal Jurisdictions for 2026. An annual due diligence review of these reciprocal jurisdictions is required because they are not subject to an in-force covered agreement with the US.
- For the reciprocal jurisdictions and the Canadian Office of the Superintendent of Financial Institutions (i.e., all Canadian Provinces except for Quebec) to retain their status on the NAIC List of Jurisdictions that Recognize and Accept the Group Capital Calculation (GCC).

The E Committee adopted the NAIC's *Restructuring Mechanisms White Paper* that was developed by the Restructuring Mechanisms (E) Working Group (RMWG). The white paper addresses the following topics:

- Overview of insurance business transfer (IBT) and corporate division laws and mechanics
- History of restructuring in the UK
- Survey of US restructuring statutes and regulations
- Impact of IBTs and corporate divisions on personal lines of insurance business
- Legal impacts of IBT and corporate division laws
- Recommendations from the Working Group regarding issues related to restructuring transactions

The RMWG also adopted a best practices document for reviewing restructuring transactions, including corporate divisions and IBTs, and directed a referral to be sent to the Financial Analysis Solvency Tools (E) Working Group to recommend incorporating the best practices into the *Financial Analysis Handbook*.

The actions taken by various NAIC groups that report to the E Committee since the 2025 Summer 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*:

- Revisions to Exhibit A: Examination Planning Procedures Checklist to simplify and consolidate examination planning steps that typically happen concurrently, and deleting step five and the corresponding narrative guidance that instructs the examiner to update the Insurer Profile Summary (IPS), because peer reviewers felt significant findings are commonly represented through the status updates, of which the financial analyst is often a recipient.

- ▶ Revisions to 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.
- ▶ Revisions to Exhibit Q: Review and Approval Summary Updates to clarify that there should be a meeting at the end of the examination to communicate results with the financial analyst.
- ▶ Revisions to the introduction and Section 1, Part IV(F): Examination Review Responsibilities to provide guidance on the responsible use of AI, including considerations regarding user review of AI output and confidentiality.
- ▶ Revisions to the capital and surplus repository and reinsurance ceding repository to include updates related to Modco reinsurance and related collateral held. Revisions were also made to the investments repository that update an existing risk identifier and add sample procedures to help verify the appropriate reporting treatment of securities under the principles-based bond definition.
- ▶ Revisions to the reserves/claims handling (life) repository add sample procedures for asset adequacy testing for certain asset-intensive reinsurance transactions in accordance with AG 55.
- ▶ Revisions throughout the handbook for changes in the risk matrix verbiage, as standalone risk matrices will be phased out with the transition to TeamMate+. Revisions were also made to various exhibits in the handbook to replace outdated Automatic Reference Counting reference examples with hyperlinks.

Financial Analysis Solvency Tools (E) Working Group

The Financial Analysis Solvency Tools (E) Working Group adopted the following revisions to the *Financial Analysis Handbook*:

- ▶ Revisions to incorporate guidance related to contractor oversight in response to a referral from the Risk-Focused Surveillance (E) Working Group.
- ▶ Revisions to the P/C Insurance Regulatory Information System (IRIS) Ratio 9 calculation of adjusted liabilities to liquid assets to change the source for affiliated common and preferred stocks from the five-year historical data table to Schedule D, Part 6, where the net admitted value can be obtained. The revisions correct the treatment of liquid assets in the calculation by eliminating the penalty for non-admitted affiliated stocks.
- ▶ Revision to chapter IIIA(7) to move this guidance ahead of the risk assessment section to eliminate redundancy.
- ▶ Revisions to incorporate high-level guidance for the principles-based bond definition, delete guidance for structural notes and add guidance for Modco and funds withheld reinsurance reporting.
- ▶ Revisions to the life reserve risk assessment chapter to incorporate guidance for separate accounts general interrogatories disclosures on guarantees. The revisions include guidance and a procedure on the new disclosures under AG 55 related to asset adequacy testing on reinsurance.
- ▶ Revisions to align guidance with changes adopted in the instructions to the annual statement blanks for notes to the financial statements, tax credit structures withheld, commitments and financing arrangements, reinsurance, and healthcare receivables.
- ▶ Revisions to incorporate additional guidance to the risk assessment section of the IPS and the Group Profile Summary (GPS), including guidance to improve the accuracy of the holding company system summary in the GPS.

