CLIENT ALERT

NAIC Report: 2021 Fall National Meeting

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AUTHORS

Elizabeth B. Bannigan | Kara Baysinger | Leah Campbell | Stephanie Duchene
Matthew J. Gaul | Michael Groll | David Heales | Donald B. Henderson Jr.
Allison J. Tam

The 2021 Fall National Meeting of the National Association of Insurance Commissioners (the "Fall National Meeting") was held from December 11-16 in a hybrid format, with attendees participating virtually or in person in San Diego, California.

The NAIC was active at the Fall National Meeting, accelerating the pace of certain initiatives as well as identifying new priorities. In light of the ongoing pandemic, a main theme of the meeting was the need for insurance regulators to respond and adapt to unexpected events and changing market conditions, while maintaining a focus on the NAIC's core objectives of consumer protection and market solvency.

Highlights from the Fall National Meeting include:

- The NAIC created a new Innovation, Cybersecurity and Technology (H) Committee as a designated forum for state insurance regulatory matters related to emerging technology, marking the first new "letter committee" since 2004.

- The NAIC is progressing toward the implementation of the group capital calculation by the states, as it exposed the holding company amendments that implement the group capital calculation filing requirement as an accreditation standard to be effective as of January 1, 2026.

- The Long-Term Care Insurance (EX) Task Force completed a cornerstone project of its charge to address the challenges of historically underpriced long-term care insurance policies by adopting a Multistate Actuarial Rate Review Framework.

- The work of the Climate and Resiliency (EX) Task Force is gaining momentum, with its workstreams focused on technology, climate risk disclosure, solvency, innovation and pre-disaster mitigation announcing deliverables and near-term goals.

- Similarly, the Special (EX) Committee on Race and Insurance has made progress to refine its charges and announce deliverables to address race, diversity and inclusion in the insurance sector, particularly in the area of health insurance.

- The Macroprudential (E) Working Group has been designated as a coordinating body for NAIC initiatives related to private equity ownership of insurance companies, an area where we expect to see increased NAIC activity in 2022.

NAIC members also elected the following officers for 2022:

- **President:** Idaho Insurance Director Dean L. Cameron

- **President-Elect:** Missouri Insurance Director Chlora Lindley-Myers

- **Vice President:** Connecticut Insurance Commissioner Andrew Mais

- **Secretary-Treasurer:** North Dakota Insurance Commissioner Jon Godfread

The report below further summarizes key activities at the Fall National Meeting, and certain interim conference calls and other developments leading up to the Fall National Meeting, that may be of interest to our clients in the insurance industry.

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GLOSSARY

Definitions used in this report include:

"2020 Amendments" means the amendments to the Holding Company Models that were adopted by the Executive and Plenary in December 2020, which implement the filing requirements for the GCC and LST.

"ABS" means an asset-backed security that would constitute a bond eligible for reporting on Schedule D-1.

"AI" means artificial intelligence.

"ComFrame" means the Common Framework for the Supervision of Internationally Active Insurance Groups developed by the IAIS.

"Covered Agreements" means the U.S./EU Covered Agreement and the U.S./UK Covered Agreement, both as defined below.

"Credit for Reinsurance Models" means the *Credit for Reinsurance Model Law* (#785) and *Credit for Reinsurance Model Regulation* (#786).

"Executive and Plenary" means all of the U.S. state insurance commissioners in plenary session along with the NAIC's Executive (EX) Committee.

"Financial Analysis Handbook" means the Financial Analysis Handbook published and maintained by the NAIC.

"FINRA" refers to the Financial Industry Regulatory Authority.

"FSAP" refers to the Financial Sector Assessment Program, conducted by the International Monetary Fund.

"FSB" means the Financial Stability Board, a nonprofit international body composed of representatives from international jurisdictions, as well as representatives from international financial institutions and international standard-setting, regulatory, supervisory and central bank bodies, that monitors and makes recommendations about the global financial system.

"FSOC" refers to the U.S. Department of the Treasury's Financial Stability Oversight Council.

"GCC" means the group capital calculation that was developed by the Group Capital Calculation (E) Working Group and adopted by the NAIC in December 2020. It is a tool that uses an RBC aggregation methodology for all entities within the insurance holding company system, including non-U.S. entities.

"Holding Company Models" means the NAIC's *Insurance Holding Company System Model Act* (#440) and the *Insurance Holding Company System Model Regulation with Reporting Forms* (#450).

"Holistic Framework" means the framework developed by the IAIS to assess and mitigate systemic risk in the global insurance sector.

"IAIS" means the International Association of Insurance Supervisors.

"ICS" means the Insurance Capital Standard being developed by the IAIS to apply to internationally active insurance groups.

"LST" means Liquidity Stress Test, which provides quantitative and qualitative insights for macroprudential surveillance designed to capture the impact on the broader financial markets of aggregate asset sales under a liquidity stress event.

"NAIC" means the National Association of Insurance Commissioners.

"NAIC Climate Risk Disclosure Survey" means the survey adopted by the NAIC in 2010, designed to be an insurer reporting mechanism, which asks insurers to provide a description of how they incorporate climate risks into their mitigation, risk-management and investment plans.

"NRRA" means the Nonadmitted and Reinsurance Reform Act of 2010, which was adopted on July 21, 2011 and is contained within the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"Qualified Jurisdiction" means a non-U.S. jurisdiction listed on the NAIC list of "Qualified Jurisdictions" established pursuant to the NAIC Process for Developing and Maintaining the NAIC List of Qualified Jurisdictions. A Qualified Jurisdiction-domiciled reinsurer that satisfies financial, rating and other standards may qualify as a "certified reinsurer," and depending on its rating, may be approved by state regulators to post reduced or zero collateral under state credit for reinsurance laws.

"Reciprocal Jurisdiction" means a jurisdiction in which an eligible reinsurer is required to be domiciled in order to qualify for zero reinsurance collateral pursuant to the 2019 amendments to the Credit for Reinsurance Models.

"Schedule D-1" means Schedule D, Part 1 (Long-Term Bonds) on insurance companies' statutory financial statements.

"SEC" refers to the U.S. Securities and Exchange Commission.

"SSAP" means Statement of Statutory Accounting Principles.

"U.S./EU Covered Agreement" means the Bilateral Agreement Between the United States and the European Union on Prudential Measures Regarding Insurance and Reinsurance entered into by such parties on September 22, 2017.

"U.S./UK Covered Agreement" means the Bilateral Agreement Between the United States and the United Kingdom on Prudential Measures Regarding Insurance and Reinsurance entered into by such parties on December 11, 2018.

