

# NAIC Bulletin

Highlights of the National Association  
of Insurance Commissioners meeting

Spring 2026 update

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The National Association of Insurance Commissioners (NAIC) recently held its 2026 Spring National Meeting in a hybrid format from San Diego, CA. Our publication highlights key issues that NAIC groups have addressed since the 2025 Fall National Meeting. Contact your local EY professional for more information.

## What you need to know

- ▶ The NAIC published the March 2026 version of the *Accounting Practices and Procedures Manual* (AP&P Manual). The AP&P Manual is available for free on the NAIC website.
- ▶ SAPWG has developed accounting guidance for asset valuation reserve (AVR) and interest maintenance reserve (IMR) under SSAP No. 7, including a new IMR definition with the draft SSAP and issue paper expected to be exposed ahead of the 2026 Summer National meeting.
- ▶ SAPWG exposed revisions to the ALM Derivatives Issue Paper and SSAP No. 109, Asset Liability Management (ALM) Derivatives, that would permit amortized cost accounting for certain interest rate derivatives used for ALM purposes, allowing a limited form of macro hedging with deferred amounts amortized over the life of the hedged liabilities, subject to a 10-year cap.

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 Fall National Meeting.

### Statutory Accounting Principles (E) Working Group

Appendix A summarizes the actions taken by the Statutory Accounting Principles (E) Working Group (SAPWG) to revise the statutory accounting and reporting guidance in the *Accounting Practices and Procedures Manual* (AP&P Manual) since the 2025 Fall National Meeting. It also includes the effective dates of adopted items and the deadlines for comments on exposed items.

■ ■ ■  
 The better the question.  
 The better the answer.  
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### ***Statutory accounting principles***

SAPWG previously established a long-term project to incorporate accounting guidance for the AVR and IMR from the annual statement instructions into Statement of Statutory Accounting Principles (SSAP) No. 7. SAWPG adopted concepts and templates to address IMR proof of reinvestment to support the deferral of the realized loss recognition into a negative IMR asset. The IMR proof is used to assess whether the proceeds from the sale of fixed-income instruments have been reinvested into new fixed-income instruments with a higher yield.

The concepts will 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 asset balance. Reporting entities that fail the proof are 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 (i.e., not deferred to IMR). The proof will be performed separately for both general and separate accounts when a net negative IMR position is applicable. These concepts are intended to be captured as a new SAP concept, with a corresponding issue paper to detail the revisions expected to be exposed in a future SAPWG meeting (Ref #2025-23).

SAPWG previously adopted Ref #2024-06, Risk Transfer Analysis of Combination Reinsurance Contracts. The Financial Condition (E) Committee requested that SAPWG assess whether additional education on the use of permitted practices in connection with the adoption was needed. In a survey of state regulators by SAPWG regarding the use of permitted practices, all respondents indicated that no additional flexibility beyond the existing permitted practice process was necessary. Accordingly, the Working Group concluded that no further action is required at this time and directed this response to the Financial Condition (E) Committee.

SAPWG adopted revisions to SSAP No. 22, *Leases*, 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. Accordingly, the transferred asset is not derecognized and any amounts received are recognized as a financial liability (Ref #2025-01).

SAPWG adopted revisions to SSAP No. 56, *Separate Accounts*, to address nonadmittance for assets held under the general account basis in the separate account (i.e., book value separate account) (Ref #2025-25). The revisions require the recognition and reporting of nonadmitted assets for all insulated and non-insulated separate account filings. A corresponding blank proposal to address the reporting of nonadmitted assets in the Separate Accounts annual statement blank was re-exposed (Ref #2025-23BWG).

Adopted revisions to SSAP No. 3, *Accounting Changes and Corrections of Errors*, and SSAP No. 51, *Life Contracts*, to provide guidance on the optional implementation period for *Valuation Manual* (VM) revisions related to the economic scenario generator. The new prescribed economic scenario generator for VM-20 and VM-21 reserving is effective 1 January 2026 with an optional phase in, which allows partial recognition of the impact over a period of up to 36 months to be recognized as a change in valuation basis. The revisions expand existing phase-in disclosures in SSAP No. 51 for VM-21 to also include references to VM-20 (Ref #2025-34). A corresponding blank proposal to clarify the reporting of the phase-in requirements in the annual statement blank has also been re-exposed (Ref #2025-25BWG).

In addition, revisions to SSAP No. 51 and SSAP No. 52, *Deposit-Type Contracts*, clarify that an insurer's election to use the optional implementation period for non-variable annuities under VM-22 is required to be reported as a change in valuation basis when implemented. Changes in accounting resulting from a change in reserve valuation basis are required to be disclosed in accordance with SSAP No. 3 (Ref #2025-34).

SAPWG adopted 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. Previously long-term repurchase agreements (i.e., agreements with maturity dates greater than 365 days) were nonadmitted. The revisions clarify that only reverse repurchase agreements with maturity dates greater than one year continue to be nonadmitted and long-term reverse repurchase agreements are reported as "Any Other Asset" on Schedule BA. The revisions now allow long-term reverse repurchase agreements to be admitted in the last year to maturity (Ref #2025-28).

SAPWG adopted revisions to SSAP No. 47, *Uninsured Plans*, to clarify and standardize the calculation used to disclose net gain or loss on administrative service contracts plans in Note 18 to the annual statement blank (Ref #2025-30). A corresponding blank proposal was re-exposed to clarify the annual statement reporting of the disclosure components for administrative service contract plans (Ref #2025-24BWG).

SAPWG adopted revisions to SSAP No. 40, *Real Estate Investments*, SSAP No. 90, *Impairment or Disposal of Real Estate Investments*, and related documentation to delete shaded text instructions and remove previously superseded guidance in SSAP No. 40 (Ref #2025-32).

SAPWG previously exposed revisions to SSAP No. 61, *Life, Deposit-Type and Accident and Health Reinsurance*, to clarify the treatment of negative IMR (i.e., asset) derecognized as part of a reinsurance transaction and its effect on reinsurance collateral required to receive reinsurance credit. The initial proposed revisions suggest an asymmetrical approach, under which derecognized positive IMR (i.e., liability) would increase collateral requirements, while derecognized negative IMR would not decrease them. SAPWG directed NAIC staff to defer addressing this item until a response is received from the Reinsurance (E) Task Force on whether the symmetrical or asymmetrical approach should be used (Ref #2025-22).

Additionally, SAPWG exposed revisions to the ALM Derivatives Issue Paper and concurrent statutory accounting guidance in SSAP No. 109 to establish accounting guidance for interest-rate hedging derivatives used for ALM purposes under an amortized cost method. The proposed revisions would expand the guidance on the use of ALM derivatives and permit a limited form of macro-hedging. Qualifying derivatives would be accounted for at amortized cost, with amounts recognized upon settlement. There are additional considerations when a qualifying derivative is de-designated. The revisions include additional disclosures related to the ALM derivatives (Ref #2024-15).