The Working Group also discussed the feedback received on proposed revisions to interpret and consistently apply the Model Regulation to Define Standards and Commissioner's Authority for Companies Deemed to be in Hazardous Financial Condition (Model #385) to domestic insurers. Various formulas have been recommended to assist regulators in aligning the terminology within Model #385 to the annual financial statement reporting for each statement type; however, regulators should refer to their respective state's laws regarding hazardous financial condition criteria. A drafting group was formed to develop guidance and related calculations for determining whether an insurer is in hazardous financial condition.

Information Technology (IT) Examination (E) Working Group

The IT Examination (E) Working Group previously 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). Minimal feedback was received. A drafting group was formed to review and update the IT examination guidance within the *Financial Condition Examiners Handbook* in alignment with the proposed framework. Due to the nature and scope of these revisions, the revised guidance is not expected to be finalized and incorporated until the 2027 version of the *Financial Condition Examiners Handbook* is released.

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

The NAIC/American Institute of Certified Public Accountants (AICPA) (E) Working Group adopted updates to the *Best Practices: Insurance Regulator Access to Audit Documentation* document, which is maintained by the AICPA, and the *AICPA Four-Step Process for Use by Regulators* document. The changes to both documents should address the concerns raised by regulators on issues related to access to external audit workpapers and lead to improved communications between state insurance regulators and audit firm representatives.

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

Valuation of Securities (E) Task Force

VOSTF continued its work to amend the 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 provide a 30-day filing grace period to submit the annual update of private rating letters to the SVO
- ▶ Revisions to change the effective date for the financial modeling of CLOs by the Structured Securities Group to 2026

VOSTF previously 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 was modified to withdraw the recommendation to develop a new reporting field to flag unvalidated IDs, as the existing regulator exemption reports should be sufficient for this purpose. This work will be taken over by the Investment Designation Analysis (E) Working Group.

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 to develop, conduct and discuss surveys intended to collect information to help the Working Group understand each state's domestic industry.

The F Committee adopted revisions to the review team guidelines included in Part C: Organizational and Personnel Practices of the accreditation standards related to the oversight of contractors in the financial examination and analysis functions. The revisions add new guidelines to Part C related to conflicts of interest and confidentiality protections when contracted resources are used.

The F Committee also adopted revisions to the interim annual review form of the 2026 self-evaluation guide related to the oversight of contractors in the financial analysis function. The revisions include additional information to be provided with the state insurance department's listing of domestic multi-state insurance companies and additional details related to staffing 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 presentation on the status of its work to develop various papers that would be used as reference material by regulators as they review and finalize the aggregation method (AM) and recommend potential refinements to the AM for comparable implementation of the insurance capital standard (ICS).

The Working Group will focus on sensitivity to changes in interest rates for the US system as a whole in the following areas: the draft scalar paper discussing the effect of changes in interest rates on excess relative ratio (ERR) scalars; the draft valuation paper discussing the effect of changes in interest rates on statutory reserves calculated under PBR, with a suggestion to modify the draft content to include a comparison to the sensitivity of the ICS; and the draft other tools document for which it was noted that there may be a lack of clarity regarding the role of such tools, such as the Own Risk and Solvency Assessment, as they were developed prior to the adoption of the GCC. Information that would help produce a paper in this area was requested from industry stakeholders.

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

- ▶ The IAIS is developing ICS reporting and disclosure requirements concurrent with their work on the development of an ICS implementation assessment framework.
- ▶ The IAIS completed progress monitoring for phase one of the targeted jurisdictional assessment (TJA) of the Holistic Framework, with results to be summarized in a members-only report and reported to the Financial Stability Board (FSB). The IAIS also completed the second phase of the TJA, approved the revised Global Monitoring Exercise (GME) assessment methodology and reported that the FSB endorsed its use for monitoring systemic risk in the insurance sector.
- ▶ The IAIS peer review expert team on Insurance Core Principle (ICP) 13, *Reinsurance and Other Forms of Risk Transfer*, is finalizing participating jurisdictions' individual reports and will complete the aggregate report in early 2026.