1. Topics of General Interest

A. Innovation and Technology

i. NAIC Creates New Innovation, Cybersecurity and Technology (H) Committee

At the Fall National Meeting, the NAIC voted to form a new Innovation, Cybersecurity and Technology (H) Committee, marking the first new "letter committee" since 2004 and underscoring the Fall National Meeting theme that the NAIC must react proactively to changing market conditions.

The new (H) Committee will serve as a designated forum for regulators to focus on cybersecurity, innovation, data security, privacy protections and emerging technology issues. The committee will also focus on understanding evolving practices and innovations used by insurers and producers; coordinating efforts across the NAIC on these topics; recommending regulatory, statutory or guidance updates as appropriate; and monitoring the work of federal, state and international bodies to avoid conflicting standards and practices. At the Fall National Meeting's Opening Session, outgoing NAIC President David Altmaier (FL) stated that the new (H) Committee will focus on the use of data in the context of complex rating and underwriting models because protecting consumer data privacy is a "critical responsibility" of NAIC members.

The NAIC will further consider committee leadership, charges and any reorganization of existing groups that may be brought under the new (H) Committee in early 2022.

ii. Big Data (EX) Working Group Moves to Survey Homeowners and Life Insurers on AI and Machine Learning

The Big Data and Artificial Intelligence (EX) Working Group is analyzing responses to its survey on the use of AI and machine learning in private passenger auto insurance to better understand carrier practices and, ultimately, whether existing frameworks are appropriate to regulate the use of AI and machine learning. The survey was performed under the market conduct authority of nine states and received 192 company responses. The Working Group will determine what results can be made public and utilize survey results to inform appropriate deliverables for the Working Group.

The Working Group agreed to next survey the personal homeowners and personal life insurance lines of business simultaneously, after identifying appropriate subject matter experts for those surveys.

Moving forward, the Working Group is expected to operate under the new Innovation, Cybersecurity and Technology (H) Committee.

iii. Colorado Division of Insurance Discusses Stakeholder Meetings about "External Consumer Data" Law Implementation

In mid-January 2022, the Colorado Division of Insurance will begin holding stakeholder meetings regarding the adoption of regulations implementing Senate Bill 21-169, which was signed into law in July 2021. The new law prohibits the use of external consumer data and information sources (or algorithms or predictive models using such data or sources) ("External Consumer Data") that unfairly discriminate against protected classes. The law gives the Insurance Commissioner broad new rule-making and enforcement authority in this area. Introducing the topic for discussion at the Fall National Meeting, Innovation and Technology (EX) Task Force Chair Jon Godfread (ND) noted that while the bill is specific to Colorado, it is of interest industry-wide.

The upcoming stakeholder meetings will be organized by line of insurance and industry practice, and are intended to gain input from carriers, producers, consumer representatives and other interested parties. According to Colorado Division of Insurance Commissioner Michael Conway, when final, implementing regulations will:

- Establish how insurers can demonstrate that their use of External Consumer Data does not unfairly discriminate based on a protected class;
- Require each insurer to (i) provide information on the external consumer data and information sources used to develop and implement its algorithms and models, (ii) explain how it uses External Consumer Data, (iii) establish, maintain and attest to the implementation of a risk management framework (or similar process) to determine whether its use of External Consumer Data results in unfair discrimination and (iv) provide an assessment of such framework's results;
- Establish a time frame for insurers to remedy any unfairly discriminatory impact in an algorithm or predictive model; and
- Permit insurers to use External Consumer Data that the Colorado Division of Insurance has previously found to not be unfairly discriminatory.

Presenting to the Task Force, Commissioner Conway acknowledged "angst" in the industry regarding the legislation and encouraged interested parties to engage in the stakeholder process and to bring questions and concerns directly to the Colorado Division of Insurance.

Information about the stakeholder meetings and implementation updates will be available on the Colorado Division of Insurance website here. The implementing regulations would become effective no earlier than January 1, 2023.

iv. Information Technology (IT) Examination (E) Working Group Adopts New Data Transfer Guidance

On November 18, 2021, the Information Technology (IT) Examination (E) Working Group adopted new guidance in the Financial Condition Examiners Handbook that highlights the importance of timely and efficient transfer of policyholder data and provides tools for assessing such data transfers. This guidance stresses that policy and claims data should be stored in a format which allows it to be accessed, utilized and efficiently transferred, if necessary. Regulators will take a risk-focused approach, subjecting to greater scrutiny insurers that rely heavily on legacy systems, managing general agents, multiple cloud platforms, third-party administrators, or that commingle claims data. Additionally, the new guidance includes common controls, preliminary information requests and possible test procedures related to accessibility and transferability of data, overall cyber-hygiene and backup systems.

The Working Group also intends to publish a new sound practices document with additional guidance and procedures for regulator use in evaluating an insurer's response to significant emerging vulnerabilities and exposures, outside of a full-scope financial examination. This document will contain questions to ask insurers if a vulnerability is discovered in between examinations, with action steps that can be used for ongoing company monitoring.

B. Climate Risk and Resilience

i. Climate and Resiliency (EX) Task Force Workstreams Gaining Momentum

The Climate and Resiliency (EX) Task Force received reports from its workstreams, which are focused on: (1) Technology, (2) Climate Risk Disclosure, (3) Solvency, (4) Innovation and (5) Pre-Disaster Mitigation.

- *Technology*. The workstream was charged with applying technology, including predictive modeling tools, to evaluate climate and natural catastrophe risk exposures. The workstream exposed a proposal on September 21, 2021 to the NAIC's Center for Insurance Policy and Research to create a "Catastrophe Modeling Center of Excellence" designed around three primary services for state insurance regulators: (1) facilitating insurance department access to catastrophe modeling documentation and providing technical assistance; (2) providing general technical education and training materials regarding commercial models; and (3) conducting applied research and analysis to proactively answer regulatory questions concerning resiliency priorities. A final vote on the recommendation for the creation of the Center will take place during an interim meeting to be scheduled before the NAIC's 2022 Spring National Meeting.

- *Climate Risk Disclosure*. The workstream issued a public exposure proposing to redesign the NAIC Climate Risk Disclosure Survey to align more with the international Task Force for Climate-Related Financial Disclosure ("TCFD") framework. The FSB created the TCFD in 2015 to implement a uniform reporting framework for companies to disclose climate-related risks. Given the increasing reliance on the TCFD framework both domestically and internationally, the workstream believes that aligning the NAIC Climate Risk Disclosure Survey with the TCFD framework will enhance the survey's effectiveness, reduce redundancy in reporting requirements and enable better-informed collaboration between regulators and interested parties. The workstream plans to send the final survey recommendations for Executive and Plenary consideration by the NAIC's 2022 Spring National Meeting.