### **Other matters**

SAPWG adopted 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 federal Centers for Medicare & Medicaid Services (CMS) new CMS Manufacturer's Discount Program that began on 1 January 2025 (Ref #2025-31). The new program will follow the guidance in SSAP No. 47.

SAPWG adopted revisions to the annual statement blanks to update and modernize the expense descriptions and categories in Exhibit 1 (P&C), Exhibit 2 (Life/Fraternal), Exhibit 3 (Health) and Exhibit 4 (Title). The revisions capture current expense types and remove outdated items. The exposure has no impact on statutory accounting (Ref #2025-33). 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).

SAPWG adopted 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 revisions address questions on payment due at maturity, origination balloon payment percentage and the reporting of a maturity date for residuals on Schedule BA (Ref #2025-29). A corresponding blanks proposal was exposed to clarify the annual statement reporting in Schedule BA (Ref #2026-07BWG).

### **Blanks (E) Working Group**

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

### **Life RBC (E) Working Group**

The Life RBC (E) Working Group exposed the American Academy of Actuaries (Academy) draft C-3 Field Test Specifications and requested stakeholder input on both the specifications and the related cover questions. In addition, the Working Group sought feedback on whether C-3 issues identified during the Generator of Economic Scenarios (GOES) implementation should be addressed through the current field test, deferred to a future effort or referred to another NAIC group. Comments on the re-exposure were due 13 April 2026.

The Working Group re-exposed modified revisions to the Life RBC formula and related instructions to address the RBC for collateral loans based on Schedule BA changes adopted by SAPWG and the Blanks (E) Working Group (Ref #2025-16-L MOD). The revisions would apply a look-through approach to the underlying assets in the collateral loan to determine the RBC. The re-exposed revisions include updates to incorporate a 20% generic haircut to the proposed RBC factors for collateral loans backed by residual tranches or residual interests and for collateral loans backed by investments in JV/LP/LLC structures.

As part of the re-exposure for collateral loans RBC, the Working Group requested feedback on (1) potential approaches to address regulatory concerns regarding the valuation used to determine RBC factors and (2) whether an alternative tiering structure – under which 80% would represent the center of the tier – would be more appropriate. Comments on the re-exposure were due 13 April 2026.

The Variable Annuities Capital and Reserve (E/A) Subgroup (VACR) met with the Working Group and adopted the proposed scope clarification of variable annuity contracts in the payout phase and related impact to the Life RBC formula (Ref # 2025-17-L). The VACR also discussed the feedback received on the recommendations for the C-3 Phase I and C-3 Phase II instructions in the Life RBC formula (Ref #2025-14-L). Further discussion is planned at a future meeting to be scheduled by VACR.

### **Health RBC (E) Working Group**

The Health RBC (E) Working Group received an update from the Academy regarding its analysis of H2 underwriting risk factor implementation as part of Ref #2025-15-CA-MOD. The Academy discussed a potential implementation approach that would include a three-year phase-in of a one-year time horizon using an 87.5% risk safety level. The Working Group also performed a separate phase-in impact analysis using alternative time horizons and safety levels based on the information presented in the Academy's report. The Working Group will continue discussions with the Academy regarding tiered factor cut-offs, the appropriateness of the 87.5% risk safety level and the one-year time horizon. The Academy's report and related phase-in analysis were exposed for stakeholder review. Comments for the exposed Academy's report and associated phase-in analysis were due 22 April 2026.

### **P&C RBC (E) Working Group**

The P&C RBC (E) Working Group discussed the premium and loss concentration factors in the P&C RBC formula, which have not changed since the inception of the RBC formula, and reviewed an analysis comparing the impact of the current factors with the changes suggested in the Academy report on premium and loss concentration, which was presented at the 2025 Fall National Meeting. Based on the analysis, application of the Academy's recommended 45% premium and 65% loss concentration factors resulted in an insignificant change to RBC levels for insurers with diversified lines of business. The Working Group directed NAIC staff to develop a proposal to update the concentration factors based on the Academy's recommendations.

### **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., C-1) factors for collateralized loan obligations (CLOs) in the Life RBC formula. The Academy noted that the scope of its modeling is based on US broadly syndicated loan (BSL) CLOs issued. In addition to its initial presentation, the Academy provided supplemental analysis supporting the regression model and related sensitivities, with particular focus on sensitivity to A- ratings. The Academy's CLO update report was exposed for comments and were due by 17 April 2026.

In preparation of the new CLO RBC factors, the RBCIRE previously 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 MOD). The Academy performed an analysis on the modeling factors focused on the market data for BSL CLOs. RBCIRE acknowledged that the data used in the analysis did not include Middle Market (MM) CLOs. The RBCIRE exposed the modified version of the proposal to incorporate tranche thickness for CLOs rated Baa3 and below. The revisions would include a structure for the portfolio adjustments and a similar structure for residuals.

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). The RBCIRE elected to not move forward with this exposure.

## **Executive Committee**

The NAIC Plenary adopted the NAIC's Restructuring Mechanisms White Paper developed by the Restructuring Mechanisms (E) Working Group. The paper provides a comprehensive overview of insurance restructuring mechanisms, with a focus on insurance business transfers (IBTs) and corporate division laws, including historical context, legal considerations, and the Working Group's recommendations related to the regulatory treatment and oversight of restructuring transactions.

The Executive (EX) Committee (EX Committee) approved a request to develop a model law establishing a department of insurance (DOI)-based mitigation program. The model law is intended to help create a consistent framework to support property and casualty insurers and regulators, while facilitating long-term risk-reduction efforts. The model law would establish program standards and eligibility criteria, tools and resources, outline requirements for data collection and consumer engagement, and provide for coordination of performance metrics.

EX Committee held a public hearing on the NAIC Policy Statement on Open Meetings to gather input on the existing policy and potential reforms. Initial feedback from interested parties and consumer representatives emphasized the need for greater transparency.

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

### **Natural Catastrophe Risk and Resilience (EX) Task Force**

The Climate and Resiliency (EX) Task Force adopted revised charges, including renaming the task force to the Natural Catastrophe Risk and Resilience (EX) Task Force. Additionally, two working groups were created that will report to the Natural Catastrophe Risk and Resilience (EX) Task Force titled the Pre-Disaster Mitigation & Risk Modeling (EX) Working Group and the Severe Peril (EX) Working Group. The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group is charged with developing and coordinating resilience-focused tools, evaluating catastrophe models used to assess risk, and supporting the NAIC's Catastrophe Risk Management Center of Excellence. The Severe Perils (EX) Working Group will focus on examining and monitoring insurance protection gaps by peril, tracking innovative insurance solutions that enhance resilience to natural catastrophes and address protection gaps, and fostering partnerships to support recovery and rebuilding initiatives.