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

- ▶ Public consultation on its draft application paper on operational resilience objectives and the supporting practices and tools (i.e., the toolkit), with the objectives providing an outcomes-based approach for meeting various ICPs and the toolkit providing supervisors with practical implementation approaches

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 2026 Spring National Meeting is scheduled for 22-25 March in San Diego. A schedule of interim NAIC group meetings is available on the [NAIC website](#).

EY | Building a better working world

© 2026 Ernst & Young LLP.
All Rights Reserved.

SCORE No. 29656-261US

ey.com/en_us/technical/accountinglink

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](#). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](#).

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.

Appendix A – Statutory Accounting Principles Working Group

This chart summarizes actions taken by SAPWG since the 2025 Summer National Meeting. Comments on exposed items are due by 13 February 2026, unless otherwise noted. More information on SAPWG exposed items is available on the [NAIC website](https://www.naic.org).

Topic/issue	Status	Discussion	Effective date
New SSAP or New SAP Concepts in an Existing SSAP¹			
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>In August 2025, INT 23-01: <i>Net Negative (Disallowed) Interest Maintenance Reserve</i> was extended by one year to 31 December 2026, with modifications to establish an additional admittance limit for net negative IMR for the current period in paragraph 9.a. The interpretive guidance will be automatically nullified on 1 January 2027.</p>	TBD
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> <p>Previously 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.</p>	TBD
ALM Derivatives (Ref #2024-15)	Further analysis needed	Directed the NAIC staff to develop an issue paper and concurrent SSAP to provide statutory accounting guidance for interest-rate hedging derivatives used for ALM purposes following an amortized cost method.	TBD
Investment Subsidiary Classification (Ref #2024-21)	Adopted	<p>Adopted revisions to eliminate the investment subsidiary concept from statutory reporting, because this concept does not exist in statutory accounting guidance (i.e., SSAP No. 97).</p> <p>A corresponding blanks proposal to remove the reporting components for investment subsidiaries from the annual statement blank has also been exposed (Ref #2025-20BWG).</p>	31 December 2026
IMR Definition (Ref #2025-03)	Deferred*	Previously 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 the statutory accounting guidance to be included in SSAP No. 7 (SAPWG Ref #2023-14).	TBD
Residential Mortgage Loans Held in Statutory Trusts (Ref #2025-13)	Adopted	<p>Adopted revisions to SSAP No. 37 and SSAP No. 40 to expand statutory accounting guidance and allow residential mortgage loans held in a qualifying statutory trust to be captured in the scope of SSAP No. 37 and reported on Schedule B, with early adoption permitted.</p> <p>A corresponding blanks proposal to report mortgages held in a qualifying statutory trust in Schedule B has also been exposed for reporting in the year-end 2026 annual statement blank (Ref #2025-28BWG).</p>	1 January 2027

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 Summer National Meeting.