- *Solvency*. The workstream is focused on the financial risks to insurers specific to changes in climate and weather patterns, and the prudential oversight by insurance regulators to ensure these risks are appropriately addressed. Since September 30, 2021, the workstream has held three regulator-only sessions to discuss how U.S. financial surveillance tools can address climate-related risk. On November 8, 2021, the workstream exposed a series of questions asking interested parties for input on enhancing climate-related financial risk surveillance. The workstream expects to finalize its recommendations in the first quarter of 2022.

- *Innovation*. The workstream continues to discuss the use of innovative insurance products that respond to climate-related risk, including parametric solutions designed to fill coverage gaps caused by weather related events. The workstream is also exploring community-based insurance for disaster resilience.

- *Pre-Disaster Mitigation*. The goal of this workstream is to mitigate losses from common perils by collecting and sharing resources with consumers and other stakeholders, while also seeking out best practices to encourage consumer participation. The workstream intends to schedule a workshop in the spring of 2022 focused on mitigation actions specific to wildfires.

ii. Federal Updates on Climate Risk

At the Fall National Meeting, the Climate and Resiliency (EX) Task Force presented on several topics, including an FSOC report that refers to climate change as an emerging threat to the financial system. The report recommended enhancing climate-related financial risk disclosures and improving cooperation and communication among FSOC members on climate matters. The Task Force noted that SEC staff has been developing a mandatory climate risk disclosure proposal for the SEC's consideration at the beginning of 2022.

iii. International Updates on Climate Risk

During a Q&A session at the Fall National Meeting, Jonathan Dixon, Secretary General of the IAIS, referred to climate risk as "a key priority, if not the key priority for the IAIS." In September 2021, the IAIS announced the establishment of a Climate Risk Steering Group to coordinate the IAIS's climate-related work. The steering group has implemented three workstreams dedicated to: (1) reviewing potential gaps within the IAIS standard-setting materials; (2) developing best practices for climate scenario analysis within the insurance sector; and (3) considering how to integrate climate-related financial risks into the annual global monitoring data collection. The IAIS and the NAIC also continue to participate and support the initiatives of the Sustainable Insurance Forum, which was formed in December 2016 by a group of international and U.S. insurance regulators.

C. Special (EX) Committee on Race and Insurance

The five workstreams of the NAIC's Special (EX) Committee on Race and Insurance, which coordinates issues relating to race, diversity and inclusion, provided updates during the Fall National Meeting. Three of the workstreams are focused on examining practices in the insurance industry for different types of insurance, in order to determine how barriers are created that disadvantage people of color and/or historically underrepresented groups in the general public. In 2022, the NAIC will develop several white papers, including on terms related to unfair discrimination and disparate treatment in the property and casualty industry, and provider networks and cultural competency in the health insurance industry.

D. Stabilizing the Long-Term Care Insurance Market

At the Fall National Meeting, the Long-Term Care Insurance (EX) Task Force completed a cornerstone project to adopt the long-term care insurance ("LTCI") Multistate Actuarial Rate Review Framework (the "LTCI Framework"). The LTCI Framework was informed by a pilot program conducted by a Task Force rate review team, and aims to create a voluntary and efficient multi-state actuarial review process. The goal of the LTCI Framework is to create a process that will encourage insurers to submit their LTCI products for multi-state review and provide insurance departments confidence in the multi-state actuarial review, so they will utilize the recommendations when conducting their own state-level review of LTCI rate filings. The Executive and Plenary is expected to consider adoption of the LTCI Framework at the 2022 Spring National Meeting, with implementation expected in September of 2022.

E. Reviewing and Updating Consumer Privacy Protections

The Market Regulation and Consumer Affairs (D) Committee met on December 15, 2021 and received the Privacy Protections (D) Working Group's Report on Consumer Data Privacy Protections. The Working Group was appointed in 2019 to review state insurance privacy protections regarding the collection, use and disclosure of information gathered in connection with insurance transactions and to recommend changes to NAIC models addressing privacy protection. The NAIC has three model laws governing data privacy: (i) the *Health Information Privacy Model Act* (#55), (ii) the *Insurance Information and Privacy Protection Model Act* (#670) and (iii) the *Privacy of Consumer Financial and Health Information Regulation* (#672).

During recent meetings, the Working Group has discussed how to balance the rights of insurers to use data for legitimate business purposes with consumers' rights to control what data is used and how it is used. The following privacy protections for consumers were identified: (i) the right to opt out of data sharing, (ii) the right to limit data sharing unless the consumer opts in, (iii) the right to correct information, (iv) the right to delete information, (v) the right of data portability, (vi) the right to restrict the use of data, (vii) the right of data ownership, (viii) the right of notice and (ix) the right of nondiscrimination/non-retaliation.

The Report on Consumer Data Privacy Protections recommends that Model #670 and Model #672 be amended to ensure that regulators can continue to provide consumer data privacy protections in today's environment. The report also recommends updating the NAIC's Market Regulation Handbook to provide guidance to state insurance regulators on verifying insurers' compliance with consumer privacy protections.

In 2022, pending further direction from the Executive (EX) Committee, the Privacy Protections (D) Working Group will likely be restructured to operate under the new Innovation, Cybersecurity and Technology (H) Committee.

2. Financial Condition (E) Committee Matters

A. Developments Related to the Group Capital Calculation

i. 2021 Trial Implementation Concludes

The Group Capital Calculation (E) Working Group (the "GCC Working Group") met twice this fall, including on November 22 in lieu of the Fall National Meeting, to discuss the results of the NAIC Group Capital Calculation 2021 Trial Implementation (the "Trial Implementation") and proposed changes to the GCC template and instructions.

a. Summary of Trial Implementation Results

Twenty-five insurance groups participated in the Trial Implementation, which applied the volunteers' year-end 2020 data to the GCC template adopted in December 2020, as modified to add a stress scenario. The participants represented different lines of business and ownership structures, although there were more life insurer volunteers than property and casualty insurer volunteers, and more stock insurers than mutual insurers. The data was anonymized for purposes of the public forum, and the GCC was calibrated at the level of 200% of Authorized Control Level RBC.