Natural Catastrophe Risk and Resilience (EX) Task Force adopted the Natural Catastrophe Risk Dashboard, a regulator tool that captures data on national metrics intended to be used to understand matters related to the effect of catastrophes and protection gaps. The dashboard aggregates data based on published metrics from the National Oceanic and Atmospheric Administration (NOAA), the National Aeronautics and Space Administration (NASA), the Organization for Economic Co-operation and Development (OECD) and international reinsurers.

The Task Force received an update on the NAIC's *Disaster Preparedness Guide*. The publication is intended to 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 Task Force is finalizing the draft guide and plans to include a draft executive summary. The Task Force expects to expose the guide and executive summary for comment after the Spring National meeting, with a goal of adoption at the Summer National Meeting.

### **RBC Model Governance (EX) Task Force**

The RBC Model Governance (EX) Task Force received an update regarding stakeholder comments submitted in response to the Task Force's request for feedback on potential gaps and inconsistencies in the RBC framework. Key comment themes included support for establishing a more durable and transparent governance framework for RBC adjustments, the need for RBC components to evolve with market developments, and concerns regarding inconsistencies across formulas (i.e., life, health, property and casualty), particularly within investment-related components. The Task Force plans to continue its evaluation of the feedback to determine which of the comments warrant further action.

The Task Force also discussed a draft RBC adjustment process flowchart and requested input on potential improvements. The purpose of the flowchart is to establish a consistent decision-making framework to assess whether a risk is not captured in RBC or if there is an existing RBC component that needs updates. Under the proposed process, the RBC Model Governance (EX) Task Force would perform an initial screening using the decision tree before any RBC technical group is asked to begin more extensive technical analysis.

## Life Insurance and Annuities

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

### Life Actuarial (A) Task Force

The Life Actuarial Task Force (LATF) formed a Nonforfeiture Drafting Group to consider clarifications to the nonforfeiture guidance, including the calculation and amortization of the initial expense allowance for universal life (UL) and variable (UL) products.

LATF adopted the report of the GOES (E/A) Subgroup, which included recent revisions to the GOES documentation and statistical reports. To assist companies with GOES implementation, the Subgroup is expected to release documentation for the basic data set validation report, revisions to its Q&A and GOES parameters.

LATF exposed revisions to VM-21 and VM-22 to reflect IMR being attributed to a group of policies or contracts instead of a group of assets, which aligns the allocation of IMR to VM-20 (APF 2026-02). Comments were due 22 April 2026.

LATF received an update from the Society of Actuaries (SOA) on the development of a new Valuation Basic Table (VBT) targeted for release in spring 2027. LATF exposed questions related to the structure and development of the VBT tables, and comments were due 6 April 2026.

LATF adopted the Experience Reporting (A) Subgroup's mandatory data collection for companies with more than \$250 million of statutory reserves for in-scope group annuity business (e.g., group pension risk transfer, purchased group annuities, group variable payout annuities) (APF 2024-12).

LATF adopted the proposal to change the reinvestment guardrails for VM-20, VM-21 and VM-22 to 5% Treasury, 15% Principle-Based Reserving (PBR) credit rating 3 (Aa2/AA), 40% PBR credit rating 6 (A2/A) and 40% PBR credit rating 9 (Baa2/BBB) (APF 2025-16).

LATF adopted the report of the Longevity Risk (E/A) Subgroup, which included discussion of the feedback received on the three alternative approaches to the development of C-2 factors for longevity reinsurance in the Life RBC formula. The Subgroup is reviewing feedback received on a principle-based approach to calculate longevity risk capital for the longevity reinsurance product (Ref #2026-07-L). Further discussion is planned for a future meeting to be scheduled by the Subgroup with planned adoption for 31 December 2026 reporting.

LATF continued its work to update the *Valuation Manual* 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 (VM-20 and VM-21)

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, Section 9.F.3, to align PBR credit ratings with the now more granular NAIC designation categories, with updated tables published [on the NAIC website](#). Because VM-21 and VM-22 point to the respective sections in VM-20, these updates should be used for each VM (APF 2025-15)
- ▶ Revisions to VM-20 to allow an aggregation benefit in the stochastic reserve calculation (APF 2025-17)

LATF is reviewing feedback received on revisions to VM-20 that would use a net asset earned rate (NAER) methodology on an additional asset portfolio for discounting in the stochastic reserve calculation, rather than 105% of the one-year treasury rate (APF 2023-10). Further discussion is planned at a future meeting to be scheduled by LATF.

Separately, the VACR discussed feedback received on the proposed scope clarification of variable annuity contracts in the payout phase (APF 2025-14). Further discussion is planned at a future meeting to be scheduled by LATF.

## **Non-variable annuity products (VM-22)**

The VM-22 (A) Subgroup continued its work to update the requirements of VM-22. The Subgroup adopted an amendment to specify that the standard projection amount (SPA) is not a safe harbor and an attribution analysis on the additional SPA is required every three years or more frequently if certain criteria are met (APF 2025-12). The Subgroup will continue to review revisions to clarify that the VM-22 requirements apply to all deposit-type contracts not otherwise excluded by VM Section II, Subsection 2.C (APF 2025-18). The Subgroup also discussed revisions to allow aggregation across the payout annuity and accumulation reserving categories and add a disclosure requirement for the breakdown of results prior to aggregation (APF 2025-20). The amendments will be discussed further by the VM-22 subgroup.

The Subgroup exposed revisions to clarify the treatment of valuations of settlements or annuitizations that occur after VM-22 is effective for contracts issued prior to VM-22 becoming effective. The company would be able to elect to use the valuation treatment of the originally issued contracts in these situations with notification to the domiciliary state commissioner without disapproval, as long as the valuation treatment is used consistently for all products in scope and the company does not revert to using VM-22 in the future (APF 2025-19). Comments are due by 7 May 2026.

The Subgroup also re-exposed requests for feedback on VM-22 application to guaranteed investment contracts (GICs), synthetic GICs, funding agreements and other stable value contracts. Feedback requested for these products includes criteria for their exclusion from the scope of VM-22, how various risks will be addressed if not through VM-22, company cost benefit analysis for implementing VM-22, and potential reserve impacts. Comments are due by 8 June 2026.

LATF received a proposal from the American Council of Life Insurers (ACLI) on the retrospective application of VM-22 to in-force contracts. The proposal would establish VM-A/C/V (that is, pre-PBR Commissioners' Annuity Reserve Valuation Method (CARVM) requirements) as the default option for contracts issued prior to 1 January 2026 with optional election of VM-22 with certain criteria. LATF exposed the proposal for feedback with cover questions concerning the conditions for optionality. Comments are due by 22 June 2026.

LATF is reviewing feedback received for proposed clarifications to the VM-22 SPA dynamic lapse formula, specifically in the market and rate factor formulas (APF 2026-03). Further discussion is planned at a future meeting to be scheduled by LATF.