Topic/issue	Status	Discussion	Effective date
IMR Proof of Reinvestment (Ref #2025-23)	Exposed	Exposed proposed concepts and templates to address IMR proof of reinvestment. The proposal would require reporting entities to complete and pass both a reinvestment test and a weighted-average yield test to support the admittance or increase of a net negative IMR balance. Reporting entities that fail the proof would be limited to recognizing realized losses in IMR only to the extent of current year realized gains, with excess losses recognized as a direct surplus impact. The proof would be performed for both general and separate accounts when a net negative IMR position is established or increased. The concepts and annual disclosure requirement would be included in the issue paper being developed for SSAP No. 7.	TBD
Separate Account Nonadmitted Assets (Ref #2025-25)	Exposed	Exposed revisions to SSAP No. 56 to address nonadmittance for assets held under the "general account basis" in the separate account. The proposed revisions would require the reporting of nonadmitted assets for all insulated and non-insulated separate account filings. A corresponding blanks proposal to address the reporting of nonadmitted assets in the Separate Accounts annual statement blank has also been exposed (Ref #2025-23BWG).	TBD
Nonadmittance of Long-Term Repos (Ref #2025-28)	Exposed	Exposed revisions to SSAP No. 103 to allow long-term repurchase agreements to be admitted. The proposed revisions would clarify that only reverse repurchase agreements with maturity dates in excess of one year are nonadmitted, with the reporting of long-term reverse repurchase agreements as "Any Other Asset" on Schedule BA, which could be admitted in the last year to maturity.	TBD
SAP Clarification²			
Conforming Repurchase Agreements (Ref #2024-04)	Deferred*	<p>Previously directed the NAIC staff to draft revisions to SSAP No. 103 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
Risk Transfer Analysis on Combination Reinsurance Contracts (Ref #2024-06)	Adopted	<p>The E Committee adopted the revisions to SSAP No. 61 that were previously adopted by SAPWG at the 2025 Summer National Meeting. The revisions clarify the accounting requirements for risk transfer on combination reinsurance contracts with interdependent contract features. For reinsurance contracts that contemplate reinsurance on both a YRT and coinsurance basis, when there are interdependent features such as a combined experience refund or an inability to independently recapture each of the components, satisfying risk transfer requirements on their respective bases is necessary but not sufficient for the contract as a whole to satisfy risk transfer.</p> <p>When evaluated in their entirety, such contracts cannot potentially deprive the ceding insurer of surplus at the reinsurer's option or automatically upon the occurrence of some event; potentially require payments to the reinsurer for amounts other than the income realized from the reinsured policies; or contain any of the other conditions prohibited by Appendix A-791 related to risk transfer.</p> <p>The first Q&A in Appendix A-791 was also updated to indicate that the YRT premium simply being at or below the valuation net premium does not ensure that payments from surplus are not possible.</p> <p>The revisions also clarified that any change from historical practice for existing contracts would be accounted for as a change in accounting principle in accordance with SSAP No. 3 on or before 31 December 2026.</p>	Immediately for new or newly amended contracts; 31 December 2026 for existing contracts
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
Sale Leaseback Clarification (Ref #2025-01)	Exposed	Exposed further 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. The proposed guidance would apply to contracts in effect on or after 31 December 2026.	TBD