The property and casualty volunteers (this group includes companies that also write life insurance) had lower GCC ratios and a narrower range of results compared to the life and health volunteers. Also, mutual insurers had a narrower range of GCC ratios in the trial than stock insurers.

Described below is additional information regarding the trial results that relates to the proposed changes to the GCC template and instructions that are currently under consideration.

- *Stress Scenario and Debt Allowance*. The Trial Implementation applied a 30% stress scenario (i.e., a loss event that results in a 30% reduction in the adjusted available capital for all non-holding company entities in an insurance group). The stress scenario was included to allow regulators and industry members "to understand the sensitivity of the debt allowance after an economic downturn." The GCC instructions provide that certain subordinated senior debt and hybrid debt are treated as additional capital in the GCC formula, provided that certain criteria are met (e.g., the relevant instrument has a fixed term of at least five years at the date of issue or refinance).

It was reported that the debt instruments of only six volunteers exceeded the debt limit as a result of the stress scenario.

- *Other Debt*. The debt allowance described above does not apply to the "other debt" category, which consists of non-qualifying senior and hybrid instruments and financial instruments categorized as other debt, whether issued to purchasers inside or outside the insurance group. The Trial Implementation used a sensitivity test for other debt, and the results showed that this debt category was not a material issue as it represented only a small percentage of available capital for all insurance groups, except for two volunteers.

- *Non-Risk Sensitive Foreign Jurisdictions*. Some insurance groups contain an insurer domiciled in a non-risk sensitive foreign jurisdiction, which is a jurisdiction where "capital requirements are not responsive to the magnitude and/or nature of an insurer's risk profile." The GCC currently treats these insurers in a conservative manner by applying "a capital charge equivalent to 100% of the carrying value of the non-U.S. Insurer." This approach was not material for the majority of volunteers since they are predominantly exposed to U.S. entities and their foreign exposure is mostly to risk sensitive entities. In the trial, only ten insurance groups had exposure to foreign non-risk sensitive entities and the exposure was significant for only two such groups (predominantly in Barbados).

b. Proposed Changes to the GCC Template that Reflect the Trial Implementation Results

A Memorandum from NAIC staff to the GCC Working Group, dated November 8, 2021 (the "GCC Memorandum"), was exposed for public comment in early November. The document summarizes the NAIC's proposed material changes to the GCC template and instructions which are based on the trial results and feedback from the volunteer insurance groups.

- *Removing the Stress Scenario.* The GCC Memorandum proposes to remove the stress scenario from the GCC template and instructions, which is consistent with the GCC Working Group's original intent when it planned the Trial Implementation.

- *Modifying the Debt Allowance Limit.* The NAIC and the insurance industry are aligned in their view that debt limits should not apply during a financial crisis since monetary policy often encourages companies to increase debt, such as during the COVID-19 pandemic.

  Accordingly, the GCC Memorandum proposes an annual 10% cap that enables the debt allowance to increase 10% from the prior year, but only during a period where the Federal Reserve has taken a public position of reducing the cost of borrowing. The proposed 10% annual change would be in addition to the GCC's individual limits for subordinated senior debt and hybrid debt (i.e., 30% and 15%, respectively).

With respect to the "other debt" category, the GCC Memorandum proposes to remove the sensitivity test that was applied to this debt in the Trial Implementation. The GCC Memorandum asks the GCC Working Group and interested parties to weigh in on this topic.

- *Developing a Factor for Insurers Domiciled in Non-Risk Sensitive Foreign Jurisdictions*. The GCC Memorandum suggests using a lower factor for this type of insurer, such as 50% of the insurer's carrying value, or giving an insurance group the option to calculate the relevant insurer's capital requirement using RBC if that method is preferable.

- *Considerations Related to Schedule 1 of the GCC Template*. When preparing a GCC filing, a filer is instructed to take inventory of the insurance group's entities by completing Schedule 1 of the GCC template, which includes the group's ultimate controlling person and all entities owned directly or indirectly by the ultimate controlling person that are listed in an insurer's Schedule Y, as filed with its most recent statutory financial statements.

  During the GCC Working Group's interim meeting on November 8, industry members and insurance regulators noted that Schedule 1 has caused confusion. The GCC Memorandum asks certain questions about Schedule 1 with the hope that the feedback received will shed light on the source of the confusion and generate revisions that will increase consistency in Schedule 1 reporting. For example, the GCC Memorandum asks whether certain types of entities (e.g., non-insurance/nonfinancial entities) should not be reported on Schedule 1, similar to the way an exception applies to an insurance group's Schedule A and Schedule BA entities.

- *Modifying the Treatment of Asset Managers*. The GCC instructions currently consider asset managers as "financial entities," and therefore subject to a factor of either 2.5%, 5% or 10% of three-year average revenue. Several industry members believe that the GCC template should instead incorporate the regulatory capital standards imposed by FINRA on asset managers, which is consistent with the principle that the GCC formula should "[defer] to the specific capital requirements of the regulator of the entity."

  If the volunteer insurance groups had used the charge set by FINRA's capital requirements, this modification would have been material to some insurers based on the size of the asset management operations in the relevant groups. The GCC Memorandum recommends that the GCC Working Group gather data to better understand this potential change to the GCC template.

The GCC Memorandum and certain clarifying changes to the GCC instructions were exposed until December 23 and December 8, respectively, and the GCC Working Group is expected to address comments early in the new year.

ii. Moving Towards Effectiveness of the GCC – NAIC Exposes the 2020 Amendments as an Accreditation Standard

The 2020 Amendments implement the annual filing requirement for the GCC and the LST framework for large U.S. life insurers and insurance groups, as described in our report for the 2020 Fall National Meeting. At the Fall National Meeting, the Executive and Plenary voted to expose the holding company amendments as an update to the NAIC accreditation standards for all states, effective as of January 1, 2026. States that are the group-wide supervisor of an insurance group with operations in the European Union or United Kingdom are encouraged to adopt the amendments earlier so they are effective by November 7, 2022. Under the Covered Agreements, this is the date by which the GCC is expected to meet the requirement that states have a “worldwide group capital calculation … in order to avoid the EU from imposing a group capital assessment or requirement at the level of the worldwide parent”.

The exposure document also includes a notable change to the 2020 Amendments. An insurance group would no longer need to submit the GCC filing at least once before requesting an exemption from the group’s lead state regulator under certain criteria.