LATF also exposed revisions to VM-22 and VM-31 to modify reinvestment guardrails for pension risk transfer (PRT) products to 100% PBR credit rating 9 (Baa2/BBB) plus a 0.50% spread for illiquidity (APF 2026-01). The exposed revisions would enable an insurer to establish PRT reserves based on a calculation that considers the illiquidity of the business and other unique factors. LATF is seeking feedback on a corresponding document from the Academy that discusses principles for recognition of illiquidity premium within the net spread calculation and/or reinvestment assumptions. Comments are due by 7 May 2026.

## **Annuity Suitability (A) Working Group**

The Annuity Suitability (A) Working Group has requested feedback on best practices and/or procedures insurers have implemented to satisfy the supervisory obligations in the Suitability in Annuity Transactions Model Regulation (Model #275). Comments are due by 11 May 2026.

## **Life Insurance and Annuities Illustrations (A) Working Group**

The Life Insurance and Annuities Illustrations (A) Working Group heard an update from regulators that there is a concern some index annuity disclosures are not providing consumers with reasonable expectations regarding future performance upon purchasing an index annuity. The Working Group has requested feedback by 18 May 2026 on what should be the starting point of a short-term solution. Examples of a starting point contemplated in the questions raised include considering existing language in Model 245, AG 49-A and other existing guidance, or starting fresh with new considerations. If regulators consider starting fresh with new considerations, a question is posed about whether a short-term solution is needed while the long-term solution is developed.

## Health Insurance and Managed Care

The Health Insurance and Managed Care (B) Committee (B Committee) renamed the Health Innovations (B) Working Group as the Health Care Affordability and Mitigation (B) Working Group and the Employee Retirement Income Security Act (ERISA) (B) Working Group as the ERISA and Alternative Health Coverage (B) Working Group.

The B Committee received the report of the Regulatory Framework (B) Task Force, including adopting the *State Flexibility White Paper*. The white paper 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.

## Property and Casualty Insurance

The Property and Casualty Insurance (C) Committee (C Committee) adopted revised 2026 charges, which include the disbanding of the Catastrophe Insurance (C) Working Group and the NAIC/Federal Emergency Management Agency (FEMA) (C) Working Group. Responsibilities previously assigned to those groups will be transitioned to the Natural Catastrophe Risk and Resilience (EX) Task Force. Additionally, the Committee created the Homeowners Market Report (C) Working Group, which will report to the Homeowners Market Data Call (C) Task Force and is charged with developing a public report based on the results of the homeowners market data call.

The Committee received an update on the NAIC's Affordability and Availability Playbook, a key initiative intended to support state insurance regulators in addressing challenges in the homeowner insurance market. The drafting group posted a draft of the Playbook on the Committee's website requesting comments, with revisions since the last 2021 release to incorporate new products, market developments and changes in how consumers access and use information. A formal exposure is anticipated for consideration at the Summer National Meeting.

The Committee adopted the Title Insurance Shopping Tool template, which includes an updated definition of title insurance in the glossary; a consumer call-out box to identify costs and available discounts; clarifications that state insurance departments regulate title insurance but not the contents, form or pricing of attorney opinion letters; and updates to the fraud section for emergency artificial intelligence themes.

### Casualty Actuarial and Statistical (C) Task Force

The Casualty Actuarial and Statistical (C) Task Force (CASTF) adopted updates to the Schedule P instructions at an interim meeting, including revisions to definitions and terminology to promote consistency, reorganization of instruction steps and the removal of duplicative guidance.

CASTF received an updated charge from the C Committee to begin work on a white paper describing how homeowner insurance rates are regulated across states, addressing public questions and academic claims related to potential cross-state subsidization of catastrophic losses.

### Homeowners Market Data Call (C) Task Force

The Homeowners Market Data Call (C) Task Force provided an update on next steps related to the 2026 homeowners market data call. Fifty jurisdictions have confirmed their participation, and the Task Force expects to finalize the remaining participating jurisdictions. The data call has been sent by the fifty participating jurisdictions to applicable insurers writing homeowner insurance and those reporting business in the fire line of the Annual Statement. Collected data will be due by 15 June 2026. Data templates, definitions, instructions and frequently asked questions can be found on the [NAIC website](#).

## Market Regulation and Consumer Affairs

The Market Regulation and Consumer Affairs (D) Committee (D Committee) adopted the Pharmacy Benefit Management (D) Working Group's *Pharmacy Benefit Manager (PBM) Licensure and Regulation Guidelines for Regulators* document with revisions based on additional industry and consumer representative input. 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.

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.

## Financial Condition

The actions taken by various NAIC groups that report to the Financial Condition (E) Committee since the 2025 Fall National Meeting are summarized below.

### 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 40 certified reinsurers for passporting as of March 2026. The [list of passported reinsurers](#) is available on the NAIC website.

### Investment Designation Analysis (E) Working Group

The Investment Designation Analysis (E) Working Group (IDAWG) exposed proposed amendments to the Purposes and Procedures Manual of the NAIC Investment Analysis Office (P&P Manual), including a non-substantive update to the list of NAIC credit rating providers and revisions related to the analysis of certain parent subsidiary situations. Comments were due by 24 April 2026. The proposed parent subsidiary revisions would clarify that, in addition to the prescribed guidelines for the use of an issuing subsidiary's parent financial statements, the SVO may rely on other information it deems satisfactory.

The Working Group received an annual report from the SVO on the 2025 carry-over filings. Carry-over filings are insurer-owned securities that were filed properly with the SVO, but the SVO did not complete the review before year end. The number of carry-over filings have grown year over year due to significant increases in the number of private letter rating filings, which have to be processed before year end to avoid incurring a punitive NAIC designation. The Working Group is evaluating whether there are resource constraints with the SVO.

### Macroprudential activities

Various NAIC groups, including the Financial Stability (E) Task Force and the Macroprudential (E) Working Group (MWG), 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.

MWG continues its work to address the 13 items in the Regulatory Considerations Applicable (But Not Exclusive) to Private Equity (PE) Owned Insurers document. The MWG will continue to focus on its 13 key considerations, with major emphasis on cross-border reinsurance.

### *Liquidity assessment and capital stress testing framework*

The Financial Stability (E) Task Force and the MWG published [on the NAIC's website](#) the final 2025 Liquidity Stress Test (LST) framework, which is consistent with the 2024 LST framework. 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.

### ***Funding agreement-backed structures***

MWG referred to SAPWG and BWG recommendation for new disclosures for funding agreement backed structures, including funding agreement-backed notes (FABNs) issued by life insurance companies. The proposed disclosures include adding a footnote to Exhibit 7 of the annual statement blank and SSAP No. 52 to require insurers to report aggregate funding agreement data. A corresponding SAPWG proposal (Ref #2026-01) and blanks proposal (Ref #2026-04BWG) has been exposed with implementation of the reporting requirements targeted for year-end 2026.

The MWG directed a referral to the Receivership & Insolvency (E) Task Force regarding funding agreement-backed structures to understand how holders rank *pari passu* in an insolvency.