Topic/issue	Status	Discussion	Effective date
Spring 2025 Editorial Revisions (Ref #2025-12EP)	Adopted	Adopted 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 revisions also reference SEC rules and interpretations as authoritative US GAAP guidance for SEC registrants.	Immediately
ASU 2019-12, Simplifying the Accounting for Income Taxes (Ref #2025-18)	Adopted	Adopted revisions to SSAP No. 101 to incorporate certain revisions applicable to the US GAAP guidance in ASU 2019-12, <i>Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes</i> , with modification, that were previously incorporated by reference into statutory accounting guidance and to fully incorporate the US GAAP guidance in paragraphs 19 and 20 of APB 28, <i>Interim Financial Reporting</i> , into SSAP No. 101.	Immediately
Private Securities (Ref #2025-19)	Adopted	Adopted revisions to the annual statement blank to add an electronic reporting column that will identify private placement securities in the investment schedules on a quarterly and annual basis and incorporate an aggregate disclosure that details key investment information by type of security (public and private placement) on an annual basis. A corresponding blanks proposal to incorporate the new disclosure requirements in the annual statement blank has also been exposed (Ref #2025-22BWG).	31 December 2026
Debt Security & Residual Interest Disclosures (Ref #2025-20)	Adopted	Adopted revisions to various SSAPs and the annual statement blanks to clarify guidance, improve the utilization of existing disclosures and incorporate consistent instructions for the frequency of debt security disclosures. Specifically, the 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 revisions also would remove references that imply quarterly reporting when the disclosure is audited on an annual basis. A corresponding blanks proposal to incorporate the clarified requirements in the annual statement blank has also been exposed (Ref #2025-17BWG).	31 December 2026
Retirement Plans Held at Net Asset Value (NAV) (Ref #2025-21)	Adopted	Adopted revisions to clarify the guidance in SSAP No. 92 and SSAP No. 102 that retirement plan assets can be held at NAV and are required to be included in the fair value disclosure. A corresponding blanks proposal to clarify the reporting of retirement plan assets held at NAV in the annual statement blank has also been exposed (Ref #2025-30BWG).	Immediately
IMR Impact to Reinsurance Collateral (Ref #2025-22)	Exposed	Exposed revisions to SSAP No. 61 to clarify the treatment of IMR derecognized as part of a reinsurance transaction and its effect on reinsurance collateral required to receive reinsurance credit. The proposed revisions suggest an asymmetrical approach, under which derecognized positive IMR would increase collateral requirements, while derecognized negative IMR would not decrease collateral requirements. Feedback has been requested on whether the use of an asymmetrical or symmetrical approach to the treatment of IMR should be considered.	TBD
Commitments and Contingent Commitments (Ref #2025-24)	Exposed	Exposed revisions to consolidate and clarify the disclosure requirements for commitments and contingent commitments, add a definition for commitments to SSAP No. 5, and add a comprehensive commitments and contingent commitments disclosure to Note 14 in the annual statement blank. The proposed revisions would also add a "Commitment for Additional Investment" column to Schedule D-1-1 and Schedule D-1-2 and clarify the timing for recording non-bond debt securities in SSAP No. 21. Feedback has been requested on the types of investments that include claw-back features and the prevalence of these provisions within insurers' investments portfolios, as well as the typical triggers, valuation and accounting treatment, and potential implications for statutory reporting and risk assessment for investments with claw-back features.	TBD
SSAP No. 48 Equity Changes (Ref #2025-26)	Exposed	Exposed a proposal to review specific concepts in SSAP No. 48, <i>Joint Ventures, Partnerships and Limited Liability Companies</i> , and how they are applied to validate that the intended guidance is clear and consistently applied. Feedback has been requested on the timing and support for recognition of equity value changes, the application and disclosure of goodwill (including negative goodwill for investments acquired at a discount), the use of "basis difference" terminology, and the reporting of negative investment income and unrealized losses, related party codes, and the acquisition date (i.e., the date that the ownership interest was originally acquired) on Schedule BA.	TBD
SSAP No. 1 Modco/FWH Code (Ref #2025-27)	Exposed	Exposed revisions to SSAP No. 1, <i>Accounting Policies, Risks & Uncertainties and Other Disclosures</i> , to expand the disclosure requirements for restricted assets by adding separate reporting categories for assets held under Modco reinsurance agreements, funds withheld reinsurance agreements, and collateral assets received and on the balance sheet (excluding collateral held under security lending and repurchase agreements reported on the balance sheet). A corresponding blanks proposal to clarify the reporting of restricted assets in the annual statement blank has also been exposed (Ref #2025-29BWG).	TBD