The accreditation proposal will be exposed for a one-year period beginning on January 1, 2022.

iii. NAIC Adopts a Process for Evaluating Non-U.S. Jurisdictions that “Recognize and Accept” the GCC

The 2020 Amendments to the Holding Company Models provide that the annual GCC filing requirement “applies to U.S.-based groups, while a group headquartered outside the U.S. is generally exempt from the GCC (subject to limited exceptions) if its group-wide supervisor ‘recognizes and accepts’ the GCC for U.S. groups doing business in that jurisdiction.”

In consultation with the GCC Working Group, the Mutual Recognition of Jurisdictions (E) Working Group developed a *Process for Evaluating Jurisdictions That Recognize and Accept the Group Capital Calculation,* which was adopted by the Executive and Plenary at the Fall National Meeting. The NAIC intends to publish a list of the jurisdictions that recognize the U.S. state regulatory approach to group supervision and group capital. Although a state must consider this list in determining whether a non-U.S. insurance group is exempt from the GCC filing requirement, the list is not binding and the ultimate authority to designate a “Recognize and Accept” Jurisdiction resides solely with each state.

iv. Adoption of GCC Guidance for the Financial Analysis Handbook

In May, the GCC Working Group exposed two guidance documents to be added to the Financial Analysis Handbook section on group-wide supervision to address how insurance regulators should use the GCC. As described in our report for the 2021 Summer National Meeting, one document addresses how an insurance group’s GCC filing will enhance group-wide financial analysis, and the second document describes specific procedures an analyst can use to evaluate an insurance group's material risks when reviewing the GCC filing.

The draft guidance was amended to reflect input from industry members and then re-exposed in September. The GCC Working Group adopted the revised handbook guidance at its November 8 meeting, and on November 15, the Financial Analysis Solvency Tools (E) Working Group adopted the new guidance, which will be incorporated into the 2021/2022 Financial Analysis Handbook revisions.

v. Update on Draft Referral to the Capital Adequacy (E) Task Force

As set forth in our report for the 2021 Summer National Meeting, the GCC Working Group exposed a memorandum to the Capital Adequacy (E) Task Force in July to inform the Task Force of certain differences between the GCC and RBC formulas. The memorandum requested that the Task Force address the topic of consistent treatment of certain types of required capital in an insurance group structure. Under the current GCC and RBC formulas, there would be different treatment of certain entities' required capital, including the treatment of foreign insurers, other regulated entities (e.g., banks) and other financial entities (e.g., asset managers).

During the November 8 meeting, John Rehagen, Director of the Missouri Department of Insurance's Insurance Company Regulation Division and GCC Working Group Chair, noted that the memorandum's purpose was to initiate a dialogue with the Task Force. Interested parties have submitted comments indicating that the GCC should reflect existing RBC and statutory accounting rules. The GCC Working Group will re-visit this item in 2022.

B. Work Continues on the NAIC Principles-Based Bond Project

The Statutory Accounting Principles (E) Working Group continues to make progress with the NAIC's principles-based bond project. In May 2021, the Working Group exposed for comment a principles-based definition of "bond," intended to clarify what should be considered a bond for purposes of *SSAP No. 26R—Bonds* and/or *SSAP No. 43R—Loan-Backed and Structured Securities*, and reported on Schedule D-1. In August 2021, the Working Group affirmed the concepts included in the proposed definition, which NAIC staff are utilizing to draft a white paper and proposed SSAP revisions. Although the proposed bond definition is not formally exposed at this time, the NAIC will continue to receive comments or questions throughout the issue paper development process. The NAIC intends to expose the white paper and proposed SSAP revisions in the first quarter of 2022.

A small group of regulator and industry representatives have met weekly since August to further refine the principles and proposed bond definition. At the Fall National Meeting, the Working Group exposed for comment two documents related to this project.

The first exposed discussion draft seeks input on improving the "transparency and granularity in reporting," which has been identified as a key aspect of the project. Recommendations include (i) replacing the general categories listed on Schedule D-1 with more specific reporting lines, grouped by investment type and distinguished as either issuer credit obligations or asset-backed securities; and (ii) adding a new Sub-Schedule D-1 intended to detail bond investments with certain characteristics. The discussion draft also requests feedback on whether other columns, reporting instructions and/or investment elements should be considered as part of the project.

The Working Group also exposed revisions to the description of an ABS in the proposed bond definition to clarify that to qualify for reporting as a bond, the ABS structure must put the holder in a different economic position than if the investor owned the underlying collateral directly. The revisions propose to require that an ABS yield "substantive" credit enhancement, replacing the prior reference to "sufficient" credit enhancement. The small group of regulators and industry observed that "sufficient" credit enhancement could be interpreted as a credit rating requirement, as opposed to the intended requirement that substantive credit enhancements within the ABS structure should absorb losses before the debt instrument itself, distinguishing it from instruments with equity-like characteristics. Whether a credit enhancement would be "substantial" under this standard is a transaction-specific inquiry determined from the perspective of a knowledgeable investor transacting at arm's length.

The NAIC has published both exposure drafts here, and requests any comments by February 18, 2022. The earliest anticipated effective date of any reporting changes related to this project is January 1, 2024.

C. Restructuring Mechanisms (E) Working Group Received Comments on Draft White Paper

As described in our report for the 2019 Spring National Meeting, the Financial Condition (E) Committee formed a working group to consider insurance business transfer and insurance company division laws that have been enacted in various states. Prior to the Fall National Meeting, the Working Group had not met since early 2020, but on October 22, 2021, the Working Group exposed a draft white paper, which can be found here, for a comment period that ended November 22. The white paper addresses the perceived need for the new restructuring statutes and the issues those statutes are designed to remedy, summarizes existing state restructuring statutes and considers the impact that the new forms of restructuring might have on guaranty associations and policyholders that had guaranty fund protection prior to the restructuring.

The Working Group received written comments from interested parties during the comment period, which were discussed at the Working Group's meeting on December 7, in addition to some oral comments. The Working Group agreed that the white paper will need to be further revised to address the comments. Elizabeth Dwyer, Rhode Island Superintendent of Insurance and Working Group Chair, also acknowledged comments on the use of restructuring statutes in the context of LTCI.

The Working Group plans to revise the white paper in response to the comments in the beginning of 2022 and work with the NAIC staff to address certain items on a parallel track and make referrals to other working groups as necessary.