## **Financial Regulation Standards and Accreditation (F) Committee**

The Financial Regulation Standards and Accreditation (F) Committee (F Committee) adopted the revisions made to various NAIC publications (i.e., AP&P Manual; P&P Manual; annual statement blanks and instructions; RBC formulas and the related instructions for health, life and P&C insurers; *Financial Condition Examiners Handbook*; and *Valuation Manual*) in 2025 that are required for accreditation purposes. All revisions that resulted in a Statutory Accounting Principles (SAP) Clarification were deemed insignificant to the SAP. F Committee adopted revision to the AP&P manual for a New SAP concept that modified SSAP No. 2, SSAP No. 37 and SSAP No. 40 as a result of SAPWG adoption (Ref #2025-13) that expanded statutory accounting guidance to require qualifying residential mortgage loans held in a qualifying statutory trust to be reported on Schedule B.

The F Committee submitted two referrals relating to companies, such as international insurers and captive insurers, with unique or restricted licenses to promote consistent regulatory understanding across jurisdictions. One referral was sent to the National Treatment and Coordination (E) Working Group to enhance transparency in the NAIC *Company Licensing Best Practices Handbook* and Uniform Certificate of Authority Application (UCAA) by clearly identifying these entities as part of the licensing process and requested the development of additional review guidance or considerations for state insurance departments when evaluating applications from such entities. The other referral was sent to the Blanks Working Group to add an "O - Other" category to the Schedule T for reporting entities with unique, restricted license types, such as captive insurers, international insurers or other insurers authorized by a US jurisdiction that do not qualify as fully admitted carriers or fit within existing categories.

## **International Insurance Relations**

The International Insurance Relations (G) Committee (G Committee) adopted the report of the Aggregation Method Implementation (G) Working Group (AMIWG), which included a status update of its work in developing NAIC comments submitted to the International Association of Insurance Supervisors (IAIS) on the following items:

- ▶ AMIWG exposed a draft review of US group solvency regulation that identifies and addresses gaps in the US group solvency framework as part of the implementation of the Insurance Capital Standard (ICS) in the US using the aggregation method (AM). The review highlights gaps and inconsistencies in the application of the AM relative to achieving comparability with the ICS. The review concludes that the US group capital solvency framework provides a strong foundation for an aggregation-based implementation of the ICS, supporting effective supervision at both the group and legal-entity levels. Targeted refinements, including adjustments to scalars, enhanced transparency regarding interest rate sensitivity and clarification of supervisory tools applied to group capital adequacy, would help promote convergence with the ICS, with related recommendations to be incorporated into the final aggregation method. Comments are due by 11 May 2026.
- ▶ AMIWG submitted a response to the ICS public consultation on draft application papers specific to (1) recovery and (2) resolution powers, preparedness and planning, which include proposed updates to the Insurance Core Principles (ICPs) and the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame).
- ▶ AMIWG submitted a response to the public consultation of the Financial Stability Board (FSB) on the scope of insurers subjected to recovery and resolution planning requirements under the FSB Key Attributes. This includes draft guidance that outlines a structured approach for authorities to assess which insurers should be subject to these requirements to mitigate potential disruptions to the financial system and the real economy.

The G Committee approved NAIC comments submitted to the IAIS. 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.

## Innovation, Cybersecurity, and Technology

The Innovation, Cybersecurity and Technology (H) Committee (H Committee) heard an update on the Privacy Protections (H) Working Group review of the Privacy of Consumer Financial and Health Information Regulation (Model #672). The Working Group published revisions to Article 6 and plans to re-expose it for public comment at a future date. The Working Group is reviewing feedback received on Article 7 and will eventually expose Article 8 and Article 1 for public comment. The Working Group will expose a fully revised draft of Model #672 by 31 December 2026.

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

### Big Data and AI (H) Working Group

The Big Data and Artificial Intelligence (AI) (H) Working Group heard an update on operationalizing the NAIC's AI Model Bulletin. The AI Model Bulletin continues to evolve but provides guidance on governance, documentation and oversight practices regarding the use of AI.

The Working Group also continued discussing feedback received on the AI systems evaluation tool. Several states began the tool's pilot process in March and are using the tool to support market conduct exams, financial exams and financial analysis contexts as part of general regulatory inquiry. The intent of the pilot process is to keep language in Exhibits A, which is the quantification of AI models that are new, updated and retired by the regulated entity, and Exhibit B, which is designed to support a regulator's inquiries and understanding of the company's governance practices, broad to collect relevant information prior to narrowing the scope based on feedback. The [pilot project summary](#) can be found on the NAIC website. The AI systems evaluation tool is expected to be finalized in 2026.

### Cybersecurity (H) Working Group

The Cybersecurity (H) Working Group adopted the *Centralized Cybersecurity Event Notification Portal Project Document*. The goal of the project is to provide convergence in the implementation and operation of the Insurance Data Security Model Law (Model #668) (IDSM), aiming to reduce marginal compliance costs for insurers and streamline regulatory processes. The adoption of the project document allows the Working Group to continue its work on the *Cybersecurity Event Notification Portal*. The Working Group discussed the next steps in the development of its *Cybersecurity Event Notification Portal* project intake form. The portal now needs to be designed and developed to make sure it complies with Section 6B of the IDSM. The Working Group will engage with stakeholders at a future meeting to be scheduled.

### Third-Party Data and Models (H) Working Group

The Third-Party Data and Models (H) Working Group discussed next steps in the development of its risk-based regulatory framework for third-party data and model vendors across the P&C, health and life insurance industries. Based on feedback, there was consensus to build a third-party data and model registry focused on governance, and the Working Group decided that the next step will be to narrow its focus and create a framework for pricing and underwriting. Further discussion on this topic is planned at a future meeting to be scheduled by the Working Group.

## Stay tuned

The NAIC's 2026 Summer National Meeting is scheduled for 11-14 August in Columbus, OH. A schedule of interim NAIC group meetings is available on the [NAIC website](#).

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## Appendix A – Statutory Accounting Principles Working Group

This chart summarizes actions taken by SAPWG since the 2025 Fall National Meeting. Comments on exposed items are due by 1 May 2026, unless otherwise noted. More information on SAPWG exposed items is available on the [NAIC website](#).