Topic/issue	Status	Discussion	Effective date
Reporting Clarifications (Ref #2025-29)	Exposed	Exposed revisions to the annual statement blank to clarify existing inconsistent reporting guidance for certain investment components in the annual statement schedules, particularly for debt securities under the principles-based bond definition. The proposed revisions would address questions on payment due at maturity, origination balloon payment percentage, the reporting of rated notes or rated feeder funds, aggregate deferred interest, the reporting of a maturity date for residuals on Schedule BA, and the classification of SSAP No. 48 investments with underlying characteristics of mortgage loans.	TBD
Administrative Services Contracts Disclosure Clarification (Ref #2025-30)	Exposed	Exposed revisions to SSAP No. 47, <i>Uninsured Plans</i> , to clarify and standardize the calculation used to disclose net gain or loss on ASC plans in Note 18 to the annual statement blank. A corresponding blanks proposal to clarify the reporting of the components of the disclosure for ASC plans in the annual statement blank has also been exposed (Ref #2025-24BWG).	TBD
Update Coverage Gap Reference (Ref #2025-31)	Exposed	Exposed revisions to INT 05-05: <i>Accounting for Revenues Under Medicare Part D Coverage</i> to indicate the end of the Coverage Gap Discount Program as of 31 December 2024 and to add references to the new CMS Manufacturer's Discount Program that began on 1 January 2025. The new program is proposed to follow the guidance in SSAP No. 47.	TBD
Remove Shaded Text (Ref #2025-32)	Exposed	Exposed revisions to SSAP No. 40, SSAP No. 90, <i>Impairment or Disposal of Real Estate Investments</i> , and related documentation to delete shaded text instructions and remove previously superseded guidance in SSAP No. 40.	TBD
Update to Annual Statement Expense Descriptions and Categories (Ref #2025-33)	Exposed	Exposed revisions to update and modernize the expense descriptions and categories in the annual statement blanks for Exhibit 1 (P&C), Exhibit 2 (Life/Fraternal), Exhibit 3 (Health) and Exhibit 4 (Title). The proposed revisions would capture current expense types and remove outdated items. The exposure has no impact on statutory accounting. A corresponding blanks proposal to clarify the reporting of expense descriptions and categories in the annual statement blank has also been exposed (Ref #2025-26BWG).	TBD
Updates on Economic Scenario Generator and Non-Variable Annuities (Ref #2025-34)	Exposed	Exposed revisions to SSAP No. 3 and SSAP No. 51, <i>Life Contracts</i> , to provide guidance on the optional implementation period for <i>Valuation Manual</i> revisions regarding the economic scenario generator. The proposed revisions would expand the existing phase-in disclosure of SSAP No. 51 by adding reference to VM-20 and moving this disclosure requirement to a new paragraph. Exposed revisions to SSAP No. 51 and SSAP No. 52, <i>Deposit-Type Contracts</i> , to clarify that when a company elects the optional implementation period for VM-22 (non-variable annuities), this election would be reported as a change in valuation basis when implemented. Changes in accounting that are changes in reserve valuation basis are to be included in the disclosures required by SSAP No. 3. A corresponding blanks proposal to clarify the reporting of the phase-in requirements in the annual statement blank has also been exposed (Ref #2025-25BWG).	TBD

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)
- ▶ Review Annual Statement Instructions for Accounting Guidance (Ref #2023-01)
- ▶ Model 630 – Mortgage Guaranty Insurance (Ref #2023-31)
- ▶ 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 Summer National Meeting. Comments on exposed items are due by 6 February 2026. [More information on BWG exposed items](#) is available on the NAIC website.