D. SVO Delivers Reports to Guide Valuation of Securities (E) Task Force 2022 Activities

The Valuation of Securities (E) Task Force heard a report from the NAIC Securities Valuation Office ("SVO") regarding the use of NAIC designations for quality of a security by regulators or insurers in non-U.S. jurisdictions, such as the Bermuda Monetary Authority and Japan's Financial Services Agency. The *Purposes and Procedures Manual of the NAIC Investment Analysis Office* specifically states that NAIC designations are only intended for NAIC members. Despite these restrictions in the manual, the Task Force will consider developing guidance regarding the use of NAIC designations by non-U.S. jurisdictions in 2022.

The Task Force also heard a report from the SVO regarding the NAIC's reliance on rating agency designations to assess investment risk for regulatory purposes, particularly designations made on private placements. Through the filing exempt process, the NAIC relies on credit rating provider ("CRP") ratings for insurer investments. The SVO indicated that CRP ratings are inputs for RBC calculations and financial examinations, and that meaningful disparities in NAIC designations between CRPs for a particular investment could compromise the resulting RBC ratio based on the riskiness of the asset. The SVO encouraged the Task Force to explore different alternatives to address this and to manage and oversee the NAIC's use of CRP ratings.

The Task Force acknowledged the need to review its rating process to ensure it is in line with the modern environment, but noted that this will require a careful and considered approach to avoid uncertainty in the industry regarding investments. In the beginning of 2022, the Task Force will form a study group consisting of regulators and other stakeholders and use the SVO's report as a basis for discussions.

E. Reinsurance (E) Task Force Update

The Reinsurance (E) Task Force saw further developments with respect to the concept of Reciprocal Jurisdictions, which came about as a result of the NAIC's 2019 amendments to the Credit for Reinsurance Models (the "2019 Amendments") in response to the advent of the Covered Agreements.

According to updates presented at the Fall National Meeting, as of December 1, 2021, 46 states had enacted the amended *Credit for Reinsurance Model Law* (#785) and as of December 9, 2021, 25 states had enacted the amended *Credit for Reinsurance Model Regulation* (#786). The NAIC continues to urge states to adopt the 2019 Amendments as soon as possible to avoid preemption of state laws.

In addition, eight states have adopted the *Term and Universal Life Insurance Reserve Financing Model Regulation* (#787), which—unlike the Credit for Reinsurance Models—is not subject to federal preemption, and which becomes an accreditation standard on September 1, 2022, with enforcement beginning on January 1, 2023.

The Task Force also heard updates on the Reinsurance Financial Analysis (E) Working Group ("ReFAWG") Review Process for Passporting Certified and Reciprocal Jurisdiction Reinsurers ("ReFAWG Review Process"), which were ultimately adopted by the Executive and Plenary. Under the ReFAWG Review Process, ReFAWG assists the states with the initial review of this information and provides guidance to the states in their review of the reinsurer to determine whether it has met the regulatory requirements to be recognized as a certified reinsurer and/or a Reciprocal Jurisdiction reinsurer. The proposed updates to the ReFAWG Review Process help to clarify the passporting requirements for Reciprocal Jurisdiction reinsurer applicants.

Finally, the Task Force heard a status report from the Mutual Recognition of Jurisdictions (E) Working Group regarding the yearly review that it conducted of Qualified Jurisdictions and non-covered agreement Reciprocal Jurisdictions, in order to ensure that the reinsurance supervisory systems in these jurisdictions continue to achieve levels of financial solvency regulation acceptable for reinsurance collateral reduction. The Working Group recommended that (i) Bermuda, France, Germany, Ireland, Japan, Switzerland and the United Kingdom retain their status as Qualified Jurisdictions; and (ii) Bermuda, Japan and Switzerland retain their status as Reciprocal Jurisdictions, on the NAIC's respective lists. The Working Group also noted to the Task Force that South Korea remains under consideration for inclusion on the list of Qualified Jurisdictions, but issues with its data localization requirements will need to be remedied before it will qualify for inclusion.

F. Macroprudential (E) Working Group to Oversee Private Equity-Related Initiatives

In response to a trend of increased acquisitions of insurers (particularly life insurers) by private equity firms, observed by the NAIC Capital Markets Bureau, the Financial Stability (E) Task Force exposed a list of "currently identified regulatory considerations" related to private equity ownership of insurers at its meeting on December 7, 2021. The list was prepared by the Macroprudential (E) Working Group in regulator-only sessions, and includes, at a high level, considerations related to fee arrangements between insurers and private equity affiliates, investment strategies for private equity owned insurers and the use of offshore reinsurance arrangements by such insurers. The Task Force emphasized that most of the considerations are not limited to private equity-owned insurers and are applicable to any insurers engaged in activities described in the list. The Task Force designated the Working Group to serve as coordinator for the NAIC's workstreams related to these issues, and exposed the Working Group's list of considerations for a public comment period until January 18, 2022. Once the list is finalized, the Working Group will develop referrals to other NAIC sub-committees to address, such as developing enhanced reporting requirements, as it deems appropriate.

G. Receivership and Insolvency (E) Task Force Encourages States to Adopt 2021 Model Holding Company Act Revisions Related to Continuation of Affiliate Services

On November 30, 2021, the Receivership and Insolvency (E) Task Force adopted a referral to the Financial Regulation Standards and Accreditation (F) Committee regarding the receivership amendments to the Holding Company Models. The receivership amendments, adopted on August 17, 2021 by the Executive and Plenary, aim to ensure efficient coordination with affiliates and to enforce the continuation of essential services by an affiliate to an insurer in the event of insolvency. The referral adopted by the Task Force recommends that the receivership revisions are not required to be adopted by states. However, the referral notes that the revisions are considered important to the goal of improving efficiencies in receivership and all states are encouraged to adopt them. The referral also says that states may consider adoption of the changes in conjunction with opening their holding company laws to consider adoption of the 2020 Amendments.

Additionally, the Task Force adopted a draft memorandum that encourages state insurance departments to review their receivership and guaranty fund laws to ensure they address: (i) conflicts of law between the guaranty fund law or the provisions of any other law; (ii) continuation of coverage; (iii) priority of distribution of estate assets; (iv) full faith and credit stays and injunctions; (v) the 2021 revisions to the Holding Company Models; (vi) treatment of workers' compensation large deductible policies; and (vii) the 2017 revisions to the *Life and Health Insurance Guaranty Association Model Act* (#520). According to the Task Force, the above have been identified as critical for states' laws with respect to multi-jurisdictional receiverships.

H. NAIC Considers Handbook Revisions Regarding the Potential Review of Previously Approved Affiliate Agreements

The Risk-Focused Surveillance (E) Working Group held an interim meeting on November 9, 2021 to discuss proposed revisions to the Financial Analysis Handbook and the Financial Condition Examiners Handbook regarding the potential review of previously approved affiliate agreements.