Topic/issue	Status	Discussion	Effective date
<b>New SSAP or New SAP Concepts in an Existing SSAP<sup>1</sup></b>			
<b>SSAP No. 7 – Interest Maintenance Reserve and AVR and IMR (Ref #2023-14)<sup>3</sup></b>	Deferred*	<p>Long-term Project: Previously directed the NAIC Staff to develop statutory accounting guidance for the recognition AVR and IMR and move existing IMR guidance in the Annual Statement Instructions into SSAP No. 7. Additional concepts SAPWG has previously adopted to be included in a future revised SSAP No. 7 include:</p> <ul style="list-style-type: none"> <li>▶ AVR and IMR (Ref #2023-14): removal of the concept of hypothetical IMR for reinsurance transactions.</li> <li>▶ IMR definition (Ref #2025-03): adopted the proposed definition of IMR as a valuation adjustment to maintain consistency between insurance liabilities and the assets needed to support them.</li> <li>▶ IMR Proof of Reinvestment (Ref #2025-23): adopted concepts and templates to address IMR proof of reinvestment. That is, the proceeds from the sale of fixed-income instruments have been reinvested into new fixed income instruments with a higher yield, supporting the deferral of the realized loss recognition into a negative IMR asset. The concepts will 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 asset balance. Reporting entities that fail the proof are 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 (i.e., not deferred to IMR). The proof will be performed separately for both general and separate accounts when at a net negative IMR position as applicable.</li> </ul> <p>Short-term project: 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
<b>ALM Derivatives (Ref #2024-15)</b>	Exposed	Exposed revisions to the ALM Derivatives Issue Paper and the new concurrent statutory accounting guidance SSAP 109, <i>Asset Liability Management (ALM) Derivatives</i> , to establish guidance for interest-rate hedging derivatives used for ALM purposes following an amortized cost method.	TBD
<b>Separate Account Nonadmitted Assets (Ref #2025-25)</b>	Adopted	<p>Adopted revisions to SSAP No. 56 to address nonadmittance for assets held under the “general account basis” in the separate account (i.e., book value separate account). The revisions require the recognition and reporting of nonadmitted assets for all insulated and non-insulated separate account filings.</p> <p>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).</p>	1 January 2027
<b>Nonadmittance of Long-Term Repos (Ref #2025-28)</b>	Adopted	Adopted revisions to SSAP No. 103 to allow long-term repurchase agreements to be admitted. Previously, long-term repurchase agreements (i.e. agreements with maturity dates in excess of 365 days) were nonadmitted. The revisions clarify that reverse repurchase agreements with maturity dates in excess of one year continue to be nonadmitted and with the reporting of long-term reverse repurchase agreements as “Any Other Asset” on Schedule BA. The revisions now allow long-term reverse repurchase agreements to be admitted in the last year to maturity.	Immediately

<sup>1</sup> 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.

<sup>2</sup> Ibid.

<sup>3</sup> The NAIC disposed of Ref #2022-19 and incorporated any previously discussions into Ref #2023-14.

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

Topic/issue	Status	Discussion	Effective date
<b>SAP Clarification<sup>2</sup></b>			
<b>Conforming Repurchase Agreements (Ref #2024-04)</b>	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"> <li>▶ 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</li> <li>▶ Clarify the existing guidance on the admissibility of collateral received based on ongoing comparisons to fair value</li> <li>▶ 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</li> <li>▶ 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</li> </ul>	TBD
<b>Sale Leaseback Clarification (Ref #2025-01)</b>	Adopted	Adopted revisions to SSAP No. 22 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. Accordingly, the transferred asset is not derecognized and any amounts received are established as a financial liability.	Immediately
<b>Residential Mortgage Loans Held in Statutory Trusts Issue Paper (Ref #2025-13)</b>	Exposed	<p>Exposed a draft issue paper, for historical purposes, to document the discussions and conclusions that occurred when developing the reporting and disclosure guidance for residential mortgage loans held in qualifying statutory trusts previously adopted at 2025-13. The guidance is primarily in SSAP No. 37, <i>Mortgage Loans</i>, to establish the new accounting guidance effective 1 January 2027 with early adoption permitted.</p> <p>A corresponding blanks proposal to include new instructions and an example to Note 5A - Mortgage Loans has also been exposed (Ref #2026-11BWG).</p>	TBD
<b>IMR Impact to Reinsurance Collateral (Ref #2025-22)</b>	Deferred	<p>Previously proposed revisions to SSAP No. 61 to clarify the treatment of negative IMR (i.e., asset) derecognized as part of a reinsurance transaction and its effect on reinsurance collateral required to receive reinsurance credit. The initially proposed revisions suggest an asymmetrical approach, under which derecognized positive IMR (i.e., liability) would increase collateral requirements, while derecognized negative IMR would not decrease collateral requirements. Feedback was requested on whether the use of an asymmetrical or symmetrical approach to the treatment of IMR should be considered.</p> <p>SAPWG has requested feedback from the Reinsurance (E) Task Force on which treatment would be appropriate.</p>	TBD
<b>Commitments and Contingent Commitments (Ref #2025-24)</b>	Further Analysis Needed	<p>Previously 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.</p> <p>SAPWG will continue to work with industry to determine the applicable revisions, and SAPWG has requested feedback from the Capital Adequacy (E) Task Force to consider related potential impacts to RBC.</p>	TBD
<b>SSAP No. 48 Equity Changes (Ref #2025-26)</b>	Further Analysis Needed	<p>Previously 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. Examples of specific concepts referenced include timing of recognition of equity value changes, including timing of the related financial statement audit, approach for goodwill, and negative investment income and impairment assessment.</p> <p>The SAPWG directed NAIC staff to work with industry stakeholders to develop a modified SSAP proposal in response to feedback received.</p>	TBD