Exposed items	Statement type(s) ¹	Filing(s)	Proposed effective date
2025-17BWG: Adds an annual general interrogatory that indicates the method used for reporting residuals, and updates Note 1 – Summary of Significant Accounting Policies and Going Concern and Note 5 – Investments for the consistent reporting of certain elements related to the principles-based bond definition project between SSAP No. 26, SSAP No. 43 and, for non-bond debt securities and residuals, SSAP No. 21, in response to actions taken by SAPWG (SAPWG Ref #2025-20).	L/F, P/C, H, T	Annual and Quarterly	Annual 2026; First Quarter 2027
2025-18BWG: Adds new instructions and an example to the General Interrogatories for the reporting of the maximum and actual amounts of incentive pool/bonus arrangements paid or contractually available and paid to providers during the reporting year.	H	Annual	Annual 2026
2025-19BWG: Adds a code of “S” to the Active Status column on Schedule T to identify if the company has a suspended license.	L/F, P/C, H, T	Annual and Quarterly	Annual 2026; First Quarter 2027
2025-20BWG: Removes the “Investment Subsidiary” and “Affiliated Investment Subsidiary” categories as available investment classifications within Schedule D, Part 6, Section 1 reporting categories and AVR lines, respectively, in response to actions taken by SAPWG (SAPWG Ref #2024-21).	L/F, P/C, H, SA, T	Annual	Annual 2026
2025-21BWG: Modifies the P&C annual statement blank and instructions related to actuarial items, including the definition of Accepted Actuarial Designation, in response to updates to the NAIC’s Minimum Actuarial Educational Standards for a P/C Appointed Actuary, more detailed instructions on the reconciliation of data used by the Appointed Actuary to Schedule P, the requirements for the Actuarial Report when the Appointed Actuary has made use of an analysis or opinion not produced under the Appointed Actuary’s direction for a material portion of the reserves, and to correct reporting inconsistencies in the amounts disclosed in Exhibit A and Exhibit B – Disclosures.	P/C	Annual	Annual 2026
2025-22BWG: Adds an electronic-only column to the annual investment schedules (e.g., Schedule D, Part 1, Sections 1 and 2; Schedule D, Part 2, Sections 1 and 2; Schedule BA, Schedule DA, and Schedule E, Part 2) to identify whether an investment is publicly registered, Rule 144 issuance, private placement security, or not applicable, and adds reporting of total book/adjusted carrying value (BACV), fair value (with reported fair values determined by Level 2 and Level 3), total amount of aggregated deferred interest and paid-in-kind interest, and the total BACV supported by private letter ratings to Note 5 – Investments, in response to actions taken by SAPWG (SAPWG Ref #2025-19).	L/F, P/C, H, SA, T	Annual and Quarterly	Annual 2026
2025-23BWG: Modifies the Separate Accounts annual statement blank and instructions to identify nonadmitted assets on the annual statement blank for assets held at the general account basis, and adds a new “Exhibit of Nonadmitted Assets” to detail the total nonadmitted assets for the current and prior period, as well as the change in nonadmitted assets, in response to actions taken by SAPWG (SAPWG Ref #2025-25).	SA	Annual	Annual 2027
2025-24BWG: Modifies Note 18B – ASC Plans for reporting other amounts received from and paid to the ASC plans by the insurance reporting entity consistent with SSAP No. 47, in response to actions taken by SAPWG (SAPWG Ref #2025-30).	L/F, P/C, H	Annual	Annual 2026
2025-25BWG: Modifies Note 2 – Accounting Changes and Corrections of Errors by adding a reference to the phase-in requirements of VM-20 and VM-21 relating to the economic scenario generator, in response to actions taken by SAPWG (SAPWG Ref #2025-34).	L/F, P/C, H, T	Annual	Annual 2026
2025-26BWG: Modifies annual statement expense categories and instructions to remove outdated expense terminology and add current types of expenses, in response to actions taken by SAPWG (SAPWG Ref #2025-33).	L/F, P/C, H, T	Annual	Annual 2026
2025-27BWG: Adds a section to the AVR calculation in the Life annual statement blank to report CLOs with instructions to bifurcate the reporting of long-term bonds into “Long-Term Bonds, excluding CLOs” and “CLOs,” and adds a footnote to Schedule D, Part 1, Section 2 to report the BACV by NAIC designation for CLOs.	L/F, P/C, H, SA, PC, T	Annual	Annual 2026
2025-28BWG: Adds investment characteristic categories to Schedule A, Part 1 to clarify if an investment is owned by a qualifying statutory trust as defined in SSAP No. 37, and modifies the instructions to Schedule B, Parts 1, 2 and 3, to report mortgages held in qualifying investments in statutory trusts and add loan type codes to identify the mortgage loans, in response to actions taken by SAPWG (SAPWG Ref #2025-13).	L/F, P/C, H, SA, T	Annual and Quarterly	Annual 2026; First Quarter 2027

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

Exposed items	Statement type(s) ¹	Filing(s)	Proposed effective date
2025-29BWG: Modifies the general instructions to the investment schedules to add codes previously added to Note 5L – Restricted Assets to clarify how assets held under modified coinsurance or funds withheld reinsurance agreements should be disclosed, in response to actions taken by SAPWG (SAPWG Ref #2025-27).	L/F, P/C, H, SA, T	Annual and Quarterly	Annual 2026; First Quarter 2027
2025-30BWG: Modifies Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans to clarify that investments reported at NAV are not to be captured within the fair value hierarchy but should be separately identified as required under SSAP No. 100, <i>Fair Value</i> , in response to actions taken by SAPWG (SAPWG Ref #2025-21).	L/F, P/C, H, T	Annual and Quarterly	Annual 2026; First Quarter 2027