As background, in November 2020, the NAIC's Chief Financial Regulator Forum noted that states were seeing an increase in Form D filings for affiliate service agreements with market-based fee structures, creating a potential need for additional regulatory guidance on such arrangements. In response, a regulator-only drafting group proposed revisions to the Financial Analysis Handbook and the Financial Condition Examiners Handbook, which were exposed for a 60-day comment period that ended on October 29, 2021. The draft guidance included several changes to current regulatory practices, such as advising when analysts should review the appropriateness of previously approved affiliate service agreements or reevaluate regulatory approvals for these agreements.

During the November 9 meeting, interested parties expressed concern that the changes would create an unstable process and potentially unwind certain affiliate agreements. Based on the discussion, Justin Schrader, Chief Financial Examiner at the Nebraska Department of Insurance and Chair of the Working Group, noted that there are "things to consider, flesh out and clarify" with respect to affiliate agreement guidance. The Working Group agreed to add industry members to the drafting group, and intends to use the current draft of the guidance as a starting point for its work.

3. Topics of Interest to the Life Insurance Industry

A. Liquidity Stress Testing Implementation for Large Life Insurers

In addition to incorporating the GCC filing requirement, the 2020 Amendments introduce a new LST filing requirement for large U.S. life insurers and insurance groups. The Macroprudential (E) Working Group has been charged with overseeing the implementation and maintenance of the LST framework. At the Financial Stability (E) Task Force meeting on December 7, the Working Group reported that in regulator-only sessions it had reviewed the 2020 LST results, which indicated that the insurance industry generally has a strong liquidity position, even in worst-case scenarios. The Working Group will meet with industry participants in January 2022 to plan for 2021 data filings. In addition, the Financial Analysis Solvency Tools (E) Working Group has developed LST guidance for regulators to be included in the Financial Analysis Handbook. The guidance notes that "while the LST filing may provide good insights into a legal entity insurer's assumptions, processes and worst case stress scenario results . . . a domestic state's assessment of liquidity risk for the legal entity insurer should not rely solely on the LST." It is also "acceptable that a legal entity insurer may have its own liquidity stress test scenarios and manage liquidity differently from what is reported for the LST." Additional lead state and non-lead state guidance will be developed in future years as regulators gain experience reviewing the LST filing.

B. Life Insurance Illustration (A) Working Group Disbanded

Due to a lack of consensus on the work of the Life Insurance Illustration (A) Working Group, which had been charged with enhancing the consumer summaries required under the *Life Insurance Illustrations Model Regulation* (#582) and *Life Insurance Disclosure Model Regulation* (#580) to promote consumer readability and understandability, the Life Insurance and Annuities (A) Committee voted to disband the Working Group at the Fall National Meeting. At the (A) Committee meeting, New York voiced support for ongoing development of the policy overview and disagreed with disbanding the Working Group, stating that consumers should have "clear, concise, accurate and realistic descriptions and illustrations." The (A) Committee welcomed future efforts by New York in this area.

C. Accelerated Underwriting (A) Working Group Receives Comments on Draft Educational Report

Prior to the Fall National Meeting, the Accelerated Underwriting (A) Working Group exposed a draft educational report for comment. The report explains the concept of accelerated underwriting in life insurance as compared to traditional underwriting, discusses potential issues with the use of accelerated underwriting and makes recommendations to ensure that the use of accelerated underwriting is fair and transparent. Several interested parties requested greater clarity in the definitions section, specifically with regard to the definitions of traditional data, non-traditional data, non-medical data, and

Fair Credit Reporting Act data. Commenters warned of overgeneralizing practices and the types of data used across the life insurance industry. Commenters also suggested expanding the report's recommendations section, which they said is subject to misinterpretation due to its brevity and may be challenging to implement from a practical standpoint. The Working Group did not respond to any of the commentary during the meeting. After further revisions in response to comments, the report will be released for an additional public comment period prior to the 2022 Spring National Meeting.

D. NAIC Responds to FSAP Recommendation on the Implementation of PBR

The International Monetary Fund recommended in its latest FSAP review that the NAIC and state insurance regulators significantly expand their in-house supervisory actuarial capability to effectively supervise principle-based reserving ("PBR"), a new method for life insurers to model their reserves based on a set of fundamental principles. Mike Boerner, Chair of the Life Actuarial (A) Task Force and Valuation Analysis (E) Working Group, stated in a memorandum to the (A) Committee that he believes that the current NAIC resources, along with use of consultants for very specific projects, have met the needs of state insurance regulators thus far. Glen Mulready, Oklahoma Insurance Commissioner and Vice Chair of the (A) Committee, noted that seven actuaries were recently added to the NAIC staff. The (A) Committee will continue to monitor developments with the implementation of PBR.

4. Topics of Interest to the Property and Casualty Insurance Industry

A. Presentations on Automobile Insurance Premiums During Pandemic

The Property and Casualty Insurance (C) Committee heard several presentations related to 2020 automobile insurance refunds. Consumer representatives highlighted that in 2020, countrywide automobile insurance loss ratios were historically low as a result of the COVID-19 pandemic, and while some insurers lowered rates during this time, these rates did not come close to offsetting the excessive prices charged to consumers. The consumer representatives called for an additional $29.2B in premium to be refunded to consumers based on an analysis of annual statement data reported by automobile insurers.

Industry representatives stated that insurers responded prudently to the COVID-19 pandemic, and that rising insured losses were driven by the intersection of a return of mileage, rapid inflation impacting products and services provided by automobile insurance, more dangerous driving behavior, increased theft and fraud and more extreme weather. Accordingly, they maintained that insurers should not be mandated to provide mid-term premium reductions and refunds based on short-term fluctuation in losses, and that referring to longer-term data will result in a more stable and predictable environment for consumers. It is not clear whether the (C) Committee will take any actions on this topic as a result of the presentations.

B. Cannabis Insurance (C) Working Group Updating its White Paper

The Cannabis Insurance (C) Working Group is in the process of drafting an appendix to accompany its white paper titled *Understanding the Market for Cannabis Insurance*, originally published on May 24, 2019. The Working Group has drafted an outline of the appendix, which addresses the following topics: (i) the geographical expansion of states legalizing cannabis and the impact of this expansion at the federal level; (ii) the regulatory and licensing landscape of the cannabis business; (iii) cannabis insurance market segments and insurance players; (iv) insurance product availability, including actual and perceived risks, commercial product options and admitted and nonadmitted coverage across the business sector; (v) barriers to coverage availability and affordability; and (vi) next steps as to the role insurance regulators can play and emerging issues. It is anticipated that the appendix will be ready for adoption by the 2022 Summer National Meeting.