Topic/issue	Status	Discussion	Effective date
SSAP No. 1 Modco/FWH Code (Ref #2025-27)	Re-Exposed	Re-exposed revisions to SSAP No. 1, <i>Accounting Policies, Risks &amp; 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). The re-exposure requests regulator input on the use of the restricted asset code within the investment schedules and whether the codes are used; if not, the proposed codes may be deleted if the codes are not determined to be useful or beneficial for regulatory purposes. A corresponding blanks proposal to clarify the reporting of restricted assets in the annual statement blank has also been exposed (Ref #2025-29BWG).	TBD
Reporting Clarifications (Ref #2025-29)	Adopted	Adopted 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 revisions will address questions on payment due at maturity, origination balloon payment percentage and the reporting of a maturity date for residuals on Schedule BA. A corresponding blanks proposal was exposed to clarify the annual statement reporting in Schedule BA (Ref #2026-07BWG).	31 December 2026
Administrative Services Contracts Disclosure Clarification (Ref #2025-30)	Adopted	Adopted revisions to SSAP No. 47 to clarify and standardize the calculation used to disclose net gain or loss on Administrative Services Contracts (ASC) plans in Note 18 to the annual statement blank. A corresponding blanks proposal was exposed to clarify the annual statement reporting of the disclosure components for ASC plans (Ref #2025-24BWG).	31 December 2026
Update Coverage Gap Reference (Ref #2025-31)	Adopted	Adopted revisions to INT 05-05 to indicate the end of the Coverage Gap Discount Program as of 31 December 2024 and to add references to its replacement, the new CMS Manufacturer's Discount Program, that began on 1 January 2025. The new program will follow the guidance in SSAP No. 47.	Immediately
Remove Shaded Text (Ref #2025-32)	Adopted	Adopted revisions to SSAP No. 40, SSAP No. 90 and related documentation to delete shaded text instructions and remove previously superseded guidance in SSAP No. 40.	Immediate
Update to Annual Statement Expense Descriptions and Categories (Ref #2025-33)	Adopted	Adopted 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 revisions capture current expense types and remove outdated items. 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).	Immediate
Updates on Economic Scenario Generator and Non- Variable Annuities (Ref #2025-34)	Adopted	Adopted revisions to SSAP No. 3 and SSAP No. 51 to provide guidance on the optional implementation period for <i>Valuation Manual</i> revisions regarding the economic scenario generator. The revisions expand the existing phase-in disclosure of SSAP No. 51 by adding reference to VM-20. A corresponding blanks proposal to clarify the reporting of the phase-in requirements for the economic scenario generator in the annual statement blank has also been exposed (Ref #2025-25BWG). Adopted revisions to SSAP No. 51 and SSAP No. 52 to clarify that when a company elects the optional implementation period for non-variable annuities in VM-22, 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.	Immediately
2026 Spring Editorial and Maintenance Update (Ref #2026-03EP)	Exposed	Exposed various editorial revisions to (1) replace the term "CUSIP" with "Security Identifier" as there are many other indicators besides a CUSIP; (2) add "U.S." before "generally accepted accounting principles" or "GAAP" as appropriate; and (3) remove the word "funding" from the beginning of the paragraph that describes Federal Home Loan Bank (FHLB) agreements, since only those FHLB agreements that are deposit-type contracts are considered "funding agreements."	TBD
Disclosure of FABNs and Similar Structures (Ref #2026-01)	Exposed	Exposed revisions to SSAP No. 52 to incorporate disclosures and a glossary for funding agreement backed notes for FABNs and other funding agreement-backed structures, such as funding agreement-backed repurchase agreements (FABR) and funding agreement-backed loans (FABL). A corresponding blanks proposal was exposed to add a section to Financial Notes 11 - Debt and Exhibit 7 for the proposed revisions to SSAP No. 52 in the annual statement (Ref #2026-04BWG).	TBD
Valuation of Funds Withheld (Ref #2026-02)	Exposed	Exposed revisions to SSAP No. 61 to clarify that funds withheld liabilities should be recorded as being equal to the book adjusted carrying value of the funds withheld assets. The exposure includes proposed revisions to the Life and Health Annual Statement Instructions in Schedule S Reinsurance and the Liabilities page. A corresponding blanks proposal was exposed to clarify the reporting of the funds withheld assets in the annual statement (Ref #2026-10BWG).	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 and SSAP No. 62 – Reinsurance Credit (Ref #2017-28)
- ▶ SSAP No. 41 – Surplus Note Accounting (Ref #2018-07)
- ▶ SSAP No. 68 and SSAP No. 97 – Accounting Standards Update 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 Fall National Meeting. Comments on exposed items are due by 28 April 2026.

[More information on BWG exposed items](#) is available on the NAIC website.

Adopted items	Statement type(s) <sup>1</sup>	Filing(s)	Effective date
2025-17BWG MOD: 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 MOD: Adds a code of “S” to the Active Status column on Schedule T to identify whether the company has a suspended license.	L/F, P/C, H, T	Annual and Quarterly	Annual 2026; First Quarter 2027
2025-20BWG MOD: 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 MOD: 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. Adds a new part to Note 5 – Investments to report the 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. These updates are in response to actions taken by SAPWG (SAPWG Ref #2025-19).	L/F, P/C, H, SA, T	Annual and Quarterly	Annual 2026
2025-28BWG MOD: Adds investment characteristic categories to Schedule A, Part 1 to clarify whether 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
2025-30BWG MOD: Modifies Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans to clarify that investments reported at net asset value (NAV) are not to be captured within the fair value hierarchy but should be separately identified in a new column for NAV, 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

Exposed items	Statement type(s) <sup>1</sup>	Filing(s)	Proposed effective date
2026-01BWG: Adds new instructions to Note 26 – Intercompany Pooling Arrangements to disclose the statement value and fair value of assets received or transferred by the reporting entity for modifications to an existing intercompany pooling arrangement that involved the transfer of assets with fair value that differ from book value, in response to actions taken by SAPWG (SAPWG Ref #2022-12).	L/F, P/C, H	Annual	Annual 2026
2026-02BWG: Modifies the illustration to Note 11B – FHLB Agreements to incorporate cross-checks with the respective general interrogatories to make sure these two disclosures agree within the annual statement.	L/F, P/C, H, T	Annual	Annual 2026
2026-03BWG: Modifies the annual and quarterly statement blanks and the related instructions to clarify how companies should report valuation standards for VM-22 business and adds an annual supplement for VM-22 reserve reporting, in response to actions taken by LATF.	L/F, P/C, H, T	Annual and Quarterly	Annual 2026; First Quarter 2027

<sup>1</sup> 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) <sup>1</sup>	Filing(s)	Proposed effective date
2026-04BVG: Adds new instructions and an illustration to Note 11 – Debt to disclose FABN issued by special purpose vehicles (SPVs) and adds a footnote to the Deposit-Type Contracts Exhibit 7 to report the amount of total funding agreements backed by SPV issuances.	L/F, P/C, H, T	Annual	Annual 2026
2026-05BVG: Modifies the annual investment schedules (e.g., Schedule D and Schedule BA) to require direct reporting in Column 22 – Fair Value Hierarchy Level and Method Used to Obtain Fair Value Code of instances where NAV is used instead of fair value for certain investments.	L/F, P/C, H, SA, PC, T	Annual	Annual 2026
2026-06BVG: Modifies Note 5L – Restricted Assets to identify assets pledged under multiple arrangements.	L/F, P/C, H, T	Annual and Quarterly	Annual 2026; First Quarter 2027
2026-07BVG: Modifies the instructions to clarify reporting of the payment due at maturity and the required reporting categories on Schedule D, Part 1, Sections 1 and 2, the origination balloon payment percentage on Schedule D, Part 1, Section 2, and the maturity date on Schedule BA, Parts 1, 2 and 3, in response to actions taken by SAPWG (SAPWG Ref #2025-29).	L/F, P/C, H, SA, T	Annual and Quarterly	Annual 2026; First Quarter 2027
2026-08BVG: Adds a code of "O – Other" to the Active Status column on Schedule T to identify whether the company does not fit into one of the existing categories (e.g., captive insurers, international insurers) and require disclosure of the license type; and modifies the "N" code to "None" (e.g., not allowed to write business in the state).	L/F, P/C, H, T	Annual and Quarterly	Annual 2026
2026-09BVG: Modifies the annual statement blank and instructions to reincorporate the affiliated short-term investment and cash equivalent line in the Five-Year Historical Data.	L/F, P/C, H, T	Annual	Annual 2026
2026-10BVG: Modifies the Life annual and quarterly statement instructions to report the BACV of the funds withheld assets for unauthorized and certified reinsurers to reconcile to Schedule S and adds reference to use the BACV to clarify the reinsurance ceded schedules (e.g., Schedule S, Part 3, Sections 1 and 2, Schedule S, Part 4, and Schedule S, Part 5), in response to actions taken by SAPWG (SAPWG Ref #2026-02).	L/F	Annual and Quarterly	Annual 2026
2026-11BVG: Adds new instructions and an example to Note 5A – Mortgage Loans for the reporting of mortgage loans acquired through a qualifying investment in a qualifying statutory trust, in response to actions taken by SAPWG (SAPWG Ref #2025-13).	L/F, P/C, H, T	Annual	Annual 2026