Appendix C – RBC 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 Summer 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. Direction will be provided from the RBC Model Governance (EX) Task Force on the work to develop revisions to the RBC Preamble that would align with the guiding principles for the RBC framework, which were adopted at the 2025 Fall National Meeting.	TBD
A&H Underwriting Risk Structure Change (Ref #2025-15-CA)	Health RBC Working Group	Exposed	Exposed revisions to the structure of the Life RBC, P&C RBC, and Health RBC formulas based on the recommendations in the H2 Underwriting Risk report from the Academy. The proposed revisions would align the underwriting risk pages with the lines of business that are presented in the Analysis of Operations of the Health annual statement, with implementation for life and P&C business to mirror the line of business changes for health. The proposed revisions also would implement a new alternative risk charge based on the recommendation that the multiple of maximum individual risk be eliminated.	2026
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
SVO Funds Alignment Project (Ref #2025-12-IRE)	RBCIRE Working Group	Further analysis needed	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. The exposed revisions were subsequently referred to the Health RBC and P&C RBC Working Groups to solicit feedback on the proposed treatment for SVO-identified funds and the potential implementation in the Health RBC and P&C RBC formulas.	TBD
C-3 GOES Implementation (Ref #2025-14-L)	Life RBC Working Group	Re-exposed	Re-exposed revisions to modify page LR027 of the Life RBC formula and related instructions to implement revisions to the C3 Phase I and C3 Phase II calculations. Feedback has been requested on considerations for the CTE (95) level with a 25% scalar as well as the CTE (98) level with a 25% scalar, sensitivity of the metrics that are not going to be selected (i.e., CTE (90) without a scalar; CTE (95) with a 25% scalar; CTE (98) with a 25% scalar), alternative methodologies to capture voluntary reserves and additional suggestions to calibrate the minimum required capital while addressing the target capital.	2026
Conceptual Collateral Loans (Ref #2025-16-L)	Life RBC Working Group	Exposed	Exposed revisions to the Life RBC formula and related instructions to address the Schedule BA changes that were adopted by SAPWG and BWG to incorporate more granular reporting of collateral loans based on the type of underlying collateral that secures the loan. Consideration will be given to the RBC and AVR factors based on the risk characteristics of the collateral backing the collateral loans.	2026 or later
VM-21 Scope Clarifications (Ref #2025-17-L)	VACR Subgroup	Exposed	Exposed revisions to Appendix 1 of page LR027 of the Life RBC instructions to clarify that reserves for payout annuities resulting from variable annuities under VM-21 that have been approved by the domiciliary state commissioner should be excluded from the Interest Rate Risk and Market Risk calculations.	2026
CLO RBC Structure (Ref #2025-22-IRE)	RBCIRE Working Group	Exposed to 29 January 2026	Exposed revisions to page LR002 of the Life RBC formula and related instructions to incorporate more granular reporting of long-term bonds into the following categories: CLOs and all other long-term bonds. The proposed revisions do not contemplate any changes to the RBC factors for bonds or structural changes to the Life RBC formula for residual tranches.	2026 or later

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

Topic/issue	NAIC group	Status	Discussion	Effective date
P&C RBC				
2016 to 2025 Catastrophe Event Listing (Ref #2025-08-CR)	Capital Adequacy Task Force	Adopted	Adopted a list that consolidated the identified US and international catastrophe events spanning from 2016 to 2025 for use in reporting catastrophe data on pages PR036 and PR100s of the P&C RBC formula.	2025
Separating Earthquake and Hurricane Lines Experience Data (Ref #2025-19-CR)	P&C RBC Working Group	Exposed	Exposed revisions to page PR100s in the P&C RBC formula to differentiate between hurricane and earthquake losses, following the methodology previously applied to wildfire and severe convective storm events. The objective is to enable regulators to more effectively manage and address each peril considering their unique characteristics and effects, as recommended by the Academy.	2026
Wildfire Rcat Implementation (Ref #2025-20-CR)	P&C RBC Working Group	Exposed	Exposed revisions to page PR027 the P&C RBC formula to add a wildfire risk peril to the Rcat component. A comprehensive analysis was performed to determine the enhanced reliability of catastrophe models from vendors and their suitability for risk management applications. Previously, this information was provided for informational purposes only.	2026