C. Pet Insurance Model Act Not Yet Adopted by NAIC

On October 21, 2021, the Pet Insurance (C) Working Group adopted the Pet Insurance Model Act, which provides a comprehensive legal framework in which pet insurance may be sold, and outlines various disclosures that must be made to consumers. Following the adoption of the Pet Insurance Model Act, the Working Group met to discuss the collection of pet insurance data, and has recommended that the (C) Committee make the appropriate referrals to collect this data on financial annual statements. The Pet Insurance Model Act was formally adopted by the (C) Committee on November 10, 2021 and was expected to be approved by the Executive and Plenary at the Fall National Meeting, but was removed from the Executive and Plenary agenda for consideration at a later undetermined date.

D. Catastrophe Insurance Matters

i. Updating the Catastrophe Computer Modeling Handbook

The Catastrophe Insurance (C) Working Group is in the process of updating the NAIC's Catastrophe Computer Modeling Handbook, which explores catastrophe consumer models and discusses issues that have arisen or could be expected to arise from their use. The Handbook was last updated in 2011. NAIC staff distributed a survey to all states to obtain information regarding how the current version of the Handbook is being used, and areas that require modernization. Twenty states have responded to the survey, and NAIC staff is currently analyzing the responses received.

5. International Matters

At the Fall National Meeting, Gary Anderson, Massachusetts Commissioner of Insurance and Chair of the International Insurance Relations (G) Committee, provided updates on certain of the IAIS's key projects and priorities.

A. IAIS's Focus on Insurer Culture

The IAIS's 2020-2024 Strategic Plan views issues pertaining to conduct and culture as a key trend in insurance markets and insurance supervision. The first phase of the IAIS's work in this area is an issues paper that makes observations about insurer culture—which the IAIS defines as "the set of norms, values, attitudes and behaviours of an insurer that characterises the way in which the insurer conducts its activities"—to provide supervisors with insights into forces behind decisions and practices within the insurer and thereby facilitate more timely and effective identification of prudential and conduct concerns. The IAIS will look to advance these observations in a second phase of work, “through further engagement and potentially more targeted exploration and practical supervisory guidance.”

Commissioner Anderson said that state insurance regulators also view insurer culture as an important topic, noting that the Financial Analysis Handbook addresses organizational culture, that culture is a cornerstone to an insurer’s enterprise risk management framework, and the Financial Condition Examiners Handbook addresses the role of culture in an Own Risk and Solvency Assessment (ORSA) and in the risk-focused examination process.

Also in 2021, the IAIS issued a statement on the “importance of Diversity, Equity and Inclusion (DE&I) considerations to the objectives of insurance supervision and consequently to the IAIS’ mission.” As part of its commitment to working on DE&I, the IAIS will incorporate DE&I aspects into its ongoing projects, especially those related to corporate governance, culture and conduct, and will “[undertake] exploratory work on the insurance sector’s efforts and steps taken by supervisors in support of DE&I objectives, including via engagement with stakeholders.”

B. Comparability of the ICS and the Aggregation Method

The IAIS is still developing the initial draft of comparability criteria that it will use to determine whether the aggregation method used as part of the GCC will produce comparable (i.e., substantially the same) outcomes to the ICS. The public consultation is now planned for the first half of 2022.

C. Evaluating the Holistic Framework

i. Second Phase of the Implementation Assessment Remains Underway

Last spring, the IAIS reported on the results of the Baseline Assessment of the implementation of the Holistic Framework’s supervisory material (i.e., policy measures related to different topics, such as the supervisor’s role and macroprudential supervision). The Baseline Assessment was the first phase of the implementation assessment of the Holistic Framework. The second phase, which is currently underway, is a more intensive Targeted Jurisdictional Assessment of supervisory practices in ten jurisdictions.

ii. IAIS Completes First Full Global Monitoring Exercise

The global monitoring exercise (“GME”) is designed to “detect the build-up of systemic risk in the global insurance sector.” On November 30, the IAIS’s first public GME report was included as part of its 2021 Global Insurance Market Report. The GME report represented data from approximately 60 of the largest international insurance groups and almost 40 insurance supervisors. Secretary General Dixon of the IAIS noted in his Q&A session at the Fall National Meeting that the GME allowed participants to discuss sector wide trends, focusing on three in particular: (i) the low interest rate environment, which is rapidly changing; (ii) increased credit risk in the insurance sector; and (iii) issues related to cyber risk.

The GME will conclude in 2022 and the IAIS will submit the results of the implementation assessment to the FSB, which will decide whether to discontinue or reestablish the Global Systemically Important Insurers (or G-SII) designation system that was suspended in early 2020.

6. Briefly Noted

A. Amendments to the Nonadmitted Insurance Model Act (870) Drafting Group in Process

An informal drafting group of regulators from five states continues to work on amendments to the *Nonadmitted Insurance Model Act* (#870), intended to align the model to the federal NRRA and incorporate additional modernizing edits. The drafting group intends to propose amendments for consideration by the Surplus Lines (C) Task Force in the first quarter of 2022, with the goal of presenting amendments to the Executive and Plenary later in 2022.

B. SSAP Interpretations Related to COVID-19 and Troubled Debt Restructurings to Automatically Expire

As we previously reported here, at the outset of the COVID-19 pandemic, the NAIC issued certain SSAP interpretations of limited duration to mitigate insurance company concerns about the impact of pandemic-related policyholder accommodations to statutory financial statements. Among others, these included INT 20-03 and INT 20-07 related to troubled debt restructurings, which were initially scheduled to expire December 31, 2021, but were subsequently extended to January 2, 2022. Both INTs will automatically expire on January 2, 2022.

If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

Elizabeth B. Bannigan
212 728 8135
ebannigan@willkie.com

Kara Baysinger
415 858 7425
kbaysinger@willkie.com

Leah Campbell
212 728 8217
lcampbell@willkie.com

Stephanie Duchene
415 858 7426
sduchene@willkie.com

Matthew J. Gaul
212 728 8261
mgaul@willkie.com

Michael Groll
212 728 8616
mgroll@willkie.com

David Heales
212 728 8294
dheales@willkie.com

Donald B. Henderson Jr.
212 728 8262
dhenderson@willkie.com

Allison J. Tam
212 728 8282
atam@willkie.com