Re-exposed items	Statement type(s) <sup>1</sup>	Filing(s)	Effective date
2025-23BVG MOD: 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
2025-24BVG: 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
2025-25BVG: 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
2025-26BVG MOD: 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
2025-27BVG MOD: Modifies a section to the AVR calculation in the Life annual statement blank to report CLOs, collateralized bond obligations (CBOs) and collateralized debt obligations (CDOs) with instructions to bifurcate the reporting of long-term bonds into "Long-Term Bonds, excluding CLOs/CBOs/CDOs" and "CLOs/CBOs/CDOs," and adds a footnote to Schedule D, Part 1, Section 2 to report the BACV by NAIC designation for CLOs/CBOs/CDOs.	L/F, P/C, H, SA, PC, T	Annual	Annual 2026
2025-29BVG: 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

## 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 Fall National Meeting. More information on RBC developments exposed is available on the [NAIC website](#).

Topic/issue	NAIC group	Status	Discussion	Effective date
<b>All RBC</b>				
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	Deferred Indefinitely	Deferred 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.	TBD
A&H Underwriting Risk Structure Change (Ref #2025-15-CA MOD)	Capital Adequacy Task Force	Exposed to 23 April 2026	Exposed revisions reflect updates to the structure of the Life RBC, P&C RBC and Health RBC formulas based on recommendations in the American Academy of Actuaries' H2 Underwriting Risk report. The revisions align the underwriting risk pages with the lines of business presented in the Health Annual Statement Analysis of Operations, with corresponding implementation for Life and P&C business. The exposure also includes revisions to split investment income into two separate lines to establish a standalone income factor, editorial corrections to numerical references and updates to the Alternate Risk Charge instructions, including the elimination of the multiple of maximum individual risk.	2026
Underwriting Risk Investment Income Update (Ref #2026-03-CA)	Health RBC Working Group	Exposed to 22 April 2026	Exposed revised investment income adjustments for the annual refresh from 4.5% to 4.0% for 2026 reporting purposes to the underwriting factors for Comprehensive Medical, Medicare Supplement and Dental & Vision on pages XR013, LR019, LR020, PR019 and PR020.	2026
Investment Subsidiary (Ref #2026-05-CA)	Capital Adequacy Task Force	Exposed to 22 April 2026	Exposed revisions to remove the investment subsidiary category in the RBC blanks, instructions and formulas as a result of the recently adopted Blanks proposal (Ref #2025-20BWG).	2026
<b>Life RBC</b>				
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	Deferred Indefinitely	Previously 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 exchange-traded funds, 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 RBCIRE elected to not move forward with this exposure.	TBD
C-3 GOES Implementation (Ref #2025-14-L)	Life RBC Working Group	Re-exposed to 13 April 2026	Re-exposed revisions to modify page LR027 of the Life RBC formula and related instructions to implement revisions to the C-3 Phase I and C-3 Phase II calculations. Re-exposure modified the accumulated discount factor from one-year US treasury rates to 10-year US treasury rates.	2026
Collateral Loans (Ref #2025-16-L MOD)	Life RBC Working Group	Re-Exposed to 13 April 2026	Re-exposed revisions to the Life RBC formula and related instructions to address the RBC for collateral loans based on 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. The revisions apply a look-through approach to the underlying assets in the collateral loan to determine the RBC. The re-exposed revisions incorporate a 20% generic haircut to the proposed RBC factors for collateral loans backed by residual tranches or residual interests and by investments in JV/LP/LLC structures, set the AVR Basic Contribution, Reserve Objective, and Maximum Reserve to zero, and update page LR010 to continue the current practice of doubling the RBC charge for collateral loans, subject to the 45% asset concentration cap.	2027

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

Topic/issue	NAIC group	Status	Discussion	Effective date
VM-21 Scope Clarifications (Ref #2025-17-L)	VACR Subgroup	Adopted	Adopted 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 MOD)	RBCIRE Working Group	Re-Exposed to 17 April 2026	Re-exposed modified revisions to page LR002 of the Life RBC formula and related instructions to separately present CLOs from other long-term bonds in preparation of new RBC factors to be applied to CLOs. These revisions are structural only and do not include proposed factors at this time. These revisions incorporate more granular reporting of long-term bonds into the following categories: CLOs and all other long-term bonds with additional categorization based on tranche thickness.	2026 or later
AVR Changes (Ref #2026-01-L)	Life RBC Working Group	Exposed to 12 March 2026	Exposed revisions to pages LR004, LR005, LR007, LR0012 and LR038 to align the treatment for the AVR Default Component & Equity and Other Invested Asset Component tables with Blanks Working Group proposal for the instructions and blanks (Ref #2025-27BWG MOD).	2026
BA Residential Mortgage Loans (Ref #2026-02-L)	Life RBC Working Group	Exposed to 12 March 2026	Exposed revisions to modify the treatment of Unaffiliated BA Mortgage – Residential – All Other – In Good Standing to be separately broken out in AVR instead of the current treatment in which it is not separated out in AVR and, therefore, in RBC. A corresponding blanks proposal has also been exposed (Ref #2025-27BWG MOD).	2026
LR027 Interest Rate Risk and Market Risk Page (Ref #2026-06-L)	Life RBC Working Group	Exposed to 27 March 2026	Exposed editorial revisions to page LR027, Interest Rate Risk and Market Risk of the Life RBC Blanks, to reflect to revised Annual Statement source references and related footnotes.	2026
Longevity Reinsurance C-2 (Ref #2026-07-L)	Longevity Risk Subgroup	Exposed to 27 March 2026	Exposed revisions to page LR025-A, Longevity Risk Page, of the Life RBC formula to include development of C-2 factors for longevity reinsurance products.	2026
<b>P&amp;C RBC</b>				
Separating Earthquake and Hurricane Lines Experience Data (Ref #2025-19-CR)	P&C RBC Working Group	Adopted	Adopted 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 manage and address each peril considering its characteristics and effects.	2026
Wildfire Rcat Implementation (Ref #2025-20-CR)	P&C RBC Working Group	Adopted	Adopted revisions to page PR027 the P&C RBC formula to add a wildfire risk peril to the Rcat component. An 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
PR027INT Item D Modification Ref # 2026-08-CR	P&C RBC Working Group	Exposed to 22 April 2026	Exposed revisions to PR027INT to eliminate questions D13 and D14, which reference areas considered prone to convective storms; however, there are no clearly defined criteria or geographic boundaries supporting such classifications.	2026